



**Internal Audit**  
**3rd Progress Report 2014/15**  
**London Borough of Brent**  
**January 2015**

## **Contents**

## **Page No**

Executive Summary	1
Detailed summary of work undertaken	2
Appendix A – Definitions	19
Appendix B – Audit Team and Contact Details	21



## Executive Summary

<b>Introduction</b>	<p>This report sets out a summary of the work completed against the 2014/15 Internal Audit Plans, including the assurance opinions awarded and any high priority recommendations raised.</p> <p>Those audits reported on at previous meetings have been removed, but reference can be made to the full list of assurance opinions in the cover report.</p>
<b>Summary of Work Undertaken</b>	<p>Final Reports issued in respect of the 2014/15 financial year since the last meeting are as follows:</p> <ul style="list-style-type: none"><li>• Care Leavers</li><li>• School Admissions</li><li>• Direct Payments &amp; Personal Budgets</li><li>• Income From Civic Centre</li><li>• No Recourse to Public Funds (C &amp; YP)</li><li>• Princess Frederica Primary School</li><li>• Children's Allowances</li></ul>

## Detailed summary of work undertaken

### **FULL / SUBSTANTIAL ASSURANCE REPORTS: 2014 /15**

Only the assurance opinion and direction of travel is being reported on for those audits for which Substantial Assurance was given. The Committee's focus is directed to those audits which received a Limited Assurance opinion.

Audit	Assurance Opinion and Direction of Travel
<b>General and Computer Audits</b>	
Care Leavers	
School Admissions	

## LIMITED ASSURANCE REPORTS – General Audits

For all Limited Assurance reports, we have included a brief rationale, together with details of any **priority 1** recommendations raised, including the agreed actions to be taken and deadlines for implementation. These are the key audits and recommendations which the Committee should be focusing on from a risk perspective. The only exception is for any BHP reports, for which the details are reported separately to the BHP Audit & Finance Sub-Committee.

### Direct Payments & Personal Budgets

Personal and individual budgets are designed to provide individuals who currently receive social care and associated services with greater choice and control over their own support arrangements.

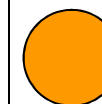
A personal budget is the amount of money that a local authority allocates to meet the individual's needs. It can take the form of a direct payment, services commissioned by the local authority, a broker who manages the budget on behalf of the individual, or a combination of both. The budget can be spent on any product or service that achieves the outcomes specified in the care plan. It can also be spent on traditional social services (e.g. placement in a care home).

Direct Payments are fundamental to the achievement of the government's aim of increasing people's independence, choice, and control by providing personalised alternatives to the social care services offered by a local authority with social services responsibilities. The Health and Social Care Act 2001 made it a duty, in certain circumstances, for local authorities to make Direct Payments available to all eligible social care users. A direct payment is a method of making payments directly to the service user (or their representative) so that they can manage their personal or individual budget themselves by procuring their own support. Individuals must give their consent to receiving direct payments and be able to manage them. Individuals are required to account for the money they spend and certain records must be retained to enable monitoring to be undertaken.

Direct Payments can be used for:

- Personal assistance and support to help individuals live in their own homes;
- Support for carers to help in their caring role;
- Short breaks and respite care;
- Support so that individuals can do things during the day; or
- Items of agreed equipment for their homes.

The key areas, for which recommendations have been raised are as follows: non-compliance with procedures; documents not always uploaded onto Frameworki (e.g.: Supported Self-Assessment Questionnaires, approval of purchasing of care by Quality Assurance Meeting, Direct Payments Funding Approval forms, Ability to manage forms, Third Party



Agreements for managed account); inaccuracies in the amount of payments being made to some service users / carers; and review of support plans and financial assessments not being undertaken on a timely basis.

The Direction of Travel provides a comparison between the current assurance opinion and that of any previous internal audit (2012/13) for which the scope and objectives were the same. In this case the arrow indicates that the assurance level has remained the same since the last audit visit.

Six priority 1 and six priority 2 recommendations were raised.

