

Audit	Background to review	Key findings	Audit opinion (1)	Recommendations for improvement (Priority) (2)
Adecco Contract Management	Adecco replaced Manpower as provider of temporary / agency staff in February 2016.	<p>Adecco are performing satisfactorily although there were still a few issues with fulfilment, vetting, supply chain and accuracy of data on the Adecco database (Beeline).</p> <p>Preparation needed to be timetabled for the introduction (in April 2017) of necessary changes to practice following revised HMRC legislation for agency workers in the Public Sector</p>	Some Improvement required	<p>The key recommendations are summarised as follows:</p> <ul style="list-style-type: none"> <li>• Arrangements should be made to establish periodic meeting of service co-ordinators to discuss Adecco performance and issues arising (M) A standard issues logging procedure should be established across all Directorates (M)</li> <li>• Long outstanding open orders should be regularly reviewed and discussed with Adecco. (M)</li> <li>• Adecco should be asked to provide a regular status report on supply chain progress (i.e. sub-contracting other agencies). (M)</li> <li>• Buying Solutions team should reject requisitions for agency workers using agencies outside the Adecco Contract, unless authorised by Head of HR and OD (M)</li> <li>• All necessary tasks and deadlines for achieving compliance with HMRC Intermediary legislation (IR35) should be timetabled and actioned (M)</li> <li>• Beeline system access rights should be reviewed regularly (M)</li> </ul>

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Pension Administration	<p>Surrey County Council (SCC) is responsible for administering the Surrey Pension Fund (SPF) as per the rules of Local Government Pension Scheme (LGPS). SPF membership includes employees from SCC and &gt; 200 organisations of Scheduled and Admitted Bodies. The SPF does not include teachers, police and fire fighters for whom separate pension arrangements apply.</p>	<p>Guidance from Central Government on changes to Pension Regulations following the introduction of Career Average Re-valued Earnings (CARE) Scheme from April 2014 was delayed and complicated.</p> <p>Pension Administration Team responsible for administering SPF has undergone a number of changes since October 2014 including expansion which were not managed effectively. These have led to the build up of backlog of work and an increase in unresolved queries and customer complaints.</p> <p>Newly recruited staff after the consultation were not given formal training, but as before, the more experienced staff were training the new staff on the job. There are no upto date procedure notes in place for new staff to use and follow.</p> <p>Certification of overseas pensioners work was in progress during this audit and found discrepancies between information held in Altair and SAP.</p>	Significant Improvement Needed	<p>Senior management should ensure that the effects of changes to pension regulations and team expansion are managed effectively by</p> <ul style="list-style-type: none"> <li>• resourcing the team with the required technical skills (H);</li> <li>• implementing clear communication to members to demonstrate transparency of operations and keep the levels of dissatisfaction and complaints down (H);</li> <li>• introducing self-service facilities as proposed (H);</li> <li>• investing in formal training for new and existing staff (H);</li> <li>• managing staff performance adequately to introduce accountability (H);</li> <li>• achieving the objectives in full, set out in the Consultation Document (H);</li> <li>• introduce a formal approval process with a clear business plan &amp; risk assessment for any new work in the future (M); and</li> <li>• The SPFC and SLPB should be informed of the impact of new work (M).</li> </ul>

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Pension Administration (cont'd)		<p>Customer Complaints recorded on a Lotus Notes database (out of date system) was not reviewed or shared with senior officers.</p> <p>A Pension Helpdesk was piloted in January 2016 and established in March 2016.</p> <p>Pension payroll is expected to be migrated from SAP to Altair by August 2017.</p> <p>The Surrey Pension Fund Committee (SPFC) and the Surrey Local Pension Board (SLPB) received regular reports on the pension fund risk register and the key performance indicators (KPI) on a quarterly basis. However, a separate risk register for pension administration was not maintained to capture and manage the risks of the team. KPIs reported were also not comprehensive to inform the team's performance.</p> <p>The auditor also noted that both committees were assured of improvements to team's performance after quarter 2 of 2016/17 which had not happened.</p>		<p>The work done by the Pension Help Desk should be developed and reported on a regular basis to senior management, SPFC and SLPB as required (H).</p> <p>All of the member details should be correctly migrated when the data is transferred from SAP to Altair when Altair becomes the single system for Pension Administration later this year and maintained thereafter (M).</p> <p>The KPIs for SPF should be re-defined to include additional pertinent KPIs such as the Transfers-In and Transfers-Out for members of the LGPS as these are not currently reported. It is acknowledged that KPIs have been developed for all of the funds administered by SCC, but the auditor did not verify these as it was outside the scope of the audit (H).</p> <p>A separate risk register to highlight the risks of the Pension Administration Team should be developed, maintained and reported to the SPFC and SLPB as required (H).</p>

