

Internal Audit Progress Report (February 2022)

West Sussex County Council



**Southern Internal
Audit Partnership**

Assurance through excellence
and innovation

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1. Role of Internal Audit

The requirement for an internal audit function in local government is detailed within the Accounts and Audit (England) Regulations 2015, which states that a relevant body must:

‘Undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.’

The standards for ‘proper practices’ are laid down in the Public Sector Internal Audit Standards [the Standards – updated 2017].

The role of internal audit is best summarised through its definition within the Standards, as an:

‘Independent, objective assurance and consulting activity designed to add value and improve an organisations’ operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes’.

The County Council is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements. Internal audit plays a vital role in advising the County Council that these arrangements are in place and operating effectively.

The County Council’s response to internal audit activity should lead to the strengthening of the control environment and, therefore, contribute to the achievement of the organisations’ objectives.

2. Purpose of report

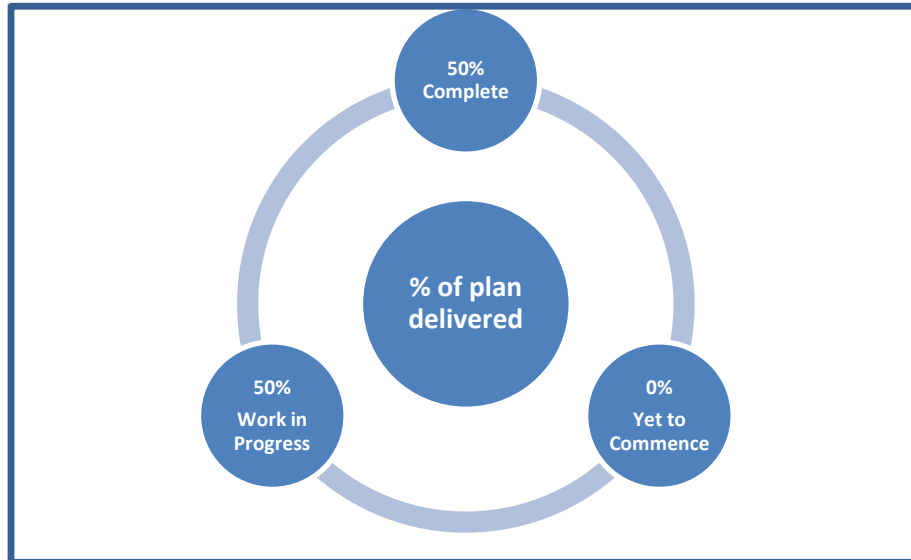
In accordance with proper internal audit practices (Public Sector Internal Audit Standards), and the Internal Audit Charter the Chief Internal Auditor is required to provide a written status report to ‘Senior Management’ and ‘the Board’, summarising:

- The status of ‘live’ internal audit reports;
- an update on progress against the annual audit plan;
- a summary of internal audit performance, planning and resourcing issues; and
- a summary of significant issues that impact on the Chief Internal Auditor’s annual opinion.

Internal audit reviews culminate in an opinion on the assurance that can be placed on the effectiveness of the framework of risk management, control and governance designed to support the achievement of management objectives of the service area under review. Assurance opinions are categorised as follows:

Substantial	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable / Adequate	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

3. Performance dashboard



Compliance with Public Sector Internal Audit Standards

An 'External Quality Assessment' of the Southern Internal Audit Partnership was undertaken by the Institute of Internal Auditors (IIA) in September 2020. The report concluded:

'The mandatory elements of the IPPF include the Definition of Internal Auditing, Code of Ethics, Core Principles and International Standards. There are 64 fundamental principles to achieve with 118 points of recommended practice. We assess against the principles. It is our view that the Southern Internal Audit Partnership conforms to all 64 of these principles.'

'We have also reviewed SIAP conformance with the Public Sector Internal Audit Standards (PSIAS) and Local Government Application Note (LGAN). We are pleased to report that SIAP conform with all relevant, associated elements.'


