



Southern Internal Audit Partnership

Assurance through excellence
and innovation

WEST SUSSEX COUNTY COUNCIL INTERNAL AUDIT PROGRESS REPORT - JANUARY 2024

Prepared by: **Neil Pitman, Head of Partnership**

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

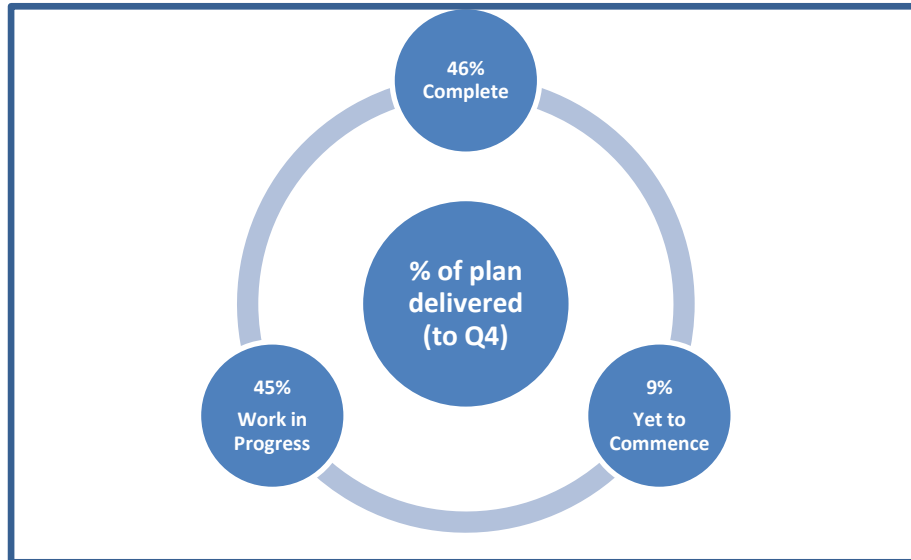
In accordance with proper internal audit practices (Public Sector Internal Audit Standards), and the Internal Audit Charter the Chief Internal Auditor is required to provide a written status report to ‘Senior Management’ and ‘the Board’, summarising:

- 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	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	Management Action(s)	Not Accepted	Not Yet Due	Complete	Overdue		
								L	M	H
Cyber Security (Risk Treatment)	Jul 2021	DFSS	Reasonable	3	0	0	2		1	
Special Schools Funding Thematic	Nov 21	DCYP&L	Reasonable	4	0	0	0	2	2	
WSFRS Operational Training delivery	Jan 22	CFO	Limited	14	0	0	13		1	
WSFRS Working Time Directive	May 22	CFO	No	10	0	0	3		5	2
Adult's Income	July 22	DA&H	Limited	7	0	0	6		1	
Company Governance Framework	Oct 22	DL&A	Reasonable	5	0	0	4		1	
HR Policy Decision Making	Nov 22	DHR/OD	Limited	12	0	0	9		3	
Workforce Planning / Strategy	Jan 23	DHR/OD	Limited	5	0	0	2	1	2	
Procurement (Sub £100K)	Feb 23	DFSS	Limited	18	0	9	3		2	4
Direct Payments	Feb 23	DA&H	Limited	11	0	1	9		1	
Payroll	May 23	DHR/OD	Reasonable	17	0	0	16			1
Children's Care Placements	May 23	DCYP&L	Limited	23	0	0	20		1	2
WSFRS Overtime and TOIL	Jun 23	CFO	Reasonable	6	0	0	4		2	
RIPA Usage	Jun 23	DL&A	Reasonable	9	0	0	8		1	
Accounts Payable	Jun 23	DF&SS	Reasonable	12	0	0	6		6	
WSFRS Safe & Well follow up	Jul 23	CFO	Reasonable	6	0	0	3		3	
SmartCore	Aug 23	DF&SS	Limited	11	0	0	7			4
Risk Management	Sep 23	DF&SS	Reasonable	3	0	1	2			
Retained Duty System Firefighters	Sep 23	CFO	Limited	11	0	9	2			
Contract Management - Public Health	Oct 23	DA&H	Reasonable	8	0	2	6			
Joint Fire Control	Oct 23	CFO	Limited	6	0	5	0	1		
Ball Tree Croft	Oct 23	DA&H	Reasonable	3	0	0	2		1	
Ill Health Retirements	Dec 23	DHR/OD	Limited	5	0	5	0			
Health & Safety – Highways Depots	Dec 23	DPS	Limited	6	0	4	2			

