

SLOUGH BOROUGH COUNCIL

Internal Audit Progress Report

For presentation to CMT on 17th February 2016





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The matters raised in this report are only those which came to our attention during the course of our review and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made.

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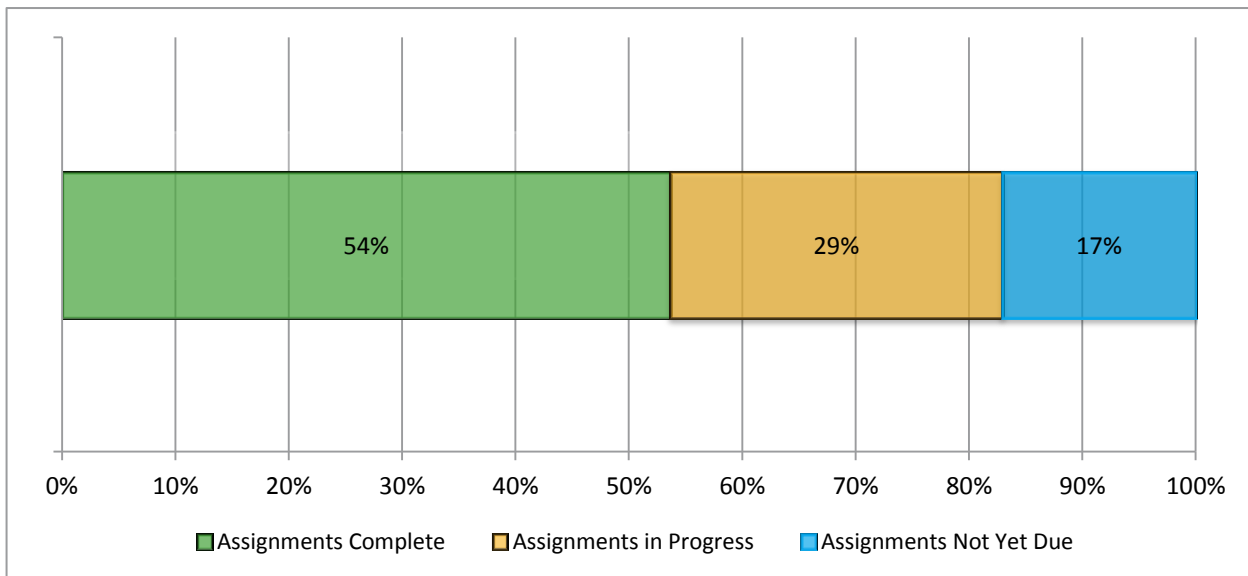
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1 INTRODUCTION

The internal audit plan for 2015/16 was approved by the Audit and Corporate Governance Committee in March 2015. Below provides a summary update on progress against that plan and summarises the results of our work to date. Please see the chart below for current progress with the plan.



2 REPORTS CONSIDERED AT THIS AUDIT COMMITTEE

This progress report provides an update on the remaining 2014/15 audit reports and an update on progress with the 2015/16 Internal Audit Plan.

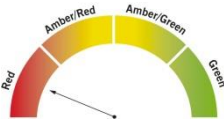
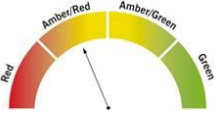
2014/15 draft reports:

The following three reports are still outstanding in draft from the 2014/15 audit plan:

- arvato Phase II – We are actively working with management to complete the action plan to allow us to finalise the report imminently.
- arvato Performance Management – The action plan is complete, and a final report should be issued shortly.
- Procurement - The action plan within the report has been completed following meetings with staff, and should be finalised imminently once approval is obtained from the Assistant Director, Procurement and Commercial Contracts.

We have been chasing management responses and are working with management to finalise the above reports.

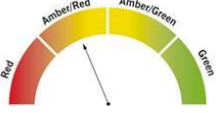

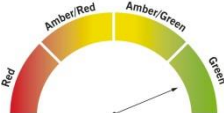
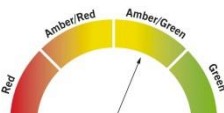
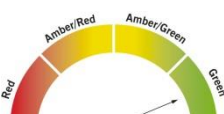
We have also finalising two 2014/15 reports since the previous meeting and these are shown in the table below:

| Assignments | Status | Opinion issued | Actions agreed | | |
|---|--------|--|----------------|---|---|
| | | | L | M | H |
| 2014/15 FINAL REPORTS | | | | | |
| Educational Services – Contract Management | FINAL |  | 2 | 6 | 2 |
| Data Protection Act – Children’s Services (Subject Access Requests) | FINAL |  | 1 | 5 | 1 |

2015/16 Final reports:

The internal audit plan for 2015/16 was approved by the Audit and Corporate Governance Committee in March 2015. The table below informs the Audit and Corporate Governance Committee of the audit report that has been finalised since the last meeting. We have finalised five reports since the last meeting.

