

Internal Audit Progress Report

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Introduction

1. The purpose of this report is to:
 - Provide details of the audit work during the period 12th March to 12th June 2017
 - Advise on completion of the 2016/17 Audit Plan and progress with the 2017/18 plan
 - Raise any other matters that may be relevant to the Audit Committee role

Key Messages

2. During the period we have completed 18 County audits, 7 to final report (including a consultancy assignment) and 10 to draft report stage as well as finalising 1 school audit.
3. There are currently 6 further audits in progress.
4. The final position on the revised 2016/17 Audit Plan was:
 - 99% completed or at draft report stage
 - 1% in progress
5. A significant amount of internal audit time has been spent reviewing the Council's financial system (Agresso) including providing control advice. It is anticipated this will be replicated in 2017/18 – we will be providing assurance on the current control environment and the implementation of the Agresso upgrade – due to go live December 2017. Both seen as high risk areas for the Council.

Internal Audit work completed in the period 12th March to 12th June 2017

6. The following audit work has been completed and a final report issued:

High Assurance	Substantial Assurance	Limited Assurance	Consultancy Assignments
	<ul style="list-style-type: none">■ Missing Children■ Pro Contract■ Child Sexual Exploitation	<ul style="list-style-type: none">■ HR Recruitment Processes in Schools■ Adult Care Assessments■ Heritage Site Financial Controls	<ul style="list-style-type: none">■ Adult Safeguarding Referrals

Note: The assurance expressed is at the time of issue of the report but before the full implementation of the agreed management action plan. The definitions for each level are shown in Appendix 1.

7. Since our last progress report we have issued 3 final reports providing High or Substantial Assurance:

'Missing' Children

Our audit sought to confirm that LCC complies with its statutory requirements in relation to missing children and to include consideration of risks in relation to Child Sexual Exploitation and Radicalism. Assurance was focused on the following two areas:

- Children missing education
- Children not receiving 25 hours education per week

The Department for Education identifies what is considered to be effective policy and procedures that should be in place in relation to the following five distinct areas:

- Strategic Management and Leadership
- Networks and points of contact
- Information systems
- Re-engaging children into suitable education
- Effective Child tracking systems

Our review of these five key areas found all to be operating effectively. We also assessed training of school employees in relation to Child Sexual Exploitation and Radicalisation and confirmed the mechanisms in place to facilitate this are adequate.

ProContract

The Council introduced a new system to replace the Procurement portal, Delta and the contract register, Firefly. The project aimed to deliver a wider use of ProContract follows its original implementation to meet the Council's urgent requirement for a Dynamic Purchasing System (DPS) solution. This was needed for the procurement of Home to Schools Transport, to give flexibility to the supplier market. ProContract is a proven system that is used by many other local authorities. Implementation will create savings (ongoing costs are lower than those for Delta and Firefly) and, if used correctly, will enhance the completeness of the contract register.

Internal Audit were asked to provide some independent assurance around the system controls and the approach taken for implementation, testing and data migration during the project.

Our review of the ProContract system and supporting project information has confirmed that a sound and appropriate approach has been taken to system development, testing and implementation. The majority of controls expected

within such a system were also found to be in place. As a result we can give management a positive level of assurance.

Preventing Child Sexual Exploitation

Preventing child sexual exploitation is a key requirement of all Local Authorities. However CSE cannot be tackled by one agency operating alone. A multi-agency response does not develop naturally, it must be systematically embedded at all levels and fully integrated through multi-agency forums and work plans. The Local Safeguarding Children Board is the key body for fostering and co-ordinating this multi-agency work.

Our review has provided a substantial assurance opinion that Lincolnshire Safeguarding Children Board has procedures and an action plan in place to respond and tackle child sexual exploitation. We found that the roles and responsibilities of all partner organisations are set, and that adequate data and intelligence gathering arrangements exist between key providers. This ensures a joined-up response is in place for dealing with children at risk of sexual exploitation.

8. The remaining 3 reports give either limited or low assurance. The management summaries of these reports can be found at appendix 2.

Audits in Progress

9. We have 10 audit's at draft report stage:

- Integrated Community Equipment Scheme (On Hold)
- Substance Misuse Procurement and Contract Management
- Accounts Payable
- Key Control testing, covering:
 - Debtors
 - Pensions
 - General Ledger
- Property Plant and Equipment control testing
- Contracts – Children's Services
- Contracts - Highways
- Payroll
- Inclusion
- Sector Led approach to School Improvement
- Adult Social Care – Provider Payments

These will be reported to the committee in detail once finalised.

10. Audits are currently in progress include:

- VAT
- Contracts – Highways
- New Highways Operation Model
- Wellbeing Contract Review
- Housing Related Support Contract Review
- Agresso Milestone 6

More details on audits in progress can be found at Appendix 4, which details the entire 2017/18 audit plan.

Other Key Work

11. Other key work undertaken during the period includes:

Adult Safeguarding Referrals (Consultancy Assignment)

Our review examined how safeguarding referrals come into the Customer Service Centre (CSC) and how they are processed and recorded. We also looked at the next stage which is known as "Triage". This is the central point that all safeguarding concerns come to next – the final validity check before a case is allocated to Adult Social Care.

The case management system used by the service was transitioned from AIS to MOSAIC at the time of the review. While our testing utilised the AIS system, our findings aim to identify areas of improvement that should be considered in MOSAIC. The details of this report can be found at appendix 3

Families Working Together (Grant Sign Off)

We have concluded our annual audit work of the Families working Together Grant with review and sign off of the final submission 2016/17 for payment. This did not identify any concerns or issues.

Ethics Audit

We are currently developing our model to move to complete Phase 2 of our governance audit. This will involve 'Looking below the surface' – seeking to provide assurance on how well the Council's arrangements work in practice.

Members and Audit Committee Induction

We have been working with Democratic Services to support the induction of new Council members and the Audit Committee. We will be developing an Audit Committee Handbook and working with the new Committee to support the training and development work plan. .