## Completed Audit Reports (March - May 2017)

## Annex A

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Accounts Payable	<p>Invoices and other payment requests are approved for payment using various originating applications and include SAP, council's financial ledger, ContrOCC (used by Adult Social Care (ASC) and Children, Schools and Families (CSF) directorates), Property Asset Management System ((PAMS) used by Property), and Mobisoft (used by Transport).</p> <p>All approved payments are posted to SAP and released by the Payments Team for payment by Banker's Automated Clearing Services (BACS) transfer or cheque. There were 2 changes during 2016/17, namely re-classification of SAP document types and the introduction of e-invoicing portal.</p>	<p>The Payments Team are processing matched invoices and payment requests efficiently and effectively.</p> <p>There have been recent issues with parked invoices, as they cannot be paid because they do not match details of goods or services received, or where prices are different to those stated on the purchase order (PO) with most belonging to CSF.</p> <p>There have also been issues with Goods Received Not Invoiced (GRNI). The value of goods received before 1 January 2017 for which no invoice had been posted totalled £2.36m, and £1.42m of this was for CSF.</p> <p>The Payments Team report the percentage of all invoices that are paid within 30 days of receipt. For February 2017, this figure was 89% which is below the target of 93% and parked invoices and GRNI contribute to the delays in payment.</p> <p>From April 2017, SCC will be obliged to publish the interest payable on late payment. For February 2017, this figure was estimated as £67,907.</p>	Some Improvement Needed	<p>The invoice match target rate should be increased to at least 92% (L).</p> <p>The Payments Team and shoppers in all directorates in general, and in Children, Schools and Families (CSF) directorate in particular, must continue to work closely and target a significant reduction in the number of parked invoices (M).</p> <p>Invoices that are overdue for more than three months should be identified and obtained from the relevant contractors (M).</p> <p>All services in general, and those within CSF directorate in particular, must target a significant reduction in the value of Goods Received Not Invoiced (GRNI) category by taking appropriate and timely investigative and clearance action, supported by the Payments Team and members of the Finance Department (M).</p> <p>The error in the interest rate applied to late payment interest calculations should be checked to ascertain whether it is in line with Government guidance (M).</p> <p>The risk of claims for late payment should be added to the Business Operations Risk Register and managed by encouraging services to avoid late payments (L).</p>

Audit	Background to review	Key findings	Audit opinion (1)	Recommendations for improvement (Priority) (2)
Accounts Payable (cont'd)		<p>The introduction of Taulia has been successful making the audit trail more visible, with some vendors posting invoices against the wrong PO number as the correct PO is yet to be created. This may have contributed to the increase in parked invoices and potentially exposed previous poor practices. Better vendor compliance and the need to raise POs in advance of delivery of goods or services are required.</p> <p>Routines for uploading payments into SAP from other systems are heavily reliant on one SAP Developer and as such, training of back-up staff may be beneficial.</p> <p>The list of suppliers whose invoices are subject to “2-way match” exempt from goods receiving control, is not readily available.</p>		<p>Staff must raise Purchase Orders (PO) in advance of services being requested and vendors using Taulia must be reminded to post invoices only against the authorised PO numbers (M).</p> <p>The Procure to Pay Process Owner should liaise with the Finance Systems and Process Improvement Manager to consider whether there should be more Business Operations involvement in uploading invoice data from other systems (L).</p> <p>The list of suppliers approved for “two-way match” processing should be confirmed and reviewed, and the criteria for inclusion on the list should be re-stated (L).</p>

