

REPORT TO: SCRUTINY COMMITTEE – 9 FEBRUARY 2022

REPORT ON: INTERNAL AUDIT REPORTS

REPORT BY: ACTING SENIOR MANAGER – INTERNAL AUDIT

REPORT NO: 39-2022

1.0 PURPOSE OF REPORT

To submit to Members of the Scrutiny Committee a summary of the Internal Audit Reports finalised since the last Scrutiny Committee.

2.0 RECOMMENDATIONS

Members of the Committee are asked to note the information contained within this report.

3.0 FINANCIAL IMPLICATIONS

None

4.0 MAIN TEXT

4.1 The day-to-day activity of the Internal Audit Service is primarily driven by the reviews included within the Internal Audit Plan. Broadly, on the completion of a specific review, a report which details the audit findings and recommendations is prepared and issued to management for a formal response and submission of management’s proposed action plan to take the recommendations forward. Any follow-up work subsequently undertaken will examine the implementation of the action plan submitted by management.

4.2 Executive Summaries for the reviews which have been finalised in terms of paragraph 4.1 above are provided at Appendix A. Within each Executive Summary the prime aim is to provide both Elected Members and management with key information which includes the reason for undertaking the review, a summary of financial data and statistics, the areas encompassed within the review and specific areas which were excluded, the principal audit objectives, an audit opinion on the adequacy of the systems and control framework of the area reviewed, the key conclusions based on the audit findings and recommendations and a summary of management’s response to the audit report. The full reports are available to Elected Members on request.

5.0 POLICY IMPLICATIONS

This report has been subject to an assessment of any impacts on Equality and Diversity, Fairness and Poverty, Environment and Corporate Risk. There are no major issues.

6.0 CONSULTATIONS

The Chief Executive, Executive Director of Corporate Services, Head of Corporate Finance and Head of Democratic and Legal Services have been consulted on the content of this report.

7.0 BACKGROUND PAPERS

None

David Vernon, Acting Senior Manager – Internal Audit

DATE: 17 January 2022

Client	Dundee Health and Social Care Partnership
Subject	Adult Support and Protection

Introduction

The Adult Support and Protection (Scotland) Act 2007 was passed in response to shortcomings in the protection and safeguarding of adults at risk of harm in Scotland. The legislation places a duty upon Local Authorities, the Police, Health bodies, and others to work together to protect "adults at risk". It gives authorities powers to make inquiries and act when they suspect that a vulnerable adult (people aged 16 or over) may be at risk of physical or psychological harm, neglect, financial harm or sexual abuse; are unable to safeguard their well-being, rights, interests or property; or because of a disability, mental disorder, illness of physical or mental infirmity which makes them more vulnerable to being harmed than other adults who are not so affected.

Between July and December 2017 the Care Inspectorate, working jointly with Her Majesty's Inspectorate of Constabulary Scotland and Healthcare Improvement Scotland, undertook a joint inspection in six local partnerships across Scotland, including the Dundee Community Planning Partnership ("Dundee Partnership") to find out what they were doing to ensure that adults at risk of harm are safe, supported, and protected, and ascertain the effectiveness of that activity. The Dundee Partnership consists of several key stakeholder agencies, including the local authority, Dundee Health and Social Care Partnership ("DH&SCP"), NHS Tayside, Police Scotland Division D and Scottish Fire & Rescue Service. There is additional representation from smaller agencies for example relevant charities, banking organisations and people with lived Adult Support and Protection experience.

In April 2018, the Joint Inspection of Adult Support and Protection Report was published. The report made recommendations for improvement against three key quality indicators, 'Outcomes', 'Key Processes', and 'Leadership and Governance', which were considered in each partnership using a six point scale / evaluation criteria from unsatisfactory to excellent. Please note that "Council Officers" within this report is referring to the defined role within section 53 (1) of the Adult Support and Protection (Scotland) Act 2007 (and is not relating to council officers at Dundee City Council).

