WEST DUNBARTONSHIRE COUNCIL

Report by Strategic Lead – Resources

Audit Committee: 16 September 2020

Subject: Internal Audit Plans 2019/20 and 2020/21 – Progress to 19 August 2020

1.   Purpose

1.1   The purpose of this report is to advise Members of progress at 19 August 2020 against the Audit Plans for 2019/20 and 2020/21.

1.2   The report also advises Members of:

- Recently issued Internal Audit action plans; and
- Progress made against action plans previously issued contained within Internal Audit and External Audit reports.

2.   Recommendations

2.1   It is recommended that Members note the contents of this report.

3.   Background

3.1   The annual audit plans for 2019/20 and 2020/21 were approved by the Audit Committee on 20 March 2019 and 17 June 2020 respectively. This report provides information on the progress in implementing the plans.

3.2   When audit reports are issued by Internal Audit and External Audit, an action plan is agreed with management in relation to issues highlighted by the audit report. Progress on implementing the actions is monitored by Internal Audit on a monthly basis and regularly reported to the Audit Committee.

4.   Main Issues

Audit Plan 2019/20

4.1.   The annual audit plan sets out the audit coverage for the year utilising available staff resources to enable the Audit Manager to provide the annual internal audit opinion regarding the adequacy and effectiveness of internal control within the Council.

4.2   Since the Audit Committee meeting in June 2020, 2 audits have been finalised as follows:

- Social Work – Attendance Management
- Social Work – Case Management

These reports identified a total of 12 issues categorised as below:

High	Medium	Low
2	6	4

A summary of the High and Medium Risk findings relating to the reviews are as follows:

Social Work - Attendance Management – (June 2020)

4.3 The review covered:

- General absence recording, including the reasons and descriptions given for absences, recording of medical certificates and return to work interviews;
- Stress and Occupational Health referrals;
- The application of trigger responses and recording of actions;
- A review of trends across the different service areas:
  - Children's Health, Care and Criminal Justice;
  - Mental Health, Learning Disabilities & Addictions;
  - Community Health & Care Services;
  - Strategy, Planning and Health Improvement.

4.4 Overall the systems in place are generally satisfactory however the review highlighted that opportunities exist to strengthen the application of some aspects of the attendance management policy as follows:

- Compliance with Attendance Management Policy (High Risk)

  Audit testing identified a number of areas where compliance with policy requirements requires to be improved as follows:

  - The application of the attendance management policy in regards to triggers is not being applied consistently or correctly.
  - A high number of employees are not being referred to Occupational Health when they should be. In addition when an employee states stress as a reason for an absence an individual stress risk assessment form should be completed. Very few of these forms are being completed and detailed on the system.
  - Return to work interviews are not being held regularly or are being held long after the employee returned to work.
  - There are multiple instances where Statement of Fitness to work are not being recorded (or potentially obtained). In addition there are instances where the dates provided on the statements are before the employee returns to work.

- Monitoring Exempt Absences (Medium Risk)

  There is a national provision in place that allows that if an individual deals directly with vulnerable clients and they have suffered with sickness and/or diarrhoea (D&V) then they can exclude this illness (and 48 hours after the last episode) from being counted towards a trigger.

The audit testing allowed for a very broad definition of sickness and/or diarrhoea whilst performing the testing, and also assumed the majority of individuals worked with vulnerable clients and therefore the absence should be discounted. However during the testing although some of these absences had not counted towards a trigger, as expected, there were clearly still some patterns of absence e.g. instances occurred on a weekend or a Monday or in other cases we identified some individuals who had started to reach a trigger stage but all subsequent illnesses were D&V.

4.6 The audit also identified one low risk finding in relation to the completeness and accuracy of absence recording.

4.7 We have made a number of recommendations and an action plan is in place to address all issues by 31 December 2020.

Social Work - Case Management (August 2020)

4.8 The review covered the following areas for Children and Families and Community Health and Care Teams:

- Policies and procedures;
- Case review;
- Workloads issues;
- Use of performance management information; and
- Triggers to close cases.

