



Dorset County Council

Report of Internal Audit Activity

Plan Progress 2018/19 – February 2019

Internal Audit ■ Risk ■ Special Investigations ■ Consultancy

Contents Page

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➡	Audit Opinion and Summary of Significant Risks	Page 1
➡	Added Value	Page 2
➡	SWAP Performance	Page 3
➡	Changes to the Audit Plan	Page 4
➡	Monitoring of Previously Reported Significant Risks	Page 5
➡	Internal Audit Work Programme 2018-19	Page 6-11

Executive Summary

The Assistant Director is required to provide an annual opinion to support the Annual Governance Statement.

As part of our plan progress reports, we will provide an ongoing opinion to support the end of year annual opinion.

We will also provide details of any significant risks that we have identified in our work, along with the progress of mitigating previously identified significant risks.



Audit Opinion and Summary of Significant Risks

Audit Opinion:

Audit reviews completed to date, highlight that in the majority of areas, risks are reasonably well managed with the systems of internal control working effectively.

Significant Risks:

Since our last report in January no further significant risks have been identified.

The only previously reported significant risk still remaining on our schedule is that of the High Needs Block (*see page 5 for further details*). Our scheduled follow up of this area has been postponed due to the Ofsted inspection of SEND which is due the week commencing 18th February. Ofsted will be reviewing the progress made in addressing the areas for improvement set out in the Written Statement of Action following the previous inspection. Once the inspection has concluded we will aim to re-commence our follow up work.

Added Value

‘Extra feature(s) of an item of interest that goes beyond the standard expectations and provide something more while adding little or nothing to its cost.’



Added Value

SWAP strive to add value wherever possible i.e. going beyond the standard expectations and providing something ‘more’ while adding little or nothing to the cost.

During this year SWAP have added value through the circulation of industry bulletins and fraud prevention alerts wherever possible. We also share the outcomes of any benchmarking undertaken across our SWAP Partner base and a recent example of this was around a Green Asset Strategy. SWAP also aim to share the results of emerging areas of risk, or findings from relevant audit reviews undertaken at our Partners, to enable the sharing of best practice and comparison of common findings and as a result of this work, we have recently shared a paper on Brexit risks with the Risk Manager.

As part of our work on the Green Assets we have provided the team with a proposed decision-making matrix to ensure that decisions on potential income generation at green spaces are made in a structured and defined manner.

As a result of the sharing of emerging risks across the SWAP Partnership, we have undertaken a fact-finding audit around the controls in place over the use of ‘one-time’ vendors.

Finally, SWAP has continued to provide support to the Shadow Dorset Council in undertaking reviews of the Shaping Dorset Council (SDC) programme governance, as well as two Gateway reviews. These have been reported to the Shadow Overview and Scrutiny Committee and the Shadow Executive Committee. The following reviews have been completed to date:

- [SDC Programme Audit – Programme Governance Review](#)
- [SDC Programme – Programme Governance Follow up](#)
- [SDC Programme – Further Programme Governance Review](#)
- [SDC Programme – Gateway 1 Review](#)
- [SDC Programme – Gateway 2 Review](#) (*the report will be published as part of the agenda pack for the meeting of Shadow Overview and Scrutiny on 7th March 2019*)

Internal Audit Plan Progress 2018/19

The Executive Director for SWAP reports performance on a regular basis to the SWAP Management and Partnership Boards.



SWAP Performance

SWAP now provides the Internal Audit service for 26 Partners as well as many subsidiary bodies. SWAP performance is subject to regular review by both the Board and the Member Meetings. The respective outturn performance results for Dorset County Council for the 2018/19 year (as at 21st February 2019) are as follows:

Performance Target	Performance
<u>Audit Plan – Percentage Progress</u>	
Completed	67%
Work at Report Stage	1%
Fieldwork	26%
Scoping	1%
Not yet Started	5%
<u>Quality of Audit Work</u>	
Overall Client Satisfaction <i>(did our work meet or exceed expectations, when looking at our Communication, Auditor Professionalism and Competence, and Value to the Organisation)</i>	98.8%
Percentage of SWAP staff qualified or working towards a qualification	100%

Internal Audit Plan Progress 2018/19

Outcomes from Follow Up Audit Work	
Percentage of Priority 1&2 recommendations for partial assurance audits, that remain outstanding when the follow up audit is undertaken	28 % (7 of 25)
Value to the Organisation <i>(client view of whether our audit work met or exceeded expectations, in terms of value to their area)</i>	100%

Changes to the Audit Plan:

We keep our plans under regular review so as to ensure that we are auditing the right things at the right time



Changes to the Audit Plan

Since the approval of the annual internal audit plan there have been certain changes or requested amendments. The changes have been summarised below together with an explanation of the reasons for the change:

Audits removed (or requested to be removed) from the 2018/19 audit plan since our January update report:

Children's Directorate

- Further to our update and discussions at the January meeting of the Audit & Governance Committee, we have not been able to progress any of the four planned Children's Services reviews. These are **Fostering, Children's Social Care Caseload Management, Effectiveness of Social Care Practice, and Readiness for Ofsted Inspection.**
- The Director for Children's Services is due to provide a verbal update to the March meeting of the Audit & Governance Committee to provide further context and answer specific requested questions around each of these areas.
- We have met with the new Executive Director for People - Children to discuss these reviews and will look to undertake these as part of the Dorset Council 2019/20 internal audit plan if possible.

