


Appendix 1: Audit Opinions and Themes

Managing the Business			
Report title	Ethical Governance	Issued	June 2015
		Number of actions agreed	8
Objective	To assess whether the Council has established appropriate arrangements to ensure its operations are open, accountable and in line with recognised ethical standards.		
Assurance	High		Partial
			Minimal
Conclusion and key themes	<p>The Council has a number of documents, processes and arrangements in place that would constitute an appropriate ethical governance framework, including:</p> <ul style="list-style-type: none"> • the required Scrutiny, Audit and Standards Committees • a Local Code of Governance which complies with relevant good practice guidance as well as separate Codes of Conduct for Members and officers which form part of the Council’s Constitution, all of which are reviewed periodically • Anti-Fraud and Corruption and Whistleblowing Policies, Contract Procedure Rules and an assessment of compliance with the Local Government Transparency Code • annual declarations of interest from all Members and senior officers • induction training modules for Members and officers which discuss values and have links to the Nolan principles. <p>This element of the governance framework will be strengthened by:</p> <ul style="list-style-type: none"> • making more explicit reference in some documents to ethical considerations and or standards and how they should be applied (e.g. Staff Code of Conduct, Risk Management Strategy and Toolkit, when defining risks in corporate reports) • adopting a consistent, corporate approach to capturing officers' declarations of interest on a proactive basis (i.e. positively confirming their circumstances periodically) • implementing an electronic database to record hospitality and gifts disclosures, which is being developed as part of the work to refresh the Staff Code of Conduct • developing action plans to address areas where the Council has not fully complied with the Local Government Transparency Code requirements • more overtly commenting on this in governance reports produced in year or at year end. 		

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Key Financial Systems	
Objective	To assess whether the key controls in each of the significant financial systems effectively prevent or detect material errors on a timely basis, so that this information can be relied upon when producing the Council's financial statements.

Report title			
Corporate Accounts Payable System	Issued	June 2015	Number of actions agreed 11
Assurance	High	Satisfactory	Partial
Key controls tested	Strength of control		
<ul style="list-style-type: none"> • Measuring the level of compliance with “No Purchase Order, No Pay” requirements and taking action to improve compliance where necessary. 	Minimal		
<ul style="list-style-type: none"> • Staff system permissions are configured to ensure payments are authorised in line with the Council’s approved Scheme of Delegation. 	Satisfactory		
<ul style="list-style-type: none"> • Cumulative payments made by batch input files are made accurately and completely in line with the instruction from the originating service area. 	Partial		
<ul style="list-style-type: none"> • VAT rates are correctly applied to payments. 	High		
<ul style="list-style-type: none"> • BACS payment runs are complete, accurate, and appropriately authorised. 	High		
<ul style="list-style-type: none"> • Staff access to, and permissions within, the BACS system are restricted. 	High		
<ul style="list-style-type: none"> • New suppliers and amendments to current supplier details are set up accurately and supported by appropriate evidence to confirm their validity. 	Satisfactory		
<ul style="list-style-type: none"> • Reconciliations between the Accounts Payable and General Ledger systems are complete, accurate and timely. 	High		
<ul style="list-style-type: none"> • Previous audit recommendations have been implemented properly, in a timely manner. 	Partial		

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Corporate Accounts Payable system, key issues:

- Exceptions to the “No Purchase Order, No Pay” requirements need to be regularly identified, reported and followed up to improve compliance.
- There needs to be clearer evidence of reconciliations between the batch payment files created by services areas and the payments uploaded into Agresso to ensure complete and accurate payments. This is an outstanding recommendation from the 2013/14 audit.

Report title	Accounts Receivable	Issued	June 2015	Number of actions agreed	10
Assurance	High	 Satisfactory		Partial	Minimal
Key controls tested					Strength of control
• Service areas' instructions to the Accounts Receivable team to raise debts are appropriately reviewed and authorised to confirm they are accurate and supported by appropriate evidence to confirm their validity.					Partial
• The Debt Recovery Policy has been recently updated and approved.					High
• All instructions from originating service areas for debtors to be raised are accurately and completely turned into an invoice on a timely basis by the Accounts Receivable Team.					Satisfactory
• All instructions to raise invoices are appropriately reviewed to confirm the VAT rate applied is accurate.					High
• Parked Debt (i.e. debt not being actively pursued) is properly authorised and supported by appropriate evidence to confirm the initial and ongoing validity of the action.					Partial
• There are not duplicate debtors set up on the Accounts Receivable system.					Satisfactory
• Staff declare interests and appropriate action is taken to avoid conflicts of interest.					Partial
• The performance of the Accounts Receivable team is calculated and reported.					Satisfactory
• Reconciliations between all key financial systems and the General Ledger are complete, accurate and timely.					High
• Previous audit recommendations have been implemented properly, in a timely manner.					Satisfactory

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Accounts Receivable key issues:

- Staff in service areas need to be given guidance on the level of evidence needed to support invoices raised and the level of management authorisation needed prior to submitting an invoice request.
- The regular management review of parked debt should be widened to include all parked debts, rather than just those newly parked since the last review. Currently, whilst small in value, debt suspended using a complaint date is not reviewed.

