

Appendix 1 – Outcomes of Individual Opinion Audits 2010-11

<b>Audited Activity</b>	<b>Audit Objectives</b>	<b>Audit Opinion</b>	<b>Risks and Main Issues</b>	<b>Management Actions Proposed</b>
<p><b>Depots, Stores, Workshops</b></p>	<ul style="list-style-type: none"> <li>• Cash handling procedures are in place and all cash is correctly accounted for.</li> <li>• An effective stock control system is in place and procurement is monitored and controlled.</li> <li>• Repairs are carried out and charged out effectively and timely.</li> <li>• Personnel records, including working hours and driver records are maintained and authorised.</li> <li>• Assets are recorded and monitored in accordance with Council regulations and Council property is used appropriately.</li> <li>• The follow up on progress of ongoing reviews across the County.</li> </ul>	<p><b>Limited Assurance</b></p> <p>2 Medium Risks</p>	<ul style="list-style-type: none"> <li>• If overall site responsibility is not clearly defined and demonstrated, there is a risk to all persons on site. Whilst it is recognised that waste sites are especially high risk areas, the risk is equally as high at sites that can be freely accessed by members of the public. The contrast in site safety procedures and levels of site access supports this. Consideration should be given to this issue as a matter of priority. In the case of an incident, it may not be possible to provide evidence such as Daily Site Checks sheets to prove that this was being carried out.</li> <li>• As agency staff invoices are not always seen by the authorising officer or charges on SAP are not reconciled back to the invoices, there is no assurance that the Council has been charged correctly.</li> </ul>	<ul style="list-style-type: none"> <li>• All managers to be instructed that site safety is the responsibility of the Local Highway and Streetscene Service.</li> <li>• Streetscene depots are the responsibility of the Streetscene Area Manager. Highway depots are the responsibility of the Stores and Depots Officer.</li> <li>• Procedures with a regular checking and monitoring system will be implemented.</li> <li>• New corporate agency systems in place will change the procedure for charges and invoicing.</li> </ul>

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<p><b>Provision of Care Homes/Place ments (Orders of St John Trust)</b></p>	<ul style="list-style-type: none"> <li>• The provision of beds is adequate and best value is achieved.</li> <li>• Assessments and rationale for the provision of individual placements is clearly documented.</li> <li>• Placements are suitable to the needs of the customer.</li> <li>• Procedures operating within the OSJ care homes are in place to protect the financial interest of vulnerable clients.</li> <li>• The contract with OSJ is reviewed and reported regularly according to the Council's procedures.</li> </ul>	<p><b>Limited Assurance</b></p> <p>5 High Risks 7 Medium Risks</p>	<ul style="list-style-type: none"> <li>• The bed usage has not been with the contract agreement. There are several arrangements including respite, day care services in place. The current availability for the block contract is 463 beds and 27 beds for respite. Full capacity has not been achieved. No adjustments/reductions have been made to the number of beds in the main contract to reflect the additional beds in Athelstan House and Coombe End. There is a risk that the Council has contracted for more beds than it needs.</li> <li>• As there are amendments and variation agreements to the block contract, there is a risk that not all these have been processed according to the</li> </ul>	<p><i>Point to Note:</i> <i>During the course of the audit, a number of issues were discussed with the Service Director and the Legal Section. Work is currently ongoing in the Departments to begin to address these. In addition, management are actively engaged in the action proposed below.</i></p> <p><i>Action agreed includes:</i></p> <ul style="list-style-type: none"> <li>• To audit and review existing contracts and any associated variations. To identify any required contractual actions to confirm existing – or any subsequent agreed arrangements with OSJ. To undertake an analysis of the residential care market to determine market capacity, future demand and benchmarked costs.</li> <li>• To audit existing contractual paperwork to ensure compliance. To ensure appropriate governance with respect to any future</li> </ul>

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			<p>Wiltshire Council Contracting procedures, in particular for contracts over £1m. The Legal section has not been informed of the changes. If the Council were to be challenged, it would find itself in a difficult position and could reflect badly on our business practices.</p> <ul style="list-style-type: none"> <li>• OSJ have not been informing the Council of open beds within the 24 hours as set out in the contract. The number of bed days that lapse is costing the Council a considerable amount of monies. There is a risk beds could have been available to our clients had the Council received timely notification.</li> <li>• The lack of clarity and reconciliation between the information used for void days within the Council risks making void payments that could have been avoided. The number of void days for 2009 has still not been agreed with OSJ and at least £24,437 payment is still outstanding. With inaccurate or poor monitoring records, the Council may not be in a position to confirm, negotiate and potentially decrease void payments.</li> </ul>	<p>contractual amendments and/or variations with OSJ. To ensure the Contracts Register reflects all such contractual arrangements.</p> <ul style="list-style-type: none"> <li>• Actions implemented to ensure 24 hour notification from OSJ to central point within DCS contracts. Bed placement process being reviewed to identify lean efficiencies. Zero-void approach being undertaken.</li> <li>• Process review and action planning commenced involving DCS Contracts (facilitator), Resource Specialist, Shared Services. Identified Contracts Officer to receive void information to consider in relation to both DCS operational management and possible provider negotiation.</li> </ul>

