

Thurrock Council

Internal Audit Progress Report

[Audit Committee meeting 16th September 2014]

Introduction

The internal audit plan for 2014/15 was presented to the Standards & Audit Committee on 5th March 2014. This report provides an update on progress against that plan.

Summary of Progress against the Internal Audit Plan

Assignment	Status	Opinion	Actions Agreed (by priority)		
			High	Medium	Low
Audits to address specific risks					
Econogas	Final	Green	0	0	4
Public Health	Final	Green	0	0	1
Building Control	Final	Amber/Green	0	4	0
LiquidLogic Adults System (LAS)	Final	Amber/Green	0	3	3
Core Assurance					
Cash Receipting	Final	Amber/Green	0	3	1
General Ledger (Oracle)	Final	Green	0	0	1
Accounts Payable	Final	Green	0	1	3
Housing Benefits	Final	Amber/Green	0	0	6
Bank Reconciliation	Final	Green	0	0	1
Payroll	Final	Green	0	1	4
Council Tax	Final	Green	0	1	1
Advisory					
Extra Care	Final	Advisory	5	3	0

Other Matters

Planning and Liaison

Fieldwork is currently being undertaken on the following reviews:

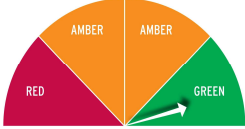
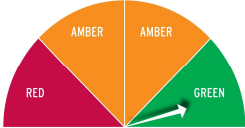
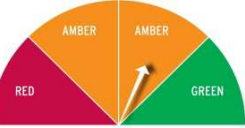
- § Performance management
- § Asset Management
- § Educational Visits
- § Thurrock Registrars Office
- § Disabled Facilities Grants

The following reports are being prepared and debrief meetings arranged with the client and will be reported as part of the next progress report:

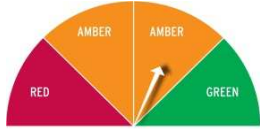
- § Members Allowances
- § Electrical Testing
- § Contract Procedures
- § Change Control Process (Serco)
- § Adoption


In addition, Internal Audit have carried out work to support management by undertaking three internal investigations around issues with staff either employed by, or contracted with the Council. One of these involves joint working with another local authority that provides services to Thurrock under a service level agreement. Therefore, the person being investigated is not a direct employee of the Council. The other two instances involve Thurrock employees and internal investigations are being undertaken by independent investigating officers. More details will be provided once investigations are completed.

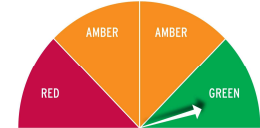
Key Findings from Internal Audit Work

Assignment: Econogas	Opinion: Green	
Headline Findings: The overall management of the gas testing programme was well controlled. There were 4 low recommendations. The 4 recommendations from the previous review had all been implemented.		
Assignment: Public Health	Opinion: Green	
Headline Findings: The Council has in place a Health and Wellbeing Strategy for 2013-16 which states the vision, aims and strategic priorities for achieving the best possible health and wellbeing for all Thurrock residents. A delivery plan has been developed which states how the objectives will be achieved and has developed a reporting structure designed to monitor and manage delivery of the plan. There was only 1 low recommendation. There had been no previous audit in this area as it is a new service.		
Assignment: Building Control	Opinion: Amber/Green	
Headline Findings: Our review of Building Control identified that there were no areas of concern around the design of the control framework. However, there were 4 medium recommendations around the application of those controls. The 3 recommendations from the last review had been implemented.		
Action and Response	Responsible Officer	Date
Action - Care should be taken to ensure all documentation to support all applications and decisions is scanned. This ensures an adequate evidence trail is maintained. Response - Need to make sure Serco scan documents effectively. More an issue when staff on leave but equipment now available to do so.	Senior Building Control Surveyor	Immediate
Action - A process needs to be developed to ensure the system does not allow a completion certificate to be issued until the commencement date has been entered, the first inspection has been carried out and the invoice has been raised and paid. The ability to manually override should be removed. Fee invoices should be raised for the cases identified. This will reduce the likelihood of fees not being invoiced and collected. Response - Current version of Uniform does not allow you to force a commencement before issuing a completion. May be possible to do so on latest version but Council not due to upgrade until Aug/Sep. Other solutions – find out if able to run report on completed jobs with no commencement date...should be possible. Report can then be run weekly to ensure all jobs invoiced efficiently.	Senior Building Control Surveyor	Dec 2014
Action - The reason for the delay with an application should be detailed in the notes section of the Uniform System. It should also include the method used (i.e. phone), the time, the date and which member of the team obtained the agreement from the applicant. This will reduce the risk that extensions are used as a way of hiding inefficient or ineffective practices to meet statutory	Senior Building Control Surveyor	Immediate