Report title	Business Rates	Issued	June 2015	Number of actions agreed	3
Assurance	High	Satisfactory		Partial	Minimal
Key controls tested					Strength of control
• The list of business properties is complete and accurate (e.g. per the Local Land and Property Gazetteer).					Satisfactory
• The total amount of Business Rates to be collected from all businesses is set up accurately and on a timely basis (per Valuation Office Agency valuations).					High
• Discounts regarding small business rate relief and charitable exemptions are accurately calculated, authorised and supported by appropriate evidence to confirm their validity.					High
• All annual Business Rates bills are sent and accurate.					High
• New Business Rates accounts set up are accurate and supported by appropriate evidence to confirm their circumstances.					Satisfactory
• In-year adjustments to Business Rates accounts are accurate and supported by appropriate evidence to confirm their validity (i.e. change of occupancy, change of business use, addition and removal of properties).					High
• Correct direct debits are raised and payments received are accurately and completely allocated to the correct Business Rates account, in a timely manner.					Satisfactory
• Refunds are valid and appropriately authorised.					Partial

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<ul style="list-style-type: none"> Staff declare relevant interests in businesses and appropriate action is taken prevent conflicts of interest and protect staff from the perception of favouritism. 	High
<ul style="list-style-type: none"> Previous audit recommendations have been implemented properly, in a timely manner. 	Partial
<p>Business Rates key issue:</p> <ul style="list-style-type: none"> The Business Rates IT system should enforce staff's refunds approval levels as per their Scheme of Delegation limits. This is a recommendation outstanding from the 2013/14 audit report. 	

Report title	Cash Receipting and Banking	Issued	June 2015
		Number of actions agreed 9	



Key controls tested	Strength of control
<ul style="list-style-type: none"> Information from originating payment systems is accurate, complete and transferred in a timely manner to the cash receipting system. 	Minimal
<ul style="list-style-type: none"> Payments by CHAPS are necessary, authorised and supported by appropriate documentation to confirm their validity. 	Satisfactory
<ul style="list-style-type: none"> Staff access to, and permissions within, the online banking facility are restricted, based on their relevant roles. 	High
<ul style="list-style-type: none"> Direct Debits are authorised properly and supported by appropriate evidence to confirm their necessity and validity when they are set up and then regularly reviewed to confirm their ongoing necessity. 	High
<ul style="list-style-type: none"> Reconciliations between the Income Receipting system and other key financial systems are complete, accurate and timely. <p><i>Note: This audit opinion is influenced by the reconciliations to the Income Receipting system that were tested within the other key financial systems audited this year.</i></p>	Partial
<ul style="list-style-type: none"> Previous audit recommendations have been implemented properly, in a timely manner. 	High

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Cash and Bank key issues:

- Reconciliations need to be completed in a timely manner.
- Action is being taken to improve the control of cheques received prior to banking as well as cash handling and till reconciliation processes.

Report title	Council Tax	Issued	June 2015
		Number of actions agreed	4
Assurance			
Key controls tested	Strength of control		
• The total amount of Council Tax to be collected from all properties is set up accurately, on a timely basis.	Satisfactory		
• Discounts, disregards, exemptions and reliefs are accurately set up, on a timely basis.	Satisfactory		
• In-year adjustments to Council Tax accounts are accurate and supported by appropriate evidence to confirm their validity (i.e. change of occupancy, addition and removal of properties).	High		
• Correct direct debits are raised and payments received are accurate, complete and allocated in a timely manner to the correct Council Tax account.	Satisfactory		
• Reconciliations between the Council Tax and General Ledger module of the Financial Management Systems are complete, accurate and timely.	High		
• Previous audit recommendations have been implemented properly, in a timely manner.	Partial		
Key issue:			
• The Council Tax IT system should enforce staff's refunds approval levels as per their Scheme of Delegation limits. This is a recommendation outstanding from the 2013/14 audit report.			

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Report title	General Ledger	Issued	June 2015
			Number of actions agreed 9
Assurance	High	Satisfactory	Partial
			Minimal
Key controls tested			Strength of control
<ul style="list-style-type: none"> • Journals are accurate, authorised and supported by appropriate evidence to confirm their validity. 			High
<ul style="list-style-type: none"> • Virements are accurate, authorised and supported by appropriate evidence to confirm their validity. 			Partial
<ul style="list-style-type: none"> • Reconciliations between the general ledger and the bank account/s are complete, accurate and timely. 			Minimal
<ul style="list-style-type: none"> • Reconciliations between all key financial systems and the General Ledger are complete, accurate and timely. <i>Note: This audit opinion is influenced by the reconciliations to the General Ledger that were tested within all of the other key financial systems audited this year.</i> 			Satisfactory
<ul style="list-style-type: none"> • Previous audit recommendations have been implemented properly, in a timely manner. 			Minimal
Key issues:			
<ul style="list-style-type: none"> • Reconciliations need to be completed in a timely manner. • A new bank reconciliation module was introduced in April 2014 to allow the unreconciled items from the previous financial year to be successfully matched. The new module is starting to resolve these unreconciled items. However due to the volume of transactions, it is estimated that the reconciliations will be fully up-to-date by March 2016. 			

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Report title	Housing Benefit	Issued	June 2015	Number of actions agreed	5
Assurance					
Key controls tested					Strength of control
<ul style="list-style-type: none"> Applicable Housing Benefit rates and eligibility parameters are amended accurately and completely on a timely basis. 					High
<ul style="list-style-type: none"> Claims are processed by staff accurately based on the supporting evidence. 					Partial
<ul style="list-style-type: none"> Payments made to claimants are accurate and complete. 					Satisfactory
<ul style="list-style-type: none"> Staff access to, and permissions within, the Housing Benefit system are appropriately restricted including taking account of declared interests. 					High
Key issue:					
<ul style="list-style-type: none"> The internal quality checking regime on whether Housing Benefit claims have been properly assessed needs to be more undertaken more consistently, regularly and the results recorded. 					

