



City of Westminster

Audit and Performance Committee Report

Meeting:	Audit and Performance Committee
Date:	17 September 2015
Classification:	For General Release
Title:	Internal Audit Progress Report – April to August 2015
Wards Affected:	All
Financial Summary:	The Council's budget
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1. Executive Summary

- 1.1 The work carried out by the Council's Internal Audit Service in the reporting period found that, in the areas audited, internal control systems were generally effective although six limited assurance audits have been issued, three of which are in respect of Managed Services systems.
- 1.2 Follow up reviews completed in the period confirmed that the implementation of medium and high priority recommendations has been consistently effective.
- 1.3 The Appendices to this report provide the following information:
 - **Appendix 1** Audit reports finalised in the year to date, showing the assurance opinion and RAG status;
 - **Appendix 2** - Additional information on the audit findings and recommendations made;
 - **Appendix 3** - Internal Audit Service – Performance Indicators & Assurance Levels

2. Recommendation

That the Committee consider and comment on the results of the internal audit work carried out during the period.

3. Background, including Policy Context

With effect from 1 April 2015, the Council's internal audit service has been provided by the Tri-borough Internal Audit Team which is managed by the Tri-borough Director for Audit, Fraud, Risk and Insurance. Audits are undertaken by the in house audit team or by the external contractor to the service. Reports on the outcomes of audit work are presented each month to the Council's Section 151 Officer and to Members of the Audit & Performance Committee. The Audit & Performance Committee are provided with updates at each meeting on all RED or AMBER RAG limited assurance audits issued in the period.

4. Internal Audit Opinion

As the provider of the internal audit service to Westminster City Council, the Tri-borough Director for Audit, Fraud, Risk and Insurance is required to provide the Section 151 Officer and the Audit & Performance Committee with an opinion on the adequacy and effectiveness of the Council's governance, risk management and control arrangements. In giving this opinion it should be noted that assurance can never be absolute. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud.

The results of the audit reviews undertaken in the reporting period concluded that generally systems operating throughout the Council are satisfactory. However, six limited assurance reports have been issued, three of which have received this opinion due to issues relating to the implementation of the Managed Services Programme (MSP):

- MSP – Interfaces & Acceptance Testing;
- MSP – Data Migration;
- MSP – Disclosure and Barring Service;
- Adult Social Care – Residential Placements;
- Passenger Transport – Post Procurement Review;
- Management of Tenant Management Organisations (TMOs).

The details of these audits are contained in paragraphs 5.1.1 to 5.1.6 below.

5. Audit Outcomes (April to August 2015)

- 5.1 Since the last report to Members eleven audits have been completed, five of which did not identify any key areas of concern:

Audit	Assurance	RAG
Adult Social Care – Personalisation	Satisfactory	Green
Children’s Services – Commissioning & Procurement Governance	Satisfactory	Green
Children’s Services – Early Help	Satisfactory	Green
Corporate Services – IT Tower Procurement, Pre-Qualification Process	Substantial	Green
Children’s Services – School Meals Procurement, Pre-Qualification Process	Substantial	Green

Further information on these audits is contained in Appendix 2.

The findings from the six limited assurance audits are summarised in paragraphs 5.1.1 to 5.1.6 below:

5.1.1 Tri-borough Managed Services, Interfaces & Acceptance Testing (Amber)

An audit was undertaken to assess the adequacy of the control framework applied to the Managed Services Programme (MSP) system interface and acceptance test activities undertaken as part of the implantation of the Agresso Business World (ABW) Enterprise Resource Planning (ERP) system across the three councils (Westminster, Hammersmith & Fulham and Kensington & Chelsea). This audit involved examination of:

- The approach to identifying and prioritising acceptance testing of system procedures and interfaces;
- The test scripts developed and mapped to help evaluate system interface and functionality requirements;
- The accuracy of recording and reporting the test results from individual system interface and system functionality acceptance tests so that issues can be escalated for resolution on a timely basis; and
- The accuracy of monitoring reports used to update stakeholders on the overall system interface and system functionality acceptance test results so that the ‘Go Live’ decision was appropriately informed.

