

Audit	Background to review	Key findings	Audit opinion (1)	Recommendations for improvement (Priority) (2)
<p>Review of Local Safeguarding Boards</p>	<p>The Ofsted evaluation of Safeguarding undertaken in September 2010 judged the overall effectiveness of safeguarding services in Surrey as adequate, however the Surrey Safeguarding Children Board (SSCB) arrangements were judged as 'not yet efficient or effective'. As a consequence, a review of the SSCB structure and membership was undertaken with a view to ensuring that it was able to carry out its scrutiny and challenge functions, and to provide strong local safeguarding leadership. A new corporate structure for the SSCB was introduced in January 2011.</p>	<p>The Executive Group of the SSCB has taken on responsibilities relating to operational aspects of safeguarding (case reviews). This may diminish the time it has to provide directive strategic leadership to all partners across the County, and fulfil all other duties detailed in its Terms of Reference. Any possible shortcomings in respect of the former are of particular import as the September 2010 Ofsted report raised concerns about the ability of SSCB to provide strategic leadership.</p> <p>Meeting minutes do not explicitly articulate the Cabinet Member for Children and Families' role at SSCB group meetings. This risks the calling into question both the SSCB's statutory independence, and the effectiveness of external challenge and scrutiny by the Cabinet.</p> <p>The Apprenticeship, Skills, Children and Learning Act 2009 amended the Children Act 2004 to provide for the appointment of two representatives of the local community to each Local Safeguarding Children Board in England. Currently, there is a lay member on each of four area groups (these are local, operational groups), but none on the full SSCB.</p>	<p>Some Improvement Needed</p>	<p>In conjunction with the Head of Children's & Safeguarding Service (CSS), the Head of Safeguarding should consider whether the Executive Group's current responsibilities allow it the capacity to provide the intended and required strategic leadership for the SSCB, and meet the obligations in its Terms of Reference. (M)</p> <p>The Head of Safeguarding should consider proposing to SSCB that all meeting minutes clearly distinguish between the presence/absence of group members and those attending as observers. (M)</p> <p>In conjunction with the Head of Children's Schools and Families, the Head of Safeguarding should consider recommending to the SSCB the early recruitment of two lay members. (M)</p>

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Review of Local Safeguarding Boards cont'd		<p>Low levels of attendance were noted at certain SSCB sub-group meetings. The low levels of attendance at Training, Policy, Procedures & Communication Group meetings is also notable given the large size of the group, the substantial number of partners represented on it, and the wide range of areas covered in its Terms of Reference.</p> <p>Meeting minutes contain no mention of completed actions and only those outstanding are recorded. As such, there is no formal record of how board/sub-group members assure themselves on how actions have been progressed and implemented.</p>		<p>In conjunction with the Head of CSS, the Head of Safeguarding should consider steps to ensure clear and demonstrable involvement from all SSCB partners, such as establishing a quorum for each body, and reviewing the size and remit of groups. (M)</p> <p>In conjunction with the Head of Children's Schools and Families, the Head of Safeguarding should consider recommending that all board and sub-group meeting notes record adequate follow up on all agreed actions. (M)</p>
Special Residential Schools - Teachers' Additional Payments	<p>School teachers receive additional allowances under statutory guidance. As a result of issues reported in an audit on Honoraria a sample of schools were checked for due allowances.</p>	<p>Audit testing provided assurance that payments had been made in line with statutory requirements.</p> <p>At one school visited by the auditor there appeared to be a high number of a specific allowances being paid. It was found that this was due to historical staffing issues and payments being coded incorrectly. The Head Teacher at this school agreed to review the staffing structure with School Governors and ensure payments complied with the guidance.</p>	<p>Some Improvement Needed</p>	<p>The TP2 form should be reviewed and amended as necessary to reduce the risk of incorrect categorisation of payments. (M)</p>

