

## **AGENDA SUPPLEMENT**

### **Audit and Governance Committee**

**To:** Councillors Lomas (Chair), Fisher (Vice-Chair), Baker, Cuthbertson, Musson, Wann, Webb and Leigh (Independent Member)

**Date:** Wednesday, 15 March 2023

**Time:** 5.30 pm

**Venue:** The Thornton Room - Ground Floor, West Offices (G039)

The Agenda for the above meeting was published on **7 March 2023**. The attached additional documents are now available for the following agenda item:

- 9. Audit & Counter Fraud Progress Report** (Pages 1 - 64)  
This Supplement contains Final Audit Reports referred to within the report.

This agenda supplement was published on **7 March 2023**.

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# Schools Themed Audit - Payroll

## City of York Council

### Internal Audit Report

Business Unit: Children and Education Directorate  
Responsible Officer: Assistant Director of Education  
Service Manager: School Business Support Manager  
Date Issued: 24<sup>th</sup> February 2023  
Status: Final  
Reference: A3060/002

	P1	P2	P3
Actions	0	0	2
Overall Audit Opinion	Substantial Assurance		



# Summary and Overall Conclusions

## Introduction

There are 24 local authority maintained schools remaining in York. Four school themed audits were agreed as part of the internal audit plan for the council's Children and Education directorate.

23 of those 24 maintained schools opt to purchase the payroll services of the City of York Council (CYC), while the one remaining school uses another local authority's payroll provision. There have been recent changes made to the way information is submitted to CYC, by schools, in relation to payroll data. These changes have been implemented with the aim of streamlining the payroll process and making the administrative aspects more efficient. These changes also mean that less detailed information is provided to the council to support payments in relation to additional hours. However, schools are still expected to maintain all information, including timesheets, internally.

## Objectives and Scope of the Audit

The purpose of this audit was to provide assurance to management that procedures and controls within the system ensured that:

- Any work undertaken in relation to variable hour contracts or casual employment was managed correctly and supported by the correct documentation.
- Payments made to staff for additional hours were accurate, authorised and supported by the correct documentation.
- Payment information was submitted to the payroll provider promptly and was independently checked and reconciled.
- Schools were monitoring budgets set for staff and staff cover and there were processes in place for reporting large variances appropriately.

This themed audit was undertaken across seven schools and included the one school where CYC payroll is not used as the provider.

## Key Findings

This review did not identify any members of staff on variable hour contracts and therefore the arrangements for these could not be tested. Three of the seven schools employ casual and relief staff who are required to work at times when normal contracted staff are unable to cover demands. All three schools confirmed that the use of casual staff is planned for wherever possible and is authorised by a member of the senior leadership team. Two of the three schools require those working on a casual basis to complete a timesheet to detail the work undertaken during the relevant weekly period. The remaining school does not use City of York (CYC) payroll and requires casual workers to complete an online claim submission through a payroll portal.

Payroll data for each school was reviewed and a sample of payments made in relation to additional hours was selected. On the whole, additional hour payments had been made accurately in accordance with completed, detailed timesheets which had mostly been signed by both the employee working the additional hours as well as the relevant line manager. One school did not respond to the information

request for timesheets and one other school had destroyed several of these documents prior to the audit. In those schools where timesheets were provided, there were a small number of these documents not signed correctly.

All but one school were using a summary log to record the number of additional hours worked by staff each month. The one school who did not use this same log also did not use CYC for its payroll provision. As opposed to the summary log provided by the council, this school relied on an electronic sign-in system to gather information relating to casual work and any additional hours. All schools confirmed that additional hours are planned and pre-authorised wherever possible, however some extra hours do arise during urgent and unplanned circumstances.

A review of the payroll process in each school confirmed that those schools using CYC's payroll summary spreadsheet were undertaking frequent checks to ensure the claim information, due to be submitted for payment, could be supported by timesheets totalling the same number of hours. The school using the electronic sign-in system, Inentry, stated that this could be used to identify those hours worked that were above a member of staff's normal contract. However, on review of this system, the information available was not complete and did not lend itself to a sufficient reconciliation to support the number of casual or additional hours being claimed for. All schools could evidence authorisation of the payroll prior to submission to the payroll provider and additional hour claims had been paid promptly following completion of this extra work. However, it was identified that post-payment checks in three schools are being undertaken by the same member of staff responsible for submitting the payroll information.

As part of this audit, a number of questions were asked in relation to the budget monitoring of staffing costs and the cost of covering staff absence or resource gaps. The information provided by schools, namely in the form of outturn reports for 21-22 financial year, highlighted large overspends in relation to staffing and especially in relation to supply and agency cover. These significant overspends were mainly due to the Coronavirus pandemic, where staff absence was at an unprecedented high due to illness and isolation. All schools are producing monthly budget monitoring reports and these are being submitted to governors, along with commentary, on a regular basis. A review of the latest budget monitoring reports for 2022-23 confirmed that schools are generally forecasting expenditure for supply and agency staff to be within budget. One school is predicting a significant overspend for supply and agency staff this year, however the budget monitoring report provides details as to why this has occurred. Five of the schools included in this review are forecasting an underspend in relation to additional hours for current staff. These underspends suggest that there may be scope for more cover to be undertaken internally as opposed to using costly supply agencies.

## **Overall Conclusions**

A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited. Our overall opinion of the controls within the system at the time of the audit was that they provided Substantial Assurance.

# 1. Timesheets and the Recording of Additional Hours

## Issue/Control Weakness

Not all schools are centrally recording the amount of additional hours being worked each month. There were some gaps identified in the availability and completeness of timesheets.

## Risk

Payments are made to staff for hours that have not been worked and therefore the school faces financial loss.

## Findings

Three of the seven schools included in this review employ casual staff to work irregular patterns at times when normal contracted staff are unable to resource the demands of the school. One of these schools does not use City of York (CYC) payroll and, as opposed to the completion of weekly timesheets, requires casual workers to complete a monthly claim through a payroll portal provided by the payroll supplier. This school also opts to use an electronic sign-in system to gather information relating to additional hours and does not maintain an alternative log for the central recording of additional hours. This electronic platform, Inentry, records the movements of staff and should report the amount of time a member of staff has spent in school above their typical contracted hours. However, on further review, and through an attempted reconciliation of this system against payroll data, it was identified that information held within Inentry is not sufficient in supporting the claims and payments made for casual or additional hours. The current processes in place at this school restrict the ability to check whether the amount of additional hours, submitted by members of staff in monthly claims, are accurate and accounted for.

Those using CYC payroll provision are required to submit a summary claim form by a set deadline each month. This claim form should be supported by individual timesheets which have been completed and signed appropriately. One school did not provide the timesheets requested for a number of additional hour claims and one other school confirmed that timesheets had been accidentally shredded and were therefore not available for this review. Of those timesheets that were available, there were a small number of gaps in the information available and this related mainly to the signing-off of the documents. The timesheets should be signed by both the employee working the additional hours as well as the member of staff with the authority to authorise payment of these.

## Agreed Action 1.1

It is the responsibility of each individual school to ensure payments made to staff for additional hours are accurate, authorised and supported by the correct documentation. We will share the findings of the audit with maintained schools, highlighting the risks and control weaknesses identified. We will ask schools to review their timesheet recording, authorisation, and document retention processes.

**Priority**

3

**Responsible Officer**

School Business Support Manager

**Timescale**

31<sup>st</sup> May 2023

## 2. Payroll Reconciliation

### Issue/Control Weakness

In three schools, the post-payment checks of the payroll are undertaken by the same member of staff responsible for submitting the data.

### Risk

Unauthorised changes are made to the payroll and these are not identified.

### Findings

In addition to the limitations relating to payroll reconciliation in the school not using CYC payroll, it was identified that there was a lack of independent reconciliation taking place in a number of the remaining schools. Despite authorisation being sought from senior leadership prior to the payroll submission, the actual submission of data was the responsibility of the finance administration staff or the school business manager in all seven schools. On three occasions, the member of staff responsible for the payroll submission was also the individual undertaking post-payment checks once the payroll had been run. The lack of an independent check reduces the likelihood of any unauthorised changes being identified and acted upon promptly.

### Agreed Action 2.1

It is the responsibility of each individual school to ensure payment information is independently checked and reconciled, with any variances investigated and corrective action taken where required. We will share the findings of the audit with maintained schools, highlighting the risks and control weaknesses identified. We will draw their attention to the importance of independent checks.

#### Priority

3

#### Responsible Officer

School Business Support Manager

#### Timescale

31<sup>st</sup> May 2023

## Audit Opinions and Priorities for Actions

### Audit Opinions

Our work is based on using a variety of audit techniques to test the operation of systems. This may include sampling and data analysis of wider populations. It cannot guarantee the elimination of fraud or error. Our opinion relates only to the objectives set out in the audit scope and is based on risks related to those objectives that we identify at the time of the audit.

Our overall audit opinion is based on 4 grades of opinion, as set out below.

### Opinion Assessment of internal control

Substantial Assurance	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable Assurance	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited Assurance	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

### Priorities for Actions

Priority 1	A fundamental system weakness, which presents unacceptable risk to the system objectives and requires urgent attention by management.
Priority 2	A significant system weakness, whose impact or frequency presents risks to the system objectives, which needs to be addressed by management.
Priority 3	The system objectives are not exposed to significant risk, but the issue merits attention by management.



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# Schools Themed Audit - Absence Management

## City of York Council

### Internal Audit Report

Business Unit: Children and Education Directorate  
Responsible Officer: Assistant Director for Education  
Service Manager: School Business Support Manager  
Date Issued: 24<sup>th</sup> February 2023  
Status: Final  
Reference: A3060/003

	P1	P2	P3
Actions	0	3	0
Overall Audit Opinion	Reasonable Assurance		

# Summary and Overall Conclusions

## Introduction

There are 24 local authority maintained schools remaining in York. Four school themed audits were agreed as part of the internal audit plan for the council's Children and Education directorate.

Since March 2020, the Coronavirus pandemic has led to unprecedented levels of staff absences in schools as a result of both illness and isolation. Following an audit of three City of York (CYC) maintained schools in 20/21 audit year, it was identified that a number of absences, unrelated to Covid-19, are not being managed correctly. Now that absences related to the pandemic are reducing, this themed audit will review the current procedures for absence management across six council maintained schools.