<p>deadlines. Response - Agreement for extension of time and method used can be recorded on case note section of Uniform.</p>		
<p>Action - Staff should be reminded that they must answer their phones when they are in the office. Whilst acknowledging that the Surveyors are often on site, the Technician does not go out on site so should answer the phones and ensure customers are called back. This will reduce the likelihood of enquiries escalating into complaints which can be time consuming to deal with. Response - New phone system now does not automatically put phones to busy which should help as Surveyors will automatically receive calls when in office. Answer phone system now in use for all Surveyors. Calls to general/technician number. High volume of calls to this number. 90% of missed calls since using new phone system are from call centre. Call centre staff to take messages rather than phone through when no one is available. To be informed of this as part of other ongoing training/meetings with them.</p>	<p>Senior Building Control Surveyor</p>	<p>Dec 2014 – the new phone system is already in place. The Building Control Technician is meeting with call centre staff in the coming weeks re: other changes and additional training, so this can be incorporated into this.</p>

<p>Assignment: LiquidLogic Adults System (LAS)</p>	<p>Opinion: Amber/Green</p>	
<p>Headline Findings: Controls had been designed to ensure LAS data was afforded adequate protection from loss or misuse and its confidentiality was maintained. There were 3 medium and 3 low recommendations. There had been no previous audit in this area.</p>		
<p>Action and Response</p>	<p>Responsible Officer</p>	<p>Date</p>
<p>Action - The user list is not reviewed on a regular basis. According to the draft LAS (IAS) Policy document this should be performed monthly (medium). Response - Agree. Review frequency can be formalised in Access control section of the policy document and signed off.</p>	<p>Strategic Information Manager</p>	<p>7th July 2014 (Monthly)</p>
<p>Action - The LAS policy document should be completed, ratified by senior management and distributed to LAS users (medium). Response - Agree. Policy document to be completed by end of July 2014</p>	<p>Strategic Information Manager</p>	<p>31st July 2014</p>
<p>Action - The persons reviewing assessments should be monitored on a regular basis and managers questioned when assessments do not appear to be being performed by the appropriate person. Past reviews should be examined and any cases where the reviewer of an assessment appears inappropriate should be followed up with the assessors' manager (medium). Response - Agree. We will review existing audit and QA processes with the relevant operational leads to ensure clear assessment approval and authorisation controls are: In place; Subject to appropriate audit checks; and supporting guidance is included within the customer journey manual with appropriate training</p>	<p>Strategic Information Manager via Senior Performance Information Officer and Fieldwork and Team Managers</p>	<p>Requirements to be reviewed and actions put in place in conjunction with ongoing review of assessment process and customer journey</p>

<p>Assignment: Cash Receipting</p>	<p>Opinion: Amber/Green</p>	
<p>Headline Findings: Overall, the service is effective and the collection, recording, security and banking of cash are adequate. There were 3 medium and 1 low recommendations. The 2 recommendations from the last review had been implemented.</p>		
<p>Action and Response</p>	<p>Responsible Officer</p>	<p>Date</p>
<p>Action - An office manual to which any new staff could refer should be prepared. This should define in detail the correct procedures to be used and the roles and responsibilities of individuals. These documents should be subjected to regular review. This will reduce the risk that correct procedures are not followed (medium). Response - There are procedures for using PARIS but there are no general procedures for cashiers to follow. Up to date procedures for staff are currently being developed by the Customer Services Team Manager.</p>	<p>Customer Services Team Manager</p>	<p>May 2014</p>
<p>Action - Whilst it is acknowledged that other priorities may have resulted in some delays in clearing suspense, it is recommended that resources are allocated to clear the outstanding items as unallocated income could result in recovery action being taken when payment has already been received (medium). Response - At the time, there were a couple of staff off sick but these have now been cleared right down.</p>	<p>Customer Services Team Manager</p>	<p>Complete</p>
<p>Action - The Paris system maintenance team should be contacted and a request made to remove generic users such as 'Paris2.User' from the system. This will ensure all transactions disclose the identity of the user clearing the suspense items. The list of approved users for the Paris - Clear Suspense system should be periodically reviewed and staff who no longer require access should be removed (medium). Response - This is a system issue with Paris. I will speak with Northgate to see if there is a solution to the generic user.</p>	<p>Customer Services Team Manager</p>	<p>May 2014</p>