Report title	Treasury Management	Issued	May 2015	Number of actions agreed	1
Assurance					
Key controls tested					Strength of control
<ul style="list-style-type: none"> There is appropriate formulation and approval of the Treasury Management Policy and regular reporting in line with the CIPFA Code of Practice. 					High
<ul style="list-style-type: none"> Treasury management transactions are properly authorised and supported by appropriate evidence to confirm their validity (including investments placed, recalled and borrowings made and repaid). 					High

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Report title	Payroll	Issued	May 2015
			Number of actions agreed 15
Assurance	High	Satisfactory	Partial
	Minimal		
Key controls tested			Strength of control
<ul style="list-style-type: none"> • Changes to be made to Payroll payments (e.g. salary, tax codes, national insurance) are accurately configured at the start of the financial year, and are done so in a timely manner. 			Minimal
<ul style="list-style-type: none"> • Amendments to the Payroll system (including starters, leavers and amendments to staff records) are accurate, independently authorised and supported by appropriate evidence to confirm their validity. 			Minimal
<ul style="list-style-type: none"> • Overtime payments made to staff are accurate, properly authorised and supported by appropriate evidence to confirm their validity. 			Minimal
<ul style="list-style-type: none"> • Reconciliations are undertaken between Payroll and the General Ledger and are complete, accurate and timely. 			Minimal
<ul style="list-style-type: none"> • BACS payment runs are complete, accurate, and appropriately authorised. 			Partial
<ul style="list-style-type: none"> • 'Office Holders' are correctly identified and paid through the Payroll system. 			Partial
<ul style="list-style-type: none"> • Payments made to HMRC (with respect to PAYE income tax and national insurance) are accurate, complete and supported by appropriate evidence to confirm their validity. 			Partial
<ul style="list-style-type: none"> • Staff access to the Payroll system is restricted to Payroll staff only. 			Satisfactory
<ul style="list-style-type: none"> • Previous audit recommendations have been implemented properly, in a timely manner. 			Partial
Key issues:			
<ul style="list-style-type: none"> • Supporting evidence needs to be retained to demonstrate that: <ul style="list-style-type: none"> • changes made to Payroll payments (e.g. salary, tax codes, national insurance) are accurately configured at the start of the financial year • pre-payment checks made before BACS payment runs are completed accurately. • Reconciliations between the Payroll system and the General Ledger need to be completed in a timely manner. 			

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- A number of the above audit opinions will be improved by automating process that are currently being performed manually. An upgrade project, due to be implemented at the end of June 2015, is specifically designed to address these weaknesses. Management are aware of, and accept, these risks until Agresso can be upgraded to automate processes.
- The sample of amendments reviewed during audit testing did not identify any obvious significant errors, omissions or indications of fraud.

Managing Service Delivery Risks	
Report title	Direct Payments
Issued	June 2015
Number of actions agreed	15
Scope	<p>The following work has been undertaken in this area, during the year:</p> <ul style="list-style-type: none"> • The robustness of the financial monitoring arrangements operated to ensure payments made directly to clients are used to meet eligible needs as defined in care plans, was assessed. • Actions arising from a previous audit relating to making direct payments to clients with mental health difficulties were revisited. • Certain aspects of the contract management arrangements with Vibrance were assessed. This related to the proven fraud identified in January 2015, which resulted in the dismissal and prosecution of a Council employee for the misappropriation of surplus monies on client accounts held by the provider.
Assurance	
Conclusion and key themes	<p>The key actions required to strengthen these arrangements are to formalise the Council's day to day expectations of:</p> <ul style="list-style-type: none"> • South Essex Partnership University NHS Foundation Trust (SEPT) employees, when undertaking and reviewing care assessments for clients with mental health difficulties, which are then referred to the Council for challenge and /or approval • Vibrance, with regard to the maintenance and reporting of direct payment accounts held on behalf of clients • Council staff when: <ul style="list-style-type: none"> • authorising care packages in terms of verifying their accuracy and validity to supporting documentation • monitoring payments made directly to clients to ensure they are used to purchase appropriate care, via clear and comprehensive procedure notes.

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	<p>Action is underway:</p> <ul style="list-style-type: none"> • to improve segregation of duties so that no one person can set up client accounts on Care First, input and authorise care packages and establish creditor details on the Accounts Payable system • towards designing, regularly producing and reviewing reports of where someone has entered a care package onto Care First and then approved it to confirm this is appropriate, as the IT system does not have the functionality to prevent this • to recruit staff as well as reviewing and reassign key tasks for monitoring the use of payments made directly to clients • to improve the manner in which decisions on care packages are recorded at Finance Authorisation meetings (the Panel), for clients with mental health difficulties, to minimise the risk they may be misinterpreted.
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Managing Service Delivery Risks			
Report title	Managing Ofsted Action Plans	Issued	May 2015
		Number of actions agreed	8
Objective	<p>To assess whether the Department for People operates effective processes for ensuring that recommendations contained in action plans are implemented properly by the due date, when arising from:</p> <ul style="list-style-type: none"> • Ofsted inspections of schools, Private Voluntary Independent settings (PVI), Children’s Centres and the Council’s Children’s Social Care Services (where categorised as 'special measures' or 'serious weaknesses identified') • Council intervention where schools are identified as 'requiring improvement'. 		
Assurance	<p style="text-align: center;">High Satisfactory Partial Minimal</p>		
Conclusion and key themes	<p>Whilst monitoring arrangements are in place, the various management teams within the Department of People need more consistent arrangements to actively monitor whether recommendations arising from Ofsted reports are implemented fully, effectively and in a timely manner.</p> <p>Schools</p> <p>The “Improving Learning Together” Policy is used to direct all post-Ofsted inspection action planning and management thereof. However, the Policy is not sufficiently detailed to provide clear direction to staff on how to effectively address Ofsted recommendations.</p>		

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The Council has implemented a multi-tiered process to manage actions plans post-Ofsted inspection. However these arrangements need to be strengthened and applied more consistently. School Improvement Project Boards (SIPBs) need to be more consistently constituted with clear, approved terms of reference setting out their work programme. They also need to meet at the specified frequency. School Improvement Plans actually need to be developed for each applicable school, demonstrably addressing all of Ofsted's recommendations, be more consistent and robust in form and content and then be discussed at SIPBs in all cases.

