



**SHEFFIELD CITY COUNCIL  
UPDATED POSITION ON HIGH OPINION AUDIT REPORTS AS AT 10 April 2014**

**1. Projects – Risk Management and Reporting (Place).** (Issued to the Audit Committee 10 January 2014).

<p><b>As at April 2014</b></p> <p><b>Internal Audit:</b> This report was issued to management on the 23<sup>rd</sup> December 2013. Eight recommendations were agreed in the report and the updated position is produced below.</p> <p>NB: The updated position was requested from the Head of Capital Delivery Service in February, which pre-dates the agreed implementation date for the recommendations. This was at the request of Audit Committee members who were keen to see the ‘direction of travel’.</p>
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Ref	Recommendation	Priority	Original Responsible Officer	Original Implementation Date	Update from Dan Ladbury, Head of Capital Delivery Service. As at 19 <sup>th</sup> February 2014.
1.1	<p>The Head of Capital Delivery Service will need to follow up on the risk management and reporting arrangements for projects 90723 and 90731, and also ascertain the reasons for the slippage against the project.</p> <p>(90723 Abbey Lane Primary) (90731 Skinnerthorpe Road)</p>	High	Head of Capital Delivery Service	31/03/2014	<p>A wider Capital Programme review for EMT is well under way and will be implemented for the new financial year. This will capture roles and responsibilities. There remains an issue regarding who is identified as “Project Manager” in QTier and this will be addressed.</p> <p>In the meantime, risk registers for the two schemes had been prepared by the CDS Project Manager, Paul Turner, for the project. I have reviewed these with the CDS Project Manager and am confident that the risks are being managed and that an effective means of escalation is in place.</p>
1.2	<p>Project guidance should be followed and an initial risk management plan should be completed as part of the project start-up phase on all projects to ensure Sheffield City Council’s (SCC’s) exposure to risk is identified at an early stage, recorded and where appropriate mitigation strategies established and followed/ tracked.</p>	High	Head of Capital Delivery Service	31/03/2014	<p>This is part of the wider Capital Programme review.</p> <p>Additionally, the following actions to improve this are being implemented:</p> <ol style="list-style-type: none"> <li>1) Incorporating requirements for an initial risk review at the project start-up phase within the capital</li> </ol>

Ref	Recommendation	Priority	Original Responsible Officer	Original Implementation Date	Update from Dan Ladbury, Head of Capital Delivery Service. As at 19 <sup>th</sup> February 2014.
	Project Managers for all future projects and projects currently at start-up phase should be reminded of this requirement. They should be directed to training and guidance available, i.e. E-Learning, guidance available on the Intranet, etc.				<p>delivery process that has been developed by CDS.</p> <p>2) Establishing a Capital Programme Office to monitor the implementation of projects against the delivery process to ensure the necessary deliverables are completed.</p> <p>3) Raising the issue at Capital Programme Group to ensure commissioning boards/ portfolios are aware of their responsibilities as Project Sponsors.</p>
1.3	<p>Project guidance should be followed and appropriate risk strategies should be established as part of the project planning stage on all projects to ensure SCC's exposure to risk is reduced.</p> <p>Project Managers for all future projects and projects currently at the planning stage should be reminded of this requirement.</p>	High	Head of Capital Delivery Service	31/03/2014	Please see response to 1.2 above.
1.4	Project guidance should be followed and a route for identified risks to be communicated to the project teams established, ensuring risk reviews are a standard item on Project Board agenda's. This should be completed as part of the project delivery preparation stage on all projects to ensure SCC's exposure to risk is reduced and inconsistencies in reporting are prevented.	Medium	Head of Capital Delivery Service	31/03/2014	Please see response to 1.2 above. This is a key action for Project Sponsors/ Portfolio boards to ensure is covered at their programme board meetings.
1.5	<p>Risk management plans should be completed for all projects with sufficient detail, consistent and complete data; feature a responsible officer, have appropriate timeframes and record a review date.</p> <p>The Head of Capital Delivery Service should discuss with the Corporate Risk Manager whether the</p>	Medium	Head of Capital Delivery Service	31/03/2014	Please see response to 1.2 above.

Ref	Recommendation	Priority	Original Responsible Officer	Original Implementation Date	Update from Dan Ladbury, Head of Capital Delivery Service. As at 19 <sup>th</sup> February 2014.
	Councils Corporate Risk Management Framework should be adopted for all projects. All Project Managers should be informed of this decision and requirement.				
1.6	All projects should have transparent reporting arrangements in place to ensure risk management issues can be appropriately reported and discussed at the relevant area/level. All Project Managers should be informed of this requirement.	High	Head of Capital Delivery Service	31/03/2014	Please see response to 1.2 above.
1.7	Project Board minutes need adequate detail to demonstrate sufficient and robust challenge to the risks of the project.	High	Head of Capital Delivery Service	31/03/2014	Please see response to 1.2 above. This is a matter that needs to be addressed by Project boards and Project Sponsors which will be raised at CPG. This is not an action that can be fully addressed by Capital Delivery Service.
1.8	Project risk management plans should detail the escalation route and actions taken for all project risks. All project managers should be informed of this requirement.	Medium	Head of Capital Delivery Service	31/03/2014	Please see response to 1.2 above.

**2. Freedom of Information Arrangements (Resources).** (Issued to the Audit Committee 02 December 2013).

**As at November 2013**

**Internal Audit:** This report was issued to management on the 23 October 2013.

As at 3<sup>rd</sup> March 2014: 13 recommendations were agreed in the original report, and the updated position is reported below.

NB : A new process for Freedom of Information requests has been outlined which captures the recommendations raised in this audit report. The new process will be introduced from April 2014, and as a result 11 of the original recommendations made have revised implementation dates.

Ref	Recommendation	Priority	Original responsible officer	Original implementation date	Updated position as at 3 <sup>rd</sup> March 2014 provided from John Curtis, Head of Information and Knowledge Management.
2.1	<p>A new model is proposed:</p> <ol style="list-style-type: none"> <li>1. A central point would be established and would be responsible for: <ul style="list-style-type: none"> <li>- the customer facing interfaces within the process - receiving the requests, acknowledging requests, allocating requests to Portfolios, monitoring and reporting on the progress of requests, sending out the information once collated.</li> <li>- providing accurate and timely monitoring information to Officers to allow them to monitor the process effectively within the Portfolio.</li> </ul> </li> <li>2. The Directors of Business Strategy would be responsible for: <ul style="list-style-type: none"> <li>- ensuring that there are adequate processes in place across Portfolios to provide the information required and to ensure quality control processes. They should have in place a process and structure that ensures that FOI requests are responded to efficiently and effectively.</li> </ul> </li> <li>3. The Information Governance Team would be responsible for: <ul style="list-style-type: none"> <li>- advising on complex cases (when requested) that are outside the skills/knowledge base of the Portfolio. This may include refusal notices etc.</li> <li>- Training on the requirements of the law.</li> </ul> </li> <li>4. Individual officers would be responsible for: <ul style="list-style-type: none"> <li>- cooperating with the process and providing the information required.</li> </ul> </li> </ol>	Critical	John Curtis	<p>31/01/2014</p> <p>Revised Date 30/4/14</p>	<p>A number of workshops have been held to assess and review the FOI process. A new process has been outlined and agreed with the Executive Management Team, and portfolio representatives. This new process establishes a new information Governance Model whereby all requests will initially be reviewed and handled centrally. This will be introduced in April 2014.</p>