The Executive Summary and Key Findings of the report finalised below is attached to this progress report (at Appendix B) where a red or amber red assurance opinion has been provided. Appendix A also contains details of the full history of the audits finalised in 2015/16 that have been presented to previous meetings.

| Assignments | Status | Opinion issued | Actions agreed | | |
|-----------------------------------|--------|--|----------------|---|---|
| | | | L | M | H |
| 2015/16 FINAL REPORTS | | | | | |
| Adult Safeguarding (11.15/16) | FINAL |  | 4 | 2 | 2 |
| Recruitment (13. 15/16) | FINAL |  | 2 | 2 | 0 |
| Council Tax (14. 15/16) | FINAL |  | 0 | 1 | 0 |
| Slough Centre Nursery (18. 15/16) | FINAL |  | 4 | 2 | 0 |
| Business Rates (23. 15/16) | FINAL |  | 0 | 1 | 0 |

2015/16 draft reports:

The following nine reports have also been issued to management in draft for 2015/16:

- Chalvey Early Years Centre (5.15/16) – a letter has been written to the school from the Assistant Director, Finance and Audit at the request of the Chair of the Audit and Corporate Governance Committee requesting a response to the outstanding actions and we are awaiting a response from the school.
- Matrix – Management of Agency Staff (7.15/16) – Discussions have been held with the Assistant Director, Procurement and Commercial Services, and as a result, we hope to finalise this report imminently.
- Cheque Payments (15.15/16) – responses have been received from the Council and we are actively working with them to finalise the report.
- Wexham School (16.15/16)
- Data Migration (17.15/16)
- Creditors (19.15/16) – responses have been received from Procurement in relation to a management action about supplier amendments. We are awaiting responses from Finance.
- Treasury Management (20.15/16)
- Housing Benefits (21.15/16)
- Cash Handling (22.15/16)

We are awaiting management responses to the above reports prior to finalisation.

Key Findings from 2015/16 Internal Audit work

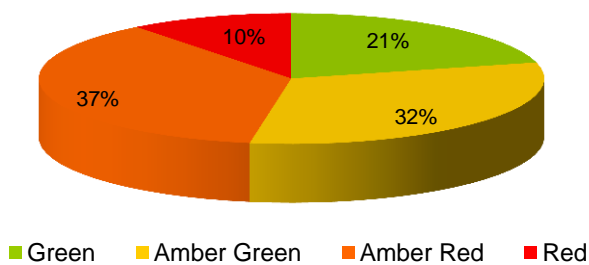
We have issued 22 reports to date from the 2015/16 plan, 19 of these contain assurance opinions and 3 were advisory reviews. Of these, we have issued 13 final reports issued to date and nine remain in draft. Of the final reports issued to date, one of these audits has resulted in a 'cannot take assurance' opinion, Hire of Council Buildings (Red), and one in a 'partial assurance' opinion, for Adult Safeguarding (Amber Red).

Where we have issued qualified opinions or identified significant weaknesses in advisory reviews we have agreed actions plans and recommendations with management to address these weaknesses.

Whilst some of these findings will impact on the annual opinion they will not in isolation result in a qualification of the annual opinion.

A Breakdown Of The Assurance Levels And Types Of Recommendations Made For The Year To Date Is Detailed Below:

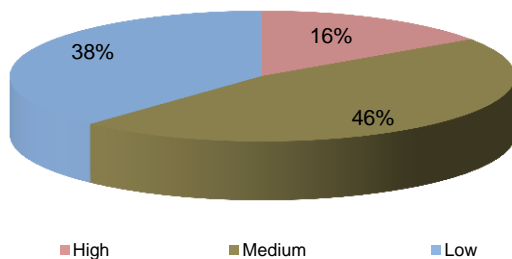
Assurance Levels 2015/16 to date



| | GREEN | AMBER GREEN | AMBER RED | RED | ADVISORY | TOTAL |
|-----------------------------------|-------|-------------|-----------|-----|----------|-------|
| ASSURANCE OPINIONS 2015/16 | 4 | 6 | 7 | 2 | 3 | 22 |

The Breakdown of The Type of Management Actions for the year to date is highlighted below:

Recommendation categorisations in 2015/16 reports to date:



| | HIGH | MEDIUM | LOW | TOTAL |
|--|------|--------|-----|-------|
| MANAGEMENT ACTIONS RAISED 2015/16 | 13 | 39 | 32 | 84 |

3 LOOKING AHEAD

This section provides a further update on progress against the 2015/16 plan and summarises the current status of all remaining audits.

