Operational Plan 2015/16

Audit	Audit Classification	IA Risk Rating	Plan Days	Actual Days	Proposed quarter / Status
Corporate					
Delivery of the Business Plans	Advisory / VFM	R	40	9	WIP
Risk Management	Risk Based	A	10	2	WIP
Clwyd Theatre Cymru	Follow Up	A	10	2	WIP
North Wales Residual Waste Partnership	Risk Based	A	10		WIP
Corporate Governance	Risk Based	G	5		4
Total Planned Days – Corporate			**75**	**13**	
Community and Enterprise					
NEW Homes	Risk Based	R	10	12	DRAFT
Homelessness	Risk Based	R	15		4
Housing Benefit	System Based	R	15	5	WIP
Council Tax and NNDR	System Based	R	20	27	DRAFT
Corporate Debt Management	Risk Based	R	15	16	FINAL
Total Planned Days – Community & Enterprise			**75**	**60**	
Education and Youth					
Control and Risk Self-Assessment	Risk Based	R	15	19	COMPLETE
Risk based thematic reviews across all schools including central controls	Risk Based	R	45	5	WIP
21st Century Schools – project management	Risk Based	R	15	2	WIP
Grants – Various WG requirement	System Based	R	15	14	COMPLETE
Free school meals - Funding arrangements	System Based	R	15	25	FINAL
School closures	Advisory	G	5		COMPLETE
Total Planned Days – Education & Youth			**110**	**65**	

Audit	Audit Classification	IA Risk Rating	Plan Days	Actual Days	Proposed quarter / Status
Governance					
Chair of the Council's Charity / Trust Fund	Risk Based		10	10	FINAL
Network Security	Risk Based	R	* See note		DEFERRED
FOI Requests	Risk Based	R	15	13	WIP
Data Protection	Advisory	R	10	11	WIP
Migration to Microsoft	Risk Based	R	15		4
Disposal of ICT Equipment	Risk Based	A	10	7	WIP
Payment Card Industry Data Security Standard	Risk Based	A	20	1	WIP
Cloud computing	Risk Based	A	* See note		4
Anti-virus procedures	Risk Based	A	15	19	WIP
E Sourcing (Proactis)	System Based	A	15		DEFERRED
Select List Including Financial Vetting of Suppliers	System Based	A	20		DEFERRED
Contract Procedural Rules	Risk Based	A	20	33	FINAL
Electoral Register	Advisory	A	5		DELETED
Total Planned Days - Governance			**155**	**94**	
Organisational Change 1					
Alternative Delivery Models	VFM	R	20	23	COMPLETE
Leisure Services	System Based	G	20		4
Japanese Youth Exchange	Regulatory	G	5	3	FINAL
Total Planned Days – Organisational Change 1			**45**	**26**	

Audit	Audit Classification	IA Risk Rating	Plan Days	Actual Days	Proposed quarter / Status
Organisational Change 2					
Electronic stock taking (catering bus plan)	Advisory	A	5		4
21st Century Schools – contract management	Systems Based	A	15		4
CCTV	Risk Based	A	15	4	WIP
Total Planned Days – Organisational Change 2			**35**	**4**	
People and Resources					
Payroll Follow up	Risk Based	R		12	FINAL
Payroll	System Based	R	20		4
E-Teach (Supply Staff) – Payroll and Recruitment	VFM	R	20	31	FINAL
Use of Relief, Agency and Self Employed Workers	Risk Based	R	20	1	WIP
Agile Working	Risk Base	A	20		4
Human Concepts Software	Advisory	G	5	1	COMPLETE
Main Accounting – Accounts Receivable (AR)	System Based	R	10	7	WIP
Main Accounting – Accounts Payable (AP) / P2P	System Based	R	20	21	DRAFT
Main Accounting – General Ledger (GL)	System Based	R	10	8	DRAFT
Treasury Management	System Based	R	15	1	WIP
Capital Programme	Follow Up	R	5	1	WIP
Insurance	Risk Based	R	10		WIP
Medium Term Financial Strategy	Risk Based	A	10		4
Collaborative Planning	Risk Based	G	5	7	WIP
Pensions Administration and Contributions	System Based	G	15		3
Pension Fund Governance	System Based	G	10		4

Audit	Audit Classification	IA Risk Rating	Plan Days	Actual Days	Proposed quarter / Status
Total Planned Days – People & Resources			**195**	**90**	
Planning and Environment					
Section 106 Agreements	Risk Based	R	15	19	DRAFT
Pest Control	Risk Based	A	5	1	WIP
Pollution Control	Risk Based	G	15		4
Total Planned Days – Planning & Environment			**35**	**20**	
Social Services					
Client Finances / Receivership, including Community Living	Risk Based	R	20	3	WIP
Residential Care Homes	Advisory	R	20	14	FINAL
Direct Payments	System Based	R	20	23	FINAL
PARIS – Finance Module	Advisory	A	5		4
Total Planned Days – Social Services			**65**	**40**	
Streetscene and Transportation					
Concessionary Travel	Risk Based	R	20		4
School Transport – Contract Management	Risk Based	R	10		4
Waste Contract Management	Follow up	R	15		4
Waste Management	Follow Up	R	15		4
Integrated Transport	Advisory	R	5		WIP
Fleet Management	Advisory	A	5		WIP
Total Planned Days – Streetscene & Transportation			**70**	**0**	