Audit Review	Report Date	Audit Sponsor	Assurance Opinion	Management Action(s)	Not Accepted	Not Yet Due	Complete	Overdue		
								L	M	H
Debt Recovery	Jan 24	DF&SS	Reasonable	6	0	4	1	1		
Contract Management	Feb 24	Corporate	Limited	23	0	13	10			
Employer Contributions (Pensions)	Feb 24	DF&SS	Reasonable	3	0	2	1			
Financial Adult Safeguarding Team	Feb 24	DF&SS	Limited	4	0	4	0			
Public Consultations	Feb 24	DPS	Reasonable	3	0	3	0			
Overtime	Feb 24	DHR/OD	Limited	7	0	7	0			
Total								4	34	13


Overdue Management Actions - Direction of travel since December 2023 progress report - -8 -1

Audit Sponsor

Chief Executive
Becky Shaw

Chief Fire Officer	Director of Adults & Health	Director of Children, Young People & Learning	Director of Place Services	Director of Finance & Support Services	Director of HR/OD	Director of Law & Assurance
(CFO)	(DA&H)	(DCYP&L)	(DPS)	(DFSS)	(DHR/OD)	(DL&A)
Sabrina Cohen- Hatton	Alan Sinclair	Lucy Butler	Lee Harris	Taryn Eves	Gavin Wright	Tony Kershaw

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

Overtime (Corporate)		
Audit Sponsor	Assurance opinion	Management Actions
Gavin Wright, Director of Human Resources & 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 4</div> <div style="background-color: yellow; padding: 5px; text-align: center;">Medium 3</div> <div style="background-color: red; color: white; padding: 5px; text-align: center;">High 0</div> </div>

Summary of key observations:

This review sought to assess the compliance of overtime with relevant policies, procedures and regulations. The Council has in place an Allowances and Enhancements Policy which covers overtime payments and confirms key provisions on the approval, criteria and calculation of overtime payments. The audit employed data analytics to assess whether overtime payments to staff members in the financial year of 2022/23 were accurate and in line with the policy.

Positively, it was observed that sufficient management reporting tools were available for monitoring staff members’ overtime. Specifically, there was a high-level dashboard allowing senior management to review the amount of overtime payments by grade, financial year and month. Moreover, managers could log into SAP Manager Self-service to generate a report that summarises the approved overtime of their direct reports.


Amounts of overtime payments payable to staff based on their hourly rates and the number of hours of overtime work reported for four types of overtime which accounted for 96% of all overtime payments were compared against the actual amounts paid. We concluded that the computation of the of overtime payment amounts were in general accurate.

However, data analysis highlighted £1.4 million of overtime payments in 2022/2023 did not fully conform with the Council’s policy.

- Staff above a certain pay grade are not normally entitled to claim overtime. However, analysis highlighted £916k was paid to 496 staff members above that threshold. Whilst the policy requires that their overtime working, if unavoidable, has to be approved by Heads of Business Unit and the Relationship Managers with evidenced business cases, we were unable to obtain any evidence that this policy requirement was fulfilled.
- Overtime was recorded for part-time staff against full-time wage types and vice versa. The client explained that in some instances identified by the analysis overtime was set against an incorrect wage type albeit this was at the same rate of pay, while other instances resulted in wrong rates of pay.

The Working Time Directive enforces a cap on average working time each week, which is 48 hours. According to the Directive, the average working hours are calculated over a period of 17 weeks. Due to limitation of data, we calculated the average working hours of staff members over the whole financial year. Our analysis has revealed that 7 staff members have their average working hours exceeding 48 hours. Further testing confirmed that effective opt-out agreements are in place for 5 of the concerned staff members, however, for one their signed opt-out agreement had expired and for the other, an opt-out agreement could not be confirmed.

The policy mandates that the use of overtime working should be avoided where possible and time off in lieu should always be considered in the first instance. While management reporting tools are available, no procedure is in place to monitor overtime working and ensure these policy requirements are complied with. Further, the existing procedure is unable to detect any anomalies for follow-up actions (for example, those staff members taking excessive overtime working and those who require special approval to do so). Some part-time staff members had taken extensive overtime working but there is no current reporting mechanism available to identify these cases and review if any changes to the employment contracts are necessary for resources planning.

Financial Adult Safeguarding Team		
Audit Sponsor	Assurance opinion	Management Actions
Taryn Eves, Director of Finance & Support Services	 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 4</div> <div style="background-color: red; color: white; padding: 5px; text-align: center;">High 0</div> </div>

Summary of key observations:

FAST manages the finance and properties of over 900 adults across West Sussex who cannot manage their own arrangements, because of mental incapacity, and have no one else willing, able and/or appropriate to do it for them.