Environment and Economy

- Dorset Travel – A strategic Transport Review is currently under way and management consider that an audit at this stage will not add value.
- LGR Technology Convergence – The Chief Executive of Dorset County Council has confirmed with the

Internal Audit Plan Progress 2018/19

Shaping Dorset Team and the Chief Executive of the new Dorset Council that there is sufficient understanding of the state of play in terms of disaggregation & convergence of ICT systems and whilst there is still a lot of work to do this has been identified and planned.

Deferred Audits

Due to the impending creation of the Dorset Council, there are a number of pieces of audit work that officers have indicated would add more value if undertaken post 1st April. This is due to the fact that systems and processes are likely to change/ combine with other sovereign councils. Therefore, any such audits have been deferred to the 2019-20 audit plan for Dorset Council (*see audit work programme below for further details*).

Monitoring of Previously Reported Significant Risks

Summary of progress in mitigating previously reported Significant Risks

Audit Tittle	Significant Audit Findings	Dates of Implementing Key Actions Agreed by Service	Progress in Implementing Agreed Actions
Use and Management of the High Needs Block	<p>There are issues with the quality of data within Synergy which may impact on the service's ability to accurately track and project future demand on the HNB.</p> <p>If initiatives to reduce reliance on Independent Sector placements are not progressed promptly with estimated savings revisited regularly for feasibility as more detail becomes known, there is a risk that they may not be achievable, resulting in an increase in the cumulative deficit of the High Needs Block budget.</p>	All actions are planned to be completed by the end of July 2018	The follow up review has been postponed due to the Ofsted inspection of the SEND which is due the week commencing 18 th February. Ofsted will be reviewing the progress made in addressing the areas for improvement set out in the Written Statement of Action following the previous inspection. We are restarting our work on 7 March, attending a High Needs Block update meeting, to ascertain the progress of recommendations and we aim to have our work completed by the end of March at the latest.

Internal Audit Work Programme – 2018-19

At the conclusion of audit assignment work each review is awarded a “Control Assurance”, a summary of the assurance levels is as follows:

- Substantial – Well controlled and risks well managed.
- Reasonable – Adequately controlled and risks reasonably well managed.
- Partial – Systems require control improvements and some key risks are not well managed.
- None – Inadequately controlled and risks are not well managed.
- Advice and Guidance - On occasions, rather than provide opinion work we are asked to offer advice and guidance.

Audit Type	Audit Area	Quarter	Status	Opinion	No of Rec	Recommendation		
						1 = Major	↔	3 = Medium
						1	2	3
Completed Work for Dorset County Council								
Governance	Coach tender investigation and advice work	1	Final	Advice and Guidance	N/A	-	-	-
Grant Certification	Growth Hub	1	Final	Advice and Guidance	N/A	-	-	-
Grant Certification	Dorset Families Matter	1	Final	Advice and Guidance	N/A	-	-	-
Operational	Budget Management	1	Final	Advice and Guidance	N/A	-	-	-
Operational	Potential Duplicate payments	1	Final	Advice and Guidance	N/A	-	-	-
Follow up	Learning Disability	1	Final	N/A				
Follow up	General Data Protection Regulations	1	Final	N/A				
Operational	Management of Grants	1	Final	Reasonable	3	-	-	3
Operational	Family Partnership Zones	1	Final	Partial	5	-	2	3
Operational	Contract Management – Construction and Transport	1	Final	Reasonable	4	-	1	3

Internal Audit Work Programme – 2018-19

Audit Type	Audit Area	Quarter	Status	Opinion	No of Rec	1 = Major ↔ 3 = Medium		
						Recommendation		
						1	2	3
Operational	Deferred Payments	1	Final	Partial	5	-	3	2
Follow up	ICT Contract Management	1	Final	N/A				
Operational	Dorset Care Framework	1	Final	Partial	10	-	8	2
Operational	Capital Budget Management	1	Final	Substantial	1	-	-	1
Operational	Mental Health Act	1	Final	Advice and Guidance	N/A	-	-	-
Follow up	Education of Looked After Children	2	Final	N/A				
Operational	Statutory Timescales for Children's Assessments	2	Final	Partial	5	-	3	2
Follow up	Resilience of ICT Infrastructure	2	Final	N/A				
Follow up	Children's Services Budget Management	2	Final	N/A				
Operational	Implementation of Our People Plan	2	Final	Advice and Guidance	N/A	-	-	-
Operational	DBS checking	1	Final	None	8	5	2	1
Operational	Dorset Waste Partnership – Value for Money	1	Final	Advice and Guidance	N/A	-	-	-
Operational	Durlston Country Park	2	Final	Partial	8	2	5	1
Operational	Whistleblowing	1	Final	Partial	8	-	5	3
Operational	Adult and Community Services Debt Management and Debt Recovery	1	Final	Partial	3	-	3	-

