

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

MUNICIPAL YEAR 2014/15

COMMITTEE:

AUDIT COMMITTEE

15th September 2014

Item No. 4
Finalised Audit Assignments 2014/15

REPORT OF:-

GROUP DIRECTOR, CORPORATE SERVICES

Author: Marc Crumbie (Operational Audit Manager)

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1. PURPOSE OF THE REPORT

This report provides Members with a summary of audit assignments completed between 12th July and 31st August 2014.

2. RECOMMENDATIONS

It is recommended that Members:

- 2.1 Note the contents of this Report.
- 2.2 Consider what comments and recommendations, if any, they wish to make.

3. BACKGROUND

- 3.1 In line with agreed procedures, I attach at **Appendix 1** a summary of audit assignments completed between 12th July and 31st August 2014.
- 3.2 I have provided Members with the Auditor's stated opinion regarding the system or service examined and have summarised the high priority recommendations made together with the management response and the anticipated implementation date for each agreed recommendation.
- 3.3 Members will note that of the 6 completed assignments, 1 assignment resulted in at least one high priority recommendation being made.

- 3.4 The audit assignments summarised at **Appendix 1** are: -

CHIEF EXECUTIVE

- SICKNESS ABSENCE POLICIES AND PROCEDURES

COMMUNITY & CHILDREN'S SERVICES

- INDEPENDENT REVIEWING OFFICERS

CORPORATE SERVICES

- ASSET MANAGEMENT

EDUCATION & LIFELONG LEARNING

- DARRENLAS PRIMARY SCHOOL
- TONYREFAIL COMPREHENSIVE SCHOOL (F/P)
- TREHOPCYN PRIMARY

4. SUMMARY

- 4.1 The regular provision of all summarised audit assignments to Audit Committee throughout the year is aimed at assisting Members in evaluating the effectiveness of Internal Audit work across all Council systems and services.
- 4.2 In doing so, it enables Members to form an opinion on the overall control environment prior to the closure of accounts process for 2014/15.

LOCAL GOVERNMENT ACT, 1972
as amended by
THE ACCESS TO INFORMATION ACT, 1985
RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL
LIST OF BACKGROUND PAPERS
AUDIT COMMITTEE
15th September 2014

Report of the Group Director for Corporate Services

Author: Marc Crumbie (Operational Audit Manager).

Item	File Ref:
4. Finalised Audit Assignments 2014/15	IA / MC
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APPENDIX 1**FINALISED AUDIT ASSIGNMENTS****CHIEF EXECUTIVE****SICKNESS ABSENCE POLICIES AND PROCEDURES****Date: 20/08/2014****INTRODUCTION**

Absenteeism is, for most employers, a common problem, which needs to be dealt with consistently. Rhondda Cynon Taf Council is no exception to this. Whilst the Council accepts that its employees are its most valuable resource, it also recognises that if employees spend less time at work than they are contracted to do, there is a direct effect on the service that can be provided to the community.

The Council has therefore determined that the control of sickness absence must be given a high priority and in so doing, has developed the Sickness Absence Policy in accordance with the advice of the National Joint Councils.

The Council acknowledges that the issue cannot be regarded purely as a management problem. To deal effectively with sickness absence, managers, employees and their representatives need to work together to ensure that sickness absence is monitored and controlled, and that there is fair and consistent treatment of all Council employees.

The aim of the Sickness Absence Policy is to help minimise disruption to work, whilst at the same time treating all employees fairly. Every employee must be made aware of their obligations under the Sickness Absence Policy, as failure to comply with its requirements could result in a loss of benefit and may lead to disciplinary action.

The policy is designed to ensure that all sickness absence is monitored and managed and that all employees are treated sympathetically and equitably.

AUDIT OPINION

Assurance can be provided that the Council has a comprehensive suite of sickness absence policies and procedures. The expectations placed upon employees and managers of the Council are clearly set out within the policies and comprehensive procedure documents and manuals are in place with the aim of aiding compliance.