<p>Assignment: General Ledger (Oracle)</p>	<p>Opinion: Green</p>	
<p>Headline Findings: The Council's financial system was appropriately managed to ensure that all financial transactions were accurately recorded. There were no areas of concern around the design, application of or compliance with the control framework. There was only 1 low recommendation. The 5 recommendations from the last review had all been implemented.</p>		

Assignment: Accounts Payable	Opinion: Green	
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Headline Findings: There were Finance Procedure Rules, under Chapter 9 (Rules, Codes and Protocols) of the Constitution, which provided a framework for the management of the Accounts Payable function, and detail policies and responsibilities relevant to the function. The Council was using the Oracle finance system to carry out the processing and recording of transactions. In general, all goods/services were ordered using iProcurement and appropriately authorised by budget holders. There was 1 medium and 3 low recommendations. 2 of the 4 recommendations from the last review had been implemented. The 2 outstanding recommendations are highlighted below and were repeated in this review.

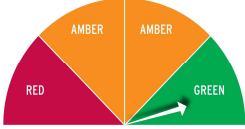
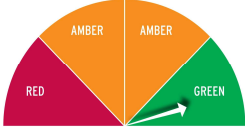
Action and Response	Responsible Officer	Date
<p>Action - Requisitioners and Budget Holders should be reminded that;</p> <p>§ All purchase orders for goods/services should be raised in advance and in accordance with financial regulations; and</p> <p>§ Purchase orders should be raised and receipted accurately with the correct values, as per the goods/services ordered and received.</p> <p>This will reduce the likelihood of goods being paid for without prior authorisation, sufficient budget or payment being made for goods that have not been received.</p> <p>Response – Agreed. Communication drafted and with Sean Clark for approval. Retrospective Orders are monitored and cascaded via the BVPI08 reporting process.</p>	Head Of Corporate Finance	Immediate

Assignment: Housing Benefits	Opinion: Amber/Green	
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Headline Findings: In general, Housing Benefits were administered and managed effectively and there were adequate records and documentation to support transactions. However, there were 6 low recommendations which were mainly around administrative tasks and the total number of recommendations resulted in an amber/green opinion. The 5 recommendations from the last review had all been implemented.

Assignment: Bank Reconciliation	Opinion: Green	
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Headline Findings: Bank Reconciliations were carried out regularly and any discrepancies were dealt with in a timely manner. Procedures were in place to ensure reconciliations were independently checked and verified. Information and data was protected from loss, damage and unauthorised disclosure through physical access controls and security. There were no areas of concern around the design, application of, or compliance with, the control framework. There was only 1 low recommendation. The 2 recommendations from the last review had all been implemented.

<p>Assignment: Payroll</p>	<p>Opinion: Green</p>	
<p>Headline Findings: The Council has an agreement in place with Serco for the provision of Payroll services. Serco process all establishment forms for the Council and run the Payroll using the Oracle system on a monthly basis. The Payroll service is led by Serco’s Head of HR Operations, who reports into the Council’s Head of HR, Organisational Development and Strategy. There was 1 medium and 4 low recommendations. There had been no previous audit in this area as it was a new system.</p>		
<p>Action and Response</p>	<p>Responsible Officer</p>	<p>Date</p>
<p>Action - An audit trail should be maintained in all instances to demonstrate the appropriate authorisation to recruit new starters. Response – Agreed. However, some of the posts that were recruited do not require authorisation as HR do not recruit them e.g. 1 post was a TUPE transfer and 1 was for the Adult Community College. In all but 1 of the other cases, documentation as now been found and is on the HR file. Significant improvements have been made to this process recently and there is now a requirement to place the Matching Panel minutes on the HR file to show the date the request for the post was approved.</p>	<p>HR Section Manager</p>	<p>Actioned</p>
<p>Assignment: Council Tax</p>	<p>Opinion: Green</p>	
<p>Headline Findings: There were no significant concerns around the design of the control framework with strong controls around billing, collection and reconciliation. There was 1 medium and 1 low recommendation. The 1 recommendation from the last review had been implemented.</p>		
<p>Action and Response</p>	<p>Responsible Officer</p>	<p>Date</p>
<p>Action - Alterations to properties must be referred to the Valuation Officer on a regular basis e.g. quarterly. This reduces the likelihood that a property is incorrectly banded and the wrong council tax is being collected. Response – Agreed. Now up to date and a monthly schedule has been put in place.</p>	<p>Revenues Officer</p>	<p>Actioned</p>