Recommendation	Management Response / Responsibility / Deadline for Implementation
<p>The Support Planning and Review Team Managers should be reminded of the need to ensure that an SSAQ are completed in full for all service users. An indicative budget allocation letter should be sent to all service users indicating the likely amount of money that will be available. Both the SSAQ and the indicative budget allocation letter should be scanned onto Frameworki</p>	<p>No longer applicable. The RAS is not used (as it was deemed not to be accurate and therefore was misleading for customers) and therefore the Indicative Budget letters are not sent out. People are informed what their personal budget is, and this is the cost of the support they are receiving.</p>
<p>All Team Managers/Senior Practitioners should be reminded to ensure that evidence of approval of purchasing of care by the Quality Assurance Meeting (QAM) is being properly recorded onto Frameworki.</p>	<p>Agreed. This should also include out of QAM approvals. <b>Immediate</b> <b>All Team Managers/Senior; Practitioners (Hospital Discharge/Reablement/Support Planning and Review/Transitions)</b></p>
<p>All Heads of Service with any involvement in the Direct Payments process should remind their staff including social workers responsible for assessing client's ability to manage direct payments, to ensure that the Ability to Manage forms are properly completed and / or retained by scanning copies onto Frameworki</p>	<p>Agreed. To be discussed at Team Managers and Service Area Meeting. <b>January 2015</b> <b>Head of Support Planning and Review</b></p>
<p>Team Managers/Senior Practitioners should be</p>	<p>Agreed.</p>

Recommendation	Management Response / Responsibility / Deadline for Implementation
<p>reminded to ensure that calculations of direct payment entitlements are correct prior to the approval of purchasing of care on Frameworki. Management should investigate the reasons for the errors identified during the audit in the calculation of direct payments for the service users as indicated above. Where any over or under payments have been made because of errors in the calculation of Direct payments or personal budgets entitlements, appropriate action should be taken to recover any overpayments or reimburse service users with any underpayments.</p>	<p>Social workers and Team Managers are responsible for the calculations of direct payments and these should also be checked by the Client Affairs Team (CAT)</p> <p>The Client Affairs Team are responsible for taking action on any over/under payments created.</p> <p><b>Immediate</b> <b>Social workers/Team Managers</b></p>
<p>Team Managers within Support Planning and Review should ensure that the review of support plans is undertaken on a timely basis and at the frequency determined as a result of a risk assessment.</p>	<p>Agreed. All support should be reviewed at least annually.</p> <p><b>Immediate</b> <b>Head of Support Planning and Review/Team Managers</b></p>
<p>Team Managers, Senior Practitioners and social workers should be reminded of the need to ensure that signed third party agreement for accounts managed by Penderels should be scanned onto Frameworki.</p>	<p>Agreed. This will be discussed at Team Managers and Service Area Meeting.</p> <p><b>January 2015</b> <b>Head of Support Planning and Review</b></p>

## Income from the Melting Pot, Library Café and Civic Centre Parking

### Melting Pot and Library Café

The Council has a contract with Europa which includes a profit share scheme in relation to the Melting Pot, Library Café, and hospitality services. Under the contract, no charges are made to Europa by the Council for the use of premises or utilities in return for a 50% share on any profits made. Europa provides kitchen facilities, serveries, staff, and food/drinks. For the period between January and June 2014, the cumulative turnover for these services was approximately £320k.

### Civic Centre Car Park

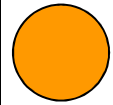
The Civic Centre Car Park is attended by Europa staff. Visitors pay by either cash or chip and pin at a ticket machine. Income collected via chip and pin is paid directly into the Council's bank account and cash collected in the machine is banked into the Council's bank account by Europa.

Parking charges are fixed and have to be paid in order to obtain a ticket to exit the car park. Free parking is available for blue badge holders and dispensations can also be applied for special circumstances. A number plate recognition technique is used to allow free parking and the eligible drivers are required to apply for the dispensations. Monthly income is approximately £25k and the annual income budget is set at £300k. It should be noted that the income budget of £300k was set before a decision was taken to introduce free parking which will have an impact on the income generated from parking.

Areas of key weaknesses included:

- Contractor's performance in respect of the reported gross profit margins not being monitored or benchmarked against any industry average/target margins;
- Discrepancies found in the reported financial figures provided by the contractor;
- A lack of evidence to support the reported income and expenditure information being provided by the contractor (Europa); and
- Absence of an action plan to address the cumulative net loss and no basis for the £20,000 profit projections provided by the contractor for 2015/16

Three priority 1 and five priority 2 recommendations were raised.