Overall, although a total of seven recommendations for improvement were identified and discussed with management during the course of this audit, the control environment reflected the common condition of a complex business transformation change programme and system implementation at the given stage of its development and delivery cycle. A number of the recommendations were time limited to the ‘Go Live’ date and therefore actions were agreed and implemented during the course of the audit work.

5.1.2 Tri-borough Managed Services, Data Migration (Amber)

This audit was undertaken to assess the adequacy of the data migration management controls established and applied to the Managed Services Programme. The audit reviewed:

- The definition and documentation of the data migration standards;
- The adequacy of the scoping, documentation and resourcing of the data migration process;
- The performance and assessment of data migration/ conversion processes;
- The process to ensure that data migration is subject to full reconciliation and sign off review with the results communicated to all relevant stakeholders for “Go Live”; and
- Compliance with the agreed programme timescales for the completion of the data migration.

The internal audit assessment started on 1st March 2015 in preparation for the system ‘Go Live’ in April 2015 with the findings being fed back as they were identified. Three High priority recommendations were made and agreed with management.

5.1.3 Disclosure and Barring Service (Amber)

An audit has been undertaken on the processes in place within the Council to ensure that appropriate checks are made with the Disclosure and Barring Service (DBS) for individuals who are performing specific roles which are subject to these checks. Some roles are mandatory for obtaining a DBS check and these are defined by legislation. Other roles need to be considered in conjunction with the guidance available from the DBS and other professionals.

The audit identified that:

- Prior to the implementation of Managed Services, the completeness of records maintained for DBS checks was confirmed by a monthly reconciliation between the DBS forms that were submitted for processing, and a list of new starters from the payroll system. At the time of the audit, no management information on new starters had been received from Managed Services which meant HR staff were unable to perform the reconciliation processes that would assure the completeness of their records;
- The ‘audit’ process performed under the contract by Commensura who provide agency staff to the Council identified instances where the employing agency was not able to supply the DBS form on request;
- Whilst the Council retains a significant element of reputational, and potentially financial risk in the event of a DBS related incident within a contracted service, this view was not necessarily shared by some Contract Managers;

- Contract Managers were generally satisfied with the procedures operated by the suppliers, but their knowledge was limited with regard to the pre-DBS employment practices and registrations for the DBS Update service. Although DBS issues may be discussed at management meetings, contract managers confirmed they rarely review the supplier's DBS records. In response to our audit, some contract managers have suggested improved procedures which have been included in the recommendations contained in the audit report.

Five high and three medium priority recommendations have been made to address the weaknesses identified which should be implemented by December 2015.

5.1.4 Adult Social Care – Residential Placements (Amber)

The Adults Social Care (ASC) business plans place emphasis on improving the outcomes for residents and tackling the significant increase in demand arising from the changing demography of the 3 boroughs. Whilst the ASC service is run on a shared service basis with a single management structure, each Council has separate finance teams who provide and administer services on a sovereign borough basis. Currently a review of the structure of these teams is on-going with a view to combining the 3 teams into one, headed up by a Tri-borough Financial Assessment and Charging Manager, in 2015. Each Council has their own budget which remains separate from the other councils, and income received from service users is allocated to each Council via their individual accounting systems.

An audit identified a number of control weaknesses including:

- Placement reviews were not always being completed within 6 weeks of the placement start date and adequate evidence was not always being retained to demonstrate that reviews had been undertaken with the appropriate management review and approval;
- The Placement Care Plan, Service User Agreement and Brokerage form was not always being completed in full, authorised appropriately and consistently retained on file;
- Documented procedures covering all activities undertaken by the Brokerage team were not in place;
- Financial assessment forms were not consistently held on file with signed financial circumstances forms and exceptions were also identified where the documentation had not been signed by the service user or their next of kin;
- The outcome of the financial assessments was not always notified to the service user, or their next of kin, in a timely manner;

Three high, five medium and one low priority recommendations have been made which have been accepted by management for implementation by the end of September 2015.