Investigations, Provisions and Developments		
Provision for investigations and pro-active fraud	200	187
Provision for ad-hoc requests from management	80	
Follow up reviews	30	
Audit development	20	69
IDEA	20	
Advisory work	40	13
Total	**390**	**269**
Overall Plan Total	**1250**	**681**

* Note: It may be necessary to bring in external resource to complete this technical ICT audit

Definitions

Risk based audits
Work based on strategic and operational risks identified by the organisation in the Improvement Plan and Service Plans. Risks are linked to the organisation's objectives and represent the possibility that the objectives will not be achieved.

Systems based audits
Work in which every aspect and stage of the audited subject is considered, within the agreed scope of the audit. It includes review of both the design and operation of controls.

Advisory
Participation in various projects and developments in order to ensure that controls are in place.

VFM (Value For Money)
Audits examining the efficiency, effectiveness and economy of the area under review.

Follow Up
Audits to follow up recommendations from previous reviews.

Additions
Audits added to the plan at the request of management, time used from the provision for requests.

CHANGES TO THE AUDIT PLAN – SINCE THE LAST MEETING

Audits deleted /deferred from the plan

Governance

Network Security – unable to obtain an external resource to complete this audit.

E Sourcing (Proactis) – system still being rolled out.

Select list – will be covered by Proactis

CHANGES REPORTED TO PREVIOUS MEETINGS

Audits deleted /deferred from the plan

Governance

Electoral Register – data matching against other databases no longer required.

Audits added to the audit plan

Community and Enterprise

Flying Start – request from new management.

Social Services

Housing Allocations – Controls around the new process

The following reports have been finalised since the last Audit Committee. Action plans are in place to address the weaknesses identified. For reviews which received red assurance a summary of the findings and the Action Plan is attached.

Project Reference	Project Description	Level of Assurance	Recommendations		
			High	Med	Low
14-2015/16	Corporate Debt Management	Amber +	0	2	4
20-2014/15	School Funding Formula	Amber +	0	2	3
04-2015/16	Direct Payments	Red	2	4	0
24-2015/15	Single Status Payments	Green	0	0	2
21-2015/16	Chair of the Council's Charity	Amber -	1	2	1
03-2015/16	Japanese Youth Exchange	n/a	0	0	0
07-2015/16	School Meal Funding	Amber +	0	1	4
04-2014/15	Strategic Partnerships	Amber +	0	1	3
05-2015/16	Contract Procedural Rules	Amber -	0	6	2
4SF-2015/16	Payroll	Green	0	1	3
20-2015/16	Eteach	Red	3	1	0
06-2014/15	Consultancy Costs	Red	1	9	1
06-2015/16	Residential Care Homes	n/a	0	0	0

Levels of Assurance – standard reports.

The audit opinion is the level of assurance that Internal Audit can give to management and all other stakeholders on the adequacy and effectiveness of controls within the area audited. It is assessed following the completion of the audit and is based on the findings from the audit. Progress on the implementation of

agreed actions will be monitored. Findings from **Red** assurance audits or audits with **High** level recommendations will be reported to the Audit Committee.
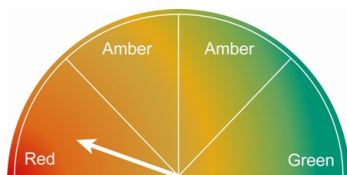
Urgent system revision required (one or more of the following)

- Key controls are absent or rarely applied
- Evidence of (or the potential for) significant financial / other losses
- Key management information does not exist
- System / process objectives are not being met, or are being met at a significant and unnecessary cost or use of resources.

Impact: a lack of adequate or effective controls leading to a high probability of loss, fraud, impropriety, waste, damage to reputation and / or failure to deliver organisational objectives.

Significant improvement in control environment required (one or more of the following)

- Key controls exist but fail to address all risks identified and / or are not applied consistently and effectively
- Evidence of (or the potential for) financial / other loss
- Key management information exists but is unreliable
- System / process objectives are not being met, or are being met at an unnecessary cost or use of resources.
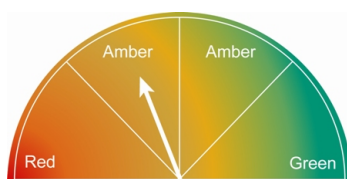
Impact: key controls are generally inadequate or ineffective and there is an increased probability of loss, fraud, impropriety, waste, damage to reputation and / or failure to deliver organisational objectives.

