

**Directorate of Corporate Services**

*Cyfadran Gwasanaethau Corfforaethol*

**Internal Audit Services**

*Gwasanaethau Archwiliad Mewnol*

## Final Audit Report (Audit Committee Copy)

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### Section 17 Payments 2017/18

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Date issued: 20/12/2018

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### **Acknowledgements**

Thanks are extended to all staff concerned for their co-operation and assistance during the course of the audit.

This audit was conducted in conformance with the requirements of the Public Sector Internal Audit Standards.

## 1. Executive Summary

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An audit review of Section 17 payments within the Directorate of Social Services was undertaken during November 2017 to January 2018.

The audit encompassed:

- The identification and review of the documentation and procedures in place in relation to all aspects of the Section 17 payments process.
- The identification of controls via enquiry or completion of an ICQ.
- Testing and assessment of the controls in place within the identified procedures.
- An examination on a sample basis of files and/or records covering all possible scenarios relating to Section 17 payments with a view to assessing the completeness and accuracy of the documentation and compliance with the prescribed procedures.

The objectives of the review are to provide assurance that:

- The systems and processes in place are achieving the Authority's objectives.
- The reliability and integrity of financial information is in accordance with both the Authority's Financial Regulations and any other appropriate policies.
- All operations, procedures and controls in place are effective.
- The Authority's assets are safeguarded.
- Internal procedures, policies and any statutory requirements are complied with.

Specific System / Service area risks and controls in place under review were

- Risk 1 – Significant risks identified in previous audits have not been addressed or measures implemented have not achieved control objectives
- Risk 2 - Payments made are not in line with the Law (The Children Act 1989) and CCBC Social Services Policy and Procedure Document
- Risk 3 – Vulnerable children and their families are not supported in line with the provisions of The Children Act 1989.

Any significant issues identified during the course of the audit which were not included in the original scope have been included in the report for completeness.

**Conclusion**

**Overall, the conclusion from the work undertaken is that the control procedures in place are good** – based on the results of the audit work undertaken it is considered that the control framework in place is good and should result in system risks being minimised

**Compliance with the controls are considered to be in need of improvement** - Compliance with the procedures in place is in need of improvement as this audit has identified an inconsistent and poorly managed approach and non-compliance with best practise leading to an increased risk of errors or system failures.

The review has identified areas where there are risks to the Directorate of Social Services - Children Services as a result of weaknesses in control or administration or where management of the Section 17 payments may not currently be aware of or are failing to comply with issued guidance or regulations. Management’s attention is drawn to those issues within the body of the report and appropriate corrective action is required to ensure that the risks identified are addressed.

Where desirable controls have been identified as being absent and as a result minor risks identified appropriate recommendations have been made which should be considered for implementation by management

Any points of a minor or best practice nature have also been included to assist management with ongoing improvement of administrative and financial systems and procedures.

| Control risk area                                                                                                                    | Internal Control Questionnaire (ICQ) findings | Control / Risk Outcomes (Compliance Testing)   |
|--------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|------------------------------------------------|
| Significant risks identified in previous audits have not been addressed or measures implemented have not achieved control objectives | Most controls in place ( see 3.1)             | Control objective substantially met ( see 4.1) |
| Payments made are not in line with the Law (The Children Act 1989) and CCBC Social Services Policy and Procedure Document            | Most controls in place ( see 3.2)             | Control objective is not met (see 4.2).        |
| Vulnerable children and their families are not supported in line with the provisions of The Children Act 1989.                       | All controls in place (see 3.3)               | Control objective met in full ( see 4.3)       |
| <p><b>No of Audit points noted total ...39... High risk ...16... Medium risk ...21... Merits Attention ...2....</b></p>              |                                               |                                                |

## 2. Risk Categorisations

The detailed findings / points noted are set out in the following section and are focused on areas identified as requiring attention / improvement. In order to assist management with the implementation of the agreed improvement actions, a ranking of the risks identified has been undertaken to allow management to prioritise efforts to address the higher risk / more critical areas first.

Recommendations fall into 3 categories:-

|                                       |                                                                                                                                                                                                                                                                                                                                                              |
|---------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>High Risk Issues (HR)</b></p>   | <p>These are defined as issues where key / fundamental controls are absent, inadequate or ineffective. The risks have not been managed properly.</p> <p>Recommendations in this category <b>must</b> be implemented as the risk is identified as unacceptably high. HR recommendations that cannot be agreed are referred up to the Section 151 officer.</p> |
| <p><b>Medium Risk Issues (MR)</b></p> | <p>These are defined as issues where some controls are absent or existing controls need to be improved or enhanced.</p> <p>Recommendations in this category <b>should</b> be implemented to address system risks and weaknesses. MR recommendations that cannot be agreed will be referred to the appropriate level of management for consideration.</p>     |
| <p><b>Merits Attention (MA)</b></p>   | <p>These are issues which have been identified which are one off minor administrative issues or relate to best practice improvements in procedures, which managers may wish to consider.</p> <p>Recommendations in this category are included for management to consider and deal with as appropriate</p>                                                    |

### 3. Internal Control Questionnaire Evaluation

3.1 Significant risks identified in previous audits have been addressed and measures implemented have achieved control objectives or mitigated previously identified control weaknesses. The findings below is only on areas and procedures that are still relevant following feedback from Finance. Audit was advice that there has been a restructure of the admin role since the last audit report (February 2014) and some of the issues were naturally resolved as part of this process or is no longer applicable.

| 3.1.1 Point Noted                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Implication                                                                                                                                                                                                                                                                                                                                                                                                                        | Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                          | Rating    |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| <p><b>Children’s Payment Request Forms</b><br/>                     (i) Not all purchases of goods and arrangement of services raised are requested or supported by a Children’s Payment Request Form. In practice, it is only completed for petty cash payments and where requests have to be made to the Finance Team, i.e. OLAS or SWIFT payments. Enquiries with the Admin. Staff from various Childcare Teams also indicated they could be used to request orders to be raised from the Proactis system but an email request approved by the Team Manager will also be accepted and this is also the case with purchase card transactions. All written requests seen from the sample testing of Proactis payments are made from email requests.</p> <p>The request and arrangement for the provision of child minding and nursery services agreed under S.17 is also dealt by an entirely different process (Completion of Children’s Social Services Childminding Provision Placement Referral Form to the Childminding Placement Officer) which is not reflected in the policy and procedure. Discussions with the Admin Officer also identified the current ICS system will be replaced by WCCIS sometime in 2018/19 and this itself, could bring changes to the existing payment methods.</p> | <p>(i) Either the 2013 Policy and Procedure for Section 17 Monies is not being complied with where it states the “Worker must complete children’s payment from providing details of the user, reason for financial assistance, amount requested and payment method” or there is a lack of formal guidelines in some expenditure areas such as Proactis payments and contract payments for the provision of childcare services.</p> | <p>(i) In view of the new WCCIS system, Senior Management and Finance to prioritise and agree a suitable time to review the current policy and incorporate any changes due. The guidelines to be up dated to cover all methods of payment, e.g. purchase card, Proactis, OLAS, Petty Cash. Procedures regarding the arrangement of the Childminding/ nursery care contracts and payment procedures should also be incorporated or made reference to.</p> | <p>MR</p> |

| Management Comments (3.1.1)                                                                                                                                                      | Proposed Actions / Person responsible / Date                                                                                                                                                                                                                                                                                                                                                       | Action Plan review (to be completed by Internal Audit)                   |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|
| <p>Internal Audit attended Children’s Services Divisional Management Team Meeting on 8<sup>th</sup> November to consider the key themes and issues emerging from this audit.</p> | <p>Children’s Services DMT agreed to establish a Task &amp; Finish Group to identify the required actions to address the issues raised and populate the Evaluation document. This Group will report back to DMT early in the New Year for DMT to review progress and ratify the action planning.<br/>Responsible person: SW (Administration Manager) &amp; planned date to complete: June 2019</p> | <p>Achieved (Y/N)<br/>Action taken<br/><br/>Further Action Required?</p> |

| 3.1.2 Point Noted                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Implication                                                                                                  | Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Rating    |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| <p><b>Cash Donations to Individuals/ Service Users</b></p> <p>(i) The Policy and Procedure notes for Section 17 have not been reviewed and revised to incorporate the previous recommendations made in respect of the Children Services Form that was being used for the handing over of cash donations to clients. The current finding is still the same in that form / A4 sheet is un-numbered and the recipient will not be given a copy unless requested. There is no reference to the Children Services Form in the 2013 Policy and Procedure notes. The guidance states “worker must get a signature on a receipt from the service user – this can be e.g. signature on the children’s payment request form – a receipt from a shop or receipt book.”</p> <p>In practice, receipt books are not in use, there are now 2 unofficial versions in circulation but other the heading of the document, they are identical in the information and signatories requested. One is headed by the “Leaving Care Team” for recipients under the Sixteen Plus Team and the other form is headed as “Children Services” which are used by some of the locality childcare teams. It is possible that the forms are now used to a lesser degree in the absence of any other additional staff training or procedure notes available to the admin. teams. Whilst the Admin. Officer oversees the Admin. Assistant, she is based at Pontygwindy House whereas the Admin. Assistants and Clerical staff are based in designated locality teams so it is possible that procedures may vary from team to team. Feedback from the Admin. Officer of the Locality Offices indicated that staff are however experienced and new trainees would have in hand training which would include informal guidance as well as formal system training.</p> | <p>(i) The 2013 Section 17 Policy and Procedures does not equate to what is happening and best practice.</p> | <p>(i) Consideration should be given to review the current documentation being used for evidencing the handing over of <b>cash</b> or <b>items</b> donated to service user. To ensure an effective audit trail exists, the document should ideally be <b>a)</b> pre-numbered, <b>b)</b> in duplicate copy for the service user <b>c)</b> cross referenced to the Children Services Payment Request Form <b>d)</b> able to select the type of assistance given, i.e. cash or purchases and <b>e)</b> signed by the worker and the service user to evidence the donation received. The S.17 Policy and Procedures should either be revised to incorporate the use of the form or alternatively, for each team to be given suitable duplicate copy pre-numbered receipt books receipt with supporting guidance required to evidence the donation. The receipt should be cross referenced to the Children Services Payment Request and be handed to the Admin. Team for retention with the relevant Payment Request Form.</p> | <p>MR</p> |
| <p><b>Management Comments</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <p><b>Proposed Actions / Person responsible / Date</b></p>                                                   | <p><b>Action Plan review (to be completed by Internal Audit)</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |           |
| <p>See 3.1.1</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <p>Task &amp; Finish Group / SW / June 2019</p>                                                              | <p>Achieved (Y/N)</p> <p>Action taken</p> <p>Further Action Required?</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |           |



| 3.1.3 Point Noted                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Implication                                                                                                                                                                                                                                                                                                                                                                                            | Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Rating    |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| <p><b>Formalising Internal Procedures</b></p> <p>(i) Whilst all admin teams visited were found to have relevant operational user guides at hand for systems such as Proactis, Petty Cash and Purchasing Card, none of the teams have any standard procedure/ training notes regarding the actual day to day administration and payment processes in relation to Section 17 expenditure. Inconsistencies between the teams were noted regarding:-</p> <p>a) The way the S.17 budgetary control sheets were updated. For example, some of the locality sheets were correctly updated when a Proactis order is raised with the amount entered on the estimated cost column and then would update the actual paid column as part of the payment process whilst other sheets (Blackwood &amp; Risca) are not being updated until the Proactis invoice is received.</p> <p>b) The choice of subjective codes used. Examination of the budget sheets noted the Caerphilly East, Bargoed and Blackwood Teams are using subjective code "Q501" other payments to individuals" for expenditure in respect of blood/ hair tests and/or professional GP reports. Other than the odd coding error, other Teams are posting this nature of spend to Q268 which has been confirmed by Finance to be the correct one. Audit was advised that there is a separate budget set up for Q268 which is exclusively for professional fees. This enables Finance to disregard this spend from the S.17 budget.</p> <p>c) The retention records in respect of Proactis payments. Not all the Proactis paperwork raised for the Caerphilly With Disabilities Team (CwD) are retained in the same file and location. Audit was advised that all records for Argos payments are kept separately in the Energlyn Office in case the Argos receipts are needed as a guarantee for purchases. All other payments are retained by the Admin in Ty Pontygwindy.</p> | <p>(i) Inconsistencies and incorrect working practices could be innocently passed on to newer staff during their hand over period / training when there are no guidance notes available to assist and confirm as a reference. There are inconsistencies between the teams in the way the administration and payment processes are carried out even though they are undertaking the same functions.</p> | <p>(i) For consistency and best practice, consideration should be given to introducing a single set of standardised procedures to cover all expected duties undertaken by the admin teams. This should include the updating of the budgetary control sheets, document retention as well as the actual processing of payment requests. The procedure notes should address all payment requests that go through to the Admin Team including those where involvement may only be partial, e.g. the preparing of payment requests for Finance e.g. for OLAS and SWIFT payments, items to be procured through the corporate purchase card if there is no designated purchase card administrator within the team as well as payments that are fully processed by the Team e.g. Proactis and petty cash.</p> | <p>MR</p> |
| <p><b>Management Comments</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <p><b>Proposed Actions / Person responsible / Date</b></p>                                                                                                                                                                                                                                                                                                                                             | <p><b>Action Plan review (to be completed by Internal Audit)</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |           |
| <p>Most issues to be addressed through Task and Finish group but Finance can issue a list of subjective codes in the interim.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <p>GB (Assistant Accountant)</p> <p>31/12/18</p>                                                                                                                                                                                                                                                                                                                                                       | <p>Achieved (Y/N)</p> <p>Action taken</p> <p>Further Action Required?</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |           |

**3.2 Control area 2**

Payments made are not in line with the Children's Act and CCBC Social Services Policy and Procedure Document.