**Recommendation**

**Management Response / Responsibility / Deadline for Implementation**



Recommendation	Management Response / Responsibility / Deadline for Implementation
<p>Europa should be required to provide a breakdown of costs between the catering operation and hospitality operation. The Client Facilities Management Team should closely monitor the level of profits being achieved and determine what actions can be agreed with Europa help improve the profit level. In addition, the Client Facilities Management Team should also review the current arrangement and also consider whether alternative options are available to achieve better outcome for the Council. The other options may include, agreeing a minimum profit level, moving towards turn over share scheme as opposed to profit share to incentivise the contract to be more cost efficient, or exploring other options such as generating rental income.</p> <p>In addition to the above, clarifications should be sought regarding the budgeted profit of £20,000 for 2015 to ensure that there is a robust plan in place to achieve the budget.</p>	<p>Agreed.</p> <p>Please note that the Client FM team have prior to the start of the audit, been investigating a full range of delivery models with Europa and others.</p> <p><b>Investigation was completed in December 2014.</b>  <b>Decision on Strategy – 31<sup>st</sup> January 2015.</b>  <b>Richard Barrett – Operational Director Property &amp; Projects.</b>  <b>Gordon Ludlow – Service Manager, Client Facilities Management Team</b></p>
<p>Europa's performance on the gross profit margin should be monitored and benchmarked against an industry average/target margin. Any performance issues in respect of gross profit margin should be discussed with Europa and actions should be agreed ensure that reasonable level of gross profit margin is achieved.</p>	<p>Agreed.</p> <p>Gross profit is monitored through monthly reports.  Benchmark standards to be sought.</p> <p><b>31<sup>st</sup> January 2015</b>  <b>Gordon Ludlow - Service Manager- Client Facilities Management</b></p>
<p>The Client FM Team should request Europa to follow up and resolve the discrepancies found in the prior months' income and expenditure figures being reported from one month to another.</p> <p>The Client FM Team should check the income reported on a periodic basis to ensure that assurance can be gained on the income figures reported by Europa. We were informed that the profit and loss accounts for the catering operation are externally audited. However, we also understand that the outcome of the</p>	<p>Agreed.</p> <p>Discrepancies when found are flagged by the Performance Manager as part of monthly review process.</p> <p><b>Immediate.</b>  <b>Gordon Ludlow – Service Manager, Client Facilities Management Team</b></p>

Recommendation	Management Response / Responsibility / Deadline for Implementation
audit has yet to be shared with the Council and the Client FM Team should still seek to obtain own assurance over the accuracy, completeness, and validity of the figures being reported.	<b>Russell Barnaby – Performance Manager, Client Facilities Management Team</b>

### No Recourse to Public Funds (C & YP)

No Recourse to Public Funds (NRPF) refers to people from abroad who are subject to immigration control and have no entitlement to welfare benefits, public housing, and/or Home Office support for asylum seekers.

People from abroad include:

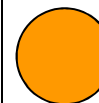
- European Economic Area (EEA) nationals;
- Those on visitor visas;
- Those on spousal visas;
- Those on student visas;
- Visa over stayers;
- Illegal entrants to the UK; and
- Those on work permits.

(Taken from a report to Departmental Management Team in Quarter 2 of the 2013/14 financial year.)

Under the Provisions of the Children’s Act 1989, the Council have a responsibility to assess all children residing in the borough at risk, which also includes those with No Recourse to Public Funds. The team within the Children and Young People directorate is made up of an Interim Principal Officer, NRFP co-ordinator, and an assistant social worker.

In 2013/14, the budget for the service provided was £520k and the year-end overrun was £382k resulting in an in-year underspend of £138k. For 2014/15, the service budget has remained at £520k, and the projected year-end forecast based on current families being provided with a NRPF service is £673k - a projected overspend of £153k.

The main issues relate to a lack of formally defined operational policy and procedure document, a lack of audit trail including evidence of approval and review and tracking of the client’s status. In addition, there were some weaknesses in respect of documenting any changes required to the existing provisions following reviews/visits and this has resulted in an over payment exceeding £1,000 to one client.



Five priority 1 and four priority 2 recommendations have been raised.