## Completed Audit Reports (March - May 2017)

## Annex A

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Overseas Pensioner life certification	<p>Surrey County Council as the Administering Authority for members of the Surrey Pension Fund (SPF) within the Local Government Pension Scheme (LGPS) undertakes many checks. For pensioners residing overseas, SCC is responsible for undertaking regular checks to ensure that there is no misuse of public funds.</p> <p>In 2015/16, total payment of £131m was made to over 23,000 pensioners.</p>	<p>All 455 pensioners residing overseas were sent a verification form which needed to be completed and certified by a professional to confirm that the pensioner is alive.</p> <p>The overall response rate of verification was in excess of 97% where 443 out of 455 requests were completed and returned. Of the 12 outstanding responses, one member is terminally ill as informed by the family in February 2017. Pension payments to the remaining 11 pensioners who receive £2k in total as monthly pension payment have been suspended with effect from 1 May 2017.</p> <p>There have been no changes to the pension payment process since the last audit. Changes to pensioner circumstances communicated during the audit were actioned by the auditor and/or referred to the Pension Administration Team for further action. Preferences suggested by pensioners in their feedback such as electronic confirmation instead of by post and improvements to translation of verification letters in other languages have been noted for future audit work in this area.</p>	Effective	None

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<p>CSF Improvement Plan</p>	<p>Between July and November 2016 Internal Audit was asked to review a number of key strands of service delivery to provide assurance that progress had been made since the original Ofsted inspection.</p> <p>The three areas reviewed were:</p> <p>Quality Assurance Missing Children Care Leavers</p> <p>Further checks on progress made against those individual audits were made in the last quarter of 2016/17 and an overarching report was published in May 2017.</p>	<p><u>Quality Assurance:</u> The Auditor is satisfied that appropriate steps have been taken to enable more effective member scrutiny across the Directorate. Internal Audit has provided feedback on the new Quality Assurance Framework and Approach.</p> <p><u>Missing Children:</u> The processes for collecting data about children who go missing are well-established and considered satisfactory.</p> <p>There has been very good progress towards ensuring that all children returning from a missing incident are offered a Return Home Interview (RHI). A contract is in place with a specialist charity (Missing People) to carry out up to 45 RHIs per week.</p> <p>The current coverage rate is around 80-85%, so further efforts are required to achieve full coverage.</p>	<p>Some Improvement Needed</p>	<p>None.</p> <p>Any past recommendations made by Internal Audit during the original reviews have been assimilated into business as usual practices.</p>

Completed Audit Reports (March - May 2017)

Annex A

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CSF Improvement Plan (cont'd)		<p><u>Missing Children cont.</u>                      An update against recommendations made in the original audit was in March 2017. This demonstrates that appropriate actions have been taken against the recommendations to ensure issues identified were addressed.</p> <p>The completion of missing incident fields in LCS has been addressed, and since January 2017 Missing Children episodes are completed by a dedicated worker in the MASH. QA work around the MASH has also been undertaken in February/March 2017.</p> <p>Lower priority issues around internal guidance and desk instructions, including a formal definition of the term 'runaway', have been addressed. There has also been a clarification to the Memorandum of Understanding between Children's Homes and Surrey Police around children in foster care.</p>	Some Improvement Needed	<p>None.</p> <p>Any past recommendations made by Internal Audit during the original reviews have been assimilated into business as usual practices.</p>

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CSF Improvement Plan (cont'd)		<p><u>Care Leavers:</u> As at the end of October 2016, the council supported approximately 490 care leavers, who are assigned a Personal Adviser (PA) on transferring into the service.</p> <p>The majority of the records reviewed indicate that PAs were contacting the young person within the statutory eight week period.</p> <p>Audit testing established that only one record included a health history, suggesting the process was not fully effective at that time. This was of concern specifically given that this was identified by the Ofsted Inspection as a specific area requiring improvement.</p> <p>Sufficient time has now elapsed for this process to become embedded as 'business as usual' and we have received verbal assurance that the records are now routinely complete in this regard.</p>	Some Improvement Needed	<p>None.</p> <p>Any past recommendations made by Internal Audit during the original reviews have been assimilated into business as usual practices.</p>