Performance Information

12. Our performance against targets for 2016/17 is shown in the analysis below:

Performance Indicator	Annual Target	Profiled Target	Actual
Percentage of plan completed (based on revised plan)	100%	100%	99%
Percentage of recommendations agreed	100%	100%	98%
Percentage of recommendations implemented	100% or escalated	100% or escalated	100% ¹
Timescales:			
Draft Report issued within 10 days of completion	100%	100%	58%
Final Report issued within 5 days of management response	100%	100%	75%
Draft Report issued within 2 months of fieldwork commencing	80%	80%	39% ²
Client Feedback on Audit (average)	Good to excellent	Good to excellent	Good to excellent

13. Our actual performance against timescales is disappointing, especially issue of draft report and timely conclusion of audits. We have carried out some causal analysis on this which has identified many factors, some within and some outside of our control. To address these we have developed an action plan which includes:

- strengthening our procedures in terms of planning audit work,
- working with clients to be firmer on scheduling,
- ensuring earlier escalation of issues causing delay,
- piloting different approaches to gathering information and actions from auditees to ensure work remains timely.

We hope that these actions will result in improvements and better performance for 2017/18, which we will keep you informed on as the year progresses.

¹ Implemented or reported to audit committee for tracking

² Delays in agreeing findings and potential impacts with management for several audits is creating delays which impact on this target and the issue of the draft reports

Appendix 1 - Assurance Definitions³

<p>High</p>	<p>Our critical review or assessment on the activity gives us a high level of confidence on service delivery arrangements, management of risks, and the operation of controls and / or performance.</p> <p>The risk of the activity not achieving its objectives or outcomes is low. Controls have been evaluated as adequate, appropriate and are operating effectively.</p>
<p>Substantial</p>	<p>Our critical review or assessment on the activity gives us a substantial level of confidence (assurance) on service delivery arrangements, management of risks, and operation of controls and / or performance.</p> <p>There are some improvements needed in the application of controls to manage risks. However, the controls have been evaluated as adequate, appropriate and operating sufficiently so that the risk of the activity not achieving its objectives is medium to low.</p>
<p>Limited</p>	<p>Our critical review or assessment on the activity gives us a limited level of confidence on service delivery arrangements, management of risks, and operation of controls and / or performance.</p> <p>The controls to manage the key risks were found not always to be operating or are inadequate. Therefore, the controls evaluated are unlikely to give a reasonable level of confidence (assurance) that the risks are being managed effectively. It is unlikely that the activity will achieve its objectives.</p>
<p>Low</p>	<p>Our critical review or assessment on the activity identified significant concerns on service delivery arrangements, management of risks, and operation of controls and / or performance.</p> <p>There are either gaps in the control framework managing the key risks or the controls have been evaluated as not adequate, appropriate or are not being effectively operated. Therefore the risk of the activity not achieving its objectives is high.</p>

³ These definitions are used as a means of measuring or judging the results and impact of matters identified in the audit. The assurance opinion is based on information and evidence which came to our attention during the audit. Our work cannot provide absolute assurance that material errors, loss or fraud do not exist.

Appendix 2 – Executive Summaries of Audit Reports providing Limited or Low assurance

HR Recruitment processes in schools

Background and Context

During the 2015 /16 audit of Serco Payroll, problems were encountered in locating supporting documentation relating to starters within schools, resulting in Internal Audit being unable to provide assurance that all necessary recruitment checks had been completed.

Our review was undertaken to confirm that schools had checked and retained relevant records locally to support staff appointments. We also checked that documentation for changes and leavers had been retained at each school site. Our findings from these visits have been drawn together into common themes and learning points for this report. As part of our closure discussions with Council management we need to agree how feedback from our audit will be shared with schools.

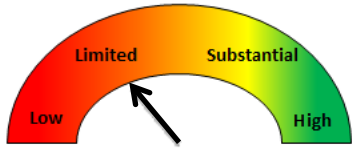
Scope

We selected a sample of seventeen maintained schools to visit, and a further 2 were added at Children's Services request. The audit sought to provide assurance that:

- All relevant pre-employment checks have been undertaken in line with Safer Recruitment guidance
- Supporting documentation is retained by the school (where appropriate) for starters, changes and leavers.
- Employee information has been correctly processed onto Agresso
- A register of the business / personal interests of the members of the schools' governing body is maintained and available for inspection on the school's website

During our review we considered the following potential risks:

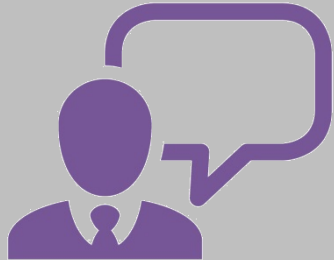
- Recruitment checks are not fully or thoroughly completed
- Incorrect data is processed by schools leading to incorrect payments to employees
- Regulatory requirements are not complied with
- Staff undertaking checks do not have the necessary knowledge or experience



Limited Assurance

Potential Risk	Rating (R-A-G)	Recommendations	
		High	Medium
Risk 1 – Recruitment checks are not fully or thoroughly completed and recorded	Red	1	2
Risk 2 – Incorrect data is processed by schools leading to incorrect payments to employees	Amber	0	1
Risk 3 – Regulatory requirements are not complied with	Amber	1	1
Risk 4 – Staff undertaking checks do not have the necessary knowledge or experience	Amber	1	0

Key Messages



Our review was undertaken to provide assurance that schools follow the safer recruitment guidance and are carrying out the minimum standards of pre-employment checks outlined in the schools' recruitment, selection and induction policy.

Discussion determined that Schools were aware of the necessity and importance of undertaking pre-employment checks and all the schools we visited stated that they were obtaining documentation prior to employees commencing work. However our discussions established there was some uncertainty around document retention and as a result evidence supporting checks was not always on file. We have therefore given a limited assurance rating. It is important to note that evidence of DBS checks was present in 98% files reviewed and where information was missing the schools stated they had completed the checks but not retained documents or recorded reference numbers on the Single Central record.

All schools should receive clarification on the current recruitment, selection and induction policy and where to find it. There should be a reminder of the documentation that schools should be obtaining for each of the minimum pre-employment checks and clarification on what paperwork should be retained

Key Messages

on file. Governors and Headteachers need to ensure that officers completing checks are clear about what they should do, where guidance can be found and have access to training if needed.

