Completed Audit Reports (June – July 2013)

Audit	Background to review	Key findings	Audit opinion (1)	Recommendations for improvement (Priority) (2)
Reablement	Community based reablement is a short-term service designed to help people maximise independence in their own homes. In 2012/13, reablement services were delivered to over 4,000 service users and the total expenditure for the service was around £6million. A review of the Reablement Service (Domiciliary Care - in house) was included as part of the 2012/13 Annual Audit Plan. Following discussion with service management it was agreed that Internal Audit would support a service-led review of performance and produce an interim position statement.	The Reablement Service has successfully implemented consistent performance metrics across all of its teams, generating a useful set of data. The service is now well equipped to produce high level, graphical summaries of this information for management use. Acknowledging the limits of comparing information between organisations, the council appears to be performing well. In particular, the proportion of time spent in direct contact with service users is greater than that of other councils reviewed while the amount of time spent on staff travel is lower than that of other councils reviewed. Positive outcomes for service users are comparable or better than the other local authorities reviewed and continuing recording of outcomes will enable comparison with the Care Services Efficiency Delivery programme model's longer term objectives.	Effective	n/a – no recommendations made

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Local Sustainable Transport Fund (Large Bid)	In 2011, SCC was successful in its Local Sustainable Transport Fund 'Key Component' grant funding bid of £3.9m for its TravelSMART scheme. TravelSMART's aim is to promote economic growth and increase sustainable travel (walking, cycling and public transport) throughout Surrey. In June 2012, SCC was again successful in securing additional funding of £14.3m to further develop and expand the TravelSMART initiatives via a 'Large Project Bid', with a total pot size of £20.4m.	The value of expenditure on capital works orders was not being fully captured and reported to the DfT or Members during the year. There were problems at the last year-end in accruing appropriate costs incurred. The cost of all staff time on project activities needs charging to the LSTF budget. The use of project management tools to better monitor and deliver the various elements of this substantial project has been ad hoc. Not all grants given have been strictly focused on transport. Some have focused on health and employment objectives. The Lease for land for the Onslow Park & Ride and the Licence to construct are not yet in place, despite work beginning on a temporary licence. The fencing around the construction site at Onslow would not deter unauthorised access (vandals, thieves, children, etc).	Some Improvement Needed	Develop a system for estimating the value of work-in-progress relating to smaller capital works orders for LSTF delivery. **(M)** Strategic Projects staff to submit fully supported details of accrued scheme expenditure for 2013/14 promptly at year-end. **(M)** A comparison of actual to expected time charged to the LSTF projects to be discussed quarterly to the LSTF Project Board. **(M)** Strengthen use of formal project management tools in 2013/14 to improve task monitoring and financial reporting. **(M)** Apply tighter grant funding criteria to ensure a better focus on sustainable transport. **(M)** Secure a signed licence to work on site at the Onslow Park and Ride Scheme. **(M)** Consider improving the perimeter fencing around the Onslow P&R construction site. **(M)**

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Highways Contract Management Lot 1 follow-up	An audit of the core maintenance contract (Lot 1) let to May Gurney was completed in May 2012 and gave an opinion of Major Improvement Needed. This follow-up review sought to assess progress in implementing the Management Action Planned agreed following the May 2012 audit.	There were no recommendations which currently merited a 'Red' rating, i.e. no progress had been made since issue of the report in May 2012. Two 'High Priority recommendations were assessed as 'Amber'. In one case this is due to the incompatibility of current software to be integrated with the desired solution which has led to alternatives having to be sought and evaluated. In the second case, despite the implementation of software amendments, problems continue to persist at the interface stage between client and contractor systems which are being addressed by temporary manual intervention processes to ensure financial control is maintained.	Some Improvement Needed	There were no new recommendations 21 of the original 25 recommendations were completed; the remaining 4 are rated as amber and will continue to be monitored.
Head Teachers' Pay	As a result of an anomaly at one school in the salary of a recently retired Head Teacher a sample of 20 schools was selected to seek assurance that the governors were exercising good governance around Head Teacher pay awards	Minutes of Governor meetings were reviewed for evidence of when and for what purpose the Head Teachers' pay awards were made. For some of the schools reviewed, the evidence was insufficient and the Chairs of governors acknowledged this in communications with the auditor. At this stage there is one school which still has to provide the required information (due to difficulties in accessing the archives). This school has promised to provide the relevant information in the new academic term.	Some Improvement Needed	The Governors' Newsletter to include advice on the need to retain documentary evidence around decisions related to Pay Group; Individual School Range; and, increases in the Leadership Scale. School Improvement Officers to challenge these decisions as appropriate. **(M)**

