

## APPENDIX B

Isle of Wight Council

**FINAL**

January 2019

# *Internal Audit Report 2018/19*

## Special Educational Needs and Disability (SEND) 18-19-14



## Contents

- 
- Executive summary
  - Detailed Current Year Findings
  - Appendix A: Basis of our Classifications
  - Appendix B: Terms of Reference
  - Appendix C: Limitations & Responsibilities

## Distribution List

### For action

- Steve Crocker, Director of Children's Services
- Brian Pope, Assistant Director, Education and Inclusion
- Tracey Sanders, County Manager (Inclusion)
- Kate Symes, SEN Service Manager
- Andrew Briggs, Post 16 Commissioning & Finance Manager
- Alistair Hines, Senior Special Needs Officer (Team Leader)

### For information

- Elizabeth Goodwin, Chief Internal Auditor



The document has been prepared solely for the use of the Audit Committee of the Isle of Wight Council in accordance with the agreement between the Isle of Wight Council and PwC dated 27<sup>th</sup> November 2015. The work was performed in accordance with the Isle of Wight Council's internal audit methodology and the findings reported to the Chief Internal Auditor, who remains responsible for the final conclusions and ratings assigned therein. PwC accepts no liability (including for negligence) to anyone else in connection with its work or this document, and it may not be provided to anyone else.

## Executive summary (1 of 2)

Classification	Trend	By type	By scope area					
			Critical	High	Medium	Low	Advisory	
			Control design	Operating effectiveness	Total			
			Critical	0	0	0	0	0
			High	0	2	2	0	0
			Medium	0	0	0	0	0
			Low	1	0	1	0	1
			Advisory	1	0	1	0	1
<b>Total findings: 4</b>								



### Summary of findings

This review focussed on the Council's arrangements to manage Education Health and Care (EHC) needs assessments, Education Health and Care (EHC) plans and the 'local offer' detailing formal SEND support and signposting informal support available, both from the Council and third parties.

Following the introduction of revised requirements in 2014, stemming from the Children and Families Act, the Council comprehensively revised its SEND processes, including the production of a dedicated local offer website. While there are minor issues regarding navigation of this site and inconsistent search results (identified in the 2017 Peer Review) the site makes a wealth of information available, in an accessible format and discussions are ongoing to address outstanding issues with the Council's IT team.

Regarding EHC applications and EHC Plan reviews there are issues regarding data quality and the consistency and timeliness of processing, which were known to management within the area in advance of our review, with ongoing work supported by the strategic partnership with Hampshire County Council to improve data quality. What Internal Audit's review has confirmed is that while issues are still present with both the consistency and timeliness of processing, most importantly the failure to always review EHC plans within the statutory 12 month timeframe (which has resulted in a **high risk** finding) and to notify parents/guardians within the statutory 16 week timeframe where assessments are unsuccessful (which has resulted in a **high risk** finding), significant progress has been made in addressing issues in the last six months with further enhancements planned, for example commissioning a third party to address the backlog of reviews. We also note that there has been a near 100% turnover of staff in the core team during the last 12 months. For context during 2017/18 313 EHC plans were implemented, with 297 implemented to date during 2018/19. Fieldwork is documented in four detailed findings, summarised below:

**Education Health and Care (EHC) needs assessments:** (**high-risk**) 20 applications for assessment (ten successful and ten unsuccessful, split between those where applications were not progressed and applications which resulted in unsuccessful assessments) processed since the 1<sup>st</sup> April 2018 were reviewed. All final plans reviewed, bar one, were processed within the 20 week statutory deadline from application; for context, the plan which was not processed within 20 weeks was processed in the 21st week from application. More significantly, where applications were progressed but not assessed as requiring a plan, all missed the 16 week statutory notification deadline by a minimum of four weeks. Of the applications reviewed which did not result in an assessment being progressed notifications were given within the six week deadline for four of the five applications sampled. Review of the detail set out in letters denying plans also identified

---

that the quality of how reasons for applications being rejected or assessments being unsuccessful is inconsistent. Specifically this varies from a detailed set of reasons, tied back to evidence provided, to a single line, stating that the application does not meet the criteria to be progressed. Efforts have been made by the Council to address this, with the notes from assessment panels now included with letters sent. However the notes reviewed were very brief and gave little detail regarding why applications had been unsuccessful. This area needs to continue to be monitored, with further training provided to staff to ensure that sufficient information is always provided to parents/guardians.