| 3.2.1 Point Noted                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Implication                                                                                 | Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                           | Rating |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|
| <p><b>Policy Update/ Review</b><br/>           (i) Whilst the current Policy and Procedure is in line with the Children's Act 1989, no review has taken place to ascertain if the document needs to be revised / updated to incorporate any changes required from the latest legislation, i.e. S.15 of the Social Services and Well Being (Wales) Act 2014 places a duty on the Local Authorities to provide or arrange for the provision of a range of preventative and support services. The Act came into force on 6<sup>th</sup> April 2016 and the current S.17 Policy and Procedure is dated August 2013.</p> | <p>(i) The current Policy and Procedure may not be in line with the latest legislation.</p> | <p>(i) Consideration should be given to assess if there is a need for the current "Policy and Procedure for use of Section 17 monies" to be reviewed / revised to ensure the procedures concerning with financial payments/ support meets the criteria and principle set out in S.15 of the Social Services and Well Being (Wales) Act 2014.</p> <p>(ii) All procedure and guidance documents should be diarised for periodic review.</p> | MR     |
| Management Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Proposed Actions / Person responsible / Date                                                | Action Plan review (to be completed by Internal Audit)                                                                                                                                                                                                                                                                                                                                                                                    |        |
| See 3.1.1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Task & Finish Group / SW / June 2019                                                        | Achieved (Y/N)<br><br>Action taken<br><br>Further Action Required?                                                                                                                                                                                                                                                                                                                                                                        |        |

| 3.2.2 Point Noted                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Implication                                                                                                                                                                                                                                                                    | Recommendations                                                                                                                                                                                                                                                                                                                                                                                                        | Rating    |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| <p><b>Awareness &amp; Access to Policy</b><br/>                     (i) Discussions with 3 of the 4 Team Managers either indicated that front line staff are probably not aware of how to access a copy of the S.17 Policy and Procedure or it is felt that this should be an area where staff should revisit. All Managers however, pointed out that a discussion will always take place to agree assistance before a formal request for S.17 expenditure takes place.</p> | <p>(i) Staff responsible for making S.17 expenditure request cannot or do not know how to access the relevant Policy and Procedure notes.</p> <p>(ii) Staff maybe unaware of the content of these guidance notes.</p> <p>(iii) Errors or inconsistent practices may arise.</p> | <p>(i) For good working practice, all frontline and support staff should either be given a copy of the S.17 Policy and Procedure notes for reference or at the very least, be made aware on how a copy can be accessed. All relevant staff should have access to the intranet and a copy of the policy can be accessed via the Social Services Children’s Services link under policies, procedures and guidelines.</p> | <p>MR</p> |
| Management Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Proposed Actions / Person responsible / Date                                                                                                                                                                                                                                   | Action Plan review (to be completed by Internal Audit)                                                                                                                                                                                                                                                                                                                                                                 |           |
| <p>See 3.1.1</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <p>Task &amp; Finish Group / S W / June 2019</p>                                                                                                                                                                                                                               | <p>Achieved (Y/N)</p> <p>Action taken</p> <p>Further Action Required?</p>                                                                                                                                                                                                                                                                                                                                              |           |

**3.3 Control area 3**

Vulnerable children and their families are supported in line with the provisions of the Children’s Act.

There are no areas of concern found within this section of the report.

## 4. Detailed Findings / Points noted

### 4.1 Control/risk 1

This section tested the internal controls of any significant risks identified in previous audits have not been addressed or measures implemented have not achieved control objectives.

| 4.1.1 Point Noted                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Implication | Recommendations | Rating     |            |     |           |            |        |     |           |            |        |     |           |            |           |       |         |            |        |       |         |            |        |       |         |            |        |       |         |            |        |       |         |            |        |           |         |            |        |           |         |            |        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |    |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|-----------------|------------|------------|-----|-----------|------------|--------|-----|-----------|------------|--------|-----|-----------|------------|-----------|-------|---------|------------|--------|-------|---------|------------|--------|-------|---------|------------|--------|-------|---------|------------|--------|-------|---------|------------|--------|-----------|---------|------------|--------|-----------|---------|------------|--------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|
| <p><b>Receipt Form for Cash/ Items Donated</b></p> <p>(i) The sample testing of petty cash payment records identified a number of instances where <i>either</i></p> <p>a) No receipt for cash/ items form has been completed to confirm the exchange of money/ goods received by the service user, i.e.</p> <table border="1" data-bbox="149 613 831 1073"> <thead> <tr> <th>Team</th> <th>CS No.</th> <th>Date</th> <th>Cash/ Item</th> </tr> </thead> <tbody> <tr> <td>16+</td> <td>CS0011872</td> <td>26/06/2017</td> <td>£30.00</td> </tr> <tr> <td>CwD</td> <td>CS0011313</td> <td>28/06/2017</td> <td>£40.00</td> </tr> <tr> <td>CwD</td> <td>CS0011314</td> <td>28/06/2017</td> <td>baby gate</td> </tr> <tr> <td>Risca</td> <td>CS11244</td> <td>17/05/2017</td> <td>£25.00</td> </tr> <tr> <td>Risca</td> <td>CS11255</td> <td>30/05/2017</td> <td>£20.00</td> </tr> <tr> <td>Risca</td> <td>CS11268</td> <td>09/06/2017</td> <td>£30.00</td> </tr> <tr> <td>Risca</td> <td>CS11272</td> <td>09/06/2017</td> <td>£50.00</td> </tr> <tr> <td>Risca</td> <td>CS11290</td> <td>28/06/2017</td> <td>£50.00</td> </tr> <tr> <td>Blackwood</td> <td>CS00283</td> <td>19/06/2017</td> <td>£20.00</td> </tr> <tr> <td>Blackwood</td> <td>CS11284</td> <td>19/06/2017</td> <td>£24.00</td> </tr> </tbody> </table> <p>or</p> <p>b) The forms have not been included with the petty cash records, they were located in IDOX instead, i.e. CS11286 for £20 &amp; CS11910 for £20 from the Blackwood Team.</p> | Team        | CS No.          | Date       | Cash/ Item | 16+ | CS0011872 | 26/06/2017 | £30.00 | CwD | CS0011313 | 28/06/2017 | £40.00 | CwD | CS0011314 | 28/06/2017 | baby gate | Risca | CS11244 | 17/05/2017 | £25.00 | Risca | CS11255 | 30/05/2017 | £20.00 | Risca | CS11268 | 09/06/2017 | £30.00 | Risca | CS11272 | 09/06/2017 | £50.00 | Risca | CS11290 | 28/06/2017 | £50.00 | Blackwood | CS00283 | 19/06/2017 | £20.00 | Blackwood | CS11284 | 19/06/2017 | £24.00 | <p>(i)-(ii) This is contrary to the S.17 guidance which states “worker must get a signature on a receipt from the service user.”</p> <p>There is no evidence that the donation/ benefit in kind have been received by the intended service user. The lack of transparency could result in staff being unable to provide the necessary proof should an accusation be made or there is a risk that any false claims made by Staff will not be detected.</p> <p>There are inconsistencies within staff and team practices where some are completing forms and others are not and some of the forms are given to the Petty Cash Administrator where appropriate whilst others are scanned straight into IDOX. There are different practices when staff are performing the same task.</p> | <p>(i)-(ii) Team Managers to ensure all appropriate staff are aware of the requirement that a signatory must always be obtained from the service user to evidence the exchange of cash or items donated.</p> <p>If the cash or purchase has been made through the petty cash account, the signatory should be handed to the Petty Cash Administrator to ensure it can be kept with the relevant “CS” payment request form.</p> <p>For items purchased via Proactis, the signatory should be handed into the Admin Team to be retained with the relevant Proactis paperwork.</p> | HR |
| Team                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | CS No.      | Date            | Cash/ Item |            |     |           |            |        |     |           |            |        |     |           |            |           |       |         |            |        |       |         |            |        |       |         |            |        |       |         |            |        |       |         |            |        |           |         |            |        |           |         |            |        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |    |
| 16+                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | CS0011872   | 26/06/2017      | £30.00     |            |     |           |            |        |     |           |            |        |     |           |            |           |       |         |            |        |       |         |            |        |       |         |            |        |       |         |            |        |       |         |            |        |           |         |            |        |           |         |            |        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |    |
| CwD                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | CS0011313   | 28/06/2017      | £40.00     |            |     |           |            |        |     |           |            |        |     |           |            |           |       |         |            |        |       |         |            |        |       |         |            |        |       |         |            |        |       |         |            |        |           |         |            |        |           |         |            |        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |    |
| CwD                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | CS0011314   | 28/06/2017      | baby gate  |            |     |           |            |        |     |           |            |        |     |           |            |           |       |         |            |        |       |         |            |        |       |         |            |        |       |         |            |        |       |         |            |        |           |         |            |        |           |         |            |        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |    |
| Risca                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | CS11244     | 17/05/2017      | £25.00     |            |     |           |            |        |     |           |            |        |     |           |            |           |       |         |            |        |       |         |            |        |       |         |            |        |       |         |            |        |       |         |            |        |           |         |            |        |           |         |            |        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |    |
| Risca                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | CS11255     | 30/05/2017      | £20.00     |            |     |           |            |        |     |           |            |        |     |           |            |           |       |         |            |        |       |         |            |        |       |         |            |        |       |         |            |        |       |         |            |        |           |         |            |        |           |         |            |        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |    |
| Risca                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | CS11268     | 09/06/2017      | £30.00     |            |     |           |            |        |     |           |            |        |     |           |            |           |       |         |            |        |       |         |            |        |       |         |            |        |       |         |            |        |       |         |            |        |           |         |            |        |           |         |            |        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |    |
| Risca                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | CS11272     | 09/06/2017      | £50.00     |            |     |           |            |        |     |           |            |        |     |           |            |           |       |         |            |        |       |         |            |        |       |         |            |        |       |         |            |        |       |         |            |        |           |         |            |        |           |         |            |        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |    |
| Risca                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | CS11290     | 28/06/2017      | £50.00     |            |     |           |            |        |     |           |            |        |     |           |            |           |       |         |            |        |       |         |            |        |       |         |            |        |       |         |            |        |       |         |            |        |           |         |            |        |           |         |            |        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |    |
| Blackwood                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | CS00283     | 19/06/2017      | £20.00     |            |     |           |            |        |     |           |            |        |     |           |            |           |       |         |            |        |       |         |            |        |       |         |            |        |       |         |            |        |       |         |            |        |           |         |            |        |           |         |            |        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |    |
| Blackwood                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | CS11284     | 19/06/2017      | £24.00     |            |     |           |            |        |     |           |            |        |     |           |            |           |       |         |            |        |       |         |            |        |       |         |            |        |       |         |            |        |       |         |            |        |           |         |            |        |           |         |            |        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |    |

| 4.1.1 Point Noted                                                                                                                                                                                                                                                                                                                                                                                                         | Implication                                      | Recommendations                                                           | Rating    |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------|---------------------------------------------------------------------------|-----------|
| <p><b>Receipt Form for Cash/ Items Donated (Cont'd)</b><br/>                     (ii) No petty cash sample testing was undertaken for the Bargued Team as the account is rarely used but enquiries with the Admin. Assistant regarding purchases ordered from Proactis indicated that none of the Social Workers would obtain a receipt or signatory from the recipient/ service user when the items are handed over.</p> | <p>(ii) Please refer to the previous page.</p>   | <p>(ii) Please refer to the previous page.</p>                            | <p>HR</p> |
| Management Comments                                                                                                                                                                                                                                                                                                                                                                                                       | Proposed Actions / Person responsible / Date     | Action Plan review (to be completed by Internal Audit)                    |           |
| <p>See 3.1.1</p>                                                                                                                                                                                                                                                                                                                                                                                                          | <p>Task &amp; Finish Group / S W / June 2019</p> | <p>Achieved (Y/N)</p> <p>Action taken</p> <p>Further Action Required?</p> |           |

**4.2 Control/ risk 2**

Payments made are not in line with the Children’s Act and CCBC Social Services Policy and Procedure Document. Due to the level of sensitivity contained in the records held by Social Services and that information can be shared with external organisations/ agencies, the examination of policy and procedure documents has been extended to policies related to information security.

