Metropolitan
Borough of Wirral

Appendix 1.a.

Internal Audit Report

Accredited List

Prepared by :   **Amanda J Smith**

Authorised by :   **Lester Roughley**

Date of Issue :   **13 March 2008**

1.   INTRODUCTION

An audit has recently been completed to review the effectiveness of the control within the system of the Accredited List process*.*

An overview of the system is outlined in section 2 and the methodology for the audit is outlined in section 3. The overall opinion is reported in section 4 and the key findings and recommendations in section 5.

An Action Plan has been attached for you to complete and return as your response to the recommendations.

The recommendations have been prioritised in relation to the assessed risk. If a recommendation is not to be implemented it will be assumed that the associated risk has been accepted. However, please note that it is now a requirement to report any non- accepted medium and high priority recommendations to the Audit & Risk Management Committee.

A customer survey questionnaire has also been attached for your completion. This is to help us monitor the effectiveness of our audits.

2.   OVERVIEW

- A decision was taken by the Head of Service for Learning, Mental and Physical Disability, to undertake a tendering exercise for companies who wished to provide support services for the under 65 age group who had learning, mental and physical disabilities.

- An advert was placed in an appropriate Trade Journal and local papers with a deadline of noon 3 February 2006.

- Prior to the opening of the tenders a decision was taken to treat as an Accreditation exercise rather than a tendering procedure. This decision was approved by the Head of Service for Learning, Mental and Physical Disability.

- Applications were opened within the Adult Social Services Department. A list of late tenders was retained.

- Current service providers who had not submitted an application were contacted to confirm their interest and to determine if they wished to submit an application.

- A Desktop Evaluation was undertaken to decide a shortlist for interview. All Desktop Evaluations were to be validated by Mr G Flanagan, Joint Commissioning Manager.

- An application received which was incomplete or had missing documentation, the company was contacted for further information.

- Two professional and two service user references were required along with the last two years audited accounts, business plan, constitution, documentation regarding ownership of buildings, list of members of the management committee, policies, complaints book and details of registration with CSCI.

- Potential providers, shortlisted during the Desktop Evaluation, were invited for an interview. The interview panel consisted of two members of staff, one of which was Mr G Flanagan.

- The Desktop Evaluation criteria were based on a similar exercise conducted by DASS i.e. domiciliary care. The questions were approved by the Head of Service and the same questions were asked to each potential provider.

- A number of potential providers were asked to attend a 2nd interview in order for specialist staff to be included on the panel.

- Each question was scored from 0-2. The threshold for inclusion on the list was a score of 70%. All interview score sheets were confirmed by Mr G Flanagan.

- All successful and non-successful applicants were notified in writing of the panel's decision and feedback provided where requested.

- A General Service Agreement, approved by Legal and Member Services, detailing the terms and condition for service provision, was issued to all successful providers. A signed copy to be returned to DASS.

- The monitoring of the service provision is reactive and only takes place when DASS receive a complaint.

- The Accredited List is available to relevant staff and the Panel when procuring services.

- A provider will be removed from the Accredited List if they fail to adhere to the terms and conditions detailed in the General Service Agreement.

- The Accredited List is subject to continuous review.

3.   METHODOLOGY

The audit was conducted through:

- Discussions with key staff.
- Observations.
- Identification of key risks and controls within the scope of the audit.
- Testing of some identified key controls.
- Review of documentation.
- Formulation of an opinion.

4.   AUDIT OPINION

The audit work identified that there are areas of good practice, where the controls established are considered sufficient to help achieve corporate and departmental objectives.

However, a number of individual weaknesses were identified that should be addressed in order to improve the overall risk management.

The audit opinion of the control environment is categorised as being either good, satisfactory, less than satisfactory or poor. From the testing undertaken it is the opinion that the control environment is currently less than satisfactory.