Key Controls in place but some fine tuning required (one or more of the following)

- Key controls exist but there are weaknesses and / or inconsistencies in application though no evidence of any significant impact
- Some refinement or addition of controls would enhance the control environment
- Key objectives could be better achieved with some relatively minor adjustments
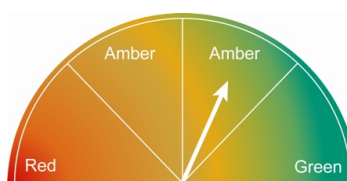
Impact: key controls generally operating effectively but there remains a potential risk of loss, fraud, impropriety or damage to reputation and / or failure to deliver organisational objectives.
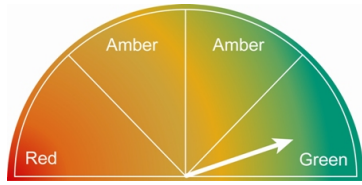
Strong controls in place (all or most of the following)

- Key controls exist and are applied consistently and effectively
- Objectives achieved in a pragmatic and cost effective manner
- Compliance with relevant regulations and procedures
- Assets safeguarded
- Information reliable

Impact: key controls have been adequately designed and are operating effectively to deliver the key objectives of the system, process, function or service.

Levels of Assurance – follow up reports.

Substantial. 75%+ of recommendations have been implemented. All high recommendations have been implemented.

Reasonable. 51-75% of recommendations have been implemented. All high recommendations have been implemented.

Some. 30-50% of recommendations have been implemented. Any outstanding high recommendations are in the process of being implemented.

Limited. <30% of recommendations have been implemented. Unsatisfactory progress has been made on the implementation of high recommendations.

Categorisation of Recommendations
High, Medium, Low

Recommendations are prioritised to reflect our assessment of risk associated with the control weaknesses

Value For Money

The definition of Internal Audit within the Audit Charter includes 'It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper economic, efficient and effective use of resources.' These value for money findings and recommendations are included within audit reports.

The findings from both the Direct Payments report and the E Teach report are predominantly about value for money

Strategic Partnerships – Self Assessments.

An action from the Audit Committee meeting in May 2014 was to share the work of Internal Audit and the Policy, Partnership and Performance team on external partnership governance and performance. That resulted in an audit review in 2014/15, and the report has now been finalised. The results are as follows.

During 2014/15 there were 8 strategic partnerships within Flintshire. Each strategic partnership is required to carry out an annual self-assessment to assess the effectiveness of strategic partnership working. It was agreed the audit would review and consider the adequacy of the controls in place around the strategic partnership self assessment process.

The assurance level given in the report is Amber / Green – key controls in place but some fine tuning required.

Areas managed well include

There is a robust framework in place for the self-assessment of strategic partnerships.
Strategic partnerships accept the need for a self-assessment process, and as such appropriate resources are given to the completion of the assessment and dissemination of feedback.
Results of the annual self-assessment of the strategic partnerships are reported back to the LSB.

However, it was recognised that the self-assessment documentation in use was no longer fit for purpose. The partnership landscape has changed over the last few years and as such the assessment no longer asks the right questions, the documentation is overly bureaucratic, lengthy and repetitive.

Internal Audit researched and produced an updated template for the self-assessment based on a CIPFA document – 'Evaluating Partnerships – An Overview and Compendium of Approaches'. This is being used as a starting point from which the Partnerships team can develop the partnership governance framework.

Summary of Findings and Action Plan of Reviews with Red Assurance level

Direct Payments – 04-2015/16

We have made 2 high level recommendations and 4 medium level recommendations based on the following:

- The need for closer monitoring of Direct Payment accounts. All actions should be addressed and a review of details maintained on individual service users undertaken to ensure the accuracy of payments.

- Annual Reviews on Direct Payment recipients need to be prioritised and brought up to date.

- The appropriate data fields should be fully completed on PARIS to evidence compliance with regulations regarding Direct Payments.

- Compliance under the terms and conditions of the contract with the support agency should be more closely monitored and the appropriate monitoring information collected and collated.

- A formal monitoring tool to assess the impact/success of direct payments would be beneficial as would a more formal financial strategic policy document.

- A robust process is needed to ensure all jointly funded direct payment recipients are captured on the database maintained by the Financial Assessments Team

No.	Findings and Implications	Agreed Action	Who	When
1	Financial monitoring of direct payments used to be undertaken by the Financial Monitoring Officer and signed off by the Financial Development Officer. When the Financial Monitoring Officer left their post this function was passed over to the Financial Assessment Team. We tested a sample of 20 direct payment recipients and looked at the financial monitoring that had taken place on their accounts. We found a significant number of shortcomings on the financial monitoring. These identify:	A clearly defined and robust monitoring process will be implemented by the Financial Assessment and Charging Team (FACT) to ensure all direct payment recipient accounts are brought up to date and all resulting actions or queries responded to. Management will consider instigating regular meetings with the relevant Reviewing Officer/Social Worker to ensure all issues are resolved in a timely manner. Management will carry out a full review of payment information held for direct payment recipients and ensure details agree between the	Senior Financial Assessment Officer	31/12/2015