4. Analysis of 'Live' audit reviews

Audit Review	Report Date	Audit Sponsor	Assurance Opinion	Total Management Action(s)	Not Accepted	Not Yet Due	Complete	Overdue		
								L	M	H
E-Income	Jun 2019	DF&SS	Adequate	1	0	0	0	1		
Special Educational Needs	Oct 2020	DCYP&L	Limited	7	0	0	6		1	
Employers Contributions / Relationships	Dec 2020	DF&SS	Reasonable	8	0	0	7		1	
School Traded Services	Mar 2021	DCYP&L	Reasonable	7	0	0	3		1	3
Risk Management	Mar 2021	DF&SS	Reasonable	10	0	1	7	2		
S75 Governance	Apr 2021	ADHI	Limited	12	0	1	7		1	3
Debt Recovery	Apr 2021	DF&SS/DL&A	Reasonable	4	0	0	3	1		
Children's Services P-Cards	Jun 2021	DCYP&L	Limited	17	0	0	5		5	7
Cyber Security (Risk Treatment)	Jul 2021	DF&SS	Reasonable	3	0	1	1		1	
Cloud Service Provisioning	Jun 2021	DF&SS	Reasonable	5	0	2	1		2	
Payroll	Sep 2021	DHR&OD	Reasonable	5	0	0	1	4		
Hammonds (Residential Care Home)	Nov 21	DA&H	No	17	0	2	13			2
Home to School Transport	Nov 21	DPS	Reasonable	7	0	0	4		3	
Annual Governance Statement	Nov 21	DL&A	Reasonable	9	0	3	2		4	
WSFRS Fleet Management	Nov 21	CFO	Reasonable	3	0	2	1			
Special Schools Funding Thematic	Nov 21	DCYP&L	Reasonable	4	0	4	0			
Budgetary Control	Nov 21	DF&SS	Reasonable	4	0	4	0			
People Framework	Nov 21	DHR&OD	Reasonable	4	0	1	3			
WSFRS Operational Training delivery	Jan 22	CFO	Limited	14	0	9	0		3	2
WSFRS Firewatch	Jan 22	CFO	Limited	4	0	4	0			
Ash Dieback	Jan 22	ADH&T	Reasonable	8	0	3	5			
IR35	Feb 22	DHR&OD	Limited	11	0	3	8			
AMHPS	Mar 22	DA&H	Reasonable	5	0	4	1			
Total								8	22	17
Overdue Management Actions - Direction of travel since January 2022 progress report								+2	+4	+4

Audit Sponsor	
Chief Executive	Director of Place Services
Chief Fire Officer (CFO)	Assistant Director, Highways and Transport (ADH&T)
Director of Human Resources and Organisational Development (DHR&OD)	Assistant Director, Environment and Public Protection (DE&PP)
Director of Law and Assurance (DL&A)	Assistant Director, Property and Assets (ADP&A)
Director of Finance and Support Services (DF&SS)	Assistant Director, Communities (ADC)
Director of Adults & Health	Director of Children, Young People & Learning
Director of Public Health (DPH)	Assistant Director, Education and Skills (ADE&S)
Assistant Director, Health Integration (ADHI)	

5. Executive Summaries of reports published concluding a ‘Limited’ or ‘No’ assurance opinion

There has been one ‘no assurance’ and three ‘limited assurance’ reports published since our last progress report.

Hammonds Residential Home		
Audit Sponsor	Assurance opinion	Management Actions
Director of Adults & Health		<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="background-color: green; color: white; padding: 5px; text-align: center;">Low 1</div> <div style="background-color: yellow; color: black; padding: 5px; text-align: center;">Medium 3</div> <div style="background-color: red; color: white; padding: 5px; text-align: center;">High 13</div> </div>

Summary of key observations:

This review was undertaken following a recent thematic audit, ‘Adult Establishment Money Handling’ and has focused on the operation of the Residents’ Property Accounts

In June 2021 there was a recorded variance of £9,760.39 between value of individual client accounts and the total of the balance in bank and cash in hand. Although regular regular reconciliations had been completed, discrepancies had not been resolved leading to an accumulation of errors over the past four years.

An overall lack of understanding of the reconciliation process and management oversight has meant that any discrepancies have not been investigated and dealt with promptly and as a result client account balances are not accurate.

Some of the contributory causes identified through the audit to the recorded variance include:

- Cheques paid from the pooled account did not correspond to expenditure on the client accounts. A significant volume relating to one supplier who provided services to a range of clients
- Cash advances from the pooled budget not recorded on client accounts
- Discrepancies between the amounts posted in the cash diary, the spreadsheet, and the client accounts


Testing established that cash advances were made to clients who were in arrears and did not have funds to subsidise such advances. Conversely there were clients with balances in excess of £1,000 (although it should be noted that there is doubt over the accuracy of the client balances due to the issues highlighted above).

Whilst audit testing did not evidence any fraudulent activity / transactions, the lack of transparency and incompleteness of record keeping cannot provide absolute assurance.

