

Appendix C: Internal Audit reports finalised since last Committee Meeting – Executive Summaries

DEVELOPMENT CONTROL 2016/17 EXECUTIVE SUMMARY

1. INTRODUCTION & OVERALL OPINION

Development control directly supports a number of the Council's strategic aims and objectives, including creating a sustainable environment and ensuring the impact of development is effectively managed. Poor decisions can have significant long-term consequences.

Based on Internal Audit testing, systems and procedures for processing planning applications are sound. There is a strong team of appropriately qualified and highly experienced staff and specialist expertise is bought-in as required. There is a good range of procedure notes, guides and standard templates in use within the department and testing confirmed that all applications had been processed and recorded fully and accurately. All decision notices had been properly approved in accordance with the scheme of delegation and were clear and consistent with underlying records. Staffing issues in the planning support team have led to a backlog of work, although this is not currently affecting overall performance levels and officers expect to clear the backlog by January 2017. Management should continue to monitor the backlog and consider the need for additional action if not cleared within a reasonable timescale.

Matching of planning fees to individual applications can be difficult and time-consuming, but testing of a sample of cases confirmed that all fees had been correctly calculated and accounted for within the main accounting system.

Performance levels for speed of processing are good and exceed internal targets and national averages. Testing confirmed that the reported performance is consistent with underlying records although extraction of the data is adversely affected by limitations in the IT system. There are, however, plans to replace the current system in 2017. This should also be used as an opportunity to develop a broader range of performance measures in future.

Based on these findings, the framework of controls currently in place provides **Substantial Assurance** that the identified risks have been appropriately mitigated. Detailed findings are set out in section 2. The assurance opinion is based upon review of the design of controls to manage the identified risks and testing to confirm the extent of compliance with those controls, as summarised in Table 1 below.

Internal audit assurance opinion	Direction of travel				
Substantial Assurance	N/A				
Risk	Design	Comply	Recommendations		
			H	M	L
Risk 1. Systems and procedures for processing planning applications do not comply with best practice or relevant statutory and regulatory requirements.	Substantial Assurance	Substantial Assurance	0	0	0
Risk 2. Fees are not correctly calculated and/or all income due to the Council is not fully collected or recovered in a timely manner.	Sufficient Assurance	Substantial Assurance	0	0	1
Risk 3. Performance monitoring and reporting arrangements are ineffective.	Sufficient Assurance	Substantial Assurance	0	0	0
Total number of recommendations			0	0	1

Appendix C: Internal Audit reports finalised since last Committee Meeting – Executive Summaries

SEN TRANSPORT 2016/17 EXECUTIVE SUMMARY

1. INTRODUCTION & OVERALL OPINION

The Council has a duty to provide home to school transport for children with Special Educational Needs (SEN) and disabilities where this impacts upon their ability to travel to their educational establishment independently. It is evident that a number of improvements to processes and commissioning have been implemented during the last few years in order to achieve savings in the delivery of SEN transport, including the introduction of an in-house fleet. The introduction of in-house provision has not only achieved savings on the routes affected but also appears to have resulted in more competitive bids from local companies where limited competition had previously been available. The value for money of routes is subject to ongoing review throughout the year with regular consideration of savings that could be achieved.

During the last six months there has been an emphasis on greater partnership working between the SEN team and the Transport service to ensure that each service user's needs are taken fully into consideration in arranging and reviewing transport provision. This also supports progression towards independent travel and the Transport team are successfully offering a range of support to students, such as mentoring, to assist in this transition and personal development.

New forms and processes have been implemented since July 2016 and transport arrangements should only be made or amended with approval of the SEN Case Worker. The Transport team are therefore reliant upon the SEN team to make decisions based on needs and any known issues/risks. There are currently no documented procedure notes in place for these new processes followed by SEN Case Workers or the Transport team and given the risk of change in staff or absence cover, it is recommended that these be documented to ensure consistent application and embedding of these key controls.

Of the ten recent cases reviewed, one case was identified where a change form had not been completed and approved before adding a child to an existing route. This was due to an urgent transport request and it is recommended that a procedure be agreed for urgent provisions to ensure approval by the SEN team is evidenced in all cases.

A new, more comprehensive Home to School Transport policy has been approved which will address a number of areas for improvement in the existing policy. Within the new policy there is, for example, a section on appeals which is consistent with national guidance and specific procedures on SEN Transport. The draft policy was approved by Cabinet in September 2016 and is to be enforced from September 2017.

Controls are exercised to ensure that only drivers and escorts subject to DBS checks are providing the SEN transport services. These controls include photographic identification badges which are only issued on review of three yearly DBS certificates, spot checks by Council officers and pro-active reminders to operators of timescales for renewing their staff DBS certificates.

It is the Auditor's Opinion that the current overall design and operation of controls provides **Sufficient Assurance**, as summarised below:

Internal Audit Assurance Opinion	Direction of Travel				
Sufficient Assurance	n/a				
Risk	Design	Comply	Recommendations		
			H	M	L
01 - Failure to achieve value for money for the provision of SEN transport services.	Sufficient Assurance	Substantial Assurance	-	1	6
02 - Needs of service users are not considered or reviewed when commissioning transport services.	Substantial Assurance	Sufficient Assurance	-	2	1
Total Number of Recommendations			-	3	7

Appendix C: Internal Audit reports finalised since last Committee Meeting – Executive Summaries

LIQUID LOGIC IMPLEMENTATION 2016/17 EXECUTIVE SUMMARY

1. INTRODUCTION & OVERALL OPINION

LiquidLogic is the Council's new social care case management system and supports a wide range of key services to local residents. Cabinet approved award of the contract in April 2015 at a total cost of £592,900 over the 5 year initial contract period. An additional £30,000 was approved for hardware and training costs together with £65,000 for dedicated project management support.