Recent changes were made to streamline the referral process. Specifically, social workers have been required to complete all required forms and documents when the cases are referred to FAST. Analysis confirmed that the processing time has since been improved from 120 days in 2022 to 10 days in the period between February and August 2023, which is now meeting management expectation.


Individual bank accounts have been set up for each customer accepted by FAST which are reconciled against the income and payment plans set in Caspar Cloud on a weekly basis with manual investigation and follow-up actions undertaken for any discrepancies.

There is an arrangement in place through Lloyds Bank that no payments on behalf of customers can be paid by an individual staff member. Specifically, payment requisitions are raised by the responsible officers, checked by a member of FAST's administration team and then authorised by a member of FAST management team.

There is a training programme in place for FAST team members, which covers OPG standards, social benefits and the Mental Capacity Act. We reviewed the training log confirming that the current FAST team members have attended all training sessions.

FAST has prepared a practice handbook, which brings together a variety of procedures used by the team. We noted that this handbook was last reviewed approximately 4 years ago. Similarly, FAST publishes the practice guidance on access criteria for social workers on how referrals can be made. This practice guidance has recently been reviewed in August 2023 but has not been finalised and published.

Following a fraud incident in June 2023 involving the misappropriation of payments, a number of improvements have been made on prevention of falsifying supporting documents, record keeping and confirmation of payee bank details. However, new procedures were not documented, nor sufficient trails of their execution retained, consequently, no assurance could be given on their effectiveness.

Contract Management		
Audit Sponsor	Assurance opinion	Management Actions
Taryn Eves, Director of Finance & Support Services	 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 10</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 7</div> </div>

Summary of key observations:

The purpose of the audit was to ensure contracts are appropriately managed to deliver the required outcomes, with a focus on contracts categorised as either Strategic or Business Critical in line with WSCC’s categorisations as per the Procurement Strategy.

Testing during fieldwork found that the control and compliance elements of the three single supplier contracts reviewed was strong; however, the assurance opinion is reflective of gaps identified with the processes the service-based contract management teams are following to obtain assurance from other departments within their directorates that the services are being provided in line with contractual expectations.

The CPOSS Category 3 contract states that all placements will be agreed via an Individual Placement Agreement (IPA). Although IPAs are used for any placements outside of contracted rates or via Independent Foster Agencies (IFAs) not signed up to the contract, Change Notices are used in all other instances.

Monitoring arrangements specified within the contract, including six monthly IFA self-assessment reports and confirmation that insurance remains in place, are not being collected, contractually allowed annual review meetings are not consistently held, and although controls are in place to ensure that any change in OFSTED ratings are identified and considered, there are no arrangements in place to gain assurance that any IFA not subject to an OFSTED inspection for a prolonged period of time is still operating at a level compliant with an OFSTED rating of at least ‘good’.

The Care Homes contract has been rolled forwards since 2007 and the care homes signed up to it have not been categorised. The Contract Management - Older People Commissioning Team view their relationship as being with the care homes so do not have controls in place to give assurance that service users are receiving regular reviews which confirm they are receiving a service in line with their contractual rights, with reliance placed upon other departments within Adults to monitor and advise of any issues but no formal mechanisms in place to confirm that they are.

Although reviews are thorough and comprehensive when they happen, there are currently no controls in place to ensure that every care home on the contract is subject to at least annual review and that any care home which has not been subject to a Care Quality Commission (CQC) review for a prolonged period of time, or has been subject to a review where the rating is not at least 'good', or has had a safeguarding issue raised against it, would definitely be subject to a review which is followed through to completion in a timely manner.

There is no formal arrangement in place for the Procurement & Contract Management (P&CM) Team to review contract management performance at a DMT level (albeit this is currently work in progress with Adults).

The WSCC Procurement Strategy sets the framework in which the Council clarifies the expected approach to contract categorisation and contract management and is supported by separate Contract Framework and Category Management documents as well as other guidance including on KPIs, Social Value and the completion of balanced scorecards. However, the Procurement Strategy is dated 2019-2021 and none of the documents are subject to version control or confirm the sign-off route.

No regular review of officers within directorates who have contract management responsibilities is carried out to assess related training needs or to ensure departments consider such needs, and the P&CM Team have not confirmed whether the corporate induction programme raises awareness of the support they offer.