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Highways Contract Management Lot 5 (highway flood prevention)	The lot 5 contract was awarded to May Gurney and their subcontractor, ACL, to start in 2011. The programme of work for 2012/13 had an estimated cost of £2.172m. This was the first audit review of this area.	Overall the monitoring of the contract is now largely effective in ensuring that the service is being provided as required but Surrey County Council was slow to move to the issue of an early warning notice in September 2012, whereby the contract was placed under special measures with an agreed action plan. Contract performance has been an issue in the past with the sub-contractor given extra time to complete the scheduled cleaning for 2012/13. The sub-contractor on the contract is being replaced. The weekly inspections carried out by the Maintenance Engineers have highlighted some poor or delayed performance and is an area that would benefit from strengthening.	Some Improvement Needed	The sub-contract should be reviewed in the light of the lessons learned to ensure it meets Surrey's contract requirements. **(H)** The new sub-contractor should be closely monitored to ensure that the service improvements over the past six months are not lost. **(H)** It is recommended that procedures to follow up cleansing failures are put in place to ensure they are not overlooked or ignored. **(H)** It is recommended that consideration is given to enabling wider access to Asset Planning data where it will support operational areas. **(M)**

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Financial assessment end to end process	Surrey County Council (SCC) provides a number of care services to its residents. The details of the services provided and their users are held in various systems within the Council. Using this information, some or all of the cost of providing these services may be recharged to the recipient of the services by raising invoices on a regular basis. This review was requested by the Adult Social Care select committee when the expected Rapid Improvement Event (RIE) was delayed.	The scope of the audit has been subject to change since the Terms of Reference were originally agreed. Following the successful conclusion of the RIE on Care Assessment in April, it was decided by the strategic directors to convene one on the Financial Assessment end to end process. The report, therefore, provides the current end to end process map; a review of recent history including some analysis; and, testing of time scales; all of which will be used to inform the RIE. The key pinch points identified were – • Lack of a overall single process owner inhibits resolution of any issues arising • Importance of the Locality teams in the process • Financial Assessment form should be reviewed in line with best practice • Timely update of SWIFT/AIS is critical for the placement approval and service provision. • Sharing of information on individual cases and communication across the authority needs focus • Use of expertise across the authority to streamline decision making, such as Deputyship and Legal.	n/a (Position Statement)	n/a – there were no audit recommendations. The information from this review was used to inform the Rapid Improvement Event that took place in June 2013.

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Risk Management Arrangements – Position Statement	The Council's risk management strategy and framework which complement each other outline arrangements in place for the council to identify and deals with the key risks it faces in a consistent manner across the organisation. SCC has adopted an integrated approach to risk management to ensure transparency and good governance. It also aims to continuously improve its approach to risk management which fits in with the 'One County One Team' vision to enable the Council to deliver its services to the residents of Surrey in the most effective and efficient way.	The Leadership Risk Register has a high profile and is regularly reviewed by key officers and Members. However, it was not possible to conclude the same for directorate and service risk registers and the most up to date risk registers were not available on S:net. The Policy Statement approved by the A&GC in May 2012 had not been implemented and the Committee was not informed. The risk management strategy and framework on S:net were not updated in line with this policy S:net information was not comprehensive and up to date for risk management guidance, links to areas related to risk management, service and directorate risk registers etc. Absence of up to date guidelines and the failure to escalate non-compliance with risk management responsibilities did not help in providing an integrated risk management approach.	n/a (Position Statement)	Risk registers on S:net should be up to date with correct details for all staff to rely on and use in their work. (H). The up to date Policy Statement, risk framework and strategy should be maintained on the S:net and publicised to enable all staff in the Council to be aware and fulfil their responsibilities. Any changes to the decisions made by the A&GC should be reported to the Committee for their approval before they take place (H). The risk management guidance on S:net should be comprehensive and up to date with all the links working for staff in services to comply with the Council's requirements for risk management arrangements (H). There should be a formal escalation policy to ensure that non-compliance with risk management responsibilities at all levels in the Council are highlighted in a timely manner and dealt with adequately (M).