Ref	Recommendation	Priority	Original responsible officer	Original implementation date	Updated position as at 3 <sup>rd</sup> March 2014 provided from John Curtis, Head of Information and Knowledge Management.
	All roles and responsibilities should be clearly defined, documented and shared with all relevant parties.				
2.2	Once the new process for FOI has been established, the Policy should be amended to reflect this.	High	John Curtis	31/01/2014  Revised Date 31/3/14	A new policy has been drafted and will be assessed at the next Information Governance Board (IGB). This will be presented to the IGB in March 2014.
2.3	<p>Where Portfolios are not meeting the targets, this should now be fully investigated. Where there is clear evidence of complexity of process, this should be rectified by review and simplification wherever possible. Where there are clear resourcing issues, this needs to be monitored and reported to the appropriate manager. Gathering estimates of staff time allocated to answering the requests will aid the process of resourcing appropriately.</p> <p>It is important that the individual requesting the information is contacted upfront to acknowledge receipt of the Freedom of Information request and to explain the process. Where delays occur, the requestor should be informed of this as soon as possible as regular communication may stop complaints. As all FOI requests must be answered, it is important that resources are allocated appropriately as complaints tend to increase calls on resources.</p> <p>The implementation of a consistent and streamlined process across all Portfolios will ensure that all Portfolios can meet the desired target.</p>	High	John Curtis	31/01/2014  Revised Date 30/4/14	The new information governance model to be adopted proposes the use of standard, workable and consistent templates to be used. This will support consistency in our approach around refusals. This will be developed in March/April 2014

Ref	Recommendation	Priority	Original responsible officer	Original implementation date	Updated position as at 3 <sup>rd</sup> March 2014 provided from John Curtis, Head of Information and Knowledge Management.
2.4	The process for refusals needs to be workable, appropriate and consistent. The central team should know where previous similar requests have been refused and the reasoning behind this. This information can then be passed to the Portfolio (the Portfolio should know if any circumstances have changed that would facilitate the providing of the information). A nominated individual within the Portfolio should make an informed decision on whether a refusal is appropriate. A decision should be made on whether the Portfolio should prepare the refusal notice (and who will authorise this) or whether this is a role to be undertaken by the Information Governance Service. For consistency, once the refusals have been prepared and approved, these should be recorded and sent out by the central point. We need to clearly monitor when we make such decisions as the Council should provide information where it is available and should not discriminate against individuals. The question should be raised that if we are refusing a request from a member of the public, would we refuse the same request coming from an MP or the press.	High	John Curtis	31/01/2014  Revised Date 30/4/14	A workshop was held with portfolio representatives which assessed overall what the council wide and portfolio requirements were. A requirements document was produced and has been assessed. A newly developed sharepoint site is being developed. This will be in March/ April 2014.
2.5	A review of how SharePoint is being used must be undertaken. Again, there needs to be a consistent approach applied that is fit for purpose. A review needs to be undertaken of what systems the Council	High	John Curtis	31/01/2014  Revised Date 30/4/14	A workshop has taken place looking at the councils requirements for a system to support the FOI process. A requirements specification was drafted and has been reviewed. Overall a newly developed SharePoint site has been created and is being modified for April 2014.

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	already has in place that can monitor and report on activity and whether these would be more suitable for managing FOI requests. All staff involved in the FOI process should ideally use one system that can log and track the requests through the whole process. Staff should use this system consistently and be trained to do this.				
2.6	<p>The process for responding to information requests is similar in Portfolios but the level of staff involvement differs. A sample should be obtained of information request responses from each Portfolio and the cost of producing these responses. There should be a consistency of approach and cost. It is obvious that the cost of involving Directors is always significantly higher than utilising business support staff.</p> <p>It would appear appropriate that the process should be a business support role, within a framework, which highlights where decisions need to be escalated.</p>	High	John Curtis	<p>31/01/2014</p> <p>Revised Date 31/7/14</p>	We are assessing what information can be collated and presented regarding FOI Requests. This will also try to assess the costs of responding to requests. A meeting has taken place with Communications to see if some information can also be made available via the internet. This will be developed Late Spring/ Early Summer.
2.7	There should be a clear protocol for training requirements. Once the new process for FOI has been established, focused and specialised training should be provided to the limited number of staff who manage and deliver the FOI processes within Portfolios and potentially, for staff who will form the central point for logging and closing the FOI requests.	High	John Curtis	<p>31/01/2014</p> <p>Revised Date 31/12/14</p>	Training has been mandated for all Portfolio representatives and admin support. There will be a refresh of Information governance training for all staff. This will be developed over 2014/2015.
2.8	The message of the importance of the Council's obligations under the Freedom of Information Act must be shared with staff across Portfolios. Having a Corporate	High	John Curtis	31/01/2014	A meeting has taken place with Communications and messages will be within Managers brief and key brief for all staff. This messages outlines at high level the new process and our statutory responsibilities. The Intranet has also being updated to



Ref	Recommendation	Priority	Original responsible officer	Original implementation date	Updated position as at 3 <sup>rd</sup> March 2014 provided from John Curtis, Head of Information and Knowledge Management.
	system that monitors refusals can also help to establish any patterns of refusals which are not appropriate.				reflect this. This was sent on March 3 <sup>rd</sup> 2014.
2.9	<p>Once the new process for FOI has been established, the issues surrounding the ownership of requests should be addressed and Portfolios should be clearly briefed. A 'hub and spoke' model with Portfolio representatives would appear to be a better way to manage this process</p> <p>The Council has 20 days to respond to an FOI request. The following is only an indicator of how this model could work:</p> <p>Day 1-2 - The central team receive, log and distribute the request to the Portfolio. They respond to the requester as appropriate. (This would appear to be a business support role).</p> <p>Day 3-4 - The request is rejected or accepted and is distributed to relevant Officers within service areas for information gathering.</p> <p>Day 5-6 - The request is accepted or rejected (for example, if it will take too long to collate the information etc.)</p> <p>Day 5-14 - The information is collated.</p> <p>Day 15-16 - The response is sent to Portfolio representatives for sense checking.</p>	High	John Curtis	<p>31/01/2014</p> <p>Revised Date 30/4/14</p>	A workshop has taken place with Portfolio representatives and outlining the new process that is being put into place for April 2014.
2.10	<p>As noted in previous recommendations, the set-up of a central point for logging all requests should now be fully evaluated. The Council should have a central email and postal address that the public can easily identify and use. All FOI requests, regardless of how they enter the Council,</p>	High	John Curtis	31/01/2014	An email address <a href="mailto:FOI@Sheffield.gov.uk">FOI@Sheffield.gov.uk</a> has been established. A page also exists on the internet site to outline to the public this central point of access. This is already in place.

Ref	Recommendation	Priority	Original responsible officer	Original implementation date	Updated position as at 3 <sup>rd</sup> March 2014 provided from John Curtis, Head of Information and Knowledge Management.
	should be diverted to the central point for recording and monitoring.				
2.11	Going forward, information should be provided to the Portfolio representatives on the communications that have taken place with the ICO. Lessons learnt for the future should be shared with all relevant officers. This could potentially be a role for the newly formed central team or for the Information Governance Service who lead on communications with the ICO. This role should be clearly established as part of the new process and the format of the contact set to suit requirements – this may simply be an email circular for example.	High	John Curtis	31/01/2014  Revised Date 31/12/14	The audit report has been shared to Portfolio Information Risk Owners and the Information Governance Board. Further updates will be provided regarding the implementation of the new FOI Process. This will be developed over 2014/15.
2.12	Training, as recommended in recommendation number seven, should incorporate the concerns raised by the ICO. Clear advice and guidance should be provided to all Portfolio representatives on what the process should be when a review of the FOI request is required. Any new FOI process should clearly identify how reviews will be dealt with and roles and responsibilities in relation to this should be clearly defined and documented.	High	John Curtis	31/01/2014  Revised Date 30/4/14	This will be clear within the guidance and process map. This will be developed in March/ April 2014.
2.13	Any new process introduced for answering FOI requests should clearly identify when it is appropriate to engage with the Information Governance Service and Legal Services. This links to the recommendation already raised on the roles and responsibilities of staff in the new process.	High	John Curtis	31/01/2014  Revised Date 30/4/14	This will be clear within the guidance and process map. This will be developed in March/ April 2014.