| Assignment area | Timing per approved IA plan 2015/16 | Status | Target Audit Committee per the IA Plan 2015/16 |
|---|-------------------------------------|--|--|
| Chalvey Early Years Centre (5.15/16) | July 2015 | Draft issued on 30 July 2015 | September 2015 |
| Matrix - Management of Agency Staff (7.15/16) | July 2015 | Draft issued on 6 August 2015 | September 2015 |
| Schools Thematic Review | September 2015 | In QA – draft report to be issued shortly. | March 2016 |
| Cheque Payments (15.15/16) | August 2015 | Draft issued 23 December 2015 | March 2016 |
| Grants | September 2015 | In QA – draft report to be issued shortly. | March 2016 |
| Wexham Secondary School (16.15/16) | November 2015 | Draft issued on 4/1/16 | March 2016 |
| EPR Data Migration (17.15/16) | December 2015 | Revised Draft issued on 11/1/16 | March 2016 |
| Housing Benefits | November 2015 | Draft Issued on 2/2/16 | March 2016 |
| Treasury Management | March 2016 | Draft Issued on 1/2/16 | March 2016 |
| Budgetary Control and Financial Reporting | December 2016 | In QA – draft report to be issued shortly. | March 2016 |
| Cash Handling | December 2015 | Draft Issued 2/2/216 | March 2016 |
| Capital | December 2015 | In QA – draft report to be issued shortly | March 2016 |
| Risk Management | January 2016 | In Progress | March 2016 |
| Creditors | January 2016 | Draft Issued 1/2/16 | March 2016 |
| Debtors Management | Commencing 10/2/16 | In progress | March 2016 |
| Rent Accounts | January 2016 | In QA | March 2016 |
| General Ledger | Commencing 22/2/16 | Scope approved | March 2016 |
| Payroll | 1/2/16 | In Progress | March 2016 |
| IT Strategy | March 2016 | | March / July 2016 |
| IT Business Continuity and Disaster Recovery | March 2016 | | July 2016 |

| Assignment area | Timing per approved IA plan 2015/16 | Status | Target Audit Committee per the IA Plan 2015/16 |
|--|-------------------------------------|---|--|
| Contract Management - Implementation of Previous Recommendations | Commencing February 2016 | Days used for specialist contract management review | July 2016 |
| Assets | Commencing 15/02/2016 | Scope Issued and agreed | July 2016 |
| Governance | March 2016 | Scope Issued and under discussion. | July 2016 |
| Implementation of the Care Act | Commencing 07/04/16 | Scope to be issued shortly. | July 2016 |
| Follow Up | Commencing 17/03/16 | Scope will be targeted at providing assurance on accuracy of updates provided on recommendation tracker | July 2016 |
| Annual Governance Statement | In Progress | | July 2016 |

4 OTHER MATTERS

4.1 Changes to the audit plan

| There have been changes to the audit plan, please see details below: Auditable area | Reason for change |
|---|--|
| ERP Implementation | <p>This work will be conducted in 3 stages; a transfer of balances review to provide assurance that balances have been appropriately transferred across to the new CSO, which has now been completed; sitting on the ERP project Board to provide a 'critical friend' opinion on the progress of the project and some 'real time auditing' on the system as it being developed as required by the Council.</p> |
| Contracts Lettings Assurance | <p>This work will be undertaken by our Contract Management Specialist Team, who have previously provided specialist input and advisory reviews in this area for the Council.</p> <p>The review will be conducted in three phases:</p> <p>Phase 1 will be a baseline diagnostic to understand the effectiveness of the current structure in place.</p> <p>Phase 2 will involve interviews with key staff at all levels within the organisation and key stakeholders for the Council's main contracts.</p> <p>Phase 3 will involve the provision of an options appraisal for the Council, to provide a recommendation for how Contract Management should be structured within the Council.</p> |
| Due Diligence of the Children's Services Organisation | <p>Following agreement from the Assistant Director, Finance and Audit, we have used the days originally planned for this piece of work to conduct an 'Open Book' review of the Cambridge Education (Mott Macdonald) contract, which is being undertaken by our Contract Management Specialist Team, who have previously undertaken separate open book reviews for the Council.</p> |

4.2 Added value work

We have undertaken the following added value work since the previous Audit Committee.

| Area of work | How this has added value |
|---|--|
| Our audit of Troubled Families (May Submission) was undertaken to provide assurance that the Council had identified appropriate families for inclusion within the scheme in line with DCLG guidance. | <p>Our audit provided the Council with assurance that the Troubled Families Team had identified appropriate families, in line with the guidance provided by DCLG for inclusion within the Troubled Families Phase I scheme.</p> <p>Our findings were also verified by an independent review conducted by DCLG in May 2015 whose results were consistent with our findings.</p> |
| Our consultancy team has undertaken a review of the Council's contract with Slough Community Leisure to provide assurance as to the accuracy of figures used as part of the contract, which was won following a Council led Tender Exercise through the Procurement Team. | The work will provide assurance to the Council that accurate financial information is contained within the contract. |
| We are attending meetings of the ERP Project Board. This role is being undertaken by one of our IT specialists | Through attendance at the Project Board we will be able to provide assurance over the effectiveness of project management arrangements in respect of the ERP project implementation. |