**Completed Audit Reports (March - May 2017)**

**Annex A**

<b>Audit</b>	<b>Background to review</b>	<b>Key findings</b>	<b>Audit opinion (1)</b>	<b>Recommendations for improvement (Priority) (2)</b>
<p>Better Care Fund: Commissioning and Delivery</p>	<p>The Better Care Fund is a national programme designed to promote health and social care integration. The Surrey BCF is hosted by Surrey County Council (SCC). The fund approved for 2016/17 totalled £66.175m.</p> <p>2016/17 expenditure consists of 235 schemes led by either SCC or CCGs. The audit focuses on commissioning and delivery, looking at how schemes were approved, how they are managed, monitored and scrutinised, and how effective they are in terms of achieving better integration and helping to meet strategic objectives.</p>	<p>Three out of seven agreements were not signed until October 2016 and two (East Surrey and Windsor Ascot &amp; Maidenhead) were not signed until February 2017</p> <p>Scheme funds of £66.176m have not been spent as originally planned, with expenditure currently forecast at £65.262m. Budgets were revised during the year to set aside a contingency to be used by CCGs only if there were increases in non-elective admissions costs.</p> <p>There have been other notable over-spends (e.g. community equipment stores and telecare) and under-spends (e.g. Universal Benefits and PPP funding). Whilst variances are being managed effectively, narrative about the purpose and objectives/outcomes of projects is not transparent in all cases.</p> <p>Planning guidance from NHS England for the years 2017/18 and 2018/19 was originally expected in December 2016, but this has not yet been issued and is well overdue.</p>	<p>Some Improvement Needed</p>	<p>Continuing efforts should be made to ensure that next year's Section 75 agreements are signed as soon as possible after plans are agreed (L)</p> <p>Consideration should be given to adding brief details of each scheme's objectives on fund planning and monitoring spreadsheets, along with the name of lead commissioners (L).</p> <p>Although ASC management have already made some contingency arrangements, further delays in receiving planning guidance from NHS England may create further severe disruption for staff involved in BCF planning. (L)</p>

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Better Care Fund: Commissioning and Delivery (cont'd)		Review of minutes from Local Joint Commissioning Groups (LJCG) confirmed that BCF matters were covered to varying degrees at most, but not all meetings. Surrey Heath, NW Surrey and Surrey Downs LJCG meetings usually included a BCF progress/update report in the minutes, whilst Guildford & Waverley usually included a BCF Finance Report.	Some Improvement Needed	A BCF update report referencing monthly finance reports and quarterly metrics reports should be included in all LJCG meeting agendas and minutes; and all minutes should be retained for reference. (L)

**Completed Audit Reports (March - May 2017)**

**Annex A**

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<p>SEND Expenditure within Maintained Schools</p>	<p>In September 2014 new legislation around provision for pupils with special educational needs and disabilities came into effect; SEND '14. The new legislation is designed to enable parents, carers, children, young people; practitioners and professionals to see which services and support across education, health, and social care are available locally for all children and young people who have SEND.</p> <p>The purpose of the audit was to seek assurance that key controls are in place to ensure:</p> <ul style="list-style-type: none"> <li>-SEND funding is used for its intended purpose; and</li> <li>- Compliance with SEN Code of Practice.</li> </ul>	<p>All schools have a statutory duty to publish a SEN Information Report and update it annually. Of the eight schools visited one has not published their Information Report and three reports have not been updated. Furthermore, five schools did not include information or a link to Surrey's Local Offer.</p> <p>SENCO leadership and management varies within the schools; the SENCOs in five of the schools are part of their Senior Leadership Team (SLT). In the remaining three schools, the SENCOs report directly to their Head Teacher but are not part of the SLT. Feedback was provided locally to the schools regarding best practice as per the Code of Practice, which states that there is an expectation that the SENCO is part of the SLT, to work strategically with senior colleagues and governors to develop SEN policy and provision within the school.</p> <p>A review of the available Information Reports established that they varied in the quality of the content.</p>	<p>Some Improvement Needed</p>	<p>The service should remind schools of their statutory duty to publish an annual SEN Information Report (M).</p> <p>The service considers devising a standard Information Report Template as an exemplar of good practice to aid schools in meeting their statutory duty (L).</p> <p>The service should provide guidance and advice to schools on writing a provision map (L).</p> <p>The service should circulate a reminder to all schools on the requirements of the SEN Code of Practice (L).</p>