**3. 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.

As at 10<sup>th</sup> February 2014: 15 recommendations were agreed in the original report. A follow up review was undertaken in November 2013 and progress against the individual recommendations is shown below.

- 14 actions have been implemented
- 1 action was in progress with a revised implementation date of September 2014

**Concerns identified with the use of an Agency Worker**

Ref	Recommendations	Agreed Actions	Priority	Responsibility & Timescale	Updated Position & Revised Timescale
3.1	All future agency/contract work undertaken for the section should be fully supported appropriate documentation which should be retained within the service area in line with the Council's decision making processes. The procurement of agency staff and the records should be retained for seven years to support the payments made. All decision making should be fully documented along with the support and guidance that has been provided by other services including HR and Procurement. All documentation relating to the recruitment of contract/agency workers should be included as part of handover arrangements when staff leave the employment of the Council. Where specialist contractors are being engaged, this should be done directly	<p>The Network Manager Pete Vickers has located some of the records that were kept by John Lashmar relating to agency workers. These have been delivered to Audit. This information does include timesheets.</p> <p>Action on documentation, record storage and handover agreed.</p> <p>Action on tendering agreed. As part of the South Yorkshire Transport &amp; Highway Resource Review technical resources may be provided at charged rates or on secondment from South Yorkshire Authority Partners. These rates will be compared with Agency rates offered by Reeds.</p>	<b>1 - High</b>	<p>Internal Audit</p> <p>Network Manager – Ongoing</p> <p>Network Manager – Ongoing</p>	<p>All agency staff are now sourced through the Council's contract with Reed. This ensures that the actions relating to documentation etc. are addressed appropriately.</p> <p>From the information disclosed at the time of the follow up, this item is now resolved.</p> <p><b>Action Complete</b></p>

	<p>using the normal tendering processes. This should reduce the overhead costs and increase the control. It is important that the appropriate comparators are used; this should be undertaken using the cost of a similar member of staff in the organisation plus a margin to cover the agency overhead. Due to the lack of documentation however this cannot be exemplified.</p>	<p>The agency firms that Traffic Information and Control teams used have been incorporated under the Reeds umbrella. Agency prices from these firms can be compared with those staff put forward by Reeds themselves. The cost of Council staff in the Network Management Group will be set out for comparison with Agency and other local authorities staff.</p>		<p>Network Manager by 31/03/13</p>	
3.2	<p>If recruiting specialist agency staff, the service must go through Reed, who are contracted by the Council to supply agency staff. There is no need to appoint staff outside the Reed agreement as the Matchtech agency used in this instance forms part of the framework agreement with Reed and were previously part of the framework agreement with Commensura, Reeds predecessor.</p> <p>Alternatively, if a consultant is required to undertake a distinct block of work, then Commercial Services should be contacted to support the process of the direct appointment of a consultancy as stated in Council policy.</p>	<p>All temporary staff recruitment now goes through REEDS; however, having looked at the rates that we are paying for staff now, and the rates that we had been paying it does seem that this process is more expensive.</p> <p>Agreed</p>	<b>1 - High</b>	<p>Network Manager</p>	<p>Please refer to comments above, all agency staff are now sourced via the Council's contract with Reed.</p> <p><b>Action Complete</b></p>
3.3	<p>Staff within the service who are identified as having the authority to procure, should now undertake additional training on the Council's procurement processes. This training should include meeting the requirements of the Council's Standing Orders and when it is appropriate to request a formal waiver to Standing Orders.</p>	<p>Agreed for Network Manager and Principal Engineers</p>	<b>2 - Medium</b>	<p>Network Manager</p> <p>Timescale dependent on availability of Council Courses. Aim to do so by 31/03/13. Seeking advice from Procurement about training.</p>	<p>Pete Vickers, Highway Network Manager, met with Commercial Services in Summer 2012 and requested appropriate training. At the time, Commercial Services were cautious about providing specific training for the Service. This will be kept under review. Commercial Services are engaged as appropriate when undertaking tendering/procurement. Internal</p>

					Audit confirmed with Commercial Services that appropriate engagement has taken place.  <b>Action Complete</b>
3.4	<p>In future, all arrangements not specified within the contract for hourly paid agency staff (i.e., working from home arrangements etc.) should be clearly and fully documented and retained within the service area. As with all individuals who work from home, clearly documented output measures should be set and reviewed. All timesheets completed by agency staff should reflect actual hours worked - including details of lunchtimes/breaks etc. This will allow effective checking and authorisation of the timesheets by managers.</p> <p>Arrangements for checking and authorising timesheets should be formalised and followed. These arrangements should clearly detail how output will be checked and agreed to the supporting timesheets. Any issues should be raised immediately with the individual and reported to the Agency involved.</p>	<p>Agreed. We are reviewing all 'working from home' arrangements for all staff within the team.</p> <p>Agreed</p> <p>Agreed</p>	<b>2 – Medium</b>	<p>Network Manager – Ongoing</p> <p>When agency staff commence work.</p> <p>In progress</p>	<p>As noted above, all agency staff are now sourced via the Council's contract with Reed. Timesheets are completed appropriately and are authorised and returned to Reed.</p> <p><b>Action Complete</b></p>
3.5	<p>In future, Internal Audit recommends that where concerns are raised by staff, any discussions held to address these concerns, are fully documented and retained within the service area. The actions taken to respond to issues raised should also be fully documented and retained. Any verified issues of concern should also be raised with the relevant Agency as they may wish to</p>	<p>Concerns raised by staff have not been formally documented but are generally recorded in e-mails. Review meetings have been held and recorded. To set up an agreed file of concerns raised and management responses.</p> <p>All relevant issues will be discussed with Commercial Services.</p>	<b>1 - High</b>	<p>Network Manager in discussion with Head of TT&amp;PS by Christmas 2012.</p> <p>Network Manager as and when required.</p>	<p>Ongoing – actions taken as and when appropriate. Commercial Services will be engaged when appropriate.</p> <p><b>Action Complete</b></p>

	take action against the individual and are responsible for their actions. Commercial Services should also be contacted as this type of information will be used to decide if the Council should continue its relationship with the Agency.				
<b><u>Intellectual Property Rights</u></b>					
3.6	In future, the service should ensure that when entering in to contracts for agency workers, the issue of intellectual property rights is properly considered and included within any contract agreement. Consultation with procurement and legal professionals should ensure that this is undertaken appropriately for all contracts and consultancy work.	Agreed but is this not part of the current agreement with REEDS?	<b>1 – High</b>	Ongoing for appropriate manager	Action to be taken as and when required.  <b>Action Complete</b>
3.7	As intellectual property rights have not been formalised in relation to the agency workers' employment, the issue that can be addressed relates to their claim that he worked in 'partnership' with Sheffield City Council. No evidence of a partnership arrangement could be found, the individual was merely a temporary member of staff employed through an agency.  The Director of Service should write to the agency worker to state that his website is considered inaccurate and does not give a true reflection of his working relationship with the Council. He should be asked to remove this claim from the website. The letter should be checked with Legal Services prior to being sent.	The word 'partnership' is no longer included on the agency workers Website. It now says that he was 'contracted' by SCC.  Not done – as no longer necessary.	<b>1 – High</b>		No further actions required.  <b>Action Complete</b>