No.	Findings and Implications	Agreed Action	Who	When
	• Only 15 per cent (3/20) of service users sent in the required documentation, which includes invoices to support expenditure. • In the remaining cases bank statements and occasionally Income and Expenditure sheets had been submitted. Financial monitoring notes did highlight key records had not been sent in but these have not been acted upon. The support agency have been contacted but the situation has not improved. • Only 15 per cent (3/20) of the financial monitoring sheets were up to date. For some of our sample regular monitoring was first established and then there was no further monitoring over a two year period. • There appears to be an issue with the independent payroll provider, in receiving information requested from them in order to monitor certain service user accounts. • 15 per cent (3/20) of our sample have a regular excessive bank balance but these have not been resolved or monitored regularly. In one case a service user has over £20k in their bank account. A note has been recently added to PARIS to highlight this but no action has been taken to date. This service user appears to be being paid too much by the Authority in relation to the proportion between Health and Flintshire. • 5 per cent (1/20) of financial monitoring has picked up unauthorised hours of care being purchased and a request for an Annual Financial Review made. This has not been undertaken. As part of our review of the direct payments we also examined the payments on FACT and compared these	PARIS system, Financial Assessment records and Care plans are still relevant and appropriate. The operational group will be re-instated and membership reviewed. FACT and Development Officer for this action. The Direct Payments Service User start up letter will be reviewed ensuring the expectations around monitoring requirements are very clear. The current Direct Payment Agreement Documents will be reviewed and made more user friendly. Ensure all Service Users have a signed agreement on their file. Develop procedures for stopping payments if there is noncompliance with financial regulations and procedures. FACT and Development Officer for this action. Agree a clear process when a Service User does not pay their contribution in to the account. FACT and Senior Manager for this action. Agree the context of training session with Social Workers to ensure they know what is required of them when they are setting up a Direct Payment for a Service User. Deliver training through Team Meetings. FACT and Service Managers for this action. Run a report to identify Service Users on different		

No.	Findings and Implications	Agreed Action	Who	When
	details to PARIS under Service Information. Several anomalies were found: • 30 per cent (6/20) of service users in receipt of a Direct Payment (DP) package was showing as 'zero' DP on PARIS. • Only 15 per cent (3/20) of the DP details in PARIS agreed to the FACT system, with the majority differing between the FACT system and Care Plan details. • Hourly rates have often not been updated to reflect the rates actually being paid. There were also instances where several different rates of pay were being paid to service users. These rates were also different from the current DP rates of pay provided to us. • In one case it was identified that a service user is still being paid DP despite notes on PARIS saying this case has been closed in March 2015. • An issue has been raised on PARIS regarding one Direct Payment recipient living with her provider who manages the Direct Payments and also pays herself. This has not been responded to.	payment rate. Formalise our position relating to rates and adopt. FACT and Senior Managers. Amend lotus database to add 2 new fields, Joint packages & review date Develop a monitoring tool either with Accountancy Investigate with other Authorities their procedures around financial risks Ensure clear procedures are in place before any new Provide Assisted Direct Payments are set up Run a report from Paris to see what forms have been jointly funded with Health Produce a checklist for closing Direct Payment when they are for very small amounts and Accountancy don't need to be involved. FACT and Accountancy. Ensure Financial Assessment Officers have training on Children's Services in Paris. FACT and Business Systems Team. Implement agreed approach for hospital and respite retainers. FACT and Senior Managers. Review Learning Disability night rate of £111.28 Senior Financial Assessment Officer to meet with all Financial Assessment Officers to discuss their Direct payment caseload and produce action plans where necessary.		

No.	Findings and Implications	Agreed Action	Who	When
		The implementation of Direct Payments Card will strengthen financial oversight of Direct Payments. FACT Team and Business Manager.		
2	The Social Services Finance Team are responsible for undertaking a financial review of every service user's account annually, however there is a resource issue within the department so it has not been possible to look at all accounts as per the guidance. It has been agreed within the service, until extra resource is obtained, to monitor cases with known issues or 'higher risk'. The Team are hoping to have the extra resource in post by September and the Finance Officer is keen to find a resolution to ensure the appropriate level of monitoring is taking place and is intending to split the financial reviews between all finance officers in the short term to avoid a large backlog developing. As part of the Audit we looked at a sample of 20 direct payment recipients financial assessment files for evidence of an annual financial review. This identified that five cases were not due an annual financial review. For the remaining 15 cases there was no evidence on file for any Annual Financial Review having been completed for seven cases, whilst seven files demonstrated service users had had one Annual Financial Review but these were not up to date (last review in one case dating back to 2013). Only in one case was it found that the Annual Financial Reviews had taken place and were up to date. Overall testing revealed that there are large numbers of	Management will implement a process to identify Annual Financial reviews needing completion, and whilst recognising there is a resource issue, liaising closely with the Financial Assessments Team to prioritise financial reviews where there are known issues and for those never having had a financial review since the beginning of the direct payment start up. Set a target of 1 financial review completion per team member per working day. If any team members are able to achieve a greater output than this then it will be encouraged in order to clear the backlog more quickly. When the backlog is cleared, more permanent arrangements will be determined for ongoing service provision. The Accountant will implement a process for team members to record their daily completions and will at the end of each completed week summarise progress and identify and address any issues where individual team members are unable to meet their assigned quota of review completions. Collective progress will then be reported to Social Services Management team with the aim of achievement of an immediate and sustained reduction in the backlog of case files awaiting their annual review.	Finance Officer	31/12/2015