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Recruitment Procedures	<p>SCC recruitment practices were the subject of a Public Value Review in November 2009 to March 2010, with a proposed way forward to improve the service and reduce costs by £1.18m by the end of 2012/13 being approved by Cabinet in April 2010. Regular reporting to the PVR Steering Board has tracked the delivery of the original proposals and the actions not yet fully complete were transferred into a wider HR and Organisational Development PVR in July 2011.</p>	<p>Since the Recruitment PVR, there has been no reduction in recruitment volumes and substantial additional work from Service Restructures. Some key ASC and Children’s Services teams have been hard to recruit to and rely heavily on expensive agency staff. The Recruitment Team have worked with these Services on better targeted recruitment campaigns. The Recruitment Team state that it needs the full budget agreed in the PVR to ensure it continues to deliver the high volumes of recruitment and appoint the very best candidates in the market place.</p> <p>SCC policy is to seek references from all previous employers in the previous three years. In one out of 22 cases examined, the Auditor could not identify that this had happened from documentation on file. A number of references came from personal email accounts (e.g. Hotmail / Gmail accounts).</p> <p>As part of Internal Audit’s response to the National Fraud Authority initiative – ‘Fighting Fraud Locally’, the Auditor undertook some further checks for potential fraudulently supplied details on applications. No clearly fraudulent information was identified, although there were some potential issues on second references from the sample reviewed.</p>	Some Improvement Needed	<p>The budget for the Recruitment Team should reflect the aim to reduce the levels of agency staff in the ASC and CSF Directorates. This might involve a more flexible use of ‘bank’ recruitment staff, when particular peaks in workload are experienced or expected to support specific recruitment campaigns for these directorates. This change might need to be pump-primed by small virements into the recruitment team budget and linked to Service Level Agreements. (H)</p> <p>The Recruitment Team to challenge all recruitments where references being offered do not cover the last three year’s work history. Hiring managers to be reminded of the need to probe references which are provided from companies that are not well known, or which come from non-company email addresses. (M)</p> <p>Consideration should be given to developing some additional capacity within the authority to conduct more detailed background checks for a risk-based sample of job applicants. (M)</p>

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Residential Care Homes – Managing Residents’ Monies	<p>The council has 13 in-house residential care homes: six for older people; and seven for people with learning disabilities. In July, the council was supporting over 260 permanent residents in these homes to manage their personal money, i.e. money for day-to-day expenses. The service requested an audit of the management of residents’ monies.</p>	<p>There were a number of areas of concern arising from this audit that pose financial and reputational risks to the council. Key concerns include:</p> <ul style="list-style-type: none"> • Out of date and unavailable central guidance leading to inconsistent, local procedures at individual homes; • 45 personal accounts with overdrawn balances; • Banking duties being carried out by lone officers; • Failure to store cash securely despite safes being available; • Officers withdrawing cash from residents’ cash tins with no record of authorisation from the resident; and • Officers using their own money to make purchases on behalf of residents. <p>Despite these concerns, the desire of officers to help and support residents was evident at all homes. It was apparent that officers were acting with good intentions and with the best interests of residents in mind.</p>	Major Improvement Needed	<p>The Service Delivery and ASC Finance teams must work together to produce updated guidance for managing personal accounts. This exercise must consider:</p> <ul style="list-style-type: none"> • Review of personal accounts templates and spreadsheets and reconciliation requirements; • Escalation procedures for accounts with low or overdrawn balances; • Defining authorisation levels for access to safes; • Arrangements for obtaining resident authorisation for cash withdrawals; • Creation and retention of records including officers receiving cash; • Evidence of spend requirements where residents withdraw cash and where officers purchase on behalf of residents; and • Checks to ensure residents receive goods purchased. (H)

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Residential Care Homes – Managing Residents’ Monies cont’d			Major Improvement Needed	<p>The updated Imprest procedure notes should be finalised and circulated to all relevant teams and care homes. (H)</p> <p>All debit [overdrawn] balances must be investigated and corrective action taken. (H)</p> <p>Implement a strict policy whereby officers undertaking banking duties do so in pairs, driving to the bank where possible. (H)</p> <p>The auditor has given the AD for Service Delivery a copy of Internal Audits’ safe guidance and detailed recommendations on the use of safes. These procedures should be implemented immediately. (H)</p> <p>The recommendations as above include guidance on storing bank cards and PINs but the service should work with the Financial Assessment & Benefits Team to determine the capacity of residents to keep their own bank cards or PINs. (H)</p> <p>Clear communication must be sent to all homes prohibiting officers from using their own funds to make purchases on behalf of residents. (H)</p>