In relation to Dundee Partnership, the report made the following three recommendations in relation to Key Processes, which in overall terms was assessed as weak:

1. The Dundee Partnership should make sure that its key processes for adult support and protection ("AS&P") follow a clearly defined path, which Council Officers and other staff fully understand and implement;
2. The Dundee Partnership should make sure that full implementation of its ICT system is achieved in order to meet the user needs of Council Officers and other users to record all adult protection information clearly and effectively; and
3. The Dundee Partnership should make sure that it prepares valid chronologies, risk assessments and risk management plans for all adults at risk of harm who require them.

The report rated both 'Outcomes' and 'Leadership and Governance' as adequate and did not make any recommendations for improvement in these areas.

The areas of the report highlighted for improvement had some similarities to those contained in the Joint Inspection of Services for Children and Young People (published in 2016) and some Significant Case Reviews, suggesting that a focused programme of improvement and transformation was required across all operational and strategic public protection processes.

Transforming Public Protection is one of the projects within the Council's C2022 Changing for the Future Programme. The high-level objective of this project is "a focused programme of improvement and transformation addressing key elements of social work protection practice and decision-making in collaboration with the DH&SCP, the Care Inspectorate and the Improvement Service.

<p>Introduction (cont'd)</p>
<p>The Project Scope document refers to a two-year transformation programme and references the Adult Support and Protection joint inspection report. The scope of the programme is designed to embed a culture of expectation of excellence, continuous improvement and higher quality assurances. Also included within the Project Scope document are activities to successfully monitor the implementation of recommendations made in the Joint Inspection of Adult Support and Protection report. Timely and effective interventions, investigations and implementation of protection plans is essential to ensure that vulnerable adults are safe, protected and do not come to harm. The Joint Care Inspectorate has worked in collaboration with DH&SCP to develop the actions within the Transforming Public Protection Programme ("TPPP").</p>
<p>Scope and Objectives</p>
<p>To assess progress made towards implementing key recommendations for improvement identified in the Joint Inspection of Adult Support and Protection Report, published in July 2018.</p>
<p>Conclusion</p>
<p><i>The principal conclusion drawn from this review is that there are weaknesses in the system which should be addressed.</i></p> <p>The main areas highlighted in the report are as follows:</p> <ul style="list-style-type: none"> • The DH&SCP has partially completed the work on the key processes with limited roll-out, however work is continuing on fully implementing these across AS&P. While this work is evolving it is recommended that a formal and regular process review of internal guidance, including MOSAIC guidance, provided to staff, is established, under the responsibility of a Lead Officer, to ensure it is current and up to date. • The DH&SCP has partially completed the implementation and roll out of key processes for AS&P on its ICT system, MOSAIC, but has not sought feedback to ensure the system meets the needs of end users. Implementation of the updated AS&P processes within MOSAIC should be completed. For live processes on MOSAIC, including the AS&P processes once complete, formal end-user assessments and reviews should be carried out to determine if the case management system meets Council Officer needs. • Appropriate testing and piloting of the updated chronologies process should be completed and fully implemented within the Public Protection teams. • Planned piloting and feedback of the updated risk assessment and risk management plan processes should be completed before full implementation into the wider Public Protection teams. • A schedule should be created for completion of future case file reviews, ensuring they happen at regular intervals. This will assist in the monitoring of the quality of case files produced and confirm new processes are being implemented as planned. • An action plan directly linking to the recommendations within the 2018 joint inspection report, which are currently not completed, should be produced and regularly monitored with the progress noted for each action.
<p>Management Response to the Audit Report</p>
<p>The audit findings and recommendations were formally reported to the Chief Officer, Dundee Health and Social Care Partnership and appropriate action agreed to address the matters raised.</p>

Client	Corporate Services
Subject	Purchasing

Introduction

Council services purchase goods and services for a wide range of activities. The Council operates a 'no purchase order, no payment' process. Detailed arrangements for the process, including any exceptions, are provided within Sections 16 and 17 of the Council's Standing Orders – Financial Regulations (Purchase Orders and Payments of Accounts respectively).

