REPORT TO SHEFFIELD CITY COUNCIL AUDIT COMMITTEE
14 November 2013

Internal Audit Report on Progress Against High Opinion Audit Reports.

Purpose of the Report

1. The purpose of this 'rolling' report is to present and communicate to members of the Audit Committee progress made against recommendations in audit reports that have been given a high opinion.

Introduction

2. An auditable area receiving a 'High Opinion' is considered by Internal Audit to be an area where the risk of the activity not achieving objectives is high and sufficient controls were not present at the time of the review.

3. This report provides an update to the Audit Committee on high opinion audit reports previously reported. Where Internal Audit has yet to undertake follow up work, the relevant Portfolio Directors were contacted and asked to provide Internal Audit with a response. This included indicating whether or not the recommendations agreed therein have been implemented to a satisfactory standard. Internal Audit clearly specified that as part of this response, Directors were to provide specific dates for implementation and that this was required by the Audit Committee.

   This report also details those high opinion audits that Internal Audit plan to remove from future update reports. The Audit Committee is asked to support this.

FINANCIAL IMPLICATIONS
There are no direct financial implications arising from the report.

EQUAL OPPORTUNITIES IMPLICATIONS
There are no equal opportunities implications arising from the report.

RECOMMENDATION
That the Audit Committee notes the content of the report and approves the removal of the following reports:

Marketing Sheffield, Place
Cash Handling Appointeeships in Residential Homes, Communities
Register Office, Resources

Laura Pattman
Assistant Director of Finance, Business Partner and Internal Audit

SHEFFIELD CITY COUNCIL
UPDATED POSITION ON HIGH OPINION AUDIT REPORTS AS AT 14 NOVEMBER 2013

1. UTC Special Investigation (Resources). (Issued to the Audit Committee 07 August 2013).

As at November 2013
Internal Audit: This report was issued to management on the 28 June 2013. Therefore an update will be provided in the next high opinion update report.

2. Self Directed Support (Communities). (Issued to the Audit Committee 23 April 2013).
22 recommendations were agreed in the report; the latest position with regard to the implementation of recommendations is:

- 14 actions had been implemented;
- 8 actions were being progressed – details of implementation dates are provided in the narrative below:

It should be acknowledged that a formal recovery programme is in place in the Communities Portfolio and implementation of some of the recommendations has been influenced by wider activity.

Ref	Recommendation	Priority	Original Responsible Officer	Original implementation date	Updated position as at 4th October 2013, provided via the Interim Director of Care and Support – Moira Wilson
2.1	The Social Care Accounts Service should review potential fraud risks that may arise from Direct Payments and the risk assessment should contain mitigating controls and actions for each identified risk. The Service should clearly understand the identified fraud risks and how to respond in the event that fraud is detected.	Medium	Julie Knight - Head of Care & Support & Jan Appleby - Social Care Accounts Service (Service Manager) Ellie Crawford - Customer Accounts Team Manager & Lee Woolway - Business Service & Systems Manager	31/07/2013 Revised implementation date: 31/10/13	Risk analysis outstanding. To complete by 15/10/13. However lean work, the reassessment and review project and investing in the monitoring team have mitigated most risks. Fraud and misuse protocol being drawn up following lean work during August '13. Will be a protocol between SCAS and A&CM to ensure escalation and resolution using both SCAS intervention and A&CM support plan review powers. This protocol is part of the ASC Recovery Plan and is reporting to Recovery Operations Group for approval. To complete by 31 Oct 13.