Internal Audit Work Programme – 2018-19

Audit Type	Audit Area	Quarter	Status	Opinion	No of Rec	1 = Major	↔	3 = Medium
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Operational	Budget Assumptions	1	Final	Reasonable	1	-	1	-
Operational	Deprivation of Liberty	2	Final	Reasonable	2	-	-	2
Operational	Wool Primary School	3	Final	Reasonable	13	-	1	12
Follow up	Tricuro Governance Arrangements – Follow up	3	Final	N/A				
Operational	Duplicate Payment Run advice work	2	Final	N/A	4	-	-	4
Follow up	Children’s Services Contract Monitoring Arrangements	3	Final	N/A				
Operational	Achievement of Savings Targets	2	Final	Partial	2	-	-	2
Follow up	DBS checking	3	Final	Reasonable	3	-	-	3
Operational	Cyber Security Firewall Management	2	Final	Reasonable	15	-	5	10
Operational	National Fraud Initiative Governance Arrangements	1	Final	Advice and Guidance	N/A			
Follow up	Committee Structure	3	Final	N/A				
Follow up	Corporate Working Groups	3	Final	N/A				
Operational	Key controls - reconciliations	3	Final	Substantial	1	-	-	1
Operational	Duplicate payment reporting	1-4	Final	Advice and Guidance	N/A			
Operational	Fraud Detection	2	Final	Reasonable	4		2	2

Internal Audit Work Programme – 2018-19

Audit Type	Audit Area	Quarter	Status	Opinion	No of Rec	1 = Major	↔	3 = Medium
						Recommendation		
						1	2	3
Operational	Public Health - Livewell Dorset	2	Final	Advice and Guidance	N/A			
Operational	Contract Overspends	3	Final	Advice and Guidance	N/A			
Completed work for Shadow Dorset Council								
Operational	Governance of Shaping Dorset Programme	1	Final	Partial	5	-	5	-
Follow up	Governance of Shaping Dorset Programme	1	Final	N/A				
Operational	Governance of Shaping Dorset Programme	2	Final	Partial	7	-	7	-
Gateway Review	Gateway 1 review	3	Final	N/A	7	-	7	-
Gateway Review	Gateway 2 review	4	Final	N/A	8	-	8	-
Reporting								
Operational	Green Assets Strategy	3	Draft					
In progress								
Operational	Data Quality – Mosaic	3	Fieldwork					
Operational	Mosaic Post Implementation Review	3	Fieldwork					
Follow up	High Needs Block	3	Fieldwork					
Operational	Supplier Resilience	3	Fieldwork					
Operational	Role of the Dorset Manager	3	Fieldwork					

Internal Audit Work Programme – 2018-19

Audit Type	Audit Area	Quarter	Status	Opinion	No of Rec	1 = Major	↔	3 = Medium
						Recommendation		
						1	2	3
Operational	Equality Impact Assessments	3	Fieldwork					
Operational	Pension Fund Investments Transfer	3	Fieldwork					
Operational	Continuing Health Care	3	Fieldwork					
Operational	Public Health Contract Compliance	3	Fieldwork					
Operational	One Time Vendors	4	Fieldwork					
Operational	Safeguarding in Dorset Schools	4	Fieldwork					
Operational	Property Maintenance Framework	4	Fieldwork					
Operational	WAN Management	4	Fieldwork					
Operational	DWP - Enforcement	4	Fieldwork					
Follow up	Durlston Country Park	4	Fieldwork					
Follow up	Adult Community Services Change Programme	4	Fieldwork					
Follow up	Dorset Care Framework	4	Fieldwork					
Follow up	Timescales for Statutory Assessments	4	Fieldwork					
Operational	Risk Management	4	Fieldwork					
Operational	Local Enterprise Partnership	4	Scoping					

Internal Audit Work Programme – 2018-19

Audit Type	Audit Area	Quarter	Status	Opinion	No of Rec	Recommendation		
						1 = Major	↔	3 = Medium
						1	2	3
Deferred to be reviewed as part of the Dorset Council Internal Audit Plan								
Operational	ICT Key Controls		Deferred					
Operational	Compliance with IR35		Deferred					
Operational	Portesham Primary School		Deferred					
Operational	Scheme of Delegation		Deferred					
Operational	Staff Performance Management		Deferred					
Operational	GDPR Compliance		Deferred					
Operational	Software Licensing		Deferred					
Yet to Commence								
Operational	Fostering		Pending further details from Director					
Operational	Effectiveness of Social Care Practice		Pending further details from Director					
Operational	Children's Social Care Caseload Management		Pending further details from Director					
Operational	Readiness for Ofsted Inspection		Pending further details from Director					

A copy of the full audit plan, including details of upcoming planned audit reviews, is available to view on ModernGov under the March 2018 Audit & Governance Committee