Where a school is placed into special measures, Ofsted will re-inspect and then assess both its and the Council's response to its recommendations. A consequence of the issues outlined above is that Ofsted initially assessed all three of the Council's statutory Statements of Action as not fit for purpose although action was subsequently taken to rectify this in each case.

Children's Centres and PVI settings



There are satisfactory arrangements in place to manage these action plans however again they are inconsistently applied. Action plans themselves were not always produced promptly or signed off at an appropriate management level, and not all consistently demonstrated SMART actions to address all Ofsted's recommendations.

Children's Social Services

Generally satisfactory action plans were developed to address Ofsted's recommendations relating to services directly controlled by the Council. However, in some instances the timescales for implementing the required action were not documented.

Long-term actions recommended by Ofsted are integrated into the relevant service's Service Plan and monitored through the Council's performance management system Covalent. There is monitoring of these through Inspection Preparation Group meetings. Further work is needed to clarify to staff, how the actions are monitored and managed and the responsibilities for doing so.

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Managing Service Delivery Risks			
Report title	Education, Health and Care Plans	Issued	May 2015
		Number of actions agreed	3
Objective	To assess whether the Council is effectively introducing the new Education, Health and Care Plans (EHC plans).		
Assurance	High	 Satisfactory	Partial
			 Minimal
Conclusion and key themes	<p>The Council has effectively introduced the new EHC plan format and completed an EHC plan for those children and young people now requiring one.</p> <p>The Department for Education (DfE) and Her Majesty's Inspectorate have expressed satisfaction with the Council's:</p> <ul style="list-style-type: none"> • new arrangements to complete individual EHC plans • ability to convert all existing Statements of Special Education Needs to the new EHC plans by April 2018, the statutory deadline. <p>The DfE's monitoring and reporting to the Council has been continual, albeit informal. The Council should request written feedback to the Head of Learning and the Corporate Director for People to formally evidence the DfE's assurance.</p> <p>The service therefore has a solid basis to meet the new requirements for each child individually and for the whole caseload. The main areas where further action is required to improve the integrated EHC plans are as follows:</p> <ul style="list-style-type: none"> • Completing EHC plans within the statutory 20 weeks deadline <p>The Children and Families Act 2014 establishes a 20 week deadline for completing EHC plans. However, there does not appear to be any official penalties for failing to do so.</p> <p>Few of the EHC plans completed to date have been inside 20 weeks (13%). 57% have been completed within 23 weeks and 95% within 27 weeks. The 20 week timescale is acknowledged by the DfE to be challenging given the logistics of collating input from, and meeting with, numerous agencies (i.e. health, education and care services).</p> <p>Action is being taken to understand any trends in performance and specific bottlenecks to identify means to increase the speed with which EHC plans are completed.</p>		

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	<ul style="list-style-type: none"> Improving the consistency and usefulness of health representatives' input into the EHC plan panel decision-making process <p>The contribution from health practitioners has, on occasion, been overly focused on describing the medical situation of the child rather than providing a clear direction on the changes needed in the child's educational context. Whilst this has not ultimately prevented the completion of an EHC plan, it has made the process less efficient.</p> <p>The Council's health colleagues have been made aware of this and are actively working to improve its contributions in this regard.</p> Making more effective use of the Capita ONE electronic document record system <p>Capita ONE should be used more consistently to record and manage all EHC plans. Capita ONE has the advantages of being able to enforce required steps in the process, embed management authorisation of actions and provide management information on the progress of any or all cases.</p> <p>The system is currently used solely as a database to save documents and is dependent on caseworkers themselves manually managing the progress of cases. The Special Education Needs major project board is tasked with improving the use of Capita ONE specifically and the quality of management information more generally.</p>
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Managing Service Delivery Risks						
Report title	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 40%;">Reablement</td> <td style="width: 20%;">Issued</td> <td style="width: 20%;">June 2015</td> <td style="width: 20%;">Number of actions agreed</td> <td style="width: 10%; text-align: center;">9</td> </tr> </table>	Reablement	Issued	June 2015	Number of actions agreed	9
Reablement	Issued	June 2015	Number of actions agreed	9		
Objective	To assess whether there is a robust strategic approach to reablement and effective supporting processes to manage its delivery and required outcomes.					
Assurance						
Conclusion and key themes	Reablement services have been developed in deliberate phases over the last few years as resources, funding and other, more time-critical, priorities have allowed. Management has recognised that reablement outcomes are most effectively achieved when delivered by many, if not all, health and social care disciplines rather than a discrete, time-limited service as currently delivered. Therefore a specific reablement strategy is not now necessary but this does need to be a common thread through all other relevant strategies.					

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The “Community Recovery Pathway” project is now underway to review and, where necessary, redesign many social care services and their entry pathways. This project aims to develop a more integrated care system, so will address how all services and providers collectively achieve the required reablement outcomes.

Reablement services are currently primarily managed by individual service teams and at a provider level. Reablement services are delivered partly in-house (for more complex cases) and partly by contracted third-party providers. There is a reasonable rationale for this arrangement given the development of reablement services over time but it is positive it is currently being challenged for its on-going appropriateness as part of the above mentioned project.

Third-party providers are generally well managed in regard to their contractual targets for individual service users’ outcomes at the end of their reablement packages. However, the contracts themselves could more effectively incentivise providers to ensure individuals’ reablement improvements endure beyond their initial package. Such incentives are to form part of any new contracts to start from 1 April 2017.

Management and capacity information needs improvement. The in-house and external providers are not assessed against the same performance framework. Management acknowledge there also needs to be more effective analysis of service users’ need for health and social care services after their reablement package to identify ways to improve service delivery. The planned implementation of the Care Trak information system is well suited to provide required data and enable such analysis.

Capacity management needs to be more dynamic to ensure all potential service users are effectively matched to reablement services, rather than ‘mainstream’ homecare services to:

- improve service user outcomes, as mainstream services may not be as effective at reabling them
- ensure providers operate at near their contracted capacity.