Audit	Background to review	Key findings	Audit opinion (1)	Recommendations for improvement (Priority) (2)
Employee Expenses	Surrey County Council will reimburse employees for reasonable expenses incurred in connection with its business. Employees should not be either financially disadvantaged or advantaged because of genuine business expenses, with some expenses requiring prior approval. In 2012/13 106,301 claims were made totalling £4.4m.	Mileage claims with a 'home to work' element were found to have been made inconsistently by employees, with policy being interpreted differently. Staff doing a small number of miles per annum and receiving the lump sum have excessive per mile costs. The auditor found inconsistent recording of mileage on the TRIP system with some staff recording every stage of every journey and others recording hundreds of miles per line. Misinterpretation of policy has led some staff to claim less than they are entitled to.	Some Improvement Needed	Management should either simplify the policy or consider a GPS technology based solution to recording mileage which would reduce the need for staff to interpret policy. **(M)** Management should consider if the current contractual user bands are appropriate. The auditor recommends that there should be a minimal mileage required. Management should consider meeting the requirement for a contractual driver by other means (such as use of Streetcar). **(L)** A consistent format for inputting travel data onto TRIP should be designed and used across the council. This would ensure all relevant data was available and journeys could easily be verified. **(M)** Management should consider their position regarding historic mileage completed by employees who deducted more miles than necessary according to policy. **(M)**

Audit	Background to review	Key findings	Audit opinion (1)	Recommendations for improvement (Priority) (2)
ICS ContrOCC	In November 2010, Surrey County Council's (SCC) Children's and Safeguarding Service (CSS) moved its database from SWIFT to Protocol ICS. As part of the same procurement exercise, SCC purchased Oxford Computer Consultants' ContrOCC. This software is a suite of contract management and financial assessment management modules, and can be integrated with Protocol ICS. ContrOCC went live in November 2012 and is currently being used to administer payments to Surrey in-house foster carers, adopters, special guardians and those with kinship arrangements.	In determining timescales, insufficient consideration may have been given to distinguishing the compulsory element of the project (ICS) from that which was driven by business need (ContrOCC). As such, more time could have been given to understanding ContrOCC prior to scheduling implementation. Neither of the two main project drivers appears to have had a formal business case, and, during implementation, the Project Manager was unable to state whether the perceived benefits of using ContrOCC were still aligned with SCC and CSS strategies, the Finance Public Value Review, or Children's Schools & Families *Fit for the Future* programme. Representation from CSS senior management at Project Board meetings was inconsistent suggesting a lack of full engagement by CSS on the business aspect of its operations. Data quality issues contributed to the 'go live date' being pushed back from July to October 2012, and the recording of some placement changes has been held up by data quality problems in children's records	Some Improvement Needed (additional opinion of Major Improvement Needed on project management elements of the review)	CSS should ensure that, in future, projects are planned in sufficient detail before proceeding to implementation. **(H)** CSS should ensure that all projects are supported by complete and thorough business cases which provide full justification for the expenditure of time and money. **(H)** CSS should ensure that they are appropriately represented at Board meetings for projects which relate to their operations. **(H)** CSS to build upon work already undertaken, and continue its efforts to improve the quality of its data. **(M)**

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Youth Transform-ation	The Public Value Review (PVR) of Services for Young People (SYP), which was approved by Cabinet in December 2010, recommended actions which would use a reduced budget (a revenue budget of £16m in 2012/13) to the greatest benefit of the county's teenagers. A needs assessment led to the development of indicative outcomes for the Service, which will be delivered through eight operating business models. Commissions have now been agreed with providers to implement these models.	Youth Support Service and Surrey Outdoor Learning and Development performance management rests with a different team than that of the other six delivery models. Anecdotal evidence from SYP officers indicate that this arrangement may hamper the flow of information and impede the efficient production and analysis of performance data. The Auditor could not establish that the effectiveness of one-off initiatives (eg free school lunches for some Year 12 learners) was measured in a structured manner similar, for example, to that in the Logframes used for the operating business model commissions.	Some Improvement Needed	SYP should consider reviewing performance management co-ordination to ensure that performance data reflecting the integrated nature of the Service is produced in an efficient manner. **(M)** SYP should ensure that all activities which supplement the work in the delivery models have mechanisms which allow their effectiveness to be evaluated and understood. **(M)**

[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