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Stop Smoking	<p>An independent review of the council's in house Stop Smoking Service found it did not meet all national requirements. A contract was let for an expanded service to Quit 51 with the aim of improving performance. The contract commenced on 1 February 2016 for 3 years, extendable up to 5 years. The audit sought to give assurance on the contract management arrangements.</p>	<p>The level of contract monitoring is appropriate. The contractor has made some good progress, for example in contacting smokers from traditionally hard to reach groups. The overall number of users, however, is lower than expected and it is not clear that the contractor has adequate plans to correct this.</p> <p>The contract payment schedule is split in value by 50% for core work and 50% for incentive performance indicators (PIs). This was designed to ensure the contractor is incentivised to help target groups benefit from the new service. The incentive element is only payable if all the core PIs are met. This approach envisaged the contractor meeting the core PIs reasonably quickly and consistently so the incentive PIs would take effect. However, as the core PIs have not yet been met there is a risk the incentivised PIs become irrelevant and the envisaged benefits of the contract are not realised.</p>	Some Improvement required	<p>The contractor must be required to produce a resourced and timed improvement plan setting out how the core PIs will be met in a reasonable timescale (H)</p> <p>The contractor should be required to assess the risks to successfully implementing their plan (M)</p> <p>The requirement to meet all core PIs before incentive PIs are considered should be reviewed to explore whether some leeway would more fairly reward and incentivise the contractor (M)</p> <p>The contract manager's request for access to the contractor's system should be escalated (M)</p>

Completed Audit Reports (March - May 2017)

Annex A

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ASC Quality Assurance	<p>The purpose of the audit was to form a view on the effectiveness of the existing Quality Assurance (QA) processes in Adult Social Care in relation to regulated care services and supported living for adults.</p>	<p>QA visits to providers are mostly reactive, informed by risk and concerns raised by individuals. Whilst such engagement occurs in varying degrees during a visit, there is no formal central repository to record concerns from users, care groups and stakeholders.</p> <p>A core responsibility is to conduct a monitoring visit to all 7 strategic Home Based Care providers during the life of the contract – one visit is currently outstanding and needs to be completed before October 2017.</p> <p>Some of these issues are currently being addressed by the team through a proposed QA Information Sharing System, to be implemented by April 2018. To mitigate against the risk of delay in this project, robust recording practices should be embedded in the interim period.</p>	<p>Some Improvement Needed</p>	<p>The service should develop processes to promote change and improvement per their statement of purpose, which should address the issue of stakeholder feedback (M)</p> <p>A formal note of core areas to be assessed during a monitoring visit should be developed, including a review of locally held incident and accident logs (M)</p> <p>The team should fulfil its responsibility to visit the one remaining strategic provider before the end of October 2017 (M)</p> <p>The service should embed a practice of centrally recording intelligence, prior to the implementation of the new QA Information Sharing System (M)</p>

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Youth Services-Follow up	The audit is the follow up to the Youth Services report published in July 2016 where significant control weaknesses were identified.	<p>The service is in the middle of a restructure and as a result there was no clarity on the proposed organisational structure and governance arrangements. This could negatively impact the service operationally.</p> <p>On a number of occasions it was evident that officers were not retaining invoices, not allocating VAT appropriately and description and allocations of items purchased was incorrect.</p> <p>Although cash handling guidelines have been issued further controls are required around the practice of passing cash between colleagues.</p> <p>IT equipment had been purchased directly from mainstream retailers rather than through SRM. This is not in compliance with the Procurement Standing Orders.</p>	Significant Improvement needed	<p>Governance arrangements around the new Family Services should be established even if in a 'planning' phase as without this framework and direction front line compliance issues could arise. (H)</p> <p>More training is required to ensure officers are aware of what is regarded as a valid supporting document for purchases, descriptions and allocations are correct and where VAT can be claimed or not. (H)</p> <p>Centres that receive cash should issue a receipt for any monies received. Likewise any cash transferred between officers should be recorded. As yet these practices need to be established across the centres. (H)</p> <p>SRM should be used for purchases where possible. All IT purchases should be made using the support of the IT team. (H)</p>

Completed Audit Reports (March - May 2017)