4.3 Information and briefings

The following items were highlighted as part of our information briefings since the last Audit Committee.

| Key issues | Impact and actions required |
|--|-----------------------------|
| <p>Provisional local government finance settlement</p> <p>The government has opened a consultation on the local government finance settlement for 2016-17 and future years up to 2020. The consultation is separated into four sections: an overview of the funding plans from central government considering measures announced in the recent Comprehensive Spending Review; the distribution of central resources; the transfers of funding into the 2016-17 settlement; and funding additional to the settlement.</p> | The Council to Note |
| <p>Local welfare provision</p> <p>The National Audit Office (NAO) has published a report on an investigation into Local Welfare Provision (LWP). The report details the background of LWP which is the welfare support given to individuals who are in emergency circumstances. The NAO reports that councils suffered from a core funding reduction of 37 per cent from central government between 2010-11 and 2015-16, and that the transfer of the LWP from being the responsibility of central government to local authorities came during this difficult time whereby demand also increased. The NAO concludes that councils have a limited understanding of the effectiveness of their LWP spending, and that data should be collected and used to enable better future decisions and</p> | The Council to Note |

achieve value for money. The NAO also finds that there is ineffective coordination between national and local authorities and that this communication must be improved.

‘Bleak’ future for adult social care

The Council to Note

Continuing the theme of doubt over the future of the adult social care system, the think-tank International Longevity Centre (ILC) has published its analysis of the spending review funding measures for adult social care and finds a ‘bleak future’ for older people requiring care. ILC finds that even if spending promises are met, then as a proportion of gross domestic product, the spending by the UK on adult social care will still be very low down in the Organisation for Economic Co-operation and Development (OECD) league table, with quality of care also likely to be impacted from the lack of funding.

The ‘likely rise’ of fees and charges

The Council to Note

The Local Government Association (LGA) has said that the income from fees and charges for local authorities is likely to increase as the squeeze on finances continues. A survey by the BBC discovers that some councils have seen income from fees and charges increase by over 100 per cent in the past three years yet they are still expected to rise over the next few years.

Local Government Association update on the housing and planning bill

The Council to Note

In light of the recent passage of the government’s housing and planning bill through to the Lords chamber, the Local Government Association (LGA) has released its latest view on the proposed legislation. The LGA is critical of elements of the bill which it fears will increase the overall housing benefit bill because more people suited to council homes will instead be pushed into the private sector. The LGA welcomes the government’s dialogue with individual councils, and remains hopeful that more amendments can be achieved in the Lords chamber.

Municipal Bonds Agency step closer to issue

The Council to Note

The Municipal Bonds Agency (MBA), a council owned organisation designed to provide a new sort of finance for local authorities has taken a step closer to opening. The leaders of the MBA have distributed a borrowing framework to councils and once ratified will allow the MBA to begin functioning. 56 local authorities and bodies are currently shareholders in the MBA allowing for discounted rates in the market.

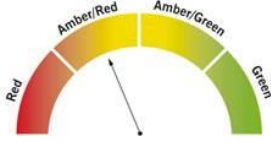
APPENDIX A: 2015/16 INTERNAL AUDIT ASSIGNMENTS COMPLETED TO DATE

Reports previously seen by the Audit Committee and included for information purposes only:

| Assignment | Opinion issued | Actions agreed | | |
|---|--|----------------|---|---|
| | | L | M | H |
| Troubled Families (May Submission) (1.15/16) | Advisory | | - | |
| Budget Setting including Savings Plan Development (3.15/16) |  | 0 | 0 | 1 |
| Employment Tax Follow Up (4.15/16)) | Reasonable Progress | | - | |
| Better Care Fund (6.15/16) |  | 0 | 3 | 3 |
| Hire of Council Buildings |  | 0 | 9 | 3 |
| Commissioning (Voluntary and Community Sector |  | 2 | 3 | 0 |
| Penwood School (2.15/16) |  | 2 | 0 | 0 |
| Pippins School (10.15/16) |  | 3 | 2 | 0 |
| SFVS (8.15/16) | ADVISORY | | - | |