*Education Health and Care (EHC) plans:* (**high-risk**) EHC plans are not always reviewed at 12 monthly intervals (applicable to six of the ten 2017/18 EHC plans reviewed). This is known to the Council and a third party has been engaged to clear the backlog. While it is important to note that the responsibility to initiate reviews does sit with schools the Council is ultimately accountable and, once the backlog is cleared, regular reports should be run and schools engaged with in sufficient time to ensure that reviews happen within the 12 month timeframe. There are other issues with the historic processing of EHC plans, for example the varying quality of how needs and outcomes are documented and inconsistent input from health and social care colleagues to respond to any needs stemming from SEND. However, review of more recent EHC plans show a marked improvement in how needs and outcomes are documented, linked back to source evidence.

*2017 Peer Review:* (**low risk**) the 2017 peer review, while largely positive, identified a number of issues and potential enhancements, for example improving the content on the local offer website regarding out of area education provision. All of these have now been addressed, barring issues with the navigation and search functionality on the local offer website. Costs for addressing these issues need to be confirmed with the Council's IT department, prior to a decision being made; for clarity there are no issues with the content of the website and the cost of addressing the issues may not be justified by the benefits offered. We also note that the 2017 review recommended that a follow-up peer review should be carried out in late 2017; this has not taken place due to staff availability. A follow-up review should be scheduled at the earliest opportunity, to validate that the issues identified in the 2017 review have been satisfactorily addressed.

*Social Care/Health Need:* (**advisory**) one of the key objectives of Education Health and Care (EHC) plans is that they capture and plan for any health and social care needs specifically stemming from SEND. While this element of the assessment process has recently improved on the Island, with regular consultation between the core team and health and social care colleagues, it could be further enhanced by implementing a layered online/telephone screening element to the assessment process for all EHC plans; this should be considered.

---

We would like to take this opportunity to thank Isle of Wight Council staff for their help and assistance with this review.

## **Current year findings (1 of 4)**

### **Education Health and Care (EHC) needs assessment**

#### **Operating Effectiveness**

**1**

**High**

#### **Finding and root cause**

A range of template letters, with statutory timeframes identified, are used to support input from parents/guardians and schools into the Education Health and Care (EHC) needs assessment. To confirm the process is operating effectively we reviewed 20 applications (ten successful and ten unsuccessful, split between those where applications were not progressed and applications which resulted in unsuccessful assessments) out of the 130 processed since the 1<sup>st</sup> April 2018.

All final plans reviewed, bar one, were processed within the 20 week statutory deadline from application. The plan which was not processed within 20 weeks was processed in the 21st week from application. Applications progressed but not assessed as requiring a plan all missed the 16 week statutory deadline by a minimum of four weeks. Of the applications reviewed which did not result in an assessment being progressed notifications were given within the six week deadline for four of the five applications sampled.

The following requirements were satisfied in all applications:

- Children/young people/ parents/guardians' preferences are requested and responded to, if provided within 15 calendar days.
- Educational establishments to be identified are consulted, with feedback responded to, if provided within 15 calendar days.

The 'quality' of reasons for assessments not progressed, or progressed but not resulting in an EHC Plan, are documented in the letters sent to parents/guardians is variable. These vary from a detailed list of reasons, referencing evidence submitted, for example assessments carried out in schools, to a single line, stating that the need does not meet the criteria. This issue is recognised by the Council, with the notes from the panel assessing applications now being appended to letters sent out and further training having been provided to staff. However, the notes from panel meetings reviewed are no more detailed than the previous content set out directly in the letters, although it may be that improvements have not yet fed through into frontline practice.