EXTRA CARE

1 Executive Summary

1.1 Introduction

A review was requested by the Head of Adult Services and the Service Manager – Provider Services following concerns raised after a visit to the Piggs Corner site to carry out a safe audit. The audit was undertaken by the Service Manager – Provider Services and Fieldwork Service Manager on 19th March 2014. As a result of their findings, the Internal Audit Manager was approached to carry out a review to determine the controls around income and expenditure.

These two sites provide Extra Care facilities for residents in Thurrock with the aim of “supporting people towards an inclusive, fulfilling future by providing independence, dignity and security”. The accommodation is rented to the user who must meet the following criteria to be eligible for the scheme: Thurrock Council tenant or eligible to join the housing waiting list; over 60 years of age with care needs or in receipt of higher rate personal independent payment; live in Thurrock or have a need to live in Thurrock e.g. to receive support from relatives; and receive or need at least 7 hours of care per week.

1.2 Conclusion

The audit tool selected is **Advisory** and as a result, an opinion has not been provided in relation to the control framework for the area under review and the risks material to the organisation’s objectives for this area.

Overall, there is a serious lack of financial control around the collection, recording and reconciliation of income and service user’s cash and belongings for both sites. A number of recommendations have been included in the action plan to address these weaknesses. Whilst no examples of financial irregularities were found, the lack of detailed record keeping and control does open staff up to accusations of impropriety which it would be difficult to prove were unfounded.

The following issues were also identified:

- There are no detailed site specific financial procedures at either site. Therefore, staff may not be clear on the correct processes to follow.
- The contract with Tillery Foods has not been reviewed to ensure value for money is being obtained.

It is recommended that Internal Audit revisit the sites to carry out a follow up review later in the financial year and include a cyclical programme of visits to Council run Adult Social Care establishments within the Internal Audit Strategy and Annual Plan.

1.3 Scope of the review

To evaluate the adequacy of risk management and control within the system and the extent to which controls have been applied, with a view to providing an opinion. Control activities are put in place to ensure that risks to the achievement of the organisation’s objectives are managed effectively. When planning the audit, the following limitations were agreed:

Limitations to the scope of the audit:

- The scope of the work was limited to the areas agreed with the Head of Adult Services and the Service Manager – Provider Services.
- The review did not consider the arrangements around agency staff as these were the subject of a review carried out as part of the 2013/14 audit plan.
- We did not determine the eligibility of service users.
- We did not review the arrangements for the collection of rent or debt recovery processes.
- We did not review the financial arrangements of service users other than those where the records were held in the safes.
- Our work does not provide any guarantee against material errors, loss or fraud or provide an absolute assurance that material error; loss or fraud does not exist.

- Our work does not provide an absolute assurance that material errors, loss or fraud do not exist.
The approach taken for this audit was a System-Based Audit.

The recommendations address the areas within the scope of the review as set out below:

Area	Priority		
	High	Medium	Low
Procedural Documentation	0	1	0
Expenditure	0	1	0
Income	1	1	0
Service User's Cash and Belongings	4	0	0
Total	5	3	0

2 Action Plan

The priority of the recommendations made is as follows:

Priority	Description
High	Recommendations are prioritised to reflect our assessment of risk associated with the control weaknesses.
Medium	
Low	
Suggestion	These are not formal recommendations that impact our overall opinion, but used to highlight a suggestion or idea that management may want to consider.

Ref	Recommendation	Categorisation	Accepted (Y/N)	Management Comment	Implementation Date	Manager Responsible
1.1	It is recommended that site specific financial procedures are developed and are made available to the staff at each site. This will ensure staff are aware of the correct processes to follow.	Medium	Y	JT to draft processes and procedures regarding finance, taking into account this audit. Refer to service users finance policy	By end of July 14	Joy Tree/Angela Clarke
2.1	It is recommended that management review the arrangements with Tillery Valley Foods Ltd. Other establishments within the Council could be contacted to see who they purchase frozen meals from and a comparison made to the current supplier. This will ensure the service users are getting best value for money.	Medium	Y	Contracts team to be asked to undertake a review of best value purchasing arrangements	By end of August 14	Louise Brosnan
3.1	It is recommended that a simple system of recording stock sold and purchased is developed to enhance controls around the sweet trolley. A reconciliation should be completed and signed off each day the trolley is used by 2 members of staff. An example of a simple stock control and reconciliation sheet has been provided.	Medium	Partly	Volunteers are going to be encouraged to run the sweet trolley. Need to develop proportionate stock control To review against Collins House Policy	By end of July 14	Danielle Delahunty