## Objectives and Scope of the Audit

The purpose of this audit was to provide assurance to management that procedures and controls within the system ensured that:

- All schools had adopted an absence management policy and this had been recently reviewed.
- Schools were seeking any relevant documentation required to support absences and were following the correct return to work procedures.
- Schools were accurately recording absences and any patterns of absence were identified and followed-up accordingly.
- Any phased returns to work were managed correctly and were documented.

## Key Findings

The six schools included in this review have all adopted the model absence management policy developed and made available by City of York Council (CYC). There was evidence to confirm that all schools had reviewed the policy within the last two years and this had been circulated to staff through induction, handbooks and during staff training. In line with the model policy, all schools confirmed they had adopted and communicated a standardised approach for reporting absences, to ensure the school was made aware of any absences promptly and cover could be arranged accordingly.

One school did not provide any evidence to support the testing of a sample of sickness absence that followed an initial discussion with staff. A review of sickness absence was undertaken at the remaining schools and this confirmed inconsistencies in the supporting evidence obtained in relation to an employee's fitness for work. A number of absences exceeded the self-certification period, however fit notes were not consistently available and one document provided did not match the dates of the absence. The forms for self-certification had generally been completed fully and promptly, however it was identified that two self-certifications had been completed four months after the absence had taken place.

The absence management policy adopted by all schools specifies that return to work discussions should be held following every period of absence and ideally on the first day back. However, testing confirmed that there were a number of return to work interviews that had not taken place and where these discussions had occurred, there were often long delays between an employee's return to work and these meetings.

All schools were able to evidence a form of absence management log, where sickness could be recorded and monitored. However, although a number of absences reviewed had met absence trigger points, there were a number of gaps in the information available to confirm that the policy had been followed. It was identified that return to work interviews are not being used consistently to review any patterns in absence and there was an overall lack of evidence to support any action being taken to manage and prevent ongoing issues with absence.

The processes for managing phased returns were reviewed in those schools where these had occurred. It was confirmed that phased returns are well managed with risk assessments undertaken and the correct health advice and support accessed when necessary. Schools stated that meetings with those members of staff returning to work on a phased basis take place frequently, however all schools should be reminded that these meetings and the phased return process as a whole should be documented.

### **Overall Conclusions**

There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited. Our overall opinion of the controls within the system at the time of the audit was that they provided Reasonable Assurance.

# 1 Self-Certification and Return to Work Processes

## Issue/Control Weakness

Return to work processes are not being followed consistently across all schools.

## Risk

The statutory duty of care to employees is breached and the school faces litigation.

## Findings

A review of return to work processes confirmed that self-certification documents had generally been completed fully and promptly, however it was identified that two self-certification forms had been completed four months after the absence had taken place.

The absence management policy, adopted for use by all schools included in this review, outlines the requirements for all members of staff returning to work following any period of sickness absence to participate in a return to work meeting. This meeting should be used to document reasons for absence and give the employee an opportunity to discuss any amendments or adjustments that may need to be made, for example, to their working environment. Testing confirmed that there were a number of return to work interviews that had not taken place and where these discussions had occurred, there were often delays between an employee's return to work and the dates of these meetings. Best practice states that return to work discussions should be held ideally on the employee's first day back at work to ensure any additional needs are recorded promptly.

One return to work interview had not taken place as the person returning from a period of sickness was the member of staff responsible for coordinating these return to work discussions. Where this is the case, alternative arrangements should be in place to ensure these employees still receive the correct level of engagement and care.

## Agreed Action 1.1

We will share the findings of the audit with maintained schools, highlighting the risks and control weaknesses identified. We will ask them to review their practices to ensure these follow their absence management policy. We will remind schools of their responsibilities to complete return to work interviews and that these should be completed ideally on the employee's first day back to work.

**Priority**

2

**Responsible Officer**

School Business Support Manager

**Timescale**

30<sup>th</sup> June 2023

## 2. Statements of Fitness for Work

### Issue/Control Weakness

Fitness for Work information was not consistently available for absences exceeding 7 working days.

### Risk

Employees remain absent and do not return to work when fit to do so.

### Findings

A review of sickness identified a number of absences where the self-certification period had been exceeded and therefore Statements of Fitness for Work (fit notes) were required to support the continued period of absence. One school did not provide any evidence in response to this testing. From those five schools who did respond to testing, there were inconsistencies identified in two schools. Two fit notes were not available to support absences of 10 and 14 calendar days and one fit note was supplied in relation to an absence, however this fit note did not correctly cover the period of absence recorded.

### Agreed Action 2.1

We will share the findings of the audit with maintained schools, highlighting the risks and control weaknesses identified. We will ask them to review their practices to ensure these follow their absence management policy.

**Priority**

2

**Responsible Officer**

School Business Support Manager

**Timescale**

30<sup>th</sup> June 2023

### 3. Managing and Repsonding to Absence Triggers

#### Issue/Control Weakness

Absence triggers are not being managed or responded to consistently across the schools.

#### Risk

Patterns in absence are not identified and issues among staff are not highlighted. The school fails to deliver in its duty of care to staff and faces litigation as a result.

#### Findings

Further to the inconsistencies identified in relation to the completion of return to work interviews, it was also identified that these meetings are not always used to review any absence triggers that may have been met. The absence management policy outlines the steps to be taken at various stages of recurring absences. Further testing highlighted several cases where triggers had been met, however for many of these there was no evidence available to support that further action had been taken in line with the policy.

Where discussions have been held in relation to absence triggers, but no further action taken, these conversations and decisions should still be recorded and held on the relevant personnel file.

#### Agreed Action 3.1

We will share the findings of the audit with maintained schools, highlighting the risks and control weaknesses identified. We will ask them to review their practices to ensure these follow their absence management policy.

We will ask schools to consider if they may wish to provide assurance to Governors that the absence management policy is being followed. This could be by providing high level reports on absence levels and by exception reporting on if any trigger points have been reached and action taken.

**Priority**

2

**Responsible Officer**

School Business Support Manager

**Timescale**

30<sup>th</sup> June 2023



## Audit Opinions and Priorities for Actions

### Audit Opinions

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Our overall audit opinion is based on 4 grades of opinion, as set out below.

### Opinion

### Assessment of internal control

Substantial Assurance	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
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### Priorities for Actions

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# ICT Asset Management City of York Council Internal Audit Report

Business Unit: Customer and Corporate Services Directorate,  
Responsible Officer: Director of Customer & Communities  
Service Manager: Head of ICT  
Date Issued: 9 February 2023  
Status: Final  
Reference: 10270/003

	P1	P2	P3
Actions	0	5	2
Overall Audit Opinion	Reasonable Assurance		

## Summary and Overall Conclusions

### Introduction

Asset management is the systematic process of operating, maintaining, upgrading, and disposing of assets securely and cost-effectively. It is essential that all ICT assets are tracked and managed appropriately to ensure council data is protected, assets are functioning as intended and achieve value for money. This responsibility is not solely that of the ICT Department as local management have stewardship duties once management responsibility passes to them. Effective asset management controls and processes are corporate requirements which include, but is not restricted to, how the council enables and supports hybrid working.

For this audit, ICT assets are defined as fixed and portable hardware devices such as computers, laptops, mobile devices, portable media devices and any other device used for IT or data management purposes. At the time of the audit, the council had over 5,000 ICT assets, accessed by over 3,000 users.

The Coronavirus (COVID-19) pandemic led to a rapid increase in the number of council employees working from home. Consequently, the focus of the ICT Department and other services was focused on mobilising the council to work very differently, with the appropriate levels of control that could reasonably be implemented given the unprecedented pace of the change and challenge faced. With more people using council-owned devices outside of the office, ICT assets and the data stored on them are increasingly vulnerable to loss, damage, mismanagement and malicious actors capitalising on the pandemic. It is recognised that as part of coming out of that initial reactive work, all departments are having to review their approach to the new controls that are required as a result of the shift in work styles/patterns. For these reasons, this audit takes into account the impacts of the pandemic, that led to the council having to adapt and work very differently at short notice, to enable the continuation of council wide service delivery.

### Objectives and Scope of the Audit

The purpose of this audit was to provide assurance to management that procedures and controls within the system ensure that:

- An inventory of ICT assets is maintained and designated custodians are identified,
- Information storage media are managed, controlled, and moved in such a way that the information content is not compromised,
- Users with access to and control over ICT assets have signed off on the Council's Information Systems Security & Acceptable Use Policy.
- Assets are redistributed when staff leave the organisation and upgraded or disposed of when they reach the end of their lifecycle.

The use of and access to printers was not considered within the audit because it was considered within the scope of the Information Governance and Security audit.

## Key Findings

Overall, the management of the ICT assets within the Council was found to be largely effective. When purchased, assets are assigned to the individual requisitioning the item and unique asset numbers are allocated. Once inventory forms are completed and reviewed, devices are added to the relevant inventory, depending on the asset type<sup>1</sup>. Assets are then configured via the relevant asset management software by ICT, enabling them to be traced using this software<sup>2</sup>. The use of multiple inventories and software applications is necessitated by the diversity of asset types within the Council and the division of asset management between teams within ICT.

Audit testing found that the majority of assets sampled had a fully completed and authorised inventory form. Despite this, a small number of assets recorded a duplicate asset number or other unique identifier across inventories and applications. Other identifying information, such as designated asset owner or asset location, was also found to be missing for a small proportion of assets. Departmental information has not been updated following the March 2021 Council restructure due to the frequent changes still being made to the organisational structure and the complexity of such an update. Other service areas within the Council are also facing similar challenges and ICT are currently assessing whether departmental details are necessary records for asset identification. Together, these findings partially explain why, for a sample of assets, it was challenging to independently reconcile inventory spreadsheets<sup>1</sup> against the relevant software applications during the audit. In other cases, it appears one of the asset management systems, SNOW, was incorrectly configured to remove 'quarantined', inactive devices after a set time elapsed.