Per the Financial Regulations, "the issue and authorisation of a purchase order places the responsibility for examination, verification and certification of related invoices with each Executive Director". Arrangements should be made by each Executive Director to ensure the separation of the authorisation of purchase orders, from the goods receipting process and any other duty related to the certification of invoices.

Payments are made to a range of external suppliers, including local suppliers, through the Payments Team based in the Corporate Procurement Team within Corporate Finance. The Council has set targets to pay all local suppliers within 14 days and all other suppliers within 30 days. However, during the COVID-19 pandemic, the 14 day payment target was extended to all suppliers and prompt payment made for local suppliers (payment immediately). The Creditors module within CIVICA Financials is used for processing all payments made by the Council. Payments are made by BACS transfer, where possible.

During 2020/21, the Council made 99,005 invoice payments totalling in the region of £174 million, with all of these made electronically. 96% of all invoices were paid within 30 days and 94% of invoices to Dundee suppliers were paid within 14 days. Dundee City Council has the highest % of invoices paid within 30 days of all local authorities in Scotland, as determined by the Local Government Benchmarking Framework performance indicator.

Scope and Objectives

Review to assess the adequacy and effectiveness of the purchasing controls in place within the Council, including responsibilities and associated authorisation levels and permissions.

Conclusion

The principal conclusion drawn from this review is that there are weaknesses in the system which should be addressed.

The main areas highlighted in the report are as follows:

- The 4 purchase orders not yet closed, identified as part of the audit fieldwork, should be followed up by the users who raised them in order to establish why these goods / services have not been invoiced. In addition, the Purchasing Team should regularly review and monitor the Civica Purchasing System to ensure that all purchase orders are closed within a reasonable timescale. A process should be established to ensure that where purchase orders have not been closed after a significant length of time has lapsed since the goods / services were received, the relevant Service is notified and asked to establish why the goods / services have not been invoiced for and, where required, take corrective action.
- Users with system access to input and authorise requisitions / purchase orders in the Civica Purchasing System should be fully reviewed as soon as possible in order to ensure that access and authorisation arrangements are appropriate. Going forward, user access should be reviewed on a regular basis and the leavers reports actioned timeously.
- Users with access to input invoices and undertake other actions in the Civica Creditors System should be reviewed by the Payments Team and monitored regularly in order to ensure that access is, and continues to be, appropriate. This review should consider whether access to input invoices is still required for staff working outwith the Payments Team. Users who have left the Council's employment should have their access terminated.

Conclusion (cont'd)

- Services should be reminded that purchase orders should be raised whenever possible, and in particular, discussions should continue to be held with Services in order to ensure that purchase orders are always raised where appropriate. Suppliers who receive regular payments for goods and services provided to the Council should be recorded as main suppliers within Civica Purchasing and Civica Creditors, with purchase orders being raised going forward.
- Consideration should be given as to whether the Corporate electronic Sundry Payments System is still required, given that Sundry Payment Request forms can be submitted to the Payments Team if needed. If the current Corporate electronic Sundry Payments System is to be continued, discussions should take place with the IT Service regarding the possibility of producing a report, which could then be provided to the Payments Team to allow them to confirm the accuracy of the information interfacing into the Civica Creditors System and ensure that monthly reconciliations to the General Ledger are introduced. Possible solutions that would enable use of the Civica Sundry Payments System should be explored. However, in the interim, a full review of users with access to the Corporate electronic Sundry Payment system should be completed to restrict access to essential users only. Services should be reminded that the use of Sundry Payments should be limited to transactions where it is not appropriate to set the supplier up as a new creditor on the system and raise a purchase order.
- The City Development's Fleet Service should be advised that they are required to provide explanations and details of the corrective action taken in relation to the differences reported to them between the Tranman and Civica Creditors interface. This will provide assurance to the Payments Team that the necessary actions have been taken and assist Corporate Finance when undertaking the monthly reconciliation of Tranman to the General Ledger.

Management Response to the Audit Report

The audit findings and recommendations were formally reported to the Executive Director of Corporate Services and appropriate action agreed to address the matters raised.