4.9 The review highlighted a number of areas where internal controls require to be strengthened as follows:

Ongoing Review of Workloads – Children and Families (High Risk)

- During the year to 30 November 2019 there were in total 2,124 open cases as compared to 2,233, 2,096 and 1,954 in the years to 30 November 2018, 2017 and 2016 respectively. However, despite the decrease in open cases since 2018, Team Leaders and Senior Social Workers have voiced concerns about the workload which they believe has increased due to an increasing complexity in cases being dealt with. The increase in the complexity of the cases is difficult to measure but is believed to be due to increasing poverty and welfare reform; reduced early intervention by the social work teams due to the need to focus on higher risk cases; and other services which provided support such as ATC (Alternative to Care) have had increased demands across the wider service;
- Team Leaders and Senior Social Workers (SSWs) have advised that there is insufficient capacity within their teams for all new case referrals to be allocated immediately to a social worker;
- Senior Social Workers have supervision meetings with their social workers every 6-8 weeks. However, due to the volume of cases allocated to each social worker only the highest priority or most complex cases are discussed at the supervision meetings therefore not all cases are subject to management review;

- The Supervision Policy requires supervision meetings to be recorded, detailing cases discussed, key decisions, allocated tasks and professional development and learning needs. No record of the supervision meetings are held beyond the SSW observations on CareFirst for the high priority cases; and
- Internal audit selected a sample of 15 cases on CareFirst for review, the following issues were identified:
  - there were no manager supervision comments on CareFirst for four cases;
  - for two open cases there were no new observations in the last 12 months; and
  - two open cases selected for review should have been closed during 2018 on CareFirst.

At the time of the review, management were actively recruiting additional social workers for the teams.

<u>Peer Review of Case Files – Children and Families (Medium Risk)</u>

The procedures document 'Standards and Guidance for Case recording - Child Care' outlines the requirement for an annual programme of case file audits to be undertaken to monitor and evaluate the case recording practice and standards. However, this peer review of case file audits has not been undertaken in recent years due to competing demands on the time of the Social Workers and Senior Social Workers who have had to prioritise their day to day case work above the peer review process.

<u>Supervision Meetings – Community Health and Care (Medium Risk)</u>

Senior Social Workers have supervision meetings with their social workers every 6-8 weeks. Currently, SSWs do not follow a consistent approach. Specifically:

- Although all Senior Social Workers have advised they discuss each open case with the Social Workers at supervision, not all SSWs record this supervision on CareFirst due to time constraints; and
- Notes of the supervision are not sent to all social workers in the same way – some receive the only written copy of the notes, some receive a handwritten copy, some are emailed meeting notes.

<u>Completeness of Information on CareFirst – Community Health and Care (Medium Risk)</u>

Records in relation to social work clients are sometimes incomplete where other WDC services such as Homecare add their notes to CM2000 but don't transfer the records to CareFirst. In addition the majority of the Social Workers do not have access to EMIS which contains health records which are not always transferred to CareFirst.

There is an ongoing piece of work to look at the link between EMIS and CareFirst and whether a 'Clinical Portal' can be used to ensure all staff can access the information relevant to them.

<u>Unallocated Cases – Community Health and Care (Medium Risk)</u>

Senior Social Workers are not able to allocate all new referrals to Social Workers immediately and regularly review the list of unallocated cases to determine which cases should be allocated to Social Workers. This decision is based on the urgency of the case and what capacity is available to complete the work within the team of Social Workers.

The Waiting Times report rates each client waiting for a social worker to be allocated as either Urgent, High or Routine priority however these ratings are entered by the duty officer when the case is initially referred.

<u>Care Home Placement Reviews – Community Health and Care (Medium Risk)</u>

There are approximately 400 placements from WDC into private care homes. As the placing authority WDC have overall responsibility for monitoring these placements.

The Care Home Review Officer monitors the six monthly private provider reviews which the care homes are required to provide and based on these reviews the officer selects a sample of higher risk clients to visit. These clients generally have no family or there may be issues with the reviews received.

Due to resource constraints only approximately 150 placement reviews can be carried out each year.

4.10   The audit also identified some low risk findings in relation to updating procedures and policies, enhancements to performance management arrangements and peer review arrangements.

4.11   We have made a number of recommendations and an action plan is in place to address all issues by 31 March 2021.

4.12   The current status of the 2019/20 Annual Audit Plan is as follows:

Stage	Number of Audits
Final Report	11
Draft Report	3
Fieldwork Complete	1
Fieldwork	0
Planning	0
Not Started	0
Deferred to 2020/21	1
Total	**16**

4.13 The 2020/21 Annual Audit Plan is being progressed and the current status is as follows:

Stage	Number of Audits
Final Report	0
Draft Report	0
Fieldwork Complete	0
Fieldwork	1
Planning	2
Not Started	9
Total	**11**

4.14 The detailed Annual Audit Plan progress to 19 August 2020 for the 2019/20 and 2020/21 annual audit plans is set out at Appendices 1 and 2 respectively.

4.15 <u>Internal and External Audit Action Plans</u>
In relation to audit action plans, these are monitored by Internal Audit on a monthly basis and good progress continues to be made by officers in implementing agreed actions.