Some of the problems faced when completing these reconciliations were also a result of changes in asset ownership within the Council. ICT is reliant on service managers keeping them informed of changes to asset ownership and managers are reminded of this throughout the HR Leaver's Checklist and Procedure. Audit testing found a similar number of laptops and mobile devices had changed hands without ICT notification as was observed in the previous 2018-19 audit of this area. It should be noted though that the use of BitLocker, dual factor authentication for Citrix, remote device wipe facilities and the '90 day check' procedure to identify, disable and delete inactive user accounts are all mitigating factors in controlling information storage media should the device be untraceable.

The Council also has a clear, comprehensive, patch management policy applicable to all information storage media. The policy and procedure were reviewed and found to meet industry best practice. However, detailed testing of patch management was not within the scope of this audit.

The Council requires that all users of ICT assets and infrastructure have read and acknowledged the Electronic Communications Policy (ECP). Detailed sample testing of whether new starters were confirming this was not completed during the audit. Nevertheless, before accessing the network, all users are required to recognise the pre-logon notification and acknowledgement of the ECP. When users are

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<sup>1</sup> The 'Inventory Spreadsheet' maintained by the Configuration & Asset Management Analyst records all laptops, PCs, thin clients, monitors, printers and other auxiliary ICT devices. The 'Connections' spreadsheet maintained by the Print & Mobile Team Manager records all mobile phones and tablets.

<sup>2</sup> Atrust Device Manager records all thin clients. Microsoft Endpoint Configuration Manager and Intune record all laptops/PCs and mobile devices, respectively. SNOW records all devices that connect with the Council's network, except for thin clients.

given responsibility for ICT assets, they are also reminded of the Council's Information System Security & Acceptable Use policy, though this reminder is not documented.

Assets at the end of their useful life are identified by ICT Engineers. Records of disposed ICT assets are maintained for laptops, PCs, thin clients and associated auxiliary devices but not for mobile devices. Where records were present, they did not always contain the level of detail expected by the Council's Financial Regulations Supplementary Guidance for Asset Disposal Procedure Rules. Reconciliations of receipts from Stone ITASD (the third-party responsible for disposal of the Council's ICT assets) against the record of disposed assets and the asset registers have not been undertaken since the start of the Covid-19 pandemic due to resourcing pressures. Despite this, during the audit a sample of disposed assets could be successfully reconciled.

The Council has a range of disparate guidance outlining how to report lost or stolen ICT assets. ICT are aware of this issue and during the audit were taking steps to work with the authors of this guidance to resolve the inconsistencies identified.

## **Overall Conclusions**

There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited. Our overall opinion of the controls within the system at the time of the audit was that they provided Reasonable Assurance.

# 1 Inventorying ICT assets

## Issue/Control Weakness

Assets are not always consistently recorded across the Council's asset inventories. Assets do not always have up-to-date records of ownership.

## Risk

Assets are mismanaged or misappropriated, leading to possible data breaches, financial loss and regulatory noncompliance.

## Findings

ICT assets are recorded across various asset registers on a range of platforms, depending on the type of asset. The quality of inventory records maintained across the Council varied depending on the platform used and the type of asset inventoried.

### Mobile Telephony devices

In just over half of records sampled (11/20), the information held on Microsoft Endpoint Configuration Manager did not match the information held on the Connections spreadsheet (an inventory primarily concerned with the recharging of devices to customers) or the Hornbill system (a service desk application). Most mobile device mismatches were attributed to incorrect IMEI or connection numbers. A quarter (5/20) of recorded asset owners sampled had either left the organisation (with ICT not being made aware) or, in one case, could not confirm where the sampled asset was stored.

### Laptops

Similar issues were identified with laptop records during the audit. In three quarters of records sampled (15/20), the information held on Microsoft Endpoint Configuration Manager did not match the information held on the Inventory spreadsheet and SNOW (an asset management application). Most laptop mismatches were because of incorrect or absent information recorded on the manually completed Inventory spreadsheet. Occasionally, devices were found to have been inadvertently quarantined on SNOW and settings to prevent the removal of quarantined devices had not been adjusted. A quarter (5/20) of recorded asset owners sampled had either left the organisation (again, with ICT not being made aware) or confirmed they were no longer responsible for the asset.

### Other devices

Where more than one asset register was maintained, records of PCs and A-trust devices were found to align across inventory records. As most PCs and all A-Trust devices do not have registered asset owners, steps were taken to identify the assets physically. Less than half of sampled PCs and A-Trust devices (7/20) could be located within West Offices. As part of the Working as One initiative the Council is in the process of re-evaluating and re-organising its ICT estate. It should be noted that the Working as One initiative was a fast-tracked programme, undertaken during the height of the pandemic and subsequent shift to working conditions within Council offices. For these reasons, the standard approach to moving large numbers of ICT devices was not followed on this occasion, with the approach being adapted accorded to circumstances.

A reconciliation was also performed between all named asset owners within asset inventories and staff leavers recorded by HR using IDEA. This reconciliation found that 231 assets were assigned to 121 staff recorded as having left the council, equivalent to 2.5% of the total population of assets across inventories. Together, these findings reaffirm the findings of the 2018-19 audit; that once an asset is handed over to services within the Council, the asset is often moved within teams without notifying ICT. This practice is in clear opposition to the HR Leaver’s Checklist and Procedure, which has been updated to remind managers of the importance of notifying ICT of changes in ownership.

**Agreed Action 1.1**

ICT will work with HR to review the use of Microsoft Forms as an alternative to the existing HR Leaver’s Checklist ahead of taking a proposal to GRAG.

<b>Priority</b>	2
<b>Responsible Officer</b>	Head of ICT; Head of HR
<b>Timescale</b>	30 June 2023

**Agreed Action 1.2**

Reminders will be sent to staff outlining the process for requesting the removal or transfer of ICT devices within Council offices and notifying ICT of this request.

<b>Priority</b>	2
<b>Responsible Officer</b>	Head of ICT
<b>Timescale</b>	31 March 2023



## 2 Asset identification

### Issue/Control Weakness

Assets are not always assigned unique identifiers and location or asset ownership is not always recorded. This can make it challenging to distinguish and track devices.

### Risk

Assets are individually indistinguishable, leading to possible data breaches, financial loss and regulatory noncompliance.

### Findings

Both ISO/IEC 27001:2017 and the Centre for Internet Security CIS Critical Security Controls state that it is essential all assets have an associated unique identifier, and either an asset owner or a location recorded. The unique identifier should be separate from the assigned asset owner because an individual may hold multiple assets or transfer devices regularly. Nevertheless, all applicable devices should still have an identified asset owner to encourage user accountability for Council assets and aid device tracing. In some cases, where a unique asset owner cannot be identified, it may be practical to use device location records, such as hardware or network address, instead. In situations where a device frequently moves location or day-to-day usage is shared across a team of staff, it is imperative that a responsible asset owner can be identified for the device.

A small number of assets with duplicate unique identifiers were discovered when reviewing the Council's asset registers using the data analytics software, IDEA. The unique identifier varied depending on the asset type, but included asset IDs and IMEIs. Asset registers maintained by officers and recorded in Excel occasionally included greater numbers of duplicates but duplicates were noted across all asset registers<sup>3</sup>. Similarly, a small proportion of assets across all asset registers<sup>4</sup> did not record a named asset owner, even though a name could be recorded, such as laptops or mobile devices. At no point was this more than 1% of total assets; nevertheless, this should be rectified to ensure all Council assets remain traceable.

The kinds of location information recorded (desk number or building, directorate, IP or MAC address) varied by asset type and register. Whether location information was recorded varied significantly across registers; 21.8% of assets listed on the 'Inventory Spreadsheet' did not include any location information, whereas on Microsoft Endpoint Configuration Manager all assets included location information. During the review, it was noted that some registers only recorded either network address or physical address and across all registers directorates and departments had not been updated following the March 2021 Council restructure. As noted in the summary and overall conclusions this may reflect the dynamic and complex nature of changes needed for the move to flexible working and with the council restructure.

<sup>3</sup> 0.25% of unique identifiers in Atrust Device Manager were duplicates; 2.4% of unique identifiers in Microsoft Endpoint Configuration Manager and Intune were duplicates; 0.2% of unique identifiers in SNOW were duplicates. Within the spreadsheets, the 'Inventory Spreadsheet' recorded 4.5% of devices with a duplicate unique identifier and the 'Connections' spreadsheet recorded 0.14% of devices with a duplicate ID.

<sup>4</sup> 'Inventory Spreadsheet' did not have a recorded asset owner; 0.07% of mobile devices on Intune did not have a recorded asset owner and 0.71% of mobile devices on the 'Connections' spreadsheet did not record asset owners.

## Agreed Action 2.1

ICT will work with audit and an analysis of the identified duplicates will be undertaken and potential duplicates will be investigated to identify root causes and possible solutions.

**Priority**

2

**Responsible Officer**

Head of IT

**Timescale**

31 March 2023

### 3 Lost or stolen ICT assets

#### Issue/Control Weakness

There is a lack of clear and consistent guidance available to staff outlining how to report lost or stolen devices to ICT.

#### Risk

All devices are password protected but there remains some risk that information storage media may be accessed inappropriately, before the device is able to be wiped, resulting in data breaches and reputational risk to the Council. The Council may not be aware of financial losses.

#### Findings

The National Cyber Security Centre's (NCSC) guidance on home working states that organisations should make sure all staff know what to do if their work devices are lost or stolen. The NCSC also recommends this guidance should be positive and blame-free to encourage staff to report losses promptly.

The procedures for reporting lost or stolen ICT assets within the Council were reviewed during the audit. Guidance to officers is available, though it is often recorded across various, tangentially related corporate policies. The guidance itself is not always clear and does not always consistently explain what officers should do when reporting losses or thefts. When reviewed against the NCSC guidance, it was found the tone of the associated policies, procedures and forms, while appropriate for those investigating the loss, did not always meet best practice recommendations.

At the time of the audit, the service was aware of these findings and work is underway, in conjunction with Information Governance and Veritau, to redesign the reporting and monitoring of lost or stolen devices.

#### Agreed Action 3.1

ICT will continue to develop a Microsoft Form for reporting lost or stolen assets in conjunction with Information Governance, Veritau and the Service Desk.