Management Response




The management teams of Children's Services and People Management welcome this audit report. Whilst we are disappointed about the limited assurance, it is important to highlight that Children's Services asked Audit to target specific schools due to concerns about adherence to policy; therefore we expected the results to highlight concerns and may not be reflective of all maintained schools.

Ofsted, as part of the school's inspection framework judge the effectiveness of school's recruitment processes and outcomes and during the last two terms 54 schools have been subject to an inspection, with no concerns about the effectiveness of school's recruitment processes.

This audit has highlighted the need to understand the Council's responsibilities as an employer to Community, Controlled, Voluntary Aided and Foundation Schools, taking account of the fact that these schools can exercise their right to procure operational Human Resources (HR) services via external providers. It is imperative that we understand this so that there is a clear statement to schools and to the Director of Children's Services about what schools should expect and what the Council expects. Longer term there is a need to work with HR providers to match their offer to these expectations.

A business analysis has been commissioned through the LCC Corporate Performance and Programme Team which will :

- Seek to provide assurance to the Director of Children's Services that the Council is clear on its responsibilities as an employer to Community, Controlled, Voluntary Aided and Foundation Schools



taking account of the fact that some schools have exercised their right to procure operational Human Resources (HR) services via an external provider. (Please note that Academies are excluded from this analysis)

- ensure that LCC People Management's strategic responsibilities to schools are clearly documented
- highlight any issues regarding responsibilities and accountabilities of the areas within scope
- make recommendations on how the business processes linked to the areas in scope could be improved to ensure the Council's responsibilities are being met.

Children's Services and People Management accept all of the recommendations following the audit and timescales have been set to ensure management actions are completed promptly.

Heritage Sites

Background and Context

Lincolnshire County Council runs the following heritage sites:

- Lincoln Castle
- Battle of Britain Memorial Flight Visitor Centre (BBMFVC)
- Gainsborough Old Hall
- The Collection / Usher Gallery
- Museum of Lincolnshire Life (Ellis' Mill is run as part of the Museum)
- Lincolnshire Archives

Dobson's Mill, Alford Windmill and Heckington Windmill are owned by Lincolnshire County Council, but are not run by the Council.

In April 2015 Lincoln Castle was reopened after a major refurbishment with success that exceeded all expectations of the Lincoln Castle Revealed project.

During the initial months of trading a financial irregularity occurred which instigated a fraud investigation and audit review. This work resulted in multiple recommendations for improvements in the financial controls.

In 2016 the management of the Café in Lincoln Castle and the Tea Room in Battle of Britain Memorial Flight Visitor Centre was brought back to the Council.

Lincolnshire County Council faces large budget pressures and has been exploring ways of reducing the costs of its Heritage Service whilst still improving and enhancing its public offer. These budget pressure are likely however to have an impact on the Heritage Service overall.

At present the Heritage Services operations budget is £1.8m. The challenge set for the Heritage Service is for it to become self-sustainable from 1st April 2018.

The combined assurance status of the Heritage Service is red with one of the main issues identified being inconsistency of the financial controls across different heritage sites.

Scope

The focus of our audit aims to provide independent assurance over the effectiveness of the governance, financial and stock management in heritage sites.

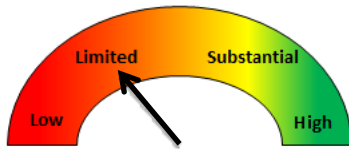
We identified the following as the potential key risks for this audit area:

- Financial management is ineffective
- Stock management is ineffective

To gain assurance over these risks we visited two key heritage sites: Lincoln Castle, which accounted for 73% of the total income from the heritage sites for 2015/16 and Battle of Britain Memorial Flight Visitor Centre, which accounted for 10% of the total income from the heritage sites for 2015/16.

We reviewed:

- Financial management in Lincoln Castle and Battle of Britain Memorial Flight Visitor Centre
- Stock management in Lincoln Castle and Battle of Britain Memorial Flight Visitor Centre
- Governance arrangements and staffing in Lincoln Castle and Battle of Britain Memorial Flight Visitor Centre
- Financial and cash handling policies and written procedures from all heritage sites run by Lincolnshire County Council



Limited Assurance

Risk	Rating (R-A-G)	Recommendations	
		High	Medium
Risk 1 & 2 - Financial and /or stock management is ineffective	Amber	3	1

Key Messages



Our review has provided a limited assurance opinion of the financial and stock management in heritage sites. We found that Lincolnshire County Council's financial procedures have not been consistently followed when each heritage site has developed their individual financial and stock procedures. This has resulted in limited and inconsistent financial and stock policies, procedures and controls. Limitations in controls increase the risk of potential financial and stock error or manipulation, while inconsistencies could limit the integrity between heritage sites and the assurance that all heritage sites operate to the same high standard.

Our concerns about the impact of inconsistent policies and procedures were confirmed during our site visits to Lincoln Castle and Battle of Briton Memorial Flight Visitor's Centre where we found various control limitations. Each visit provided limited assurance on the effectiveness of financial and stock controls, the key issues include:

- Income collection records have been manually adjusted with no record of when, why, by whom or who authorised this
- Income discrepancies were present for all of our sample at one site. Where discrepancies were recorded 44% were more than £5 with the largest being over £70. The majority of these discrepancies had not been investigated further
- Procedures for holding and handing over safe keys don't ensure the security and accountability for the safe contents at all times
- Debtor processes do not ensure timely invoicing or collection of debt
- No stock management systems are in place for the cafes

Key Messages



- Gift shop stock management systems can be manually amended

Our findings, their impact and our recommendations are described in detail in the highlight reports issued to Lincoln Castle and Battle of Briton Memorial Flight Visitor's Centre.

During the audit we also identified that an operational risk register is not in place for Heritage Service. Given the challenges facing the service in becoming self-sufficient we recommend a risk management exercise, resulting in a risk register that can then be maintained is carried out as a priority.

