

Adult Social Care Select Committee
30 November 2012

Completed Internal Audit Reports

Purpose of the report: Scrutiny of Services

The purpose of this report is to inform Members of an Internal Audit report on Residential Care Homes - Managing Residents' Monies which was given the audit opinion of Major Improvement Needed.

Introduction:

1. At a meeting of the Council Overview and Scrutiny Committee on 18 October the Chief Internal Auditor presented an item on Completed Audit Reports. This showed that a recent audit report relating to Residential Care Homes - Managing Residents' Monies had attracted an audit opinion of "Major Improvement Needed".
2. At that meeting of the Council Overview and Scrutiny Committee the Chairman of this Committee agreed to consider the findings and recommendations of this audit at a future meeting of this Committee.

Internal Audit and the Reporting Process:

3. The Accounts and Audit Regulations 2011 require that a local authority "must undertake an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control". The Internal Audit plan for 2012/13, which sets out the work that Internal Audit will complete during the year to meet its statutory responsibility, was approved by Audit and Governance Committee on 5 April 2012.
4. The Internal Audit reporting and escalation policy requires that all final audit reports are circulated with a management action plan, agreed by the relevant Head of Service, which sets out what management action is proposed in response to audit recommendations. Included in the audit report is the auditor's opinion on the controls in place. The audit opinion will fall into one of the following agreed classifications:
 - Effective

- Some Improvement Needed
 - Major Improvement Needed
 - Unsatisfactory
5. All final audit reports are circulated to the relevant strategic director; the Cabinet Portfolio holder; and, the relevant Select Committee Chairman. In addition, all members of the Audit and Governance Committee receive full copies of all Internal Audit reports.

AUDIT OF RESIDENTIAL CARE HOMES – MANAGING RESIDENTS’ MONIES

6. An audit of Residential Care Homes – Managing Residents’ Monies was included in the Internal Audit Plan for 2012/13 and the resultant Internal Audit report was issued on 21 September 2012. The report gave an audit opinion of Major Improvement Needed which is defined as:

Numerous specific control weaknesses were noted. Controls evaluated are unlikely to provide reasonable assurance that risks are being managed and objectives should be met.

7. The auditor made seven audit recommendations that were rated as High Priority. A Management Action Plan setting out the action to be taken in response to the Internal Audit recommendations was agreed with the Assistant Director for Service Delivery.
8. The key findings and recommendations arising from the audit of Residential Care Homes – Managing Residents’ Monies audits are summarised at Annex A for information.

IMPLICATIONS:

9. There are no direct implications (relating to finance, equalities, risk management or value for money) arising from this report. Any such matters highlighted as part of the audit work referred to in this report, would be progressed through the agreed Internal Audit Reporting and Escalation Policy.

Recommendations:

10. That the Committee notes the findings of the audit of Residential Care Homes – Managing Residents’ Monies and considers whether any further action is required.

Next Steps:

11. That the Committee receives further updates on completed Internal Audit reports at future meetings where those audit reports have attracted an audit opinion of either “Major Improvement Needed” or “Unsatisfactory”.

Report contact:

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Sources/background papers:

- Full audit report on Residential Care Homes – Managing Residents' Monies and agreed management action plan.

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