| 4.2.1 Point Noted                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Implication                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Recommendations                                                                                                                                                                                                                                                                                                                                                              | Rating    |
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| <p><b>Budget Set Up for S.17</b><br/>                     It is noted that the S.17 budget is set up in OLAS as a subjective code (R012 – assistance in cash &amp; kind) instead of an individual cost centre code for each Team/ budget holder. None of the payments / transactions are posted and offset against the budget set up in OLAS and therefore, reducing balances are not available for as a result.<br/>                     Instead, each budget holder is set up with 2 cost centres for use when making S.17 payments but either of them contain any budget provision / allocated for the financial year as this is allocated to R012, one is specifically for childminding/ nursery care costs (ranges from 1961, 1970 – 1976) and the other cost centre (1910 – 1916) covers all other expenditure relevant to S.17 e.g. foods, clothing allowance, travelling expenses, payments to individuals etc. Enquiries with Finance however, explained that each Team are expected to monitor their own budgets via the completion of the budget control sheets. Finance will issue an OLAS transaction report periodically for Admin to check and reconcile against the control sheets. None of the Teams have access to OLAS. This should be every month but can take longer depending on time of year, particularly during year end.</p> | <p>The way the budget structure has been set up in OLAS means that budget holders are still having to rely on the traditional method of maintaining a manual system (budget control sheet) in order to monitor their budget when this information could easily be accessed via the OLAS system if the S.17 budget allocation is up as a cost centre for each budget holder. The reliance of the manual recording and reconciliation system is a more time consuming and resource intensive process. It requires Finance staff having run periodic OLAS transaction reports to all budget holders which are sometime subject to delay and resources of each Admin Team to update and reconcile the budget.</p> | <p>Management to consider if it is more cost efficient and practical for the budget holders or their Admin. Support Team to be given access to the OLAS system to review their own budget. The budget allocation in the OLAS system would have to be set up so that expenditure can be posted against a budget provision so that a meaningful balance can be maintained.</p> | <p>MR</p> |
| <p><b>Management Comments</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <p><b>Proposed Actions / Person responsible / Date</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <p><b>Action Plan review (to be completed by Internal Audit)</b></p>                                                                                                                                                                                                                                                                                                         |           |
| <p>Team have budget sheets set up for them from finance each year for their use – ideally it should be used a reducing balance record of available budget – and aid decision making in the area office. However as part of the bi-monthly reporting each budget line is looked at in depth by the Assistant Accountant and discrepancies and concerns are reported back to DMT as part of the budget monitoring process.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <p>Finance and the Admin Manager do not see the need for admin staff to have access to Olas.<br/><br/>                     However admin staff do need refreshing as to the implications of not keeping records up to date – this will be addressed as part of the task and finish group.</p>                                                                                                                                                                                                                                                                                                                                                                                                                 | <p>Achieved (Y/N)<br/><br/>                     Action taken<br/><br/>                     Further Action Required?</p>                                                                                                                                                                                                                                                      |           |

| 4.2.2 Point Noted                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Implication                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Rating    |
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| <p><b>Accuracy of Budgetary Control Sheets</b></p> <p>(i) The current monitoring and reconciliation process for the remainder of the S.17 budget sheets is failing to maintain an accurate up-to-date balance of the total spend and available budget. This is because not all S.17 expenditure goes through to the individual Admin Support Teams despite them having the responsibility for the updating of the budgetary control sheets. The following areas of spend bypasses the Admin Teams:-</p> <ul style="list-style-type: none"> <li>• Nursery care and child minding. An analysis of the 2017/18 OLAS expenditure download found that between 41% to 93% of the budget has been spent in this area by 4 of the 8 budget holders. A breakdown of the individual budgets is available in <b>Appendix 1</b>.</li> <li>• Recharges via internal invoices. Expenditure in this area is to a lesser degree.</li> </ul> <p>As a result, the expenditure is updated retrospectively by the Admin. Officers on receipt of the OLAS transaction reports for S.17 expenditure. The reports are issued periodically (monthly or sometimes 2+ months) to reconcile against the control sheets. However, due to the lack of information available, these transactions are simply “taken off” the transaction report and entered on the sheets rather than used for checking where there are differences between the 2 records.</p> | <p>(i) The inaccuracies of the budgetary sheets will impact on the management of resources and could result in:-</p> <p>a) Overspends where some nature of spend is not updated until at least 1 month after payment.</p> <p>b) Any punching or omission errors being missed where there are no other records available to verify the transactions listed on the OLAS transaction report.</p> <p>c) An insufficient use of staff resources when time is spent by Finance in producing all the OLAS transaction reports and by the Admin Officers who are in effect updating the sheets “blindly” and mostly on a “catch up” basis.</p> | <p>(i)-(ii) A review should be undertaken on the way the budget monitoring process is carried out to improve the efficiency of the process and to ensure that Staff who are given the responsibility of updating the budget control sheets are able to accurately update all areas of spend relevant to the appropriate budget as soon as the expenditure is approved and committed. It is believed that the same budget system is used for other locality budget provisions, not just S.17 payments so consideration should be given for the Admin Support staff to have access to the OLAS General Ledger system as part of the budget reconciliation process. Formal procedures notes and staff training should also be considered to reduce the inconsistencies between the Teams.</p> | <p>HR</p> |
| <p><b>Management Comments</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <p><b>Proposed Actions / Person responsible / Date</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <p><b>Action Plan review (to be completed by Internal Audit)</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |           |
| <p>As 4.2.1</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <p>Task &amp; Finish Group will refresh training/awareness to staff of the importance of keeping their budget records up-to-date.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <p>Achieved (Y/N)</p> <p>Action taken</p> <p>Further Action Required?</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |           |

| 4.2.2 Point Noted                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Implication                                                                                                           | Recommendations                                                                                               | Rating                   |                      |           |       |       |     |       |       |       |     |         |       |       |     |         |      |      |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                   |           |
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| <p><b>Accuracy of the Budget Control Sheets (Cont'd)</b><br/>                     (ii) An analysis of the 2017/18 budget control sheets for each locality office identified the volume of expenditure being updated retrospectively are significant in the following offices:-</p> <table border="1" data-bbox="52 373 751 641"> <thead> <tr> <th>Team</th> <th>Total payments</th> <th>Total from trans. report</th> <th>% from trans. report</th> </tr> </thead> <tbody> <tr> <td>Caer West</td> <td>£5575</td> <td>£5035</td> <td>90%</td> </tr> <tr> <td>Risca</td> <td>£4733</td> <td>£4117</td> <td>87%</td> </tr> <tr> <td>Black'd</td> <td>£1962</td> <td>£1527</td> <td>78%</td> </tr> <tr> <td>Rhymney</td> <td>£554</td> <td>£392</td> <td>67.5%</td> </tr> </tbody> </table> <p>A sample testing of payments identified that in addition to the retrospective update of childcare payments and internal recharges already highlighted, some of the Teams are not updating the budget sheets straight away in regards to OLAS/ SWIFT payment requests sent to Finance and Proactis orders. Feedback from the Bargoed/ Rhymney Team identified that OLAS/ Swift payment requests are updated but this may take place after they are sent. The initial enquiries with a newer member of staff identified she was not familiar with the procedures for dealing with OLAS payment requests which was subsequently confirmed by another member of staff. With regards to the Risca/ Blackwood Team, Audit was advised that only expenditure paid via Proactis and Petty Cash are currently updated onto the control sheet and with the Proactis orders, they would not be updated until an invoice comes in. Of 2 Proactis payments examined for the Risca/ Blackwood Team, the 1 order was totally omitted (PO10620593 – Homestyle of Blackwood).</p> | Team                                                                                                                  | Total payments                                                                                                | Total from trans. report | % from trans. report | Caer West | £5575 | £5035 | 90% | Risca | £4733 | £4117 | 87% | Black'd | £1962 | £1527 | 78% | Rhymney | £554 | £392 | 67.5% | <p>(ii) There is a lack of consistencies between the Teams as to when and what type of transactions should be updated onto the control sheets. The delay in updating the sheets will impact on the management of resources, overspends could occur where the budget sheet showing actual spend and remaining balance is not kept up-to-date. The OLAS transaction reports are not always sent out on a monthly basis but 2 months+ particularly towards financial year end and the beginning of the new financial year. S.17 budget is cash limited requiring budget holders to take their role in managing resources seriously but the current budget control / management information is not a reliable tool for budget holders to carry out this function effectively.</p> | <p>(ii) Please refer to the recommendations highlighted on the previous page.</p> | <p>HR</p> |
| Team                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Total payments                                                                                                        | Total from trans. report                                                                                      | % from trans. report     |                      |           |       |       |     |       |       |       |     |         |       |       |     |         |      |      |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                   |           |
| Caer West                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | £5575                                                                                                                 | £5035                                                                                                         | 90%                      |                      |           |       |       |     |       |       |       |     |         |       |       |     |         |      |      |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                   |           |
| Risca                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | £4733                                                                                                                 | £4117                                                                                                         | 87%                      |                      |           |       |       |     |       |       |       |     |         |       |       |     |         |      |      |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                   |           |
| Black'd                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | £1962                                                                                                                 | £1527                                                                                                         | 78%                      |                      |           |       |       |     |       |       |       |     |         |       |       |     |         |      |      |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                   |           |
| Rhymney                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | £554                                                                                                                  | £392                                                                                                          | 67.5%                    |                      |           |       |       |     |       |       |       |     |         |       |       |     |         |      |      |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                   |           |
| <p><b>Management Comments</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <p><b>Proposed Actions / Person responsible / Date</b></p>                                                            | <p><b>Action Plan review (to be completed by Internal Audit)</b></p>                                          |                          |                      |           |       |       |     |       |       |       |     |         |       |       |     |         |      |      |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                   |           |
| <p>Finance have very much advised that commitments must be recorded on the sheets as they are made rather than when invoices etc are received. However due to the complexity of these budgets –as they cover a broad scope admin teams will not be involved in all aspects of expenditure.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <p>It was discussed at DMT on 29<sup>th</sup> November to review this budget and set up a new format from 1/4/19.</p> | <p>Achieved (Y/N)<br/>                     Action taken<br/>                     Further Action Required?</p> |                          |                      |           |       |       |     |       |       |       |     |         |       |       |     |         |      |      |       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                   |           |



| 4.2.3 Point Noted                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Implication                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Rating    |
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| <p><b>Errors not identified via budget reconciliation</b></p> <p>(i) The following errors have not been picked up despite reconciliation carried out:-</p> <p>a) Payment to Granville West, Chives &amp; Morgan for £201.00 in respect of order number PO10609303 has not been updated to the Risca budget sheet. Part of a payment to a childminder, KC in respect of person A for child minding cost has not been transferred to the Risca budget sheet from the budget reconciliation. This may be an oversight as part of the invoice (£52.30), no. JASE-9 is in respect of the previous financial year (31/3/17) whilst the remainder, £154.76 (for 2-3/4/17) was expected to be updated from the period 1 OLAS transaction report.</p> <p>b) Two of the payments recorded on the S.17 sheets were not paid out of the S.17 budget, they were correctly posted to the special guardianship cost centre and as such, should have been identified and removed from the S.17 budget sheet as part of the reconciliation process. These were:</p> <ul style="list-style-type: none"> <li>• 11/5/17 – Person B - inv. no. SDQ000034623266 – Sports Direct - £75.20 updated on the Rhymney sheet for cost centre 1914 but this payment has been paid on cost centre 1014 (special guardianship – Rhymney). Examination of the CS payment request form, CS0010070 identified it was incorrectly entered as S.17 expenditure but this was picked up and corrected by Finance as part of their verification process. The Swift ID was left blank on the payment form by the Admin Team.</li> </ul> <p>It is also noted that there is no suitable column on the budget sheet for the CS payment request number to be entered for requests sent to Finance for processing. This number is only recorded under the “PC No” column where a CS payment form is filled in for petty cash from the Admin Team. This reconciliation columns have been left blank (unreconciled) for this entry.</p> | <p>(i) Errors expected to be picked up as part of the reconciliation process has either been missed or left as unreconciled. This impact on accuracy of the available budget balance and compromises on the role of the budget holders in the management of resources particularly as the S.17 budget is cash limited.</p> <p>(ii) It is more difficult for Finance to identify the service user in the absence of the Swift ID which could impact on the budget verification checking process. In the case of person B, the individual could not be identified in ICS via the name search option, the surname recorded on the CS form is not how the person has been set up as on the system where a joint surname has been entered.</p> <p>(iii) The CS request number is processed as the invoice number which filters through to the OLAS transaction report. Budget reconciliation is made more difficult if this number is not recorded on the budget sheet.</p> | <p>(i) Any differences between the sheet and transaction report is investigated as part of the budget reconciliation. Transactions listed on the report but not on the control sheet should be checked for omission errors. Equally, items update on the sheet but does not on the report should also be followed up with Finance. The errors highlighted should now be rectified.</p> <p>(ii) Staff should be reminded of the importance of completing all relevant details on the CS payment request form. The Swift ID is crucial information that allows Finance to correctly identify the individual for verification purposes.</p> <p>(iii) The budget control sheet should include a provision for the CS payment number to be entered for transactions that are sent to Finance for processing. This number can be completed by the Team before the form is sent off.</p> | <p>MR</p> |

| 4.2.3 Point Noted                                                                                                                                                                                                                                                                                                                                                                                                                      | Implication                                                                                                                       | Recommendations                                                           | Rating    |
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| <p><b>Errors not identified via budget reconciliation (Cont'd)</b><br/>                     (i) b)<br/>                     • 14/6/17 – Person C for transport dated 12/ - 23/6/17 for £73.60 updated on the Bargoed Sheet against cost centre 1910 but checks carried out confirmed that the payment is correctly coded to cost centre 1010 (special guardianship - Bargoed). The entry has been marked as reconciled on 12/7/17.</p> | <p>(i) Please refer to the previous page.</p>                                                                                     | <p>(i) Please refer to the previous page.</p>                             | <p>MR</p> |
| Management Comments                                                                                                                                                                                                                                                                                                                                                                                                                    | Proposed Actions / Person responsible / Date                                                                                      | Action Plan review (to be completed by Internal Audit)                    |           |
| <p>There is not the capacity in Finance to reconcile the teams budget sheets at year end or periodically.</p>                                                                                                                                                                                                                                                                                                                          | <p>However these issues will be addressed in the revised process and budget setting and as part of the task and finish group.</p> | <p>Achieved (Y/N)</p> <p>Action taken</p> <p>Further Action Required?</p> |           |