We were pleased to see that since Assurance Lincolnshire's review of Lincoln Castle's security and financial management procedures in 2015 there have been improvements made. However financial and stock controls must be improved further in order to achieve full compliance with LCC's policies and financial procedures. We also identified that the recommendations from the review were not translated into an action plan and the progress of the recommendations was not regularly reviewed. Not having an action plan for the implementation of the recommendations of the review and not tracking their progress limits the accountability and increases the possibility that some of the recommendations could be missed and not implemented.

The attached action plan is intended to provide Heritage Service with recommendations on how to further strengthen the processes in place and improve the policies and procedures.

Areas of Good Practice



During our review we found that:

- ✓ Action has been taken to improve some controls as a result of the recommendations made after the fraud investigation at the Castle during 2015
- ✓ Banking in the heritage sites we visited is done in a timely manner
- ✓ Our high level review of governance confirmed that management structures are in place and there is a training record for staff, with training either completed or scheduled

We would like to thank all representatives of Heritage Service and Business Support Team for their support during this audit. They always made themselves available to assist us in our work and provide any supporting information in a timely manner.

Managing your risks



Good risk management, including maintaining risk registers, helps you to identify, understand and reduce the chance of risks having a negative impact on achievement of your objectives.

During our audit work we identified the following significant or high risks that we feel should be considered for inclusion on your service Operational Risk register:

- Financial management is ineffective or inconsistent across heritage sites
- Stock management is ineffective or inconsistent across heritage sites

These should be considered as part of the overall risk management exercise we are recommending.

Management Response



The audit report and recommendations are welcomed by the Heritage Service, and working in close partnership with Business Support, we remain committed to continuous review and improvement.

Significant improvements have been made following the audit inspections at Lincoln Castle, shortly after reopening in April 2015 and this audit was seen as an essential element to both testing of these improvements and an opportunity to further improve resilience.

Both the Heritage Service and Business Support have strengthened the workforce in terms of resilience and leadership, to meet the demands of service, particularly at Lincoln Castle which has seen an unprecedented increase in volume of visitors and associated spend/income. Improvements have clearly been made through the team work between Heritage Management and Business Support and this has fortified a culture of openness, hard work and accuracy with each element being willing to challenge.

Cash handling and review meetings, along with other internal financial and operational processes, have been reviewed on an ongoing basis. Whilst formal minutes have not always been taken, emails, calendar appointments, actions and engagements demonstrate advancement and improvement, and both teams remain committed to ensure a process of continuous review.

In April 2017, Lincoln Castle introduced an externally managed stock management and audit control system with a view to evaluating the effectiveness of this in terms of leakage control and margin optimisation and applying principles across the service in a proportionate way.

The Heritage Service is quite unique amongst the various services that Lincolnshire Council provides. Unaware of some of the financial processes that it has been identified by audit as not wholly adhering to, it is also felt that some of these processes, out of date and currently under review, will not fully capture the operations of heritage though we are appreciative of the support that Audit has offered in this area. On reflection, given the level of income that the service now generates, these processes,

Management Response



were not immediately reviewed in conjunction with the service growth to ensure both compliance and appropriateness. It is also important to note that due to the diversity and variety of attractions, any financial process should be scaled and proportionate to fit the individual operational site needs.

It is also important that the impact of, and changes as a result of, the introduction of Agresso have significantly reduced resilience, particularly around the three way matching of purchase orders, goods receipt notes and invoices by personnel. Our ability to check, respond and rectify has been compromised. Our joint understanding is that this is now an automatic process within Agresso so comments around the Heritage Service's resilience in this area need to be viewed in this light.

Working in close partnership with the Heritage Service, Business Support has committed over the past couple of years to provide extensive, professional and reliable support functions to this area of the council. Moving forward the Heritage Service will identify a Finance Champion who, in partnership with Business Support, will lead on the establishment of a Financial Handbook and its implementation across the service to ensure a consistent approach to financial processes.

Adult Care – Initial and Annual Care Assessments

Background and Context

In 2015 the Care Act became law and specified that all people with a care plan should be kept under review to give them the opportunity to reflect on what is working, what is not working and what might need to change within their Care Plan. The Act specifies that plans are kept under review generally. The review process should be person-centred and outcomes focused, as well as accessible and proportionate to the service users' needs.

The Council established systems in Adult Care procedures that allow the proportionate monitoring of care and/or support plans to ensure that user needs are continuing to be met.

Adult Care procedures not only follow the statutory guidance issued under the Care Act, but also go further specifying additional timescales:

- All assessment should be completed within twenty eight days
- In all circumstances where support services or interventions have been arranged, practitioners should ensure that checks are made within the first week and no later than two weeks to ensure the initial effectiveness of those interventions
- A first review should take place within 6-8 weeks of support starting, both for new or former service users with new care and support, and for existing service users where new services have been organised. This review should be undertaken by the original assessor/team responsible for the assessment and planning work and may be a light- touch review if appropriate
- Thereafter, people should have a review at least once per year, as a minimum requirement

The performance of Adult Care assessments and reviews is a key control in the management of Safeguarding risk. Safeguarding Adults has at present a limited assurance status in the Strategic risk register.

Scope

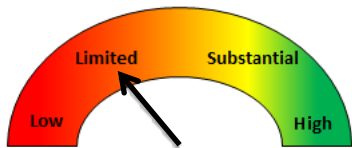
The focus of our audit aims to provide independent assurance over the effectiveness of the process and procedures in place within Adult Frailty and Long Term Conditions Team to ensure that timely reviews/reassessments of current and new service users take place.

We identified the following as the potential key risks for this audit area:

- The activity is not managed effectively
- The quantity or quality of staff is insufficient
- ICT systems fail to produce the required outputs

To gain assurance over these risks we performed the following audit work. Reviewed:

- Procedures and processes in place
- Governance and staffing structure
- Performance information and reporting arrangements
- Quality assurance processes and controls



Limited Assurance

Risk	Rating (R-A-G)	Recommendations	
		High	Medium
Risk 1 - The activity is not managed effectively	Amber	3	3
Risk 2 - The quantity or quality of staff is insufficient	Amber	0	1
Risk 3 - ICT systems fail to produce the required outputs	Amber	0	1



Key Messages

Lincolnshire County Council Adult Care has Care Plan review procedures in place to enable compliance with statutory guidance issued under the Care Act 2014. These procedures not only follow the statutory guidance but go beyond by specifying additional timescales to ensure adequate Safeguarding of Adults in Lincolnshire.