**Priority**

3

**Responsible Officer**

Head of IT

**Timescale**

30 June 2023

## 4 Recording asset disposals

### Issue/Control Weakness

Engineers do not have to record the reason for identifying assets as beyond economic repair or seek authorisation to dispose of devices.

The recording of ICT assets disposals does not comply with the Council's Financial Regulations and reconciliations are not performed.

Mobile devices are not securely stored whilst awaiting disposal.

### Risk

Information storage media are disposed of insecurely, resulting in data breaches and financial or reputational risk to the Council. Assets may be lost or stolen.

### Findings

The procedure for identifying, recording and disposing of ICT assets was reviewed during the audit. Assets are mostly identified as being 'beyond economic repair' by Service Desk Engineers when users contact the ICT Service Desk to report a fault. An Engineer will decide, using their expertise, whether the asset can be repaired cost-effectively. The reasoning behind this is not required to be recorded and the decision does not need to be authorised. During the audit there was no indication that devices had been inappropriately recommended for disposal. However, without a second approval or record of the decision this remains a risk.

The controls and subsequent audit findings surrounding recording and disposal of outdated ICT assets varied depending on the type of asset. However, it should be noted that, regardless of asset type, the details recorded and formats used do not meet the expectations outlined in Section 14 of the Financial Regulations – Supplementary Guidance: Asset Disposal Procedure Rules. This policy is also potentially misleading regarding recycling of mobile phones (section 12), as it is intended for personal mobile phones only and not council provided phones but this is not clear in the policy.

#### Laptops, PCs, Thin Clients and Auxiliary Devices

The Council maintains a register of all laptops, PCs, thin clients and associated auxiliary devices sent to Stone ITASD for wiping and disposal. In return, Stone ITASD provides disposal certificates to the Council listing all destroyed assets. At the time of the audit, reconciliations of the register and disposal certificates were paused in response to resourcing pressures imposed by the Covid-19 pandemic. Audit testing independently confirmed all assets listed on the disposal certificates were also listed on the register. Nevertheless, when the register of destroyed assets was compared to the registers of existing assets, a small percentage of destroyed devices were recorded as still existing across registers. In some cases, these devices have been identified on the SNOW system, which picks up connections to the Council's network and does not rely on officer intervention; indicating in those cases that the destruction certificate and register are both incorrect. It should be noted here that SNOW deletions are automated and occur 3 months after the last connection therefore there is the potential for disposed of assets to appear on the SNOW system during this 3 month window.

#### Mobile Devices

A register of mobile devices sent to Stone ITASD for disposal is not maintained by the Council. Although Stone ITASD provides a disposal certificate for mobile devices, without an independent, internal record of all mobile devices sent for disposal it cannot be confirmed whether all devices have been destroyed. Mobile devices waiting for disposal have been wiped of data and had SIM cards removed but they are stored in an open box within the West Offices Print Room rather than in the secure container that is available at Hazel Court. Although access to the Print Room is restricted and the room is locked when not in use, devices should still be locked away within the room.

**Agreed Action 4.1**

ICT will review the existing disposals process and storage arrangements. Where necessary, ICT will update these in line with the Council’s Financial Regulations. As part of this review, a second approval procedure will be developed for devices considered beyond economic repair to document approval for disposal prior to the disposal occurring.

<b>Priority</b>	2
<b>Responsible Officer</b>	Head of IT
<b>Timescale</b>	31 March 2023

**Agreed Action 4.2**

ICT will investigate devices identified on SNOW as remaining within the organisation, despite being listed as disposed on the disposal register to identify root cause and possible solutions.

<b>Priority</b>	2
<b>Responsible Officer</b>	Head of IT
<b>Timescale</b>	31 March 2023

## 5 Identifying assets

### Issue/Control Weakness

The Council does not maintain an asset classification schedule.

### Risk

ICT assets are not identified and consequently ICT asset management controls and governance arrangements are not applied to these assets, potentially leading to asset mismanagement or misappropriation.

### Findings

Both ISO 27001:2013 and the National Institute of Standards and Technology (NIST) Cybersecurity Framework recommend that assets should be classified as 'ICT assets' based on the organisation's risk appetite. In this context, risk appetite refers to the extent to which devices contain sensitive information, allow access to the network, enable critical business objectives or have significant financial value. A comprehensive list of exactly what does and does not constitute an ICT asset may be challenging to update and maintain. Consequently, it is recommended that at a minimum, the de minimis level should be set. This also ensures that inefficient over-management of low risk, low value items does not take place.

The Council does not maintain a list of what constitutes an ICT asset or the de minimis level at which ICT assets are identified and tracked. Despite this, during the audit no clearly missing ICT assets were identified when reviewing the list of ICT assets recorded across the asset registers. All common, high value and high-risk ICT asset classes were fully represented across the registers.

### Agreed Action 5.1

The Council will reach out to other Council ICT services to establish how they approach setting the de minimis level for asset classifications.

<b>Priority</b>	3
<b>Responsible Officer</b>	Head of ICT
<b>Timescale</b>	31 March 2023

## Audit Opinions and Priorities for Actions

### Audit Opinions

Our work is based on using a variety of audit techniques to test the operation of systems. This may include sampling and data analysis of wider populations. It cannot guarantee the elimination of fraud or error. Our opinion relates only to the objectives set out in the audit scope and is based on risks related to those objectives that we identify at the time of the audit.

Our overall audit opinion is based on 4 grades of opinion, as set out below.

### Opinion

### Assessment of internal control

Substantial Assurance	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable Assurance	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited Assurance	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

### Priorities for Actions

Priority 1	A fundamental system weakness, which presents unacceptable risk to the system objectives and requires urgent attention by management.
Priority 2	A significant system weakness, whose impact or frequency presents risks to the system objectives, which needs to be addressed by management.
Priority 3	The system objectives are not exposed to significant risk, but the issue merits attention by management.

Where information resulting from audit work is made public or is provided to a third party by the client or by Veritau then this must be done on the understanding that any third party will rely on the information at its own risk. Veritau will not owe a duty of care or assume any responsibility towards anyone other than the client in relation to the information supplied. Equally, no third party may assert any rights or bring any claims against Veritau in connection with the information. Where information is provided to a named third party, the third party will keep the information confidential.





# Complaints, Concerns, Comments and Compliments (4Cs) City of York Council Internal Audit Report

Business Unit: Corporate Services  
Responsible Officer: Information Governance and Feedback Manager  
Service Manager: Corporate Governance Operational Manager  
Date Issued: 02/02/2023  
Status: Final  
Reference: A1840/001

	P1	P2	P3
Actions	0	1	1
Overall Audit Opinion	Reasonable Assurance		

# Summary and Overall Conclusions

## Introduction

The complaints process provides local authorities with an opportunity to listen to public concerns and use any learning to drive continuous improvement. Without an effective complaints process, local authorities could face increases in customer dissatisfaction, financial loss, service disruption and damage to reputation.

City of York Council's corporate governance team (CGT) centrally coordinates the complaints process. The corporate complaints process has a two grade approach and, if the customer remains unhappy with how their complaint has been dealt with, they have the right to have the matter reviewed by the relevant Ombudsman, for example, the LGSCO (Local Government and Social Care Ombudsman) or the HOS (Housing Ombudsman Service).

In 2020, the council introduced a new corporate policy and set of procedures referred to as Complaints, Concerns, Comments and Compliments (4Cs). The 4Cs were designed using good practice and guidance from statutory complaints procedures, the Local Government and Social Care Ombudsman and Housing Ombudsman Service.

## Objectives and Scope of the Audit

The purpose of this audit was to provide assurance to management that procedures and controls within the system ensure that:

- Complaints are handled efficiently and in line with council policy.
- Public information relating to the complaints process is informative, clear, and accessible.
- Complaint handling processes result in good quality responses to complainants.

This audit focussed on the corporate complaints process as well as other elements of the 4Cs procedures. This audit did not include any review of those processes or statutory timescales followed in relation to adult and children's social care complaints.

## Key Findings

The council has recently reviewed its combined corporate policy and set of procedures, referred to as Complaints, Concerns, Comments and Compliments (4Cs) toolkit. The procedures accompanying the policy provide comprehensive guidance to members of staff responsible for handling information as part of the complaints and feedback process. The toolkit has been developed in a way that helps to ensure processes followed internally are in line with Local Government and Social Care Ombudsman (LGSCO) best practice guidance.

The Respond system is used to record and monitor the 4Cs. The CGT investigate and respond to 4Cs, creating actions for service areas where appropriate. The audit focussed on the elements of the 4Cs system of internal control that is the responsibility of the CGT.

The council's website contains clear and comprehensive public-facing guidance for customers to use when interacting with the complaints and feedback process. The information available includes options to request additional support and offers a range of methods of making a complaint. The 4C's toolkit policy is also available online and relevant sections have been summarised to make this document more user-friendly. As recommended in good practice guidance, links are provided to the annual performance reports produced by the CGT for the last four years.

A review of a sample of communications logged through the 4Cs process found that these had been categorised correctly and the content of responses was in line with procedures. However, it was noted that not all responses had been sent within the specified timescales. Despite some late responses identified, performance is being monitored within the team and a review of these performance figures, comparing timeliness of responses both before and after the introduction of the 4Cs procedures, shows a positive increase in the proportion completed in time. 95% of complaints for 22/23 to date have been responded to in time. Fewer comments are responded to in time and audit testing also found there could be delays, particularly when awaiting responses from services. The sample of 4Cs reviewed found that the information held on the council's KPI machine, in relation to the timeliness of responses, is accurate.

While most of the council's internal complaints are now responded to within the specified timescales, this year's LGSCO annual review letter raised an issue with the council's response times where complaints are escalated outside of the corporate complaints procedure. The CGT has already developed processes to address this finding and these centre on setting earlier internal deadlines for service areas where information is required from them in order to complete a response. However, despite action being taken to improve the communication channels across the council in relation to complaints, this audit identified that the process could be made more efficient with more timely responses from service areas.