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			<ul style="list-style-type: none"> <li>Assessments are not always recorded on CareFirst. If records, including assessments and service plans are not available, there is no evidence that the client has been assessed nor whether the assessment was carried out by Wiltshire Council staff or by OSJ. There is a risk that the Council is placing too much reliance on OSJ and that placements and subsequent costs may be incorrect.</li> </ul>	<ul style="list-style-type: none"> <li>DCS Operations to ensure assessments are recorded on Care First in an accurate and timely manner.</li> </ul>
<p><b>Members allowances and expense claims</b></p>	<ul style="list-style-type: none"> <li>There are documented policies and procedures for claiming and paying members' allowances</li> <li>Adequate control is exercised over the maintenance of members' records</li> <li>Members' allowances and claims are paid in accordance with appropriate regulations/policy and in particular that:               <ul style="list-style-type: none"> <li>- payments are made only in respect of approved duties and expenses;</li> <li>- payments are supported by receipts or other evidence as</li> </ul> </li> </ul>	<p><b>Limited Assurance</b></p> <p>1 High risk 2 Medium risks</p>	<ul style="list-style-type: none"> <li>The lack of requirement for receipts:               <ul style="list-style-type: none"> <li>- may cause problems with HMRC regarding the validity of VAT reclaims,</li> <li>- may result in receipts of inappropriate dates being submitted</li> <li>- prevents full transparency of, and accountability for, costs incurred;</li> <li>- fails to provide for adequate authorisation.</li> </ul> </li> <li>The absence of checking and authorisation procedures may result in Inaccurate, erroneous</li> </ul>	<ul style="list-style-type: none"> <li>Revised guidance and forms to be issued to members. including requirement to submit receipts for actual expenditure</li> <li>Link on web page to include members allowances.</li> <li>Sample of 10 – 15 claims to be passed to Democratic Service each month to check.</li> </ul>

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	<p>appropriate;</p> <ul style="list-style-type: none"> <li>- claim forms are completed properly and accurately and are submitted in accordance with the required timescale</li> <li>• Payments are adequately reviewed and monitored.</li> </ul>		<p>or false claims being paid.</p> <ul style="list-style-type: none"> <li>• Inconsistency and illegibility in the way forms are completed may allow inaccurate, erroneous or false claims to be paid.</li> </ul>	<ul style="list-style-type: none"> <li>• Any forms submitted for claims over 3 months old will be sent to Dem Services to check and sign off.</li> <li>• Forms to be included on members' web page with a request to complete them electronically and e-mailed into HR Payroll Admin.</li> </ul>
<p><b>Officers expense claims</b></p>	<ul style="list-style-type: none"> <li>• The Council has in place clearly documented policies and procedures and a Schedule of Allowances for the payment of expenses, which are available to all staff</li> <li>• Expense claims are made using the correct forms/methods and are paid at the rates contained in the Schedule of Allowances</li> <li>• Expense Claims are supported by valid receipts or other evidence as appropriate</li> <li>• Expense Claims are authorised for payment by the claimant's line manager or other senior officer.</li> </ul>	<p><b>Substantial Assurance</b></p> <p>6 Medium risks</p>	<ul style="list-style-type: none"> <li>• There is a risk that in the absence of clearly stated comprehensive policies on Staff Expenses, (particularly Travel and Travel Related claims) staff will be able to exploit loopholes and make inflated or inappropriate claims.</li> <li>• Inaccurate and incomplete data loaded into SAP make it impossible to accurately verify the legitimacy of some travel and subsistence claims</li> <li>• Inaccurate and/or excessive mileage claims present a potential additional cost to the Council.</li> <li>• Delays in claiming expenses may lead to difficulties in complying with HMRC VAT</li> </ul>	<ul style="list-style-type: none"> <li>• The HR policy and reward team have scheduled a review of all related policies, which will include addressing these issues highlighted in the report.</li> <li>• Managers' responsibility to check before authorising. Can be included in managers training to be run by HR Advisory to reinforce importance of checks.</li> <li>• As above</li> <li>• Communication to be sent out via the Wire in time for reminder at end of year.</li> </ul>

