



**REPORT TO SOCIAL WORK AND HOUSING COMMITTEE
10 NOVEMBER 2016**

INTERNAL AUDIT REPORTS

1. Recommendation

1.1 The Committee is requested to discuss and comment on the issues raised within this report and the attached appendix.

2. Discussion

2.1 This report advises the Committee of the results of a completed audit (paragraph 2.4), and of progress with implementing agreed recommendations (paragraph 2.5 and Appendix A).

2.2 Appropriate officers agreed the factual accuracy of the Internal Audit report prior to issue and action has been agreed to address the issues identified. Assurances have been sought from officers regarding the implementation of agreed recommendations.

2.3 The Head of Finance and the Monitoring Officer within Business Services have been consulted and any comments made have been incorporated into this report.

2.4 Care at Home System and Service (Internal Audit Report 1635 – October 2016)

2.4.1 Care at Home Services are provided to over 2,000 Service Users through a mix of external sources and the Council's 640 Care at Home Staff. Demand for the service is increasing as a result of an ageing population and efforts to reduce delayed hospital discharges. In 2015/16 expenditure on In-house Care at Home was £12.68 million, and a further £6.36 million of external provision was commissioned.

2.4.2 Care Team Co-ordinators schedule in-house care staff workload using a system which enables Care Staff to receive their schedule and record visit and working time data via a mobile device. Data from this system is then used to generate invoices for chargeable care contributions, and to calculate the payment of additional hours and enhancements for staff.

2.4.3 The objective of this audit was to review the implementation of the new Care at Home System and ensure that appropriate control is being exercised over the system, including contingency planning and disaster recovery, and that interfaces to and from other systems are accurate and properly controlled. In addition Internal Audit considered whether adequate control is exercised over income and payroll / travel and subsistence costs relating to the Care at Home Service, and whether employees have been issued with adequate guidelines for dealing with clients.

- 2.4.4 The initial implementation, including specification and procurement of the system, was complex, and there were delays in delivering and rolling it out to all staff. A major system upgrade is now necessary, and lessons learned should make the Service better placed to implement this more effectively. Weaknesses in controls over the issue of devices and password strength have been identified. These should be resolved during the upgrade as new devices will be subject to corporate ICT controls.
- 2.4.5 The Business Systems Team administers the system and assists Care Team Co-ordinator's and Care Staff where guidance is required. Control is generally adequate, however, as a result of the identification of underpayments to staff for holiday and sick pay, the Service has agreed to clarify and document roles and responsibilities of staff within the Service, the Business Systems Team and HR&OD to ensure the system operates as it should.
- 2.4.6 The interfaces between the Care at Home system and other systems are operating satisfactorily. However, reconciliations will be implemented, and data validation reviewed, to provide further assurance over the accuracy of data. There may be opportunities to further reduce duplication of data input across systems which the Service will investigate in conjunction with HR&OD.
- 2.4.7 The Service now has a Business Continuity Plan in place for Community Care, but there is a lack of assurance over recovery of data in the event of a disaster, as this has not yet been tested by the host provider. As part of the upgrade work, the Service will ensure that this is fully tested.
- 2.4.8 A review of the payroll relating to Care at Home found that administration of staff changes and related salary payments is adequately controlled. However, significant manual intervention is currently required to ensure employee times are input, largely due to insufficient numbers of active devices, as many had passed the end of their useful life. These devices will be renewed under the corporate mobile contract which will make replacement devices more accessible.
- 2.4.9 The Service has withdrawn a former requirement for staff to 'bank' contracted hours which have no corresponding allocated client contact time to be worked at a later date. Managers are seeking to ensure that this non-contact time is utilised productively. In addition to planned changes to shift patterns, which the Service anticipates will better match resources to requirements, the Service has agreed to review whether non-contact time can be more accurately recorded to demonstrate that all contracted hours are being used effectively.
- 2.4.10 Income recovery arrangements in place are adequate. Service users may be asked to contribute towards the cost of their care, within financially assessed limits and only where services are not covered under the Scottish Government's free personal care policy for those over 65. There are plans to re-assess existing service users through Self Directed Support, which will mean a move away from a charge per service received, to a contribution towards the cost of planned care. This could improve the efficiency of the charging process.