Our review, however, identified that there is limited evidence to show that these Adult Care procedures and Care Act statutory guidance requirements are being consistently implemented in practice.

The following areas for improvement have been identified:

Key Messages



Monitoring of reviews performed:

The Care act statutory guidance requires that "The first planned review should be an initial 'light-touch' review of the planning arrangements 6-8 weeks after sign-off of the personal budget and plan".

Adult Care procedures require that "A first review should take place within 6-8 weeks of support starting, both for new or former customers with new care and support, and for existing customers where new services have been arranged". The Adult Care procedures also require that "In all circumstances where support services or interventions have been arranged, practitioners should ensure that checks are made within the first week and no later than two weeks to ensure the initial effectiveness of those interventions"

Adult Care Team do not produce or monitor any reporting information on the performance of these 1-2 week checks of the effectiveness of support arrangements or 6- 8 week planned light-touch reviews. Adult Care consider that these reviews will be performed as part of the default process. We cannot however provide assurance that these checks and reviews are done.

Monitoring of planned 12 months reviews:

The Care Act statutory guidance specifies that "It is the expectation that authorities should conduct a review of the plan no later than every 12 months". Adult Care procedures require that "people should have a review at least once per year, as a minimum requirement".

Adult Care are required to report in their National Data Collections Short and Long Term (SALT) Return the number of planned reviews performed in a financial year. Monitoring of these reviews consists of quarterly Adult Care Performance Reports (ACP reports) - these are not fully capturing the 12 months review requirement from the statutory guidance under the Care Act. Current information doesn't distinguish between different review types and therefore Adult Care Team have limited assurance that all service users are having a planned review no later than every 12 months. Long

Key Messages



periods between reviews could cause the service users circumstances and needs to change and could therefore become a safeguarding issue and result in reputational damage to the Council.

The process of monitoring assessments completed within 28 days: Lincolnshire County Council Adult Care procedures require that assessments are completed within 28 days after the targeted start date. The statutory guidance under the Care Act issued from the Department of Health specifies that the assessment process starts when the local authorities begin to collect information about the person, which is earlier than the used targeted start date. This could lead to possible misunderstanding of what this 28 days monitoring check actually shows. Our review also identified some anomalies with the data used for this indicator. This gives cause for concern over the quality of this data and renders the monitoring of this data open to error and manipulation and the 28 days monitoring open to misinterpretation.

Our findings around the monitoring and the quality of the performance data detailed above have resulted in a Limited Assurance opinion.

The attached action plan is intended to provide Adult Care with recommendations on how to further strengthen the processes in place, the monitoring and compliance with statutory guidance for reviews/reassessments of current and new service users' needs.

Areas of Good Practice



During our review we found that:

- ✓ There is detailed procedure in place for reviews/reassessments of current and new service users' needs
- ✓ The distribution and presentation of quarterly Adult Care Performance Reports to executive DMT is done in a timely manner
- ✓ Adult Care staff are passionate about their work

We would like to thank all representatives of the Adult Care Team, Performance Team, Quality Assurance Team and Workforce Quality and Development Team for their support during this audit. They always made themselves available to provide any supporting information in a timely manner.

Managing your risks



Good risk management, including maintaining risk registers, help you to identify, understand and reduce the chance of risks having a negative impact on achievement of your objectives.

Safeguarding adults has been identified as a key risk for the Council on its strategic risk register – with a cautious risk appetite. Management have currently given limited assurance over this risk.

The process of assessing service users' needs is a key control and management should consider if the risks identified in this report should be included in the service operational risk register.

We have also made an advisory point around Adult Frailty and Long Term conditions risk register.

Management Response



The requirements of the Care Act 2014 and our statutory reporting mechanism are often not in harmony in terms of their expectations and this was previously the case with the Community Care Act 1990. In addition to this the legislative framework that we work within has a relatively endless number of activities that Councils with social care responsibility can / should / must do, and because of this Councils have taken decisions into what activity they will record in an auditable manner, i.e. a tick box on a client records system.

Initial 6-8 week review

In the first instance, this is an activity that the department has not chosen to manage via a tick box on a client's record but by having this as a part of our default pathway, i.e. it is the default way of working and it happens in every case. I am assured by the process that this means that teams who set up services undertake an initial review in every case. This is recorded on a client's record in a free type box. On this basis I am not surprised at the audit reports findings as their methodology has looked for a tick box to monitor this activity and we have chosen not to record it in this way.

12 month review (annual review)

This annual review is a key example where the Care Act 2014 and our statutory reporting (SALT Return) are looking at different activities which are slightly different, and on this basis we have considered the statutory report as the indicator that we will look to monitor our performance. This reporting is done at a management level and at our Executive Directorate Management Team (Exec DMT). At our last reporting period Adult Frailty were on target to meet the annual target of 87% of people in receipt of long term support who have been reviewed in the period. In endeavouring to improve on this performance, the introduction of Mosaic and the remodelling of our front line operational teams will improve the performance on this measure. In comparison to other Local Authorities, we perform well on this measure.

Management Response



Assessments of needs being undertaken in 28 days

The 28 day target is one that in the pasts of time was a measure under our statutory reporting, however was taken out as it was deemed as not person centred and a crude measure. Having said this we have decided that keeping some measure of assessment timescales is a good one and stayed with the 28 days. Each year this target / measure is reviewed in terms of the 28 days as a measure and whether we still need to report on it, however we believe that some measure / indicator of assessment timescales is needed and we keep it. The current target for 2016/17 is that 95% of our assessment will be completed within 28 days, and our performance at the last monitoring point was 82%, our full year performance outturn 2015/16 was 94%. As a Directorate we acknowledge that the current performance is not necessarily where we would ideally want it to be and that with the introduction of Mosaic and the remodelling of our front line operational teams will improve the performance on this measure.

Audit comment

There was a difference of opinion with management over the interpretation of the implications of evidence found during the audit and the associated risks / assurances in place. These were discussed during the audit process – with high priority findings being taken forward by management.