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			<p>Regulations.</p> <ul style="list-style-type: none"> <li>• The failure to reclaim VAT on staff mileage claims presents a potentially avoidable cost to the Council.</li> <li>• There is a risk that the Council is incorrectly reclaiming VAT when it does not hold a valid VAT Receipt.</li> </ul>	<ul style="list-style-type: none"> <li>• Problem reported to Logica and sat with SAP Support to resolve</li> <li>• Managers' responsibility to check before authorising. Can be included in managers training to be run by HR Advisory to reinforce importance of checks.</li> </ul>
<p><b>Department of Neighbourhood &amp; Planning – Internal Governance</b></p>	<ul style="list-style-type: none"> <li>• The council's corporate objectives, ethical values and customer service ethos is communicated and embedded in the Department's service areas.</li> <li>• Risk Management processes and risk registers align with corporate priorities.</li> <li>• Management Information systems and performance indicators link to and meet corporate reporting requirements.</li> <li>• Corporate policies and procedures are clearly cascaded down to service areas.</li> </ul>	<p><b>Substantial Assurance</b></p> <p>2 Medium Risks</p>	<ul style="list-style-type: none"> <li>• Overreliance on Wire communications to promulgate policy and procedural changes, and the consequent lack of acknowledgement risks poor compliance and potential for operational failure.</li> <li>• Failure to facilitate feedback to electronic communications to staff risks a lack of assurance that important messages have been received and acted upon.</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate Director will raise at Corporate Leadership Team, and with Director of Communications</li> <li>• Corporate Director will raise at Corporate Leadership Team, and with Director of Communications</li> </ul>

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<p><b>National Non Domestic Rates</b></p>	<ul style="list-style-type: none"> <li>• The system complies with statutory requirements and all chargeable hereditaments have been identified, assessed and correctly entered into the NNDR records;</li> <li>• Tax levels have been properly set and charged;</li> <li>• All reliefs and discounts have been properly verified and authorised in accordance with regulations and local schemes;</li> <li>• Amounts due in respect of each chargeable property or hereditament have been correctly calculated and promptly demanded from the person or persons liable;</li> <li>• Secure and efficient arrangements are made for all collections, which are promptly posted to the correct NNDR accounts, and all refunds are valid and authorised;</li> <li>• There is prompt and effective arrears recovery action, and write-off's are valid, authorised and reported appropriately;</li> <li>• The project to procure, install, test and operate a single application system is on target for planned completion by</li> </ul>	<p><b>Substantial Assurance</b></p> <p>5 Medium Risks</p>	<ul style="list-style-type: none"> <li>• <u>North Hub</u> - Failure to undertake prompt reconciliations between the property base and VO schedules risks delays in actioning amendments, with the potential for incorrect or late billing, and loss of income.</li> <li>• <u>West Hub</u> - Failure to inspect properties on a timely and regular basis risks reliefs being granted inappropriately, incorrect billing arising and potential loss of income.</li> <li>• <u>East and West Hubs</u> - Failure to ensure that reconciliations are authorised by senior management risks the accuracy of the billing run not being checked, resulting in incomplete and inaccurate billing.</li> <li>• <u>All Hubs</u> - Failure to recover slippage to the project plan following the late signing of the contract, risks implementation of the new system missing the planned go-live date and the start of the 2012/13 financial year.</li> </ul>	<ul style="list-style-type: none"> <li>• North have been advised to ensure reconciliations are carried out promptly; it is noted that North always try to issue new bills promptly to ensure adequate time for payment. These differences in process will not exist when we move to a single IT system in November 2011.</li> <li>• An inspector has been appointed in November 2010 - progress is already being made and the expectation is that all four hubs will operate in the same way.</li> <li>• When processing year end in future years, reconciliations will be authorised by the Systems and Performance Manager or the Systems Operations Manager.</li> <li>• Progress against the project plan will be closely monitored by the Project Managers (Wiltshire Council and Northgate) and any slippage and likely impact on the go-live date will be reported to the Project Board.</li> </ul>

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	November 2011.		<ul style="list-style-type: none"> <li>• <u>All Hubs</u> - Set backs in completing the project will result in planned efficiencies being further delayed and lost cost savings.</li> </ul>	<ul style="list-style-type: none"> <li>• Progress against the project plan will be closely monitored by the Project Managers (Wiltshire Council and Northgate) and any slippage and likely impact on the go-live date will reported to the Project Board.</li> </ul>