6. Planning & Resourcing

To ensure internal audit focus remains timely and relevant to the changing needs and requirements of the organisation that SIAP have adopted an approach of quarterly planning. The quarter 1, 2, 3 & 4 plans were approved by the County Council’s Executive Leadership Team and the Regulation, Audit & Accounts Committee in March, July, September 2023, and January 2024 respectively.

SIAP will 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 2023/24 (Q1, Q2, Q3 & Q4).

7. Rolling Work Programme

Audit Review	Sponsor	Scoping	ToR	Field work	Draft Report	Final Report	Assurance Opinion	Comment
Contract Management	Corporate	✓	✓	✓	May 23	Feb 24	Limited	
Homes for Ukraine	DPS	✓	✓	✓	Sep 23	Oct 23	Reasonable	
Children’s Transitions	DA&H	✓	✓	✓				
Joint Fire Control (WSFRS)	CFO	✓	✓	✓	May 23	Oct 23	Limited	
Pension Fund Processes	DF&SS	✓	✓	✓				
Contract Management - Public Health	DA&H	✓	✓	✓	Aug 23	Oct 23	Reasonable	
Risk Management	DF&SS	✓	✓	✓	Aug 23	Sep 23	Reasonable	
Ball Tree Croft (care home)	DA&H	✓	✓	✓	Sep 23	Sep 23	Reasonable	
Group Crewing System	CFO	✓	✓	✓	Dec 23			
School Thematic – Procurement and CSO	DCYP&L	✓	✓	✓	Aug 23	Sep 23	Reasonable	
SFVS – Returns analysis	DE&S	n/a	n/a	n/a	n/a	n/a	n/a	
Overtime (Corporate)	DHR&OD	✓	✓	✓	Dec 23	Feb 24	Limited	
Parkside Accounts 21/22	DPS	✓	✓	✓	Aug 23			
Retained Firefighters (New)	CFO	✓	✓	✓	Aug 23	Sep 23	Limited	
Direct Payments (Children)	DCYP&L	✓	✓	✓	Jan 24			
School Thematic - Recruitment Checks	DCYP&L	✓	✓	✓	Dec 23	Jan 24	Limited	
Supporting Families QA review	DCYP&L	✓	✓	✓	Nov 23	Nov 23	Substantial	

Audit Review	Sponsor	Scoping	ToR	Field work	Draft Report	Final Report	Assurance Opinion	Comment
Debt Recovery	DF&SS	✓	✓	✓	Nov 23	Jan 24	Reasonable	
Highways Claims	DPS	✓	✓	✓	Jan 24			
Parkside Accounts (22/23)	DPS	✓	✓	✓				
Employer Contributions (Pensions)	DF&SS	✓	✓	✓	Jan 24	Feb 24	Reasonable	
Adult Placements – Waivers	DA&H	✓	✓	✓	Jan 24			
Ill Health Retirements	DHR&OD	✓	✓	✓	Oct 23	Dec 23	Limited	
Financial Adult Safeguarding Team (FAST)	DF&SS	✓	✓	✓	Nov 23	Feb 24	Limited	
Ethical Governance (AGS Effectiveness)	DL&A	✓	✓	✓				
Health & Safety in Highways Depots	DPS	✓	✓	✓	Sep 23	Dec 23	Limited	
Right to Work Process	DHR&OD	✓	✓	✓	Jan 24			
Independent Lives (Contract Management)	DA&H	✓	✓	✓	Feb 24			
Public Consultations	DPS	✓	✓	✓	Jan 24	Feb 24	Reasonable	
Health & Safety in Schools (Thematic)	DCYP&L	✓	✓	✓				
School Based Complaints (Thematic)	DCYP&L	✓	✓	✓	Jan 24			
SFVS 22/23 Testing	DCYP&L	✓	✓	✓				
High Cost Placements (Children’s)	DCYP&L	✓	✓	✓				
Adult - Improvement Programme	DA&H	✓	✓	✓	Feb 24	Feb 24	Substantial	
Pensions – Admissions & Cessations	DF&SS	✓	✓	✓				
IT Change Management	DF&SS	✓	✓	✓				
Cyber–User Training & Phishing Simulation	DF&SS	✓	✓					
IT Asset Management	DF&SS	✓	✓					
Corporate Complaints	DL&A	✓	✓					
Use of Volunteers	DHR&OD	✓						
Financial Arrangements (School Thematic)	DCYP&L							
Use of Agency Staff	DHR&OD	✓						
Ash Dieback Contract Management	DPS							
Capital Programme Governance	DL&A DPS							
Public Health Grant Assurance Mapping	DA&H	✓						