Through discussion, it was confirmed that the Manager, Assistant Manager and Administrator were unfamiliar with the Provider Services' Financial Administration Adults' Services Practice guidance for in-house Provider Services staff (Practice guidance) which was introduced in August 2015.

The practice guidance requires that in-house provider services have procedures in place for the operation of any pooled accounts they operate and that local procedures are kept under close scrutiny and review. Whilst process notes written by the previous administrator were available, they did not include status information such as author, owner, sign-off date etc. and links within the document were not up to date. The Duty Officer's responsibilities for recording and checking of monies paid in or out of the Resident's Property account, including the cash diary and vouchers, are not included in the establishment's process notes.

Both the Administrator and Manager advised that they did not receive specific training, when taking up their posts, to operate key financial systems effectively.

WSFRS - Firewatch		
Audit Sponsor	Assurance opinion	Management Actions
Chief Fire Officer		<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="background-color: #28a745; color: white; padding: 5px; text-align: center;">Low 0</div> <div style="background-color: #ffc107; color: black; padding: 5px; text-align: center;">Medium 2</div> <div style="background-color: #dc3545; color: white; padding: 5px; text-align: center;">High 2</div> </div>

Summary of key observations:

Firewatch is the key operating system used by the Service and data within is used to inform the mobilisation of operational staff and units. This review focused on the processes and procedures in place relating to the input of data to Firewatch ensuring that reliance could be placed on information held within the system.

Generally, roles and responsibilities for those inputting and monitoring data within Firewatch in relation to personal data, contract data and training expectations were clearly assigned and documented with current procedures and process maps in place to support the People Support Team.

Testing provided assurance that new starters were recorded accurately within Firewatch, and signed contracts were in place. Additionally, testing of contract changes provided assurance that those reviewed were complete and accurate.

However, there was found to be inconsistency in the monitoring and recording of training records within Firewatch to ensure the correct competencies had been assigned both initially and following contract changes, which could result in different competencies being required. Testing of training and competency records for ten Officers within Firewatch, found six contained competency expectations that were not relevant to the current role.

Management Update: Since the audit, this issue has been rectified and records are now up to date. The issue was due to administrative inconsistencies with updating information as staff moved roles, which has been addressed using a temporary resource initially, with further improvements planned though the use of an automated form to remove the potential for human error in the process.

Responsibility for maintaining these records was previously carried out by the Training Administrator who has since left the organisation and has not been consistently carried out since. Responsibilities have since been transferred to the Learning and Development Instructor following their appointment in March 2021.

Recruitment of green book Fire Service staff is managed by WSCC Resourcing and notification should be passed to People Support to enable their data to be recorded within Firewatch. Discussions with People Support found that this isn't a formalised or documented process and therefore information is often untimely and incomplete.

Our review of the Maintenance of Competence Programme for Operational Personnel - Guidance Note found that the document has not been updated since 2016.


Management Update: The policy has since been reviewed and is progressing through the appropriate governance for approval. This has been incorporated into service plans under the Community Risk Management Plan.

Our opinion is based on the current level of risk to the Service due to the inconsistencies and issues surrounding competency data recorded within Firewatch and the potential risk of mobilising Officers who do not meet competency standards.

Management Update: A project has been started to create a connection between Learning Pool and Firewatch systems to reduce duplication and ensure accurate updates to both systems simultaneously.

The measures implemented by the Service to address these issues are reasonable to reduce the risk going forward. However, until the full review of all Officer competency records is complete, we cannot be assured that Officers have appropriately assigned competency expectations for ongoing training and monitoring purposes.

Management Update: This review has commenced and is part of the ongoing Service Plans under the Community Risk Management Plan.

WSFRS - Operational Training delivery		
Audit Sponsor	Assurance opinion	Management Actions
Chief Fire Officer		<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="background-color: #008000; color: white; padding: 5px; text-align: center;">Low 1</div> <div style="background-color: #ffff00; color: black; padding: 5px; text-align: center;">Medium 6</div> <div style="background-color: #ff0000; color: white; padding: 5px; text-align: center;">High 7</div> </div>

Summary of key observations:

This review focused on the provision of quality assured operational training to ensure officers remain “in ticket” for their role, and, to ensure, through robust recording and reporting, that reliance can be placed on training provision in terms of its timely completion. Sample testing concentrated on review of the completion of training and seeking assurance around the recording of Maintenance of Competence and Maintenance of Knowledge courses between Learning Pool and the service’s main training database, FireWatch.

