



Stockton-on-Tees
BOROUGH COUNCIL

Internal Audit Report

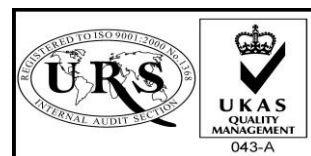
Adhoc Audits

Adhoc - Partnerships Management (2)

10/07/2008



INVESTOR IN PEOPLE



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Executive Summary

OVERALL AUDIT OPINION: *Full Assurance*

Possible Risk	Assessed Level of Assurance
Background	Full Assurance
The need and purpose of the partnership may not have been clearly defined.	Full Assurance
Governance of the partnerships may be ineffective.	Full Assurance
The code of conduct may be inappropriate and/or pecuniary interests may not have been declared.	Substantial Assurance
Monitoring may be inadequate.	Full Assurance

Opinion Scoring Methodology

Assurance	Definition
FULL ASSURANCE	A sound system of controls is being applied consistently
SUBSTANTIAL ASSURANCE	Overall, there is a sound system of internal controls, however, the implementation of the agreed recommendations would further strengthen these controls
LIMITED ASSURANCE	The system of controls is weak and (either) is not being complied with in some significant areas, or does not cover all areas.
NO ASSURANCE	The system of controls is failing and in need of urgent management attention.

Main Report

1. Introduction

An internal audit of Adhoc - Partnerships Management (2) has recently been undertaken, which forms part of the agreed Audit Plan.

2. Purpose of the Audit

The audit was designed to enable an opinion to be formed upon the control environment established to achieve the systems objective, this being:

To ensure system procedures are secure, adequately controlled and monitored.

Detailed testing was undertaken to evaluate the control environment to establish an overall audit opinion based upon an assessed assurance level for each risk (See Page 3) and an appropriate improvement action plan was drafted (See Appendix A).

It should be noted that the opinion relates to the control environment only. It is not designed and should not be construed as an opinion on the quality or performance of the service as a whole. It should be noted that the establishment of adequate control systems is the responsibility of management, and that an internal audit review is conducted on a test basis and cannot therefore review every transaction. Thus, while the implementation of internal audit recommendations can reduce risk, and may lead to the strengthening of these systems of control, responsibility for the management of these risks remains with the service manager.

3. Scope of the Audit

The report is designed to highlight areas of weakness and remedial action recommended; however, where reliance can be placed upon existing systems and procedures this will be recognised.

The auditor has signed a declaration that he/she has no pecuniary interest in any aspect of the subject of this report.

The audit report is comprised of the following sections:

Background
Partnerships

4. Findings and Recommendations

Background

Possible Risk

Full Assurance

Background

Finding:

This audit is designed to assess the quality of evidence available to support a sample of partnership self assessments. From the sample results, an overall assessment of the corporate standard of partnership management will be evident.

Three key partnerships were chosen for testing the overall quality of partnership management.

1. The Safer Stockton Partnership main aim to improve the safety of the people of the borough of Stockton-on-Tees.
2. The Western Area Partnership provides a local forum for the western area and assists Stockton Renaissance in the development and implementation of strategies for the borough.
3. The Tees, Esk and Wear Valley Partnership covers the management arrangements for Adult Mental Health Services, Mental Health Services for Older People, Learning Disability and Services for Adults eligible for provision by either or both Stockton Social Care Department and the Stockton locality of Tees, Esk and Wear Valleys NHS Trust.

Partnerships

Possible Risk

Full Assurance

The need and purpose of the partnership may not have been clearly defined.

Finding:

On reviewing membership to the Western Area Partnership, it was identified that at the time of the audit there were thirty two posts on the partnership board, of which nineteen were vacant. It was stated that there are problems with recruiting members as the partnership does not receive regeneration type funding and the Western Area is not classified as an area of deprivation.

Possible Risk

Full Assurance

Governance of the partnerships may be ineffective.

Finding:

Two of the partnerships reviewed have not stated their risks of being involved in their respective partnerships. Western Area partnership has investigated this issue, but the risks of being in the partnership have not been documented. Tees, Esk and Wear Valley Partnership is aware of the risks of being involved in the partnership; again these have not been documented.

Recommendation 01

Priority Ranking: 2 Significant

All partners should ensure that they are aware of the risk of being involved in their respective partnerships and these risks should be formally documented and regularly reviewed.

Finding:

The Western Area Partnership has an action plan which states “develop a risk register”; to date this has not been achieved.

Recommendation 02

Priority Ranking: 2 Significant

A risk register for the Western Area Partnership should be established; it should be ratified by the board and reviewed on a regular basis.

Finding:

There is currently no exit strategy for the Western Area Partnership; it was stated that this is being investigated and it is anticipated that work on risk management will identify exit strategy issues.

Finding:

The Tees, Esk and Wear Valley Partnership does not have any documentation which details its gifts and hospitality arrangements.

Recommendation 03

Priority Ranking: 2 Significant

The Tees, Esk and Wear Valley Partnership should document arrangements for gifts and hospitality; this document should be ratified by the partnership board.

Finding:

A review of the partnership’s communication strategies/ policies revealed that all but one (Western Area Partnership) had documentation. Western Area Partnership members have a responsibility to feed back to their constituent groups. A draft communications strategy for Stockton Renaissance is currently with its Communications Team and once it has been agreed it will be rolled out to all the area partnerships.

Finding:

Within each of the three partnerships reviewed, the individual partners have a business continuity plan; the partnership itself does not have business continuity plans. This is not applicable in relation to the Safer Stockton Partnership. If this partnership ceased, there would be no operational effects to services provided.

Recommendation 04

Priority Ranking: 2 Significant

In order that services continue to operate, the relevant partnerships should have a business continuity plan that encompasses the partnership’s operations, and states measures in place to function.

Possible Risk

Substantial Assurance

The code of conduct may be inappropriate and/or pecuniary interests may not have been declared.

Finding:

The Tees, Esk and Wear Valley Partnership does not have its own code of conduct and relies on those of the respective partners. The partnership agreement does not state requirements in relation to declaration of interests.

Recommendation 05

Priority Ranking: 2 Significant

The Tees, Esk and Wear Valley Partnership agreement documents the declaration of interest policy and the associated procedures.

Finding:

Neither the Safer Stockton or the Tees, Esk and Wear Valley partnerships have a declaration of interest register, although it was stated that Safer Stockton were to put a register in place and the Tees, Esk and Wear Valley board had not yet met at the time of the audit, however, when they do, interests would be declared.

Recommendation 06

Priority Ranking: 2 Significant

Two of the three partnerships reviewed did not have a declaration of interests register, these being the Safer Stockton Partnership and the Tees, Esk and Wear Valley Partnership. A declaration of interests register should be established and made available for appropriate inspection.

Possible Risk

Full Assurance

Monitoring may be inadequate.

5. Overall Audit Opinion

The overall audit opinion is that: **Full Assurance** can be derived from the control environment (See Page 3).

A sound system of control is being applied consistently.

6. Client Manager Response

Management have accepted and agreed an appropriate improvement action plan (See Appendix A).