No.	Findings and Implications	Agreed Action	Who	When
	Annual Financial Reviews that have not been completed and that the majority of Direct Payment recipient files require bringing up to date. A review of the Annual Financial Review design itself was completed and found that this alone would not detect unauthorised purchasing of hours for care as it merely reconciles the bank account to the income and expenditure presented and highlights any excess or shortage of funds in the bank.	Consider the benefits of reinstating the financial risk measure that was developed within the DP Financial Monitoring Process. This would help prioritise financial reviews. This tool was based on the model designed by the Chartered Institute of Public Finance and Accountancy (CIPFA)		
3	It was not possible from our testing to verify full compliance with the assessment process as not all fields are completed on PARIS. Often the fields for entering whether the service user has accepted the offer of a Direct Payment are left blank. Consequently, there is no way of assessing whether the package is less in monetary terms than the accessing of social services in the traditional way.	Management will introduce procedures to ensure details of individual cases are entered comprehensively on PARIS as this is the main record for Direct Payment cases. The Fact Team will work with the Social Work Team Managers for this action. Within the latest DP Financial Monitoring Draft was a proposal for a DP Audit page within Paris to help with recording and retaining statistical information. The department will investigate this further. The Business Systems Team Will work with the FACT Team on this action.	Senior Financial Assessment Officer	31/03/2016
4	We reviewed the quality of the information sent from the support agency to the Authority. • Each quarter the Trust submits a report entitled 'Direct Payments Information and Advice Support Service'. This includes details of the current staffing and management of the service together with information regarding meetings, events and staff training. Local updates are included as are the numbers of those receiving a payroll service and Third Party Supported Accounts. A sample of	Management will ensure robust contract management arrangements are in place to ensure full compliance under the terms and conditions of the contract with the support agency in order to assess value for money and desired outcomes. The support agency are working closely with operational services to enhance their performance date. A full monitoring review of the support agency will be undertaken within the next 6 weeks with an agreed action plan developed to ensure proper	Senior Manager – Commissioning and Performance	30/11/2015

No.	Findings and Implications	Agreed Action	Who	When
	comments on feedback are included. • Statistical information is provided each quarter in the form of Pie Charts showing the total numbers in receipt of Direct Payments, the number of referrals in the quarter and referrals by Team, gender age and ethnicity. The total number of recipients of DPs are shown by percentage receiving high, medium and low support. • A spreadsheet of referrals in each quarter is maintained detailing the name, address, date of birth and telephone numbers of those referred. The team referred from with action date and start date is provided. Other information supplied each quarter includes a DBS recording sheet and a Personal Assistant (PA) Path Finder Report. Whilst the report sent quarterly from the support agency contains useful general information it is not possible to monitor whether they are successful at achieving a 'throughput' of 6 months support, the desired outcome from the support service. The contract with the support agency clearly stipulates the required level of monitoring from the agency under section 6 of the Service Specification. The quarterly monitoring should include details of assessment and outcome such as those referred for assessment or to other services, the number of people leaving the scheme within 12 months and those waiting for a service and the length of time they have been waiting. The number of comments, compliments and complaints should include details of content and any applicable actions.	assurance can be given on the outcomes achieved by the organisation.		

No.	Findings and Implications	Agreed Action	Who	When
	In addition to the quarterly monitoring, the support agency are required under section 8 and 9 of the Service Specification section of the contract, to submit annual reports showing how the funding has been used, outcomes and outputs in relation to the Provider performance indicators and details of outcomes achieved. Performance Indicators are detailed at section 3 of the Service Specification section of the contract. These include: • To provide 60 hours of support per week to meet the needs of the people using the service. • 100% of new people using the service should be enabled to set up and manage their Direct Payment independently within 6 months. • Monitoring information should be received within one month after the end of each quarter. Outcomes are monitored on service users being able to recruit, select and manage their individual support and understand their responsibilities. To be able to assess whether outcomes are being achieved the support agency should have developed and maintained a system of quality assurance which demonstrates that support needs of service users are being effectively responded to and met. This should include customer satisfaction questionnaires, research and consultation with service users and ongoing monitoring and evaluation of the service. We were informed that all monitoring information is sent in quarterly and the support agency's Annual Reports are published on their website. We looked at the latest Annual Report for 2014 on the website and observed that this is a general national report and does not contain local monitoring			