5.1.5 Passenger Transport – Post Procurement Review (Amber)

A new framework contract was procured by the Council on behalf of Westminster, Hammersmith & Fulham and Kensington & Chelsea Councils which commenced in April 2014 and covered mini bus and taxi services for both Children Services and Adult Social Care. The new arrangements involve moving approximately 1200 vulnerable children and adults every day to over 100 destinations.

An audit was undertaken during 2014/15 following the initial mobilisation and roll out of the new service which was followed up at the end of the financial year. This follow up noted that significant progress has been made to rectify the weaknesses previously identified. The operating model and service direction for the Transport Commissioning Team (TCT) had improved although several key posts, including the Head of TCT had still not been recruited to on a permanent basis. A total of three high and eight medium priority recommendations have been made including:

- The creation of a formal Business As Usual (BAU) document for the TCT which clearly defines its operational direction and functionality moving forward;
- Changes to BAU should be planned for in advance of 2015/16 to prevent any inefficiencies;
- Ongoing financial monitoring exercises and liaison with suppliers should continue to act as an early warning should any issues be identified. Formalised contingency planning documentation should be created detailing actions to be taken in the event of a contractor failing or becoming insolvent;
- Liaisons with and performance management of suppliers should continue to ensure they are providing adequate customer service and client engagement;
- A formal organisational structure should be completed with adequate posts and appropriate job descriptions created for the manager posts;
- A succession plan should be created by the current manager to ensure a robust handover of both duties and knowledge is in place;
- A financial analysis should be performed clearly demonstrating where savings have been under and over delivered. Future financial planning should contain total costs including TCT management overheads in the bottom line for both children and adults.
- A financial 'lessons learned' document should be completed highlighting the rationale between expected and actual savings. This should reflect the issues reported with planned commissioning and related costs compared to actual and the relating financial impacts.

An action plan has been agreed with management to address these recommendations which should be implemented by the end of September 2015.

5.1.6 Management of Tenant Management Organisations (TMOs)

There are currently 11 TMOs in Westminster. During 2014/15, concerns were raised about the operation of one of the Council's TMOs. The audit review of this TMO at the time noted that the roles and responsibilities of CWH and the Council and the reporting between these parties required clarification and improvement.

The latest audit reviewed the level of oversight provided by CWH of TMOs and the mechanisms in place for ensuring that both CWH and the Council were aware of any concerns in respect of a TMO and the appropriate action to take.

One high, seven medium and four low priority recommendations were made to address weaknesses identified including:

- The need for a training plan for CWH and Council officers, that is linked to their roles and responsibilities in respect of TMOs;
- The completion of all data required by CWH in their recently introduced monthly dashboard reports to the Council;
- Financial accounts are submitted by TMOs on a quarterly and annual basis although at the time of the audit, the quarter 4 2014/15 accounts had not been submitted by two of the TMOs (these have since been submitted);
- Data and comments on the service provided by CWH to the TMOs, which was collected as part of the 2014/15 annual monitoring exercise, had not been acted on by CWH at the time of the audit;
- No independent monitoring of customer feedback on the service provided by CWH is undertaken by the Council;
- There is a 4-6 weekly meeting between the TMO Manager (CWH) and the HRA Contracts Manager (WCC). However, meetings are informal and agendas, minutes, reports or action trackers are not produced and no escalation procedure developed.

All of the recommendations are expected to be implemented by January 2016.

5.2 Implementation of Audit Recommendations

In the year to date, sixteen follow up audits were undertaken which found that the implementation of recommendations was good with 100% of high and medium priority recommendations implemented or being implemented at the time of the review.