This is likely to be frustrating for parents/guardians and will potentially make decisions more likely to be challenged, although we did not identify any instances of this happening through sample testing. The quality/consistency of how reasons are documented should continue to be monitored by line management, with further training provided where required.

#### **Implications**

If deadlines for processing are not met then the Council is not meeting its statutory obligations and parents/guardians are having to wait longer than desirable for the outcome of assessments.

If reasons for applications not being progressed or assessments being unsuccessful are not communicated in sufficient detail then there will be frustration for parents/guardians and decisions may be more likely to be challenged/appealed.

Action plan	Responsible person/title
• Ensure that regular reports are provided to management, to enable compliance with statutory deadlines to be closely monitored, with any noncompliance identified and addressed at the earliest opportunity.	Alistair Hines, Senior Special Needs Officer (Team Leader)
• Monitor the consistency of how reasons for applications/assessments being unsuccessful are communicated and provide further training to staff where necessary.	<p><b>Target date</b></p> <p>March 2019</p> <p><b>Reference number</b></p> <p>18-19-14-01</p>

## **Current year findings (2 of 4)**

### ***Education Health and Care (EHC) plans***

#### ***Operating Effectiveness***

**2**

**High**

#### ***Finding and root cause***

Education Health and Care (EHC) plans are documented in a template, which is largely driven by legislation/good practice, for example ‘special needs’ are documented under four headings: ‘Cognition and Learning’, ‘Communication and Interaction’, ‘Social Emotional and Mental Health and Sensory and Physical’.

To assess the effectiveness of the processes for implementing and reviewing EHC plans we reviewed ten out of the 313 implemented during 2017/18 and ten out of the 297 EHC plans implemented during 2018/19 to date, to confirm:

- Special needs, outcomes to be achieved and any health and social care provision necessary, stemming from SEND are clearly documented.
- Personal budgets are included, where requested by parents and assessed as beneficial.
- Parents/guardians and schools have been consulted on the content of EHC plans.
- EHC plans are reviewed at 12 monthly intervals (only for 2017/18 sample).

Six of our 2017/18 sample had not had a 12 monthly review completed, two were in progress. This is a statutory requirement and resulted in this finding being rated as high risk. For context carrying out reviews is the responsibility of schools. However as the ultimate accountable body the Council needs to be more proactive in ensuring that schools are aware of this requirement and that reviews are initiated in a timely manner. The Council has also recently commissioned a third party to lead on ensuring the current backlog of reviews is addressed.

Our review confirmed:

- Parents/guardians and schools named are sent template letters offering the opportunity to comment on draft plans, with the letters clearly identifying the 15 day statutory timeframe to respond. There is also a placeholder in the EHC Plan template for parents/guardian comments to be included, which was completed in all the EHC plans we reviewed.
- A specific placeholder is included in the return slip for EHC Plan feedback and within the EHC Plan template for personal budgets, although these were not requested in any of the EHC plans we reviewed.

The historic ‘quality’ of both how special needs and outcomes are documented varies considerably. Particularly in older EHC plans these can be vague, with outcomes which are limited and/or impossible to measure effectively. However there is a marked improvement in more recent EHC plans, for example the seven EHC plans we reviewed which have been processed since October 2018 all include references back to source documents, such as school reports and quantified outcomes, which should make it more straightforward to measure how effective plans are in future.

#### ***Implications***

If EHC plans are not reviewed regularly, at least every 12 months, then children/young people's evolving needs may not be appropriately responded to in their EHC plans.

If needs/outcomes are not sufficiently clear and ideally tied back to source evidence then they will be more open to challenge and the needs of the children/young people may not be captured and responded to appropriately.