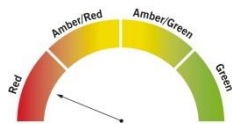
APPENDIX B: KEY FINDINGS FROM RED AND AMBER RED RATED REPORTS

2015/16 Internal Audit Plan

| | | |
|--|--|---|
| <p>Assignment: Adult Safeguarding</p> | <p>Opinion:</p>  | <p>Management Actions:</p> <p>2 High 2 Medium 4 Low</p> |
| <p>The key findings from this review are as follows:</p> <p>However we identified the following issues which have resulted in two high and two medium priority management actions:</p> <ul style="list-style-type: none"> • Our testing identified that while the Council has its own policies and procedures, we could not evidence that changes made to these policies had been notified to the Slough Safeguarding Adults Partnership Board. This could lead to a lack of timely procedures being followed by staff and an inconsistent application of practice, which could have a negative impact on the reputation of the Council. (Medium) • A Quality Management Framework is in place which documents the reporting and governance structure within Adult Social Care; however we noted that the document is not upto date as it refers to groups which have been subsumed into the Care Governance Group, such as the Quality Improvement Group. We also identified that the document was not available to staff via the Intranet. Without ensuring the Framework is reflective of current reporting and governance structures, including frequency of meetings and reporting to the various groups, there is a risk that the groups that form the Framework do not adequately discharge their duties and Adult Social Care is not managed within a sufficiently robust performance reporting framework. (Medium) • Our testing identified issues in relation to the entry of information into IAS, which was inconsistent and sometimes incomplete, which poses a potential risk to the Council in the event of an incident occurring if the Council cannot demonstrate the procedures followed. We identified 3/9 cases sampled where the documentation held within IAS suggested that the case had been closed, however a closure form had not been completed. In addition, for 4/9 cases, we found no documentation uploaded to demonstrate that a Strategy meeting had been held, which meant we could not confirm that this was a multi-disciplinary meeting. (High) • Linked to the above, we also found a number of errors within the Safeguarding Spreadsheet used to record the progress of Safeguarding Cases, and found that this was not being updated in line with policy. This potentially has an impact on the accuracy of reporting, as reporting into the Care Governance Group is taken from this spreadsheet. This could also mean that senior management's ability to intervene in issues could be limited as a result of potentially inaccurate data being presented. (High). <p>We also made a further 4 'low' priority management actions.</p> | | |
| <p>High and Medium Risk Management Actions:</p> | <p>Date</p> | <p>Responsible Officer</p> |
| <p>We will ensure that the Slough Safeguarding Adults Partnership Board maintains oversight over the review of local and multi-agency policies and</p> | <p>31 Decemb</p> | <p>Simon Broad – Head of</p> |

| | | |
|--|------------------|--|
| procedures, and any changes/updates are then subject to ratification by the Board. (Medium) | er 2015 | Safeguarding and Learning Disabilities |
| <p>We will ensure that the Quality Management Framework is updated to ensure that it is reflective of the governance and reporting structures within Adult Social Services, including frequency of reporting.</p> <p>In addition, the Terms of Reference for the CGB will be updated to correctly reflect the remit of Board and its responsibility to the Slough Safeguarding Adults Partnership Board and the Wellbeing SMT.</p> <p>The Framework will then be subject to approval by the Wellbeing SMT, detail a next review date and be subject to regular review thereafter. Once approved, the Framework will be circulated to all relevant staff and made accessible via the intranet. (Medium)</p> | 31 March 2016 | Craig Brewin – Head of Commissioning |
| <p>We will ensure through regular monitoring by the Safeguarding Team and Designated Safeguarding Managers of the Safeguarding Adults Spreadsheet and IAS that:</p> <ul style="list-style-type: none"> • All alerts are triaged within 24 hours. • People are involved in their own safeguarding • Expressed Outcomes are sought and it is recorded whether they have been met or not. • Once a case is closed, that Closure forms are completed and retained on IAS. <p>This will be evidenced by regular audits of Safeguarding files on IAS by the Safeguarding Team and monthly performance reports to the Care Governance Board. (High)</p> | 31 December 2015 | Simon Broad – Head of Safeguarding and Learning Disabilities |
| <p>We will ensure that the Safeguarding Spreadsheet is consistent with IAS and maintained by one of the Designated Safeguarding Managers to ensure a consistent and accurate approach is applied.</p> <p>We will evidence this through internal file audits and monthly performance reports to the Care Governance Board (High)</p> | Completed | Nicolette Barry – Safeguarding Development Manager |