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Managing Service Delivery Risks			
Report title	Public Health Patient Group Directives	Issued	April 2015
		Number of actions agreed	0
Objective	To assess whether Public Health Patient Group Directions (PGDs) have been developed and authorised in line with relevant legislative requirements.		
Assurance	<div style="display: flex; align-items: center; justify-content: space-between;"> <div style="background-color: #00FF00; color: white; padding: 5px; font-weight: bold;">High</div> <div style="text-align: center;">Satisfactory </div> <div style="text-align: center;">Partial </div> <div style="text-align: center;">Minimal </div> </div>		
Conclusion and key themes	<p>Development, content and sign off of Patient Group Directions</p> <p>Public Health liaised extensively with the Clinical Commissioning Group’s Medicines Management Committee, Essex County Council, lead pharmacists, South Essex Partnership NHS Foundation Trust, Essex Commissioning Support Unit’s lead pharmacist and the Council’s contracted pharmacist. This ensured there was appropriate challenge to the content of the PGDs. PGDs included sufficient information, and were authorised, in line with the National Institute for Health and Care Excellence’s best practice guidance. The PGDs were issued to Community Pharmacists on 31 March 2014. This also met the required timescales to replace the old PGDs as they expired.</p> <p>All PGDs were retained and available for inspection.</p> <p>Commissioning and monitoring of Patient Group Directions</p> <p>Public Health has worked and is working appropriately with its key partners and providers to ensure the PGDs are consistently and effectively applied through the following:</p> <ul style="list-style-type: none"> • Smoking cessation services: Amending the community pharmacist contract specification to include the competencies required by national frameworks to provide this service. Public Health is effectively tracking receipt of pharmacists’ required declarations of competence to deliver the service and only those providing sufficient evidence of competence have been commissioned. Performance of individual pharmacists is also monitored on an on-going basis. • Sexual health services: An on-going programme of inspecting each provider to assess the quality of services. 		

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Report title	Welfare Reform	Issued	June 2015
			Number of actions agreed 2
Objective	<p>To assess whether:</p> <ul style="list-style-type: none"> • the action plan from the in-depth Policy and Resources Scrutiny Committee Welfare Reform project is being implemented in line with agreed timescales; and • there is evidence the required outcomes are being achieved. 		
Assurance			
Conclusion and key themes	<p>The Policy and Resources Scrutiny Committee's (the Committee) final report made eight "pledges" as part of an action plan to deal with the effects of welfare reform. However, the action plan does not completely set out for all pledges:</p> <ul style="list-style-type: none"> • how progress made in taking the required actions forward will be monitored • when the required actions will be completed • what are the required outcomes from the actions to meet the respective pledges. <p>Although each pledge's ownership was assigned to a member of staff either:</p> <ul style="list-style-type: none"> • they were not always aware of this role, or • it was assigned to a director, to nominate someone to undertake the role and it is unclear whether this has been done. <p>There is a lack of clarity regarding what arrangements have been established, if any, to:</p> <ul style="list-style-type: none"> • monitor delivery of individual pledges and actions • report the progress made in implementing the whole action plan to senior management and the Committee. <p>The Committee has not received any updates on the delivery of the action plan.</p> <p>Internal Audit's own enquires with responsible officers regarding the delivery of assigned actions identified mixed results. For:</p> <ul style="list-style-type: none"> • two pledges the required actions were taken and to the required timescale • three pledges the required actions were partially implemented • two pledges no evidence of action being taken could be identified • one pledge, as the required actions and outcomes had not been defined, it was not possible to assess whether the pledge had been met. 		


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Report title	Traffic Management Schemes Implemented by Traffic Regulation Orders	Issued	May 2015
		Number of actions agreed	6
Objective	To assess the effectiveness of arrangements to identify, implement, enforce, monitor and amend highway and traffic management schemes implemented by a Traffic Regulation Order (TRO).		
Assurance			
Conclusion and key themes	<p>The Members' request process for initiating, assessing and agreeing to highway and traffic management schemes should be formalised into a policy framework (similar to the Resident Parking policy). This is needed to bring greater documented clarity on the scope and purpose of the process and the required outcomes from all schemes individually and collectively.</p> <p>At the time of the audit, there were not effective, embedded arrangements to assure management the statutory processes to implement a Traffic Regulation Order (TRO) were being followed.</p> <p>During the audit, a checklist was introduced to direct and record appropriate management checks of compliance with the required statutory processes. Internal Audit's limited testing of a number of TROs did not identify any issues.</p> <p>Management consider the review of all TROs impractical given the resources required to do so. However, there are some processes in place that mitigate the risk of errors in the TRO or the highway 'signs and lines' that could mean the restriction is not enforceable and associated penalties refundable. These processes include analysis of successful Penalty Charge Notice appeals and the work of the parking enforcement contractor who routinely report identified signs and lines issues.</p> <p>However there does remain an acknowledged risk there may be issues with some TROs that could have financial implications. As such, an external specialist company is to be asked to review the overall TRO process and a number of TROs to identify any required actions to further mitigate this risk.</p>		

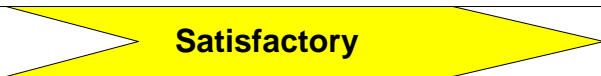
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Managing Service Delivery Risks			
Report title	Waste Collection and Street Cleansing Contract Letting Process	Report issued	May 2015
Objective	To: <ul style="list-style-type: none"> • evaluate the robustness of governance arrangements pertaining to the procurement of the Waste Collection and Street Cleansing Contract • determine the extent to which the 'competitive dialogue' process was managed in accordance with good practice principles. 		
Assurance			
Conclusion and key themes	<p>Sufficient assurance was obtained to confirm that procurement processes were managed in line with the Council's current corporate procurement framework and that these processes complied with UK and European law. It was particularly noted that the complex and detailed procedures for the letting of the contract were well managed by the service area in liaison with the Corporate Procurement team.</p> <p>Good practice principles have been recommended to officers currently updating the Council's overall procurement framework, to improve governance at a corporate level for contracts of this size. These include:</p> <ul style="list-style-type: none"> • standardising the: <ul style="list-style-type: none"> • documents to be completed to support the initial, pre procurement, decision making process i.e. covering the option appraisal, business case and procurement strategy • process for getting these documents signed off at senior management and or Member level • defining a framework which requires Members to specifically approve the letting of major contracts. 		
Number of actions agreed	None for this review as these recommendations are already being dealt with as part of the work currently underway, to update the corporate procurement framework.		