The current status is set out at Appendix 3 which includes the following:

1. Recently Issued Internal Audit Action Plans;
2. Incomplete Internal Audit Action Plans;
3. Incomplete Other Internal Audit Action Plans; and
4. Incomplete External Audit Action Plans.

4.16 The Council's Internal Audit function follows the professional standards as set out in Public Sector Internal Audit Standards (PSIAS) effective April 2013 (updated April 2017) which includes:

- Definition of Internal Auditing;
- Code of Ethics;
- Attribute Standards (responsibility, independence, proficiency, quality); and
- Professional Standards (managing activity, nature of work, engagement planning, performing the engagement, communicating results, monitoring progress, risk management).

<u>Ongoing Corporate Fraud Team Work</u>
4.17 From 1 April to 31 July 2020, the Corporate Fraud team's day to day work has resulted in actual recoveries, charges and re-billings as detailed below, against an annual target of £229,000.

Description	Amount (£)
Council Tax Reduction	13,594
Council Tax Single Person's Discount	10,753
National Fraud Initiative	11,093
J/W Housing Benefit / Council Tax Benefit	13,702
Non DWP HB	69,327
Non DWP CTB	1,538
Total	**£120,007**

4.18 The Internal Audit Team and the Corporate Fraud Team continue to work together as appropriate in order to ensure a joined-up approach to fraud investigation and detection.

National Fraud Initiative

4.19 The National Fraud Initiative (NFI) is a series of bi-annual exercises run by the Cabinet Office and Audit Scotland to identify or prevent fraud and error by matching electronic data held by public bodies. Participating bodies are required to investigate data discrepancies within a timescale and report back on any savings.

4.20 The most recent bi-annual exercise released data to Councils in January 2019, providing matched datasets for organisations to investigate. WDC was provided with a total of 5,955 matched datasets of which 1,242 were described as "high risk" matches and 4,713 additional matches. There is an expectation that organisations would examine all "High Risk" matches and a proportion of the other matches too.

4.21 A total of 89% cases have been processed, which included all high risk matches, and for which fraud (35 cases) and error (146 cases) amounting to £70,598 has been identified.

4.22 Services within the Council are currently preparing and quality assuring the datasets required for the 2020/21 exercise. The matches for this exercise will be released in January 2021 and an update report will be presented to Audit Committee in March 2021.

Benchmarking

4.23 In accordance with the Council's Strategic Improvement Framework, services should undertake benchmarking activity with the equivalent function in other Councils. Therefore, WDC Internal Audit has entered into a benchmarking group which involves six other Councils, these being:

- Argyll and Bute;
- Clackmannanshire;
- East Dunbartonshire;
- Falkirk;
- West Lothian;
- Inverclyde.

4.24 The Chief Internal Auditors of these Councils met on a regular basis during 2019 in order to discuss their respective ways of working, consider topical issues with the objective being to identify and share best practice, and a set of performance indicators was developed. Regular meetings will continue to take place during 2020 to review performance against agreed performance indicators and relevant action will then be taken where improvements are identified. The outcome of this review will be reported to Committee when completed.

5. People Implications

5.1 There are no people implications.

6. Financial and Procurement Implications

6.1 As a result of Corporate Fraud Team activity, actual recoveries, charges and re-billings of £120,007 from 1 April to 31 July 2021 have been identified, against an annual target of £229,000. The comparative figure for the prior year to 31 July 2020 was £125,231.

6.2 There are no procurement implications arising from this report.

7. Risk Analysis

7.1 There is a risk that failure to deliver the Internal Audit Plan would result in an inability to provide assurances over the Council's system of internal financial control to those charged with governance. The main basis for providing assurance is coverage of the planned risk based systems audits. Every endeavour is made to ensure that no material slippage occurs in risk based systems audits by concentrating resources on these audits.

8. Equalities Impact Assessment (EIA)

8.1 There are no issues.

9. Consultation

9.1 This report has been subject to consultation with appropriate Strategic Leads.

10. Strategic Assessment

10.1 This report relates to strong corporate governance.

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Date: 16 September 2020

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Appendices 2019-20 Annual Audit Plan – Progress to 19 August 2020 (Appendix 1)
2021-21 Annual Audit Plan – Progress to 19 August 2020 (Appendix 2)
Status of Internal and External Audit Action Plans to 19 August 2020 (Appendix 3)

Background Papers: Audit Committee – 17 June 2020: Internal Audit Plan 2020/21
Audit Committee – 20 March 2019: Internal Audit Plan 2019/20
Audit Committee – 21 March 2018: Counter Fraud and Corruption Strategy
Internal Audit Reports - Copies available on request

Wards Affected: All wards