Audit Review	Sponsor	Scoping	ToR	Field work	Draft Report	Final Report	Assurance Opinion	Comment
Purchasing Controls Analytics	DF&SS	✓						
Travel Portal	DF&SS							
NEET's	CYP&L	✓						
Children & Young People Plan (2022-25)	CYP&L							
H&S Assurance Mapping and Assessment	DHR&OD	✓						
Grants & Other								
Supporting Families Q2 claim	DCYP&L	n/a	n/a	n/a	n/a	n/a	n/a	
BSOG	ADHTP	n/a	n/a	n/a	n/a	n/a	n/a	
Highways DFT Funding Grant Declaration	ADHTP	n/a	n/a	n/a	n/a	n/a	n/a	
Supporting Families Q3 claim	DCYP&L	n/a	n/a	n/a	n/a	n/a	n/a	
BRG & LTF Grant	ADHTP	n/a	n/a	n/a	n/a	n/a	n/a	
Delivering Better Value in SEND	DCYP&L	n/a	n/a	n/a	n/a	n/a	n/a	

Annexe 1

Overdue ‘High Priority’ Management Actions

WSFRS Working Time Directive- No			
<p>Observation: Opt-out status</p> <p>The WSFRS Working Time Policy states: ‘If the employee agrees to work in excess of 48 hours per week, for whatever reason, they must sign an Opt-Out Form without coercion or enforcement. This should be done as a matter of course for those on more than one contract of employment, whether for WSFRS or another employer.’</p> <p>We found in our testing that signed opt out forms were not consistently held on employee files or, where held, forms were out of date; we also found that opt out recording in FireWatch was inaccurate.</p> <p>Risk: If Employees working over 48 hours a week on average have not signed an opt-out agreement, then WTR are breached.</p>			
Management Action	Original Due Date	Revised Due Date	Latest Service Update
<p>Opt-out status Workstream to address this through:</p> <ul style="list-style-type: none"> • Contact all staff to confirm opt out status. • Review current process. • Process mapping. • Gap analysis of information held. • Completion of information gaps. • Future process embedded. • Communications. 	<p>30.10.22</p> <p>30.04.24</p> <p>30.04.23</p> <p>30.04.23</p> <p>30.04.23</p> <p>30.04.23</p> <p>30.04.23</p>	<p>N/A</p> <p>31.01.24</p> <p>31.08.24</p>	<p>These elements of the required action have been implemented.</p> <p>Compiling final version of the system functionality specification document from the external supplier. Based on the timely sign off of this, we have created a full project plan for system build (externally and then internally), user acceptance testing, updating policies (SOPs), writing training guides and communications. This robust planning has now dictated the revised dates.</p>

Observation: Secondary Employment

The Working Hours SOP states: 'Pay & Employment Services (PES) - 3.1 Keep records of Night Workers, any workers who work nights and workers with multiple employments, whether with WSF&RS or not'. Payroll Services (Capita) advised that they do not keep records as stated in the Working Hours SOP.

The Working Hours SOP also states: 'Employees will advise their line Manager of all external employment, all hours worked and any substantial changes.'

In September 2021 People Support sent out an e-mail to all staff stating: 'We are aware that some of the information we hold regarding secondary employment could be out of date and we would like to request that everyone checks that this information is correct on FireWatch.'

Risk: If WSFRS does not have accurate information of employees with more than one job they cannot ensure that employees are not working more than an average 48 hours a week in total across both jobs and may be in breach of the Working Time Regulations.

Management Action	Original Due Date	Revised Due Date	Latest Service Update
Secondary Employment workstream to address this through:			
<ul style="list-style-type: none"> Review of process. Process mapping – as is/to be – one central version of the truth. Gap analysis of information held. Completion of information gaps. 	30.10.22 30.04.24 30.04.23 30.04.23	N/A	These elements of the required action have been implemented.
<ul style="list-style-type: none"> Future process embedded. Communications. 	30.04.23 30.04.23	31.01.24 31.08.24	Compiling final version of the system functionality specification document from the external supplier. Based on the timely sign off of this, we have created a full project plan for system build (externally and then internally), user acceptance testing, updating policies (SOPs), writing training guides and communications. This robust planning has now dictated the revised dates.

Procurement Sub £100k - Limited

Observation: Compliant Spend Reporting

Contracts are currently not set up in the finance system and linked to purchase orders to identify on and off-contract expenditure. Consequently, the Council is unable to accurately demonstrate its compliance with CSO's. Data obtained from the Council's financial system, SAP, showed that 992 suppliers each had PO expenditure of between £5k-£100k between January and December 2021 (with total expenditure of £26m). From these, 515 suppliers (52%) – £11.1m – could not be tied, via Procurement or Legal, to a known contract or waiver / exemption. The extent to which any current / historical contractual and related documentation (such as request for quotes) that may or may not reside at a local directorate/departmental level is unknown.