	<p>The service area should also review the contents of the website, where concerns are identified in relation to the content and intellectual property rights, Legal Services should be contacted for the appropriate advice and support.</p> <p>No products or services should be endorsed without the approval of the relevant Service Director in consultation with Legal Services.</p>	<p>Not done – as no longer necessary.</p> <p>Agency staff/consultancies to be advised of this on appointment and again on commencement of work.</p>			<p>Network Manager/Principal Engineer Ongoing</p>
<p><b><u>Development of the South Yorkshire Intelligent Transport System (syITS)</u></b></p>					
3.8	<p>It is a requirement of the Council's project management process that all business cases should be written with clear SMART targets. These should show how the base line has been set and what the monitoring arrangements will be. It is now a requirement that all risks to the achievement of the targets are clearly defined in such documents. If the project documentation does not demonstrate these attributes, then they should be challenged by the Service Director and appropriate Programme Board.</p>	<p>We are checking syITS vision / outputs in original proposals / bid. These are to be restated for SY Partner approval. Improvements in journey times are now monitored by the syITS ANPR system.</p>	<b>1 – High</b>	<p>Head of TT&amp;PS – January 2013</p>	<p>The agreed syITS 'vision statement' document has been endorsed by the members of the South Yorkshire Network Managers group and circulated to syITs Technical Group members. The vision statement is a regular item on the syITS Technical Groups meeting agenda and is used as an aid to focus discussion and targeting. The ANPR system is used to monitor journey times across South Yorkshire, the outputs from this system are used to direct and drive manual and automated interventions on sections of the highway network where we may be experiencing delays.</p> <p><b>Action Complete at time of follow-up</b></p>

Ref	Recommendations	Agreed Actions	Priority	Responsibility & Timescale	Updated Position & Revised Timescale
<b><u>CUTLAS Database</u></b>					
3.9	Management within the service should record known previous incidents and introduce a faults log for new incidents so that issues can be dealt with and patterns of incidents can be identified. This will allow for targeting of resources to critical incidents and to resolving key ongoing faults. This will also allow for meaningful discussion to take place with suppliers on critical fault resolution.	The database has been providing reliable performance information for some time now. There were implementation problems with this system which were resolved. We are talking with suppliers and Procurement about contract renewal. We have spoken to our BIS support manager and Paul Green about the possibility of closer integration with the SCC corporate IT systems. To set up a fault log.	<b>1 – High</b>	Network Manager and Principal Engineers – December 2012	Procurement processes are currently on-going in relation to the re-procurement of the CUTLAS Common Database. A technical specification is being prepared by Commercial Services who are fully engaged with the procurement.  Internal Audit confirmed with Commercial Services that this engagement is currently taking place.  <b>Action Complete</b>
3.10	Going forward the service should be integrated within the Council's IT control framework. This will include involving BIS and through them Capita. They will be able to ensure that the professional standards of the Council are maintained and also in challenging any decisions taken with regards to tendering for software - addressing the key concerns identified by Internal Audit. The use of Capita should also bring benefits in the procurement of standard hardware.  There was no evidence to show that a full post implementation review of the procurement of the common database and associated software had been carried out to ensure that	We have spoken with our BIS support officers Nigel Gibbons and Ian Jellyman and exchanged correspondence with BIS Director Paul Green. Meeting to appraise out options arranged. Key issues for ITS service are capability, cost and response times from Capita. ITS Management is meeting Procurement Service to discuss way forward. Then further discussions will take place with BIS.  Meeting arranged with Procurement. S.Yorks sylTS partners to be included in tender bid assessment.	<b>1 – High</b>	Network Manager – December 2012  Network Manager and Principal Engineers  Revised date for	Still to complete - ongoing  As noted under agreed actions, BIS were approached to discuss the integration of the ITS function with Capita last year. It was noted at the time that BIS wanted to undertake an audit of the Service area, to fully understand how the Service could be integrated with Capita. To date, this audit has not taken place. Discussions took place regarding when the most appropriate time for the transition to take place would be – it was felt that this should be after the service was re-located from Carbrook. The move date continues to be delayed



	<p>the system and its output and also the supplier have been fully evaluated. This should be undertaken prior to any future retendering exercise.</p> <p>If it is decided that re-tendering is the only option available to the service, BIS and Procurement professionals must also be involved in the process to provide appropriate support and challenge.</p>			<p>implementation September 2014.</p>	<p>therefore waiting until this takes place is becoming an issue. BIS have been contacted again recently to discuss further and it is noted that this has also been followed up.</p> <p>It is recommended that management continue to engage with BIS on this until the issues are fully resolved.</p> <p><b>Action ongoing.</b></p>
<b><u>Overall Procurement Processes used for the syITS project</u></b>					
3.11	<p>Standing Orders state that:</p> <p>'All tendering must be carried out by a Procurement Specialist in adherence with the Procurement manual and associated instructions, and with reference to the Procurement Policy, issued by Commercial Services'.</p> <p>It is important that the officers in this area are given additional training and support to ensure that, in future, management should always liaise directly with the relevant Category Manager within Procurement at the earliest opportunity to ensure compliance with Standing Orders and to demonstrate that the Council is receiving best value. This reflects recommendation three, made in relation to the procurement of the agency worker.</p> <p>Management must ensure that all tender documentation relating to any</p>	<p>Our understanding is that procurement of the overall syITS system and Urban Traffic Control Room followed Council procurement processes in place at the time. Copies of the original tender documents have been delivered to Audit. All new tender processes will follow current Procurement procedures but there is an awareness that certain systems/equipment due will be provided by single suppliers.</p> <p>We have not yet arranged for staff training with regards to project management. There may be an opportunity to look at more of the projects that we would like to undertake as being provided 'turnkey'. We will reduce the financial and reputational risk to TTPS by following this route. A five year maintenance agreement was included in the procurement of the</p>	<b>1 – High</b>	<p>Head of TT&amp;PS/Network Manager – as and when services required.</p> <p>Q4 2012/13</p>	<p>As noted under previous actions, all procurement is undertaken in line with the Council's proper procurement processes. Commercial Services are currently engaged with the Service with regards to the re-tender of the ITS system. Internal Audit has confirmed with Commercial Services that this is the case. The Category Manager working with the Service has confirmed that appropriate engagement is taking place.</p> <p><b>Action Complete</b></p>

	<p>project or procurement undertaken is fully retained for future reference. Again, this reflects recommendation one.</p>	<p>common database. We are looking at all sylTS assets to check if the provision of these could be tendered.</p> <p>We do have documentation relating to the Corporate tender process and procurement of the common database. These are available for anyone who wishes to see them.</p>			
<p><b><u>Get there Sooner Website</u></b></p>					
3.12	<p>Internal Audit recommends that the relevant Directors must now review the arrangements in place and the usage figures for the website and mobile phone applications before any decisions are taken on future funding. The project does not appear to have included any SMART targets. With a project of this kind the key is to pass on a large amount of information for a low price. Therefore, consideration must be given to site hit rates and in particular repeat users.</p> <p>A short review should now also be taken on spend in this area so that lessons can be learnt for the future. This should focus on:</p> <ul style="list-style-type: none"> <li>- The objectives of the development.</li> <li>- Whether research was undertaken on similar services available.</li> <li>- How budgets were devised and how costings were derived.</li> <li>- How the project was monitored and managed.</li> <li>- An evaluation of the outputs received and why no funding was</li> </ul>	<p>The development and funding of the Get There Sooner Website was agreed by SY Partners. Operational and developmental responsibility for the Get There Sooner Website lies with SYPTE. We are discussing a review of this system with SYPTE through sylTS working group.</p> <p>The maintenance cost of the system is covered by SYPTE.</p>	<b>1 - High</b>	Head of TT&PS as chair of sylTS Working Group	<p>The website was reviewed as agreed and it was confirmed that it was expensive and not delivering best value for the Council. The Council no longer contributes financially to the website.</p> <p><b>Action Complete</b></p>