Action plan	Responsible person/title
• Ensure that the increased quality of need and outcome documentation is maintained with initial review by the Team Leader and any ongoing issues highlighted to senior management.	Alistair Hines, Senior Special Needs Officer (Team Leader)
• Robustly monitor the third party to ensure the backlog of reviews is addressed – regular reports should be produced for senior management.	<i>Target date</i> March 2019
	<i>Reference number</i> 18-19-14-02

## **Current year findings (3 of 4)**

### **2017 Peer Review**

#### **Control design**

**3**

**Low**

#### **Finding and root cause**

The 2017 peer review identified a number of gaps and potential enhancements, regarding the Council's local offer and the associated EHC needs assessment and plan processes. For example limited documentation regarding out of area education provision and information regarding how to request an EHC needs assessment being too 'wordy'.

All of the issues identified in the peer review have been addressed, barring issues identified related to the navigation of the website (the back button is disabled), which can make the site frustrating to use and inconsistent search results are being produced. For example when searching from within a subsection only that section is searched, although this is not made clear on the website. We were also informed that it is not currently possible to produce usage statistics. This stems from the Council moving to use a .gov.uk suffix, from the previously used .com suffix for its primary domain in July 2018.

The Council's IT department have identified that the issue with the availability of usage statistics should be addressed by mid-November; if not addressed in line with this timeframe this issue should be escalated to the Head of IT. Regarding the issues with the back button and the inconsistent search functionality these stem from the core technology used to produce the site, for example to support the ability to produce a 'data book' of content, which can then be downloaded as a PDF. Addressing this issue may require the whole site to be rewritten and, as there are no issues with the core content of the site, the cost of this may not be justified. In the first instance a cost for addressing the issue should be sought from the Council's IT department, with a decision then made by the SEND team as to whether this should be progressed.

More widely we note that a follow-up peer review was recommended for late 2017 but has not been progressed to date due to staff availability. A peer review should be scheduled, to confirm that the issues identified in the 2017 review have been satisfactorily addressed.

#### **Implications**

Issues with the local offer website do make it harder to locate information, potentially leading to parents/guardians not identifying the help which available in a timely manner.

Without usage statistics being available it is not possible to confirm usage levels, to inform a view as to how 'useful' the site is.

#### **Action plan**

- Escalate to the Head of IT if issues with website usage statistics are not available by mid-November, as planned.

#### **Responsible person/title**

Andrew Briggs, Post 16 Commissioning & Finance Manager

#### **Target date**

• Source a cost for addressing issues with the local offer website navigation and search, with a decision following as to whether the cost is justified.	March 2019
• Commission a follow-up peer review, to confirm that the issues identified in 2017 have been fully addressed.	<i>Reference number</i> 18-19-14-03

## ***Current year findings (4 of 4)***

### ***Social Care/Health Need***

#### ***Control design***

**4**

#### ***Advisory***

### ***Finding and root cause***

One of the key objectives of Education Health and Care (EHC) plans is that they capture and plan provision for care and health needs (where they stem from SEND), in addition to the core education support. While this may not be applicable in the majority of instances it is important that there is a robust process in place to both identify and plan provision for any needs identified.

Historically this has been inconsistent on the Island. While the situation has improved in the last six months, with nominated leads from health and social care (disabilities' team) now meeting regularly with the Senior Special Needs Officer only limited provision was specified in the plans we reviewed as a result. Where there is provision identified it is limited to 'ongoing review/assessment', at specified intervals of six or 12 months.

As above the need has to stem from SEND to be included in EHC plans, so this is likely to be correct in the majority of instances. However to both ensure that this is fully considered and to better evidence that it has been considered a system of 'screening' should be considered. For example an online form could be used to screen all children (with the results saved with the assessment). If there are any potential needs identified these could then progress to a telephone screening to identify if any provision is necessary.

### ***Recommendation***

Consider implementing process elements to screen all applicants for health/social care needs stemming from SEND.