Albeit the Council's contracts register is regularly updated and made available to the public via the Council website, as required by the Local Government Transparency Code, it does not include contracts which are held locally only and unknown to Procurement / Legal.

Risk: Overall compliance with CSOs cannot be accurately established and the legally required published contracts register is incomplete.

Management Action	Original Due Date	Revised Due Date	Latest Service Update
<p>Continued drive with Directorate commissioners/service leads and contract management staff will progress via ELT and all DLTs to ensure clear awareness of CSO obligations to secure contracts >£5k-£100k via Legal and shared with P&CM to be recorded in the WSCC Contract Management system (Atamis) enabling reporting within the Contracts Register.</p> <p>As an ongoing activity – we will:</p> <ul style="list-style-type: none"> • Report (quarterly) into ELT and DLTs the view of their Contract Register and Pipeline (showing timing of future tenders to ensure structured planning in advance) and their compliance data (spend on/off contract and waivers) • Ask DLTs to identify the barriers to following procurement regs and build actions to address these. • Plan to produce a basic toolkit and training material for 'buyers' that provides them with short and simple guidance on the process and thresholds 	30.04.23	31.10.23 31.03.24	<p>A briefing to remind and build awareness of Standing Order responsibilities for Officers across Directorates that are responsible for contracts and buying activities (in the value range of >£5k-£100k) is in progress of development and will be issued to Requestors, Certifying Officers and shared as a briefing with DLTs.</p>

Management Action	Original Due Date	Revised Due Date	Latest Service Update
Consistent and standard Contract Compliance reporting dashboard to be developed and shared on a regular basis with DLTs and Procurement Board (minimum quarterly basis).	30.04.23	31.10.23 31.03.24	Procurement Board have been updated with a quarterly report that includes Contract Compliance as part of it and this will continue on a quarterly basis as a fixed agenda item. A subset of this report has been developed and issued by our Category Leads to most DLTs that they attend (including Place Services, FSS, HROD, ASC and CYP). By March 2024, we will have completed this new reporting suite and ensure that all DLTs (Directors and Assistant Directors) are sighted, also receiving the report on an ongoing quarterly basis.

Observation: Non-Compliant Contracts

We identified 515 suppliers (with CSO applicable expenditure between £5k-£100k) from the finance system that did not have a centrally recorded contract against its name. We managed to trace and get a response from a council officer for 295 of these, however, 206 (£4.1m) provided information that they were in non-compliance with CSOs.

We were unable to obtain any further information for another 220 contracts (£4.9m). Therefore, there was a potential non-compliant contract spend of circa £9m (£4.1m+£4.9m) during 2021.

Risk: Sufficient assurances over service levels and value for money cannot be made.

Management Action	Original Due Date	Revised Due Date	Latest Service Update
As above – in addition work with DLTs to improve the quality of the contracts register and fill in any gaps.	30.06.23	31.10.23 31.03.24	Briefings to the Procurement & Contract Management stakeholder group (via our enewsletter/virtual meetings) continues to be a regular message item requesting updates to Contract Register. A briefing to DLTs will be issued as a call to action in order to continue the development of the register for all new contracts issued in their services. Data quality will be significantly improved with new system.

Observation: Reporting of Waivers
 The Director of Law and Assurance and Director of Finance and Support Services are responsible for determining any requests to waive procurements requirements as laid out in CSO 52.5, as follows: *‘Procurement and Contracts Services shall provide quarterly summary reports of all requested waivers to these Standing Orders, whether approved or not, to all Directors and Assistant Directors of the Council.’*

We were only able to evidence this quarterly reporting to the Directors of Children Young People and Learning (CYP&L) and not for any other directorates within the Council.

Risk: The extent of current and / or expired waivers to CSOs is unknown

Management Action	Original Due Date	Revised Due Date	Latest Service Update
SO Waivers and Single Tenders reported to Procurement Board and DLTs on quarterly basis. This data to be included within ELT/DLT and Procurement Board dashboard of contract compliance	30.04.23	31.10.23 31.03.24	Procurement Board have been updated with a quarterly report that includes Waivers/Single Tenders as part of it and this will continue on a quarterly basis as a fixed agenda item. A subset of this report has been developed and issued by our Category Leads to most DLTs that they attend (including Place Services, FSS, HROD, ASC and CYP). By March 2024, we will have completed this new reporting suite and ensure that all DLTs (Directors and Assistant Directors) are sighted, also receiving the report an ongoing quarterly basis.