Overall, responses to complaints contain the key information identified in LGSCO good practice guidance, although one letter did not contain a statement of the complaint and one letter did not contain information on how to challenge the council's decision. Ombudsman cases and feedback are frequently shared with the CGT and there is a guidance template readily available on the Respond system which provides an information checklist for complaint responses. However, there is currently no formal quality assurance process in place to ensure that responses are of good quality and meet policy expectations. In addition to the absence of any formal quality assurance process, training logs are not maintained to monitor training and learning exercises undertaken by members of the CGT or to identify any gaps in knowledge.

Complaints and feedback are ultimately used to help improve service delivery. As part of the council's 4C procedure, where complaints are upheld and service improvements identified actions are agreed between service areas and the CGT in relation to the area of concern. There is a sufficient monitoring system in place to help follow up on these actions when these become due. As a result, testing found that, with the exception of one case, actions are followed up efficiently, with evidence requested to support satisfactory completion.

## Overall Conclusions

There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited. Our overall opinion of the controls within the system at the time of the audit was that they provided Reasonable Assurance.

# 1 Quality assurance checking

## Issue/Control Weakness

There is currently no formal process in place for performing regular quality assurance checks on 4C cases and responses.

## Risk

The quality of records and responses may decrease or, where there are existing areas of weakness, fail to improve.

## Findings

Complaint responses are completed by the CGT following investigation of the complaint. The LGSCO Effective Complaint Handling for Local authorities guidance sets out key information to be included in complaint response letters. This audit identified some evidence of responses being sent without key information included. The 4Cs toolkit states that the CGT are responsible for sampling the 4Cs responses for quality against agreed markers.

There is currently no formal quality assurance process in place for the purpose of reviewing 4C records and responses. Some responses are reviewed by the Corporate Governance Operational Manager where cases are more complex or where CGT advisors require support. However, a more systematic quality assurance process is not in place.

Quality assurance checks would help to limit non-compliant responses and promote communication that is in line with LGSCO best practice guidance. Results of quality assurance checks could also be used to inform further training and guidance for members of the team.

## Agreed Action 1.1

A robust quality assurance process will be identified and implemented.

**Priority**

2

**Responsible Officer**

Corporate Governance Operational Manager & Information Governance and Feedback Team Manager

**Timescale**

31<sup>st</sup> March 2023

## Agreed Action 1.2

The QA process will be reviewed to ensure it is effective and make any necessary adjustments or amends.

**Priority**

2

**Responsible Officer**

Corporate Governance Operational Manager & Information Governance and Feedback Team Manager

**Timescale**

31<sup>st</sup> March 2024

## 2 Training and learning logs

### Issue/Control Weakness

Training and learning completed within the corporate governance team (CGT) is not being formally documented.

### Risk

Gaps in knowledge are not identified and these lead to poor quality responses that do not conform with policy and best practice.

### Findings

Training for the CGT is largely completed internally, with some staff attending external training events when these are available. Learning material is also shared within the team in the form of Ombudsman cases and reviews, group sessions are held to discuss these with the view to improving performance. However, this learning and training is not currently being documented using training logs or any other alternative method.

Staff training and learning logs would provide a clear means of reviewing individual training history and ultimately help to identify any gaps in knowledge and make recommendations for future coverage.

### Agreed Action 2.1

A robust training and learning (T&L) log process will be identified and implemented.

#### Priority

3

#### Responsible Officer

Corporate Governance Operational Manager & Information Governance and Feedback Team Manager

#### Timescale

31<sup>st</sup> March 2023

## Agreed Action 2.2

The T&L Log process will be reviewed to ensure it is effective and any necessary adjustments or amends made.

**Priority**

3

**Responsible Officer**

Corporate Governance Operational Manager & Information Governance and Feedback Team Manager

**Timescale**

31<sup>st</sup> March 2024



## Audit Opinions

Our work is based on using a variety of audit techniques to test the operation of systems. This may include sampling and data analysis of wider populations. It cannot guarantee the elimination of fraud or error. Our opinion relates only to the objectives set out in the audit scope and is based on risks related to those objectives that we identify at the time of the audit.

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## Opinion Assessment of internal control

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## Priorities for Actions

Priority 1	A fundamental system weakness, which presents unacceptable risk to the system objectives and requires urgent attention by management.
Priority 2	A significant system weakness, whose impact or frequency presents risks to the system objectives, which needs to be addressed by management.
Priority 3	The system objectives are not exposed to significant risk, but the issue merits attention by management.

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## **Commercial Waste Follow Up City of York Council Memorandum Report**

For: Head of Environmental Services  
Status: Final  
Date Issued: 1 February 2023  
Audit Reference Number: A2700/001

Where information resulting from investigation and/or audit work is made public or is provided to a third party by the client or by Veritau then this must be done on the understanding that any third party will rely on the information at its own risk. Veritau will not owe a duty of care or assume any responsibility towards anyone other than the client in relation to the information supplied. Equally, no third party may assert any rights or bring any claims against Veritau in connection with the information. Where information is provided to a named third party, the third party will keep the information confidential.



## Introduction and scope

- 1 An audit report on Commercial Waste Services was issued in December 2021. This work reviewed a number of areas, including; the application process, commercial waste collections, income received by the council, and weighbridge tickets issued by Harewood Whin transfer station.
- 2 The audit found that processes and procedures relating to the above areas appeared to be functioning to a reasonable extent before the Covid-19 pandemic. However during the pandemic, the procedures in place could not keep up with the level of complexity and change caused by the volume of businesses which had to close and then re-open.
- 3 The audit raised six findings in total, mostly relating to the systems used to record commercial waste information and invoicing commercial waste customers. It was also found that waste transfer notes (WTNs) were not being renewed in a timely manner, crew sheets were not being completed accurately, and there was a lack of clarity in responsibilities for the setting of waste charges. The report is included at Annex 1 for reference.
- 4 The purpose of this audit was to provide assurance to management that sufficient progress has been made towards completing the actions agreed in December 2021. The audit also assessed whether the actions taken have been effective in addressing the control weaknesses identified.
- 5 The audit was conducted using a series of methods, including discussions with officers, collation and review of documentary evidence, a system walkthrough, sample testing and data analytics.

### **Summary of findings**

- 6 Of the nine agreed actions in the original report, we concluded that four had been completed in full, with the associated risks and control weaknesses satisfactorily addressed. A summary of each action and whether these have been completed is at Appendix 1.
- 7 Some progress has been made in addressing the weaknesses identified in the original audit report. However, some key issues remain and there are still risks which need to be addressed by management.

## Findings

### **Action 1.1: Lost income compensation**

- 8 The highest priority issue in the original audit report was customers not being invoiced correctly over the Covid-19 lockdown periods, starting in March 2020, as the council did not know whether the businesses were operating. This led to a substantial backlog where the Commercial Waste Team were trying to determine which businesses were open and therefore needed to be invoiced. The backlog was still ongoing as at February 2021.
- 9 The first action to address this issue was to apply for funding to cover lost income during the pandemic, under the Government's Income Compensation Scheme for 2020-21. The scheme required councils to fund the first 5% of any shortfalls experienced, with the remaining balance being split 75% Government-funded and 25% council-funded.
- 10 At the time of the original audit, the total shortfall was estimated at £731,400 of which £236,690 would be council-funded and £494,710 would be funded by central Government (this related to financial year 2020-21).
- 11 Working papers were reviewed which included claims made by the council to the Government's income compensation scheme. For the 2020-21 financial year a total of £4.8m was received from the Government. This funding was not apportioned to individual service areas in the accounts. However, we felt sufficiently assured that the shortfall in commercial waste was covered by the total amount received.

### **Re-testing customer invoicing**

- 12 A sample of customers was selected to determine whether invoices were being issued in line with expected timescales. All had been invoiced on time. This shows that invoicing now appears to be 'back to normal' with customers receiving timely invoices for waste collections.
- 13 The invoices were also checked to ensure the amounts matched with the amounts listed on the commercial waste database. In one case, the amount on the database was showing as higher than what was charged on the invoice. Further testing was undertaken to reconcile the waste services database to the debtors system. This is explained further at [29].
- 14 Another issue identified in the original audit was that the customer contracts did not include a break clause to provide for circumstances where businesses have to close and then re-open, such as for renovation, or on a larger scale, a pandemic event such as Covid-19. This meant that when the pandemic hit, customer accounts had to be completely cancelled and then re-started once the team knew the businesses were open again.
- 15 The Head of Environmental Services explained this issue was discussed by managers and the Legal Team, however ultimately it was decided it would not be appropriate to include a break clause.

- 16 During a walkthrough of the Webaspx trade module, the Waste Change Manager indicated the system has the functionality to pause customer contracts if needed. This would stop crews from collecting at that property. It was explained that this function will be used once the system is implemented. Consideration will therefore need to be given as to how invoicing will be stopped if direct integration with the finance system is not in place initially.

**Action 1.2: Benchmarking against other service providers**

- 17 The other agreed action against this finding was to examine back-office processes in relation to invoicing and to conduct a benchmarking review against other service providers regarding their invoicing procedures.
- 18 It did not appear that a formal and documented benchmarking activity has taken place. However, it was explained by the Head of Environmental Services that some discussions took place with Yorwaste and Harrogate Borough Council (HBC). At HBC, the waste system integrates directly with finance to enable more automated processing. The council are looking to follow a similar route once the Webaspx system has been implemented.
- 19 The invoicing process remains the same as when the original audit was completed. Our sample testing on invoices (outlined at [12] above) shows that invoices are now being processed in a timely manner and it appears the team have managed to get through the backlog. The implementation of the Webaspx system should allow for the pausing and re-starting of contracts, which would help to ensure that the invoicing problems experienced previously do not recur on the same scale.

**Action 2.1: Transferring tasks to Business Support**

- 20 The second finding related to the fact that there was no central management information system (MIS) in place and no reconciliations were being performed between the finance and waste systems.
- 21 The first action to help remedy this issue was to transfer certain tasks, such as issuing duty of care documentation, to the Business Support Team. This aimed to reduce the number of tasks the Commercial Waste Team were expected to complete, thereby, allowing the team to focus on performing reconciliations and testing between the two systems.
- 22 It is understood a meeting took place between the Waste Services Supervisor and Business Support. However, no tasks were transferred between the teams. The Waste Management Technical Officer has been assigned the responsibility of chasing any outstanding duty of care documentation. Given resource pressures, workload and competing priorities there remains a risk this task will not always be completed in a timely manner.
- 23 The Waste Services Supervisor expressed a preference to retain tasks within the team, rather than transferring activities to another team, in order to keep more control over the area. However, our sample testing on

WTNs, explained at [37-38], showed that a number of WTNs have still not been renewed after a expiring a number of years ago. Although the team has taken steps to begin reviewing the status of customers and renewing their WTNs, there are still customers without valid duty of care documents. This shows the team cannot currently keep up with all tasks that need to be completed.