| 4.2.4 Point Noted                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Implication                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Recommendations                                                                                                                                                                                                                                                                                                                                                                                                | Rating    |
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| <p><b>Unreconciled and Pending Transactions</b></p> <p>(i) Not all expected transactions on the budget sheets have been marked off as reconciled. A check of the Blackwood budget sheet identified 2 entries that weren't marked off during the first reconciliation on 12/7/17 even though both entries were listed on the OLAS transaction report. Both are petty cash entries listed as petty cash no. PC11215 (dated 11/4/17) for £15.96 in respect of food and PC11230 (2/5/17) to pay for birth certificate - £10. A check on the Caerphilly East sheet identified a transaction that has been updated to the S.17 sheet (cost centre 1913) in error but has not been identified as the expected budget reconciliation have not been performed, i.e. entry dated 11/5/17 in respect of person D for £765.00 should be on the budget sheet for cost centre 1983. Whilst there were only a few transactions on the spreadsheet, none of them have been updated as reconciled.</p> <p>(ii) Long standing pending or incomplete entries do not appear to have been followed up to confirm their status of progress, i.e.</p> <ul style="list-style-type: none"> <li>• 7/6/17 – Person E – possible Proactis order to be confirmed for a baby gate with £26.24 committed to the estimated cost projection. There was still no progress at the latest reconciliation undertaken on 18/9/17 and a check on OLAS carried out by Audit confirmed that no payment had been made matching to the details recorded on the sheet but a check to the ICS system identified person E became LAC on 6/6/17 and hence, if a purchase has been made, it is possible that it would be coded to a different cost centre.</li> <li>• There is no amount entered on the Bargoed sheet on either of the costing columns (cost projection &amp; actual payment) for entry dated 5/9/17 – PO10630556 for safety gate. An OLAS enquiry identified the order has been fully paid, i.e. £42.47 on 27/9/17.</li> </ul> | <p>(i) There is no evidence that that the reconciliation has been fully completed against the relevant OLAS transaction report. There is no obvious reason as to why the columns entitled "Transaction list check" have not been completed or reconciliation not performed when the transactions were listed on the report.</p> <p>(ii) The accuracy of the budgetary control sheet is dependent on the sheet being correctly and regularly updated as and when transactions occur. Balances may not be correct if long standing pending transactions are not reviewed to confirm their status. Also by not entering an amount on the sheet, the spreadsheet cannot calculate an appropriate deduction and generate a correct running balance of the remaining budget.</p> | <p>(i) A full reconciliation should be undertaken following receipt of the OLAS transaction report and the transaction list check should be updated accordingly.</p> <p>(ii) It should be ensured that all longstanding pending or incomplete entries are followed up as part of the budget reconciliation. The two entries highlighted should now be followed to ensure appropriate action is undertaken.</p> | <p>MR</p> |
| <p><b>Management Comments</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <p><b>Proposed Actions / Person responsible / Date</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <p><b>Action Plan review (to be completed by Internal Audit)</b></p>                                                                                                                                                                                                                                                                                                                                           |           |
| <p>Further training needed once task and finish group completed their work.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <p>Children's Services DMT agreed to establish a Task &amp; Finish Group to identify the required actions to address the issues raised and populate the Evaluation document. Responsible person: SW &amp; Date: June 2019</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <p>Achieved (Y/N)</p> <p>Action taken</p> <p>Further Action Required?</p>                                                                                                                                                                                                                                                                                                                                      |           |

| 4.2.5 Point Noted                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Implication                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Rating              |
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| <p>Incomplete transactions and formula error on budget sheets<br/>(i) Examination of the budget sheets noted:-</p> <p>a) Two instances where the transaction details are incomplete, i.e.</p> <ul style="list-style-type: none"> <li>• The order number (PO10639766) have not been updated on the Caerphilly East sheet in respect of person F for invoice no. 72490</li> <li>• The invoice number, referenced as “CS-0010911XD” have not been updated on the Bargoed sheet in respect of person C for transport fare for 12 – 23/6/17. This is made on a children’s payment request form, no. CS0010911 sent to Finance. As highlighted in point 4.2.3, the reconciliation process did not identify that this was in fact updated on the wrong budget sheet (s/b 1010 not 1910).</li> </ul> <p>b) One instance was noted where a formal cell error has occurred on an entry from the Blackwood budget sheet which has affected the accuracy of the reducing budget balance which is overstated by £87.54.</p> | <p>(i)</p> <p>a) It is more difficult to match and reconcile the budget if transaction details are not fully recorded onto the control sheet. The recording error regarding person C may have been identified if the order number was entered, it would have assisted in ensuring the transaction was correctly reconciled, i.e. the order number could have been used to track the payment in Proactis and identify which cost centre the payment was and should have been paid from upon discovery that the transaction was not on the S.17 transaction listing.</p> <p>b) The available balance calculated by the spreadsheet is incorrect and could unknowingly, result in a minor overspend.</p> | <p>(i)</p> <p>a) Staff should be reminded of the importance of completing the budget sheet fully and accurately. If some of the details cannot be confirmed straightaway, it could be updated as “to be confirmed” until the information is available. This will prompt the completing officer that further information is required.</p> <p>b) Arrangement to be made with Finance for the cell error to be corrected.</p> <p>c) Periodically checks should be undertaken to ensure that spread sheet calculation formula etc. are valid.</p> | <p>MR</p> <p>MR</p> |
| <p><b>Management Comments</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <p><b>Proposed Actions / Person responsible / Date</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <p><b>Action Plan review (to be completed by Internal Audit)</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                     |
| <p>Further training needed once task and finish group completed their work.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <p>Children’s Services DMT agreed to establish a Task &amp; Finish Group to identify the required actions to address the issues raised and populate the Evaluation document.<br/>Responsible person: SW &amp; Date: June 2019</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <p>Achieved (Y/N)</p> <p>Action taken</p> <p>Further Action Required?</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                     |

| 4.2.6 Point Noted                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Implication                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Rating    |
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| <p><b>Looked After Children</b><br/>                     Various sample tests have identified the following payments taken from the S.17 budget were either in respect of children already being looked after by the Authority (LAC) prior to the expenditure requested or during the delivery of an on-going provision. Just over half of these are in respect of childminding. Audit was advised by Finance that they would only be allocated a different cost centre if it is for foster carer childminding (CC: 1829 – foster carer support). Details as follows:-</p> <ul style="list-style-type: none"> <li>• Person G (Rhymney) for child minding during 2/5/17 – 11/7/17. A systems' enquiry identified that LAC started as of 26/11/14 with no end date. The case notes did however show that G was domiciled with the birth parent at the time the sessions took place and the allocation of budget in this situation appears ambiguous.</li> <li>• Family 1 (Rhymney) for child minding requested and received on 8/8/17 and the family became LAC on 3/7/17 with no end date. However, despite the LAC status, the request was made to relieve and support the birth parents who were struggling with their parenting role.</li> <li>• Family 2 (Rhymney) for child minding on 30/8/17 and LAC start date for the siblings is 25/7/17. Start date of foster parent is 30/8/17.</li> <li>• Person H (Rhymney) who became LAC and under foster care on the same day as the first child minding session took place, i.e. 30/8/17.</li> <li>• Person I (Caerphilly East) in respect of drug testing for father, invoice number 46335, order no. PO10637361 for £765 (net) entered on the budget sheet on 4/9/17. LAC commenced on 17/2/17 with no end date. This invoice was subsequently cancelled as it was identified as a duplicate as highlighted in Section 4.2.6. The first payment entered by Finance was correctly coded to 1983 (other LAC Services – Caerphilly East).</li> </ul> | <p>Based on the feedback from Finance, the budget allocation of childminding payments appears to be treated differently which is not reflective of the key principles set out in the S.17 policy and procedure notes. One of the key principles outlined is “to prevent children entering Local Authority care where appropriate and to support them appropriately within their families. With the exception of person G and family 1 who were living with their birth parents at the time, all other child minding expenditure are in respect of children in foster placements and they were all recorded as being under LAC. Under the current practice, the S.17 budget which is cash limited is being taken up for children who are being looked after and whose related costs should be allocated to different budget codes. This would make the budget difficult to manage and distorts the actual spend in respect of Looked After Children, impacting on the factual accuracy of spends to be reported and in response to any freedom of information requests. The current way of coding the childminding spend does not appear to be transparent.</p> | <p>It is recommended that:</p> <p>a) A review is carried out on the allocation of childminding cost as the current coding of expenditure conflict with the principles of the S.17 policy and procedure notes. As recommended in an earlier section of this report, the arrangement and payment of this spend should be incorporated or made reference to within the S.17 policy and procedures or with the related additional guidance. All relevant staff responsible for coding childminding/ childcare expenditure is able to select the correct cost centre for use. Staff training to be given if deemed appropriate.</p> <p>b) Management to be satisfied that the reporting of spends for S.17 expenditure and Looked After Children are accurate.</p> | <p>HR</p> |

| 4.2.6 Point Noted                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Implication                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Rating                   |
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| <p><b>Looked After Children (Cont'd)</b></p> <ul style="list-style-type: none"> <li>Person F (Caerphilly East) in respect of drug testing for mother, invoice number 72490 for £521.00 (net), dated 4/9/17. LAC episode is from 28/7/17 to 7/2/18.</li> <li>Person J (Caerphilly West) for day nursery provision that goes back from 1/2/16 – 4/9/17 and the child became LAC on 26/1/16. Other enquiries carried out identified that foster allowance in respect of “J” is costed to 1982 (Other LAC Services – Caerphilly West). The total spend over financial year 16/17 &amp; 17/18 is £15k. The whole S.17 budget for 17/18 is £9067.</li> <li>Person A (Risca) for the provision of child minding during 3/2/-10/4/17. This person became LAC shortly after the childcare started, 17/2/17 but the expenditure continued to be charged against the S.17 budget. Feedback from the Team Manager indicated that this was an oversight as the cost centre would normally have been changed.</li> <li>Person K (Risca) to pay for passport (£46) requested on CS0011295 (dated 6/7/17) sent to Finance. The LAC status was missed as a search was carried out on the wrong name. Looking at the handwriting on the CS form, the swift ID was filled in by someone else other than the requesting officer who had to carry out a name search to undertake checks but had mistakenly searched the name wrong way round and hence, the check was made against the wrong person. Person K became LAC since 16/12/16 so it should have come out of the LAC budget as ticked on the CS request form. Despite this being a genuine error, it should have been identified via the budget reconciliation process for period 4 for the Rhymney budget. Due to the wrong name search, the expenditure was also coded to an incorrect cost centre (1914 - Rhymney) but no journal adjustment has been made carried out to suggest the error was identified and corrected. The item would have been listed on the OLAS transaction list against the 1914 cost centre but not recorded on the budget control sheet. A query for possible miscoding should have been raised with Finance.</li> </ul> | <p>It is also possible that there is a training issue with the Finance Team as a check on cost centre coding against payments for one of the childminders (KC – CCP00774) has identified that other cost centres are being used, e.g. 1821 – own foster – Blackwood, 1981 – other LAC Services – Blackwood, 1984 – other LAC Services Rhymney.</p> <p>The partial completion of the CS payment request form by the requesting officer has resulted in an error made in respect of the identity of the child.</p> <p>Where genuine coding error is being made, it is not being picked up by the current internal processes. The budget reconciliation has failed to identify the miscoding of cost centre in the instance of person K – passport. The budget reconciliation does not appear to have been properly performed.</p> | <p>c) All “CS” payment request forms are fully and accurately completed by the requesting officer.</p> <p>d) Key staff should report any changes that would require a cost centre/ budget change of the S.17 budget, i.e. where children become looked after by the Authority. The change of circumstances should be reported to the children services admin team and the paying department if this is different.</p> <p>e) Staff responsible for undertaking budget reconciliation need to ensure that any differences flagged up between the budget control sheet and the OLAS transaction report is followed up to ensure appropriate action is undertaken.</p> | <p>See previous page</p> |

| 4.2.6 Point Noted                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Implication                                                                                                                                                                                                                                                                                 | Recommendations                                                           | Rating                    |
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| <p><b>Looked After Children (Cont'd)</b></p> <ul style="list-style-type: none"> <li>Person L (Blackwood) for child minding during 20/2/-14/10/17 and "L" became LAC on 10/7/13. Foster allowance is paid from cost centre 1981 (Other LAC Services – Blackwood).</li> <li>Family 3 (Blackwood) for reimbursement of £21.10 in respect of bus fare on the 15<sup>th</sup>, 19<sup>th</sup> and 20<sup>th</sup> June requested and paid on payment request no. CS11288. The LAC episode for the siblings took place from 24/2 – 21/6/17.</li> </ul> | <p>Please refer to the previous pages.</p>                                                                                                                                                                                                                                                  | <p>Please refer to the previous pages.</p>                                | <p>See previous page.</p> |
| Management Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Proposed Actions / Person responsible / Date                                                                                                                                                                                                                                                | Action Plan review (to be completed by Internal Audit)                    |                           |
| <p>The above errors should be reduced by further training following Task and Finish Group work.</p> <p>The Childminding is part of the overall Prevention and Support budget as is Section 17 though the two elements are not dependent on each other. For DMT reporting they are separated as they have separate CC's.</p>                                                                                                                                                                                                                       | <p>Children's Services DMT agreed to establish a Task &amp; Finish Group to identify the required actions to address the issues raised and populate the Evaluation document. Responsible person: SW &amp; Date: June 2019</p> <p>Addressed by redesign of Prevention and Support budget</p> | <p>Achieved (Y/N)</p> <p>Action taken</p> <p>Further Action Required?</p> |                           |

| 4.2.7 Point Noted                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Implication                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Recommendations                                                                                                                                                                                          | Rating    |
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| <p><b>Evidencing the Criteria for S.17 Request</b><br/>A few instances were found for petty cash expenditure where no evidence was provided to substantiate that the assistance given met the authorisation criteria required by the S.17 policy. Details as follows:-</p> <ul style="list-style-type: none"> <li>• CS11314 completed by the Caerphilly with Disabilities Team (CwD), dated 28/6/17 for a baby gate in respect of Person M. The record check included case notes from 7/6 – 4/7/17 and the examination of the Care &amp; Support Plan.</li> <li>• CS11290 completed by the Risca Team, dated 28/6/17 for financial assistant of £50.00 in respect of person N. Notes were found that “N” was re-located to a temporary change of residence for the period concerned but no further information was located to substantiate the assistance was needed or in fact requested by the recipient.</li> <li>• CS11259 completed by the Blackwood Team on 1/6/17 for reimbursement of contact expenses, £24.40 in respect of person “O”. It is acknowledged however that some of the personal information fields within the ICS system for the individual were not displayed, this may be due to the sensitivity of this case which needed higher levels of restricted access.</li> <li>• CS11284 completed by Blackwood on 19/6/17 for £24 in respect of school bus fare for person D. Whilst there were case notes to substantiate “D” was in temporary accommodation at the time of payment, no notes were found to substantiate that the assistance was needed or asked for by the family concerned.</li> </ul> | <p>This does not demonstrate that the authorisation criteria outlined in the S.17 Policy and Procedures has been met. This states that S.17 expenditure will only be authorised under this policy in respect of children in need who:-</p> <ul style="list-style-type: none"> <li>• Has been assessed by a social care practitioner.</li> <li>• Has a care plan in place, which cannot be implemented without the proposed S.17 expenditure.</li> <li>• Is ineligible for state benefits or where benefits are not made immediately available.</li> </ul> <p>The additional guidance also states that staff need to note that all decision making and authorisation of actions should clearly be visible in recordings.</p> | <p>Staff involved in the requesting and authorisation process are reminded that there should be clear records made to identify and support the purpose behind the request for assistance under S.17.</p> | <p>HR</p> |
| <p><b>Management Comments</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <p><b>Proposed Actions / Person responsible / Date</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <p><b>Action Plan review (to be completed by Internal Audit)</b></p>                                                                                                                                     |           |
| <p>Future practices will be discussed by Task and finish group.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <p>Named contact for Task &amp; Finish Group is SW and planned completion of action date: June 2019</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <p>Achieved (Y/N)<br/><br/>Action taken<br/><br/>Further Action Required?</p>                                                                                                                            |           |