Payroll - Reasonable

Observation: Key Performance Indicators
 Strategic KPIs were in place as part of the Council's contract with Capita prior to Payroll moving back in-house in June 2022. However, our enquiries established that there is no system of formal KPI measurement currently in place for operational Payroll activities.

Key Performance Indicators (KPIs) are linked to critical success factors and are used to tangibly measure progress being made towards operational and strategic payroll objectives. It also allows management to formulate and track remedial actions in order to correct any poor performance highlighted as part of a KPI reporting package.

Risk: Payroll business objectives are ultimately not met.

Management Action	Original Due Date	Revised Due Date	Latest Service Update
Report key performance indicators as part of quarterly HR&OD performance review meetings.	30.09.23	30.11.23 31.01.24 30.04.24	HR Shared Services was delayed.

Children's Care Placements - Limited

Observation: Placement Requests

The Service Development Lead, Data and Performance Team, and Children's Commissioning & Interim Service Manager for PFT advised that a Care Referral UNDER 16 Form CYP765 should be completed before the Placement Finding Team initiate a search. However, our testing showed that for 11 of 15 children in our sample (Family Safeguarding) there was either:

- no CYP765 Form (Care Referral under 16) showing in Documents in Mosaic (4),
- Step status on Forms and Letters tab in Mosaic showing as 'incomplete' (4) or
- a form with one or more sections not ticked as 'section completed' (3).

Missing or incomplete sections/forms could mean there is insufficient information to initiate a search or delay the process; there could also be implications for reporting.

The referral form includes a section for desired outcomes and development needs and requirements for this section are included in the guidance; for two forms in our sample section 8 was not ticked as complete and for one form section 8 had not been completed.

Risk: Inappropriate/unsatisfactory placements

Management Action	Original Due Date	Revised Due Date	Latest Service Update
Design and implement new referral process and form (to include new Needs Assessment Tool) – for both under 16yr and post 16yr referrals. Guidance document and briefing to be provide to teams across the service as required	30.06.23	30.09.23 31.03.24	Draft referral has been shared with stakeholders and co production finalised. Engagement events have now been completed the form will go live on the ICS across Q4.
A new 'Care' referral form is being devised which will also be embedded on the Mosaic platform. It is felt the launching of the new form provides the team with a good opportunity to reset the practice expectations for the completion of referrals and ensuring that these are both needs led and child centred. The new form will therefore be accompanied by updated flow diagrams to aid ease of completion, the provision of exemplars of 'outstanding' referrals and bespoke training on referral completion which will be available on various platforms.	30.06.23	30.09.23 31.03.24	Key stakeholders have been met with as part of the review process, and benchmarking has taken place with 4 other LA's to date. Feedback has been incorporated into final draft template which has also been reviewed with SW teams and providers. The upskilling of the Children's Placement Team re: best practice in referral writing has been completed and now forms part of our BAU processes. The form will go live on the ICS across Q4.

SmartCore - Limited

Observation: Programme Plan

During our initial discussions with the then SRO and the Adviser to the Sponsors in November 2022, we were advised that an iterative programme plan was in place and was at the best place that it had been to date. However, review of the plan found that it was not fully resourced or costed and it was confirmed by the Co-Sponsor in April 2023 that a fully resourced, costed and deliverable plan was not in place. We were advised that this was due initially to the ongoing commercial discussions and subsequently issues identified around data migration.

It is imperative that a plan to enable successful delivery of the programme is agreed, providing clarity around goals, roles, timescales (and milestones), resourcing, costing, communication, and deliverables etc. with all key stakeholders as a matter of priority.

Risk:

Management Action	Original Due Date	Revised Due Date	Latest Service Update
A new Programme Director has been appointed and a revised programme plan is being developed that will be fully resourced and costed.	Autumn 2023	31.03.24	Work on the revised business case is ongoing and will incorporate the feedback from the recent PWC review on the suitability of Oracle as an ERP for West Sussex. Key decision on revised business case and programme plan expected Spring 2024.
A revised budget is being constructed based on the revised programme plan and timescales. Any increase will be subject to scrutiny by P&F and approval by the Cabinet Member for Economic Development and Support Services.	Autumn 2023	31.03.24	The revised business case that is currently being prepared will take account of the recent lessons learnt workshop, include a revised programme plan and timescales and an updated budget all of which will be subject to a key decision by the Cabinet Member for Support Services and Economic Development. Key decision on revised business case and programme plan expected Spring 2024 and will be subject to scrutiny by P&F in advance.