2.2	When making amendments to bank details for the payment of Direct Payments, officers should apply the existing procedure, i.e. bank details are initially verified with a call, any amendments are detailed in a signed letter, by the service user or an individual on behalf of the service user, and then a phone call verification check is performed using the original number held prior to the amendment.	High	Julie Knight - Head of Care & Support & Jan Appleby - Social Care Accounts Service (Service Manager) Lee Woolway - Business Service & Systems Manager	Stated as having been actioned at the time of the audit **Action complete**	Action Complete.
2.3	Every time there is an amendment to service user's details, a Request for a New / Amend Supplier form should be consistently completed in full, and if not, then the amendment to the service user's details should not be made. It is recommended that this requirement should be communicated to all members of the Direct Payments team, with a reminder of the protocol.	Medium	Julie Knight - Head of Care & Support & Jan Appleby - Social Care Accounts Service (Service Manager) Lee Woolway - Business Service & Systems Manager	Stated as the IT options appraisal having commenced	Action Complete.
2.4	The process for recharging the NHS for the continuing Direct Payments that SCC provides should be documented.	Medium	Liz Orme - Assistant Director of Finance (Business Partnering Communties, Revenues and Benefits)	30/04/2013 Revised implementation date: 11/10/13	Discovery Session held on 27/9/13 defining the NHS (CCG) service requirements and identifying all concerns and problems with business systems and processes. This will then create project lines to improve and define the business processes the NHS require. This will include service user identification and recharge arrangements. Clear plan of action to be completed by 11/10/13. A protocol was agreed with NHS CHC in July '13 for NHS CHC to pay approx £0.5m p/m and for service user lists to be shared to verify and adjust payments accordingly.
2.5	A formal agreement between SCC and the PCT for the payment of Direct Payments should be put in place.	High	Liz Orme - Assistant Director of Finance (Business Partnering Communties,	30/04/2013 Revised	General agreement in place for the PCT (now Clinical Commissioning Group) to pay £500k p/m up front, with follow-on verification was made in july '13.

			Revenues and Benefits)	implementation date: 11/10/13	Work on formal agreement will be completed following discovery workshop on 27/9/13 (see line 4)
2.6	Direct Payments that can be reclaimed from the NHS for the continuing health care that SCC provides should be maximised and unclaimed monies should be pursued.	High	Hayley Dolling - Finance Manager – communities Provider Services	30/04/2013

Revised implementation date: 11/10/13 | See update to lines 4 and 5 |
| 2.7 | Management should develop procedures to ensure that all service users including those with managed accounts provide monitoring returns as per the Direct Payments guidance, i.e. for the previous quarter, to verify that all payments (expenditure) are in line with the outcomes in the support plans.
If monitoring is not provided and all reasonable steps have been taken, then the Direct Payments Team should consider alternative measures, such as a Council arranged service. Any unverified past direct payments should be reclaimed.
Persistent failure by a Direct Payment Agent to provide monitoring information on behalf of a service user should result in alternative options being explored and ultimately the withdrawal of payment. Any unverified past Direct payments should be reclaimed from the Agent. | High | Julie Knight - Head of Care & Support & Jan Appleby - Social Care Accounts Service (Service Manager)

Ellie Crawford - Customer Accounts Team Manager | 31/07/2013

Revised implementation dates provided – ultimate one is noted as 30/06/14 | Business processes have been re-designed during a lean exercise during August '13. This involves sending reminders, risk assessing accounts to focus more attention where there are problems, and having a defined escalation process for non compliant with monitoring.

Active monitoring and follow up of non-compliant account holders is ongoing.

Added to this there will be further work to do with defining "non-compliance and misuse" with A&CM to ensure problems are escalated and resolved through care management. This is due to be complete in October '13. (see line 1)

Accounts with known concerns have been fed into the Reassessment and Review Project. Hence resolutions will be in place for all accounts where there are concerns as part of the review programme which will be completed by November '14.

We have also initiated a project to introduce Pre-Payment cards to ensure full transparency and to be available to move non-compliant accounts over to pre-payment cards where service users fail to |