The audit was conducted before the implementation of MOSAIC. Management are assured that the system consistently and clearly records the assessement process. An internal audit of MOSIAC is included in the 2017/18 Internal Audit Plan.

Appendix 3 – Executive Summaries of Consultancy Reports

ADULT SAFEGUARDING REFERRALS

Background

Adult Safeguarding aims to protect an Adult's right to live in safety, free from abuse and neglect. It is about people and organisations working together to prevent and stop the risks and experience of abuse and neglect, while at the same time making sure that the adult's wellbeing is promoted and having regard to their views, wishes, feelings and beliefs in deciding on action.

Lincolnshire has established the Lincolnshire Safeguarding Adults Board (LSAB) to provide assurance that local safeguarding arrangements and partners act to help and protect adults in its area who meet the criteria set out in the Care Act 2014.

Staffs have stated that the volume of safeguarding concerns being raised with Adult Care is increasing, that some concerns are being raised inappropriately and others are raised with missing details. Adult Care asked us to look into these claims. These factors have the potential to impact on the ability of the central safeguarding team to manage the volume of work within target timescales.

Adult Safeguarding continues to be a high priority area and remains on the Council's Strategic Risk Register. It has Limited Assurance status with a cautious Risk Appetite. As part of the annual Assurance Mapping process, Adult Safeguarding received Amber assurance

from management due to the risks associated with increasing demands upon the service.

Approach

Our review examined how referrals come into the Customer Service Centre (CSC) and how they are processed and recorded. We also looked at the next stage which is known as "Triage". This is the central point that all safeguarding concerns come to next – the final validity check before a case is allocated to Adult Social Care. Our review involved speaking to staff, walking through the referral process, and observing them as they worked on cases. We also tested a sample of 25 Safeguarding referrals to ensure that the expected procedures had been followed.

The overall risk with safeguarding is "Failure to protect vulnerable adults from abuse or neglect". Under this umbrella risk, we examined three key risks for safeguarding referrals when designing our testing:

- Agreed processes are not complied with
- The quality or quantity of staff is insufficient
- The process is not streamlined and cost-effective

The case management system used by the service has transitioned from AIS to MOSAIC. While our testing utilised the AIS system, our findings aim to identify areas of improvement that should be considered in MOSAIC.

Executive Summary

The aim of the initial Safeguarding referral process is to provide a streamlined service via a defined procedure. This process should ensure that only genuine Safeguarding concerns are passed onto the Adult Social Care teams, with the appropriate amount of information to allow them to effectively support vulnerable adults. Our review found that there are multiple factors that are reducing the efficiency of the CSC and Triage.

Safeguarding is a very time-sensitive process where actions often need to be put in place quickly to reduce the risk to vulnerable adults. There is clear enthusiasm from both CSC and Triage teams toward improving the service, and all staff members that we spent time with understood the significance of correctly progressing Safeguarding cases. A central thread throughout the whole review is the impact that delays have upon the process, and the majority of our findings link into this. Only by addressing and remedying each of the causes of potential delays can the service provide a consistent approach.

The reporting limitations of AIS have also been highlighted during our audit. This spans both overall performance reporting to management, as well to smaller scale areas such as the number of No Further Action (NFA) cases that CSC are completing. The lack of this information means that the teams cannot provide assurance to management that service improvements are working effectively. Based upon this, we have made recommendations to fully explore MOSAIC moving forward which will allow for more detailed management information.

A number of our recommendations highlight that staff will need to spend time with the new case management system to ensure it fully meets all of their requirements. This will allow the service to focus

upon improvement and allow for support mechanisms to be put in place.

Other examples of issues identified through the review include:

Restricted Access Delays

These were cases where the service user information is restricted until access was provided by the in-house AIS team within CSC. We found that requests to provide access are not always actioned within a reasonable timescale. For one example observed, it took multiple requests for Triage to access and view a safeguarding referral. Should a referral be a significant Safeguarding matter, this delay could have a detrimental effect upon the Service User's wellbeing, which would lead to reputational and legal damage to the Authority.

Service Improvement

We were told that there had been far more information and knowledge sharing between CSC and Triage which was helping productivity. This is done on an ad hoc basis so we would recommend that this is completed on a more formal basis.

Input Errors

Following review of the 25 cases, we highlighted two issues in part of the testing sample. The first involved safeguarding workers or teams not being allocated to a number of cases, and the second is around NFA cases that were not clearly shown as closed on the system. This lack of clarity around status has the potential to cause delays if further referrals were to come in as it would not be clear if a case was open to Safeguarding.

We identified the following areas of good practice during our review:

- ✓ Trained staff that have a clear understanding of Safeguarding issues
- ✓ Improved working relationships between CSC and Triage, leading to Triage stating that less NFA contacts are being sent through
- ✓ Process in place to ensure that adequate staff levels are in place to deal with the volume of Safeguarding contacts
- ✓ Appropriate guidance documentation available for staff

It is our expectation that once MOSAIC has become fully embedded and our recommendations have been actioned, the Safeguarding referral process will provide a more effective and efficient service to the people of Lincolnshire.

We would like to thank the Assistant Director Joint Commissioning and Specialist Services, as well as staff within CSC, Triage and Performance for their help and support in completing this audit review.

Appendix 4 – Internal Audit Plan 2017/18

Audit	Purpose	Start Planned Date	Start Actual Date	End Actual Date	Progress %	Audit State
						Rating
LCC 2017/18-01 - Procurement & Contract Management - Housing Related Support	To confirm that the Housing Related Support procurement exercise complied with procedures and adhered to legislation and that the subsequent management of the new contract s is effective	18/05/2017			15	Open
						Not assessed
LCC 2017/18-02 - Procurement & Contract Management - Wellbeing	To confirm that the Wellbeing procurement exercise complied with procedures and adhered to legislation and that the subsequent management of the new contract s is effective	22/05/2017			5	Open
						Not assessed
LCC 2017/18-03 - Procurement & Contract Management - Sexual Health	To confirm that the Sexual Health procurement exercise complied with procedures and adhered to legislation and that the subsequent management of the new contract s is effective	01/07/2017			5	Open
						Not assessed
LCC 2017/18-04 - Families Working Together	Audit sign off as per the requirements of the grant.	01/08/2017			0	Draft
						Not assessed