Ref	Recommendation	Categorisation	Accepted (Y/N)	Management Comment	Implementation Date	Manager Responsible
3.2	Senior management should consider introducing cash tills into the cafés. These could be set up to record the number of dinners, deserts etc. and the cash collected could be reconciled to the till roll on a daily basis. The reconciliation should be undertaken and signed off by a member of staff from the café and then independently checked and signed off by the Admin Assistant, a Co-ordinator or the Manager.	High	Partly	Management will look into costings of tills but likely to be unaffordable currently. New recording system that meet requirements for this report to be developed	By end of August 14	Angela Clarke
4.1	Where a service user is incapable of managing their own finances, if they submit any personal belongings for safekeeping, the Financial Management Officer (FMO) in the Safeguarding Adults Team should be contacted and requested to put the items in their safe and issue a receipt as proof of transfer. This will enable the FMO to ensure the belongings are passed on to the correct person should anything happen to the service user.	High	Y	To be included in new financial procedures	By end of July 14	Joy Tree
4.2	It is recommended that service users who have been deemed to be financially competent should actively manage their own finances. Only in exceptional circumstances where a family member has power of attorney and is away for a short time (e.g. on holiday, ill etc.), should a small amount of the service user's cash be held in the office safe. In these cases, the family should sign a declaration and be issued with a receipt for the cash handed over. On their return, they should check transactions and a receipt should be issued for the money given back to	High	Y	To be included in new financial procedures All coordinators to be written to formally regarding the findings of this report All coordinators to be trained in new processes once written and observed for competence	By end of July 14 By end of July 14 By end of August 14	Joy Tree Tania Sitch Tania Sitch/Danielle Delahunty

Ref	Recommendation	Categorisation	Accepted (Y/N)	Management Comment	Implementation Date	Manager Responsible
	them. Where it is believed a service user may not be financially competent e.g. their condition deteriorates, a request should be made to get that service user a Mental Capacity Act assessment. This places the responsibility on the service user, their family or the Court Protection Service to directly manage their finances.					
4.3	Receipts must always be obtained for all expenditure incurred on behalf of residents. The receipts should be sequentially numbered for each resident and this should be recorded on the Financial Transfer Form. There should always be 2 signatures to support incomings or outgoings from the resident's money.	High	Y	As 4.2 Management audits to be undertaken monthly	Starting August 14	Angela Clarke/Tania Sitch
4.4	Safe audits should be conducted monthly and signed off by two members of staff in line with current practice. This ensures any differences can be investigated, identified and corrected quickly.	High	Y	As 4.2		

3 Findings and Recommendations

This report has been prepared by exception. Therefore, we have included in this section, only those areas of weakness in control or examples of lapses in control identified from our testing and not the outcome of all audit testing undertaken.

	Controls (actual and/or missing)	Adequate Design (yes/no)	Test Result / Implications	Recommendation	Categorisation
1	Procedural Documentation				
1.1	There are financial procedures which have been developed and provided to staff in the document "Practice Guidance For Safeguarding Service User Finances and Belongings" issued in May 2010. However, there are no site specific procedures around the processes for making payments for goods/services, collecting income, banking, transporting cash, reconciliation of records, receipting etc.	No	Whilst the Practice Guidance document provides generic procedures and principles relating to the safeguarding of service user finances and belongings, each site operates differently and has different operational processes. Therefore, it is important that each site maintain site specific procedures which detail their financial management arrangements. Failure to do so could result in new/temporary staff not following the correct processes in dealing with financial transactions.	It is recommended that site specific financial procedures are developed and are made available to the staff at each site. This will ensure staff are aware of the correct processes to follow.	Medium
2	Expenditure				
2.1	The majority of expenditure is related to payments for staffing, utilities, photocopying, telephones etc. which are submitted direct to the Council due to contractual arrangements in place. Other expenditure for purchases such as equipment, cleaning, clothing and uniform, stationery and provisions purchases are requisitioned using a purchase order and approved by the budget holder. Some of these orders are blanket orders against which individual invoices are drawn off until the order limit is reached.	Yes	We reviewed all of the invoices and payments for the food provisions. There are 2 main suppliers "Brakes Foodservice Solutions" and "Tillery Valley Foods Ltd". The Brakes contract is part of a frame work agreement with the Council and evidence was provided to show procurement were involved in this process. They mainly supply fresh food items. It was stated that Tillery Valley are a specialist supplier of frozen foods. On checking the Oracle system, it was identified that Kynoch Court are the primary user of this supplier.	It is recommended that management review the arrangements with Tillery Valley Foods Ltd. Other establishments within the Council could be contacted to see who they purchase frozen meals from and a comparison made to the current supplier. This will ensure the service users are getting best value for money.	Medium
3	Income				
	There are 2 main sources of income.		We reviewed the various different strands of income at		