Whilst the above assurance can be provided, Management's compliance with the requirements contained within the policies is sporadic and requires improvement. Issues noted within this audit review are:

- Recording of the 'Day 4 Notification' in Vision
- Time Lost Screens are not always completed correctly
- Return to Work Interviews are not always being carried out and recorded on Vision
- Sickness Absence Triggers are not being dealt with in a timely manner.

In addition to the Council's supportive role in helping all employees to maximise their attendance at work, with effect from April 2014 Senior Management of

the Council have taken steps to further strengthen sickness reporting arrangements

To demonstrate compliance with the Council's Sickness Absence Policy in future, and to ensure that the relevant information is recorded correctly on Vision, it may be beneficial to offer refresher training for managers on the Sickness Absence Policy and Vision simultaneously to ensure that managers understand how both work hand in hand. The sickness absence information / intelligence currently in place may also help to prioritise work in this area.

NOTE: Following receipt of the final report, the Chief Executive requested that the Internal Audit Report is presented to each Group Management Team in order to highlight the importance of complying with Policy. In addition, the Chief Executive has requested a follow-up audit.

Ref. No.	High Priority Audit Recommendations made & Agreed by Management	Agreed Implementation Date
6.1.3	<p>AGREED RECOMMENDATION</p> <p>Managers should ensure that sufficient information is recorded on Vision, i.e. via the return to work and trigger resolution notes to support the actions taken, and to demonstrate that the actions taken are in line with the Sickness Absence Procedures.</p> <p>MANAGEMENT RESPONSE</p> <p>Agreed. A firm reminder on this matter will be issued to all managers.</p> <p>Human Resource colleagues will attend all Group Management Teams with the Internal Audit Service (as requested by the Chief Executive).</p>	30 September 2014
6.1.7	<p>AGREED RECOMMENDATION</p> <p>The time lost tab should be completed correctly, i.e. the full working pattern should be entered, and the hours should agree with the employee's contracted hours.</p> <p>Management should amend the Absence Input & Recording Procedures to include clear examples of how to complete the time lost screen for full time and part time employees.</p> <p>MANAGEMENT RESPONSE</p> <p>Agreed. A firm reminder on this matter will be issued to all managers.</p> <p>Human Resources will liaise with the Head of Payroll to request a change to the Absence Input & Recording Procedure document.</p>	30 September 2014
6.1.8	<p>AGREED RECOMMENDATION</p> <p>In line with the Sickness Absence Policy, it should be ensured that return to work interviews are undertaken no later than 7 days after the employee's return to work.</p> <p>MANAGEMENT RESPONSE</p> <p>Agreed. A firm reminder on this matter will be issued to all managers.</p>	30 September 2014

Ref. No.	High Priority Audit Recommendations made & Agreed by Management	Agreed Implementation Date
	The reports generated from the Vision system will assist us in focussing on areas where non-compliance appears to be apparent.	
6.1.10	<p>AGREED RECOMMENDATION Managers should log in to Vision on a regular basis to view the triggers that are displayed on their homepage and take the appropriate action without delay. Managers should also ensure that backing information is recorded on Vision, i.e. via the return to work and the trigger resolution notes.</p> <p>MANAGEMENT RESPONSE Agreed. It is essential that managers log into Vision on a regular basis in order to ensure all matters relating to sickness absence are being dealt with in a timely and compliant manner. This will be emphasised when we attend each Group Management Team.</p>	30 September 2014

COMMUNITY & CHILDREN'S SERVICES

INDEPENDENT REVIEWING OFFICERS

Date: 05/08/2014

INTRODUCTION

Within RCT, Independent Reviewing Officers (IROs) are under the governance of the Group Director of Community & Children's Services, operating within the Children's Services division, and managed operationally by the Head of Safeguarding and Standards.

The Adoption and Children Act 2002 requires the Local Authority to appoint IROs to conduct reviews for looked after children and monitor the Local Authority's performance in relation to implementing the care plans for individual children.