Further follow up work will be undertaken to ensure that outstanding recommendations are implemented:

Audit	No of Recs Made	No of Recs Implemented	No of Recs In Progress
Abbots Manor Residents Association	5	3	2 (1 Medium, 1 Low Priority)
Tri-b Meals on Wheels Contract	11	9	2 (Medium Priority)
Tri-b Total Facilities Management	11	9	2 (Medium Priority)
Adult Social Care – Cash Payments to Clients	6	3	3 (1 Medium, 2 Low Priority)
Rough Sleepers	5	3	2 (1 Medium, 1 Low Priority)
Tri-b Pension Investments	5	4	1 (Low Priority)
Tri-b Procurement Public Health, New Contracts	5	5	0
Parking Bay Sensors	3	3	0
Mortuary	3	3	0
St Mary Magdalene Primary School	10	9	1 (Medium Priority)
Tachbrook Street Nursery School	7	7	0
Portman Early Childhood Nursery School	7	4	3 (Low Priority)
St Matthew's Primary School	5	4	1 (Low Priority)
Paddington Green Primary School	7	6	1 (Low Priority)
Mary Paterson Nursery School	10	10	0
Dorothy Gardner Nursery School	6	5	1 (Low Priority)
	106	97	19

5.3 Performance of the Internal Audit Service

The key performance indicators for the internal audit service are contained in Appendix 4. As shown by the performance indicators, the quality of audits delivered was of a high standard with recommendations accepted and implemented in a timely manner and positive satisfaction surveys received from auditees.

If you have any queries about this Report or wish to inspect any of the Background Papers please contact:

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BACKGROUND PAPERS

Internal Audit Reports;
Monthly monitoring reports.

Audits Completed – Year to Date 2015/16

Plan Area	Auditable Area	RAG Status	Assurance level given	No of Priority 1 Recs	No of Priority 2 Recs	No of Priority 3 Recs	Reported to Committee
Adult Social Care	Tri-b Personalisation (Cfwd from 2014/15)	Green	SATISFACTORY	0	2	0	Sep-15
Adult Social Care	Tri-b – Residential Placements (Cfwd from 2014/15)	Amber	LIMITED	3	5	1	Sep-15
Children's Services	Tri-b Commissioning & Procurement Governance (Cfwd from 2014/15)	Green	SATISFACTORY	0	3	3	Sep-15
Children's Services	Tri- b Passenger Transport – Post Procurement Review (Cfwd from 2014/15)	Amber	LIMITED	4	7	5	Sep-15
Children's Services	Tri-b School Meals Contract (Cfwd from 2014/15)	Green	SUBSTANTIAL	0	0	3	Sep-15
Children's Services	Tri-b Early Help (Cfwd from 2014/15)	Green	SATISFACTORY	0	3	3	Sep-15
Corporate Services	Tri-b – MSP Data Migration	Amber	LIMITED	3	0	0	Sep-15
Corporate Services	Tri-b – MSP Interfaces & Acceptance Testing	Amber	LIMITED	1	6	0	Sep-15
Corporate Services	DBS Checks	Amber	LIMITED	5	3	1	Sep-15
Corporate Services	Tri-b Procurement Pre-Qualification Process - Voice & Data Network	Green	SUBSTANTIAL	0	0	1	Sep-15
Growth, Planning & Housing	Management of TMOs	Amber	LIMITED	1	7	4	Sep-15

Additional Information on Audits

Adult Social Care – Personalisation (Main Report – Paragraph 5.1)

Personal budgets aim to provide clear, early understanding of the level of financial support available to individuals in order for them to influence or control how it is spent in a way which helps them meet their needs. A personal budget should be used to provide ongoing support and care needs and should be considered only after reviewing the relevant preventative and reablement options. The requirements of the Care Act, which reforms the laws relating to the care and support for adults and support to carers, is expected to be implemented in 2015/16.

An audit of personalisation across the Tri-borough councils has been completed and for Westminster Council, satisfactory assurance was given with two medium priority recommendations made in respect of:

- The need to ensure that service users' support plans are appropriately authorised by a Manager;
- Ensuring that reviews of care and support packages are undertaken within a twelve month period and the use of management reporting to identify those that are due for review.

The recommendations were accepted and should be implemented by December 2015.