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					respond to achieve compliance. This is expected to go live in June '14.
2.8	Management should develop procedures to ensure that service users, Suitable People or the service users with a nominated Direct Payment agent in receipt of a Direct Payment pay for employer's liability insurance and can demonstrate that they have paid this insurance, either via a direct debit on their bank statement or an insurance certificate. Failure to provide this evidence should result in alternative measures, such as a Council arranged service being considered. Any unverified past Direct Payments for insurance should be reclaimed. It is a legal requirement for employers to purchase employers liability insurance unless exempt. Non-compliance is subject to financial penalties. The legal position of SCC should be ascertained if a claim is made, but the service user does not have employer's liability insurance.	High	Julie Knight - Head of Care & Support & Jan Appleby - Social Care Accounts Service (Service Manager) Ellie Crawford - Customer Accounts Team Manager	31/07/2013 Revised implementation date: 31/10/13	Built into DP Monitoring Protocol (see line 1) and the business process re-design completed in August '13 and going fully live by end of October '13 (see line 7). A new Money Management Protocol has also started (16/9/13) re-stating the obligations of money management agencies in fulfilling their duties under the Direct Payment Agreement. A refresh of Direct Payment User Guidance is being produced (section regarding "Employing a PA") which will be released by end of October '13. This guidance supplements the Direct Payment Agreement. This agreement (section 2.5 in the DP Agreement) clarifies DP Users agree that "any legal charges and tax obligations related to any staff that the Recipient … employs will be their responsibility, that they will abide by employment law and that they will be responsible for PAYE income tax arrangements". Therefore there is no liability to the Council. Liability insurance is checked in DP Monitoring and advised for pricing in when DP is being set up.
2.9	There should be sufficient detail in the monitoring returns provided for the audit team to be able to gain the necessary level of assurance and verify the expenditure to the outcomes. If not, and the monitoring is	Medium	Julie Knight - Head of Care & Support & Jan Appleby - Social Care Accounts Service (Service Manager)	Stated as having been actioned at the time of the audit **Action complete**	Action Complete.

	deemed inadequate to gain the level of assurance required, additional evidence should be requested. If the monitoring information provided is continuously insufficient, after repeated efforts to obtain more detailed monitoring, then a service user should receive additional support until adequate records are provided. If it is a Direct Payment Agent who is providing weak assurances on behalf of a service user then the continuation of Direct Payment to the Agent should be reviewed and any unverified past Direct Payments reclaimed.		Ellie Crawford - Customer Accounts Team Manager		
2.10	It is recommended that management conduct a review of the Direct Payment monitoring system.	Medium	Julie Knight - Head of Care & Support & Jan Appleby - Social Care Accounts Service (Service Manager) Ellie Crawford - Customer Accounts Team Manager	28/02/2014	Action Complete. Reviewed and being implemented. Full implementation expected by end of October 13.
2.11	Monitoring that has been received and has not been processed, such as information from the fourth alphabetical group and the Direct Payment Agents, needs to be processed as a matter of urgency. Any outstanding queries along with any new queries that have arisen as a result of the additional information processed needs to be identified and resolved	High	Julie Knight - Head of Care & Support & Jan Appleby - Social Care Accounts Service (Service Manager) Ellie Crawford - Customer Accounts Team Manager	Stated as having been actioned at the time of the audit **Action complete**	Action Complete.
2.12	If the reasonable steps taken to obtain a service users monitoring return repeatedly fails, then the alternative options to obtain the monitoring should be proactively explored and encouraged. Whether this is a family member / friend managing their money, a managed account or a Council arranged	Medium	Julie Knight - Head of Care & Support & Jan Appleby - Social Care Accounts Service (Service Manager) Ellie Crawford -	Revised implementation date: 31/10/13	Action to complete by end Oct '13. See lines 10, 7 and 1.

