



**Item: 9**

**Monitoring and Audit Committee: 6 June 2024**

**Internal Audit Report - Childcare Resource Centres**

**Report by Chief Internal Auditor**

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## **1. Overview**

- 1.1. The internal audit plan 2023/24 included a review of administrative procedures and controls operating within Childcare Resource Centres, this audit has been completed and the internal audit report is attached as Appendix 1 to this report.
- 1.2. Orkney has two childcare resource centres - a purpose built, detached property which is registered to accommodate four young people in Kirkwall and a second property being a semi-detached property in St Margaret's Hope, accommodating two young people. This audit focussed on the resource centre in Kirkwall.
- 1.3. The objective of this audit was to review the procedures followed within the resource centre, including areas such as administration, financial management, security and human resource management.
- 1.4. The audit provides Substantial assurance over the framework of administrative procedures and controls operating within the Childcare Resource Centre.
- 1.5. The internal audit report, attached as Appendix 1 to this report, includes two medium priority recommendations regarding mandatory training and handover sheets. There are also two low priority recommendations regarding recommendations from a recent fire safety check and asset management. There are no high priority recommendations made as a result of this audit.

## **2. Recommendations**

- 2.1. It is recommended that members of the Committee:
  - i. Scrutinise the findings contained in the internal audit report, attached as Appendix 1 to this report, relating to the procedures followed within Childcare Resource Centres, including areas such as administration, financial management, security and human resource management, in order to obtain assurance that action has been taken or agreed where necessary.

### **For Further Information please contact:**

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### **Implications of Report**

1. **Financial:** None directly related to the recommendations in this report.
2. **Legal:** None directly related to the recommendations in this report.
3. **Corporate Governance:** In terms of the Scheme of Administration, consideration of Internal Audit findings and recommendations and to review actions taken on recommendations made, is a referred function of the Monitoring and Audit Committee.
4. **Human Resources:** None directly related to the recommendations in this report.
5. **Equalities:** None directly related to the recommendations in this report.
6. **Island Communities Impact:** None directly related to the recommendations in this report.
7. **Links to Council Plan:** Not Applicable.
8. **Links to Local Outcomes Improvement Plan:** Not Applicable.
9. **Environmental and Climate Risk:** None directly related to the recommendations in this report.
10. **Risk:** None directly related to the recommendations in this report.
11. **Procurement:** None directly related to the recommendations in this report.
12. **Health and Safety:** None directly related to the recommendations in this report.
13. **Property and Assets:** None directly related to the recommendations in this report.
14. **Information Technology:** None directly related to the recommendations in this report.
15. **Cost of Living:** None directly related to the recommendations in this report.

### **List of Background Papers**

Internal Audit Plan 2023/24

### **Appendix**

Appendix 1: Internal Audit Report – Childcare Resource Centres



## Internal Audit

### Audit Report

### Childcare Resource Centres

**Draft issue date:** 17 April 2024

**Final issue date:** 14 May 2024

**Chief Officer Orkney Health and Social Care Partnership**

**Interim Head of Children, Families and Justice Services/Head of Strategic Planning and Performance**

**Head of Children, Families and Justice Services and Chief Social Work Officer**

**Service Manager Children and Families Social Work**

**Registered Manager (Children's Residential)**

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## Audit Opinion

Based on our findings in this review we have given the following audit opinion.

### Substantial

**The framework of governance, risk management and control were found to be comprehensive and effective.**

A key to our audit opinions and level of recommendations is shown at the end of this report.

## Executive Summary

Orkney has two childcare resource centres - a purpose built, detached property which is registered to accommodate four young people in Kirkwall and a second property being a semi-detached property in St Margaret's Hope, accommodating two young people.

These are managed by the Children, Families and Justice Services, within the remit of the Orkney Health and Social Care Partnership. This audit focussed on the resource centre in Kirkwall.

The objective of this audit was to review the procedures followed within the resource centre, including areas such as administration, financial management, security and human resource management.