Appendix 1: Audit Opinions and Themes

Managing Service Delivery Risks			
Report title	IT Asset Procurement	Issued	May 2015
		Number of actions agreed	6
Objective	To assess whether the procurement of IT hardware or systems ('assets') is clearly driven by the business need of the organisation or individual services and delivers value for money.		
Assurance	High		Partial
			Minimal
Conclusion and key themes	<p>ICT maintain a record of all procurements (with an ICT component) to be made in upcoming years on the Council's performance monitoring system (Covalent). However, it was not possible to easily and consistently demonstrate the links between higher-level strategic documents (such as Heads of Service service plans and the ICT Strategy) and these records of ICT procurements to be made. Nevertheless, ICT document well, the consultation meetings that occur between senior ICT officers and Heads of Service / Group Managers annually that consider services' future IT procurement needs. This provides assurance that ICT is likely to possess sufficient information to produce an informed ICT Strategy (in future the 'Digital Strategy') and Procurement Plan.</p> <p>Business cases for new ICT projects are scrutinised by the Digital Strategy Programme Board (the Board) although it relies on individual Council services recognising the need to take them to the Board. Therefore there is a risk they might not see everything. However other processes are in place that should enable such purchases to be identified e.g. when spending approval is requested or ICT review the capital programme to prepare for service meetings.</p> <p>Action is being taken to ensure the standard proforma is used to present business cases to the Board to ensure all the information required to make an informed decision is provided. The opportunity is being taken to enhance its use by making it mandatory to provide information regarding potential links to future ICT procurements and explanations as to why sections are deemed to be 'not applicable'.</p> <p>ICT has 'gatekeeper' privileges over certain cost centres within Agresso. This means that when a service raises a purchase order, ICT must also authorise the order before it is approved on Agresso. The cost centres that ICT have gatekeeper privileges over are all appropriate and this provides a robust preventative and detective role that stops spending on ICT assets without the knowledge of, and technical challenge from, ICT.</p> <p>During this work, it was noted that purchases made using a Council procurement card (or 'p-card') could not be interrogated without access to the procurement card system. ICT should have access to this system in order to reduce the risk that their involvement in the procurement of ICT assets is bypassed when staff use these cards.</p>		

Appendix 1: Audit Opinions and Themes

Managing Service Delivery Risks			
Report title	Staff End User Devices Strategy	Issued	June 2015
		Number of actions agreed	2
Objective	To evaluate the robustness of design and implementation of the staff End User Device Strategy framework designed to ensure key risks are managed.		
Assurance	High		Partial
			Minimal
Conclusion and key themes	<p>An appropriate strategic vision for staff use of devices is set out in the draft Staff End User Device Strategy of December 2014. This is a deliberately brief document that solely establishes the high-level vision and principles of a mobile workforce effectively using technology. It does not set out specific plans or define the specific technology to be employed. However establishing such a vision and principles is appropriate as:</p> <ul style="list-style-type: none"> • technology changes at a speed that can make a strategy quickly out of date • citing any specific, current technology could restrict future choices to devices that are no longer the most effective. <p>Action is being taken to improve the Staff End User Device Strategy by setting out how ICT and services will practically apply these principles. This will include reference to established working processes, plans and strategies, for example, ICT's annual liaison with Group Managers and Heads of Services as part of service planning and the Southend Digital Strategy.</p> <p>The Southend Digital Strategy challenges all services to identify their digital opportunities and challenges in reference to achieving the Council's corporate priorities. Work is in train to ensure it consistently describes, for all corporate priorities, the current impact of these on service design, the way staff will work and devices used.</p> <p>The IT Asset Procurement audit also identified strong controls for ICT staff to challenge and, if necessary, veto purchases of devices that do not match business or technological requirements or represent poor value for money via annual service planning meetings and business cases presented to the Digital Strategy Programme Board. These arrangements take into account the principles set out in the Staff End User Device Strategy and the Southend Digital Strategy.</p> <p>Compliance with the Public Sector Network requirements demonstrates the Council robustly secures data at the individual user device and overall infrastructure level.</p>		

Appendix 1: Audit Opinions and Themes

Implementing Action Plans	
Objective	To assess whether the actions agreed in the original audit have been implemented and are now effectively embedded into the day to day operation of the service.

Report title	Accounts Receivable, Social Care Debt	Issued	June 2015
Original objective	To assess whether social care debt recovery system was appropriately designed and effectively operated.		
Conclusion and key themes	<p>Further action is being taken to strengthen arrangements by:</p> <ul style="list-style-type: none"> • making clear to staff the Council’s expectations of the day to day processes and actions required to recover and manage debt • management regularly and systematic reviewing and challenging debts listed on the Agresso aged debt report to confirm staff are: <ul style="list-style-type: none"> • properly and consistently applying the procedures • taking appropriate and timely action to recover debt. • improving the management information available directly from the Agresso Accounts Receivable system to reduce the possibility of the Debt Recovery team using inaccurate and / or incomplete data when analysing and reviewing debt • introducing a work flow process within the Electronic Document Retention and Management system (Civica) to prompt staff to follow a standard debt recovery process • developing appropriate and proportionate reporting of overall debt management performance to senior management. 		