Children's Services – Commissioning & Procurement Governance (Main Report – Paragraph 5.1)

The Tri-borough Children's Service has established governance arrangements for procurement within the service which is line with corporate procurement requirements. The Service uses the Capital e-Sourcing platform which has been available to all three Councils since January 2014. This platform provides a complete end to end process in the form of modules covering tendering (including request for quotes), contracts, suppliers, contract management and expenditure information. Capital e-Sourcing includes a Contracts Register which holds the details for all Children's Services contracts both current and expired which are valued at over £20,000 (the limit above which the Tri-borough Commissioning and Contracts (CoCO) Board approval is required).

The audit reviewed the adequacy of the arrangements in place for the commissioning and procurement of Children's Services including the arrangements in place for managing contractor performance. Three medium and three low priority recommendations were made including:

- Improvements required to the information entered onto Capital e-sourcing; and
- The need to consider business continuity arrangements due to the high number of temporary staff involved in the procurement process.

The recommendations are expected to be implemented by the end of October 2015.

Children's Services – Early Help (Main Report – Paragraph 5.1)

A multi-agency service has been established incorporating professionals from Early Year, Family Support, School Attendance and Youth Support to form an Early Help service. Their main clients are residents with families who have children aged 0-18 where there are indications of emerging difficulties and/or additional needs. Their aim is to offer a range of different interventions to support these difficulties and to ensure the issues are proactively managed, limiting more severe problems later on. The audit focused on the referral process between the different types of support available.

Three medium priority recommendations were made in respect of:

- Introducing joint visits for cases moving from Social Worker support to Early Help where a more appropriate level of support can be provided to family members;
- Improvements in reporting on budget variances as part of the monthly budget monitoring process; and
- Improvements to the case management systems to enhance reporting from these systems.

All recommendations have been accepted by management are due for implementation by the end of 2015/16 financial year.

Children's Services – School Meals Procurement, Pre-Qualification Process (Main Report – Paragraph 5.1)

Three different school meal services are in operation across the Tri-borough councils with three different providers. The schools using existing contracts expressed a formal interest in procuring school meals from a proposed framework contract. The proposed framework contract is for the provision of a cooked meal service for primary schools and a tariff service for secondary schools and sixth forms. The audit review indicated that the controls over the commissioning and development of a suitable strategy for procuring school meals across the three councils and advertising this to the market were consistently applied throughout the process and to the level expected. The review did highlight minor procedural weaknesses and three low priority recommendations were made which have been accepted by management.

Corporate Services – IT Tower Procurement, Pre-Qualification Process (Main Report – Paragraph 5.1)

In order to improve service delivery and achieve savings, services which are delivered across the Tri-borough councils require a range of information technology dependent solutions. There are eight elements to the services which are described as service towers:

- Service Leadership;
- Service Integration & Management;
- Business & Specialist Applications;
- Distributed Computing Services;
- Help Desk Services;
- Data Centre Services;
- Data Network Services;
- Voice and Telecom Services.

Three of these service towers are to be retained in house (Service Leadership, Service Integration & Management and Business & Specialist Applications). The remaining towers are essentially commodity services which can be provided either through in-house resource or through partnership arrangements. To effectively manage transition from incumbent service providers, the Council let three Information Services Frameworks in December 2013 (Distributed Computing, Service Desk and Data Centre). For the remaining two service towers (Data Networks and Voice and Telecom Services), the existing contracts are nearing expiry. The audit reviewed the pre-qualification process whereby a final list of bidders will be selected to move forward to the tender stage of the procurement. The review also examined the scoring methodology to be applied for evaluating the financial aspects of the tenders received as part of the Invitation to Tender process.

One low priority recommendation was made and agreed with management for immediate implementation.