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Overtime	<p>The cost of overtime has fallen in terms of total spend since the last audit and payments of time and a half and double time overtime rates are now minimal. Both ASC and Children’s Services have been working with the SCC Recruitment Team and Manpower to improve recruitment success and reduce the use of O/T and agency staff.</p> <p>The actual cost of additional pay has not been readily available at a detailed level but the Finance Dashboard due by 31 March 2013 will help address this.</p>	<p>Overtime and bank costs are not routinely monitored as separate forms of payroll costs as they are not separately coded to a specific SAP general ledger code, although overtime and bank costs are given a distinct ‘wage type’ code in SAP. This can hinder managers’ detailed monitoring of costs without specialist support.</p> <p>Local monitoring of bank staff hours and overtime is primarily through rosters and time administration within teams. However, central monitoring is needed for hours paid to bank staff, for example, to confirm compliance with the European Working Time Directive or to identify bank workers who are effectively working full-time hours</p> <p>At present, there is no consolidated service report on all the key factors that might be needed to identify areas where managers need constructive challenge on their use of different forms of additional staffing to address shortfalls. The Auditor worked with the HR Relationship Manager for ASC to develop a potential monitoring tool to begin to address this need.</p> <p>There is a relatively higher level of spend on agency staff in Child Protection Teams. This is both expensive and raises potential questions regarding the quality of service.</p>	Some Improvement Needed	<p>HR Information and Finance staff should continue to develop reports for budget holders and corporate reporting that analyse all additional payroll costs, including any ad hoc reporting tools that Services request and clearly need. (M)</p> <p>HR Management Information staff should provide Services with periodic extracts of data on hours worked. Services should be requested to review the data and confirm that there are no concerns regarding bank staff working 36hours or any staff working 48 hours or more per week. (M)</p> <p>ASC should pilot the use of the workforce monitoring tool developed in discussion with the HR Relationship Manager and Internal Audit. The ASC HR Relationship Manager should subsequently consider how the tool might be enhanced or adapted for use in monitoring other ASC teams. (M)</p> <p>Children’s Services should continue to make every effort to replace some of its agency staffing used in Child Protection, with SCC directly employed and trained staff. (M)</p>

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Social Media	<p>The use of Social media for the purposes of engagement presents a relatively new risk area to the council particularly in the form of brand management risks. Other considerations are the 'leakage' of sensitive data and conflicting corporate messages.</p>	<p>SCC senior management have a moderately positive attitude towards the use of Social Media as a means of reaching Surrey residents. However there is an absence of formal policy and as such simple controls such as account ownership details and password recording is not mandatory.</p> <p>Activities such as posting pictures of children on a social network require a corporate stance to ensure that basics like release forms for the photos are explicitly required.</p> <p>Brand management considerations such as target audience and appropriate message medium are unlikely to be considered without prompting from communications professionals.</p>	Some Improvement Needed	<p>A policy is developed that includes the following points:</p> <ol style="list-style-type: none"> 1. Minimum behaviour standards (M) 2. Tactical planning (H) 3. Business continuity (H) 4. Advice on use of personal social media (H) 5. Video and photographic content is formally documented for public release (H)

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Concessionary Fares	<p>The responsibility for the administration of English National Concessionary Travel Scheme moved to County Councils and Unitary Authorities in April 2011.</p>	<p>The Travel and Transport Group and the Library Service produced a Memorandum of Understanding in October 2010 to outline the joint requirements and obligations of both parts of the organisation. This has been used as a working document since the administration of the scheme came into effect in April 2011 but has not been reviewed and does not reflect current operations.</p> <p>Data was found to be of poor quality and therefore, the management information produced from the system may be inconsistent.</p> <p>Contract monitoring should be improved so that contract performance could be managed to ensure that the contractor's obligations are met and value for money is achieved.</p>	Some Improvement Needed	<p>The MoU should be reviewed as a matter of priority by both services and appropriate service delivery methods and levels should be agreed. (H)</p> <p>Data integrity should be made a priority by separating inactive information and updating current pass holder details with accurate information. (H)</p> <p>Travel and Transport Group should ensure that robust contract management arrangements are in place for all current contracts. (M)</p>

