

Appendix 2b: Audit Opinion and Themes

Assurance



Licensing

Objective

To assess whether licence applications are effectively and promptly processed and all due income is received.

Themes

An appropriate overarching Licensing Policy is in place supported by additional policies for specific licensed activities. These policies:

- set out the qualification and evidential criteria against which applications must be assessed to ensure consistent decision-making
- should be subject to version control procedures that detail the date of last and next required review and the approving body.

The team liaise with external agencies such as the police as necessary to:

- assess applications
- confirm the accuracy of information supplied and therefore ensure the appropriateness of decisions made.

However, there is the need to improve processes by:

- introducing independent checks that staff have assessed applications:
 - correctly and obtained all the required supporting evidence
 - promptly.
- reconciling the Licensing IT system (Uniform) with the financial accounting system (Agresso) to:
 - confirm all income due from granted licences has been received, or
 - initiate effective recovery action and suspend the associated licence.

Half the licences reviewed could not be matched to a specific payment on Agresso although the income may have been received. Without a robust reconciliation process, the service cannot identify any late or missing payments. It should be noted that no issues were identified with the sample of licenses checked.

A significant number of premises licence debts (totalling c.£50k) had been “parked” meaning no active recovery action was being taken. The Licensing and Accounts Receivable teams are working closely together to improve the efficiency and effectiveness of on-going collection processes and deal with historic debts.

Number of actions agreed: 4

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Family Mosaic Contract Management

Objective

To assess whether there are robust arrangements in place to ensure that the Family Mosaic contract is being delivered properly in compliance with the specified performance and quality standards, at the correct cost / price.

Themes

This contract provides a drop in facility as well as more intensive longer term advice and support to residents in need of housing related support services. It is one of a number of contracts let under the Council's Supporting People Programme, valued at £5.1M over six years. It should be noted that the Contract Officer had started to identify shortcomings in contract monitoring arrangements at the time of the audit, which were developed further during this review.

Action is being taken to determine whether the contract is continuing to deliver value for money before extending it into 2016/17, as the Council has not reviewed costs against service provision either when the:

- provider has had staffing vacancies
- contract was extended for a year in April 2015.

To enable the Council to verify and ensure that services procured are being delivered and targeted effectively, work is in train to clarify with the provider:

- the records required in order for the Contract Officer to be able to verify the number of hours worked by staff; a key deliverable of the contract
- how information on staff vacancies will be supplied, as it is for the Council and provider to negotiate whether to recruit or not to such posts
- how clients are prioritised on the waiting list so resources are directed to those perceived to be in greatest need
- the performance data required, linked to key contract deliverables (including the actual number of cases worked on each week and for how long) and its format
- performance targets and how these will be discussed and monitored (e.g. the acceptable time delay from referral to start of the support).

Once the revised operating arrangements have been agreed, a contract variation order should be issued to this effect. Future contract variations or extensions must be approved in line with the Scheme of Delegation.

This contract is subject to an annual assessment against a standard Quality Framework covering five nationally recognised objectives as well as some aspects of contract compliance. Further work is required to ensure tangible evidence is available that demonstrates the provider's compliance with all aspects of this assessment.

Finally the Department for People has reviewed the reporting arrangements for this contract and performance management information will be periodically reported to the department's Major Projects Board.

Appendix 2b: Audit Opinion and Themes

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Number of actions agreed: 8

Third Party Hosting

Objective

To evaluate whether the opportunities to host services with third parties are robustly assessed and then the selection of, and agreements with, such third parties are effectively planned and managed.

Themes

With regard to the contracts reviewed, there was evidence that:

- Contract Procedure Rules had been complied with
- a member of staff was assigned to manage the contract
- the majority of contractual requirements expected were included e.g.:
 - roles and responsibilities of both parties were clearly identified
 - the maintenance and repair standards standards were specified for the hardware being used.

However, third party hosted contracts should always be readily available:

- to enable service delivery to be effectively managed
- in case contract terms need to be invoked if the service performance of the third party host becomes unsatisfactory.

Going forward, a copy of all contracts will be held by the Corporate Procurement team. A dedicated Contract Managers will be appointed to monitor significant contracts.

Existing organisation standards regarding IT data security should be used to produce the minimum contractual requirements that must be applied when procuring software services where a third party will hold the Council's data. ICT staff were starting to do this on an adhoc basis at the time of the audit. ICT is not however, always informed of such procurements.

In future, procurements involving third party software services should be presented to the Digital Strategy Programme Board, which is well placed to enforce the minimum requirements once they are developed.

Finally, it was also noted that corporate expectations need to be clarified, with regard to such contracts, regarding:

- minimum Data Governance requirements
- exit strategies (i.e. how the Council's data will be returned securely, entirely and accurately when the supplier is no longer used).

Number of actions agreed: 6