Positively, the WSFRS Operational Training strategy documentation shows focus on the future of the service in terms of training provision and succession planning. The Learning and Development prospectus illustrates potential career paths in terms of training required, from newly recruited staff through to senior management in the service. In addition, regular reporting is carried out which ensures effective monitoring of training takes place, that attendees attend the courses they are booked onto, and that cases of non-attendance are known and followed up so that training is re-scheduled.

However, testing of operational staff completion of compulsory training courses found that in terms of their annual Physical Fitness Assessments (after allowing for staff on modified duties), around 15% of the workforce were not “in ticket” as at 8th October 2021.

Management Update: Since the audit, this has been addressed and is now all up to date. The issue was due to administrative inconsistencies with updating information as staff moved roles, which has been addressed using a temporary resource initially, with further improvements planned though the use of an automated form to remove the potential for human error in the process.


Our review of system accuracy of records retained in Learning Pool and FireWatch found a number of discrepancies between the systems. Some courses recorded in Learning Pool did not have a corresponding code in FireWatch to allow an accurate view of their training status, specifically in terms of Maintenance of Competence coding.

The training policy (Learning and Development Standard Operating Procedure) which underpins the strategy, covers essential information required at policy level and aligns with national training guidelines at a high level. However, it has not been reviewed since 2011.

Management Update: The policy has now been reviewed and will go live in March 2022.

Whilst we were advised that trainers have attended qualification courses for the training they deliver, complete certification had not been retained by WSFRS and we were not able to evidence full certifications for all courses which are delivered by training staff.

Management Update: A gap analysis has now been completed and all missing certification is being updated ahead of 31st March 2022 using the temporary administrative resource.

IR35		
Audit Sponsor	Assurance opinion	Management Actions
Director of Human Resources and Organisational Development	 Limited	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="background-color: green; color: white; padding: 5px; text-align: center;">Low 0</div> <div style="background-color: yellow; padding: 5px; text-align: center;">Medium 6</div> <div style="background-color: red; color: white; padding: 5px; text-align: center;">High 5</div> </div>

Summary of key observations:

As part of the Internal Audit Plan for 2021/22, we have undertaken a review of the processes in place to ensure workers, provided through intermediaries, have been identified and assessed as to whether they are in the scope of the IR35 regulation.

The off payroll working rules can apply if a worker (sometimes known as a contractor) provides their services through their own limited company or another type of intermediary. An intermediary will usually be the worker’s own personal service company but could also be a partnership or an individual. The IR35 regulations ensure workers, who would have been an employee, if they were providing their services directly to the Council, pay broadly the same Income Tax and National Insurance contributions as employees. It is the Council’s responsibility to determine whether the off payroll working rules apply.

A previous audit review was undertaken as part of the 2018/19 audit plan and reported in August 2019. The review concluded a limited assurance opinion and some of the issues raised in this review replicate those identified previously around the completion of accurate Check Employment Status for Tax (CEST) and IR35 procedure guidance.

From the sample reviewed observations highlighted instances where CESTs were absent or out of date. We further found information documented within the Status Determination Statements was found on occasions, to be inaccurate or incomplete.

Policy, procedure and guidance documents have not been routinely updated to reflect organisational change and do not include a document date, version control or future review date.

A review of consultancy suppliers revealed half (3/6) had the employment status of “not an individual” incorrectly selected on the Supplier Approval Form. One of the remaining three suppliers was incorrectly assessed as “self-employed”.

6. Planning & Resourcing

Due to the continued challenges and uncertainties presented by COVID-19 initial internal audit planning for 2021-22 focused on activity during the quarter 1 which was approved by the County Council’s Executive Leadership Team and the Regulation, Audit & Accounts Committee in March 2021.

It was agreed that to ensure internal audit focus remained timely and relevant to the changing needs and requirements of the organisation that SIAP would continue to liaise with key stakeholders over the remainder of the year to develop ongoing quarterly plans.

The rolling work programme (section 7 below) outlines audit activity during Q1, Q2, Q3 and Q4.