Observation: Budget

The initial budget for the programme of £2.6m was increased to £7m in March 2021. This increase was approved by the Cabinet Member for Economy and Corporate Resources. Approval for a further budget increase to £14m was requested and granted by the Cabinet Member for Support Services and Economic Development in October 2022. This budget approval was based on a programme completion date of April 2023.

In accordance with the production of a clear programme plan it is inevitable that a further budget increase will be required, and this should be calculated, and approval sought as soon as possible.

Risk:

Management Action	Original Due Date	Revised Due Date	Latest Service Update
Work to develop a revised budget requirement based on latest agreed Programme Plan and resources required to implementation and 'after care'.	Autumn 2023	31.03.24	The revised business case that is currently being prepared will include an updated full programme budget for both implementation and 'after care' all of which will be subject to a key decision by the Cabinet Member for Support Services and Economic Development. Expected Spring 2024.
Any increase in budget requirement subject to scrutiny by P&F before approval by Cabinet Member for Economic Development and Support Services	November 2023	31.03.24	The key decision will be subject to scrutiny by P&F in advance.

Annexe 2

Overdue 'Low & Medium Priority' Management Actions (January 2024)

Audit Review	Report Date	Opinion	Priority		Due Date	Revised Due Date
			Low	Medium		
Cyber Security (Risk Treatment)	Jul 2021	Reasonable		1	31.12.22	30.09.22 30.06.24
Special Schools Funding Thematic	Nov 2021	Reasonable		1	31.03.22	31.03.23 31.08.24
				1	31.03.22	31.03.23 31.08.24
			1		31.03.22	31.03.23 31.08.24
			1		31.03.22	31.03.23 31.08.24
WSFRS Operational Training	Jan 22	Limited		1	28.02.22	30.09.22 28.04.23 31.12.23 30.04.24
Working Time Directive	May 22	No		1	31.12.22	31.12.23 31.08.24
				1	30.04.23	31.01.24 31.08.24
				1	30.04.23	31.01.24 31.08.24
				1	30.04.23	31.01.24 31.08.24
				1	30.04.23	31.03.24 31.08.24
Adults Income	Jul 22	Limited		1	31.12.22	30.09.23 31.12.23 31.03.24

Audit Review	Report Date	Opinion	Priority	Due Date	Revised Due Date
Company Governance Framework	Oct 22	Reasonable	1	31.12.22	30.04.23 31.08.23 30.11.23 31.03.24
HR Policy / Decision Making	Nov 22	Limited	1	30.11.22	28.02.23 31.03.23 31.08.23 30.11.23 31.01.24 31.03.24
			1	30.11.22	28.02.23 31.03.23 31.08.23 30.11.23 31.01.24 31.03.24
			1	30.11.22	28.02.23 31.03.23 31.08.23 30.11.23 31.01.24 31.04.24
Accounts Payable	Jun 23	Reasonable	1	31.05.23	30.11.23 31.03.24
			1	30.06.23	30.11.23 31.03.24
			1	30.04.23	30.04.24
			1	30.06.23	30.11.23 31.03.24
			1	30.06.23	30.11.23 31.03.24
			1	30.06.23	30.11.23 31.03.24

Audit Review	Report Date	Opinion	Priority		Due Date	Revised Due Date
Children's Care Placements	May 23	Limited		1	31.07.23	31.08.23 30.11.23
Procurement Sub £100k	Feb 23	Limited		1	30.04.23	31.12.23 31.10.24
				1	30.06.23	31.03.24
Workforce Planning / Strategy	Jan 23	Limited		1	31.07.23	31.12.23 31.01.24 30.04.24
				1	30.09.23	31.03.24
			1		30.06.23	31.03.24
WSFRS Overtime and Toil	June 23	Reasonable		1	31.08.23	31.03.24
				1	31.08.23	31.01.24 31.03.24
RIPA Usage	Jun 23	Reasonable		1	30.09.23	31.07.24
WSFRS Safe and Well (Follow Up)	Jul 23	Reasonable		1	31.08.23	31.03.24
				1	31.08.23	31.03.24
				1	31.08.23	31.03.24
Direct Payments	Feb 23	Limited		1	31.10.23	31.03.24
Ball Tree Croft	Oct 23	Reasonable		1	30.11.23	31.01.24 29.02.24
Joint Fire Control	Oct 23	Limited	1		31.12.23	29.02.24
Debt Recovery	Jan 24	Reasonable		1	31.01.24	31.03.24
Total			4	34		