## Appendix A: Basis of our classifications

<i>Effect on Service</i>	<i>Embarrassment/reputation</i>	<i>Personal Safety</i>	<i>Personal privacy infringement</i>	<i>Failure to provide statutory duties/meet legal obligations</i>	<i>Financial</i>	<i>Effect on Project Objectives/Schedule Deadlines</i>	
A finding that could result in a: <ul style="list-style-type: none"><li>Major loss of service, including several important areas of service and / or protracted period. Service Disruption 5+ Days</li></ul>	A finding that could result in: <ul style="list-style-type: none"><li>Adverse and persistent national media coverage</li><li>Adverse central government response, involving (threat of) removal of delegated powers</li><li>Officer(s) and/or Members forced to resign</li></ul>	A finding that could result in: <ul style="list-style-type: none"><li>Death of an individual or several people</li></ul>	A finding that could result in: <ul style="list-style-type: none"><li>All personal details compromised/ revealed</li></ul>	A finding that could result in: <ul style="list-style-type: none"><li>Litigation/claims/ fines from Department £250k +</li><li>Corporate £500k +</li></ul>	A finding that could result in: <ul style="list-style-type: none"><li>Costs over £500,000</li></ul>	A finding that could result in: <ul style="list-style-type: none"><li>Complete failure of project/ extreme delay – 3 months or more</li></ul>	
A finding that could result in a: <ul style="list-style-type: none"><li>Complete loss of an important service area for a short period</li><li>Major effect to services in one or more areas for a period of weeks Service Disruption 3-5 Days</li></ul>	A finding that could result in: <ul style="list-style-type: none"><li>Adverse publicity in professional/municipal press, affecting perception/standing in professional/local government community</li><li>Adverse local publicity of a major and persistent nature</li></ul>	A finding that could result in: <ul style="list-style-type: none"><li>Major injury to an individual or several people</li></ul>	A finding that could result in: <ul style="list-style-type: none"><li>Many individual personal details compromised/ revealed</li></ul>	A finding that could result in: <ul style="list-style-type: none"><li>Litigation/claims/ fines from Department £50k to £125k</li><li>Corporate £100k to £250k</li></ul>	A finding that could result in: <ul style="list-style-type: none"><li>Costs between £50,000 and £500,000</li></ul>	A finding that could result in: <ul style="list-style-type: none"><li>Significant impact on project or most of expected benefits fail/ major delay – 2-3 months</li></ul>	
<b>Critical</b>		<b>High</b>					

<b>Effect on Service</b>	<b>Embarrassment/ reputation</b>	<b>Personal Safety</b>	<b>Personal privacy infringement</b>	<b>Failure to provide statutory duties/meet legal obligations</b>	<b>Financial</b>	<b>Effect on Project Objectives/ Schedule Deadlines</b>
A finding that could result in a: <ul style="list-style-type: none"><li>• Major effect to an important service area for a short period</li><li>• Adverse effect to services in one or more areas for a period of weeks Service Disruption 2-3 Days</li></ul>	A finding that could result in: <ul style="list-style-type: none"><li>• Adverse local publicity /local public opinion aware</li><li>• Statutory prosecution of a non-serious nature</li></ul>	A finding that could result in: <ul style="list-style-type: none"><li>• Severe injury to an individual or several people</li></ul>	A finding that could result in: <ul style="list-style-type: none"><li>• Some individual personal details compromised/revealed</li></ul>	A finding that could result in: <ul style="list-style-type: none"><li>• Litigation/claims/fin es from Department £25k to £50k</li><li>• Corporate £50k to £100k</li></ul>	Costs between £5,000 and £50,000	A finding that could result in: <ul style="list-style-type: none"><li>• Adverse effect on project/ significant slippage – 3 weeks–2 months</li></ul>
A finding that could result in a: <ul style="list-style-type: none"><li>• Brief disruption of important service area</li><li>• Significant effect to non-crucial service area Service Disruption 1 Day</li></ul>	A finding that could result in: <ul style="list-style-type: none"><li>• Contained within section/Unit or Directorate</li><li>• Complaint from individual/small group, of arguable merit</li></ul>	A finding that could result in: <ul style="list-style-type: none"><li>• Minor injury or discomfort to an individual or several people</li></ul>	A finding that could result in: <ul style="list-style-type: none"><li>• Isolated individual personal detail compromised/revealed</li></ul>	A finding that could result in: <ul style="list-style-type: none"><li>• Litigation/claims/fin es from Department £12k to £25k</li><li>• Corporate £25k to £50k</li></ul>	Costs less than £5,000	A finding that could result in: <ul style="list-style-type: none"><li>• Minimal impact to project/ slight delay less than 2 weeks</li></ul>
A finding that does not have a risk impact but has been raised to highlight areas of inefficiencies or good practice.						