| 4.2.8 Point Noted                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Implication                                                                                                                                                                                                                                                                                  | Recommendations                                                                                                                                                                                            | Rating    |
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| <p><b>Outside the Scope of S.17 &amp; Special Guardianship</b></p> <p>(i) The childminding provision for 1 of the payments examined, person A does not appear to be within the scope of S.17, i.e. to prevent children from coming into the Authority’s care. The anticipated outcome of the childcare provision was to add safeguard to “A” but for long term, the Local Authority to issue care proceedings.</p> <p>(ii) It is unclear if a payment in respect of person Q (Rhymney) for the purchase of drawers on order no. PO10609764 – Argos, dated 2/5/17 – £67.44 should have been coded to S.17 (cost centre 1914). Person Q resides with special guardians who are receipt of fortnightly maintenance allowance that is paid from the special guardianship cost centre (1014).</p> | <p>(i)-(ii) The costing to S.17 does not appear to be appropriate/ suitable in the findings highlighted. One of the key principles for financial support is to prevent children entering Local Authority care where appropriate and to support them appropriately within their families.</p> | <p>(i)-(ii) Finance to clarify if the two payments meet the S.17 Policy and Procedures and to offer advice / guidance to key staff where it is confirmed the expenditure was not appropriate for S.17.</p> | <p>HR</p> |
| Management Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Proposed Actions / Person responsible / Date                                                                                                                                                                                                                                                 | Action Plan review (to be completed by Internal Audit)                                                                                                                                                     |           |
| <p>As per comments for 4.2.6, the above errors should be reduced by further training following Task and Finish Group work. The Childminding is part of the overall Prevention and Support budget as is Section 17 though the two elements are not dependent on each other. For DMT reporting they are separated as they have separate CC’s.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                              | <p>Addressed by redesign of Prevention and Support budget</p> <p>This will be in operation from 1/4/19.</p> <p>Person Responsible: GB (Assistant Accountant)</p>                                                                                                                             | <p>Achieved (Y/N)</p> <p>Action taken</p> <p>Further Action Required?</p>                                                                                                                                  |           |

| 4.2.9 Point Noted                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Implication                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Rating    |
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| <p><b>Long Term Financial Assistance</b><br/>                     Examination of the S.17 expenditure under the CwD Team noted that a majority of the budget was spent supporting the 1 family, i.e. family 4. Weekly support of £200 is paid and the actual spend (£10171) for 2017/18 has exceeded the S.17 budget for the Team, i.e. £9067.00. However, this is a unique case to CCBC where long term financial support has been agreed by the Assistant Director – Children Services. The family are residing here illegally and have “no recourse to public funds” so cannot access any welfare benefit payments. The outcome of the C&amp;S plan dated 8/3/16 was that the Local Authority would provide adequate financial resources until the family became successful in accessing funds elsewhere. The case has been put on review since 6/6/17 as all the outcomes have been met. The Assistant Director confirmed that there is no alternative but for the Local Authority to provide support until such time when their circumstances change. The only other alternative would be for the children in the family to become Looked After. The costs would then be significantly higher than what it is currently and would be more detrimental to the children and the family. Whilst it is critical for the family to be supported, no case notes or any other correspondence have been found as to how the family’s circumstances / immigration status is being followed up since the case was put on review on 6/6/17. Audit has been advised by the Team Manager that it is monitored every 2 months, the parents is contacted by telephone for an update before a new period of payments is set up. There is also no outcome noted from enquiries with Legal Services in January 16. Notes were made that Legal Services was going to seek advice from other Authorities on Asylum Seekers since CCBC did not have a policy. Recent enquiries confirmed there is still no policy to date but the Assistant Director has also stated that in reality, a policy would only have confirmed the current situation.</p> | <p>The financial support for this family has put a strain on the S.17 budget resulting an unavoidable overspend.</p> <p>Other than having to ask the Team Manager, it is not apparent that the family is being contacted to check on possible change of circumstances / immigration status since the case has been put on review. There are no notes detailing any telephone conversations with the family or is this reflected as reviewed on the payment request forms.</p> <p>It is unclear if advice has been sought from other Authorities which may be of assistance to the Authority and the family concerned.</p> | <p>Although the case has been put on review, it is recommended that any contact with the family is always noted so a full history of discussions/ visits is still being maintained. As the continuation of financial support is dependent on whether the family is able to gain citizenship, it is advisable that all checks/ enquiries over this matter is clearly documented.</p> <p>It would still be worthwhile to seek new enquiries with other Authorities as to how asylum seekers are currently supported and how their costs are resourced. Any other funding streams available could alleviate the S.17 budget.</p> | <p>MR</p> |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <p><b>Proposed Actions / Person responsible / Date</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <p><b>Action Plan review (to be completed by Internal Audit)</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |           |
| <p>This is exceptional circumstances that are unavoidable – this budget is the only one available to SS for children not under their care and so it is the most appropriate.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <p>This will continue as long as necessary.<br/>                     No further action to be taken.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <p>Achieved (Y/N)<br/><br/>                     Action taken<br/><br/>                     Further Action Required?</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |           |

| 4.2.10 Point Noted                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Implication                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Recommendations                                                                                                                                                                                                                                                                                                                                                                                          | Rating    |
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| <p><b>Unexpected Long Term Child Minding Provision</b><br/>                     (i) Although the contract for person R was open ended, the anticipated outcome entered on the childcare referral form was that it would be short term support while assessments are completed and the grandmother returns. However, examination of the payments noted the contract went on for 40 weeks (2/3/-9/12/17). No case notes, reviews or authorisation were found to confirm why the child minding continued longer than expected. A few notes were on “R’s” records for non attendance between Sept – Oct 17 with the last dialogue from the Childminder (13/10/17) that she had been told by “R’s” mother that the service was no longer needed.</p> | <p>(i) There is no evidence to reflect why a much longer commitment took place then what was recorded as the anticipated outcome. As the S.17 budget is cash limited and cannot be exceeded, the policy states it is not acceptable to promise packages of care that cannot be honoured. In the case of person R, there has been no authorisation from the Team Manager or the Service Manager throughout the whole process, the Team Manager’s authorisation was also missing from the initial contract agreement. In the absence of any actual review notes, it is possible that the provision could have ended sooner.</p> <p>(ii) Childminders may need written notice under any contracted agreement. This may not constitute as proper notice.</p> | <p>(i) The continuation of the childminding service must be reviewed where no end date has been established at the beginning of the contract and this review must be clearly evidenced. All relevant staff must be fully aware of their expected roles and responsibilities in this matter. As per the current policy, adequate authorisation must be obtained depending on the length of provision.</p> | <p>HR</p> |
| <p><b>Management Comments</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <p><b>Proposed Actions / Person responsible / Date</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <p><b>Action Plan review (to be completed by Internal Audit)</b></p>                                                                                                                                                                                                                                                                                                                                     |           |
| <p>Childminding has changed and is monitored by the Commissioning team – Finance will refuse to pay if not within the contract.</p> <p>We no longer use the Childcare Co-ordinator who worked in Education.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <p>No further action needed.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <p>Achieved (Y/N)</p> <p>Action taken</p> <p>Further Action Required?</p>                                                                                                                                                                                                                                                                                                                                |           |

| 4.2.11 Point Noted                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Implication                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Recommendations                                                                                                                                                                                                                                                                                                                                                                            | Rating    |
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| <p><b>Changeover of Child Team for Person R</b><br/>                     (i) Person R was transferred from the CwD Team to Caerphilly West on 21/6/17 but examination of the childminding expenditure highlighted in the previous point (4.2.10) identified that payments which began in March 17 continued to be charged against the original team's budget until Dec 17. Although this had already been identified by the Team Manager (CwD) and reported to Finance for rectification, it has not been carried out correctly. Two journal adjustments took place but 2<sup>nd</sup> one overlapped with the period already journaled in the 1<sup>st</sup> and has resulted in an over reimbursement to CwD (cost centre 1976) and overpayment to Caerphilly West's budget (1972) by £1563.09. An OLAS download / breakdown of the transactions found is included as <b>Appendix 2</b>.</p> | <p>(i) The change of cost centre was not actioned straight away when person R was transferred to the Caerphilly West Team, resulting in a journal transfer being made at the end of November. It is now too late to rectify the over inflated credit and debit entries from the second journal transfer due to 2017/18 year end. Any management/ financial report based on the OLAS data for 2017/18 for the two teams is incorrect, i.e. understated spend on cost centre 1976 and over stated on 1972.</p> | <p>(i) The Team Manager and key staff to ensure that all active casework with the individual/ service user is properly handed over on the agreed transfer date. This to include notification to a change of cost centre to all relevant departments. Finance should also check their internal processes to ensure adequate controls are in place to prevent incorrect journal entries.</p> | <p>HR</p> |
| Management Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Proposed Actions / Person responsible / Date                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Action Plan review (to be completed by Internal Audit)                                                                                                                                                                                                                                                                                                                                     |           |
| <p>This was human error</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <p>We would expect our team (Finance) to journal correctly.</p> <p>We do not currently have plans to check the journals.</p> <p>However this is a topic that is being discussed by the Finance Managers Group and we will adhere to any decisions or advice from that group.</p>                                                                                                                                                                                                                             | <p>Achieved (Y/N)</p> <p>Action taken</p> <p>Further Action Required?</p>                                                                                                                                                                                                                                                                                                                  |           |

| 4.2.12 Point Noted                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Implication                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Rating    |
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| <p><b>Open Ended Contracts for Childminding/Nursery Care</b><br/>                     No evidence has been presented or found to evidence the continued requirements of the childminding provisions is reviewed where no end or review date has been entered on the contract agreement drawn at the initial meeting. 7 of the 9 contracts examined did not have any agreed contract end or review date. Four of the 7 open ended contracts continued for over 16 weeks, the period ranged from 17 to 40 weeks. No records / notes were found via ICS and IDOX to evidence any reviews or discussions of continued sessions or any agreements to end the contracts. Audit was advised that in an absence of an end date, the contract is normally end via a telephone request from the Social Worker.</p> <p>Furthermore, no amendments to contract were found for slight variances between agreed and paid hours in 4 of the 9 contracts (3 of the contracts had a reduction in hours and 1 was increased). Audit was advised that it is standard procedure to review every contract after 6 weeks but all parties (Social Worker and parents) can also request changes at anytime and in which case, authorisation for the amendment is requested from the Team Manager. Despite several requests for the amended information of the 4 contracts placed with the Childminding Co-ordinator, none were received. Details of the individual contracts examined have been included as <b>Appendix 3</b>.</p> | <p>There is no evidence to confirm that contracts are being reviewed after the 6 weeks where no end date or planned review date is being entered at the contract. Contracts could continue unnecessarily if reviews are not undertaken. The continuation of childcare in the long term is not sustainable under the S.17 budget which is cash limited. There is no evidence to suggest that further and sufficient level of authorisation is obtained where the contract continues for more than a 4 week period. The S.17 policy and procedure states “expenditure must not be authorised for longer than an initial 4 week period and be reviewed at the 4 week period when it can be agreed for a further 12 week period if it is clearly demonstrated that the service is effective and the need ongoing – expenditure beyond this 12 week period can only be agreed with Service Manager in exceptional circumstances. Any incorrect or over charge on invoices may go undetected in the absence of relevant information to check the validity of the invoice charges.</p> | <p>The arrangement of the childcare contract and subsequent reviews thereafter to be examined to ensure all essential details including the duration of the contract is updated onto the contract agreement. If a contract end date can’t be established initially, a review date should be agreed and entered on the contract so that the date can be used as a “trigger” to carry out a follow up of the service users needs. Any reviews, follow ups undertaken and amendment of contract should be properly evidenced. This should include the authorisation of Management where amendments to contract have been requested. It should be ensured that invoices are not paid without verification to the services agreed as per contract or amendment to contract where applicable. Contractual notice periods will need to be recorded and complied with wherever possible.</p> | <p>MR</p> |
| <p><b>Management Comments</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <p><b>Proposed Actions / Person responsible / Date</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <p><b>Action Plan review (to be completed by Internal Audit)</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |           |
| <p>As per 4.2.10, Childminding has changed and is monitored by the Commissioning team – Finance will refuse to pay if not within the contract.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <p>No further action needed.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <p>Achieved (Y/N)</p> <p>Action taken</p> <p>Further Action Required?</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |           |