2014/15 Internal Audit Plan

| | | |
|--|--|---|
| <p>Assignment: Educational Services – Contract Management</p> | <p>Opinion:</p>  | <p>Management Actions:</p> <p>2 High 6 Medium 2 Low</p> |
| <p>We however identified the following weaknesses in the design of the Educational Services Contract Management control framework which resulted in four medium recommendations and two high recommendations:</p> <ul style="list-style-type: none"> • The Interim Head of Commissioning, Wellbeing and Children Services Consultant did not have a job description or similar document in place outlining their responsibility for day-to-day management of the education services contract. Without responsibilities for day-to-day management of the contract being formally documented, the educational service contract may not be appropriately managed, potentially leading to performance and other service delivery matters not being identified and resolved in a timely manner by the assigned individual. Medium • In addition to the above, we were unable to confirm whether plans are in place to replace the current Interim staff with permanent staff. Considering the current post holder has less than four months on their contract, and with the Strategic Director of Wellbeing off on long term sick leave, there is a need to ensure appropriate staff are in post to ensure that the contract is managed appropriately. High <p>Furthermore, the Service Operations Board for the contract was only attended by one permanent member of staff from the Council (Finance representative) and the Council’s other representatives were Interim staff. The Partnership Board, while attended by one of the Councillors, also did not have adequate representation from permanent staff. Consequently, strategic contractual issues may not receive wide enough attention and scrutiny by Council members if meeting minutes held are inquorate. Medium</p> <ul style="list-style-type: none"> • Review of the Payment and Performance Mechanism – Performance Management System found that certain KPIs were stated with the performance target as ‘to be confirmed’ and ten performance indicators were listed as ‘Not in Use.’ Key performance targets did not exist for those performance indicators marked as ‘Not in Use.’ Furthermore, our review noted that although Service Operations Board were reviewing and intending to subsequently revise contractual KPIs, meeting minutes did not however demonstrate that Council Service Operations Board had formally agreed with Mott MacDonald the revisions to contractual KPIs. (High) • At the time of the audit, while reports were provided by Mott Macdonald and provided to the Operational Service Board, however no validation is undertaken of the information provided to the Council. Without verification of performance information, the Council cannot take any assurance that the contract is being managed appropriately, which increases the risk to reputation as a result of not being able to demonstrate that the contract in place is delivering to the specifications outlined when Mott Macdonald commenced with the Council, or that value for money is being achieved (High). • Operational Performance Indicators (OPI’s) had not been formally agreed between the Council and Mott MacDonald at the time of review. Review of termly performance reports also noted that there was not a clear performance target with which to measure and monitor each OPI performance against or the remedial actions to be taken for underachievement against target performance. By not formally agreeing OPIs and establishing OPI targets with Mott MacDonald to measure performance against, the Council cannot assure that Mott MacDonald are meeting agreed OPI service delivery, and if necessary ensure that appropriate remedial actions are taken to address underachievement against target performance. (Medium) • Our audit found that no benchmarking is undertaken by the Council to establish whether the services provided by Mott Macdonald are achieving value for money in comparison to other Local Authorities. While we acknowledge that the current contract does not require benchmarking, without this being undertaken, there is an increased risk that the Council is not achieving value for money from the contract. (Medium) | | |

Application of and compliance with control framework

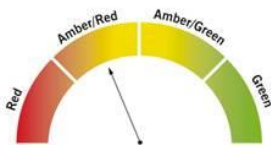
We found the following, which resulted in two **Medium** category recommendations:

- The Terms of Reference for the Services Operational Board state that a regular report of progress made on carrying out their roles in relation to the contract should be provided to the Strategic Partnership Board. While we found that termly reports were provided from Mott Macdonald to the Partnership Board, there was no written update provided to demonstrate that the Operational Board were undertaking their responsibilities in relation to the management of the Contract, increasing the risk of failings by Mott Macdonald not being identified and rectified by the Council. **(Medium)**
- The Council does not have written procedures in place to verify reported performance information provided from Mott MacDonald to source data. At the time of audit, we found no evidence to confirm that any verification was undertaken of performance information reported by Mott Macdonald. Without clearly documented verification procedures in place, the Council may fail to ensure that performance information reported is effectively reviewed and accurately verified in the absence of assigned Council officers. **(Medium)**

We identified further weaknesses in the compliance with the control framework which resulted in two low recommendations.