Audit	Purpose	Start Planned Date	Start Actual Date	End Actual Date	Progress %	Audit State
LCC 2017/18-05 - Youth Offending Service Delivery	That stated improvements following the external review of Youth Offending Service published December 2015 have been made and sustained. Focus to include: -Assessment of their QA framework Performance of assessment after a significant incident occur.	02/10/2017			0	Draft
						Not assessed
LCC 2017/18-06 - Transfer of 0-19 Public Health Nurses	Assurance that the governance, risk and monitoring arrangements for this key project are sufficient to ensure delivery of key outcomes for all 8 work streams.	03/07/2017			0	Draft
						Not assessed
LCC 2017/18-07 - School Admissions Software	Confirmation that the risks regarding implementation of the new admissions software have been managed to minimise the disruptions to schools.	01/08/2017			0	Draft
						Not assessed
LCC 2017/18-08 - Special Educational Needs and Disability Reform	Assurance on the embedding of the new SEND framework in key areas of the service. Main focus is data in Mosaic and reporting as this is currently an area of concern.	01/08/2017			0	Draft
						Not assessed

Audit	Purpose	Start Planned Date	Start Actual Date	End Actual Date	Progress %	Audit State
LCC 2017/18-09 - Careers Advice	Assurance that the alternative delivery model for careers advice to young people achieves required outcomes.	01/11/2017			0	Draft
						Not assessed
LCC 2017/18-10 - Quality of Carers Workforce Learning & Development	Assurance that processes in place ensure that the carers support workforce are adequately trained and their quality of work is of the required standard.	16/10/2017			0	Draft
						Not assessed
LCC 2017/18-11 - Client Contributions Policy	Assurance that the new contributions policy has been fully implemented and is applied consistently to applicable Service Users.	17/07/2017			0	Draft
						Not assessed
LCC 2017/18-12 - Integration with Health	Support and Advice on delivery of the plan to integrate Health and Social Care	16/01/2018			0	Draft
						Not assessed
LCC 2017/18-13 - BCF - Disabled Facilities Grants	assurance that adequate governance, monitoring and financial review controls are in place to ensure that District Council's make effective use of funding in line with DOH guidance.	18/12/2017			0	Draft
						Not assessed
LCC 2017/18-14 - Information Systems Team	Assurance that the impact of the monitoring and adequacy of the information produced by Mosaic on Adult Care Services provided.	08/01/2018			0	Draft

Audit	Purpose	Start Planned Date	Start Actual Date	End Actual Date	Progress %	Audit State
						Not assessed
LCC 2017/18-15 - Quality Assurance Framework	Assurance that the quality assurance framework for assessing provision both internally and commissioned is robust and aligned to statutory requirements - to include safeguarding.	26/06/2017			0	Draft
						Not assessed
LCC 2017/18-16 - Deprivation of Liberty	Assurance that succession planning is sufficient to enable adequate numbers of capable and competent DOLs specialists to be available.	02/06/2017			25	Open
						Not assessed
LCC 2017/18-17 - ICT Intelligent Client	Evaluation of the IMT Team acting as an intelligent client in respect of: 1.Delivery of ICT 2.ICT Investment Decisions 3.Project Approval 4.Other critical ICT decision making				0	Draft
						Not assessed
LCC 2017/18-18 - Cyber Security	Assurance over the Council's arrangements for mitigating the latest cyber security threats. Internal Audit shall identify the latest cyber security threats and determine whether the arrangements to protect against them and recover from them are appropriate and adequate.				0	Draft
						Not assessed

Audit	Purpose	Start Planned Date	Start Actual Date	End Actual Date	Progress %	Audit State
LCC 2017/18-19 - Information Governance	To provide assurance over the effectiveness of the Information Governance policies and procedures. To include follow up of Information Commissioners report and recommendations. (Requested by the Chairman of the Audit Committee).				0	Draft
						Not assessed
LCC 2017/18-20 - ICO Cyclical Audit	Delivery of periodic Audits as recommended by the ICO				0	Draft
						Not assessed
LCC 2017/18-21 - Security Management	The review will examine the operation of the Security Working Group in ensuring the implementation and operation of an effective security infrastructure (including access controls)				0	Draft
						Not assessed
LCC 2017/18-22 - ICT Asset Management	Review of SERCO arrangements for the procurement, recording and disposal of ICT assets and their maintenance.				0	Draft
						Not assessed
LCC 2017/18-23 - ICT Service Improvement	Review of SERCO arrangements for the management of service improvement projects, and the resources, plans and processes in place to effect service improvement through new or improved deployment of ICT resources.				0	Draft
						Not assessed

Audit	Purpose	Start Planned Date	Start Actual Date	End Actual Date	Progress %	Audit State
LCC 2017/18-24 - ICT Infrastructure Security Deep Dive	Audit to comprise of initial review of the key elements of the ICT infrastructure to identify the areas to be subject to a deep dive. The key areas are: 1.Governance 2.Network 3.Operations 4.Removable Media 5.Applications Servers 6.Back ups 7.Laptops, tablets and smart phones 8.Security organisation				0	Draft
						Not assessed
LCC 2017/18-25 - Emergency Planning Centre - ICT Infrastructure	Review of effectiveness of ICT arrangements and infrastructure within the county emergency centre.				0	Draft
						Not assessed
LCC 2017/18-26 - Good Governance Review - Phase 2	Assurance that governance arrangements are working effectively to manage Ethics, Partnerships and Transparency. To be conducted from a member perspective.				0	Draft
						Not assessed