	service.		Customer Accounts Team Manager Actioned			
2.13	Social Care Assessors should be reminded that when they perform visits to service users who receive Direct Payments themselves, via a suitable person, or via a Direct Payment Agent, they should check whether a service user's support plan outcomes are being delivered with the services being received. If inadequacies are identified then these should be reported to the Social Work Assessment Team.	Medium	Robert Broadhead - Head of Service, Assessment and Care Management & Josie Bennett - Head of Joint Learning Disabilities Service	Stated as having been actioned at the time of the audit **Action complete**	Action Complete.
2.14	The Direct Payments procedures which are currently being drafted and reviewed should ensure that they incorporate guidance on flexible spending to assist the Social Care Accounts Team when a service user calls.	Medium	Julie Knight - Head of Care & Support & Jan Appleby - Social Care Accounts Service (Service Manager) Ellie Crawford - Customer Accounts Team Manager	31/07/2013 Revised implementation date: 31/10/13	Team already understands extent of flexibility allowed as long as the Support Plan outcomes are being met, and already understand that if any uncertainty then to refer to A&CM. Guidance protocol to be written by end of October '13 as part of the DP Monitoring Procedures.
2.15	In situations where the service user's "suitable person" is providing paid support to the service user, all vetting undertaken should be clearly recorded. In addition any expenditure should be monitored more frequently.	Medium	Julie Knight - Head of Care & Support & Jan Appleby - Social Care Accounts Service (Service Manager) Ellie Crawford - Customer Accounts Team Manager	Stated as having been actioned at the time of the audit **Action complete**	Action Complete.
2.16	Where an employer (service user) is not employing their personal assistant correctly and not paying for expenses that they have received a Direct Payment for, additional support may be required. Any unverified past Direct Payments made to the service user,	Medium	Julie Knight - Head of Care & Support & Jan Appleby - Social Care Accounts Service (Service Manager)	Stated as having been actioned at the time of the audit **Action complete**	Action Complete.

	for employer expenses, should be reviewed and reclaimed.		Ellie Crawford - Customer Accounts Team Manager		
2.17	An accreditation system for organisations that receive Direct Payments from SCC should be developed, implemented and subsequently evaluated. This should include financial checks and the controls in place to monitor these companies after they receive Direct Payments.	High	Julie Knight - Head of Care & Support & Jan Appleby - Social Care Accounts Service (Service Manager) Ellie Crawford - Customer Accounts Team Manager	31/07/2013	24/09/13 Money Management Protocol agreed and live 16/9/13. Action Complete.
2.18	Recoverable Direct Payments should be identified and pursued. In order to facilitate this and fully maximise any monies to be returned, appropriate records should be maintained and managed	High	Julie Knight - Head of Care & Support & Jan Appleby - Social Care Accounts Service (Service Manager) Ellie Crawford - Customer Accounts Team Manager	31/01/2014	24/09/13 Action Complete (and ongoing).
2.19	All service user and Direct Payment Agent bank account balances should be checked to ensure that they do not hold any unspent monies. Any funds held in the account after 8 weeks should be returned to the Council, except money held for agreed future expenditure	High	Julie Knight - Head of Care & Support & Jan Appleby - Social Care Accounts Service (Service Manager) Ellie Crawford - Customer Accounts Team Manager	31/07/2013	24/09/13 Complete and ongoing. Team are completing 400 audits p/m. Policy to reduce surplus from 8 to 4 weeks started implementation 16/9/13. Action Complete.
2.20	The closure income collected from estates or Direct Payment agents of the deceased service user should be reconciled to identify where it is from, whether all outstanding monies have been collected and any outstanding bills have been paid.	Medium	Julie Knight - Head of Care & Support & Jan Appleby - Social Care Accounts Service (Service Manager) Ellie Crawford -	31/07/2013	Estate Closure procedure reviewed and implemented in June '13. Action Complete.

2.21	Direct Payment Agents that have been identified as not returning monies following the death of one of its service users should be contacted and if non compliance continues then the Direct Payments that they receive from Sheffield City Council should be reviewed	Medium	Julie Knight - Head of Care & Support & Jan Appleby - Social Care Accounts Service (Service Manager) Ellie Crawford - Customer Accounts Team Manager	31/07/2013	Action complete but ongoing in the revised DP Monitoring process. Action Complete.
2.22	Authorised amendments that have been received should be processed as a matter of urgency	Medium	Julie Knight - Head of Care & Support & Jan Appleby - Social Care Accounts Service (Service Manager) Lee Woolway - Business Service & Systems Manager	Stated as having been actioned at the time of the audit **Action complete**	Action Complete.

3. Marketing Sheffield (Place).   (Issued to the Audit Committee November 2012).

From the 25 recommendations originally raised, Internal Audit identified 31 distinct, agreed actions for implementation. Internal Audit has undertaken a number of pieces of follow-up work at the request of the Audit Committee. The latest position with regard to the implementation of recommendations is:

- 17 actions had been implemented;
- 5 actions were not implemented, or evidenced;
- 9 actions had not been implemented, but were on-going pending further development.