7. Rolling Work Programme

Audit Review	Sponsor	Scoping	Audit Outline	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
2020/21								
Dual Use Agreements	DP&A	✓	✓	✓	Dec 21	Dec 21	n/a	Position Statement
Central Government Grants (allocation)	Corporate	✓	✓	✓	Oct 21	Nov 21	Reasonable	
Procurement (sub £100k)	DF&SS	✓	✓	✓	Jun 21			
Cyber Security (Risk Treatment)	DF&SS	✓	✓	✓	Jun 21	Jul 21	Reasonable	
Cloud Service Provisioning	DF&SS	✓	✓	✓	Jun 21	Jun 21	Reasonable	
School Thematic Review(s)	DCYP&L	✓	✓	✓	Jun 21	Nov 21	Reasonable	
2021/22								
Ash Dieback	ADHT&P	✓	✓	✓	Jan 22	Jan 22	Reasonable	
Our Council Plan (Reset) - Performance	CE/DF&SS	✓	✓	✓	Sep 21	Oct 21	Reasonable	
Think Family claims	DCYP&L	✓	n/a	n/a	n/a	n/a	n/a	Complete
Firewatch	CFO	✓	✓	✓	Aug 21	Jan 22	Limited	
Home to School Transport	DPS	✓	✓	✓	Sep 21	Nov 21	Reasonable	
Highways Maintenance – Contract Management	DPS	✓	✓	✓	Jul 21	Aug 21	Reasonable	
School Thematic – HT Pay	DCYP&L	✓	✓	✓	Feb 22			

Audit Review	Sponsor	Scoping	Audit Outline	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
SFVS	DCYP&L	✓	n/a	n/a	n/a	n/a	n/a	
Hammonds (Residential Care Home)	DA&H	✓	✓	✓	Sep 21	Nov 21	No	
People Framework	DHR&OD	✓	✓	✓	Aug 21	Nov 21	Reasonable	
SmartCore (Oracle Fusion)	DF&SS	✓	✓	✓				
Annual Governance Statement	DL&A	✓	✓	✓	Nov 21	Nov 21	Reasonable	
Payroll	DF&SS	✓	✓	✓	Jul 21	Sep 21	Reasonable	
Mortuary Services Contract Management	DPS	✓	✓	✓	Oct 21	Nov 21	Reasonable	
IT Transition Programme	DF&SS	✓	✓	✓	Jul 21	Aug 21	n/a	
IT Assurance Mapping	DF&SS	✓	✓					
Adults Income	DA&H	✓	✓	✓				
AMHPS	DA&H	✓	✓	✓	Feb 22	Mar 22	Reasonable	
WSFRS Risk and Business Continuity	CFO	✓	✓	✓	Feb 22			
Financial Resilience	DF&SS	✓	✓	✓				
Health & Safety	DHR&OD	✓	✓	✓				
Capital Project Delivery (Education)	DCYP&L / DPS	✓	✓	✓				
Accounts Receivable	DF&SS	✓	✓	✓				
Budgetary Control	DF&SS	✓	✓	✓	Sep 21	Nov 21	Reasonable	
WSFRS Operational Training Delivery	CFO	✓	✓	✓	Nov 21	Jan 22	Limited	
WSFRS Fleet Management	CFO	✓	✓	✓	Oct 21	Nov 21	Reasonable	
WSFRS Working Time Directive	CFO	✓	✓	✓				
IR35	DHR&OD	✓	✓	✓	Aug 21	Feb 22	Limited	
Parkside Service Charge Review	DPS	✓	✓	✓	n/a	Sep 21	n/a	Independent verification of service charge to HDC.
Information Governance - GDPR	DL&A	✓	✓	✓				
Assurance Mapping–Children’s Services	DCYP&L	✓						
Equality Impact Assessments	ADHT&P	✓	✓	✓				
Climate Change Strategy	ADE&PP	✓	✓	✓				
Payments to Providers	DA&H	✓	✓	✓				
Assurance Mapping-Adult Services	DA&H	✓	✓	✓				

Audit Review	Sponsor	Scoping	Audit Outline	Fieldwork	Draft Report	Final Report	Assurance Opinion	Comment
Savings Realisation	DF&SS	✓	✓	✓				
Vaccination (Preparedness)	DHR&OD /DA&H	✓	✓	✓	n/a	Nov 21	n/a	Position Statement
Business Continuity (WSCC)	CFO	✓	✓	✓				
School Thematic – Summer School Funding	DCYP&L	✓	✓	✓				
HR Policy Decision Making	DHR&OD	✓						
Treasury Management	DF&SS	✓	✓					
SEND	DCYP&L	✓						
WSFRS Communication and Equipment	CFO	✓	✓					
WSFRS Safe and Well Visits	CFO	✓	✓	✓				
SFVS Returns Q4 21-22	DCYP&L	✓						
Contract Management Advocacy Services	DA&H	✓	✓					
Local Energy Communities for the 2 Seas Region (LECSEA)	ADE&PP	✓						
Grants								
Highways Maintenance Block Grant	ADHT&P							Complete
HIV PrEP	DPH							Complete
Additional Home to school transport	ADHT&P							Complete
Bus Services Operator Grant	ADHT&P							Complete
Travel Demand Management Grant	ADHT&P							In progress

Annexe 1

Overdue 'High Priority' Management Actions

School Traded Services - Reasonable

Observation: Strategy

There is no agreed strategy in place on how to grow School Traded Services income and reach the £500,000 income target within 3 years.

