



Havering
LONDON BOROUGH

AUDIT COMMITTEE

25 June 2012

Subject Heading:

Appointeeship and Deputyship

Report Author and contact details:

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Policy context:

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To advise the Committee on progress and
implementation following the
recommendations contained in the Audit
and Corporate Risk Report dated 28th
February 2012 (Ref SC0066) titled
“Appointeeship and Deputyship”

Financial summary:

No direct implications arising.

The subject matter of this report deals with the following Council Objectives

Value and enhance the life of every individual
High customer satisfaction and a stable council tax

SUMMARY

Good progress has been made to address and implement recommendations raised by the Audit and Corporate Risk Report dated 28th February 2012.

Of the 4 Medium and 7 High priority recommendations all 11 have been implemented or are in process of being finalised. The details of this are contained in the attached updated Management Report Action Plan - Appendix 1

The assurance provided to management will be ‘Substantial’ if all the actions are completed as currently planned.

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An update will be included as part of the next Client Financial Affairs Team Annual Report. In the mean time Deputyship and Appointeeship Policy and Practice in Havering are being cross referenced with the working practice of other Boroughs as part of ongoing discussions between North East London Boroughs. It is anticipated that this will support further clarity about, and improvements to, overall practice.

RECOMMENDATIONS

1. To note the contents of the report.
2. To raise questions for management regarding progress.

REPORT DETAIL

In February 2012 an audit was completed which looked at the controls in place for the Appointeeship and Deputyship system. This was undertaken in accordance with the 2011/12 Internal Audit Plan.

The audit focused on the activity and practice of the Client Financial Affairs Team and also considered general access and security controls for the financial activity of the service.

This audit reviewed the following key risk areas:

- Quality and Efficiency;
- Financial and value for money;
- Income, fees and charges;
- Management information and reporting;
- Fraud.

As a result of the Audit 4 medium and 7 high priority recommendations were raised and a 'Limited Assurance' was provided to management. All recommendations were agreed at the time of issuing the final report and deadlines for all items were by 31st March 2012.

The Audit and Corporate Risk Report dated 28th February 2012 (Ref SC0066) titled "Appointeeship and Deputyship" was presented to Audit Committee in April 2012. Members requested an update regarding this report in relation to the recommendations that had been raised.

In May 2012 a follow up review was completed of the progress against the 11 recommendation actions in the Audit. Where actions had been completed by management evidence to support this was obtained.

Appendix 1 details progress of the follow up work on recommendation actions.

The results are summarised below:

- 9 recommendations have been completed (1, 2, 3, 4, 5, 7, 9, 10 and 11) and
- 2 recommendations are in progress with extended implementation dates identified (6, and 8).

This follow up indicates that good progress has been made in implementing recommendations and that these address risks identified by the original Audit.

The completion of Recommendation 8 is largely dependent on processes initiated by the Bank (RBS-Natwest) and requiring actions by other parties such as Department of Work and Pensions and Insurance Companies to facilitate transfer of 'Standing Order' and 'Direct Debit' arrangements for individual accounts. During the interim there is parallel monitoring by the Client Financial Affairs Team of the Allied Irish Bank accounts and the replacement accounts being set up with RBS-Natwest. New clients of the Client Financial Affairs Team have their Bank account set up directly with RBS-Natwest. Accounts still with the Allied Irish Bank at the time of death of a client remain with Allied Irish Bank until probate is completed. These accounts cease to be the responsibility of the Client Financial Affairs Team at the point of the client's death.

Due to the nature of the outstanding actions the assurance provided from the audit work remains at 'Limited Assurance'. However, if actions are completed in line with revised deadlines, then by July 2012 a 'Substantial Assurance' rating is achievable.

Further follow up work is anticipated to be completed by 31st July 2012.

IMPLICATIONS AND RISKS

Financial implications and risks:

None directly arising from this report.

There is some risk associated with recommendation 8 as outlined within the Audit report. The risk will remain until all Allied Irish Bank accounts are transferred to RBS-Natwest. At present this is dependent on third parties completing outstanding actions. The situation will be monitored to minimise the risk of slippage beyond July.

Legal implications and risks:

None arising directly from this report

Human Resources implications and risks:

None arising directly from this report

Equalities implications and risks:

None arising directly from this report

BACKGROUND PAPERS

None