	<p>invested in promoting these services.</p> <p>Going forward, any project that relies on the specific input of others should have the needs supported by appropriate agreements. These agreements should clearly specify the roles and responsibilities of all involved parties.</p>				
<b><u>Variable Message Signs (VMS)</u></b>					
3.13	<p>The Service Director needs to clearly establish any liabilities that would occur after the transfer of the assets under the Highways PFI scheme and how these would be funded.</p> <p>Going forward, it is important that as part of the business case that the full revenue consequences of capital schemes are built into project costings at the commencement of the project to cover the full projected lifespan of the asset concerned.</p>	<p>Head of TTaPs and Head of Highway Maintenance to review any issues arising from new maintenance arrangements as from the PFI, and agree detailed arrangements with the contractor.</p> <p>In the past it was recognised that the sylTS scheme would not have gone ahead if the full revenue maintenance had been realised.</p> <p>The maintenance of all “on street” assets in the Sheffield area have been included in the Streets Ahead project.</p>	<b>2 – Medium</b>	<p>Head of TTaPs February 2013</p> <p>Scheme Sponsor - Ongoing</p>	<p>As noted, all ‘on street’ assets included in the Streets Ahead contract.</p> <p><b>Action Complete</b></p>
<b><u>Adaptor Software – Interface with Barnsley Comet Common Database</u></b>					
3.14	<p>Internal Audit recommends that the Service Director now reviews the objectives of this procurement and considers why this software has not been configured for such a period. The Service Director should ensure that the lessons learnt are taken forward in any future project work. As part of the annual appraisals process, management should also</p>	<p>Work is currently being done by Barnsley to further investigate the potential interface and this will be reviewed prior to further decisions being made. Corporate management systems have improved since the inception of the sylTS project – as hard training and guidance on project management. Key managerial staff involved with</p>	<b>1 – High</b>	<p>Head of TT&amp;PS/Network Manager – Ongoing</p>	<p>This issue is owned and managed by Barnsley Council. In September, Barnsley Council appointed a contractor that will set up the link between Barnsley and Sheffield City Council.</p> <p>The contractor installed the link at the end of Feb 2014.</p>

	review the project management skills displayed throughout the syITS project, where training is deemed necessary, this should be provided.	syITS have left the Council. We will ensure remaining staff are given the appropriate level of training and experience.			<b>Action Complete</b>
<b>Local Sustainable Transport Fund (LSTF)</b>					
3.15	<p>The Project Management process adopted by the Council requires that Programme Boards need to challenge any assumptions made in projects. Internal Audit recommends that senior management are reminded of the fact that they now must challenge the assumptions made within this business case before resources are fully committed to the project. This review should include assessing:</p> <p>1. The objectives and benefits that have been set down for this project. How have these been established? How realistic are the assumptions made? What KPI data have we used to establish the outcomes and benefits? Going forward, how will these be monitored and reported on?</p> <p>2. Why the capability provided by significant investment from Objective 1 funding is not delivering economic and environmental benefits. What lessons can we learn from this? How will this feed in to this project?</p> <p>3. How have the potential costings and benefits been calculated? Are these robust and open to scrutiny?</p> <p>4. The arrangements for match</p>	<p>To discuss with Andy Kemp (LTP Programme Office) and Amy Harhoff Doncaster Metropolitan BC syITS LSTF lead.</p> <p>To challenge at LSTF Programme Board.</p>	<b>1 - High</b>	Director of Development Services and Head of TT&PS – January 2012	<p>Management provided the following comments:</p> <p>1. The challenge to the business case, deliverability and outcomes of the syITS projects comes through the SY LSTF Programme Management team, LSTF Board and the SY Senior Leadership Group. It is also challenged by technical officers of the syITS Steering Group and the SY Network Managers Group. The final form of challenge is through the Council's Project Management process with the Project Sponsor discussing scheme development with project officers bi-monthly. This is then reported to the Service Level Project Board. SCC report on information collected through the use of syITS equipment via TRA 10023. DfT also publish data collected from their own sources which acts as an independent check on the</p>

	<p>funding. These should be firm at the outset of the project. The idea that these can be negotiated throughout the life of the project must be challenged. The project should not go ahead if match funding arrangements are not fully agreed.</p> <p>5. Benchmarking data. Is this appropriate and relevant to Sheffield? How can we prove this?</p> <p>Until all elements of the business case are challenged and assurances are received, senior management should not sign this business case off.</p>			<p>data that we collect.</p> <ol style="list-style-type: none"> <li>2. Facilities provided through Objective 1 investment are in use now and providing the kind of economic and environmental benefits described in the original bid for funding. These include reduction in delay to traffic while travelling in those areas where the syITS project has been introduced, and the associated reduction in vehicle emitted air borne pollutants.</li> <li>3. The likely benefits that were expected to be realised through this project were contained in the syITS business plan. The benefits that can be derived from this type of project are more widely accepted by industry than was the case when this project started. The outputs achieved are reported to the syITS technical group and then reviewed by the South Yorkshire Network Managers group.</li> <li>4. The match funding part of this project has been met by monies provided through the LTP fund. A 'top slice' agreement is in place, agreed by all the South Yorkshire LTP partners that takes money</li> </ol>
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					<p>directly out of the LTP fund, before any location specific spend is agreed. This part of the LTP fund covers all on-going purchase, development and operating costs for sylTS infrastructure. The sylTS Technical group look at the funding bid for a three year period, this passes to the South Yorkshire Network Managers group for agreement, this agreement is passed through to the South Yorkshire Strategic Leadership group for authorisation of funding. All the existing on street sylTS infrastructure which was in place in 2009 was included in the Streets Ahead inventory and is maintained through that contract. Any new equipment installed on site has the ongoing maintenance provision covered by payment of commuted sums through the Streets Ahead project.</p> <p>5. SCC is benchmarking itself against its South Yorkshire Partners.</p> <p><b>Action Complete</b></p>
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Internal Audit proposes to remove this audit from future update reports.

**4. Self-Directed Support (Communities).** (Issued to the Audit Committee 23 April 2013).

<p><b>As at November 2013</b></p> <p><b>Internal Audit:</b> 22 recommendations were agreed in the original report. As at Oct 31<sup>st</sup> 2013 the reported position was as follows:</p> <ul style="list-style-type: none"> <li>• 14 actions had been implemented;</li> <li>• 8 actions were being progressed.</li> </ul> <p>Service Management then attended the Audit Committee meeting in November to provide an update for the remaining 8 actions. The managers update report concluded that 20 of the 22 agreed recommendations had been implemented.</p>
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<p><b>As at April 2014</b></p> <p>Members requested that Internal Audit verify the position reported by the Customer Accounts Team Manager in the Update Paper submitted to the Audit Committee in November 13. For completeness, Internal Audit has included the follow-up report below, which includes the updated position as provided by management and the Internal Audit conclusion following verification testing. In summary, Internal Audit are satisfied that of 22 agreed recommendations :</p> <ul style="list-style-type: none"> <li>• 18 had been implemented;</li> <li>• 1 recommendation was outstanding;</li> <li>• 2 recommendations had revised implementation dates</li> <li>• 1 recommendation was stated as being complete at the time of the original audit, but no supporting information was provided during the follow-up review.</li> </ul>
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Ref	Recommendation	Priority	Original Responsible Officer	Original Implementation Date	Updated Position as at 11 <sup>th</sup> March
1	The Social Care Accounts Service (SCAS) 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.	3 - Medium	Ellie Crawford - Customer Accounts Team Manager & Lee Woolway - Business Service & Systems Manager	31/07/2013	<p><b>Update Report 07/11/2013:</b> Action Complete. Risk assessment completed (see appendix 1). To be included in Financial Monitoring Standard Operating Procedures (SOPs). SOPs still in draft form following lean exercise and current implementation of new IT system.</p> <p><b>Internal Audit Review:</b> <b>Action complete</b> A risk assessment has been completed. It does appear basic as there only three risks documented, a further review and consideration of the risks by management would be beneficial.</p>