| High and Medium Risk Management Actions: | Date | Responsible Officer |
|---|------------|--------------------------|
| The Council should ensure that responsibilities for day-to-day contract management between the Council and Mott MacDonald are formally documented for those officers' responsible i.e. Interim Head of Commissioning, Wellbeing and Children Services Consultant. (Medium) | 29/02/2016 | Krutika Pau, Interim DCS |
| The Council need to ensure that permanent staff are employed with responsibility for managing the contract with Mott Macdonald. (Medium) | 30/09/2016 | Krutika Pau, Interim DCS |
| In line with the Terms of Reference for the Service Operations Board, a written update to confirm progress in carrying out its functions should be provided to the Strategic Partnership Board on no less than a quarterly basis, and the minutes and agendas of the Strategic Partnership Board should clearly document this item being presented and scrutinised. (Medium) | 30/09/2016 | Krutika Pau, Interim DCS |
| The Council Service Operations and Strategic Partnership Board should review its contractual KPIs and any subsequent revisions to ensure KPIs align with the intended performance outcomes required by the Council from Mott MacDonald. Subsequent revisions to KPIs should be formally agreed between the Council and Mott MacDonald at Strategic Partnership Board meetings in accordance with Terms of Reference. (High) | 30/09/2016 | Krutika Pau, Interim DCS |
| The Council should ensure that it formally agrees OPIs with Mott MacDonald, and that these are documented within an OPI schedule. The OPI schedule should include: <ul style="list-style-type: none"> • Clear OPI targets with which to measure performance against; and • The remedial actions to be taken for underachievement of OPI targets. The OPI schedule should be made available to all Council staff involved in day-to-day education services contract management. (Medium) | 30/09/2016 | Krutika Pau, Interim DCS |

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| The Council should ensure that clear written performance indicator verification procedures are established, documented and approved by the Council. Written verification procedures should outline the process performed by Council staff for the calculation of all performance indicators and specify the requirement for verifications to receive signed confirmation of performance. (Medium) | 30/09/2016 | Krutika Pau, Interim DCS |
| Verification of performance reports to source data should be undertaken on a monthly basis by Council staff to confirm the accuracy of reporting. (High) | 30/09/2016 | Krutika Pau, Interim DCS |
| The Council should benchmark the services provided by Mott Macdonald to ensure that it is receiving value for money from the services received. (Medium) | 30/09/2016 | Krutika Pau, Interim DCS |

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| Assignment: Data Protection Act – Children’s Services (Subject Access Requests) | Opinion: | Management Actions: |
| |  | 1 High 5 Medium 1 Low |

We have, made two medium priority recommendations and one High priority recommendation to address the following weaknesses identified in the design of the control framework:

- We noted that a Subject Access Request (SAR) Policy was currently being developed and was in draft format at the time of the audit. Comments on the draft policy had been received from the Head of Strategic Policy and Communications and the Council’s Legal team, however no further progress has since been made towards finalising and approving the policy, and subsequently making it accessible to staff.

We identified through review of the draft policy that it did not outline the roles and responsibilities for SARs within the Council nor did it cover the fee exemptions for public bodies and individuals in prison or the requirements to ensure adequate records are maintained in relation to SARs responses. Without finalising and approving the policy, and ensuring processes and accountabilities are clearly defined and documented within it, there is a risk that actions to respond to SARs are not taken by responsible individuals in a timely manner, and staff across the Council may implement incorrect and/or inconsistent working practices, which is not in accordance with relevant legislation and guidance, which could result in fines from the Information Commissioner and/or reputational damage for the Council. **Medium**

- We identified that the processes for handling and dealing with SARs within Children's Services had not been defined and documented within a procedure note, and operational responsibilities for the receipt and administration of SARs, and for co-ordinating responses had not been formally assigned and communicated to staff. Without a defined and documented procedure for handling and responding to SARs and clear accountabilities, there is a risk that timely action is not taken to respond to requests, staff within the department do not follow a consistent approach which is in accordance with relevant legislation and adequate audit trail is not maintained to demonstrate that a robust process has been followed. **Medium**

- We identified through discussion with the Information and Records Manager that there is currently no formal reporting and monitoring of subject access requests, including compliance with timescales, and there is no forum within the Council for escalating and monitoring non-compliance issues. While we recognise that Freedom of Information requests, which are similar in nature are reported to CMT as part of the Balanced Scorecard (which is due to be revised in 2015/16 in line with the Five Year Plan Outcomes) there is a need to ensure a consistent approach is adopted for Subject Access Requests. The lack of management oversight of subjects access requests creates the risk that, where non-compliance issues exist, appropriate remedial action to address root causes is not taken in a timely manner, potentially putting the Council at risk of incurring penalties and reputational damage. **High**

We have also made one low priority recommendation in relation to the design of the control framework.