In the course of the audit we found many examples of good practice including:

- A comprehensive set of policies and procedures were held and available to all staff.
- Handover sheets were completed daily.
- Young people's files were retained securely, including individual care plans and risk assessments and access to their files was controlled both physically and electronically.
- There is good security around IT assets such as the staff computer and laptop.
- Procedures around the use of the Council owned vehicles including daily checklists, fuel payments and driver documentation are robust.
- There were appropriate security measures in place, good control of keys and procedures around visitors and signing in were followed.
- There were good procedures and controls around purchasing, petty cash, pocket money and allowances for clothing and toiletries.
- Controls and processes around staffing, e.g. rotas, resilience and cover, and administration of leave and timesheets were operating well.

The report includes four recommendations which have arisen from the audit. The number and priority of the recommendations are set out in the table below. The priority headings assist management in assessing the significance of the issues raised.

Responsible officers will be required to update progress on the agreed actions via Pentana Risk.

Total	High	Medium	Low
4	0	2	2

The assistance provided by officers contacted during this audit is gratefully acknowledged.

## Introduction

Orkney has two childcare resource centres - a purpose built, six-bedroom detached property which is registered to accommodate four young people in Kirkwall and a second property being a three-bedroom semi-detached property in St. Margaret's Hope, accommodating two young people.

These are managed by the Children, Families and Justice Services, within the remit of the Orkney Health and Social Care Partnership (HSCP). This audit focused on the resource centre in Kirkwall.

The aim of the Service is to:

- Provide a structured and stimulating residential environment for young people that is free from prejudices.
- Treat young people with dignity and respect.
- Provide a safe, warm, nurturing, and empowering environment for young people to live in and move on from.
- Have a consistent, motivated and qualified staff team.

This review was conducted in conformance with the Public Sector Internal Audit Standards

## Audit Scope

The scope of this audit includes a review of the following:

1. Administrative procedures including:
  - Inventory – all assets, security of assets.
  - Risk assessments.
  - Repairs and maintenance
  - Records management and data protection compliance.
2. Security including:
  - Security of building
  - Safe – contents, security
  - Key holder arrangements
  - Fire alarm testing and drills – records.
  - Health and safety policies and procedures, including first aid.
  - Business continuity
3. Financial procedures including:
  - Petty cash – administration
  - Children's money - administration
  - Income and banking – arrangements and frequency of banking
  - Ordering and payment of goods and service – procedures
  - Budget monitoring
  - Staff reimbursements for expenses
  - Insurances
4. Human Resource management including:
  - Staffing arrangements – appropriate levels, contracts.
  - Supply and resilience cover arrangements.
  - Timesheets and overtime – administration
  - Additional paid/unpaid leave.

# Audit Findings

## 1.0 Asset Management

- 1.1 The Financial Regulations require that an establishment keeps inventory evidence of assets, recorded by dated photographs, and list any items valued over £5,000. The Insurance Officer confirmed that the most recent asset inventory dated from 2017.
- 1.2 During the site visit on 9 April 2024, the Registered Manager confirmed that there were no assets on site valued over £5,000. In addition, they confirmed that the asset inventory spreadsheet of 2017 was the most recent inventory, and that there were no photographs held on file to evidence assets for insurance purposes.
- 1.3 During the site visit, the absence of identification on electrical equipment such as TVs, games console, etc., was noted. Methods of security marking were discussed with the Registered Manager.
- 1.4 Action should be taken to record inventory evidence by dated photographs. Valuable and desirable items should be marked with a UV pen to show they belong to the Council.

### Recommendation 1

## 2.0 Administrative Procedures – Handover Sheets

- 2.1 Handover sheets detail a list of all necessary checks to be completed before the end of a shift, including security checks and petty cash having been counted and reconciled. These sheets require the signatures of both the staff member coming on shift and the one going off shift, and the date of the signatures.
- 2.2 On inspection at the audit visit, it was observed that some sheets had not been signed by the 'incoming' staff member to confirm the petty cash total, and that the most recent sheets had neither been signed nor dated by the relevant members of staff.
- 2.3 Management should remind all staff and ensure that all relevant sections of the handover sheet are completed in full including the staff signatures as confirmation that all necessary checks have been undertaken.