IROs convene and chair reviews for all children looked after by the Council where the circumstances could be, for example, children subject to care orders, accommodated voluntarily, placed with foster carers, in residential or secure establishments, living with kinship carers or placed for adoption.

The Act species the frequency(s) that reviews must be undertaken. For a number of reasons, Looked After Children may be placed outside the RCT County boundaries. Notwithstanding the 'Out of County' location, RCT retains the responsibility for ensuring that the frequency of review remains compliant.

As a means of identifying (and consequently targeting resources) children or young people whose circumstances are of concern, IROs have implemented a RAG (red, amber, green) system of categorising the children reviewed.

The Council currently has responsibility for dealing with approximately 650 LAC cases, (this number excludes children who receive short term breaks, IFST and some pathway plan reviews). In addition 515 (as at 30th June 2014) children on the Child Protection Register are reviewed by child protection IROs.

AUDIT OPINION

The scheduling of Child Protection Register (CPR) and Looked After Children (LAC) reviews by Independent Reviewing Officers (IROs) is considered to be effectively managed. It is also considered that there is opportunity to further improve arrangements by considering whether 'reciprocal reviewing' of LAC out of county reviews is feasible. .

Notwithstanding this, there are robust databases that record all children that will require planned reviews, and all the children in the Internal Audit sample had a date planned for their next review. There was clear evidence that reviews had taken place as planned, and all CPR siblings were covered in the same review.

Guidance in respect of Red Amber Green (RAG) categorisation has been developed and issued to IROs.

No High Priority Recommendations Made

CORPORATE SERVICES

ASSET MANAGEMENT

Date: 25/07/2014

INTRODUCTION

To manage its operations and services, the Council currently leases a number of buildings. The responsibility for managing and monitoring the process for overseeing the termination of leases (where the Council is the tenant) lies with the Head of Corporate Asset Management & Support Services, in Corporate Estates, within the Corporate Services Group.

The process covers the preparation to vacate the property, including managing any schedules of dilapidations and the steps taken by Corporate Estates to terminate the lease agreement.

AUDIT OPINION

Overall, the control environment in relation to the management of lease terminations is considered fit for purpose, as the process for terminating leases was found to have operated appropriately for the files tested.

Testing was undertaken on all 5 lease terminations from the financial year 2013/2014. Although the process for terminating leases, as per the files tested, was found to be satisfactory, the following areas for improvement were identified (none of which are considered high priority):

- Not all service areas were informed of the protocol in place for terminating leases.
- Dilapidation schedules were not always retained on file.

By implementing the associated recommendations contained within the report, management will enhance further the standard of control.

No High Priority Recommendations Made

EDUCATION & LIFELONG LEARNING

DARRENLAS PRIMARY SCHOOL

Date: 18/07/2014

INTRODUCTION

The self-evaluation process is designed to help and advise Headteacher's and support staff to evaluate the effectiveness of their financial and governance arrangements. The process requires primary schools to complete a self-evaluation checklist against expected controls.

Darrenlas Primary School was last subject to an Internal Audit review in November 2010, and this is the third cyclical visit made to the school to examine progress made under the self-evaluation process.

AUDIT OPINION

Overall, the control environment at the School is considered to be good.

While the School has a Child Protection policy in place, it has been over 12 months since its last review and endorsement. Training undertaken in respect of Safeguarding was evident. A record of DBS checks was in place but requires minor amendments to reflect staffing changes. The School use the Evolve system to document and authorise all planned trips.

Records in respect of the School Private Fund indicate the account is well administered. The Treasurer maintains detailed records, and all income and expenditure transactions had an adequate audit trail. The account is regularly reconciled and income is banked promptly. All expenditure incurred is solely for the benefit of the pupils. A minor issue in relation to the use of personal loyalty cards when making purchases was noted however; the Headteacher has now issued an instruction to staff on this matter.

Dinner money is updated to SIMS and banked promptly, and the School have established arrears procedures. Details of outstanding monies are reported to the Finance Division on a half termly basis. Testing identified that free school meals are only being served to those for whom eligibility has been confirmed and retained.