**Action 2.2: Implementation of the Webaspx trade module**

- 24 The second agreed action related to introducing the Webaspx trade module to allow for an automated MIS to store and organise data in relation to customers and collections. The action had a target implementation date of quarter 2 (by September) 2022.
- 25 The Webaspx system was procured a number of years ago for both the domestic and trade rounds. The domestic side was prioritised first and went live during 2019-20. The trade side has been 'live' and ready to be implemented since this time but has not been progressed due to Covid-19, a lack of resources and a focus on domestic rather than commercial waste. The team has also encountered issues with the supplier and system, such as system speed, within the domestic module. Therefore, a decision was made to delay the implementation of the trade module until the team is confident the system will function as expected. As at January 2023, the trade module has still not been implemented. A new target date of quarter 2, 2023-24 has been suggested.
- 26 It is hoped that once implemented, the system can eventually be integrated with the financial management system (FMS). This would provide for a fully automated process between waste and finance and resolve many of the issues outlined in the original audit report. The system should also be able to assist with instances such as missed collections, route changes and automate the information currently recorded on paper crew sheets.
- 27 We performed two reconciliations between the commercial waste database and a report from FMS as at 11 October 2022. The first aimed to compare the two systems to check all customers were present on both. The results showed that all customers contained on the finance system were also present on the waste database. However, 40 customers were found on the waste database who were not listed on FMS.
- 28 A sample of five was selected to establish the circumstances around why the customers were not listed on FMS. All five were explained. The reasons varied, including: payments being made according to a non-standard schedule (i.e. annually, varying monthly payments); the business closing or joining around the time the reports were requested; non-payment of invoices and the subsequent ceasing of collections. The full report was sent to the Waste Services Supervisor to investigate all 40 customers that were on the waste database and not on FMS.
- 29 The second reconciliation was to check whether the expected invoice amounts listed on the waste database matched with the actual amounts

charged. The analysis showed 61 customers where amounts did not match. The differences ranged from £0.68 to £7,807.50. Two examples were reviewed with the Waste Services Supervisor. In one case it was explained the database had listed 2 bins when the actual collection requirement was 1 bin. Verbal assurance was received that this has now been corrected and that customer requirements would be re-checked. The other difference (£7,807.50) was due to the customer being invoiced on an annual basis. The FMS report received did not show customers who pay on a non-standard schedule. This was the highest figure on the report, with the majority of the differences being between £0-£100. The full list was forwarded to the Waste Services Supervisor to investigate.

**Action 2.3: Review of current service provision**

- 30 This action encompassed a number of activities, which were; transferring certain tasks to Business Support, developing a commercial waste billing system, a sales team and robust management. It was explained these would be costed and compared to alternative models for service provision.
- 31 As outlined at [22-23] above, a plan was in place to transfer some tasks to Business Support but this did not go ahead and the Commercial Waste Team are still performing all tasks. This is despite there being a lack of resources within the team and as a result, backlogs in certain areas continue to exist, such as the renewal of WTNs.
- 32 As explained at [25-26], a trade module within the Webaspx system is due to be implemented during quarter 2, 2023-24. It is hoped that in the future, this system can be integrated with FMS which should help with billing and ensure accurate records are maintained in both the finance and waste departments.
- 33 Consideration has been given to introducing a sales team, or a role to oversee sales. This has not been taken forward, however it is still something the team are considering for the future.
- 34 A management restructure within the Place Directorate has begun which will impact upon Waste, Public Realm and Fleet Services. The formal consultation stage ended on 15/09/2022. The new structure aims to separate Commercial Waste and place a greater focus on the service to allow for a more strategic approach to its management. At the same time, links will be maintained between Commercial and Domestic Waste Supervisors to ensure any crossovers are managed appropriately. The restructure should also strengthen support for back-office functions and the introduction of new technology, including the Webaspx system.

**Action 3.1: Transfer the issuing of WTNs to Business Support**

- 35 The original audit found that WTNs were not being renewed in a timely manner, with some having gaps of over a year. WTNs need to be renewed on time to ensure that businesses are legally disposing of their waste and to demonstrate that businesses and the council are compliant with environmental regulations. The agreed action for this finding was to



transfer the task of issuing duty of care documentation to Business Support.

36 As explained at [22-23] above, the transfer of tasks did not take place as the Commercial Waste Team would like to retain control of this area. Despite this, our sample testing demonstrates that a backlog of WTN renewals still exists and some customers are disposing of waste without valid duty of care documentation.

37 10 customers were selected to ensure they had a valid WTN in place. The testing indicated that half of the sample had not been renewed within the specified timescales, including 2 that expired in 2017 and 2018. It was explained the team are still working towards getting the WTNs up-to-date, and areas such as council departments and libraries are next on the team's list of renewals to send out.

38 The testing shows that there is still a backlog of WTN renewals. The team have made progress in methodically reviewing customer groups and renewing WTNs as part of that process. It is important emphasis is placed on this task due to the potential legal implications of not having a valid WTN in place. It was explained by the Waste Change Manager that once the Webaspx system has been implemented, there will be functionality to run reports which show when contracts and WTNs are coming to an end. This will allow the team greater oversight and more effective and proactive management of the area.

**Action 4.1: Cash handling**

39 The original audit found that some customers did not have a debtor number, which meant they were not on the finance system (FMS). It was explained these were cash-paying customers and therefore were not being recorded on FMS. A decision was taken to stop collecting income in cash and this was communicated to waste customers in July 2020.

40 When the original audit was finalised in December 2021, processes had already been changed so that cash was no longer being collected and that all customers would be required to have an account on FMS. When customers receive a contract to begin services, a checklist is completed to ensure all required steps are taken. One of these is to create an account on FMS and this box must be ticked to show completion.

41 As explained at [27-28], our testing indicated that 40 customers were not recorded on FMS but were present on the waste database. A sample of these cases was discussed with the Waste Services Supervisor and all had satisfactory explanations. The full report has been shared with the Waste Services Supervisor to investigate further.

**Action 5.1: Crew sheet completion / implementation of Webaspx**

42 The fifth finding in the original audit report highlighted that crew sheets were not being properly completed. When this was discussed further, it was found that the information is not used or analysed by management as the data is largely available through online systems. This meant crew

sheet information is largely redundant and represents duplication of work. The agreed action to address this issue was the introduction of the Webaspx system by quarter 2, 2022.

- 43 As outlined at [25], the trade module on Webaspx has still not been implemented and a new target date of quarter 2, 2023-24 has been set. This means the paper crew sheets are still being used by crews.
- 44 Crew sheets have 3 parts: Part A (work and break times), Part B (loads and weights) and Part C (mileage and vehicle information). Tachograph cards have been in use since 2018 which shows start, finish and break times through an application called 'Vision.' It also shows if drivers have had any infringements, such as not taking adequate rest periods. An application called 'Masternaut' is also used which shows the routes driven (live and retrospective). Mileage is not currently available electronically, however this will be input into Webaspx once implemented.
- 45 10 days' worth of crew sheets over the past year were reviewed, each covering 2 rounds (20 sheets in total). Only on two out of 10 days were the crew sheets fully documented and all boxes completed. On the other eight days, crews had not completed areas such as mileage, start / finish break times, and load weights. However as discussed above, it was also found that the majority of this information is redundant and not used by management as this can be obtained electronically. Once the Webaspx system is live, there should be no further need for paper crew sheets.

**Action 6.1: Confirm responsibilities for setting waste charges**

- 46 The final finding related to the setting of waste charges and the fact that there was no clarity over whether management in Waste or Finance were responsible for this process. The agreed action set out that the Head of Environmental Services would work alongside the Finance Manager to set the waste charges from 2022-23.
- 47 There is now an agreed process in place for the setting of commercial waste charges between the Waste and Finance Departments. Ultimate responsibility for setting the charges lies with the Head of Environmental Services, and they are agreed in consultation with the Finance Manager. The charges for the 2022-23 financial year were set as part of the budget process, commencing in December 2021 and went to the Executive Committee on 07/02/22. As at September 2022, the 2023-24 charges were to be reviewed as part of the budget process which was due to commence shortly.

## Conclusions

- 48 Overall, although some progress has been made towards completing the actions agreed in December 2021, a number of issues still remain.
- 49 Actions including: receiving Government funding to cover income lost during the pandemic; clarifying the process for agreeing charges; issuing invoices in a timely manner, have been completed. Some benchmarking against other organisations has also been completed.
- 50 Issues remain in other areas, such as implementing the Webaspx trade module and ensuring duty of care documentation is renewed in a timely manner. Testing on areas including invoicing, WTN renewals, crew sheets and reconciliations to check the accuracy of waste and finance databases highlighted similar issues to the original audit. This included WTNs not being renewed on time, crew sheets not being properly documented and inaccuracies between the waste and finance systems.
- 51 It should be noted that the Commercial Waste Team is small in size and does not currently have the capacity to perform all required tasks to a high standard. The team has made progress in beginning to review customer accounts to ensure a valid WTN is in place. However, this is time-consuming and, with limited resources, it is taking a significant amount of time to complete.
- 52 The implementation of the Webaspx trade module has been delayed until quarter 2, 2023-24. It is expected that when this is implemented, many of the issues raised in this report will be resolved. The system should allow for the automation of information currently documented on paper crew sheets, a chance to integrate with the finance system, allowing for accuracy when invoicing customers, and an opportunity to organise and automate customer and collection information which is currently recorded on various spreadsheets and documents. The implementation of the Webaspx trade module should be progressed as a priority and it needs to be ensured that the functionality does address the issues identified in the audit and in this follow up review.
- 53 An action plan has been agreed at Appendix 2 which sets out the remaining actions still to be completed along with a revised timescale for completion.