Ref	Recommendation	Priority	Original Responsible Officer	Original Implementation Date	Updated Position as at 11th March
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.	2 - High	Lee Woolway - Business Service & Systems Manager  The Customer Accounts Team Manager informed Internal Audit that they have received 24 direct requests to amend bank accounts within the current financial year.	05/02/2013	<b>Update Report 07/11/2013:</b> Action Complete. This process was already in place at the time of audit however documentation was not stored to evidence this to Audit Officer completing the risk review. Documents are now uploaded to Wisdom once processed.  <b>Internal Audit Review:</b> <b>Action Complete</b> Review of Wisdom showed documents uploaded.
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.	3 - Medium	Lee Woolway - Business Service & Systems Manager  The Service is to utilise a new electronic records management system that will provide improved document retrieval and co-ordination.	05/02/2013	<b>Update Report 07/11/2013:</b> Action Complete. The Social Care Accounts Service does not have the necessary permissions in OEO to be able to change user's details. This process is owned by the Financial Systems Support Group (FSSG). FSSG will only update details on receipt of a Request for a New / Amend Supplier Form.  <b>Internal Audit Review:</b> <b>Action Complete</b> The process documented above is correct. However, it should be noted that such requests are processed by Resources Business Support rather than FSSG.
4	The process for recharging the NHS for the continuing Direct Payments that SCC provides should be documented.	3 - Medium	Liz Orme - Assistant Director of Finance (Business Partnering Communities, Revenues & Benefits) An understanding has been agreed with the Chief Finance Officer at Sheffield PCT that arrangements will	30/04/2013	<b>Update Report 07/11/2013:</b> Action Complete Protocol written, agreed and in place. £524k per calendar month (pcm) being paid in advance and subject to follow on verification and adjustment (covers DP and CAS) <b>Internal Audit Review:</b> <b>Action Complete</b> Draft protocol reviewed and verbally agreed by



			be formalised, but this has not been finalised as yet.		Eugene Walker, Liz Orme and Julia Newton, Clinical Commissioning Group (CCG).
5	A formal agreement between SCC and the Primary Care Trust (PCT) for the payment of Direct Payments should be put in place.	2 - High	Liz Orme - Assistant Director of Finance (Business Partnering Communities, Revenues & Benefits)  Standing payment and reconciliation processes to be introduced.	30/04/2013  <b>Revised completion date: 28/02/2014</b>	<b>Update Report 07/11/2013:</b> Revised completion date: 28/02/2014 Process and protocols have been outlined and shared with CCG. Completion is subject to agreement between CCG and SCAS. Negotiations under way. Philip Howson leading and reporting into SCAS Senior Management Team (SMT).  <b>Internal Audit Review:</b> <b>Action Incomplete</b> Draft Protocol reviewed (see recommendation 4). Revised implementation date of 28/02/2014, therefore no further review undertaken.
6	Direct Payments that can be reclaimed from the NHS for the continuing health care (CHC) that SCC provides should be maximised and unclaimed monies should be pursued.	2 - High	Hayley Dolling - Finance Manager - Communities Provider Services  A CHC verification exercise is currently being undertaken to establish the service users that have not been recorded by SCC and are not being recharged for.	30/04/2013	<b>Update Report 07/11/2013:</b> Action Complete Support Plan Sign Off Record (SPSOR) outlines funding split between social care and health, this becomes purchase instructions and SCAS set up payment and recharge accordingly. For Learning Disability packages an additional memo is received from the joint panel which SCAS uses to cross-verify for re-charge and quality control.  <b>Internal Audit Review:</b> <b>Action Complete</b> Confirmation from Hayley Dolling, Communities Finance Business Partnering, that payment process has been reviewed and simplified to ensure that regular monthly payment is received (currently £524k pcm, from April 2014 £640k pcm) with additional monies owed paid monthly based on Health Service calculations, this will improve current system and ensure cash flow for SCC.
7	Management should develop procedures to ensure that all service users including those with	2 - High	Ellie Crawford - Customer Accounts Team Manager	31/07/2013  <b>Revised</b>	<b>Update Report 07/11/2013:</b> Action Complete Since this Risk Review was completed the Customer

	<p>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.</p> <p>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.</p> <p>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.</p>		<p>The Customer Accounts Team Manager informed Internal Audit that procedures are currently under review and good practice is being developed.</p> <p>It was also established that the final decision is an Assessment and Care Management decision.</p> <p>Proactive measures are being explored including telephone contact with clients at the commencement of payment and 1st review.</p>	<p><b>completion date</b> <b>-30/06/14.</b></p>	<p>Accounts Team (CAT) has contacted everyone who receives a direct payment to bring their financial monitoring up to date. Despite this contact there are currently 248 people who have not engaged with the team and who have not submitted financial monitoring. An action plan has been put in place to contact these people to resolve these problems or to put alternative services in place. This work is reporting to the Recovery Operations Group on a fortnightly basis. The CAT does not have the authority to stop a direct payment if a person does not submit financial monitoring. This is because the making of this payment meets Sheffield City Council's (SCC) duty of care to that person and before a payment can be stopped arrangements need to be made to meet the persons assessed eligible needs in an alternative way. Following a lean exercise completed by the CAT in August 2013 Standard Operating Practices (SOP) have been introduced. In summary the new process is:</p> <ol style="list-style-type: none"> <li>1. Person receives a pre-reminder when their monitoring is due (mid implementation)</li> <li>2. Person receives a 1st reminder letter and a telephone call once their monitoring becomes overdue (implemented)</li> <li>3. Person receives a final warning letter once their monitoring becomes a month overdue (implemented)</li> <li>4. Person is referred to Assessment &amp; Care Management (A&amp;CM) if their monitoring is not received within a further 28 days (implemented)</li> <li>5. A&amp;CM should contact the person to resolve the problem or to arrange alternative services</li> </ol> <p><b>Internal Audit Review:</b> <b>Action Incomplete</b> Revised implementation date of 30/06/2014</p>
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8	<p>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.</p> <p>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.</p>	2 - High	<p>Ellie Crawford - Customer Accounts Team Manager</p> <p>The Customer Accounts Team Manager informed Internal Audit that this would become easier to control once a data management system is used.</p> <p>It was also established that the final decision to find alternative measures is an Assessment and Care Management decision.</p>	31/07/2013	<p><b>Update Report 07/11/2013:</b> Action Complete: This was in place during the Risk Review but could not be evidenced to the Audit Officer. SCC's Direct Payment Procedures state that when someone decides to employ a Personal Assistant (PA) to meet their support needs that they take on the full duties of being an employer and that all employment arrangements must adhere to employment legislation. It also states that people should be encouraged to get employment advice and support to help them set up and maintain their employment responsibilities. It says that costs relating to this can be paid from the Personal Budget. The Direct Payment Agreement which a person must sign up to before receiving a direct payment also states 'that any legal charges and tax obligations related to any staff that the Recipient or the Suitable Person employs will be their responsibility, that they will abide by employment law and that they will be responsible for Pay As You Earn (PAYE) income tax arrangements'. An employment handbook has been developed by SCC to help people understand their employment responsibilities. When auditing an account for someone who employs a PA the CAT look for HMRC payments, payroll costs, ELI etc. If this is not present the CAT contact the person to discuss. If this is not in place the CAT advise the person of what they need to do and the consequences of not doing so. The CAT record a note in the audit system to check this has been put in place when the next monitoring is received. If these arrangements have not been put in place the CAT make a referral to A&amp;CM. A&amp;CM should work with the person to ensure the support is set up correctly or to make alternative arrangements. This process has been included within the CAT SOPs following the lean exercise. In addition to this business as usual procedure a targeted piece of work is in its infancy. A worker has</p>
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					<p>been identified to contact everyone in Sheffield who employs a PA using a direct payment to ensure that they have the necessary arrangements in place. If not she will support them to get these arrangements in place or refer them to A&amp;CM teams where further action is required. The reporting arrangements for this work have not yet been confirmed.</p> <p>As a part of this work guidance tools will be developed for workers to ensure they are fully informed to support service users to get appropriate arrangements in place in the future.</p> <p>The legal position has always been clear that SCC is not the employer of direct payment PAs and any employment claims should be made by the employee to their employer. Legal have been fully involved in the writing and sign off of the most recent Direct Payment Agreement to ensure this relationship is clearly defined.</p> <p><b>Internal Audit Review:</b> <b>Action Complete</b> Direct Payment Procedures and Employing PAs Handbook reviewed and found to contain sufficient information.</p>
9	<p>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 deemed inadequate to gain the level of assurance required, additional evidence should be requested.</p> <p>If the monitoring information provided is continuously insufficient, after repeated efforts to obtain more detailed monitoring, then a service user should receive additional support</p>	3 - Medium	<p>Ellie Crawford - Customer Accounts Team Manager</p> <p>Internal Audit was informed that audits of client expenditure are conducted on a "light touch" basis to seek assurance that spending is loosely in accordance with intended terms to ensure that the client is meeting their agreed outcomes. Non Compliance is referred back to Social Work Assessment Teams.</p>	05/02/2013	<p><b>Update Report 07/11/2013:</b> Action Complete. This process was already in place at the time of audit however documentation was not stored to evidence this to the Audit Officer completing the Risk Review. This has now been included within the CAT SOPs. This follows the same process as above whereby if the person fails to act on CAT requests and guidance then the person is referred to A&amp;CM so that the problems can be resolved or alternative services explored.</p> <p><b>Internal Audit Review:</b> <b>Action Complete</b> Review of the SOPs confirmed that relevant guidance included.</p>