Recommendation	Management Response / Responsibility / Deadline for Implementation
<p>Policies and procedures should be adopted outlining the key processes and procedures to be followed by the NRPF team. These policies should include, but not be limited to:</p> <ul style="list-style-type: none"> <li>• Responsibilities of staff;</li> <li>• Timeframes for completion of actions;</li> <li>• Criteria to determine what accommodation, Section 17 and one-off payments are required, and what reviews/visits are required to be undertaken for each case;</li> <li>• Criteria to determine whether a child is destitute;</li> <li>• Documentation required to support actions and indicate that criteria has/has not been met;</li> <li>• Frequency of actions; and</li> <li>• Authorisation processes</li> </ul> <p>In addition, these policies should cover, but not be limited to, the following business areas:</p> <ul style="list-style-type: none"> <li>• Initial Assessments;</li> <li>• Assessment for Service Provision;</li> <li>• Payments (including payments made by the Housing Options Team, the recharge process, and the identification of inappropriate payments on pre-paid cards);</li> <li>• Reviews;</li> <li>• Tracking of Status; and</li> <li>• Budget Monitoring.</li> </ul> <p>Policies should include references to legislative and regulatory requirements where necessary, and be made available for all staff</p>	<p>Partly Agreed.</p> <p>Policies &amp; Procedures are already in place. We do however agree that they need to be consolidated into local NRPF Procedures.</p> <p><b>Principal Officer</b> <b>1<sup>st</sup> April 2015</b></p>

Recommendation	Management Response / Responsibility / Deadline for Implementation
<p>to access.</p> <p>The approval of policies should be clearly documented on the policy, and policies should be reviewed on an annual basis.</p> <p>In raising the above recommendation it is acknowledged that decisions may have to be made in an emergency situation based on a judgement of the individual case, and therefore may not go through the normal authorisation process. In these instances the Council should ensure that this is clearly documented in procedure notes and the reasoning behind these decisions are clearly documented and stored on Framework-I. In addition, retrospective approval of the decision made should also be recorded.</p>	
<p>The NRPF team should ensure that clear audit trails are kept for all cases on Framework-I. Upon reviewing a case the following information should, at least, be clearly documented (indexed) and accessible to all staff involved:</p> <ul style="list-style-type: none"> <li>• The subsistence and accommodation rates applied along with the supporting documentation used to determine what charges apply;</li> <li>• The approval of the rates applied, which also lists the charges themselves and the dates which they apply from and to;</li> <li>• Reasoning as to why a NRPF case has not been financially supported along with the supporting documentation used to determine that the correct decision has been made;</li> <li>• The approval of all cases where rates are not applied, clearly stating the reasons why; and</li> <li>• The payment authorisation forms for each case.</li> </ul>	<p>Partly Agreed.</p> <p>Audit trails are available and evidenced. However, documentation will now be saved consistently in the appropriate sections of the various systems (One Oracle, Shared Drive and Framework-I) as set out in the local NRPF procedures</p> <p>Head of Service /Principal Officer 1<sup>st</sup> April 2015/ 31<sup>st</sup> January 2015</p>
<p>All payments should be approved by the NRPTF team and submitted to Finance/Housing options Team through completion of an F2/F3 form or a booking form. The forms should clearly outline</p>	<p>Partly Agreed.</p>

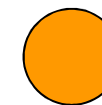
<b>Recommendation</b>	<b>Management Response / Responsibility / Deadline for Implementation</b>
<p>the payments required to be made and the length of payment. Forms should be retained by the NRPF team.</p> <p>The NRPF team should undertake regular payment checks to ensure that all payments they have approved to be made have actually been made in a complete and timely manner. Any discrepancies should be followed up with the Finance team. A copy of the checks undertaken should be retained by the NRPF team.</p>	<p>F2 and F3 forms are completed for subsistence payments on all cases and are available on the shared drive. The forms and Oracle payments are always approved by the principal officer without whose authorisation payment cannot be made by BIBS.</p> <p>Principal Officer Implemented</p>
<p>Reviews should be undertaken in a timely manner in line with Council requirements and approved by the Case Manager. Any subsequent action required following reviews should be recorded clearly and undertaken in a timely and complete manner. Where no further action is required, this should be clearly stated on the review for information purposes.</p> <p>With regards to the overpayment identified in the testing, the NRPF should ensure that the payment amount has been corrected and a decision should be made regarding the amounts paid in excess since February 2014.</p>	<p>Partly Agreed.</p> <p>NRPF families are currently managed as indicated earlier under the CIN policy. The policy sets out the need for a CIN plan, 3 monthly review, frequency of visits, etc.</p> <p>A report of CIN visits are now also being run on a monthly basis across the service as part of the performance management system.</p> <p>Payment to the 'overpaid' mother was terminated with immediate effect. The mother is now being pursued for repayment and the case has been referred to the Audit and Investigation team.</p> <p>In order to prevent such an overpayment occurring again, NRPF (CP and LAC) cases held in the Care Planning and Locality teams are now being jointly allocated to the NRPF team in order to ensure payments are monitored and status tracked accordingly.</p>