| 4.2.13 Point Noted                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Implication                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Rating    |
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| <p><b>Missing Referral Forms for Childcare Placements and Contract</b></p> <p>(i) No “Referral form for childcare” could be located for 2 of the 10 childminding agreements selected for sample checking despite further follow ups with both the Childminding Placement Officer and the Team Manager (Blackwood). These were in respect of:-</p> <ul style="list-style-type: none"> <li>• Person L for childminding services with KC (CCP00774) which started on 2/3/17. As highlighted above “L” was already under LAC as at 10/7/13 with his guardian in receipt of foster allowance.</li> <li>• Person S for childminding services also with KC starting on 12/1/17. Enquiries in ICS identified that whilst childminding was discussed as a possibility in the initial legal planning meeting (14/12/16), it was to be concluded in the next meeting 18/1/17 which by then the provision had started.</li> </ul> <p>Referral forms from all other Teams were present. Audit was advised by the Team Manager (SW) that referral forms would have been filled in otherwise the placements would not have gone ahead.</p> <p>(ii) The referral form and contract was not provided for examination for the 1 sample despite several follow ups. This was in respect of person J assigned to the Caerphilly West Team in respect of day nursery provision with Abigail’s Day Nursery between 1/2/16 – 4/9/17. Subsequent examination of the care plan identified that nursery provision was agreed but no further meeting minutes or case notes were found to confirm if any discussion regarding a termination date or reviews took place. As highlighted earlier, this should have been coded to the LAC budget. The contract continued for a total of 81 weeks and came to a natural end when “J” was old enough to attend School. The total spend on day care is £20,690.</p> | <p>(i)-(ii) Without seeing the referral form which contains the anticipated outcome for the request, it is difficult to ascertain if the expenditure was appropriate for S.17. The reason for the request of service is not apparent or albeit, can be difficult and time consuming to ascertain if the request has not been included in the care plan, resulting in further searches in IDOX and/ or ICS for relevant information. In case of CF, no prior formal approval / decision could be found before the childminding took place despite enquiries with various staff and record searches via ICS and IDOX. In the absence of a contract, there is no written agreement to confirm exactly what was agreed, i.e. hours/ days needed, meals, duration of contract, planned review date, fees agreed and no confirmation that the provision was agreed by all relevant parties. This is contrary to S.18 of the Financial Regulations whereby Invoices cannot be verified to ensure prices are in accordance with the agreement and the account is arithmetically correct.</p> | <p>(i)-(ii) The Childcare Co-ordinator should ensure procedures are being adhered to for all requests, i.e. a referral form for childcare is completed by the Social Worker and a contract is drawn up and properly signed by all parties following the initial contract meeting. Consideration should be given for both set of records and any other supporting documentation to be scanned into IDOX for retention. This will ensure access to records following the close down of files. Consideration should also be given for the Social Worker to email a copy of the referral form to their Admin. Support Team so that a copy can be scanned in IDOX for their purposes/ future reference.</p> | <p>MR</p> |
| <p><b>Management Comments</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <p><b>Proposed Actions / Person responsible / Date</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <p><b>Action Plan review (to be completed by Internal Audit)</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |           |
| <p>See 4.2.10, the monitoring of childminding contracts have changed now they are under the Commissioning Team.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <p>No further action is needed.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <p>Achieved (Y/N)</p> <p>Action taken</p> <p>Further Action Required?</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |           |

| 4.2.14 Point Noted                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Implication                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Rating    |
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| <p><b>Incomplete Contract Details for Childminding</b><br/>                     No actual contract details, i.e. Section 4, 5 &amp; 6 regarding requirements, contracted hours, fees and charges have been completed for 1 of the 9 contracts examined, i.e. person A under the Risca Team. Although details of proposed/ enquired hours has been completed on the initial Referral Form for Childcare, not all of the hours/pick ups entered made sense as overnight stay needed to be discussed. There is also no evidence that the Team Manager has authorised the contract (this is dealt with as a separate point further on in the report). All other parties have signed the relevant section of this agreement, i.e. Childminder, Childminding Placement Officer &amp; Parent(s)/ Guardian.</p> <p>The examination of expenditure for “A” noted a majority of the weekly invoices paid is just over £207 which is made up of 28.15hrs of childcare plus overnight, mileage and meal charges. A total of 11 weeks of invoices have been paid from the S.17 cost centre (last invoice for 12/4/17) to which the charges cannot be verified in the absence of the contract details.</p> <p>Details of the days and times entered on the referral form and actual invoice charges have been included as <b>Appendix 4</b>.</p> | <p>The contract is invalid and would not have provided any assurances/ clarification had any contract issues risen given that it is incomplete and it has not been properly authorised.</p> <p>On this occasion, 4 of the 5 individuals have given their signatures knowing that all of the crucial information regarding service delivery has yet to be completed. The Authority who is responsible for paying the service provision could be exploited as a result. The Childcare Co-ordinator has failed to safeguard all relevant parties.</p> <p>Invoices are being paid without verification of what provision was agreed. There are 4 types of invoice charges being paid and there is no proof that any of them has been agreed. Payments appears to be made without question which is not in compliance to S.18 of the Financial Regulations and could result in over or underpayment being made.</p> | <p>In future, it should be ensured that all contract details are fully completed and that invoices are checked to ensure the invoice charges are in accordance to the provisions agreed in the signed contract or any subsequent official amendment of contract.</p> <p>The current invoice verification process must be reviewed to ensure invoices are not approved for payment without appropriate checks as required by S.18 of the Financial Regulations. Any differences/ issues found from the invoice check must be properly followed up and resolved, the checking officer (Childminding Placement Officer) must be satisfied the invoices charges are correct and that the payment is due.</p> | <p>HR</p> |
| <p><b>Management Comments</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <p><b>Proposed Actions / Person responsible / Date</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <p><b>Action Plan review (to be completed by Internal Audit)</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |           |
| <p>As per 4.2.10, the monitoring of childminding contracts have changed now they are under the Commissioning Team – Finance will refuse to pay if not within the contract.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <p>No further action needed.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <p>Achieved (Y/N)</p> <p>Action taken</p> <p>Further Action Required?</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |           |

| 4.2.15 Point Noted                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Implication                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Rating                       |
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| <p><b>Authorisation of Childminding Contract</b></p> <p>(i) Of 9 childminding contracts examined, no Team Manager authorisation appeared to have been received for the following 5 contracts:-</p> <ul style="list-style-type: none"> <li>• Family 5 (Caerphilly West)</li> <li>• Person R (Caerphilly with Disabilities for initial contract)</li> <li>• Family 6 (Bargoed)</li> <li>• Person T (Risca)</li> <li>• Person A (Risca)</li> </ul> <p>Authorisation is usually obtained via an email as the Team Managers are not expected to attend the initial meeting in the arrangement of contract, this is attended by the Social Worker/ Referrer. Once the contract details are agreed by the other parties, a summary of the agreed services e.g. day/time, travelling, meals etc. is emailed to the Team Manager for approval.</p> <p>(ii) Parent signature have not been obtained for 2 of the contracts:-</p> <ul style="list-style-type: none"> <li>• Family 5 – should have been signed by the mother.</li> <li>• Family 1 (Rhymney) - Although, it is noted that CCBC has joint parent responsibility with the parents, neither the birth parents or CCBC has signed the appropriate parents/ guardian sections (3, 7 &amp; 12).</li> </ul> | <p>(i)-(ii) Official approval of the contract has not been obtained by all relevant parties. The contract is not legally binding where full signatures are not obtained. There is no proof that each relevant person has understood, agreed and accepted to fulfil their individual responsibilities, obligations and general terms and conditions of the contract.</p> <p>In terms of S.17, there is no proof that the request made by Social Worker have been discussed and supported by their Team or Service Manager. It is the Managers responsibilities to ensure that financial resources are planned, targeted and will improve outcomes for the child.</p> | <p>(i)-(ii) In future, it should be ensured that all signatures (Childminder, Childminding Placement Officer, Social Worker/ Referrer, Parent(s)/ Guardian(s) and Team Manager are obtained to ensure the formal childminding contract is legally binding. Where the Team Manager is not present to sign the contract, a copy should be provided by email for checking so the Team Manager could authorise via a reply. At the very least, Section 2 (terms of contract), 4 (requirements of the referral), 5 (contracted hours), 6 (contracted fees and charges) and 12 (acceptance of contract and guidance – all parties to sign) should be given/ emailed to the Team Manager instead of emailing a separate note of summary where details could be missed or mistyped.</p> | <p>(i) HR</p> <p>(ii) HR</p> |
| <p><b>Management Comments</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <p><b>Proposed Actions / Person responsible / Date</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <p><b>Action Plan review (to be completed by Internal Audit)</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                              |
| <p>See 4.2.10</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <p>No further action needed.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <p>Achieved (Y/N)</p> <p>Action taken</p> <p>Further Action Required?</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                              |



| 4.2.16 Point Noted                                                                                                                                                                                                                                                                                                                                                                                                                           | Implication                                                                                                                                                                                                                                                                                                                                                                                                        | Recommendations                                                                                                                                                                                                                                               | Rating    |
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| <p><b>Lay out of Childcare Placement Contract</b><br/>                     Examination of the layout of the childcare placement contract agreement noted that the signature section for the placement requirements including the breakdown of contracted hours, fees and other costs (e.g. overnight fees, meals, transport, leisure activity costs) is on the next page. A copy of the relevant pages is included as <b>Appendix 5</b>.</p> | <p>As the signatory section (Section 7 – joint agreement to details of placement contract – all parties to sign) linked to actual contract details and requirements is on a separate page, any replacement of contract details page could go undetected.</p> <p>The amendment of contract process could be bypassed where the format of the initial agreement could allow placement details to be substituted.</p> | <p>To revise the “Children’s Social Services Childcare Provision Placement Contract Form” so that the signature section is also on the same page as to the actual contract requirements on Section 4, 5 &amp; 6 or parties should countersign both pages.</p> | <p>HR</p> |
| Management Comments                                                                                                                                                                                                                                                                                                                                                                                                                          | Proposed Actions / Person responsible / Date                                                                                                                                                                                                                                                                                                                                                                       | Action Plan review (to be completed by Internal Audit)                                                                                                                                                                                                        |           |
| <p>See 4.2.10</p>                                                                                                                                                                                                                                                                                                                                                                                                                            | <p>No further action needed.</p>                                                                                                                                                                                                                                                                                                                                                                                   | <p>Achieved (Y/N)</p> <p>Action taken</p> <p>Further Action Required?</p>                                                                                                                                                                                     |           |

| 4.2.17 Point Noted                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Implication                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Rating    |
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| <p><b>Duplicate payments to Lextox &amp; Atkinson Lewis Ltd</b><br/>                     A sample test of the payments from the Caerphilly East Budget sheet has identified a concern over the arrangement and payment for the provision of drug, alcohol and DNA testing with the preferred suppliers above. Work undertaken identified a number of identical invoices were entered by Finance via direct input into OLAS and by the 2 Caerphilly Locality Teams via retrospective orders. The duplicates were however, identified and cancelled by the OLAS Team as part of their payment run checking processes. Whilst these were picked up in time, the duplicates had occurred due to a combination of factors; poor communications/ lack of awareness of internal procedures, weaknesses in the budget reconciliation process, invoices being put through the retrospective order route, the lack of access to OLAS for the Locality/ Admin Teams to check for prior payment plus the supplier, Lextox were emailing invoices to more than 1 department.<br/>                     The findings were reported to the Contract Officer straight away and interim processes have been implemented as a result. The contract for this provision is currently under tender and a new set of procedures will be drawn for the new contract.<br/>                     However, it is noted that none of the cancelled invoices have been updated in Proactis to reflect their true status. Details as follows:-</p> <ul style="list-style-type: none"> <li>• Invoice 46335 to Lextox for £765.00 (net), order no. PO10637361</li> <li>• Invoice 59475 to Lextox for £180.00 (net), order no. PO10644516</li> <li>• Invoice 59483 to Lextox for £180.00 (net), order no. PO10644518</li> <li>• Invoice 59533 to Lextox for £135.00 (net), order no. PO10644517</li> <li>• Invoice 5998934 to Atkinson Lewis Ltd for £862.00 (net), PO10653739</li> </ul> | <p>Duplicate payments would have been made if they had not been identified by the OLAS Teams. The Admin Team have paid invoices that they are not responsible for and have paid them using the retrospective order route which increases the risk of duplicate payments.</p> <p>By not updating Proactis, it is not apparent that the systems' invoice status, i.e. "fully invoiced" is incorrect. This is because the invoice cannot be cancelled from Proactis once it has been posted to the OLAS system for payment. There is also no on-line explanation to identify why the payment is cancelled and what other actions have been undertaken. Incomplete action could be overlooked. The systems' order and invoice status is therefore, distorted.</p> | <p>Payments should not be made via retrospective orders or without seeking advice from Finance where invoices have been received for provisions that have not been requested or arranged via the Admin Team. As per interim procedures, all invoices for this provision should be passed to Finance.</p> <p>It should be ensured that where invoices / payments have to be cancelled in OLAS instead of Proactis, the cancelled status is correctly reflected onto the invoice notes facility. Details to be updated should include reason for the cancellation and any replacement details (i.e. reference to the new / replacement order number etc.) or actions required. Assistance is available from Proactis Support on 01443 863159 if required.</p> | <p>HR</p> |
| <p><b>Management Comments</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <p><b>Proposed Actions / Person responsible / Date</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <p><b>Action Plan review (to be completed by Internal Audit)</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |           |
| <p>This area of expenditure must now go through the Commissioning Team who maintain a spreadsheet. Finance have access to this spreadsheet and will refuse to pay if not within the contract or contained on the spreadsheet.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <p>No further action needed</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <p>Achieved (Y/N)</p> <p>Action taken</p> <p>Further Action Required?</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |           |