Management intends to use the LiquidLogic implementation project as a model to develop a corporate approach to project management that can be applied to future projects across the Council. Consequently, the audit focused on providing assurance over the project management and system implementation arrangements together with a review of key system integrity controls.

Based on interviews and review of documentation, the LiquidLogic project provides a sound basis for development of a corporate model for project management. Overall governance arrangements were strong and a range of documents have been developed that can be used as templates for future projects. These should now be used to develop a corporate framework document or project management guide. A key area for improvement is the need for a formal gateway review process and a realistic assessment of resource requirements from the outset. Adoption of a full best practice model for project management is likely to be prohibitively expensive and resource intensive for an authority the size of Rutland. However, a full assessment of the resource options and associated risks should be established at an early stage so that an acceptable balance can be achieved. For LiquidLogic, resource limitations meant the level of staff engagement in the project was variable at times and data migration and testing processes were not clearly documented. Internal Audit understands that some residual data quality and system configuration issues are yet to be resolved but arrangements are in place to manage these.

The design of system access and security controls are sound, although testing of the operation of these controls was not possible at the time of the audit as reporting functionalities are not yet operational.

Based on these findings, the framework of controls currently in place provides **Sufficient Assurance** that the identified risks have been appropriately mitigated. Detailed findings are set out in section 2. The assurance opinion is based upon testing of the design of controls to manage the identified risks and testing to confirm the extent of compliance with those controls, as summarised in Table 1 below.

Internal audit assurance opinion	Direction of travel				
Sufficient Assurance	N/A				
Risk	Design	Comply	Recommendations		
			H	M	L
Risk 1 - Weak or ineffective project management and system implementation arrangements.	Substantial	Sufficient	0	1	0
Risk 2 - Weak or ineffective access controls, security arrangements and audit trails.	Substantial	Limited	0	0	1
Total number of recommendations			0	1	1

Appendix C: Internal Audit reports finalised since last Committee Meeting – Executive Summaries

LIMITED ASSURANCE REPORTS – FOLLOW UP 2016/17

OAKHAM ENTERPRISE PARK

Oakham Enterprise Park	Original report issued: January 2016	HIGH Priority Recommendations		MEDIUM Priority Recommendations		LOW Priority Recommendations	
		Made	Actioned	Made	Actioned	Made	Actioned
		4	3	0	0	5	5

Key Actions Taken:

The ongoing work with Property Services and Finance to formalise a consistent approach across the property estate is progressing well. A Commercial Lettings Policy has been designed, as well as procedure notes, process maps, a tenant's handbook, a legal instructions internal memorandum and a new application form. The documents are in draft, but generally officers have started to align their procedures with these. In order to monitor interest and ensure that the applicant's selection process is fair, a commercial lettings waiting list has now been designed and any interest in a particular OEP unit is recorded on the waiting list.

In order to seek assurance that tenant checks are being performed and leases are being correctly administered, Internal Audit reviewed a sample of ten leases that commenced since 1st April 2016. Testing highlighted the following:

- All ten cases in the sample had signed and sealed lease agreements covering rent reviews for the rental period;
- All leases had been subject to an independent review by the estates surveyor and were approved prior to signing;
- All leases were accompanied by a Statutory Declaration that was signed by the tenant giving the landlord automatic possession at the end of the lease;
- A Rent Bond or Deposit Deed was received in all cases where a rent deposit was required;
- Heads of Terms were emailed to the tenant as there was no formal Head of Terms document yet in place - the need for this is being considered;
- One tenant had not completed an application form for the renewal of an existing lease commencing in April 2016. Officers have advised that this was before new controls were fully embedded and all leases, including renewals, now require an application form;
- Evidence of tenant identification checks was not available for 30% of the sample (20% related to existing tenants and the remaining case related to a large international company). Officers have advised that new procedures should now be in place to require existing tenants to provide identification if this has not been previously supplied;
- References were not obtained for four tenants in the sample. Two cases were existing tenants, therefore no references were requested. No reference could be found for one case and lastly the decision was made not to obtain a reference for one lease commencing in June 2016 because it was considered a reputable business. Officers have advised that procedures have since been strengthened to ensure a reference is obtained in all cases; and,
- Credit checks were carried out for all leases in the sample over £5,000 as per the Council's

Appendix C: Internal Audit reports finalised since last Committee Meeting – Executive Summaries

Commercial Lettings Policy.

Officers have confirmed that cash is no longer accepted at the OEP office site. Tenants are required to pay via BACS/standing order or cheque. Other income such as eBay sales is processed via BACS or cash payments made at the Catmose customer service desk.

Open Actions:

- Pre tenancy checks should be carried out on all prospective tenants including existing tenants applying for extra storage space or extending their lease at the OEP (*partially completed*).