



**Internal Audit
FINAL REPORT**

ELDERLY PERSONS 2007-08

To: **Diane Burridge** **Director of Operations**

For information: Alasdair Bovaird Chief Executive
Michael Perry Assistant Chief Executive
Adrian Webb Acting Chief Finance Officer
Roz Millership Head of Housing Management
Ruth Fulton Elderly Persons Officer

1. Introduction

An audit of Elderly Persons has been carried out as part of the 2007-08 audit plan. Detailed tests have been carried out on the systems of control and the management of risk within this area.

2. Findings and recommendations

The detailed findings and recommendations are set out in the attached appendices. A Management Action Plan is attached and we should be grateful if you would arrange for its completion and return by 20 December 2007. A satisfaction survey has been sent to the Head of Housing Management.

3. Conclusions

Our work confirmed that the key objectives of the Lifeline service have been met and divisional plans are in place to review changes to the way the service is to be managed in 2008-09.

We have identified significant weaknesses relating to financial controls and the absence of a clear audit trail which need addressing in the interim to avoid the likelihood of significant error or maladministration and have qualified our audit opinion to reflect this.

Sheila Bronson
Acting Audit Manager
23 November 2007

ELDERLY PERSONS 2007-08

1.1 AREAS COVERED DURING THE AUDIT

The key areas of possible risk identified at the planning stage of the audit were as follows:

- a) Lifeline equipment not recovered on termination of contract
- b) Lifeline services requested by Social Service without supporting documentation
- c) Subscribers details are not effectively monitored
- d) Annual stock count is not carried out
- e) Lack of qualified/trained staff to effectively administer tenant services
- f) Lifeline system is not self-financing
- g) Public call box income incorrectly accounted for
- h) Wardens' private calls incorrectly accounted for
- i) Guest Room lettings incorrectly accounted for
- j) TV Licence receipts not promptly banked or accounted for
- k) Lifeline service unable to operate due to equipment or control centre problems
- l) Personal information is not maintained in accordance with the Data Protection Act 1998
- m) Inaccurate information is provided to the public

The methodology stated in the terms of reference document was used to establish and test the controls that management have in place for mitigating or reducing the above risks to an acceptable level.

1.2 OVERALL AUDIT OPINION

We have established that key objective relating to the Lifeline service in offering help, security and peace of mind for both residents and tenants are being met.

It is pleasing to note following discussion with management that divisional plans are in place and work is underway to review the way the service is being delivered and mitigate the risk identified in the weaknesses in the current financial controls. However until such time as these matters are resolved, management has little assurance that clear audit trail exist. We have therefore qualified our opinion on financial control in relation to cash collection arrangements made at Sheltered Homes and appropriate corrective actions are needed in the interim.

2003-04 AUDIT

1.3 PREVIOUS RECOMMENDATIONS

Previous recommendation to reconcile guest room lettings has not been implemented and is re-iterated at this audit.

2007-08 AUDIT

1.4 ELECTRONIC DATABASE

During the audit it has been identified that the administrative records of the Lifeline users (approximately 740 users) are held in hardcopy format filed in folders and secured in a locked metal cabinet. The present administrative process is time consuming and records are disposed off outside the retention period to avoid heavy usage of storage space. The system does not enable ease of record searches, analysis and data backup onto the Council daily back-up system.

A meeting was held with management and it is noted that an electronic database is being setup and is in the early stages of development. **It is recommended that** an implementation schedule is in place for the completion of the project.

1.5 STOCK CONTROL

Testing during the audit identified a lack of control on the Lifeline equipment. Analysis of the budget from previous years has identified that more than £12,000 has been spent annually on Lifeline equipment, but that there are no central records maintained to identify the level and variety of stock on hand.

We therefore recommend that a central stock control system should be maintained.

EQUH512	£
2006-07	16,931.31
2005-06	14,512.43
2004-05	15,250.00
2003-04	12,748.03
TOTAL	59,441.77

1.6 FINANCIAL CONTROLS

a) Cash Collection/Segregation of Duties

During the audit it was identified that there is a lack of segregation of duties in the cash collection from the sheltered schemes public phone coin box. The person responsible for the key to the coin box is also responsible for the cash collection, deposit of cash and keeping of the records.

We also identified unsatisfactory recording of the cash collections since the cessation of the Rent Collector post in April 2004, interview and examination of records establishing that the cash collection was resumed in January 2007 although a receipt dated March 2006 was found but no one was able to identify the collector. This has been brought to the attention of management.

We recommend that a regular collection process is established as soon as possible e.g. a quarterly schedule for collection, and the key should be held by a member of staff who is not responsible for the cash collection.

b) Control Documents

Testing during the audit identified that the Guest Room Booking forms and the Manual Receipt Books were not controlled properly. The issuance of these documents is not recorded in a logbook or supervised by management which has resulted in swapping of Guest Room Booking forms between the different sheltered schemes leading to a disruption to the sequential numbers as well as amendments/tippex on the forms.