	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.		The use of Purchasing Cards has been looked into, but nothing formal has been agreed.		
10	It is recommended that management conduct a review of the Direct Payment monitoring system.	3 - Medium	Ellie Crawford - Customer Accounts Team Manager  Internal Audit was informed that there is no resource to fund a new system. The Service is going to use Care First and a new data management system to improve record management.	28/02/2014	<b>Update Report 07/11/2013:</b> Action Complete Systems requirements developed as part of the lean exercise in August 2013. Joint work with the Carefirst team to design forms/system for appropriate monitoring of direct payments. Implementation began 14/10/13 Target to be fully integrated by 31/01/2014.  <b>Internal Audit Review:</b> <b>Action Complete</b> Evidence of system review includes SOPs, dashboard and Money Management Protocol.
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.	2 - High	Ellie Crawford - Customer Accounts Team Manager  The Customer Accounts Team Manager informed Internal Audit that resources have been allocated to resolve this situation. An up-to-date position was provided at the draft report meeting, this being:  <ul style="list-style-type: none"> <li>• Accounts: 2573</li> <li>• Accounts up to date: 1078</li> <li>• Accounts up to 6 months overdue: 649</li> </ul>	05/02/2013	<b>Update Report 07/11/2013:</b> Action Completed in December 2012.  <b>Internal Audit Review:</b> <b>Action Complete</b> A process has been introduced to stagger the provision of monitoring information supplied by Direct Payment Agents to prevent a backlog occurring in the Customer Account Team. At present performance data is:  Accounts: 1925* Up to date: 955 1-2 months overdue: 285 3+ months overdue: 685**  * There are approximately 550 accounts handled by

			<ul style="list-style-type: none"> <li>• Accounts more than 6 months overdue: 846</li> </ul>		<p>Direct Payment Agents that are <u>not</u> included in the above figures. It was acknowledged that these would be classed as overdue, as the CAT is dealing with these on a staggered basis.</p> <p>** Following the system changes, data for accounts 6+ months overdue is no longer available.</p> <p>Cases are allocated to staff on a daily basis. The Customer Accounts Team Manager is able to view individual caseloads, monitor outstanding cases and re-allocate if necessary.</p>
12	<p>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 service.</p>	3 - Medium	Ellie Crawford - Customer Accounts Team Manager	05/02/2013	<p><b>Update Report 07/11/2013:</b> Action Complete Included in CAT SOPs. Processed as outlined in action 8. Point 5 – A&amp;CM role is to resolve problem or arrange alternative services which includes considering if someone could act as a Nominated Direct Payment Agent (receive and manage the money for the person).</p> <p><b>Internal Audit Review:</b> <b>Action Complete</b> Process included in the SOPs. Also outlined in Direct payment Financial monitoring: Non Compliance Protocol.</p>
13	<p>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</p>	3 - Medium	<p>Robert Broadhead - Head of Service, Assessment and Care Management &amp; Josie Bennett - Head of Joint Learning Disabilities Service</p> <p>The Head of the Assessment and Care Management Service identified that this is already a requirement in</p>	13/03/2013	<p><b>Update Report 07/11/2013:</b> Action Complete. Before the audit report was finalised a meeting was held to discuss its contents in draft form. At this meeting Robert Broadhead and Josie Bennett confirmed to Internal Audit that this point was part of standard procedures and clear communication had been sent to staff. It was therefore agreed at this meeting that this action would be marked as complete at the time that the report was finalised and the audit closed and it did not form part of my action plan.</p>

	Assessment Team.		the social care review process. Where a person or representative requests additional help this is also addressed in the social care reassessment process.		<b>No review by Internal Audit</b>
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.	3 - Medium	Ellie Crawford - Customer Accounts Team Manager  The Customer Accounts Team Manager informed Internal Audit that this was a joint piece of work with Assessment & Care Management Teams.	31/07/2013	<b>Update Report 07/11/2013:</b> Action Complete Definition included with SOPs.  <b>Internal Audit Review:</b> <b>Action Complete</b> SOPs reviewed and procedures included. Also outlined in Direct Payment Flexible Payment guidance.
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.	3 - Medium	Ellie Crawford - Customer Accounts Team Manager  The Customer Accounts Team Manager indicated that they would only be able to monitor the expenditure. The initial support plan sign off is the responsibility of the Assessment & Care Management Team.  The Head of the Assessment and Care Management Service stated that consideration of client representation falls within the support planning process. In addition gifting is subject to authorisation.	05/02/2013	<b>Update Report 07/11/2013:</b> Action Complete. Suitable Person's cannot provide paid support to the person.  <b>Internal Audit Review:</b> <b>Action Complete</b> As stated in the Community Care for Carers and Children's Services (Direct Payments) (England) Regulations 2009 the 'suitable person' cannot provide paid support to the service user.