No.	Findings and Implications	Agreed Action	Who	When
	information required by the Authority's contract with them. Consequently the Authority cannot gain assurance the support agency are achieving their outcomes through the monitoring and performance information produced.			
5	The Financial Development Officer has reported that a financial efficiency has been linked to an increase in uptake of direct payments and that this has been recorded within the Services' strategic plans. An approximate saving of £1m has been identified as deliverable by 2017/18. However, this is based on the rationale that approximately 450 Older People receive domiciliary care per week at an extra cost per week of £43.37 over the cost of direct payments. The assumption is that all 450 will transfer to direct payments to achieve the saving. Currently there are 46 Older People receiving direct payments. A number of cost comparisons have been undertaken by the Financial Development Officer on the potential savings of direct payments over the cost of traditional savings. The most recent comparison shows totals for the year 2012/13 with an approximate saving of £500k on direct payments as against traditional services. It must be noted that this cost comparison shows an approximate annual cost of direct payments at £1.6m. the numbers of direct payments have greatly increased since these figures were produced and taking the June 2015 Direct payment run figure as a 'norm' the annual cost of direct payments is now at around £4m excluding the support agency cost of £65k. The cost comparisons	The Authority to implement a formal monitoring tool to be able to assess how direct payments are working. To be able to assess whether they are successful the Authority will need to look at two distinct areas. 1. Demand for managed services- what has been the pattern since the onset of DP s 2. Has there been a reduction in dependency for service users, in other words has the support agency delivered on outcomes? Also have there been any efficiencies seen in budgets for managed services? As take up of direct payments is being targeted a Financial Strategy will be developed and reviewed every 6 months to take account of different pressures such as the added costs of pension provision for service users as employers and so on.	Development Officer	31/12/2015

No.	Findings and Implications	Agreed Action	Who	When
	are all taken against the hourly rate for traditional services which is always higher than the hourly rate paid to the direct payment recipients so will always result in a 'saving' by comparison. Not all recipients are paid at an hourly rate however, some are on annual or monthly budgets which may be more difficult to assess the traditional route comparison. At no point has an analysis been undertaking using comparative figures on spend since the inception of direct payments to gain a fuller picture of actual efficiencies.			
6	Direct Payment funding comes out of individual service area budgets but they are often jointly funded with the Local Health Board depending on the nature of support required. The Social Workers/Reviewing Officers should complete the Service Information tab on PARIS so that it is clear on the cost of the funding and where it is coming from. Our review of a sample of 20 direct payment recipients revealed that the service information field within PARIS is often not completed and the cost of the packages are put at 'zero'. Almost half of our sample either had the package cost as zero or no details at all. The Financial Assessment Team are heavily reliant on being notified of all cases with joint funding. There is little confidence that the team has a full record of all such cases. Where service users revert to traditional services this will be picked up by the monitoring but as this is not up to date it is possible for direct payments to be continued for a time after they should have stopped.	Management will review all jointly funded Direct Payment recipients and ensure a clear process ensures all are captured on the spreadsheet maintained by the Financial Assessment Team Officer responsible for the recharging of funds to the Local Health Board.	Senior Financial Assessment Officer	31/12/2015

Eteach – 20-2015/16

We have made 3 high level recommendations and 1 medium level recommendation based on the following:

- E Teach needs to be procured in compliance with the Contract Procedure Rules and the Official Journal of the European Union. Any procurement exercise must ensure there is a robust contract, including Terms of Reference of the work to be commissioned, in place.

- It is unclear currently whether E Teach does provide value for money as a comparison to other available options has never been undertaken.

- A data cleansing exercise needs to be carried out on all users of the E Teach system to ensure that staff who have left the employ of the Authority are prevented from accessing the system and that staff who no longer need access are removed on a timely basis. This would reduce the risk of a breach in Data Security.

- E Teach guidance/procedure notes need to be in place in Employment Services and at individual schools.

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No.	Findings and Implications	Agreed Action	Who	When
1	As part of the audit review a copy of the Contract with E Teach was requested from Employment Services but this could not be located. A copy was later obtained directly from E Teach. The signed contract provided dated back to 2003 for the E Teach Booking system only. In 2013, Employment Services inherited and took over the management of the E Teach system whilst the budget for the payment of the system invoices remained within Education and Youth. Since 2003, the contract has been rolled over annually following the payment of the invoices for the E Teach licences. Following the debrief meeting to discuss the draft report a copy of a signed contract, dating back to 2003, for the Register/Booking Module was provided by the Employment Services Manager.	Employment Services have already made contact with the Corporate Procurement Unit and currently in the process of applying for a tender exemption. Employment Services will continue to liaise with the unit for further advice to ensure compliance with the Council's CPRs. FCC will retain a copy of an appropriately signed contract, including terms of reference, covering all services provided by E Teach. UR 00153	Employment Services Manager	31/03/16