Appendix 1: Audit Opinions and Themes

Report title	Parking Management Schemes	Issued	February 2015
Original objective	To assess the effectiveness of arrangements to establish schemes, and subsequently award permits, levy charges, monitor, and enforce parking management schemes (PMS).		
Conclusion and key themes	<p>There is scope for the service to strengthen its arrangements for proactively monitoring the delivery of actions arising from audit reviews.</p> <p>With regards to this audit:</p> <ul style="list-style-type: none"> • a new management action has now been agreed to clarify how the feasibility and post-implementation outcomes of parking management schemes will be assessed. Further detail will be included in any refreshed Resident Parking Scheme Policy on the industry good practice principles on undertaking such assessments so Members are clear and agree on how officers will provide their professional opinion • two actions could not be tested in full as no new parking management schemes have been introduced since the original report, although action has been taken to strengthen the arrangements. <p>Further work is being taken to fully implement a further six actions, the most significant ones involving:</p> <ul style="list-style-type: none"> • making all parking management scheme information and associated statutory documentation publicly available • more clearly documenting the officer checks of the contractor’s “signs and lines” work to confirm they are exactly as advertised and agreed and therefore enforceable • reconciling all parking income, including income from parking management schemes. This also includes ensuring payments received in the Customer Service Centre are clearly referenced to the applicable resident and parking management scheme so the payment can be accurately assigned. 		

Appendix 1: Audit Opinions and Themes

Finance, Management and Governance Audit in Schools	
Objective	To assess whether individual schools have adequate and effective governance, information and asset management as well as financial management and reporting arrangements in place.

Assessment Against Key Performance Criteria			
School Name	Chalkwell Hall Junior School	Report issued	June 2015
Opinion	Adequate		
Recommendations	High: 6	Medium: 16	Total: 22

Assessment Against Key Performance Criteria		
<i>Audit Enquiry</i>	<i>Assessment</i>	<i>Significant Improvement Opportunities</i>
Governance		
The governing body is properly formed and governors are effectively recruited and trained	Good	None
Governors are provided with sufficient information to exercise their oversight role effectively	Adequate	
Roles, responsibilities and powers are clearly defined and enforced	Adequate	
Information and Asset Management		
Confidential, personal and sensitive information is effectively managed and secured.	Improvement Required	A Records Management Policy is created to guide users in the appropriate ways to handle, collect, retain and destroy data.
Assets are secured and maintained	Adequate	It also incorporates a clear desk policy, a portable media policy and a remote/home working policy.

Appendix 1: Audit Opinions and Themes

<i>Audit Enquiry</i>	<i>Assessment</i>	<i>Significant Improvement Opportunities</i>
Financial Management and Reporting		
There are sufficient, appropriately qualified and experienced finance staff to plan, process and manage financial arrangements effectively and efficiently	Good	None
There is effective financial planning that provides a clear view of how the school will use its resources to achieve objectives	Adequate	
The budget position is accurately known, monitored on a regular, timely basis and reported to senior management and the governing body	Good	
Financial transactions are accurate, complete, authorised, substantiated, made securely and accurately recorded	Adequate	
Goods and services are procured fairly and achieve value for money	Adequate	

School Name	Earls Hall Infant School		Report issued	June 2015
Opinion	Adequate			
Recommendations	High: 8	Medium: 16	Total: 24	
Assessment Against Key Performance Criteria				
<i>Audit Enquiry</i>			<i>Assessment</i>	<i>Significant Improvement Opportunities</i>
Governance				
The governing body is properly formed and governors are effectively recruited and trained			Adequate	None

Appendix 1: Audit Opinions and Themes

Audit Enquiry	Assessment	Significant Improvement Opportunities
Governors are provided with sufficient information to exercise their oversight role effectively	Adequate	None
Roles, responsibilities and powers are clearly defined and enforced	Adequate	
Information and Asset Management		
Confidential, personal and sensitive information is effectively managed and secured.	Adequate	Spot checks are regularly undertaken and recorded to confirm the inventory of assets remains accurate and all assets are accounted for.
Assets are secured and maintained	Improvement Required	
Financial Management and Reporting		
There are sufficient, appropriately qualified and experienced finance staff to plan, process and manage financial arrangements effectively and efficiently	Good	Proposed changes to supplier details should be independently confirmed via a School instigated contact with a known company representative. The request to change and the action taken to confirm the change is genuine is retained. The change input to the financial management system should be independently checked for accuracy.
There is effective financial planning that provides a clear view of how the school will use its resources to achieve objectives	Good	
The budget position is accurately known, monitored on a regular, timely basis and reported to senior management and the governing body	Good	
Financial transactions are accurate, complete, authorised, substantiated, made securely and accurately recorded	Improvement Required	
Goods and services are procured fairly and achieve value for money	Adequate	

Appendix 1: Audit Opinions and Themes

School Name	Kingsdown School		Report issued	June 2015
Opinion	Adequate			
Recommendations	High: 8	Medium: 8	Total: 16	
Assessment Against Key Performance Criteria				
Audit Enquiry		Assessment	Significant Improvement Opportunities	
Governance				
The governing body is properly formed and governors are effectively recruited and trained		Adequate	None	
Governors are provided with sufficient information to exercise their oversight role effectively		Adequate		
Roles, responsibilities and powers are clearly defined and enforced		Adequate		
Information and Asset Management				
Confidential, personal and sensitive information is effectively managed and secured.		Adequate	<p>A Records Management Policy is created to guide users in the appropriate ways to handle, collect, retain and destroy data.</p> <p>A Business Continuity Plan is created, outlining the procedures to be followed and the roles and responsibilities of individuals in the event of an emergency.</p>	
Assets are secured and maintained		Improvement Required		