Corporate Services – MS System Interface & Acceptance Tests (Main Report - Paragraph 5.1.1)

A number of Council systems will process information which will then need to be input to another system such as the Council's financial management system. Information is usually transferred from one system to another using a computer interface. With the change to a new financial management system (Agresso) within the Managed Services Solution it was important that the Council identified all of their existing interfaces and put in place appropriate arrangements to ensure that the new financial management system could be updated from the other Council systems. It was essential that the interfaces could be proven to work and be accurate before the implementation of Managed Services. The Council identified a number of essential interfaces that were required to be tested and signed off as working before the Managed Services 'Go Live' date of 1 April 2015. If the interfaces were not working or were inaccurate, the Councils financial data would be incomplete and manual intervention would be required to update this data.

APPENDIX 2

Corporate Services – MS Data Migration (Main Report – Paragraph 5.1.2)

The move from three separate financial and HR systems to the new Agresso system under the Managed Services Programme required robust management structures, plans, procedures and controls in place to ensure the successful implementation of the system which included the movement of relevant and appropriate data from the existing systems into the new system (data migration). Three High priority recommendations were made as follows:

- The resolution of all known data migration issues referred back to the Councils should be adequately and transparently tracked for completion;
- The Accounts Payable (AP) / Accounts Receivable (AR) reconciliation records for LBHF should be completed and provided for review at the earliest opportunity;
- Appropriate data integrity monitoring reports should be established and effectively applied to migrated and transactional data.

Corporate Services – Disclosure and Baring Service (DBS) (Main Report – Paragraph 5.1.3)

The Disclosure and Barring Service (DBS) was established when the Criminal Records Bureau (CRB) and Independent Safeguarding Authority (ISA) merged in 2012. DBS checks can only be requested by employers for individuals performing specific roles which are subject to DBS checks.

It was envisaged by Human Resources (HR) management that the administration of the DBS services, performed by the HR Team up to March 2015, would be passed over to British Telecom (BT) as part of the Managed Services Programme (MSP). At the time of the audit (July 2015), this process was not in place due to technical and operational issues at BT. As the payroll and HR functions have been transferred to BT, the council has ceased to use their previous HR system, and it is no longer updated. Consequently local systems and spreadsheets have been devised by the Human Resources Team to manage and control DBS checks post March 2015.

DBS checks are obtained in the following manner:

- The employer gets an application form from DBS or an umbrella body;
- The employer gives the applicant the form to fill in and return to them along with documents proving their identity;
- The employer sends the completed application form to DBS or their umbrella body; and
- The DBS sends a certificate to the applicant. The employer has to ask the applicant to see the certificate.

If the applicant has subscribed to the DBS update service, the employer can check their subsequent certificates online. A DBS certificate has no official expiry date; employers use their discretion to decide when a further check should be made.

There are three types of check:

Types of check	Details
Standard	This checks for spent and unspent convictions, cautions, reprimands and final warnings
Enhanced	This includes the same as the standard check plus any additional information held by local police that's reasonably considered relevant to the workforce being applied for (adult, child or 'other' workforce).
Enhanced with list checks	This is like the enhanced check, but includes a check of the DBS barred lists (lists of people who are unsuitable for working with children and adults).

APPENDIX 2

Responsibility for verifying DBS status varies depending on the individual being verified. At the Council the responsibility is as follows:

Employment Type	DBS check responsibility
Westminster Council employees School Staff Volunteers	Westminster Council Human Resources Team: Two officers are responsible for obtaining and checking the DBS for new employees, and managing the process of re-checking staff every three years in accordance with the Council policy.
Agency Staff	The staff are supplied by Comensura, which is an umbrella organisation for a number of agencies. The contract with Comensura contains provisions for staff performing relevant roles to be DBS checked, and for those details to be updated regularly.
Contract Staff	Contract staff work on services which are wholly contracted out. The relevant contracts are managed by an appropriate manager within the Council and it is their responsibility to ensure that any DBS requirements specified in the contracts are observed. For the audit emphasis was placed on contracts let in Children's Services and Adult and Social Care and was based on a survey questionnaire sent to the main Contract Managers in these areas. (23 in total).

Adult Social Care – Residential Placements (Main Report – Paragraph 5.1.4)

Across the 3 Councils, the following teams are responsible for assessing care needs in respect of residential placements:

- Older People;
- Learning Disability;
- Mental Health; and
- Physical Disability.