Management Action	Original Due Date	Revised Due Date	Latest Service Update
Project timeline to be established identifying tasks /steps required to prepare for the withdrawal of DSG funding from April 2022	31.10.21	30.09.22	The Government is in consultation with all LA's regarding the brokerage grant which funds school effectiveness. The consultation is looking at changing statutory responsibilities of LA's. It is not yet clear from Government whether all the grant will be withdrawn or a proportion. Until the consultation is complete, and the amounts involved known the project timeline cannot be developed.
Strategy to be formed & communicated	30.07.21	30.09.22	A questionnaire is due to be issued to all stakeholders to help understand their requirements which have changed in part due to the pandemic. The results alongside clarification of funding will help inform the development of the new strategy.

Observation: Pipeline Report

We observed that there is a pipeline report in place which plans when products / school services will go through the scrutiny process via the QA Board. Whilst plans include all Education & Skills school services, it does not include all school services delivered throughout the wider Council.

Management Action	Original Due Date	Revised Due Date	Latest Service Update
Consider next steps following the LGA review outcomes.	31.05.21	30.09.22	The LGA review is being considered as part of the restructure and will influence the strategic direction of the service. The service is concentrating on the educational offers first but will continue to offer other services from the wider council which can be included via the QA board process. The intention is to communicate to the wider council the position regarding traded services and to encourage their buy in to it.

S75 Governance - Limited**Observation: Agreement of Budgets**

The Section 75 Agreement requires annual agreement between the Parties on which budgets are pooled and which are non-pooled including which party is responsible for holding the funds. The pooled/non pooled budget has not been formally agreed for 2020/21 due to the exceptional circumstances of COVID 19, however, it is noted that the 2019/20 budget was not formally approved until 28 February 2020.

Management Action	Original Due Date	Revised Due Date	Latest Service Update
2021-22 final budgets to be updated in the S.75 schedules by means of variation once these are confirmed.	30.09.21	30.03.22	This work will take longer previously anticipated due to the impact of Covid-19 and the need to align health and social care planning processes. The council will also shortly be undertaking a review of commissioning arrangements and governance.

Observation: Budget Monitoring Reports

The Section 75 Agreement requires designated Pooled/Non-Pooled Fund Service Budget Managers to report details of their expenditure against contributions to a nominated officer in the Council in accordance with an agreed timetable and format. The nominated officer has responsibility for preparing a summary report to be shared with all Parties and used as a basis for reporting to the JCSG and the CCG Boards and WSCC Cabinet Members. No timetable has been agreed for 2020/21 due to exceptional circumstances, although it is understood that a timetable has been agreed in previous years. Following changes in the balance of non-pooled fund services, summary reports are prepared by the Senior Finance Manager at West Sussex CCG rather than a nominated officer of WSCC. Only the forecast outturn position is reported whereas the agreement refers to expenditure against contributions. Summary reports are taken to the Finance Sub-Group but not to JCSG.

Management Action	Original Due Date	Revised Due Date	Latest Service Update
A joint commissioning annual budget setting process to be incorporated into the JCSG annual work plan.	30.09.21	30.03.22	This work will take longer previously anticipated due to the impact of Covid-19 and the need to align health and social care planning processes. The council will also shortly be undertaking a review of commissioning arrangements and governance.

Observation: Variations

There were no deeds of variation for changes to contributions for pooled/non pooled services or for the inclusion of the current year's budgets when extending the Agreement.

Management Action	Original Due Date	Revised Due Date	Latest Service Update
As part of the 21/22 extension process, a deed of variation to be undertaken to update the confirmed budget schedules to be included, once final budgets are confirmed. Future variations to be included in the JCSG forward planner.	30.09.21	30.03.22	This work will take longer previously anticipated due to the impact of Covid-19 and the need to align health and social care planning processes. The council will also shortly be undertaking a review of commissioning arrangements and governance.

Children's Services - P-Cards - Limited

Observation: Analysis in line with MOSAIC

The P-card process does not allow for analysis of spend against MOSAIC client reference numbers, meaning there is no feasible way to align P-card spend with delivery of care to specific families or individuals.