## Appendix 1 - Summary of progress made by action

<b>Action Ref.:</b>	<b>Issue:</b>	<b>Agreed Action:</b>	<b>Completed? (Y/N)</b>
1.1	Customers have not been invoiced for waste collected during lockdown because the service did not know whether the business was operating.	The council will apply for funding under the Government's Income Compensation Scheme [...] The scheme requires to Council's to fund the first 5% of shortfalls and then will split the balance 75% government funding and 25% council funded.	Y
1.2		The Commercial Waste team will (i) examine and review back office processes for the production of invoices and (ii) benchmark against other service providers regarding their invoice process and timeliness.	Y
2.1	The Waste Service does not have a central management information system and no reconciliations are performed between the records maintained by the Finance and Waste services.	<p>The issuing of duty of care documentation will be transferred from the Commercial Waste Team to Business Support Team. Moving this process will allow the Commercial Waste team to undertake more reconciliations and testing.</p> <p><b>Management Response:</b>  <i>It has been decided that the issuing of duty of care documentation will remain within the Commercial Waste Team. However there is a possibility that further chasing of the documentation could be transferred to Business Support. Further resource has been added to the Commercial Waste Team as part of the recent management restructure. This will be reviewed before assessing whether tasks should be transferred to Business Support to achieve efficiency in processes.</i></p>	N
2.2		<p>The service will review the possibility of transferring crews to use in-cab units through the Webaspx system [...] The system is still in development by the supplier with a target date of quarter 2, 2022.</p> <p><b>Management Response:</b>  <i>The initial target date of quarter 2, 2022 was not met due to the impacts of Covid-19, a lack of resource within the team and a focus on domestic waste. Issues have also been encountered with the domestic module, and so, the team has delayed the implementation of the trade module until these issues have been resolved. It is expected that the trade module will be implemented during quarter 2, 2023-24.</i></p>	N
2.3		The current provision of the service will be reviewed. The transfer of work to the business support team, the development of a commercial waste billing system, a sales team and robust management will be costed and compared to alternative models for the provision of the service.	No longer required

		<p><b>Management Response:</b>  <i>This action was included at the request of the service at a time when expansion of, and investment into, the commercial waste service was a potential option to grow income. Since the pandemic, income has recovered faster than the team initially anticipated. Therefore, this action has been placed on hold and is not considered a necessary step to take at this point in time.</i></p>	
3.1	Waste Transfer Notes are not being renewed in a timely manner.	<p>The task of issuing Waste Transfer Notes will be moved from the Commercial Waste Team to the Business Support Team. This should improve the timelines of renewals.</p> <p><b>Management Response:</b>  <i>As per management response at Action 2.1.</i></p>	N
4.1	Commercial waste income was being collected in cash and the cash-paying customers were not being recorded on the finance system.	<p>Processes have been changed so that no cash is taken/collected and all businesses are required to have an account on the finance system.</p>	Y
5.1	Crew sheets are not being properly completed and the information on the crew sheets is not used or analysed, making them redundant.	<p>The service will review the possibility of transferring crews to use in-cab units through the Webaspx system [...] The system is still in development by the supplier with a target date of quarter 2, 2022.</p> <p><b>Management Response:</b>  <i>As per management response at Action 2.2. Crew sheets are still necessary for attaching round information and tip tickets, however it is anticipated that the implementation of the new system will improve the automation of certain pieces of information currently recorded manually on crew sheets.</i></p>	N
6.1	Ownership for setting commercial waste charges is not assigned to one person and there is confusion over who has responsibility for setting the charges.	<p>The Head of Service will agree the fees and charges in consultation with the Finance Manager. This will be implemented for the setting of charges for 2022/23.</p>	Y

## Appendix 2 - Revised action plan to address control weaknesses

Action Number	Issue	Risk	Agreed Action	Priority *	Responsible Officer	Timescale
1	The Waste Service does not have a central management information system.	Income is not collected from customers due to data on the waste and financial management systems being inaccurate.	The service has planned to implement the Webaspx Trade Module during quarter 2, 2023-24. This should ease pressure within the team and help to make certain tasks more efficient, such as reconciling information held on the waste and finance databases and automating crew sheet information.	2	Head of Environmental Services	30 September 2023
	Crew sheets are not being properly completed and the information on the crew sheets is not used or analysed, making them redundant.	Crew workloads are being unnecessarily increased by completing manual crew sheets when the information could be obtained from the automated systems.				
2	Waste Transfer Notes are not being renewed in a timely manner.	Businesses do not have a valid Waste Transfer Note to legally cover the disposal of their waste.	Some resource has been added to the team as a result of the recent management restructure. The impact of this will be assessed before determining whether certain tasks, such as chasing duty of care documentation, should be transferred to Business Support.	2	Head of Environmental Services	30 September 2023

\*The priorities for actions are:

- Priority 1: A fundamental system weakness, which presents unacceptable risk to the system objectives and requires urgent attention by management.
- Priority 2: A significant system weakness, whose impact or frequency presents risks to the system objectives, which needs to be addressed by management.
- Priority 3: The system objectives are not exposed to significant risk, but the issue merits attention by management.

## Annex 1 - Commercial Waste Services Audit Report (December 2021)



Commercial Waste  
Services - Final Repor





## **100hr Short Breaks City of York Council Memorandum Report**

For: Registered Manager – Short Breaks  
Status: Final  
Date Issued: 21 November 2022  
Audit Reference Number: A2900/001

Where information resulting from investigation and/or audit work is made public or is provided to a third party by the client or by Veritau then this must be done on the understanding that any third party will rely on the information at its own risk. Veritau will not owe a duty of care or assume any responsibility towards anyone other than the client in relation to the information supplied. Equally, no third party may assert any rights or bring any claims against Veritau in connection with the information. Where information is provided to a named third party, the third party will keep the information confidential.

## Introduction and scope

- 1 Short Breaks are provided for families who have children with a permanent and substantial impairment or illness, that has a profound effect on their health, development, and social functioning. They are provided for families that are unable to access universal activities, services and provision without additional support.
- 2 Short Breaks can be for a few hours or longer, in some circumstances overnight. They can be provided in many ways. A Short Break could include: additional support so that a child or young person can join a club or recreational activity in their community; someone caring for a child in their own home or within the child's home; or it could be extra support for the disabled child to join in family leisure and social activities.
- 3 It is a fundamental principle of York's approach to Short Breaks that children with disabilities are supported to access services from universal, and some targeted, services within the community without the need for assessment.

## Objective and scope

- 4 The purpose of this audit was to assess the efficiency and effectiveness of the systems in place (both procedures and controls) to ensure that;
  - There is a defined process in place for those seeking Short Breaks and granting the 100hr allocation.
  - Eligibility criteria is clearly defined.
  - Financial records are held to support all payments.
  - Monitoring and reviewing of arrangements occurs regularly to ensure that the service is supporting its users.

## Overview

- 5 At the time of the review (July 2022), families with a child who has a disability are entitled to apply for 100 hours of short breaks funding through the Local Offer. There were different types of Short Breaks available, depending on the assessed needs of the child or young person. These can include support provided directly from the council, including Community Short Breaks, Residential Short Breaks and Short Breaks Foster Care. Alternatively, families can use their budget to be supported by a Direct Payment or independent agency (Snappy and Salvere).
- 6 All applications are received through the website, where families make their request. When they submit the request, they will be contacted to enquire about their child's disability and the type of short breaks they would like to access. The website states that no assessment is necessary and that they can claim 100 hours of funding if their child has a disability.

- 7 When an application has been approved, families receive £80 every four weeks for activities or two hours a week at £9.90<sup>1</sup> per hour for a Personal Assistant (PA) as a Direct Payment via Salvere. Children are eligible to receive Short Breaks payments until the age of 18 and once accepted these payments continue to be made every 4 weeks.
- 8 In most cases a payment of approximately £1,000 is made to the family each year until they are 18 years old.
- 9 The Short Breaks service has seen budget overspends for the previous five years. In 2021/22 the budget was £110k however the actual spend was approximately £400k.
- 10 Families who apply for short breaks do not need to provide any evidence that the money has been spent as intended. There is no requirement for the families to inform the council of any changes to the need for the short break. There is no review process, therefore approved applications for short breaks are rolled forward until the applicant turns 18 years old.
- 11 As there is limited contact with the families, the service may not be notified if the family move out of area and are no longer eligible for funding. This can result in an overpayment of the short breaks payments which is not recovered.
- 12 The service has no qualitative information to evidence the benefit of the service, or that the monies spent have been on authorised activities. There is no monitoring or review of the short breaks processes or payments to families.
- 13 Since April 2022 there have been 118 Short Breaks applications, but the number of applications per month can fluctuate significantly. There are currently approx. 400 families in receipt of short breaks payments.

## Key findings and recommendations

### **There is a defined process in place for those seeking Short Breaks and granting the 100hr allocation**

- 14 There is a process in place for those seeking Short Breaks. Currently, families are made aware of the service via their lead practitioner, such as the school, health visitor, social worker or CAMHS<sup>2</sup>. Families or third parties then submit their application via the Yor-OK website. The application form currently only requires basic information from applicants, including contact details, why they have made the request at this time, the child's diagnoses and any other assessments which have been made (DLA, PIP, EHCP).
- 15 Families or professionals completing the referral form can skip boxes within the application form asking for information. There are no mandatory boxes to ensure the required information is included and that

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<sup>1</sup> 2022 rate

<sup>2</sup> CAMHS: The Child and Adolescent Mental Health Service

the form has been completed in full at the point the application form is submitted online.

