

<b>Committee</b>	<b>Dated: 14 October 2016</b>
Community and Children's Services	
<b>Subject:</b> DCCS Departmental Review	<b>Public</b>
<b>Report of:</b> Ade Adetosoye, Director of Community and Children's Services  <b>Report author:</b> Lorraine Burke, Interim Head of Policy, Projects and Programmes	<b>For Information</b>

### Summary

This report provides the Community and Children's Services Committee with an update on an audit of the Department of Community and Children's Services (DCCS) departmental processes for:

- business planning
- monitoring of the business plan activities, risks and budgets
- identification and challenge of risk.

As part of the Internal Audit team's ongoing cycle of independent reviews of departmental processes and procedures, a review of the DCCS business planning process commenced in February 2016. The final report of this review, with recommendations, was issued by Internal Audit in July 2016.

The overall aim of the audit was to 'provide assurance that corporate plans are linked to budgets, risks and KPIs [key performance indicators], to provide assurance to Chief Officers that the plan is being delivered within budget and what is being reported is consistent with other reporting mechanisms.'

The findings of the audit showed that there was substantial assurance around the DCCS processes and procedures in the areas examined. Internal Audit concluded: 'There is a sound control environment with risks to system objectives being reasonably managed. Any deficiencies identified are not major causes for concern.'

DCCS has had the opportunity to develop a management response to Internal Audit's findings and has put in place an action plan to address the issues identified.

Internal Audit will be providing a briefing on the outcome of this review for Members of the Audit and Risk Management Committee.

## **Recommendations**

Members are asked to:

- Note the findings of the audit report and the assurance provided around the existing DCCS processes and procedures.
- Note the actions in place to address the risks/issues identified.

## **Main Report**

1. The objectives of the audit/departmental review were to ensure that:
  - The business planning process is robust, that is, clearly linked with financial, risk and performance management.
  - Monitoring of the delivery of the business plan is undertaken alongside consideration of budget reports, risk register and key performance measures at appropriate levels.
  - Any significant variances (budget, risk or performance) are challenged and either explained or further action is taken.
  - Budget and monitoring information is presented consistently.
2. The full Internal Audit report, detailing the conclusions of the review and seven recommendations, is set out in Appendix A. Six of the recommendations fall into the green category and one within amber. There are no recommendations rated red.
3. The DCCS management responses to the recommendations are also set out in Appendix A under the individual recommendations.
4. The DCCS action plan to address the issues identified is summarised below:
  - September 2016 – ensure that all departmental leadership team, senior management team and budget monitoring meetings include a standard agenda item for ‘finance/budget risks’ and ‘departmental risks’ (risks in meeting business plan objectives).
  - September 2016 – ensure that any risks/variances identified are captured and recorded in the minutes of senior management team meetings.
  - November 2016 – ensure that risks around budgets, KPIs and activities are captured, recorded and reported quarterly.
  - April 2017 – develop the new DCCS business plan to show explicit links between activities and KPIs and include clearer outcomes/success measures.

## **Appendices**

- Appendix A – Final Report DCCS Departmental Review July 2016

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