Position reported to the Audit Committee July 2013
The Director of Marketing Sheffield provided a report on 1 of the 5 actions that had not been implemented. Additionally, the Executive Director provided verbal assurance that the remaining 4 had been actioned.

As at September 2013
Internal Audit is to undertake a light touch review of Marketing Sheffield in 14/15 to provide assurance that the recommendations have been implemented, that the service was now fully embedded within Sheffield city Council and that controls were in place. **Internal Audit propose to remove this audit from future update reports**.

4. Cash Handling Appointeeships in Residential Homes (Communities).   (Issued to the Audit Committee February 2012).

Position reported to the Audit Committee in the Jan 2013 update report
Internal Audit: Follow up work was undertaken in September 2012.   The follow up work concluded that from the original 12 recommendations, six had been completed and work was either planned or partially completed with a target date of March 2013 for all the remaining actions. Internal Audit has provided management with more detailed feedback to strengthen the Appointeeships Procedural Guidelines in place.
As at May 2013
Progress updates from the Head of Service were provided on those 6 outstanding recommendations as noted above. Of these 5 had been completed.
As at November 2013
An update on the one action outstanding was requested from the Head of Care and Support. See below narrative.

| 4.1 | Management should ensure that:
• Fraud risk assessments are carried out incorporating appointeeships and deputyships, at least annually;
• All irregularities identified are reported and investigated in line with Financial Regulations and | Medium | Head of Care &, Support.

Senior Contracts Officer. | 29.06.12

Later revised to 31.12.12. | **Updated position from Head of Care and Support September 25 2013:**

Adult ACM staff have commenced fraud risk awareness training. 16 have completed so far and therefore we will be performance |

corporate guidance on fraud & irregularity; and • The recovery of losses due to fraud or theft is pursued.		Head of Assessment & Care Management.	Now to be completed 31.03.14	managing this to ensure 50% completed by Christmas and a further 50% by 31st March 2014.

Internal Audit propose to remove this audit from future update reports.

<u>**5. Risk Management (Place).**</u> (Issued to the Audit Committee May 2012).

As per Jan 2013 update report
Internal Audit: No further update was requested from the responsible Director as follow up work was undertaken in October 2012. The follow up audit work concluded that of the 12 recommendations agreed, 6 had been fully actioned across all service areas within Place. Of the remaining 6 actions: • 5 had been implemented to service area level but it was acknowledged by the Director of Business Strategy & Regulation that work to further embed risk management procedures in a minority of services was on-going. He further confirmed that as such it was not appropriate to provide a firm end date for this. • 1 action with regard to the review of project risk management arrangements remained outstanding as this was pending the development of corporate risk management arrangements. Comments were provided by the Place Programme Manager acknowledging that there were areas of weakness where implementation was ongoing or needed to begin. These are produced below: There will be further implementation of the Corporate Risk Management Framework in the lower management tiers where this has not already taken place, alongside implementation across all service areas of a robust Quality Assurance process around the identification, description and assessment of risks. There will be ongoing review of the management of risk actions and removal of risks as appropriate in a timely manner.
As at July 2013
Progress was requested on the 6 outstanding recommendations. The Programme Manager in Place provided an update which indicted that 2 had been completed.
As at September 2013
Internal Audit requested progress on the outstanding 4 recommendations. The response is noted below.

Update on the 4 outstanding recommendations, as at October 2013:

ref	Recommendation Outstanding	Priority	Original Responsible Officer	Original Implementation Date	Update from Programme Manager, Place. May 2013
5.1	Management should ensure that: • there are formally defined processes in place for the management of risks from business activities up to	High	Director of Business Strategy &	02.07.12	Updated position provided from Services to Programme Manager, Place – who subsequently provided information to