No.	Findings and Implications	Agreed Action	Who	When
	The Authority currently uses two modules of E Teach. The Recruitment module and the Register/Booking Module. The current contract period for the Recruitment module is 01/09/2014 to 31/08/2015 and the Booking module licence runs from 12/02/2015 to 11/02/2016. Currently the Authority funds £44k per annum for the use of E Teach. This split between £20k for the Recruitment module and £24k for the Supply Register/Booking module. This includes two annual licences one for each of the above modules. The total cost of the contract over a four year period is circa £176k. The contract with E Teach has been in place for 12 years without any evidence of testing the market, competitive tendering, or applying for CPR exemptions during this period. The Council's Procurement Unit were consulted and they confirmed that either a full OJEU tender exercise or a 'call off' from a compliant framework agreement (if one exists) should have been undertaken. In the absence of these an exemption under the CPR's should be applied as stated in the Council's CPRs: • CPR 10.2(c) "The works/goods/services can be provided only by a particular contractor for reasons that are technical, artistic, or connected with the protection of exclusive rights"; and • CPR (g) "that goods are required as a partial replacement or addition to existing goods or installations and obtaining them from another contractor would result in compatibility or disproportionate technical difficulties in operation or maintenance".			

No.	Findings and Implications	Agreed Action	Who	When
	Whilst there are general terms and conditions within the contract for E Teach there is an absence of a specific terms of reference / service specification. This may have been in place in 2003 but it cannot be located and would probably be out of date some 12 years later as there have been developments and system changes. At present E Teach is being used for the supply register and the recruitment module. When the contract was originally placed with E Teach this was only for the supply register and the recruitment module was a subsequent addition. There has been some discussion as to whether this is two contracts with E Teach rather than one and whilst an addendum to the supply register contract has been found, there is no direct reference within the paperwork that this relates to the recruitment module. Whilst there are two licence fees, these are to one company and accessed via one system consequently, in accordance with the Council's CPRs aggregation of spend has to be considered.			
2	The Internal Audit Report (LL0190N1) issued in 2010 recommended an evaluation of the most cost effective and efficient method of recruiting supply teachers by comparing E Teach and agency placements. This recommendation was accepted but at the time of this audit review an evaluation had still not been carried out to determine whether E Teach provides value for money. A similar exercise has been carried out by a neighbouring authority to evaluate the most cost effective and efficient method of recruiting supply teachers by comparing E Teach costs and agency costs. Their review evaluated the existing arrangements and considered alternative options which could be made available to schools, which would	The true cost of how much is spent through the use of E Teach needs to be identified. To address this a cost comparison exercise will be completed on the costs of using agency placements for supply teachers in comparison to the E Teach system. Based on the outcome of the cost comparison exercise the current arrangements will be reviewed. The outcome of this review may have an impact on the SLA HR has with Schools. UR 00163	Accountant Employment Services Manager	31/12/15 31/03/16

No.	Findings and Implications	Agreed Action	Who	When
	also enable efficiencies to be made on supply expenditure. The review identified that E Teach was cheaper for support staff only. It is also understood that neighbouring authority are to retain E Teach for Welsh Medium & Specialist Teachers. However the neighbouring will now use New Directions for general supply teachers. New Directions has been adopted as the preferred agency supplier from the All Wales Framework. A report has been produced by New Directions which shows the potential savings for Flintshire if we used this Agency for all supply staff i.e. discontinued the use of E Teach. Whilst Flintshire use New Directions, six other agencies are also used include E Teach. Education Finance were approached and confirmed the cost of Agency staff for 2014/15 totalled £1.9 million with Capita having the highest spend of £666K. Despite numerous requests it has not been possible to identify how much the authority spends on supply staff through E Teach. Without this information it is impossible to carry out an evaluation of the most cost effective and efficient method of recruiting supply teachers and support staff.			
3	A user report was requested from Employment Services detailing user name, actual name, last login date and the school at which the users were employed. Internal Audit were informed that this would need to be requested from E Teach. E Teach were contacted and the report was eventually supplied. A sample of 20 active users were selected from the User Report supplied by E Teach and cross referenced to iTrent	Dependent on the outcome of Action 2 Employment Services to liaise with the ICT Information Manager, E Teach. The Certifying Officers list didn't previously link in with E Teach but this system will now be used to perform regular housekeeping to ensure officers who have left the Council or have changed position have their access to E Teach removed. Employment Services will obtain a	Employment Services Manager	31/01/16