5.   FINDINGS & RECOMMENDATIONS

5.1   Procedures Manual
There is no written guidance covering the Accreditation process.

Risk
Unless staff are aware of the procedures they are unable to comply with them

Recommendation

R1	Written procedures should be compiled for the Accreditation process. They should be comprehensive and ensure fair competition and a consistent approach is maintained. They should be authorised by the Departmental Management Team and be readily available to all relevant staff.

5.2 Consistency
The panel who conducted the Desktop Evaluations and interviews were not consistent throughout the accreditation process.

Risk

There may be allegations of impropriety against the Authority.

There was no consistency in the appraisal process.

Recommendation

R2	To ensure a fair and consistent approach to the Desktop Evaluation and Interview process, the same panel should be involved in both.

5.3 Desktop Evaluation
A second member of the panel was not involved in the validation of all Desktop Evaluations.

Risk

Discrepancies/errors may go undetected.

Recommendation

R3	All Desktop Evaluations should be validated by a second member of the panel. This should be evidenced with a signature and date.

5.4 Interview
Not all interview sheets were scored and signed.

Risk

There may be allegations of collusion and favouritism.

Recommendation

R4	Each interview sheet should be scored, signed and dated by the individual undertaking the interview. This should be completed at the conclusion of the interview.

5.5 **General Service Agreement**
Not all of the Accredited Providers have returned a signed copy of the General Service Agreement.

Risk
There was no formal evidence of the terms and price agreed for the services provided.

Recommendation

R5	The Service Provider should return a signed General Service Agreement prior to the inclusion on the Accredited List.

5.6 **Monitoring**
DASS have not introduced pro active monitoring of Service Providers to ensure service provision is in accordance with the service requested. Action is reactive when a problem arises.

Risk
Service Users may receive inadequate care.

Recommendation

R6	A formal system for monitoring and the standard of care being provided, by the Service Provider, should be introduced.

5.7 **Selection of Service Providers**
The Panel's decision on which Service Provider to procure services from is not always retained with the personal file.

Risk
It could not otherwise be confirmed that Service Providers were being selected in rotation and that preference has not been shown to any provider.

Recommendation

R7	A record of the Panel's decision on which Service Provider to procure services should be retained to ensure an effective audit trail exists.

ACTION PLAN

Report Heading: **System Review:** Accredited List   **File Ref:** 25.18

	Recommendations	Priority	Officer Responsible	Agreed Y/N	Planned Action Date	Client Comments	Date Verified (For Audit use only)
R.1	Written procedures should be compiled for the Accreditation process. They should be comprehensive and ensure fair competition and a consistent approach is maintained. They should be authorised by the Departmental Management Team and be readily available to all relevant staff.	High					
R.2	To ensure a fair and consistent approach to the Desktop Evaluation and Interview process, the same panel should be involved in both.	High					
R.3	All Desktop evaluations should be validated by a second member of the panel. This should be evidenced with a signature and date.	High					
R.4	Each interview sheet should be scored,	High					

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2002 – 2003
Community Legal Services
2003 – 2004
Transforming Secondary Education
Child & Adolescent Mental Health Services

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	Recommendations	Priority	Officer Responsible	Agreed Y/N	Planned Action Date	Client Comments	Date Verified (For Audit use only)
	signed and dated by the individual undertaking the interview. This should be completed at the conclusion of the interview.						
R.5	The Service Provider should return a signed General Service Agreement prior to the inclusion on the Accredited List.	High					
R.6	A formal system for contract monitoring and the standard of care being provided, by the Service Provider, should be introduced.	High					
R.7	A record of the Panel's decision on which Service Provider to procure services should be retained to ensure an effective audit trail exists	High					

Client Responsible: ....   Signature: ....   Date: ....

Please complete, sign and return this Action Plan to Lester Roughley by 30 June 2008.   Internal Audit,
Department of Finance, PO Box No2,
Treasury Buildings, Birkenhead. CH41 6BU