Recommendation	Management Response / Responsibility / Deadline for Implementation
	<p>Legal advice has been sought in relation to the provision of financial support to NRPF parents whose children are in care.</p> <p>Principal Officer November, 2014</p>
<p>Child In Need (CIN) visits should be undertaken in line with the timeframes set by the Council. The outcome of the checks should be uploaded onto Framework-I under the individual's episodes section to allow for effective monitoring of visits undertaken</p> <p>Records of the Child in Need (CIN) visits should clearly state whether updates to the Connect System are required. Where no action is required, this should also be clearly stated.</p> <p>In addition, all NRPF cases should be uploaded onto the Connect system.</p> <p>Regular reviews of the Connect system and regular communication with the Home Office should be undertaken for all NRPF cases. This should include, but not be limited to:</p> <ul style="list-style-type: none"> <li>• Whether any status change updates have been received from the Home Office; and</li> <li>• Whether any queries made from NRPF to the Home Office, or visa versa, have been answered.</li> </ul>	<p>Partly Agreed.</p> <p>The current CIN policy sets out the timeframes for the completion of CIN visits (monthly). These visits must be recorded on Fwi episode.</p> <p>The new NRPF draft policy will address all areas that need to be covered in CIN visits for these types of cases. CIN visits are currently monitored in supervision.</p> <p>Previous capacity issues had led to a delay in uploading cases on to the Connect system. This has now been resolved and the backlog has been cleared.</p> <p>All NRPF cases will have checks on the Connect system undertaken every two months as a matter of course, although this maybe done more frequently dependent on information and circumstance.</p> <p>31<sup>st</sup> January 2015 Principal Officer</p>

**LIMITED/NIL ASSURANCE REPORTS – School  
Princess Frederica Primary School**

Nine priority 1 and 17 priority 2 recommendations were raised as a result of this audit. All of our recommendations except for two were agreed for implementation by the School.

Further advice was provided to the School regarding the two recommendations which were not agreed.



Recommendation	Management Response / Responsibility / Deadline for Implementation
<p>The Governing Body should ensure that the determination of the Head teacher's pay is in accordance with the relevant School Teachers' Pay and Condition Document (STPCD). Should the governing body decide to continue to apply the pre 1<sup>st</sup> September 2011 STPCD provisions, then the discretionary payments being made to the Head teacher cannot be applied under the old provisions.</p>	<p>Agreed. To be revisited by governors.</p> <p><b>Governors January 2015</b></p>
<p>A copy of signed Opt-Out form should be retained of any member of staff who has opted out of the Pension Scheme.</p>	<p><b>Implemented.</b></p> <p><b>September 2014</b></p>
<p>Overtime claim forms should be approved by either the Head teacher or Deputy Head teacher. Checks should be taken to ensure that the hours claimed for overtime are correct prior to overtime claim forms being passed for processing by Payroll.</p>	<p><b>Implemented.</b></p> <p><b>July 2014</b></p>
<p>The School should retain adequate documentary evidence of the recruitment and appointment process including the following:</p> <ul style="list-style-type: none"> <li>• Signed letter of acceptance from the potential employee;</li> <li>• Signed contracts of employment;</li> <li>• Evidence of qualifications having been obtained;</li> <li>• Evidence of two references having been obtained.</li> </ul>	<p><b>Implemented.</b></p> <p><b>September 2014</b></p>

Recommendation	Management Response / Responsibility / Deadline for Implementation
<p>Adequate steps should be taken to verify the employment status of individuals prior to payment being made to them without the deduction of tax and other statutory deductions. The completion of a self-employment status questionnaire would help to facilitate this process.</p> <p>The School should obtain copies of insurance certificates for the relevant individuals claiming to be self employed and these should be retained with the completed employment status questionnaire.</p> <p>The Clerk to the Governing Body should be paid via Payroll as directed.</p>	<p>Agreed.</p> <p>Currently not applicable.</p> <p>When situation arises recommendation will be followed.</p> <p><b>Head teacher</b> <b>September 2014</b></p>
<p>The School should cease the practice of reimbursing parking charges to staff through the private fund. If the governing body consider this an appropriate benefit payable to staff this should be set out in the pay policy and decisions concerning to whom the payment is made should be transparent and fair and should be appropriately documented.</p>	<p>Agreed.</p> <p><b>Item for Finance and Resource Committee and Full Governing Body agenda.</b></p> <p><b>April 2015</b></p>
<p>The School should ensure that only appropriate expenses are reimbursed.</p>	<p>Not agreed.</p> <p>This statement is misleading giving the impression that the school is in the habit/practice of reimbursing inappropriate expenses.</p> <p>There was a situation where a member of staff was on an official assignment supporting Brent Council with Teacher recruitment when the process overran through no fault of the member of staff. His parking time overran and his car was towed away. As Head, I made the decision to reimburse the member of staff so he was not out of pocket while supporting the school and Brent over and above his job description. In the 12 years I have been Head this is the only time such an</p>