Application of and compliance with control framework

We have made three medium priority recommendations to address the following issues identified with the application of and compliance with the control framework:

- We noted through review of the Data Protection and Privacy Policy that it was last reviewed and approved on 19 September 2012, although there was no record on the policy as to who it was approved by. We were advised by the Information and Records Manager that the policy was last reviewed and approved by the Corporate Management Team (CMT), however minutes for the meeting could not be located and we were advised by the Administration Officer that no CMT meeting had been held on 19 September 2012. We also found that there was no reference within the policy to subject access and the rights of individuals to access their personal information. Without ensuring the regular review and approval of policies, there is a risk that staff may implement incorrect and/or inconsistent working practices based upon out-of-date policies, with a potential legislative impact should staff follow processes that are inconsistent with relevant regulations and legislative guidance, and a further impact on operational efficiency. **Medium**
- Review of a sample of ten SARs highlighted a lack of a co-ordinated approach to processing SARs within Children's Services due to operational responsibilities for the receipt and administration of SARs, and for co-ordinating responses not being formally assigned and communicated to staff. No records pertaining to the SARs had been maintained centrally on the Integrated Children's System (ICS) and we were provided with email trails to demonstrate actions that had been taken in relation to each SAR which highlighted that, in nine instances, there was no clear assignment of responsibility for dealing with and responding to the SAR. Furthermore, in the four instances where a response was not provided within the 40 calendar days timescale, there was no trail or explanation to justify the delay.
The lack of a co-ordinated approach to processing SARs within Children's Services increases the risk that, where requests are received, insufficient oversight and tracking of responses may result in responses not being provided within legislative timescales. **Medium**
- For our reviewed sample, we were provided with email trails of actions taken in relation to each SAR and with the exception of one case where the redacted response was provided to the requestor via email, there was no trail to demonstrate what information had been provided, whether this included third party data and whether third party consent was obtained or information redacted. Copies of redacted responses had not been retained. Without maintaining adequate records on ICS and retaining copies of redacted responses, the department is unable to demonstrate a robust process has been followed to ensure compliance with the Data Protection Act, in particular around third party information. **Medium**

| High and Medium Risk Management Actions: | Date | Responsible Officer |
|---|---|---------------------|
| Formal reporting and monitoring around subject access requests should take place via the Customer and Community Services Directorate Senior Management Team (SMT) meetings. Reporting should include: | Following the transfer of Children's Services from | |

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| <ul style="list-style-type: none"> • A breakdown of the number of requests received by Department; and <p>Compliance with legislative timescales.</p> <p>Any identified non-compliance should be escalated by SMT to the Corporate Management Team (CMT) meetings. (High)</p> | <p>the Council the Children's Services Organisation (the Trust), while the Council still maintain a statutory responsibility for children and young people in the Borough, they have no jurisdiction over the audit process for the CSO. As such, and following no response from Children's Services to the draft report, we have agreed with the Interim Director of Children's Services and the Assistant Director, Finance and Audit, that the report will be finalised and the recommendations provided to the Trust to implement changes to address the weaknesses identified.</p> |
| <p>The Council should ensure that the current draft Subject Access Request Policy is finalised and subject to approval by the Corporate Management Team (CMT), and subsequently made available to staff. Prior to finalising, the policy should be updated to incorporate the following:</p> <ul style="list-style-type: none"> • Roles and responsibilities across the Council for subject access requests; • Fee exemptions for public bodies and individuals in prison; and <p>Record-keeping to maintain an audit trail of actions, including a requirement to retain copies of redacted responses for a period of six months. (Medium)</p> | |
| <p>The Council should ensure that the Data Protection and Privacy Policy is subject to regular review and details of approval and subsequent periodic reviews of the policy is recorded on the document, and evidence is retained to demonstrate this process.</p> <p>In addition, the policy should be updated to include reference to subject access rights and the relevant Subject Access Request Policy, once this has been finalised. (Medium)</p> | |
| <p>The process for dealing with and responding to subject access requests within Children's Services should be documented within a procedure document and made available to staff. The procedure should encompass the following:</p> <ul style="list-style-type: none"> • Roles and responsibilities of staff, including receipt and co-ordination of requests, and preparation and provision of responses. • Processes for handling and responding to requests, including dealing with third-party information. • Record-keeping to demonstrate that a robust process has been followed. <p>The procedure should be subject to review and approval by the Departmental Management Team, and periodic review thereafter. (Medium)</p> | |
| <p>The Children's Service's department should maintain a spreadsheet to track subject access requests received through to completion of responses. The spreadsheet should record:</p> <ul style="list-style-type: none"> • Date request was received; • Who the request was assigned to; and <p>Date of completion. (Medium)</p> | |
| <p>The Children's Services department should ensure that an audit trail is maintained for all subject access requests, including:</p> <p>1) Recording of actions on the Integrated Children's System (ICS):</p> | |

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| <ul style="list-style-type: none"> • Actions taken to respond to requests; • What information has been provided, including when and how the information was provided. • Whether this included third party information. • Whether third party information has been redacted or whether consent has been obtained. <p>2) Retaining copies of redacted responses:</p> <ul style="list-style-type: none"> • Where third party information has been redacted, a copy of the redacted response should be retained for six months, in line with ICO guidance. • A disposal schedule should be maintained to monitor retention and subsequent disposal of redacted responses. <p>This process should be documented within a procedure document. (Medium)</p> | |
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