	Controls (actual and/or missing)	Adequate Design (yes/no)	Test Result / Implications	Recommendation	Categorisation
	Homecare Income (Internal) is paid by the service user to cover the rent for their property and they are invoiced directly by the Council. However, income from other activities such as the Kynoch Court Café, Fish and Chip dinners at Piggs Corner, Fundraising events, sweet trolley etc. is paid in cash by the residents and held in the safes at the establishments.		both sites and have broken these down below to provide assistance in improving the control environment around both sites.		
Sweet Trolley					
3.1	One member of staff is responsible for the sweet trolley. At the start of each week, a £10 float is provided for the sweet trolley. Goods are then sold to tenants and staff and at the end of the day, the cash is counted. After taking off the £10 float money, the difference is that day's takings. If the sweet trolley needs replenishing, additional stock is purchased using the income generated through sales. When the income in the tin builds up, it is transferred to the activities money.	No	Testing confirmed a record of the takings and expenditure is kept using a "Financial Transfer Form for Extra Care Activity's". This is signed by the member of staff each day. However, it is not checked or signed off by a second person and there is no reconciliation between the goods sold and the cash taken.	It is recommended that a simple system of recording stock sold and purchased is developed to enhance controls around the sweet trolley. A reconciliation should be completed and signed off each day the trolley is used by 2 members of staff. An example of a simple stock control and reconciliation sheet has been attached to this report.	Medium
Piggs Corner and Kynoch Court Cafés					
3.2	The Café is run on three days at Kynoch Court and 2 at Piggs Corner. Money for meals was either collected daily or weekly in advance. For those clients who are deemed to be not financially competent, their meals are generally paid for every 4 weeks. Any income collected is put into an envelope with a note of the number of meals taken, who had a meal and the total cash. This is	No	An examination of the records showed that whilst the resident is recorded as having a meal or not, it is not possible to determine whether that resident had only a dinner, only a desert or if they had both a dinner and desert as this is not recorded. Therefore, it was not possible to reconcile the meals purchased by residents to the cash taken on a daily basis. Only one signature is evident on the café records so there is no evidence that the income received is checked by a second person. Failure to keep appropriate records, carry out daily	Senior management should consider introducing cash tills into the cafés. These could be set up to record the number of dinners, deserts etc. and the cash collected could be reconciled to the till roll on a daily basis. The reconciliation should be undertaken and signed off	High