**Low**

**Advisory**

## ***Report classifications***

The report classification is determined by allocating points to each of the findings included in the report.

<i>Findings rating</i>	<i>Points</i>	<i>Report classification</i>	<i>Points</i>
Critical	40 points per finding	● Low	6 points or less
High	10 points per finding	● Medium	7–15 points
Medium	3 points per finding	● High	16–39 points
Low	1 point per finding	● Critical	40 points and over

## **Appendix B: Terms of reference**

### **Background and Scope**

The 2014 Children and Families Act introduced a number of changes applicable to Special Educational Needs and Disability (SEND) services, most importantly a more holistic approach to all need, based on integrated Education Health and Care (EHC) needs assessments and plans.

The Act also introduced mandatory timeframes for applications to be processed, along with other requirements, for example the need for councils to ensure information is made available in formats appropriate to different audiences. This review will assess the Council's arrangements against elements of the 2014 and wider good practice. In overview this review will cover:

- *Local Offer*: confirming the Council has an appropriate 'local offer', up to date, informed by consultation and available in a variety of formats, clearly setting out support available and the application/assessment process.
- *Education Health and Care (EHC) needs assessment*: confirming that an appropriately designed and documented process is in place, with applications processed in line with the documented process and compliant with mandatory timescales.
- *Education Health and Care (EHC) Plans*: confirming that plans document need, support to be provided and that they are reviewed annually.

The sub-processes, control objectives and potential related risks included in this review are:

#	Control objective	Potential risks	Summary of Fieldwork
	<p><b>Local Offer</b> The Council has a 'local offer', setting out the support available to young people with Special Educational Needs and Disabilities (SEND) and their families; this:</p> <ul style="list-style-type: none"> <li>• Is easily available, in a range of formats to suit different audiences.</li> <li>• Is regularly reviewed, specifically to respond to feedback from children, young people and their parents/guardians.</li> <li>• Covers education, health and social care services and eligibility criteria.</li> <li>• Signposts to support offered by third parties, for example charities.</li> <li>• Identifies how to request an Education Health and Care (EHC) needs assessment.</li> </ul>	<p>At a high level the Council will not be complying with the Children and Families Act 2014.</p> <p>More specifically:</p> <ul style="list-style-type: none"> <li>• If an appropriate local offer is not in place then children/young people/ parents/guardians may not be aware of the support which is available and may not source appropriate support, to which they are entitled.</li> <li>• Outcomes for children/young people with special educational needs and/or disabilities may be poorer, due to inappropriate support not being provided.</li> </ul>	<p>Internal Audit will review the Council's published local offer to confirm:</p> <ul style="list-style-type: none"> <li>• Is easily available, in a range of formats to suit different audiences.</li> <li>• Is regularly reviewed, specifically to respond to feedback from children, young people and their parents/guardians.</li> <li>• Covers education, health and social care services and eligibility criteria.</li> <li>• Signposts to support offered by third parties, for example charities.</li> <li>• Identifies how to request an Education Health and Care (EHC) needs assessment.</li> <li>• Identifies available support for travel/transport, transition between phases of education and into adulthood.</li> </ul>