There was a sufficient audit trail in respect of Purchase Card transactions, and the records kept were evidently reconciled upon receipt of the bank statements. Care should be taken to ensure that purchases are communicated to the Clerk as soon as possible to ensure the transaction log reflects recent activity.

The maintenance of the budget on SIMS is generally good, and notwithstanding some minor delays in updating on two occasions, the system accurately reflects all income due and expenditure incurred. Where the School amend ledger code allocations, it is recommended that the virements are documented and evidently authorised by the Headteacher.

Implementing the recommendations contained in the report will further enhance the current levels of control.

No High Priority Recommendations Made

EDUCATION & LIFELONG LEARNING

TONYREFAIL COMPREHENSIVE SCHOOL

Date: 05/08/2014

INTRODUCTION

Tonyrefail Comprehensive School was last subject to a routine Internal Audit visit in March 2013.

Following the presentation of the report to Audit Committee on the 29th July 2013, a follow-up review, to ascertain whether recommendations made at the time have been successfully implemented, was requested.

AUDIT OPINION

This follow up review has identified that the School has shown a clear commitment to addressing the recommendations raised during the previous Internal Audit review.

No examples of staff commencing in post prior to receipt of pre-employment checks was noted, and the School Child Protection Policy has now been reviewed.

Notwithstanding this, 3 issues have been identified during this review (none of which are considered high priority):

- Letting of the School Facilities is taking place without the formal endorsement of the Headteacher.
- There are some delays in the issuing of debtor invoices for the hire of School facilities.
- Care should be taken to ensure that payment of unpaid debtor invoices is pursued in accordance with the School's Financial Policy which has recently been updated.

Implementation of the 3 recommendations made in the report will further enhance the standard of administration at the school.

No High Priority Recommendations Made

EDUCATION & LIFELONG LEARNING

TREHOPCYN PRIMARY

Date: 23/07/2014

INTRODUCTION

The self-evaluation process is designed to help and advise Headteachers and support staff to evaluate the effectiveness of their financial and governance arrangements. The process requires primary schools to complete a self-evaluation checklist against expected controls.

This is the third cyclical visit made to the school to examine progress made under the self-evaluation process.

AUDIT OPINION

Overall, the control environment in the school is considered to be of a good standard.

The School have devised the relevant Safeguarding policies which have been endorsed by the Governing Body. The Headteacher and a designated Governor have responsibility for Safeguarding and Child Protection issues. There is no list held at the school detailing current members of staff and their DBS disclosure certificate numbers. (Note – Internal Audit has confirmed all staff members have appropriate DBS checks).

The School Private Fund is well run and administered although a third cheque signatory needs to be appointed. Bank statements are being received at the school on a monthly basis and have been reconciled to the subsidiary records. Banking of income is being undertaken at least once a week and recorded appropriately whilst expenditure is being incurred correctly for the School Private Fund.

The Purchase card records are not updated as soon as a purchase is made therefore the transaction log is not up to date. All expenditure incurred through the Purchase Card is in line with the Cardholder Manual and all receipts are retained.

Dinner money was being banked promptly and securely retained at the school. The school is pursuing all dinner money arrears and a return of all pupils in arrears is submitted to the Finance Division every half term. Free schools meals are only being provided to pupils who have been given confirmation of eligibility which is retained at the school.

From a sample of paid orders, 1 order was raised after receipt of the goods and invoice for payment. Before dispatch, all orders are signed by a member of staff who has authority to commit the school to expenditure. The non order facility is on occasions being used instead of the official ordering system.

The Headteacher is undertaking bank reconciliation of the school account which is sent to Education Finance. Any alterations to the school budget are reported to the Governing Body and all virements are signed by the Headteacher and kept on file as evidence of the change. There are delays between money/cheques being deposited at the bank and the time the details are updated onto SIMS.

The schools computer data is adequately protected however a back up is not kept off site. There is also a record which is maintained for when equipment is taken off the school site.

Implementing the recommendations contained in the report will further strengthen the controls in place.

No High Priority Recommendations Made