We recommend that the control items are entered in a log book and initial by management during the issuance of them.

c) Reconciliation of Guest Room Bookings and TV licences

The recommendation made in our previous audit for the reconciliation of Guest Room Bookings **is reiterated** in this audit. **We further recommend** that the reconciliation should be documented in a spreadsheet for both Guest Room Booking and TV licences to allow cash deposit receipts to be reconciled with the manual receipts for the guest booking forms numbers/TV licenses.

d) Management Checks

Testing identified that 38% of the sampling of cash receipts are not deposited within two working days as required under the warden's handbook. **We recommend** that management checks are carried out to ensure adherence to the guidance.

1.7 GUEST ROOM CHARGES

During the audit it has been identified that the guest room charges have not been reviewed for more than four years. The Head of Division is in the process of making enquiries to establish whether charges are made by other Local Authorities. If the service is free of charge by other local authorities, consideration shall be given to adopt similar practice.

Current charges

£6 for the first night

£3 for subsequent nights

We therefore recommend that if the outcome of the investigation is to continue providing the service with a minimal charge, consideration should be given to review the charges to ensure the cost of providing the service is being covered.

1.8 LIFELINE MONTHLY VISITS

There are two Lifeline Officers managing generic areas of North and South of Uttlesford. Their task is to carry out visits to Lifeline users for the purpose of testing the Lifeline equipment and to ensure that the details held on records e.g. contact persons or medical conditions, remain unchanged.

Testing has identified that travelling time/cost may be reduced by using the telephone as a means of contact to establish changes although continuing to carry out site visits to those considered vulnerable cases. **We therefore recommend** that consideration is given to a different method of work process in the capturing of amendments/changes.

1.9 LIASON WITH CONTRACTOR FOR THEIR BUSINESS CONTIGENCY PLANS

An annual fee of £23,540 is paid to Careline, the monitoring operator for the Lifeline users who have been accredited with Part 1 of the ASAP (Association of Social Alarm Providers). However during the audit, it was identified that their 3 year re-accreditation audit found areas needing additional work on disaster recovery and business contingency plans. **We therefore recommend** that regular updates are obtained from the contractor with regards to their business contingency plans.

Meng-Chee Leong
November 2007



Internal Audit

MANAGEMENT ACTION PLAN

Audit						
ELDERLY PERSONS 2007-08						
Appendix Para	Recommendation	Significance * Low ** Med *** High	Agreed / Not agreed	Officer Responsible	Officer Comments	Implementation date
1.4	An implementation schedule is in place for the completion of the Lifeline database.	***	agreed	E Petrie	Data base has now been fully implemented	
1.5	A central stock control system should be maintained.	***	agreed	E Petrie	Full stock take has been undertaken and on database	
1.6 (a)	A regular collection process is established as soon as possible e.g. a quarterly schedule for collection, and the key should be held by a member of staff who is not responsible for the cash collection.	***	agreed	E Petrie	As per point 1.7 (Points 1.6a-1.6) The issues of collection of monies for guest bedrooms, telephone coin boxes, will form part of the major review of the Sheltered Housing and Lifeline service due to start September 2008	
1.6 (b)	Control documents are entered in a log book and initialled by management during the issuance of them with periodic checks carried out.	***	agreed	E Petrie	“	



Internal Audit

MANAGEMENT ACTION PLAN

1.6 (c)	<p>Re-iteration of the recommendation made in our previous audit for the reconciliation of Guest Room Bookings is reiterated in this audit.</p> <p>Further recommend that the reconciliation should be documented in a spreadsheet for both Guest Room Booking and TV licences to allow cash deposit receipts to be reconciled with the manual receipts for the guest booking forms numbers/TV licenses.</p>	***	agreed	E Petrie	“	
1.6 (d)	Periodic management checks should be carried out to ensure cash collected are banked in/deposited in a timely manner.	***	agreed	E Petrie	“	
1.7	Consideration be given to reviewing the charges to ensure the cost of providing the service is being covered.	**	agreed	E Petrie	“	
1.8	Consideration is given to a different method of work process in the capturing of amendments/changes.	**	agreed	E Petrie	By virtue of the fact that this client group receive the lifeline service is because they are our most vulnerable clients. The withdrawal of visits would have a negative impact, as the Lifeline Officers not only check their	



Internal Audit MANAGEMENT ACTION PLAN

					details are correct but advise and help on other welfare issues such as benefits and more importantly test the equipment and to give reassurance to our vulnerable clients. It has been agreed to trail quarterly visits. All who receive this service to be written to advise of this change	
1.9	Regular updates are obtained from the contractor with regards to their business contingency plans.	***	Not agreed	E Petrie	Following meeting with Careline we have obtained a copy of their disaster recovery and business contingency plans. Regular updates will be obtained twice yearly	

Agreed ___ Roz Millership _____ (Head of Division) Date _____ 16 April 2008 _____

(electronic copy – hard copy on file)