| 4.2.18 Point Noted                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Implication                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Rating    |
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| <p><b>Retrospective Orders</b><br/>Examination of 2 orders from the joint Risca/Blackwood Team identified both were raised retrospectively using the “confirmation orders” template. Feedback from the Clerical staff indicated it is likely that the Social Workers have made the arrangements themselves, if they had gone through to the Admin Support Team first, the orders would have been raised in advance.</p> <ul style="list-style-type: none"> <li>• Superstars Schools Services Ltd, raised on retrospective order, no. PO106350556, dated 18/8/17 by the Blackwood Team in respect of person U for attending a School holiday scheme between 31<sup>st</sup> July – 4<sup>th</sup> August and 14<sup>th</sup> – 18<sup>th</sup> August 17. Although the invoice received date is entered as 16/8/17 (before the order date), it is noted the invoice is dated 20/7/17.</li> <li>• Homestyle of Blackwood, raised on retrospective order PO10628421 dated 4/7/17 for £380.00 (net) by the Risca Team. As above, the invoice received date entered is 12/7/17 which is after the order date but the invoice is dated a month earlier on 13/6/17.</li> </ul> | <p>Financial Regulations are not being complied with, where an official order is not raised to support a request for goods or services at the time of, or in advance of the request, (other than in respect of utilities). Control of the ordering system is weakened as there is no record of the item details, i.e. quantity &amp; prices etc. to check against the subsequent delivery/ invoice and the risk of making a duplicate payment is also increased. Items could be ordered which have not been approved or for which there may be insufficient budget for. This running balance of the budget control sheet will not be up-to-date where the financial commitment is not registered in advance.</p> <p>It is also possible that either the invoice receipt date entered on the system is incorrect or there is a problem in the receiving of invoices. It is noted that the Unit number of the Business Park does not form part of the defaulted invoice address on the Proactis orders. If late payments are occurring, the Team could be liable to late payment fees under the Late Payments of Commercial Debts (Interest) Act 1998 for an interest claim by the business.</p> | <p>All requests for goods and services that require an order to be raised must go through to the Admin Support Team to enable an order to be raised in advance. If an order is placed over the telephone or if there are circumstances where the Social Worker has to make the arrangements then this information must be passed to the Admin Support Team so that a confirmation order can be raised within one working day to comply with Financial Regulations.</p> <p>The Admin. Officer to investigate if there are any problems with that is causing a delay in the receipting of invoices and to rectify as appropriate.</p> | <p>MR</p> |
| <p><b>Management Comments</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <p><b>Proposed Actions / Person responsible / Date</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <p><b>Action Plan review (to be completed by Internal Audit)</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |           |
| <p>Will be addressed as part of task and finish group.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <p>As per 3.1.1 - Task &amp; Finish Group / SW / June 2019</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <p>Achieved (Y/N)</p> <p>Action taken</p> <p>Further Action Required?</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |           |

| 4.2.19 Point Noted                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Implication                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Rating        |
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| <p><b>Authorisation of Proactis Orders</b></p> <p>(i) Proactis orders are authorised on the system remotely by the Admin Officer (TS) who is based at Ty Pontygwindy. This is because the orders are raised at different localities, Woodfieldside (Blackwood &amp; Risca), Ty Gilfach (Bargoed), Rhymney Intergrated Centre (Rhymney) &amp; Ty Pontygwindy (Caerphilly East &amp; West). Each admin support team are however, expected to obtain appropriate management authorisation either in the form of an email or a CS payment request form for the order to be raised and all paperwork should then be retained on file. Invoices are authorised on Proactis by a designated staff within the relevant admin support team. However, the examination of 7 payments across the localities found that management authorisation was not present for 3 of the orders. These were:-</p> <ul style="list-style-type: none"> <li>• Two orders raised by Woodfieldside, i.e. Superstars Schools Services Ltd, PO10628421 in respect of person U for 2 weeks at a school holiday scheme and Homestyle of Blackwood, PO10620593 in respect of person T for the purchase &amp; fitting of carpets (£380). The only relevant record found in ICS and IDOX for "U" was where the request <b>was not</b> granted by the Service Manager on the basis that other financial support had already been approved (legal cost &amp; legal aid). This decision was made in a Legal Plan meeting on 14/6/17. It was noted for reconsideration in the future but no further correspondence was found to support any subsequent approval given. With person "T", a reference was made in a home visit note dated 22/5/17 about the family being informed that the request was agreed by the Service Manager but no formal authorisation from the Service Manager could be located.</li> </ul> | <p>(i) This is not in compliance to internal procedures. There is no proof to confirm that management approval had been obtained before the provision or purchases were made. In terms of S.17, there is no proof that the request made by Social Worker have been discussed and supported by their Team or Service Manager. It is the Managers responsibilities to ensure that financial resources are planned, targeted and will improve outcomes for the child.</p> <p>In the case of person U, the request for financial assistance was discussed but it was not granted by the Service Manager. In the absence of official authorisation, the subsequent financial assistance given is contrary to the Service Manager's decision. The current processes of having a remote Proactis order authoriser is failing to pick up instances where management authorisation has not been obtained. It is also not the Admin. Officer's role and responsibilities to make management decision on budget spends.</p> | <p>(i)-(ii) The procedure for raising orders should be consistent for all teams. Consideration is given to reviewing the current authorisation processes so that orders are not authorised remotely. Ideally, the order authoriser should be a Team Manager and the Service Manager in their absence. It should be ensured that the relevant level of management authorisation (depends on the value of proposed spend) is obtained before the order is raised. Orders should not be raised where only verbal authorisation has been obtained.</p> <p>In practice, it appears that where written authorisation is obtained, it is in the form of an email and as such, a copy must be printed off and retained with the relevant order and not be left on the individual's email account which is also not considered as good practice under the recent General Data Protection Reform.</p> | <p>(i) MR</p> |

| 4.2.19 Point Noted                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Implication                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Recommendations                                                                              | Rating                       |
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| <p><b>Authorisation of Proactis Orders (Cont'd)</b></p> <p>(i)</p> <ul style="list-style-type: none"> <li>• One order raised by the Rhymney Team, i.e. Argos, PO10609764 for £52.91. This was in respect of asset of drawers for person Q. Feedback from the Clerical Assistant indicated that it is likely that only verbal agreement was given on that occasion.</li> </ul> <p>(ii) Two of the Team Manager’s email authorisation were not printed off and retained with the relevant copy order. These were:-</p> <ul style="list-style-type: none"> <li>• Argos, order no. PO10606981 for £66.65 raised by the Bargoed Team for 2 car seats. They were pooled car seats for Social Workers to access if needed.</li> <li>• Argos, order no. PO10630556 for £42.47 raised by the Bargoed Team. This was for 3 safety gates in respect of family 7. Audit was advised by SP that the email authorisation was not present as it was sent to AD, SP’s predecessor. SP has subsequently asked the Team Manager to forward the authorisation on for Audit’s request but this has not been passed on.</li> </ul> | <p>(i) Please refer to the previous page.</p> <p>(ii) There is inadequate audit trail to confirm that appropriate authorisation had been obtained for the order to be raised. The non retention of the email authorisation with the copy order has caused a problem where staff has moved on as seen in the authorisation search for PO10630556. Problems could also occur where there is more than 1 admin. Staff involved / set up to undertake the same Proactis processes but emails received to individuals are not being transferred into a shared file.</p> <p>There are also inconsistencies in the way records are being kept between individual teams.</p> | <p>(i) Please refer to the previous page.</p> <p>(ii) Please refer to the previous page.</p> | <p>(i) MR</p> <p>(ii) MR</p> |
| <p><b>Management Comments</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <p><b>Proposed Actions / Person responsible / Date</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <p><b>Action Plan review (to be completed by Internal Audit)</b></p>                         |                              |
| <p>Will be addressed as part of task and finish group.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <p>As per 3.1.1 - Task &amp; Finish Group / S W / June 2019</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <p>Achieved (Y/N)</p> <p>Action taken</p> <p>Further Action Required?</p>                    |                              |

| 4.2.20 Point Noted                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Implication                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Rating    |
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| <p><b>Supporting Records for Proactis Purchases</b><br/>                     The sample testing found 2 occasions where it was not apparent which individual the provision was for due to the lack of details given on the request placed for the order to be raised. Details as follows:-</p> <ul style="list-style-type: none"> <li>Argos, order no. PO10617160 for a mattress. The request from the Social Worker (CwD Team) stated it was for family 8 and the transaction was updated on the budget sheet against the name of a particular child within the family household but the examination of this child's case notes and C&amp;S plan did not support this. There were 3 other siblings in the same household so subsequent enquiries with the Team Manager identified it was definitely for a different sibling.</li> <li>Argos, order no. 10606981 for 2 car seats raised by the Bargoed Team. None of the supporting paperwork for the order identified who the purchase was for. Subsequent enquiries identified there were bought so Social Workers could use them to transport individuals if needed. They are kept as a "pool" item in the Office. The purchases have not updated on the inventory record due to the purchase value being below the traditional guideline (i.e. for item value £50+).</li> </ul> | <p>It is difficult to ascertain if the criteria for S.17 monies has been met if the Admin Team are not advised of which service user the request is for. The Admin Team are responsible for ensuring expenditure is coded appropriately and be paid out of the correct budget.</p> <p>Relevant records may not be indexed where this information is unknown.</p> <p>Because the car seats are used for offsite purposes, they can be easily forgotten about where they are not on the inventory record, particularly if the items are not required to be signed out and back into the Office.</p> | <p>For good practice, every effort should be made by the person making the making the order request to ensure sufficient details such as the service user's name and swift number is included in the request. This will enable the support/ processing staff to undertake their verification processes and tasks correctly.</p> <p>For good practice, Managers to consider including any desirable and portable items on the inventory record. The benefit of this is that they will be reviewed via a physical inspection on an annual basis thereafter and for the car seats, the prompt check should identify any seats that will require replacement if they are no longer safe/ fit for purpose. Any valuable pooled items that are expected to be taken offsite should also be updated on a record of items taken offsite. An example of this record is included as <b>Appendix 6.</b></p> | <p>MR</p> |
| <p><b>Management Comments</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <p><b>Proposed Actions / Person responsible / Date</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <p><b>Action Plan review (to be completed by Internal Audit)</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |           |
| <p>Will be addressed as part of task and finish group.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <p>As per 3.1.1 - Task &amp; Finish Group / SW / June 2019</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <p>Achieved (Y/N)</p> <p>Action taken</p> <p>Further Action Required?</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |           |

| 4.2.21 Point Noted                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Implication                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Rating    |
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| <p><b>Training for Staff Cover</b><br/>                     The sample testing of payments noted that the payment request forms sent to Finance by the Risca Team during mid June to July 17 were not fully completed, i.e. CS0011295 (6/7/17) - the Swift ID, payment address is in the same handwriting as the Section for Finance use only but should have been completed by the Social Worker or the Admin Support Team. The cost centre and subjective code was also not been completed. As highlighted in point 4.2.6 of the report, incompleteness of the form led to a check being made on the wrong individual and the payment being allocated to the S.17 budget in error. No amount was entered on CS0011271 (13/6/17) for a 3 weeks maintenance cost. Audit was advised by the Admin. Assistant it was during the period that she was not in work so the forms were completed by other members of staff.</p> | <p>Errors could and has occurred on the one form, CS0011295 as a result of the form being incomplete where the looked after status was missed for the individual (person K) as highlighted in point 4.2.6 and the expenditure was posted as a S.17 payment instead.</p> <p>This maybe a training issue for any staff who are only expected to undertake the duties as a cover role only, they maybe less experience as it is not part of their normal routine and particularly in the absence of any “on the job” training/ procedure notes available.</p> | <p>All payment request forms should be fully and accurately completed. Enquiries should be made with Staff who are expected to cover absences to ascertain if and what training needs are required. Staff should be confident in determining the correct order and payment methods required e.g. petty cash, Proactis, Swift or OLAS, procurement card and how these should be administered and by which department, e.g. Finance, Commissioning (Contract Officer) or Admin Support etc. All Admin Support staff would benefit greatly if appropriate training notes could be introduced detailing all the different kinds of ordering and payment methods that exist and what they should be used for, the actual processes involved, including the level / types of authorisation required, the updating of the expenditure to the budget control sheets and documents to be retained.</p> | <p>MR</p> |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <p><b>Proposed Actions / Person responsible / Date</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <p><b>Action Plan review (to be completed by Internal Audit)</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |           |
| <p>Will be addressed as part of task and finish group.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <p>As per 3.1.1 - Task &amp; Finish Group / SW / June 2019</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <p>Achieved (Y/N)</p> <p>Action taken</p> <p>Further Action Required?</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |           |

| 4.2.22 Point Noted                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Implication                                                                                                                                                                                                                                                                         | Recommendations                                                                                                                                                                                                                                                                                                                           | Rating    |
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| <p><b>Re-claim of Staff Expenses</b><br/>                     Three of the petty cash receipts examined included the reimbursement of minor staff expenses during outreach work with the service user. These were all in respect of outdoor activities with person V claimed through the Risca Team on payment requests CS11243 (17/5/17) for £5.70, CS11281 (16/6/17) for £7.10 &amp; CS11908 (14/7/17) for £8.98. A majority of the expenditure is incurred by the service user for admission &amp; refreshments, the staff related expense is for the purchase of a soft drink on each occasion.<br/>                     Whilst none of these attribute to a material amount, Audit was advised by the Principal Income &amp; Assessment Officer that it is a general policy that all staff related expenses should be made via Payroll and not petty cash. The Assistant Accountant also confirmed that only the service users' expenses are allowed to be re-claimed from petty cash. Regarding what can be claimable by staff, there is no formal policy/ guidelines at present, it is unclear if this is a local decision where each team make their own arrangements.</p> | <p>The method of reimbursing staff expenses via petty cash however minor value is contrary to the Authority's best practice and Financial Regulations. There is very little transparency where Staff and Service users' expenses are not recorded and accounted for separately.</p> | <p>In future all staff related expenses should be reclaimed through Payroll expenses and not Petty Cash. All relevant staff including the Petty Cash Administrator should be made aware of this requirement. Management or Finance to consider if there is a need to produce any formal guidance on what staff are able to claim for.</p> | <p>MR</p> |
| <p><b>Management Comments</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <p><b>Proposed Actions / Person responsible / Date</b></p>                                                                                                                                                                                                                          | <p><b>Action Plan review (to be completed by Internal Audit)</b></p>                                                                                                                                                                                                                                                                      |           |
| <p>Staff must not claim back in any other way than expenses – when finance are aware of this they refuse payment – however this needs to be addressed as part of task and finish group to ensure consistency throughout out the directorate.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <p>As per 3.1.1 - Task &amp; Finish Group / SW / June 2019</p>                                                                                                                                                                                                                      | <p>Achieved (Y/N)<br/><br/>                     Action taken<br/><br/>                     Further Action Required?</p>                                                                                                                                                                                                                   |           |