Recommendation	Management Response / Responsibility / Deadline for Implementation
	<p>incident has happened. I still believe that in this circumstance it was the right thing to have done as the member of staff parked legally in the first place.</p> <p><i><u>Audit Comment</u></i>  <i>Regardless of the circumstances, the reimbursement of a parking penalty is inappropriate.</i></p>
<p>The School should ensure that a P11D form is completed at the end of the tax year for the relevant employee and submitted in accordance with HMRC requirements.</p>	<p>Partly Agreed.</p> <p>Reimbursement was not a benefit in kind as member of staff was parked legally to start with and the delay was from Brent and this same Brent towed the car away. Member of staff was a victim of the absence of joined up thinking where departments do not talk to each other.</p> <p>However point taken and will be actioned in future should there be an occasion where a staff member receives a benefit in kind.</p> <p><b>Head teacher</b>  <b>As appropriate from September 2014.</b></p> <p><i><u>Audit Comment</u></i>  <i>HMRC state that the reimbursement of parking penalty is regarded as a benefit in kind and should therefore be included in a P11D return to HMRC at the end of the tax year. The School should ensure that this benefit is included in the P11D return for 2014/15 in order to ensure that penalties are not imposed by HMRC.</i></p>
<p>All income collected should be banked intact and not used to fund</p>	<p>Not Agreed.</p>

Recommendation	Management Response / Responsibility / Deadline for Implementation
any other expenditure.	<p>This recommendation needs clarification.</p> <p>Money was used to pay for fish for the school meals as a credit account was in the process of being set up with the company. This meant that we had to pay for the fish cash on delivery. Being dogmatic about this would have meant the children would not have had a balanced meal on the day. School meal income was not found to have been used for any other expenditure apart from the fish.</p> <p><u><i>Audit Comment</i></u></p> <p><i>The Council's Financial Regulations state that all income should be banked intact and not used to fund any other expenditure. The School should ensure that it complies with this requirement. In order to avoid such occurrences in future, a petty cash account could be set up by the School.</i></p>

## Non Assurance Work

### Children's Allowances

Local Authorities are responsible for assessing the needs for allowances of the children who are placed under Residence/Special Guardianship/Adoption Orders and provide allowances where the eligibilities are met. The eligibilities are means tested and the criteria and allowance amounts are set by Central Government.

There are approximately 270 children attracting allowances with some £2.5m in allowances paid per annum.

Allowances for Residence Orders and Special Guardianship Orders are administered by the Kinship Team and allowances for Adoption Orders are dealt with by the Adoption Team.

The Head of Placements is currently reviewing the administration of Allowances and is aiming to achieve consistent procedures across the two team as well as centrally coordinated review process in consultation with Brent Integrated Business Support (BIBS).

We undertook a review of the Allowances administration process for children who are placed under Residence/Special Guardianship/Adoption orders. As agreed with management, this was a pre-implementation review of work and our focus was on the adequacy of controls from the design perspective. We did not assess the qualitative aspects of the decisions being made in respect of the allowance eligibilities.

We raised three priority 1 and two priority 2 recommendations.

#### Approval of Allowances (Priority 1)

Once allowances have been calculated, these should be reviewed by Team Managers and signed off to validate the accuracy and validity of the calculated allowance prior to payment. This process may be combined with the review and approval of the allowance created on FWi.

Agreed. The Social Work managers will not review every financial assessment but the BIBS management structure will support their staff to do so. Where BIBs assessment raises queries these are passed to the Social Work manager for comment and confirmation of course of action. The key is ensuring BIBs staff understand the evidence and the assessment process. BIBs managers will spot check and audit a small number of assessments each month for compliance. Finance with Placement management will discuss support from Adults to support capacity within BIBs to manage the approval process.