2.5 Progress with agreed recommendations

- 2.5.1 Appendix A shows progress made by the Service with completing agreed recommendations contained in Internal Audit reports. Where recommendations have not been completed by their original due date, reasons are provided along with the grading applied to the recommendation in the original Internal Audit report. An explanation of the gradings used is shown at appendix B.
- 2.5.2 Where it has been confirmed that all actions contained in reports issued before April 2016 have been fully completed, these reports are no longer shown.

3. Equalities, Staffing and Financial Implications

- 3.1 An equality impact assessment is not required because the reason for this report is for Committee to discuss and comment on the findings of Internal Audit work and there will be no differential impact, as a result of this report, on people with protected characteristics.
- 3.2 There are no staffing or financial implications arising directly from this report other than those implicit in the tightening of internal controls recommended in the Internal Audit reports.

CHIEF INTERNAL AUDITOR

Report prepared by David Hughes, Chief Internal Auditor.
31 October 2016.

APPENDIX A

POSITION WITH AGREED RECOMMENDATIONS AS AT 31 OCTOBER 2016

Report Number	Report Title	Date Issued	Agreed in Report	Number of Recommendations			Grading of overdue recommendations
				Due for implementation by 30.09.16	Confirmed Implemented by Service	Not implemented by original due date	
1362	Building Maintenance Stores	March 2014	12	11	1	1	1 Important
<p>As reported previously, the overdue recommendation (graded "important within audited area") was due to be implemented by the end of January 2016 and relates to the introduction of random van stock checks. The ability to undertake such checks is linked to the replacement of the SAVE system and although delays have been experienced in implementation, as reported in detail previously, it was anticipated that this would be resolved by December 2016.</p> <p>The Service has advised that the initial roll out of the live system is now scheduled for 21 February 2017. The Repairs and Planned Maintenance system to be launched will incorporate real time monitoring of stock levels on a depot and van basis and will offer a range of management reports for consideration by the Service.</p>							
1602	Rent Assessment Scheme	October 2015	7	6	0	0	0
1604	Older People – Residential Care	December 2015	27	21	0	0	0

Report Number	Report Title	Date Issued	Number of Recommendations				Grading of overdue recommendations
			Agreed in Report	Due for implementation by 30.09.16	Confirmed Implemented by Service	Not implemented by original due date	
1610	Day Care Establishment Visits	December 2015	24	24	23	1	1 Significant
<p>As reported previously, the overdue recommendation (graded "significant within audited area") was due to be implemented by the end of April 2016 and relates to the Service ceasing payment for premises which have been vacated by the Council and are now occupied by a charity. The Council commissions services from the charity and pays a unit rate for the service excluding the property costs paid by the Council. Progress is being made to transfer the lease to the charity, after which the unit costs charged to the Council will increase to incorporate the premises costs. The issue was due to be resolved by the end of September 2016 but should now be complete by the end of October 2016.</p>							
1624	Self Directed Support	January 2016	16	7	7	0	0
1636	Following the Public Pound	May 2016	9	3	2	1	1 Important
<p>As reported previously, the overdue recommendation (graded "important within audited area") was due to be implemented by the end of April 2016 and relates to the Commissioning, Procurement and Contracts Team ensuring that, where grants are awarded subject to conditions, these are clearly stated in the award letters and follow up action is taken where necessary. Whilst the Service has stated that this will be done it is necessary to update procedures to incorporate these requirements. However, there have been discussions regarding how grants will be administered in the future following the inception of the Integration Joint Board and the Service has requested an extension on the recommendation until the end of October 2016 to tie in with other recommendations and allow these discussions to be finalised.</p>							

APPENDIX B

Grading of Recommendations

GRADE	DEFINITION
Major at a Corporate Level	The absence of, or failure to comply with, an appropriate internal control which could result in, for example, a material financial loss, or loss of reputation, to the Council.
Major at a Service Level / within audited area	<p>The absence of, or failure to comply with, an appropriate internal control which could result in, for example, a material financial loss to the Service/area audited.</p> <p>Financial Regulations have been consistently breached.</p>
Significant within audited area	<p>Addressing this issue will enhance internal controls An element of control is missing or only partial in nature.</p> <p>The existence of the weakness identified has an impact on a system's adequacy and effectiveness.</p> <p>Financial Regulations have been breached.</p>
Important within audited area	Although the element of internal control is satisfactory, a control weakness was identified, the existence of the weakness, taken independently or with other findings does not impair the overall system of internal control.