- 16 Once the application form has been submitted it is received into the early years inbox and an acknowledgement email is issued stating that the application will be reviewed within 12 weeks. Application details are then uploaded onto Mosaic by the administration team and the Short Breaks Coordinator (SBC) is notified of the new application. Incomplete applications increase the processing time, and delays communications to families. The Short Breaks Coordinator must ensure that all the necessary information is included on each application that has been submitted before the application can progress.
- 17 The completed application for short breaks is reviewed and a decision whether to approve the application and associated funding is made. Currently this action is carried out by the Short Breaks Coordinator<sup>3</sup>.
- 18 The above information has been ascertained through discussions with key staff within the service. There are no formal procedure notes in place.
- 19 The review found that there is no single process or policy document which details the stages that the application goes through for families / applicant. Limited information is provided through the Yor-OK website and portal. The lack of information can lead to increased demands of the service for information

#### *Recommendation*

- *The online application process should ensure that the correct data is captured throughout the application process prior to it being submitted. Incomplete fields should be flagged for the applicant and key information fields should be made mandatory.*
- *Procedures for processing applications should be formally documented. Applicants should be made aware of the processes and any key timescales and conditions for formal approval of their application.*
- *An applicant friendly version of the procedures should be uploaded to the portal or included within the FAQ information.*

#### **Eligibility criteria is clearly defined**

- 20 The website informs families that there is no assessment necessary to be entitled to short breaks funding. This has meant that no proof of diagnosis was required, just the declaration of the applicant. The service has taken on trust the information submitted on an application.
- 21 There was also no clear guidance on what disabilities would be eligible under the scheme. Families with a child who has a learning disability or Autism are not automatically eligible as short breaks are provided for families with children who have a permanent and substantial impairment or illness, which has a profound effect on their health.

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<sup>3</sup> The current Short Breaks Coordinator has been in place for 7 months

- 22 Whilst there are certain criteria which need to be met for an application to be accepted, the eligibility criteria are not listed on the Council website and there are no policy documents available to families outlining the criteria for short breaks funding or defining a disability.

*Recommendation*

*There needs to be clear eligibility criteria available so that potential applicants can assess their suitability prior to applying. It should be made clear which types of disabilities are eligible with clear definitions.*

- 23 The review found that there was no assessment tool available to the Short Breaks Coordinator (or any other officer who may need to assist in assessing eligibility) for confirming short breaks eligibility. At the time of the review, the decision to award funding was made solely by the Short Breaks Coordinator using a 'common sense approach'. Whilst, we had no issue with any of the decisions made, none had been through a formal authorisation process.

- 24 Whilst there is only one officer<sup>4</sup> carrying out the process, there needs to be a formal assessment tool in place to remove subjectivity and bias from the process. This assessment tool should cover all the eligibility criteria and proposed outcomes for the child.

*Recommendation*

- *An internal document outlining the process for defining eligibility from individual disabilities needs to be available. This will provide clear guidance for all individuals in the authorisation process to ensure a consistent approach is undertaken.*
- *Formal paperwork supporting the eligibility criteria will capture key information on which criteria the application was passed and by whom etc. Where variation to this process is undertaken, this should be formally recorded on the authorisation paperwork.*

**Financial records are held to support all payments**

- 25 In the current financial year, 112 individuals are receiving payments relating to Short Breaks. The projected spend on Short Breaks is £114k for 2022/23. The Short Breaks spend sits on the same budget code as direct payments. It does not have its own budget code allowing for clear budget monitoring.

*Recommendation*

*Short Breaks should have its own cost code going forward (from April 2023).*

- 26 Families of applicants do not have to supply receipts for any payments made through Short Breaks. Two thirds of families accessing short breaks funding request that money is paid into a personal bank account. It is

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<sup>4</sup> The Short Breaks Coordinator

therefore not possible to confirm that all monies were spent on the individual's need, as outlined in the application form.

*Recommendation*

*Families should provide receipts for all monies paid out through the Short Breaks process or a system which enables more control on areas of spend should be introduced (pre-payment cards). This should be a condition of the application process that the families sign up to.*

- 27 Payments to families for their child(ren) will continue until they are identified from a review of the monthly payments schedule as no longer being eligible. They can be no longer eligible for a number of reasons (e.g. reaching 18). Once identified, the business support team sends the families a letter via email to notify them that the short break payments will stop.
- 28 The monthly payments schedule is sent to the Service Manager of short breaks for review from the finance and fostering team. However, due to workloads this schedule does not often get reviewed in the detail required. Therefore, payments made be made to families in error.

*Recommendation*

*Monitoring of payments by an approved officer should be carried out, monthly prior to any ongoing payments being made.*

**Monitoring and reviewing of arrangements occurs regularly to ensure that the service is supporting its users**

- 29 There is no panel or review process for applications. The decision on whether to accept the application or not is made solely by the Short Breaks Coordinator. The Short Breaks Coordinator does not currently have any delegated authority to commit expenditure on behalf of the authority.

*Recommendation*

- *Applications should be approved by an authorised officer (Short Breaks Coordinator) up to a de-minimus amount (e.g. £600). Over that amount, the application should go to a panel for review and authorisation. This will ensure that there is oversight on high value applications.*
- *The Short Breaks Coordinator should be given delegated authority up to the de-minimus amount.*

- 30 There is no ongoing monitoring of active short break payments to ensure that the activity identified is still meeting the need of, or relevant to the child/young person. This would involve case reviews for families who have been in receipt of payments for longer than two years.
- 31 Payments should stop when the child turns 18yrs or moves out of the area but as there are no review systems in place this is not always the case. Payments that should be stopped are identified on an ad hoc basis through the review of the payment schedule. A review of the payments

made this financial year identified that one individual turned 18 on 1<sup>st</sup> May 2022 but received a payment in May and June of £99.16.

*Recommendation*

*A monitoring process should be built into any revised procedures to ensure that the short breaks payments are still effective for the child/young person. Monitoring information should include key information checks, including DOB checks when child is over 17 years old.*

- 32 There is no clear system of review assessing whether the monies spent had any impact for the child/young person. The service does not ask families to confirm the effect that the short break money has had on the individual or family. There is no assessment of the activity undertaken in meeting the needs of the child, as identified through the application form.
- 33 The service does not receive any formal feedback from parents. Therefore, there is limited qualitative feedback available as to the value of the Short Breaks Service.

*Recommendation*

- *Families should be asked to complete a monitoring form which will provide key feedback on the service and help to assess its outcomes. This should be for all activities/services provided. For parents in receipt of ongoing activity payments feedback should be requested at regular intervals.*
- *Any process put in place should marry up the requirements of the child from the original application and the outcomes of the activity in key areas (to be identified by the service).*

**Changes introduced during the review**

- 34 During the review, several changes to process were undertaken by the Short Breaks Coordinator. These changes have seen tighter procedures and greater financial control over the application process. This is due to the Short Breaks Coordinator being the main point of contact in all Short Breaks Processes and processing all applications.

**Education Health and Care Plans (EHCP)**

- 35 If there is no EHCP recorded on the system to support the application for Short Breaks, the Short Breaks Coordinator will contact the family and request a copy of the EHCP or other documentation confirming the diagnoses of the named child, and this is uploaded into the system.
- 36 This is key to providing evidence for eligibility for the child and for understanding how the Short Breaks will benefit the child. The child will in most cases have an EHCP and therefore does not require any additional information from the families.

**Personal Assistant (PA) Requests**

- 37 One third of short break payments are made through Salvere for personal assistants. This service is not effectively reviewed or monitored. During the review it was found that the service had been paying for a PA for an

individual from when the application had been processed and not from when a PA had been allocated to the family. This had resulted in a large balance within the applicant's account. It was also stated that there are some individual accounts with large balances where no PA has been found for the individual.

38 Changes to PA requests (via Salvere) have been made so that the Short Breaks Coordinator asks the family to find the PA themselves and then notify the service when one has been found. Details are then passed on to Salvere who arrange all the details and set up the payments. Details input onto a database then flags when the arrangement is due for review (they will be reviewed annually).

39 This revision in the process by the Short Breaks Coordinator has allowed payments to be made once a PA has been allocated to an individual and not when the request is made to Salvere, therefore no large balances should accrue going forward.

*Recommendation*

*Salvere accounts should be reviewed to ensure only active applications are in payment. Inactive accounts should be identified to see if a PA service is still required by the individual. All payments made to inactive accounts should cease until the individual circumstances have been reviewed.*

**Activity Payments**

40 There has been a trial variation in the issuing of activity payments for new applicants. This involves speaking with the families to determine what type of activity is required and how much it will cost. The annual total amount is then paid to the family as a single lump sum payment. Payment to the family closes their application, and if the family then require further support the onus is on them to re-apply the following year. For families with historic applications in payment, they still receive their activity payments, paid at £80 every 4 weeks.

41 This variation in the process of activity payments has placed a definite timescale on the application process once both the needs and an activity (including the cost amount) have been identified. The application does not then roll over indefinitely until the applicant reaches their eighteenth birthday as it has been closed when the payment has been made.

42 Monies saved within the Short Breaks service with this new approach has funded additional group activities. Families known to the service have been contacted and invited to specific group activities. These activities are in addition to their individual requests.

43 The Short Breaks service is looking into how they may better manage their budget by having application windows for families to apply for funding and posting online when the budget had been spent for the current year.



### **Authorisation Process**

- 44 Currently the Short Breaks Coordinator is responsible for all application and authorisation processes. The Short Breaks Coordinator has implemented a sound control environment for the application and authorisation process of short breaks. They authorise all payments to individuals through the application process for the Short Breaks service. This position (Short Breaks Coordinator) does not currently hold the correct delegated authority to authorise this expenditure.

#### *Recommendation*

- *No individual should be the control for the entire processes. All actions carried out by the Short Breaks Coordinator should be included into any formal processes or procedures/guidance with adequate separation of duties considered for the tasks required.*
- *A clear authorisation process should be established and formally adopted in the services procedures.*
- *The Short Breaks Coordinator post should be allowed to authorise expenditure for the service up to an agreed de-minimus level. Any amounts over this level up to and including £1040 should be taken by a specified panel or management group.*

### **Consultation Processes**

- 45 A consultation survey in May 2022 asked users of the short breaks service to help to gather information on how the council could best develop the current short break service around the local offer. The information and views gathered within the survey were to be used to look at how service provision can be developed to meet the needs of children and their families within the City of York.

### **Conclusion**

- 46 The service has taken positive actions since the review began to tighten controls however there are several fundamental control weaknesses that need to be addressed within the processes.
- 47 Recommendations included within this report are for the service to introduce into the changes to the procedures and controls that they are addressing. We can, upon request, assist with identifying control gaps and any risks when the service completes its review – prior to any implementation of the revised systems, processes, and controls.

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