	strategic management; • processes comply with the SCC Risk Management Framework; • processes are endorsed by Portfolio Leadership Team; • all appropriate operational, management and senior management are made formally aware of the processes; • controls are formally defined to ensure adherence to the defined processes and • Non-compliance to the defined processes is promptly and formally reported to the appropriate Director in the first instance and the full Portfolio Leadership Team.		Regulation		Internal Audit as follows: Place has been subject to changes at service level since the follow up and this is reflected in the response. Services RM Co-ordinators provided statements and evidence, to show that risk is fully embedded at all levels within the Portfolio. It was noted that a risk management plan was required for Capital & Major Project Service (C&MP) as this was a new service area. No date was provided for this. **Update position from RM Coordinator Capital & Major, Place October 2013**: There are risk management plans in place for the different services that now make up the recently formed Capital and Major Projects. Risks are discussed at SMT meetings and covered in service highlight reports. Work is ongoing to rebrand these plans under the 'Capital and Major Projects Risk Management Plan' and this is expected to be completed by 31.12.13. **Action incomplete**
			Revised to 31.12.13	
5.2	In order to appropriately embed and comply with the principles of the Corporate Risk Management Framework, Place Risk Management procedures should require service area and service level Risk Management plans to be compiled. Co-ordinators should ensure that within their respective service areas, formal governance arrangements are in place to ensure: • all managers maintain up to date and reliable risk management plans for the activity/business unit; • all Heads of Service manage and maintain risk	High	Director of Business Strategy & Regulation	02.07.12 31.05.13	Updated position provided from Services to Denise Turner – who subsequently provided information to Internal Audit as follows: Completed for the majority of services, however, due to changes and movement in services, work has been agreed but has still to be developed in C&MP. Work is still in progress to ensure that sub

	management plans/service risk & assurance logs for their service area that clearly demonstrate where risks have been escalated up from activities/business units risk registers; • the above documents are periodically reviewed and challenged by the Co-ordinator and are used as the basis for defining a Portfolio wide risk management plan clearly demonstrating where risks have been escalated up from the service area risk management plans where applicable. • Portfolio risk management plans and service risk & assurance logs are submitted and reported to the Place Risk Management Group for review and are used as the basis for that Group to define the Portfolios risk management plan, again clearly demonstrating where risk have been escalated up from the services' risk management plans. As a principle, Portfolio procedures should ensure that risks are being managed at the most appropriate level within the management hierarchy. A clear governance and naming hierarchy for Place should be developed and implemented that ensures a consistent approach to Risk Management plans.			Revised to 31.12.13	service areas in Creative Sheffield have risk management plans – this is to be rectified by the end of May 2013. **Action Incomplete** **Update from RM Coordinator, Creative Sheffield, Place October 2013:** "By the deadline of the end of May, we had introduced or improved sub-section risk management plans for: The enterprise programme; RGF The Jessica fund (SCRUDF Appendix 4)); and The Keep Sheffield Working Fund (strategy). These represent the key elements of our work that we believe require specific plans". **Action complete for Creative Sheffield, still outstanding for C&MP – see 5.1**
5.3	Place risk management procedures should require the adoption of the minimum criteria for the risk management plan format. Risk Management Co-ordinators should ensure that all services within their respective Services Areas have up to date risk management plans, minimum criteria (as defined in the CRMF), and adequate description of risks and review of timescales.	Medium	Director of Business Strategy & Regulation	02.07.12	In place for the majority of services, work planned for the new services introduced ie: C&MP, Regeneration and Development Services (RDS). No date given for this. **Action Incomplete** **Update position from C&MP, Regen & Dev Service, Place, October 2013:** C&MP – As per the comment above re Risk number 5.1.