| 4.2.23 Point Noted                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Implication                                                                                                                                                                                                                                                                                                  | Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Rating |
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| <p><b>Reclaiming of VAT on utility top ups</b></p> <p>The examination of petty cash receipts identified a few occasions where VAT is re-claimed in error on receipts submitted for energy (electricity and gas) top up payments procured by the service user. In these instances, cash payments have been given to the service user as an “assistance in kind” but a receipt is received from the service user as proof that the cash donation has been spent on what it was intended for. The top ups are therefore third party purchases which the Authority are not able to re-claim VAT on. This was identified on the following petty cash payment requests in respect of person W administered by the Risca Team:-</p> <ul style="list-style-type: none"> <li>• CS11244, dated 17/5/17 for £25.00</li> <li>• CS11255, dated 30/5/17 for £20.00</li> </ul> <p>It is acknowledged that it is difficult for the Petty Cash Administrator and the Central Petty Cash Team to clearly establish who (Worker or Service User) has procured the energy top ups under the current paperwork handed over. The audit trail ends once the Worker has signed for the cash disbursed by the Petty Cash Administrator. Service Users are generally not asked to sign a receipt to acknowledge and evidence what has been received, e.g. cash or purchases.</p> | <p>The re-claiming of VAT for third party purchases has resulted in the Authority treating VAT incorrectly. The money becomes the service users’ as soon as it is handed over and it is the individual that then ordered and will benefit from the supply so the Authority cannot recover VAT from HMRC.</p> | <p>It should be ensured that VAT is only reclaimed for purchases made by CCBC staff and then donated to service users. Under the advice of the VAT Officer, the Admin. Officer has already been informed to revisit this area as a VAT adjustment for incorrect re-claims must go back over the last 4 years.</p> <p>To assist the Petty Cash Administrator and the Central Petty Cash Team in identifying the correct treatment of VAT, it is important that the Case Worker obtains a signed receipt from the service user that clearly outlines the type of benefit they have received, i.e. cash or items/ purchases. This is crucial in determining whether or not the Authority is able to re-claim VAT. The recommendation made in Section 3.1.2 regarding donations to service users should address this problem.</p> | MR     |
| <p><b>Management Comments</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <p><b>Proposed Actions / Person responsible / Date</b></p>                                                                                                                                                                                                                                                   | <p><b>Action Plan review (to be completed by Internal Audit)</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |        |
| <p>As discussed with yourselves – vat should not be claimed for clients purchases however SS staff often make purchase to ensure money used for its intended purpose – task and finish group to review what paperwork is appropriate and to reduce confusion for admin staff</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <p>As per 3.1.1 - Task &amp; Finish Group / SW / June 2019</p>                                                                                                                                                                                                                                               | <p>Achieved (Y/N)</p> <p>Action taken</p> <p>Further Action Required?</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |        |

| 4.2.24 Point Noted                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Implication                                                                                                                                                                                                                       | Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Rating    |
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| <p><b>Over-claim of Petty Cash</b><br/>A few instances were noted where minor over-reimbursement of petty cash occurred, details as follows:-</p> <ul style="list-style-type: none"> <li>• Blackwood Team, payment request CS11258 in respect of person K dated 01/06/17. £26.30 was reimbursed for school clothing but examination of the receipts noted that only £16.00 was for school uniform. The other items purchased were in respect of clothing for a younger child and groceries.</li> <li>• Risca Team – CS11908 in respect of person V dated 14/07/17, £8.98 was reimbursed instead of £8.28 in respect of outreach expenditure. It is also noted that correction fluid was used to amend the original entry.</li> </ul> | <p>The discrepancies have been missed by the Petty Cash Administrator resulting in an over reimbursement of expenditure.</p> <p>The audit trail of the original entries is lost where it is covered over by correction fluid.</p> | <p>When making a reimbursement, the Petty Cash Administrator must check the receipts submitted to ensure they fully support the nature of the request and that the amount requested is arithmetically correct. Any purchases on the receipt that is outside the scope of what has been requested/ agreed should not be reimbursed without clarification and further approval.</p> <p>For good practice, correction fluid should not be used to cover up original entries.</p> | <p>MA</p> |
| Management Comments                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Proposed Actions / Person responsible / Date                                                                                                                                                                                      | Action Plan review (to be completed by Internal Audit)                                                                                                                                                                                                                                                                                                                                                                                                                        |           |
| <p>Addressed as part of training following agreed procedures within task and finish group.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <p>As per 3.1.1 - Task &amp; Finish Group / SW / June 2019</p>                                                                                                                                                                    | <p>Achieved (Y/N)</p> <p>Action taken</p> <p>Further Action Required?</p>                                                                                                                                                                                                                                                                                                                                                                                                     |           |

| 4.2.25 Point Noted                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Implication                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Rating    |
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| <p><b>Stock Records for Homeless Packs</b><br/>                     A review and physical check of the stock and issue of the homeless packs (made up of toiletries and other sundry items) maintained by the 16+ Team identified that whilst the material value of the packs are not high and no more than 10 packs are made up at the time, stock records are not currently maintained.<br/>                     A list of whom the packs been given to is maintained, it requires the name of the recipient's and staff who has handed out the pack to be recorded. Other information such as running balance, date of receipt and recipient's signature is not maintained.<br/>                     The stock are currently not locked away, they are stored in full view in the office near the door entrance. There were 4 boxes of various sundry items (toiletries and food/drinks) in addition to the 4 packs stored on the shelves and floor at the time a physical check was made. Audit was advised that the stock were from hampers donated to the Leaving Care Team at Christmas.</p> | <p>Any missing packs will go undetected in the absence of stock records. The current donation list maintained is so limited that it will not assist in identifying any recent issues and how many packs should be left. There is also no proof that the individuals have received a pack in the absence of their signature.<br/>                     The risk of items being taken is also increased where items are displayed in full view of the office.</p> | <p>For good practice, consideration should be given to introducing a stock record for the packs and for physical checks to be undertaken periodically to ensure the packs are properly accounted for and that where differences are found, it is properly followed up to identify why.<br/>                     Items donated should also be signed for by the individual using the current receipt form that is already being used by the 16+ Team for cash donations administered from the petty cash system.<br/>                     All items of stock for the homeless packs should be kept securely, where the items can be locked away.<br/>                     A sample stock control sheet is included as <b>Appendix 6</b>.</p> | <p>MA</p> |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <p><b>Proposed Actions / Person responsible / Date</b></p>                                                                                                                                                                                                                                                                                                                                                                                                     | <p><b>Action Plan review (to be completed by Internal Audit)</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |           |
| <p>Addressed as part of training following agreed procedures within task and finish group.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <p>As per 3.1.1 - Task &amp; Finish Group / SW / June 2019</p>                                                                                                                                                                                                                                                                                                                                                                                                 | <p>Achieved (Y/N)<br/>                     Action taken<br/>                     Further Action Required?</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |           |

| 4.2.26 Point Noted                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Implication                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Rating    |
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| <p><b>Names Entered in OLAS Payments</b><br/>                     It is noted that either the service user's name or in some instances the name and identification number (Swift) are being entered on payments that are processed directly by Finance onto OLAS. It is entered as part of the line description field which is viewable by OLAS users from other service areas. It has probably been entered this way so that relevant non-processing staff are able pick out who the service user in order to perform their admin tasks. As highlighted in an earlier section, staff responsible for budget reconciliation do not have access to the OLAS system but the line description form part of the information data on the OLAS transaction report which is then used to either update or to reconcile against the budget sheet.</p> | <p>The display of personal information such as service user names could be deemed as being non-compliant with the recent General Data Protection Reform. Some of the key changes to the data protection principles is accountability for purpose limitation and data minimisation. The current processing of data allows service users to be identified by all staff that are able to access the OLAS system instead of limiting the details to those that would require the information to undertake their task.</p> | <p>Service user's names should not be entered into any systems that can be viewed by staff who should not be privy or need to know this information. Consideration should be given to either using the initials or the service user's unique identification rather the full names when processing details of payment or to seek advice from the OLAS Team to the possibility of restricting access to supplier accounts/ references that would contain sensitive or personal information.</p> | <p>HR</p> |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <p><b>Proposed Actions / Person responsible / Date</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <p><b>Action Plan review (to be completed by Internal Audit)</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                          |           |
| <p>Make more use of WCCIS references.<br/><br/>                     Will be addressed as part of the task and finish group.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <p>As per 3.1.1 - Task &amp; Finish Group / SW / June 2019</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <p>Achieved (Y/N)<br/><br/>                     Action taken<br/><br/>                     Further Action Required?</p>                                                                                                                                                                                                                                                                                                                                                                       |           |

| 4.2.28 Point Noted                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Implication                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Rating |
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| <p><b>Storage of Active Paperwork</b><br/>Audit was advised by the Bargoed Team Manager that whilst all staff have been fully trained and are aware/ reminded of the importance of information security, there are occasions where correspondence such as referral forms and other active records containing personal and sensitive information are left in the individual's working tray at the end of the day. It is felt that improvements can be made to the security and storage of manual working papers around the office. The Team are due to re-locate to a different office room at any time and all individual staff will have their owned locked pedestals to secure manual working papers to improve information security.</p> | <p>This is contrary to Section 6.11 of the Authority's Information Security Policy (version 11.0 – Jan 18) which states that all employees must ensure that sensitive personal information must not be left on desks and must be locked away when not required.</p> <p>In the event where the information gets into the wrong hand/ misuse, the Authority could face a substantial financial penalty (up to £17m or 4% of annual turnover), legal claims for compensation, personal liability plus the loss of trust to the service delivery. The range of Information held by Social Services is also likely to fall into the data category where a higher level of protection is required.</p> | <p>The Team Manager is already making improvements on the security of the office and is fully aware of the importance of the retention of personal data. As staff have already undertaken the relevant training which should include the mandatory on-line course on protecting information, it is important that all staff handling information are reminded of their individual responsibility and accountability to the Information Security Policy. All employees must ensure that paper records are kept secure; for active records these should be kept in lockable filing cabinets making sure they are only accessible to authorised personnel on a 'need to know basis ' Inactive/ semi active records should be kept in a secure storage area. Sensitive personal information must not be left on desks and must be locked away when not required.</p> | HR     |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>Proposed Actions / Person responsible / Date</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <b>Action Plan review (to be completed by Internal Audit)</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |        |
| Addressed as part of training following agreed procedures within task and finish group.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | As per 3.1.1 - Task & Finish Group / S W/ June 2019                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <p>Achieved (Y/N)</p> <p>Action taken</p> <p>Further Action Required?</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |        |

| 4.2.28 Point Noted                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Implication                                                                                                                                                                                                                                                                                           | Recommendations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Rating    |
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| <p><b>Security of Incoming Mail from External Source</b><br/> A sample test on the security of incoming and outgoing emails from external sources identified 1 instance where although the sender from the external organisation (Gwent Police) had used the approved public services network (PSN) secure extranet, the email was sent to a member of CCBC staff (RH – Bargoed Locality Team) that is not set up with access to the same network (GCSX user account for CCBC staff). The Principal ICT Security Officer advised that the email would probably have been received into the Caerphilly.gov.uk users inbox via the internet which is outside of the PSN secure extranet.<br/> It is noted that the email contained an attachment that contained personal and sensitive data.</p> <p>It is also noted that generally, a majority of the expected staff such as Social Workers and Senior Practitioners are not set up with a separate secured account (GCSX &amp; Egress) to enable secure communications between CCBC and other external organisations/ agencies. Audit was advised by Team Managers that the protocol is that all communications with external organisations should go through to the relevant Child Admin Team where there is a secured PSN account set up. This is also a requirement from the point that important correspondence can be picked up when individuals may be absent.</p> | <p>The incoming email was not delivered via a secured network as the recipient did not have a suitable secured email account set up. Any emails received this way will therefore be easier to intercept and the risk in the compromise of confidential, sensitive and personal data is increased.</p> | <p>Staff should be reminded that they should not be giving their individual Caerphilly.gov.uk email account for external correspondence to be received if they are likely to contain sensitive data. To adhere to the office protocol, all incoming mail from external sources should be directed to the secured account set up within the relevant Child Admin Team.</p> <p>The GCSX email accounts have recently been replaced with a list of secure emails addresses via TLS encryption for some external organisation such as some of the Welsh Police Forces with their email account ending “.pnn.police.uk”. This means that email communications between Caerphilly.gov.uk email addresses and Gwent.pnn.police.uk addresses are now encrypted so there is no need to use GCSX email to send this information. A list of all the external organisations that are set up with TLS encryption as at 16/7/18 is included as <b>Appendix 7</b>.</p> | <p>HR</p> |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <p><b>Proposed Actions / Person responsible / Date</b></p>                                                                                                                                                                                                                                            | <p><b>Action Plan review (to be completed by Internal Audit)</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |           |
| <p>Agreed</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <p>Staff reminded to adhere to protocol.<br/> S W to cascade message down through staff supervision<br/> 30/6/19</p>                                                                                                                                                                                  | <p>Achieved (Y/N)<br/> Action taken<br/> Further Action Required?</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |           |

**4.3 Control /risk 3**

Vulnerable children and their families are not supported in line with the provisions of The Children Act 1989.

There are no areas of concern found within this section of the report.

**5. Appendices**

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Appendix 1 - Percentage of childcare expenditure posted to S.17 budget for 2017/18 as at 12/10/17

Appendix 2 - OLAS download of transactions in respect of person R

Appendix 3(a) & (b) - Details of child minding/ day nursery contracts examined and unconfirmed contract amendments where variations were identified between actual invoice charges to the contract agreement

Appendix 4 – Incomplete childminding arrangement details in respect of person A

Appendix 5 - Page 3 & 4 of the Children's Social Services Childcare Provision Placement Contract Form

Appendix 6 – Record of Items Taken Offsite

Appendix 7 - Sample Stock Record

Appendix 8 - List of external organisations that apply TLS encryption to their email account