Annex A

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Youth Services- Follow up (cont'd)		<p>Although procedure notes had been issued to staff on compiling the inventory and asset tagging, observations on site found that a significant number of items had been omitted especially new purchases.</p> <p>The service provide a log of 40 numbers which were allocated to service staff however a review of charges on SAP found that the service was paying for up to 175 different mobile numbers.</p> <p>Registration with local authorities is currently underway to register centres as a food business for food hygiene purposes. This had however not been addressed for satellite centres.</p> <p>The attendance app has been found to be of limited use in relation to its original purpose as a real time record of young people in attendance at a centre.</p>		<p>Uniformity in practice should be monitored to ensure that each centre consistently applies guidance issued by service managers. This relates to registration forms in use, session recording sheets and practices around inventory recording and tagging as well as PAT testing. (H)</p> <p>The service should review current telecommunication charges to confirm the validity of the charges. (M)</p> <p>Appropriate arrangements should be made to ensure that satellite centres achieve the same level of food compliance as regular centres. (M)</p> <p>A formal business case should be put together for any further investments into the app. This should be formally approved by senior management. (M)</p> <p>Consideration of risks should be high on the agenda with regular discussions taking place with the risk representative on current and emerging risks. (M)</p>

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<p>Highways – Commissioning &amp; Delivery Model</p>	<p>The purpose of this audit was to provide assurance that the Commissioning and Delivery Model has been appropriately implemented; that there are quantifiable improvements in communications; that costs are adequately controlled, and that Members are enabled to exercise effective scrutiny and input to the design process of agreed ITS projects, where applicable.</p>	<p>The ETCI system used for recording time and allocating costs is not fit for purpose, in particular lacking effective reporting functionality. User requests are not actioned by IT &amp; Digital in a timely manner.</p> <p>It was highlighted that there is no discrete contract management unit within Highways. Disputes between SCC / Kier around the agreed rates for Traffic Management highlighted the need to communicate and centrally store operationally agreed contractual changes. A revised schedule of rates (arising from the Lot 1 contract extension) may result in differing prices for the same item and may impair effective budgetary control. Contingencies are not always included for complex schemes.</p> <p>Failures in relation to historic schemes may not have been fully resolved – the final account has still not been completed for the Walton Cyclepath scheme, and quality issues were noted to the Toshiba Roundabout scheme.</p>	<p>Some Improvement Needed</p>	<p>Management should consider carrying out a review of the ETCI system to ensure that it remains fit for purpose within the Highways service. Management should request an amended SLA for ETCI, and seek assurances that user requests are actioned in a timely manner. (H)</p> <p>Management should ensure that all operationally agreed changes to contracts are appropriately stored, communicated and recorded. Management should review contract management arrangements within the Works Delivery Group and consider whether value for money is being achieved via present contractual arrangements for ITS project delivery. (H)</p> <p>Management should note the detailed findings raised in relation to the schemes tested, and consider whether improvements to contract management, variation order and Roadzone/IMS processes are warranted. (H)</p>

Completed Audit Reports (March - May 2017)

Annex A

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Highways – Commissioning & Delivery Model (cont'd)	<p>The purpose of this audit was to provide assurance that the Commissioning and Delivery Model has been appropriately implemented; that there are quantifiable improvements in communications; that costs are adequately controlled, and that Members are enabled to exercise effective scrutiny and input to the design process of agreed ITS projects, where applicable.</p>	<p>Inappropriate use of Variation Orders in some instances. No process to reconcile VOs to Roadzone system, or to ensure that VOs processed through Maximo are fully itemised. Correspondence not held centrally and may not constitute effective Records Management.</p> <p>Although the Highways Updates to Local Committees reviewed were satisfactory, those for the NE Area Team appeared to contain more detail and costing data for Members to consider. There was no system to monitor ITS project performance on a countywide basis and thus form a view on overall effectiveness.</p> <p>The effectiveness of Local Committee scrutiny and decision making may be impaired by uncertainty over budgets and the resulting inability to plan complex schemes over a multi-year period.</p> <p>Concerns were raised about the resourcing of the central design team which may impact performance. Documented IT issues further decrease efficiency / productivity.</p>	Some Improvement Needed	<p>(see above)</p> <p>Management should consider reviewing reports from all Area Teams to their responsible Local Committees to consider whether all appropriate information is reported and whether best practice can be standardised. Management should consider implementing a system to monitor ITS project progress on a countywide basis. (M)</p> <p>Management should consider preparing an options analysis for the Cabinet Member to consider improvements to the current system of Local Committee budgeting. (M)</p> <p>Management should consider the findings regarding the functioning of the design team and determine if any action is necessary, particularly in terms of the concerns highlighted regarding resourcing and IT functionality. (M)</p>

