

**REPORT OF SERVICE DIRECTOR, FINANCE AND PROCUREMENT****UNSATISFACTORY FOLLOW-UP AUDIT REPORT – MEALS AT HOME  
INCOME****Purpose of the Report**

1. To inform Members of a follow up audit where the audit opinion remained “unsatisfactory” because insufficient progress had been made in implementing agreed Internal Audit recommendations.

**Information and Advice**

2. Internal Audit work is carried out in accordance with an agreed Annual Plan. On completion of the audit, the findings and recommendations are discussed with the relevant manager. A draft report is then issued to the manager, who is asked to provide a formal response to the recommendations. Once this response has been received, the final audit report is issued which includes the response to all recommendations and a date by which they will be implemented.
3. In each report, an opinion on the controls in place is included, and is one of three standard opinions, as follows:-
  - Sound – there are no weaknesses or only minor weaknesses
  - Satisfactory – most of the arrangements for financial management are effective, but some weaknesses have been identified
  - Unsatisfactory – there is an unacceptable level of risk which requires the prompt implementation of the recommendations to correct the weaknesses identified
4. If the audit opinion is sound or satisfactory, then the implementation of the recommendations concerned is followed up the next time the system is audited. However, if the audit opinion is unsatisfactory a follow up audit is carried out approximately six months after the final report has been issued, to determine whether the agreed recommendations have been implemented.
5. A follow up audit has recently been completed on the Meals at Home Income. The audit concluded that although progress had been made, there remained a number of areas where control was unsatisfactory. In particular we identified

delays in banking cash income and weaknesses in the holding of cash at the Warwickshire office. A copy of the report is attached as exempt Appendix A.

6. The Group Manager, Operational Policy and Performance in Adults Social Care, Health and Public Protection (ASCH&PP) has management responsibility for Meals at Home, and will be attending the meeting with the Service Director, ASCH&PP (Joint Commissioning, Quality and Business Change) to explain the issues involved in improving controls over income and the progress made since the report was issued in July 2012. A detailed report setting out the actions that have been put in place by the Service Director in response to the recommendations from the audit has been written and is attached as exempt Appendix B.

### **Other Options Considered**

7. This report is for information and noting only.

### **Reason/s for Recommendation/s**

8. To provide information to Members on the work required on the Meals at Home service to ensure that effective financial controls are in place.

### **Statutory and Policy Implications**

9. This report has been compiled after consideration of implications in respect of finance, equal opportunities, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

## **RECOMMENDATION**

- 1) That Members note the proposed actions to be taken to fully implement the outstanding audit recommendations.

**Paul Simpson**  
**Service Director (Finance and Procurement)**

**For any enquiries about this report please contact:**

John Bailey  
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### **Constitutional Comments**

This report is for noting only.

**Financial Comments (JMB 15/8/12)**

The work of Internal Audit is designed to ensure that efficient and effective systems are in place to minimise the risk of loss through error or fraud. This report highlights an area where further work is required to achieve these aims and reduce the risk of financial loss.

### **Background Papers**

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972:

None.

### **Electoral Division(s) and Member(s) Affected**

All