**New allowances are being reviewed where appropriate by managers.**





**BIBS spot checking will commence in November.**

	<p><b>Finance/Placements management to confirm Adults position by 1st week of November 2014.</b></p>
<p><b>Review (Priority 1)</b>  Review letters should be sent out to all carers and the annual review process should be completed as soon as possible.  Management should consider whether the care package end date on FWi should be used to prompt annual review.</p>	<p>Agreed. Currently the trigger for review is set within the FWI incoming work folder and prompts the review process to commence at the 10 month point of the annual cycle. This is a new process and needs to be bedded in. Review after 6 months to consider whether to change the arrangements.</p> <p><b>BIBs currently responsible.</b>  <b>April 2015 review arrangements.</b></p>
<p><b>Non-Compliance with Review Process (Priority 1)</b>  Policies and Procedures regarding Non-Compliance with the review process should be created that outlines the protocol to follow where Carers do not provide required information as part of the review process.  Carers should be informed of the consequence of non compliance.  A timeframe should be defined as to when Carers are required to respond and provide supporting evidence by. Overdue responses should be followed up promptly and continued non compliance should be remedied in line with the policy, including suspension/termination of the allowance.</p>	<p>Agreed that a formal policy needs to be developed to confirm sanctions communicated to all recipients.  A timeframe and a work flow is in place. This now needs to be followed through. BIBs have raised issues regarding expertise and capacity to manage. Finance and Placements' service to discuss with Adults their ability to share knowledge or resource to manage the work.</p> <p><b>Principal Officer Placements – 14th November 2014.</b>  <b>BIBs to confirm resource required (FTE) to carry out review role by 25th October 2014.</b>  <b>Finance/Placements management to confirm Adults position by 1st week of November.</b></p>

## Appendix A – Definitions

### Audit Opinions




We have four categories by which we classify internal audit assurance over the processes we examine, and these are defined as follows:

	<b>Full</b>	There is a sound system of internal control designed to achieve the client's objectives. The control processes tested are being consistently applied.
	<b>Substantial</b>	While there is a basically sound system of internal control, there are weaknesses, which put some of the client's objectives at risk. There is evidence that the level of non-compliance with some of the control processes may put some of the client's objectives at risk.
	<b>Limited</b>	Weaknesses in the system of internal controls are such as to put the client's objectives at risk. The level of non-compliance puts the client's objectives at risk.
	<b>None</b>	Control processes are generally weak leaving the processes/systems open to significant error or abuse. Significant non-compliance with basic control processes leaves the processes/systems open to error or abuse.

The assurance grading provided are not comparable with the International Standard on Assurance Engagements (ISAE 3000) issued by the International Audit and Assurance Standards Board and as such the grading of 'Full Assurance' does not imply that there are no risks to the stated objectives.

### Direction of Travel

The Direction of Travel assessment provides a comparison between the current assurance opinion and that of any previous internal audit for which the scope and objectives of the work were the same.

	Improved since the last audit visit. Position of the arrow indicates previous status.
	Deteriorated since the last audit visit. Position of the arrow indicates previous status.
	Unchanged since the last audit report.
No arrow	Not previously visited by Internal Audit.

## Recommendation Priorities

In order to assist management in using our internal audit reports, we categorise our recommendations according to their level of priority as follows:

<b>Priority 1</b>	Major issues for the attention of senior management and the Audit Committee.
<b>Priority 2</b>	Important issues to be addressed by management in their areas of responsibility.
<b>Priority 3</b>	Minor issues resolved on site with local management.

## Appendix B – Audit Team and Contact Details

London Borough of Brent	Contact Details
Simon Lane – Head of Audit & Investigations	✉ <a href="mailto:simon.lane@brent.gov.uk">simon.lane@brent.gov.uk</a>
Aina Uduehi – Audit Manager	☎ 020 8937 1260
	✉ <a href="mailto:aina.uduehi@brent.gov.uk">aina.uduehi@brent.gov.uk</a>
	☎ 020 8937 1495

Mazars Public Sector Internal Audit Limited	Contact Details
Mark Towler – Director	✉ <a href="mailto:miyako.graham@brent.gov.uk">miyako.graham@brent.gov.uk</a>
Miyako Graham – Senior Audit Manager	☎ 020 8937 1491
Shahab Hussein – Computer Audit Sector Manager	