### Recommendation 2

## 3.0 Staff Training

- 3.1 All staff employed by the Council are required to complete mandatory training in respect of General Data Protection Regulation (GDPR) and Information Security, with these courses subject to annual review. We were provided with an iLearn report, which detailed individuals employed at the property who were currently overdue in respect of this mandatory training.
- 3.2 From the list provided, 19 staff members had yet to renew and complete training in respect of either GDPR or Information Security or both modules. The required date for completion of some of these courses was November 2022.
- 3.3 Management should ensure that all staff indicated as having overdue mandatory training in respect of the GDPR and Information Security should complete these training modules as soon as possible.

### Recommendation 3

## **4.0 Fire Safety**

- 4.1 Generally documentation and records around fire safety was very good. There are weekly alarm tests, and full fire drills undertaken regularly, including drills outside 'office hours'. Fire equipment was appropriately located and certificates showing that it had been recently checked were available.
- 4.2 A fire safety report had been undertaken in January 2024 and made 3 recommendations, of which 2, relating to adding signage to the 'server' and 'plant' rooms, were outstanding at the date of the visit.
- 4.3 The outstanding recommendations of the fire safety report of January 2024 in respect of signage for plant and server rooms should be implemented.

### **Recommendation 4**

## Action Plan

Recommendation	Priority	Management Comments	Responsible Officer	Agreed Completion Date
<p>1 Action should be taken to record inventory evidence by dated photographs. Valuable desirable items should be marked with a UV pen to show they belong to the Council.</p>	<p>Low</p>	<p>A UV pen has been purchased and carers are in the process of inscribing the name of the establishment and phone number on all items with any value.</p> <p>Photographs are being taken of all the rooms at 8 Rendall Road and 1 Braeburn Court which will be saved onto the G Drive and dated as to when photographed. These can then be used for insurance purposes.</p>	<p>Registered Manager</p>	<p>1 June 2024</p>
<p>2 Management should remind all staff and ensure that all relevant sections of the handover sheet are completed in full including the staff signatures as confirmation that all necessary checks have been undertaken.</p>	<p>Medium</p>	<p>Handover has been discussed with the team and a message put in the message book about the responsibility to ensure all parts of the handover are checked and signed. This is now checked by a team member going off shift and a team member coming on shift. This will be a feature of ongoing audit by the Registered Manager.</p>	<p>Registered Manager</p>	<p>Completed 1 May 2024</p> <p>And ongoing in terms of Audit practice</p>
<p>3 Management should ensure that all staff indicated as having overdue mandatory training in respect of the GDPR and information security should complete these training modules as soon as possible.</p>	<p>Medium</p>	<p>An email has been sent to all the team as well as the individual staff members still requiring to complete training. Once completed they have been asked to email the registered manager.</p>	<p>Registered Manager</p>	<p>1 June 2024</p>



Recommendation	Priority	Management Comments	Responsible Officer	Agreed Completion Date
		Registered Manager to also follow up with this and ensure staff have the planned time to complete by the deadline.		
4 The outstanding recommendations of the fire safety report of January 2024 in respect of signage for plant and server rooms should be implemented.	Low	<p>Signage for plant room and server room have been ordered and will be attached to the entrances once received.</p> <p>The further recommendation by fire safety report to move the photocopier away from hallway has been completed and has been relocated in the office area.</p>	Registered Manager	1 June 2024

## Key to Opinion and Priorities

### Audit Opinion

Opinion	Definition
<b>Substantial</b>	The framework of governance, risk management and control were found to be comprehensive and effective.
<b>Adequate</b>	Some improvements are required to enhance the effectiveness of the framework of governance, risk management and control.
<b>Limited</b>	There are significant weaknesses in the framework of governance, risk management and control such that it could be or become inadequate and ineffective.
<b>Unsatisfactory</b>	There are fundamental weaknesses in the framework of governance, risk management and control such that it is inadequate and ineffective or is likely to fail.

### Recommendations

Priority	Definition	Action Required
<b>High</b>	Significant weakness in governance, risk management and control that if unresolved exposes the organisation to an unacceptable level of residual risk.	Remedial action must be taken urgently and within an agreed timescale.
<b>Medium</b>	Weakness in governance, risk management and control that if unresolved exposes the organisation to a significant level of residual risk.	Remedial action should be taken at the earliest opportunity and within an agreed timescale.
<b>Low</b>	Scope for improvement in governance, risk management and control.	Remedial action should be prioritised and undertaken within an agreed timescale.