	Controls (actual and/or missing)	Adequate Design (yes/no)	Test Result / Implications	Recommendation	Categorisation
	<p>entered onto a spreadsheet by the Admin Assistant, entered into a book and the cash is put into the upstairs safe.</p> <p>Cash collected at Piggs Corner is held in the safe and transferred to Kynoch Court when it starts to accumulate. Income from the cafés is collected two weekly by the security driver.</p>		<p>reconciliations of the meals served to the cash collected and only have one person checking the cash collected could result in cash being misappropriated.</p> <p>The till could also be used to record activity money which could be rung in and then banked with the café takings, reducing the amount of cash held.</p>	<p>by a member of staff from the café and then independently checked and signed off by the Admin Assistant, a Co-ordinator or the Manager.</p>	
4	Service User's Cash and Belongings				
4.1	<p>There are 3 residents, 2 at Kynoch Court and 1 at Piggs Corner who have been assessed as not capable of managing their own finances and these are administered through the local authority. The envelopes containing the cash and financial transfer forms (FTF) for these service users are held in the main safes at each site.</p>		<p>A reconciliation between the financial transfer forms (FTF) and the cash held was carried out. Of these 3 service users, 2 totally agreed to the FTF whilst the 3rd showed a small difference with the cash being £0.39p less than the figure on the FTF. For 1 of these 3 service users at Piggs Corner, there was also a sealed envelope with 4 rings enclosed. Whilst the envelope was signed as audited by the Fieldwork Services Manager on 19th March 2014, there was no other signature or documentation to show when the rings were handed over and put in the safe.</p>	<p>Where a service user is incapable of managing their own finances, if they submit any personal belongings for safekeeping, the Financial Management Officer (FMO) in the Safeguarding Adults Team should be contacted and requested to put the items in their safe and issue a receipt as proof of transfer. This will enable the FMO to ensure the belongings are passed on to the correct person should anything happen to the service user.</p>	High
4.2	<p>At the time of the review, there were envelopes/plastic wallets containing cash for a further 8 service users at Piggs Corner and 4 at Kynoch Court. These users were deemed to be financially competent so their</p>		<p>A reconciliation between the cash held and the financial transfer forms (FTF) of the 12 service users whose cash was held in the safe was undertaken and the following was found:</p> <ul style="list-style-type: none"> In 1 case the service user had passed away and there was a small amount of cash in a sealed 	<p>It is recommended that service users who have been deemed to be financially competent should actively manage their own finances. Only in</p>	High

	Controls (actual and/or missing)	Adequate Design (yes/no)	Test Result / Implications	Recommendation	Categorisation
	finances were not being managed by the Council.		<p>envelope waiting to be claimed.</p> <ul style="list-style-type: none"> • In 9 cases, the cash held agreed exactly with the FTF. • In 1 case there was a difference of £0.05p. • In 1 case there was a difference of £21.79 with the cash held being more than the amount stated on the FTF. <p>It was stated that in the majority of these cases, the family had requested the cash be held in the safe. However, there was no record in the safe to confirm this.</p> <p>It was further stated that family or staff will sometimes identify service users who have been deemed to be financially competent, but in reality may not be e.g. in one case it was stated that the service user would give away any cash they had so it had to be kept in the safe to prevent them from doing this.</p>	<p>exceptional circumstances where a family member has power of attorney and is away for a short time (e.g. on holiday, ill etc.), should a small amount of the service users cash be held in the office safe. In these cases, the family should sign a declaration and be issued with a receipt for the cash handed over. On their return, they should check transactions and a receipt should be issued for the money given back to them. Where it is believed a service user may not be financially competent e.g. their condition deteriorates, a request should be made to get that service user a Mental Capacity Act assessment. This places the responsibility on the service user, their family or the Court Protection Service to directly manage their finances.</p>	
4.3	Financial Transaction Forms (FTF) are used to show money added, cash paid out and any change returned. The cash paid out should be supported by receipts and		On checking all of the FTF's in the safes, it was found that receipts are not always available to support expenditure, particularly where it is for services provided on-site such as hair cutting, feet (chiropractic), activities etc. However, there were also multiple other	Receipts must always be obtained for all expenditure incurred on behalf of residents. The receipts should be sequentially	High

	Controls (actual and/or missing)	Adequate Design (yes/no)	Test Result / Implications	Recommendation	Categorisation
	receipts should be given out for money added.		examples where receipts were not evident. Where there were receipts, these were not in any order which made it difficult to match against the records.	numbered for each resident and this should be recorded on the Financial Transfer Form. There should always be 2 signatures to support incomings or outgoings from the resident's money.	
4.4	Staff carry out safe audits once a month where they count up the amounts held for each service user and then sign to agree the cash held to the financial transfer form.		A check of all the financial transfer forms showed that whilst safe audits are carried out on approximately a monthly basis at Kynoch Court, they only appear to be carried out approximately every three months at Piggs Corner. It should be noted that both financial transfer forms in 4.2 above where there was a difference, were for service users of Piggs Corner. The safe audits were signed off by two members of staff.	Safe audits should be conducted monthly and signed off by two members of staff in line with current practice. This ensures any differences can be investigated, identified and corrected quickly.	High

The matters raised in this report are only those which came to our attention during our internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required. Whilst every care has been taken to ensure that the information provided in this report is as accurate as possible, based on the information provided and documentation reviewed, no complete guarantee or warranty can be given with regard to the advice and information contained herein. Our work does not provide absolute assurance that material errors, loss or fraud do not exist.

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