

WIRRAL COUNCIL

AUDIT AND RISK MANAGEMENT COMMITTEE

19 SEPTEMBER 2012

SUBJECT:	“ITEMS OF NOTE” IN CHIEF INTERNAL AUDITOR REPORT TO AUDIT & RISK MANAGEMENT, JUNE 2012
WARD/S AFFECTED:	ALL
REPORT OF:	CHIEF INTERNAL AUDITOR
KEY DECISION ?	NO

1.0 EXECUTIVE SUMMARY

- 1.1 The Chief Internal Auditor’s report to Audit and Risk Management Committee (ARMC) in June 2012 identified 25 High Priority recommendations following audits of the control environment in 3 important Council systems.
- 1.2 ARMC resolved (Resolution 4.1) that a further report should be presented to this Committee, the Improvement Board, Cabinet and relevant Scrutiny Committees on the 3 set out in paragraph 2.1.

2.0 BACKGROUND

- 2.1 As part of the Internal Audit Plan for 2012/13, audits were conducted to evaluate the effectiveness of controls in :

2.1.a Department of Adult Social Services (DASS)

- Court of Protection (COP) Appendix 1
- Procurement of Commissioned Care Appendix 2

2.1.b Children and Young Persons Department (CYPD)

- Children In Need Emergency Payments Appendix 3

3.0 FINDINGS

3.1 Court of Protection (COP)

3.1.a The Director of Adult Social Services has responsibility delegated from COP for the management of the finances of an adult who lacks the capacity to manage their own affairs and has no other person to assist.

3.1.b An audit was conducted to provide assurance that the Department has adequate controls in place to provide effective management and stewardship, fulfilling the requirements of the Court. The audit included evaluation of the following:

- The procedure for making application to the Court and the payment of the associated GP fee;
- Documentation of the responsibilities of the Department in fulfilling its legal role, including how different services in the Department work together;
- A review of record keeping and of reporting to the Court;
- Procedures for “protection of property” visits, sale of property and for safekeeping of client’s belongings and valuables;
- The procedure for making payments and purchases on the client’s behalf;
- The system for referrals when additional social care needs become apparent.

3.1.c A report was subsequently produced for the Director that assesses the control environment as poor (1*) and identifies 13 high priority recommendations and four medium priority recommendations covering the following areas:

- A lack of any documented procedures or consistent way of working, so that there is no assurance that the requirements of the Office of the Public Guardian (the government body who oversees such cases) are being met;
- A lack of adequate control over the clients' bank accounts held and the payments made;
- Potential care implications of closing the case to social workers once COP status is assigned.

3.1.d All audit reports incorporate a plan of required actions to address weaknesses identified. The Directors response to this report was very positive, and a number of urgent actions have already been taken to address the weaknesses identified by the audit. The Summary Recommendations document attached at Appendix 1 records the responses and actions taken to date by the department.

3.2 Procurement of Commissioned Care

3.2.a This is the system whereby assessed care is allocated to valid approved care providers, and the lists of identified providers are regularly monitored by DASS .

- 3.2.b The audit undertaken focussed upon the compilation and update of lists of Care Providers, the responsibilities within the decision-making process in allocating care packages, and ongoing liaison and monitoring of the quality of care provided. The exercise also involved testing a sample of payments, contracts, and monitoring frameworks.
- 3.2.c The audit report included the opinion of the control environment as adequate (2*) and 5 high priority recommendations were made which related to:
- Utilising risk assessment methodology to inform care home visits.
 - Reviewing financial codes currently utilized.
 - Retaining clear records of reasons for utilizing specific providers for domiciliary care services.
- 3.2.d The Directors response to this report was very positive, and a number of urgent actions have already been taken to address the weaknesses identified by the audit. The Summary Recommendations document attached at Appendix 2 records the responses and actions taken to date by the department.

3.3 Children in Need Emergency Payments

- 3.3.a This is the system in operation within CYPD for utilising the petty cash system to provide cash payments to children (parents/guardian) in exceptional circumstances. This service is provided in law under Section 17 of the Children Act 1989.
- 3.3.b An audit was undertaken to review the controls over the system and compliance with legislation was being managed effectively.
- 3.3.c An audit report was prepared for the Director which provided a poor (1*) opinion on the effectiveness of the control environment and identified 7 high priority recommendations, one medium and one low priority recommendation covering the following areas:
- The review and update of documented procedure notes and the dissemination of these amongst all locality offices;
 - Procedures for obtaining receipts for all purchases;
 - Procedures for approval of the payments via the PB11a form;
 - Confirmation of receipt of payment by the parent/guardian;
 - Monitoring of cash payments made and actions taken;
 - Controlling access to the safe;
 - The investigation of discrepancies on petty cash returns;
- 3.3.d The Directors response to this report was very positive, and all necessary actions agreed to address weaknesses identified by the audit. The Summary Recommendations document attached at Appendix 3 records the responses and actions taken to date by the department.

4.0 FOLLOW UP

- 4.1 To comply with current best practice every internal audit report is routinely followed up to evaluate the progress made by management to address identified weaknesses and a report prepared for the relevant Chief Officer on the findings. The precise timing of this work is determined by the nature and significance of the findings and the agreed timescale for implementation, this work is however always conducted within six months of the original audit report being presented to management.
- 4.2 Follow up work for these audits is scheduled for September 2012 to evaluate the progress made by management to address these important issues and test where appropriate the operation of those controls that have been implemented. An update on the findings of this work and an indication of how the overall control environment has been strengthened will be provided to the Board if required.

5.0 RELEVANT RISKS

- 5.1 Appropriate actions are not taken by officers and Members in response to the identification of risks to the achievement of the Council's objectives.
- 5.2 Potential failure of the Audit and Risk Management Committee to comply with best professional practice and thereby not function in an efficient and effective manner.

6.0 OTHER OPTIONS CONSIDERED

- 6.1 No other options considered.

7.0 CONSULTATION

- 7.1 Members of this Committee are consulted throughout the process of delivering the Internal Audit Plan and the content of this regular routine report.

8.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

- 8.1 There are none arising from this report.

9.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

- 9.1 There are none arising from this report.

10.0 LEGAL IMPLICATIONS

- 10.1 There are none arising from this report.

11.0 EQUALITIES IMPLICATIONS

- 11.1 Has the potential impact of your proposal(s) been reviewed with regard to equality?

No because there is no relevance to equality.

12.0 CARBON REDUCTION IMPLICATIONS

12.1 There are none arising from this report.

13.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

13.1 There are none arising from this report.

14.0 RECOMMENDATIONS

14.1 That the report be noted.

14.2 Members take any appropriate action deemed necessary in response to issues raised.

15.0 REASONS FOR RECOMMENDATIONS

15.1 To provide Officers and the Members with assurance that the Council is taking appropriate measures to ensure that risks to the Council are managed effectively.

15.2 To provide Officers and the Members with assurance that the Council is taking appropriate measures to comply with statutory requirements to provide an adequate and effective internal audit service.

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APPENDICES

Appendix 1: Court of Protection - Summary of Recommendations

Appendix 2: Procurement of Commissioned Care - Summary of Recommendations

Appendix 3: Children in Need - Summary of Recommendations

REFERENCE MATERIAL

Internal Audit Plan 2012/13

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Internal Audit Plan 2012/13

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Audit and Risk Management Committee	June 2012