No.	Findings and Implications	Agreed Action	Who	When
	to confirm whether these individuals remained employed with Flintshire. The testing found: • Nine individuals were still employed by FCC (as per iTrent) but had not accessed the system since 04/03/14. • Eleven employees had left the Authority but their access to E Teach remained active. • Nine of those individuals who had left the Authority had accessed E Teach after the date they had left the Authority. Four of these were Head Teachers, two were Deputy Head Teachers (and as such would have approver/authorisation access), one was a Business Manager/admin and two were Admin/Secretary/Invigilators. E Teach is web based and can therefore be accessed remotely provided they still have access to the system. It should be noted that access to the system enables the user to view (and in some cases amend) the following fields: name, full address, telephone number, NI.no, DOB, payroll number, ethnic group, registered disabled, qualified date, skills, excluded schools, clearance checks and DBS information fields. At the time of the review there were 2891 supply teacher records on the system. We consider accessing E Teach once an individual leaves the employment as a potential breach in data security. This was discussed with the IT Information Manager who is of the opinion that this is a Data Protection breach as these nine individuals could have potentially viewed all 2,891 profiles. To determine what these individuals had accessed, E Teach were contacted but were unable to provide a report	user report from E Teach monthly to facilitate effective monitoring of leavers, staff transfers. A general data cleansing exercise will be carried out as a matter of urgency. A list of reports will be defined and requested from E-Teach on a periodic basis i.e. list of users, input and approval of payments, users who have not accessed the system for 3months etc or alternatively Employment Services staff should be trained to generate the reports. A user access form is now available on Moodle, the schools infonet. UR 00164		

No.	Findings and Implications	Agreed Action	Who	When
	of what these individuals viewed or how many occasions they had logged on as the user's last log in would have overridden all previous log ins and the system does not possess a sufficient audit trail to show which records and fields were viewed. However, E Teach did confirm that the individuals concerned did not carry out any processing actions i.e. adding a booking or signing off any hours. The user report also identified various users who should not have had access to the system i.e. Gloucester Schools Partnership and Options Kinsale. Additionally a number of users had two user names. These users have since been deleted. It should be noted that officers are not required to complete a user access form before being given access to the system. Due to a lack of housekeeping to remove individuals' access to E Teach once they have left the authority has allowed individuals to gain unauthorised access to the E Teach system.			
4	The audit identified the absence of documented procedures for E-Teach users within schools and Employment Services. Whilst documenting the system it was queried who is responsible for adding and removing users of E-teach. We were informed that E-Teach updated the system as Employment Services staff were not system administrators. E-Teach were contacted for clarification and advised they have been contacted by many Flintshire Schools to add new users/amend and delete users. E-Teach had been doing this as a 'favour' and were of the opinion that "the	E Teach procedure notes to be compiled for both Employment Services and for individual schools to ensure that all officers are aware of their roles and responsibilities in process. UR00155	Employment Services Manager	31/01/16

No.	Findings and Implications	Agreed Action	Who	When
	team at Flintshire were very busy and needed assistance with overflow". This raises questions over the ownership of the system and the data within it and the understanding of contract arrangement in place. During the audit procedures were discussed with Employment Services, E Teach and Schools. At no point were audit provided with the user notes. This also demonstrates the need to ensure that all parties concerned know their roles and responsibilities. Following the debrief meeting we were provided with a copy of E Teach user notes by the Employment Services Manager.			

Internal Audit Performance Indicators

Performance Measure	Q1	Q2	Target	RAG Rating
Internal Audit Departmental Targets				
Audits completed within planned time	54%	71.43%	80%	R ↑
Average number of days from end of fieldwork to debrief meeting	16.6	20.14	20	A ↓
Average number of days from debrief meeting to the issue of draft report	1.9	4.14	2	R ↓
Days for departments to return draft reports	7.3	20.57	3	R ↓
Average number of days from response to issue of final report	0.9	1.86	2	G ↓
Total days from end of fieldwork to issue of final report	**26.7**	**46.71**	**27**	R ↓
Client questionnaires responses as satisfied	100%	100%	95%	G →
Productive audit days	80%	82%	75%	G ↑
Other Targets				
Return of client satisfaction questionnaires	53.33%	50%	70%	R ↓

Key   R   Target not achieved   A   Within 10% of target   G   Target Achieved

↑   Improving trend   →   No change   ↓   Worsening trend

Wales Chief Auditors Group Benchmarking 2014/15

Wales Average Scores are from the 19 Authorities who took part in the benchmarking exercise. Not all Authorities answered all the questions

	Wales Average	Flintshire	Position
% of planned audits completed 2014/15	83%	92%	6th =
% of audits completed within planned time	69%	84%	6th
Average number of days from audit closing meeting to issue of draft report	7.6	9.5	9th =
Average number of days from response to draft report to issue of final report	1.8	1.5	7th =
% of client questionnaires returned	59%	57%	7th
% of client questionnaires at least satisfied	98%	100%	1st =

Investigations

Ref	Date Referred	Investigation Details
1.		**The following new referrals have been received**
1.1	20.07.2015	A whistleblow has been received concerning alleged issues at a school, the investigation is ongoing.
1.2	17.09.2015	A referral has been received concerning an alleged theft from an extra care facility, the Police have been informed but have decided not to investigate. Control issues highlighted by the incident are being addressed.
2.		**The following investigations have been reported to previous committees and are still being investigated**
2.1	05.11.2014	Internal audit were informed of the alleged theft of money from a Community Network House which has affected three service users. The Police have been informed. Action is being taken to address control weaknesses highlighted by the alleged theft.
2.2	18.05.2015	A referral was received concerning the use of monies on a grant funded scheme. This investigation is currently ongoing.