Management Action	Original Due Date	Revised Due Date	Latest Service Update
All card holders and reviewers to receive guidance to improving descriptions on P-Card transactions following format as per corporate policy.	30.07.21	31.03.22	A Rapid Response Working Group was established in response to the audit of p-card compliance in Children, Young People and Learning (CYPL). The groups objectives have been developed into project workstreams which will cover the original proposed actions. The design phase includes developing guidance and training to cover the whole process, and this is in progress. This has been completed for standard levels, awaiting DLT agreement on exceptions.

Observation: Review of active P-cards

An exercise was undertaken where managers within Children's Services were sent a list of P-card holders and asked to identify any which were no longer required. This resulted in a list of 203 P-cards being identified for cancellation. However, the exercise to close these P-cards has not yet been completed. Further to this, other control options such as cancelling P-cards where value and volume of spend has been minimal over a prolonged period have not been explored.

Management Action	Original Due Date	Revised Due Date	Latest Service Update
All to be reviewed again (project should be owned by one individual and overseen by a member of DLT).	30.07.21	31.03.22	A review of all current p-card holders was undertaken and any cards identified as held by people no longer authorised were cancelled. The 'go live' action introduces the new framework and includes notifying new card holders, new approvers and any cancellations. New approvers and cardholders being set up through February /March and once completed any existing cardholders no longer meeting criteria will have their cards cancelled. Revised date of 31/3/22, to align with new financial year.

Observation: Application Process

Although Children’s Services staff are complying with the corporate P-card application process, there is no control in place within Children’s Services to ensure, business need or relevance of authorising manager to card holder.

Management Action	Original Due Date	Revised Due Date	Latest Service Update
DLT to agree protocol for approval of P-card applications.	30.07.21	31.03.22	The design phase of the action plan developed by the Rapid Response Working Group involves developing the framework, guidance and scheme of delegation and will cover the application process. To be agreed by DLT in March.
DLT to agree a process for exceptions including a ‘scheme of delegation’ type approach, who sits above the budget holder should remain responsible for signing off new applications.	30.07.21	31.03.22	As above
Clear definition of the circumstances when a p-card should be issued.	30.07.21	31.03.22	As above

Observation: Receipts, review, and approval

Since April 2020, P-card holders have been required to scan and upload receipts in support of P-card transactions, with managers expected to review uploaded receipts as part of their authorisation process. P-card transactions must also be reviewed by the card holder ahead of being authorised by the manager on a monthly basis. Compliance is monitored by a team within Corporate Finance who send e-mail reminders to officers and managers who are not complying, with instances of non-compliance tracked in the monthly P-Card Report.

However, no-one within Children’s Services is on the distribution list for the monthly P-Card Report, and there is no assigned responsibility within Children’s Services to monitor and address instances of non-compliance (such as re-training or suspension of P-cards) or to act as a point of contact for Corporate Finance staff to escalate persistent non-compliance with.

Management Action	Original Due Date	Revised Due Date	Latest Service Update
Spot checks will be made on a sample of monthly spends to track spends back to the customer. Including contacting the customer to verify purchase and receipt of goods.	30.07.21	31.03.22	A cohort of p-card holder will be monitored / reported on from the go live date to track progress in movement to the new framework.
Resource within children’s commissioning to be identified / established to complete the above action and analyse report data to identify instances of non-compliance, which would be escalated to Service Leads as appropriate to be addressed	30.07.21	31.03.22	As above

Hammonds – No assurance

Observation: Client Balances

Client balances are shown in the monthly reconciliation however there is no process in place to ensure that clients have sufficient money in their account before withdrawals are made. A new system of maintaining separate wallets for clients was put in place in July 2021; the client's monthly allowance is shown on a money recording sheet but this did not take into account their account balance meaning that three clients were allocated cash to their wallets when they were in arrears.

Five clients had balances over £1,000, although it should be noted that there is doubt over the accuracy of the client balances as shown in previous tests.

Management Action	Original Due Date	Revised Due Date	Latest Service Update
Set up interim budget plans based on allowance and regular weekly spend for people who live at Hammonds pending results of investigation (See Action 1.2).	30.11.21	31.03.22	There are now individual budgets held within wallets in the resident's property account, regular money is coming in and is aligned to weekly spend. This has lowered the risk of insufficient funds. However, until the folio balances have been fully substantiated this action remains open.

Observation: Guidance and Training

Through discussion it was confirmed that the Manager, Assistant Manager and Administrator were unaware of the practice guidance. Local procedures are in place and dated April 2020, however it is not clear how they are kept under review. Links within the document are not up to date.