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<p>Performance Management - Data Quality</p>	<p>High quality data is required to assist officers and members in making informed, evidence-based decisions that support continuous improvement and helps ensure stakeholder confidence in those decisions.</p> <p>The council's Data Quality Strategy has now been replaced by the One County, One Team Quality Management Framework, launched in April 2012.</p> <p>To form an opinion on the quality of underlying data the auditors reviewed a sample of 11 performance indicators that had been reported to both Corporate Board and the Cabinet through the Quarterly Business report.</p>	<p>The completed work identified that for the most part the quality of data collection systems – and the data itself – were adequate for the compilation and reporting of the indicators reviewed.</p> <p>Indicators reviewed were:</p> <ul style="list-style-type: none"> • Cost per contact (calls, e-mail and web) • FTE Count and associated Budget • Percentage of residents who are satisfied with the way their Council runs things; • Percentage of residents who feel their Council provides good value for money for Surrey; • Residents' satisfaction with their neighbourhood as a place to live; • Residents feeling they can influence decisions; • Residents feeling that SCC keeps people informed; and • Percentage of residents who were satisfied with how they were served by SCC staff • Looked After Children Health and Dental Checks • Percentage of high-priority road defects made safe within 24 hours • Percentage of Freedom of Information Act requests responded to within 20 working days 	<p>The range of opinions given to the specific indicator audits spanned Effective through to Major Improvement Needed (LAC Health & Dental Checks)</p> <p>Management actions plans have been agreed at a local level to determine appropriate recommendations to improve the existing processes</p>	<p><i>Cost Per contact:</i> The data collection and reporting processes for the performance indicator were assessed as reasonable, and the opinion given following this review was that there was "Some Improvement Needed" as it was recommended that Customers and Communities consider creating separate performance indicators for web hits, emails and phone calls (M)</p> <p><i>LAC Health & Dental Checks:</i> The service should consider undertaking an in-depth examination of potential areas of improvement related to this indicator, including costing of any identified remedial actions (H)</p> <p>Until a detailed performance analysis has been completed, the service should consider changing the target profile for this indicator to relate more closely to the existing performance pattern (H); and</p> <p>The service should consider either including a holding document (e-mail from LAC Co-ordinator or record of phone conversation) in a child's file pending receipt of the written summary document, or recording health checks as being completed only when that document has been received (H).</p>

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Materials Testing Laboratory	<p>The Materials Testing Laboratory (MTL) forms part of Asset Planning Group and currently holds national accreditation to perform over 70 materials tests. Work is concentrated on testing, auditing and reporting on compliance standards for the major highway maintenance contracts in Surrey which form the substantial part of the capital maintenance programmes for carriageway and footway assets. With expenditure of approximately £1.323m per annum the MTL also offers its services to around 70 external users.</p>	<p>The MTL is a valuable resource to SCC undertaking a critical role in ensuring that management receives accurate and knowledge based information on the condition and maintenance of its highway assets. It ensures that assets are maintained or repaired to the required standards in order that the maximum benefit may be derived from budgets.</p> <p>The MTL offers its services to external clients in both the private and public sectors and the income this generates helps to reduce the overall cost of the service. This, and avoidance of additional expense associated with external provision of a similar service, would appear to provide a measure of 'Value for Money' both to the Council and the residents of Surrey. In the course of this work MTL has built up a reputation for high quality work which reflects well not only on the service but Surrey County Council as a whole.</p>	Some Improvement Needed	<p>Management should consider a revision to the coding arrangements within the ETCi system in order that a more detailed breakdown is available for billing purposes. In addition, regular checks should be undertaken to ensure that the recharged hours are broadly in line with those expected for the work completed in the period. Where significant variations arise then explanations for these should be sought. (H)</p> <p>Management should revisit the calculations of recharge rates in order to ensure that the constituent parts are fully identified and costed to enable better informed decisions on applicable rates. As far as possible staff hours should be recharged at a consistent rate which ensures the recovery of actual costs incurred. (H)</p>

¹ Audit Opinions

Effective	Controls evaluated are adequate, appropriate, and effective to provide reasonable assurance that risks are being managed and objectives should be met.
Some Improvement Needed	A few specific control weaknesses were noted; generally however, controls evaluated are adequate, appropriate, and effective to provide reasonable assurance that risks are being managed and objectives should be met.
Major Improvement Needed	Numerous specific control weaknesses were noted. Controls evaluated are unlikely to provide reasonable assurance that risks are being managed and objectives should be met.
Unsatisfactory	Controls evaluated are not adequate, appropriate, or effective to provide reasonable assurance that risks are being managed and objectives should be met.

² Audit Recommendations

Priority High (H) - major control weakness requiring immediate implementation of recommendation

Priority Medium (M) - existing procedures have a negative impact on internal control or the efficient use of resources

Priority Low (L) - recommendation represents good practice but its implementation is not fundamental to internal control

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