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Highways – Commissioning & Delivery Model (cont'd)	<p>The purpose of this audit was to provide assurance that the Commissioning and Delivery Model has been appropriately implemented; that there are quantifiable improvements in communications; that costs are adequately controlled, and that Members are enabled to exercise effective scrutiny and input to the design process of agreed ITS projects, where applicable.</p>	<p>The works ordering process through Kier is inefficient and does not align with the Local Committee decision making process. There is no financial penalty to Kier for failing to deliver schemes. Concerns were raised re Kier's ownership of key business systems (Roadzone / IMS) in the event of contractual change.</p> <p>The process map was incomplete (no detail re process for Traffic Orders, lack of clarity over roles &amp; responsibilities for negotiating Planning Advance Approvals from Streetworks, no mention of safety audit process) and failed to consider the risk of key financial information not being received by either commissioning or delivery groups. Information input to Roadzone (specifically where Traffic Orders are required) may be incomplete or inaccurate.</p>	Some Improvement Needed	<p>Management should review the effectiveness of the works ordering process as part of revised contractual arrangements, when the new schedule of rates is implemented. Management should ensure that adequate processes are in place to secure the ongoing availability of SCC data stored on externally hosted / owned systems. (M)</p> <p>Management should ensure that the ITS process map is amended to clarify roles and responsibilities, and should review procedures to gain assurance that all necessary processes are documented and communicated to relevant parties. (M)</p>

Completed Audit Reports (March - May 2017)

Annex A

Audit	Background to review	Key findings	Audit opinion (1)	Recommendations for improvement (Priority) (2)
<p>Review of Governance Policies using Control Risk Self Assessment (CRSA)</p>	<p>SCC's Governance Panel ensures that the council has a robust method of scrutiny and appraisal of governance. It advises the Statutory Responsibilities Network, Audit and Governance Committee and the Cabinet on the adequacy of arrangements and proposes areas for improvement through the Annual Governance Statement.</p> <p>SCC's Code of Corporate Governance describes the methodology for the annual review of governance. The Code refers to 34 key policies. Using a cyclical programme of CRSA questionnaires, the extent of awareness and compliance is assessed each year.</p>	<p>The Governance Panel chose 4 policies for review – The Grievance Policy, The Member Officer Protocol, The Resilience Policy, and The Regulation of Investigatory Powers Act (RIPA).</p> <p>The Information Governance Risk Board is monitoring data security and cyber security. A new fraud e-learning package will be launched in 2017.</p> <p>The overall response rate was only 29% compared to 43% in 2015/16.</p> <p>RIPA had the highest response rate of 35% (9 out of 26 managers) but the sample size was smallest.</p> <p>There were varying degrees of understanding of the policies among the managers who responded.</p> <p>All the policies are not published on SCC's internal and external websites.</p> <p>The survey responses also identified the need for appropriate training to be made available for managers.</p>	<p>Some Improvement Needed</p>	<p>Members of the Governance Panel to consider encouraging managers to engage in the CRSA process by sharing the results (L).</p> <p>Up to date policies should be published on SCC's internal and external websites (L).</p> <p>Suitable training sessions to be arranged for all Level 1-4 responsible managers and participation should be encouraged (L).</p> <p>The procedural compliance of all officers impacted by the policy on RIPA should be reviewed to enable correct use (L).</p>

<sup>1</sup> **Audit Opinions**

<b>Effective</b>	Controls evaluated are adequate, appropriate, and effective to provide reasonable assurance that risks are being managed and objectives should be met.
<b>Some Improvement Needed</b>	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.
<b>Significant Improvement Needed</b>	Numerous specific control weaknesses were noted. Controls evaluated are unlikely to provide reasonable assurance that risks are being managed and objectives should be met.
<b>Unsatisfactory</b>	Controls evaluated are not adequate, appropriate, or effective to provide reasonable assurance that risks are being managed and objectives should be met.

<sup>2</sup> **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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