					RDS – RDS has reviewed processes and re-iterated the ask around risk management. Officers have been asked for and have produced examples of how RM is embedded and these have been checked.
				Revised to 31.12.13	**Action complete for RDS. Still outstanding for C&MP – see 5.1**
5.4	Project risk management arrangements should be reviewed to ensure that risks to all projects are properly identified and recorded in a risk register/risk management plan. Project managers should be reminded of their responsibilities regarding risk management and further training provided to ensure that project managers: • identify significant risks to a project achieving its objectives; • clearly assess the impact of each risk against the likelihood of the risk occurring to establish the inherent risk; • establish the financial cost to the project, SCC or partners if a risk materialises; & • periodically review project risk registers to ensure that they are up to date and reflect all current risks.	High	Director of Business Strategy & Regulation	02.07.12 Revised to 31.12.13	Updated position provided from Services to the Programme Manager, Place – who subsequently provided information to Internal Audit as follows: Completed for the majority of services, however, due to changes and movement in services, work has been agreed but has still to be developed in C&MP. Further work is also planned for RDS. **Action Incomplete** **Update position from C&MP, Regen & Dev Service , Place, October 2013:** **Action complete for RDS. Still outstanding for C&MP – see 5.1** For both C&MP and RDS please see comment above in risk number 5.1

6. Register Office (DCEX) (Issued to the Audit Committee September 2012).

As per Jan 2013 update report
Internal Audit: A follow up review is planned as part of the 2013/14 audit plan.
Director of Legal Services response: "Of the 29 recommendations made by Internal Audit that were agreed or partially agreed 17 have been completed. Eight of the 10 high risks have been completed the 2 that have not are as follows - payment of clergy, which will be virtually complete by the end of November 2012 and guidance on data protection, which will be completed by 31st March 2013. Of the 15 risks categorised as medium 8 have been completed. The 7 outstanding actions identified as medium will be prioritised between December 2012 and March 2013 with a view to completion by 31st March 2013. These include: drawing up the communications plan, undergoing training on fraud assessment, preparation of a fraud plan and fraud assessment, reviewing fees, reviewing stock control, and providing a key policy. Of the 4 low risks 1 has been completed. The remaining 3 recommendations identified as low, which include ensuring adequate version control and ownership of procedures, noting the date of incoming NCS applications on the form and filing in date order and providing fact sheets at key customer points will be progressed through the year and completed by August 2013".
As at May 2013
The updated position was compiled from regular written, evidenced updates provided to Internal Audit and from a response from the new Director for the service. As at April 2013, IA concluded from the evidence received that: From the original 29 agreed recommendations 26 have been implemented. 1 recommendation given a low priority relating to the Nationality Checking Service is to be completed by August 2013. The remaining 2 actions, both with a medium priority, have been actioned, however will be subject to further work following the transfer to Customer Services on the 1st April 2013. Director of Customer Services also provided this response: "The Register Office has now formally transferred to Customer Services as at 1st April 2013. I received an update from the previous service manager on the latest position which is as you have outlined. In addition, I have asked that the follow up audit takes place early in 2013/14 as we have a project team working within the service and we can pick up on any issues that are outstanding or have not been completed in line with your recommendations. This has been agreed with the designated Audit Manager and the audit work has been initiated. The audit and subsequent follow up are really welcomed and support a number of opportunities and improvements that I have already identified for the service going forward".
As at September 2013
Internal Audit carried out a follow up review in June 2013 and can confirm that the two actions below that were outstanding as at May 2013 have now been completed.

Update on the 2 outstanding recommendations.

ref	Recommendation Outstanding	Priority	Original Responsible Officer	Original Implementation Date	Update from Service Manager Business and Registration Service - March 2013.
6.1	Management should develop a communications plan or similar which identifies the key stakeholders of the service. The plan should include as a minimum the various methods, timescales and requirements of each stakeholder.	Medium	Director of Legal Services	11.03.13	Customer Services Communications Plan to be amended when RO transfer to Customer Services. **Action Incomplete as at May 2013.** **Updated position 6th September 2013: A follow up audit was conducted by Internal Audit in June 2013 and this action is completed.**
6.2	To improve tracking, the Nationality Checking Service (NCS) team should note the date the NCS applications are posted on the copy checklist, the client care sheets held and the form detailing the applications posted each day. Applications should be filed and maintained in date order.	Low	Director of Legal Services	12.08.13 Revised to 31.08.13	This will be completed by August 2013. **Action Incomplete as at May 2013.** **Updated position 6th September 2013: A follow up audit was conducted by Internal Audit in June 2013 and this action is completed.**

Internal Audit propose to remove this audit from future update reports.