The Practice Guide refers to manager responsibilities and includes an Exemplar procedure for managing customer finances which covers responsibilities of the registered manager to ensure the safe handling of client finances and examples of checks to be undertaken.

Once the discrepancies came to the Manager's attention advice/assistance was requested. The Practice Guidance sets out responsibilities for the Registered Manager including any concerns around the support given by Capita, but there is no clear escalation process for managers to raise concerns within Provider Services.

Management Action	Original Due Date	Revised Due Date	Latest Service Update
Feedback on updated process notes to Capita Line manager and Business Partners.	30.12.21	31.03.22	The process notes have been reviewed by Capita. Information with Service Development Lead for Directly Provided Services as reviewing whole financial procedures / guidance.

WSFRS Operational Training Delivery- Reasonable

Observation: Training Course Records
 Audit review of training course records for 15 operational staff members found 10 were fully in date, and “in ticket”. Of the other five:

- One staff member was noted as being long term sick.
- Three staff members were out of date on Immediate Emergency Care but were booked on a future course.
- One staff member was out of date on their annual physical fitness assessment by over 280 days.

Due to these results, the testing sample was extended to ascertain the reason for lapsed training, focussing on Mod1A, Mod1B and Annual Fitness Assessment training recorded on FireWatch. There were a variety of reasons across the records for Mod1A and Mod1B, including: long term sickness; leavers; and no longer operational staff.

For the Annual Fitness Assessment there were a greater number out of date and for the extended sample those over 200 days past their fitness assessment renewal date were reviewed and reasons ascertained as follows: Active FireWatch records despite being on secondment for several years; long term sickness; maternity leave; and one record was unable to be located on FireWatch. Seven staff were overdue a fitness assessment by up to two years.

Management Action	Original Due Date	Revised Due Date	Latest Service Update
Provide better reporting processes for Training Course records through FireWatch and Power BI (WSFRS strategic reporting tool)	31.01.2022	31.03.2022	Fitness test issue has now been resolved and work continues to develop Power BI to support management oversight
Provide better Administration Support for Ops T&D Delivery – to provide better reporting processes to key stakeholders (PP&R) to allow shared responsibility and accountability regarding operational staff training records	31.01.2022	31.03.2022	A temporary resource has been provided until 01.04.22 to address the issues raised and update the associated information. Ongoing resource requirements and potential for automation are being considered to support the organisation moving forward. A project has been started to create a connection between Learning Pool and Firewatch systems to reduce duplication and ensure accurate updates to both systems simultaneously.

Annexe 2

Overdue 'Low & Medium Priority' Management Actions (February 2022)

Audit Review	Report Date	Opinion	Priority		Due Date	Revised Due Date
			Low	Medium		
E-Income	June 2019	Adequate	1		31.12.19	31.03.22
Special Educational Needs	Oct 2020	Limited		1	31.12.20	31.01.22
Employers Contributions / Relationships	Dec 2020	Reasonable		1	31.03.21	31.01.22
School Traded Services	Mar 2021	Reasonable		1	30.06.21	30.09.22
Risk Management	Mar 2021	Reasonable	1		31.08.21	21.03.22
			1		31.08.21	31.03.22
S75 Governance	Apr 2021	Limited		1	30.06.21	31.03.22
Debt Recovery	Apr 2021	Reasonable	1		30.05.21	28.01.22
P-Cards (Children's Services)				1	30.07.21	30.04.22
				1	30.09.21	31.03.22
				1	30.09.21	31.03.22
				1	30.07.21	31.03.22
				1	30.07.21	31.01.22
Cyber Security (Risk Treatment)				1	31.12.21	TBC
Cloud Service Provisioning				1	01.10.21	31.12.21
				1	01.10.21	31.12.21
Payroll			1		30.11.21	31.01.22
			1		30.11.21	31.01.22
			1		31.12.21	28.02.22
			1		31.12.21	TBC
Home to School Transport				1	31.12.21	TBC
				1	31.01.22	TBC
				1	31.01.22	28.02.22
Annual Governance Statement	Nov 2021	Reasonable		1	31.01.22	TBC
				1	31.01.22	TBC

Audit Review	Report Date	Opinion	Priority		Due Date	Revised Due Date
			Low	Medium		
				1	31.12.21	31.01.22
				1	31.12.21	31.01.22
WSFRS Operational Training	Jan 2022	Limited		1	30.01.22	TBC
				1	30.01.22	TBC
				1	30.01.22	TBC
				1	30.01.22	TBC
Total			8	22		