Appendix 1: Audit Opinions and Themes

<i>Audit Enquiry</i>	<i>Assessment</i>	<i>Significant Improvement Opportunities</i>
Financial Management and Reporting		
There are sufficient, appropriately qualified and experienced finance staff to plan, process and manage financial arrangements effectively and efficiently	Good	Proposed changes to supplier details and new supplier details are independently confirmed via a School-instigated contact with a known company representative. Evidence of the request and confirmation the change is genuine will be retained.
There is effective financial planning that provides a clear view of how the school will use its resources to achieve objectives	Improvement Required	
The budget position is accurately known, monitored on a regular, timely basis and reported to senior management and the governing body	Good	
Financial transactions are accurate, complete, authorised, substantiated, made securely and accurately recorded	Adequate	
Goods and services are procured fairly and achieve value for money	Adequate	

School Name	St Helen's Primary School		Report issued	May 2015
Opinion	Adequate			
Recommendations	High: 7	Medium: 15	Total: 22	
Assessment Against Key Performance Criteria				
<i>Audit Enquiry</i>			<i>Assessment</i>	<i>Significant Improvement Opportunities</i>
Governance				
The governing body is properly formed and governors are effectively recruited and trained			Adequate	None

Appendix 1: Audit Opinions and Themes

Audit Enquiry	Assessment	Significant Improvement Opportunities
Governors are provided with sufficient information to exercise their oversight role effectively	Adequate	
Roles, responsibilities and powers are clearly defined and enforced	Adequate	None
Information and Asset Management		
Confidential, personal and sensitive information is effectively managed and secured.	Improvement Required	<p>The School updates its Records Management Policy, in line with good practice guidance, to guide users in the appropriate ways to collect, process, store, transfer and destroy personal and sensitive data.</p> <p>Spot checks are regularly undertaken and recorded to confirm the Asset Register remains accurate and all assets can be accounted for.</p>
Assets are secured and maintained	Improvement Required	
Financial Management and Reporting		
There are sufficient, appropriately qualified and experienced finance staff to plan, process and manage financial arrangements effectively and efficiently	Good	None
There is effective financial planning that provides a clear view of how the school will use its resources to achieve objectives	Adequate	
The budget position is accurately known, monitored on a regular, timely basis and reported to senior management and the governing body	Good	
Financial transactions are accurate, complete, authorised, substantiated, made securely and accurately recorded	Adequate	
Goods and services are procured fairly and achieve value for money	Adequate	

Appendix 1: Audit Opinions and Themes

School Name	Thorpe Greenways Federated School		Report issued	June 2015
Opinion	Adequate			
Recommendations	High: 10	Medium: 10	Total: 20	
Assessment Against Key Performance Criteria				
<i>Audit Enquiry</i>		<i>Assessment</i>	<i>Significant Improvement Opportunities</i>	
Governance				
The governing body is properly formed and governors are effectively recruited and trained		Good	None	
Governors are provided with sufficient information to exercise their oversight role effectively		Adequate		
Roles, responsibilities and powers are clearly defined and enforced		Adequate		
Information and Asset Management				
Confidential, personal and sensitive information is effectively managed and secured.		Adequate	<p>An Asset Management Plan is presented to the full Governing body outlining the budget, reason and timing in year for proposed works and investment, and the funding source (Revenue or Capital).</p> <p>An annual programme for preventive maintenance of the school infrastructure can be drawn up and linked to this.</p>	
Assets are secured and maintained		Improvement Required		

Appendix 1: Audit Opinions and Themes

<i>Audit Enquiry</i>	<i>Assessment</i>	<i>Significant Improvement Opportunities</i>
Financial Management and Reporting		
There are sufficient, appropriately qualified and experienced finance staff to plan, process and manage financial arrangements effectively and efficiently	Adequate	<p>A standard goods receipt form is used to demonstrate and record that goods and services have been fully and satisfactorily received.</p> <p>Where practicable someone independent of the person who raised the order certifies receipt of goods and services.</p> <p>When receiving a request from a supplier that their details (particularly bank account details) are changed, the School conducts proactive checks to ensure these changes are genuine.</p> <p>In addition, when a new supplier is used, checks are made that details are genuine.</p>
There is effective financial planning that provides a clear view of how the school will use its resources to achieve objectives	Good	
The budget position is accurately known, monitored on a regular, timely basis and reported to senior management and the governing body	Good	
Financial transactions are accurate, complete, authorised, substantiated, made securely and accurately recorded	Improvement Required	
Goods and services are procured fairly and achieve value for money	Adequate	

School Name	West Leigh Junior School		Report issued	April 2015
Opinion	Adequate			
Recommendations	High: 6	Medium: 12	Total: 18	
Assessment Against Key Performance Criteria				
<i>Audit Enquiry</i>	<i>Assessment</i>	<i>Significant Improvement Opportunities</i>		
Governance				
The governing body is properly formed and governors are effectively recruited and trained	Adequate	None		

Appendix 1: Audit Opinions and Themes

<i>Audit Enquiry</i>	<i>Assessment</i>	<i>Significant Improvement Opportunities</i>
Governors are provided with sufficient information to exercise their oversight role effectively	Adequate	None
Roles, responsibilities and powers are clearly defined and enforced	Adequate	
Information and Asset Management		
Confidential, personal and sensitive information is effectively managed and secured.	Adequate	None
Assets are secured and maintained	Good	
Financial Management and Reporting		
There are sufficient, appropriately qualified and experienced finance staff to plan, process and manage financial arrangements effectively and efficiently	Good	None
There is effective financial planning that provides a clear view of how the school will use its resources to achieve objectives	Adequate	
The budget position is accurately known, monitored on a regular, timely basis and reported to senior management and the governing body	Good	
Financial transactions are accurate, complete, authorised, substantiated, made securely and accurately recorded	Adequate	
Goods and services are procured fairly and achieve value for money	Adequate	