

Appendix 3c: Other Audits and Grant Claims

Highways Contract, Processing Payments

The focus of this work was to assess whether payments made for works under the NEC3 Term Service Contract with Marlborough Surfacing (let from 1st April 2015), were accurate and properly authorised in line with Contract Procedure Rules / Financial Regulations.

Examining a random sample of invoices paid during 2015/16 and associated documents and processes identified that:

- work was procured in line with defined good practice processes established by the Department for Place when the contract was let. In particular:
 - Service Manager Instructions (SMI) were appropriately raised to obtain prices for work
 - the Insights Symology system which interfaces with the contractor's systems was used to instruct the contractor to undertake work
 - corresponding blanket orders for work were raised in the Council's key financial system Agresso.
- delegated authorities for authorising works orders were not established in the Symology system at the time the audit work was undertaken. As a result:
 - officers had authorised works orders above the limits defined by senior management
 - a segregation of duties could not be demonstrated between the assessment, approval and checking of works done.
- arrangements and accountabilities for ensuring the right payments were made for works done was not clearly understood by officers. As such, evidence was not available to confirm the sample payments were appropriate and accurate.

Numerous officers from different teams within the Department for Place are required to instruct the contractor to undertake work, making the contract complex to manage particularly around ensuring works are properly procured and accurately paid for. Considerable time was being invested at the time of the audit work to develop the functionality of the Insights Symology system to automate tasks and controls to:

- make the contract management processes more efficient
- ensure proper accountability for procuring and approving works for payment.

Current status

Since the issue of the interim report, Internal Audit has continued to liaise with officers in the Department for Place as processes have been developed. The following key improvements to systems and processes have been implemented:

- Approved delegated authorities for authorising works orders now operates in Symology.
- Officers are required to post inspect 10% of all works, with Symology automatically generating the sample works to be inspected.
- Officers have been reminded of their responsibilities for signing off and confirming charges for works, they notify to the contractor.

Appendix 3c: Other Audits and Grant Claims

A further audit has been scheduled in 2017/18 to confirm the above improvements have been effectively implemented and the processes for procuring work and making payments is now robust.

Coastal Communities Fund Grant

Purpose of funding

The purpose of the Coastal Communities Fund is to support economic development in our coastal communities with particular focus on promoting sustainable economic growth and jobs.

Objective

To confirm that the grant paid is only used for the purposes that a capital receipt may be used for in accordance with regulations made under section 11 of the Local Government Act 2003.

Opinion: Unqualified

Troubled Families Programme, Payments by Results Scheme Grant

Objective

To assess compliance with the terms and conditions of the Department for Communities and Local Government's (DCLG) Financial Framework for making Payment by Result (PBR) claims under the Expanded Troubled Families Programme (Phase 2).

Background

The Financial Framework requires that Internal Audit verifies a 10% representative sample of PBR claims before they are made to ensure there is supporting evidence to confirm families:

- met the required criteria to be considered for entry to the expanded Troubled Families Programme
- have achieved either continuous employment or significant and sustained progress as defined by the Council's agreed Outcomes Plan.

Larger sample sizes may be required for smaller claims in order to ensure the audit is meaningful.

Opinion: January 2017, claim signed off

This was the fourth PBR claim made under the DCLG's new expanded programme.

Of the 34 claims due to be made, three had been independently reviewed by the Group Manager which was in line with previous protocols agreed under Phase 1 of the programme.

Four were randomly selected for audit, which included one of the three claims signed off by the Group Manager. Sufficient evidence was available to confirm:

Appendix 3c: Other Audits and Grant Claims

- families met the eligibility criteria for entry to the expanded programme for all the randomly selected files reviewed
- the validity of PBR claims for continuous employment or significant and sustained progress, as defined by the Council's agreed Outcome Plan.

A further claim was reviewed as it was re-submitted having been withdrawn from the September 2016 claim to the DCLG. This claim was a Child in Need (CIN) case which had not previously been formally closed as a CIN by the social care team as required by the Council's Outcome Plan.

At the time of the January 2017 DCLG claim, the case had been closed but the six months closure period also required by the Outcome Plan to demonstrate significant and sustained progress, had not elapsed. The claim was withdrawn again and is due for further review and re-submission in April 2017.