Audit	Purpose	Start Planned Date	Start Actual Date	End Actual Date	Progress %	Audit State
LCC 2017/18-27 - Recruitment Processes	Assurance that: 1.Recruitment processes are accessible and ensure that possible candidates are harnessed to apply and don't give up 2.Recruitment follows safer recruitment processes 3.There is compliance with policy 4.Any additional payments are authorised through the right mechanism	01/11/2017			0	Draft
						Not assessed
LCC 2017/18-28 - Agresso - Milestone 6	Consultancy assignment to support and advise on the Governance, Risk and Control during the project to upgrade to Agresso Milestone 6.	01/06/2017			10	Draft
						Not assessed
LCC 2017/18-29 - Emergency Planning	Assurance that prevention and response arrangements are effective to minimise disruption in the event of an emergency, to include: 1.Capacity and capability 2.Collaboration and mutual aid 3.Planning and testing of plans				0	Draft
						Not assessed
LCC 2017/18-30 - Establishments	Consultancy project to identify establishments within the LCC portfolio and how audit processes may be developed to provide assurance over these in future.	01/06/2017			0	Draft
						Not assessed

Audit	Purpose	Start Planned Date	Start Actual Date	End Actual Date	Progress %	Audit State
LCC 2017/18-31 - Workforce performance and reward	Assurance that there is a consistent and fair approach planned for linking employee increments to performance from 2018/19	01/11/2017			0	Draft
						Not assessed
LCC 2017/18-32 - Absence Management	Follow up audit to confirm that the actions of the previous audit have been implemented and absence management policy is now being consistently applied.	01/02/2018			0	Draft
						Not assessed
LCC 2017/18-33 - Performance Management	Assurance over effectiveness of performance management in providing the 2nd line of assurance in the 3 lines model.				0	Draft
						Not assessed
LCC 2017/18-34 - Budget Management	Assurance that budget management and monitoring arrangements are effective and actioned in line with Council policy and procedures.	01/11/2017			0	Draft
						Not assessed
LCC 2017/18-35 - Medium Term Financial Planning	Assurance that financial plans are developed to plan future budgets to align to the 4 year funding deal agreed with Government.	01/08/2017			0	Draft
						Not assessed
LCC 2017/18-36 - Capital Programme	Assurance over the governance, decision making and contract management of Capital projects.	22/08/2017			0	Draft

Audit	Purpose	Start Planned Date	Start Actual Date	End Actual Date	Progress %	Audit State
						Not assessed
LCC 2017/18-37 - Interfaces with Agresso	Assurance over the interfaces and manual interventions required to load files from other council systems into Agresso, including Mosaic. That the security of files that are loaded into Agresso and that details posted are complete, accurate and timely.	01/02/2018			0	Draft
						Not assessed
LCC 2017/18-38 - Payroll	Assurance over the entire payroll process and all the key controls within it. To include follow up of prior year agreed actions.	01/02/2018			0	Draft
						Not assessed
LCC 2016/17 – Payroll	Assurance over the entire payroll process and all the key controls within it. To include follow up of prior year agreed actions.	1/2/2017	1/2/2017		90	Draft report
						Not assessed
LCC 2017/18-39 - Accounts Payable	Assurance over the entire payroll process and all the key controls within it. To include follow up of prior year agreed actions.	01/11/2017			0	Draft
						Not assessed
LCC 2017/18-40 - Pension Administration	Assurance that revised processes since the implementation of Agresso adequately control pension administration.				0	Draft
						Not

Audit	Purpose	Start Planned Date	Start Actual Date	End Actual Date	Progress %	Audit State
						assessed
LCC 2017/18-41 - Fire Pay and Pensions	Assurance that Serco has addressed and rectified the significant issues with Fire and Rescue pay and pension contributions that have occurred since April 2015.	15/06/2017			0	Draft
						Not assessed
LCC 2017/18-42 - Financial Key Control Testing	Delivery of the key control testing to enable the Head of Internal Audit to form an opinion on the Council's financial control environment.	02/10/2017			0	Draft
						Not assessed
LCC 2017/18-43 - Strategic Approach to charging for schools	Assurance that all services offered through the LA commercially to schools are delivered via EduLincs and: 1.that cost recovery follows all accounting rules 2.that services are costed appropriately 3.mechanisms to recover costs ensure that the service receives the income 4.that reporting arrangements enable decision making for the future	26/06/2017			0	Draft
						Not assessed
LCC 2017/18-44 - Blue Light Collaboration	Assurance that effective programme management is in place to deliver new working arrangements that meet the Council's needs and will be delivered on time and within budget.	20/11/2017			0	Draft
						Not assessed

Audit	Purpose	Start Planned Date	Start Actual Date	End Actual Date	Progress %	Audit State
LCC 2017/18-45 - Domestic Homicide Review	Assurance that processes for Domestic Homicide reviews meet legislative requirements and reflect best practice. Follow up of published reviews to confirm agreed actions relating to LCC have been taken or are progressing and that lesson learnt are embedded.				0	Draft
						Not assessed
LCC 2017/18-46 - Waste Strategy follow up	Follow up on the findings of the LWP 16/17 audit to examine progress made	01/03/2018			0	Draft
						Not assessed
LCC 2017/18-47 - New Highways Operating Model	Support and advice on the effectiveness of the restructure of the Highways team in delivering the service.	01/06/2017			15	Draft
						Not assessed
LCC 2017/18-48 - Transport IT and Telematics	Assurance that the process of updating transport IT systems and the real time tracking of Vehicles ensures they a fit for purpose.	02/10/2017			0	Draft
						Not assessed
LCC 2017/18-49 - Total Transport Project	Assurance that these projects are effectively managed to contribute to the Total Transport Project. Sample of the on going projects may include Non-emergency passenger transport, market development and the procurement process.	01/11/2017			0	Draft
						Not

Audit	Purpose	Start Planned Date	Start Actual Date	End Actual Date	Progress %	Audit State
						assessed
LCC 2017/18-50 - Heritage	Support and advice on arrangements to create a self-sufficient Heritage Service to start transition 2018/19. To include strategic approach and business planning.	01/06/2017			5	Draft
						Not assessed
LCC 2017/18-51 - Telecare Contract	Assurance over the adequacy of the tender processes followed in awarding the telecare contract	12/01/2018			0	Draft
						Not assessed
LCC 2017/18-52 - Partnerships	Support and advice to the Council on developing a protocol for effective partnership management.				0	Draft
						Not assessed
LCC 2017/18-53 - One Public Estate	Assurance that the governance, risk and collaboration within this key project are adequate to deliver the expected outcomes.				0	Draft
						Not assessed