Westminster City Council (WCC) implemented the financial assessment tool Frameworki in April 2014. The London Borough of Hammersmith and Fulham (LBHF) and the Royal Borough of Kensington and Chelsea (RBKC) are currently using Abacus, with the implementation of the Frameworki financial assessment tool being aligned with the Managed Services Project.

It should be noted that one of the high priority recommendations was only in respect of the financial processes in place at one of the other Councils as the debt recovery process is not the same for all three Councils

Adult Social Care & Children's Services – Passenger Transport (Main Report – Paragraph 5.1.5)

The Tri-borough Transport Commissioning Team (TCT) was established to process new requests for transport, provide the main point of contact, maintain relevant data and monitor requirement standards. It was clear that mobilisation and delivery issues were encountered from the start of service which led to a significant volume of initial service dissatisfaction, expressed by parents, carers and other stakeholders both directly to the service and to Council Members. The scope and structure for TCT operations was subject to significant modification following the initial mobilisation of the service and a number of key management positions were covered by interim and agency staff.

Planning, Growth & Housing – Management of TMOs (Main Report – Paragraph 5.1.6)

Residents of a block or estate can review their options for taking over services through a Government funded tenant empowerment programme. The existing rights of the tenant or leaseholder of the Council are protected with the only change being that the Tenant Management Organisation (TMO) will manage the tenancy and lease on behalf of the Council. TMOs are set up as legal bodies, with the protection of limited liability for members. They are run by an elected management committee made up of tenants and leaseholders, all of whom are volunteers. The management committee represents residents and sets priorities. TMOs have their own local office and employ their own staff to provide professional housing services.

APPENDIX 2

The relationship between the Council and the TMO, including the services that the TMO will manage and those to be retained by the Council, is set out in a modular management agreement (MMA). Once a TMO is up and running it will be supported and monitored by CityWest Homes (CWH) to ensure that the services it provides to tenants and leaseholders are of a high standard. The TMO will receive an allowance (grant) from the Council based on what it would have cost the Council to provide the service. In order to ensure the success of a TMO, CWH provide assistance, including:

- Arranging training for committee members and staff;
- Utilising specialist workers to provide advice and support;
- Informing TMOs of their current performance; and
- Organising forums for TMO managers and committee members.

Performance Indicators – 2015/16

Internal audit performance is summarised below against a range of performance indicators:

Performance Indicators	Target	Actual	Comments
Delivery			
Percentage of audit jobs completed by 31 August 2015 (full year 85%)	35%	29%	This is slightly below the target for the year to date but it is anticipated that this will be on target during Q2.
Percentage of draft reports issued within 10 working days of fieldwork being completed	90%	90%	.
Percentage of audits finalised within 10 days of a satisfactory response	95%	100%	
Quality			
External audit conclude they can place reliance on Internal Audit work (annual)	Yes	Yes	
Percentage of jobs with positive feedback from client satisfaction surveys	90%	100%	9 received all scoring 4 or above
Percentage of high and medium priority recommendations accepted by management	95%	100%	
Percentage of high and medium priority recommendations implemented by management	95%	97%	

Assurance Levels

Assurance given, taking into account the system weakness identified, that the system can meet its service objectives:

Assurance Level	Details
Substantial assurance	There is a sound system of control designed to achieve the objectives. Compliance with the control process is considered to be substantial and no significant errors or weaknesses were found.
Satisfactory assurance	While there is a basically sound system, there are weaknesses and/or omissions which put some of the system objectives at risk, and/or there is evidence that the level of non-compliance with some of the controls may put some of the system objectives at risk.
Limited assurance	Weaknesses and / or omissions in the system of controls are such as to put the system objectives at risk, and/or the level of non-compliance puts the system objectives at risk.
No assurance	Control is generally weak, leaving the system open to significant error or abuse, and/or significant non-compliance with basic controls leaves the system open to error or abuse.