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, for employer expenses, should be reviewed and reclaimed.	3 - Medium	Ellie Crawford - Customer Accounts Team Manager	05/02/2013	<p><b>Update Report 07/11/2013:</b> Action Complete. See action under recommendation 8.</p> <p><b>Internal Audit Review:</b> <b>Action Complete</b> Information contained in SOPs, Direct Payment Agreement and Employing PAs Handbook.</p>
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.	2 - High	Ellie Crawford - Customer Accounts Team Manager  This is being reviewed as part of the Non Contract Providers Money Management Protocol, which is part of the Market Development Programme.	31/07/2013	<p><b>Update Report 07/11/2013:</b> Action Complete. Money Management Protocol signed off and released 16/9/13. 13 money management organisations have Recognised Provider Status and other organisations are being encouraged to apply in round 2 of the application process.</p> <p><b>Internal Audit Review:</b> <b>Action Incomplete</b> Incorrect information provided. At the time of the Audit Update only 10 providers (although it is acknowledged that this covers 58% of Direct Payment accounts) had Recognised Provider Status. A further update in January 2014 states that there is potential for 15 providers to have Recognised Provider status, however there is no intention to open the scheme to further applications in the future.</p>
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.	2 - High	Ellie Crawford - Customer Accounts Team Manager  The Customer Accounts Team Manager informed Internal Audit that to date this financial year (05/02/2013), £1,383,492.65 has been received in unspent monies	31/01/2014	<p><b>Update Report 07/11/2013:</b> Action Complete. Direct Payments are monitored and people who do not submit financial monitoring are pursued (as outlined in recommendation 8) Where appropriate any money miss-spent is recovered via invoice and the standard Council debt recovery procedure.</p> <p><b>Internal Audit Review:</b></p>



			and from closed accounts, via the financial monitoring process. A documented and risk assessed recovery plan is in place.		<b>Action Complete</b> Process documented in Direct Payment Financial Monitoring: Non Compliance Protocol.
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	2 - High	Ellie Crawford - Customer Accounts Team Manager	31/07/2013	<b>Update Report 07/11/2013:</b> Action Complete. £1.7m recovered via invoice financial year to date. New policy to reduce money in service user's accounts to 4 weeks plus outstanding bills implemented from 16/09/13.  <b>Internal Audit Review:</b> <b>Action Complete</b> In September 2013 the wording in the Direct Payment Agreements was updated to include the reduction to 4 weeks plus outstanding bills. All existing service users were also written to and provided with a new copy of the agreement.
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.	3 - Medium	Ellie Crawford - Customer Accounts Team Manager	31/07/2013	<b>Update Report 07/11/2013:</b> Action Complete. This process was already in place at the time of audit however this could not be evidenced to the Audit Officer completing the Risk Review. Closure process included within new CAT SOPs. Closure activity integrated onto Carefirst from 01/11/13 which will provide transparency.  <b>Internal Audit Review:</b> <b>Action Complete</b> Closure process documented in SOPs. Also, a review of Carefirst showed closure activity.
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	3 - Medium	Ellie Crawford - Customer Accounts Team Manager  The Customer Accounts Team Manager informed Internal Audit that management are currently	31/07/2013	<b>Update Report 07/11/2013:</b> Action Complete. Implementation of money management protocol enables closer monitoring of organisations. Introduction of direct payment Incident reporting Form to notify contracts of any concerning activity by a direct payment provider so that appropriate action

	Sheffield City Council should be reviewed.		in the process of developing relationship management processes (including contract compliance).		can be taken. Direct payment closure process implemented including process for recovering direct payment money. Documented in SOPs.  <b>Internal Audit Review:</b> <b>Action Complete</b> Money Management Protocol currently covers 10 of the 52 Direct Payment Agents, although it is acknowledged that this covers 58% of Direct payment accounts. Closure process is documented in the SOPs. Incident report pro forma in place.
22	Authorised amendments that have been received should be processed as a matter of urgency.	3 - Medium	Lee Woolway - Business Service & Systems Manager	05/02/2013	<b>Update Report 07/11/2013:</b> Action Complete. The time taken to set up new payments has been reduced from 100 days to 25 days on average.  <b>Internal Audit Review:</b> <b>Action Complete</b> Currently processed in a timely manner.  It is however noted that the average number of days can be significantly increased / decreased by individual cases and does not therefore appear to be a relevant target / benchmark.

#### **5. Risk Management (Place).** (Issued to the Audit Committee May 2012).

<p><b>As per Jan 2013 update report</b></p> <p><b>Internal Audit:</b> 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:</p> <ul style="list-style-type: none"> <li>• 5 had been implemented to service area level but it was acknowledged by the Director of Business Strategy &amp; 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.</li> <li>• 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.</li> </ul>
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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 indicated 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 February 2014:**

ref	Recommendation Outstanding	Priority	Original Responsible Officer	Original Implementation Date	Update from Programme Manager, Place. May 2013
5.1	<p>Management should ensure that:</p> <ul style="list-style-type: none"> <li>• there are formally defined processes in place for the management of risks from business activities up to strategic management;</li> <li>• processes comply with the SCC Risk Management Framework;</li> <li>• processes are endorsed by Portfolio Leadership Team;</li> <li>• all appropriate operational, management and senior management are made formally aware of the processes;</li> <li>• controls are formally defined to ensure adherence to the defined processes and</li> <li>• 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.</li> </ul>	High	Director of Business Strategy & Regulation	02.07.12	<p>Updated position provided from Services to Programme Manager, Place – who subsequently provided information to Internal Audit as follows:</p> <p>Place has been subject to changes at service level since the follow up and this is reflected in the response.</p> <p>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 &amp; Major Project Service (C&amp;MP) as this was a new service area. No date was provided for this.</p> <p><b>Update position from RM Coordinator Capital &amp; Major, Place October 2013:</b></p> <p>There are risk management plans in place</p>

				Revised to 31.12.13	<p>for the different services that now make up the recently formed Capital and Major Projects. Risks are discussed at Senior Management Team (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.</p> <p><b>Updated position from Director, Capital &amp; Major Project Service, Place February 2014:</b></p> <p>Risk Management Plan for Service now in place, as per corporate guidelines and reviewed on a regular basis.</p>
5.2	<p>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:</p> <ul style="list-style-type: none"> <li>• all managers maintain up to date and reliable risk management plans for the activity/business unit;</li> <li>• all Heads of Service manage and maintain risk management plans/service risk &amp; assurance logs for their service area that clearly demonstrate where risks have been escalated up from activities/business units risk registers;</li> <li>• 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.</li> <li>• Portfolio risk management plans and service risk &amp; assurance logs are submitted and reported to the</li> </ul>	High	Director of Business Strategy & Regulation	02.07.12  31.05.13	<p>Updated position provided from Services to Denise Turner – who subsequently provided information to Internal Audit as follows:</p> <p>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&amp;MP. Work is still in progress to ensure that sub service areas in Creative Sheffield have risk management plans – this is to be rectified by the end of May 2013.</p> <p><b>Action Incomplete</b></p> <p><b>Update from RM Coordinator, Creative Sheffield, Place October 2013:</b> "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</p>



					Risk Management Plan for Service now in place, as per corporate guidelines and reviewed on a regular basis.
5.4	<p>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.</p> <p>Project managers should be reminded of their responsibilities regarding risk management and further training provided to ensure that project managers:</p> <ul style="list-style-type: none"> <li>• identify significant risks to a project achieving its objectives;</li> <li>• clearly assess the impact of each risk against the likelihood of the risk occurring to establish the inherent risk;</li> <li>• establish the financial cost to the project, SCC or partners if a risk materialises; &amp;</li> <li>• periodically review project risk registers to ensure that they are up to date and reflect all current risks.</li> </ul>	High	Director of Business Strategy & Regulation	02.07.12  Revised to 31.12.13	<p>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&amp;MP. Further work is also planned for RDS.</p> <p><b>Action Incomplete</b></p> <p><b>Update position from C&amp;MP, Regen &amp; Dev Service , Place, October 2013:</b></p> <p><b>Action complete for RDS. Still outstanding for C&amp;MP – see 5.1</b> For both C&amp;MP and RDS please see comment above in risk number 5.1</p> <p><b>Updated position from Director, Capital &amp; Major Project Service, Place February 2014:</b></p> <p>Risk Management Plan for Service now in place, as per corporate guidelines and reviewed on a regular basis.</p>

**Internal Audit proposes to remove this audit from future update reports.**