<ul style="list-style-type: none"> <li>Identifies available support for travel/transport, transition between phases of education and into adulthood.</li> </ul>	<p><b>Education Health and Care (EHC) needs assessment</b></p> <p>Information regarding EHC needs assessments is easily available, appropriate to the intended audience; specifically:</p> <ul style="list-style-type: none"> <li>An overview of EHC needs assessment, how to make an application, the appeals process and timeframes for stages is published on the Council's website.</li> <li>More detailed information is available for download and has been promoted to specific stakeholders, for example schools.</li> </ul> <p>The assessment process incorporates:</p> <ul style="list-style-type: none"> <li>A quantified set of criteria to assess applications, to identify if they should result in an EHC Plan.</li> <li>Consultation with children/young people and their parents/guardians.</li> <li>Notifying unsuccessful applicants of the reasons why their application has been unsuccessful.</li> </ul> <p>EHC assessment processing is carried out within statutory deadlines, as below:</p> <ul style="list-style-type: none"> <li>Notification as to whether an assessment is going to be progressed within six weeks.</li> <li>Notification of unsuccessful applications within 16 weeks from request.</li> </ul> <p>If an EHC plan is progressed:</p> <ul style="list-style-type: none"> <li>Children/young people/ parents/guardians' preferences (educational establishment/personal budget) responded to, if provided within 15 calendar days from being requested.</li> </ul>	<p>At a high level the Council will not be complying with the Children and Families Act 2014.</p> <p>More specifically:</p> <ul style="list-style-type: none"> <li>Children/young people/ parents/guardians may not be sufficiently informed regarding the process.</li> <li>If assessments are not progressed in a timely manner then provided support will be delayed, which will impact on the wellbeing and outcomes for Children/young people.</li> </ul> <p>Internal Audit will confirm that the Council has a set of agreed quantified criteria, which are used to carry out EHC needs assessment.</p> <p>Internal Audit will review a sample of 20 applications (10 successful and 10 unsuccessful) for EHC plans and EHC needs assessments to confirm:</p> <ul style="list-style-type: none"> <li>Where applications have not been progressed applicants have been notified within six weeks, with the reasons why an EHC needs assessment has not been progressed.</li> <li>Where an EHC assessment has been progressed applicants are notified within 16 weeks where these have been unsuccessful and are given the reasons why.</li> <li>Children/young people/ parents/guardians' preferences are requested and responded to, if provided within 15 calendar days.</li> <li>Educational establishments to be identified are consulted, with feedback responded to, if provided within 15 calendar days.</li> <li>EHC plans are implemented, following a successful assessment, within 20 weeks from application.</li> </ul>
---	---	--

<ul style="list-style-type: none"> <li>Educational establishments to be identified in EHC plans are consulted, with 15 calendar days given to respond.</li> <li>EHC plans are in place by 20 weeks from request.</li> </ul>	<p><b>Education Health and Care (EHC) Plans</b></p> <p>Plans document:</p> <ul style="list-style-type: none"> <li>Identified special needs.</li> <li>Outcomes to be achieved by the Plan.</li> <li>Any health and social care provision necessary, stemming from special needs/disability.</li> <li>Personal budgets if requested by children/young people/ parents/guardians.</li> </ul> <p>Draft plans are consulted on with children/young people/ parents/guardians and schools, where required to meet needs.</p> <p>Plans are reviewed annually, to confirm that they still meet the child/young person's needs.</p>	<p>At a high level the Council will not be complying with the Children and Families Act 2014.</p> <p>More specifically:</p> <ul style="list-style-type: none"> <li>If plans are not clear, regarding what needs to be provided and the outcomes this meets, then support may be poorly focussed, plans may not be VfM and ultimately plans will be less likely to meet the needs of children/young people.</li> <li>If plans are not regularly reviewed they may cease to meet the needs of children/young people.</li> </ul> <p>Internal Audit will review a sample of 20 EHC Plans to confirm they document:</p> <ul style="list-style-type: none"> <li>Identified special needs.</li> <li>Outcomes to be achieved by the Plan.</li> <li>Any health and social care provision necessary, stemming from special needs/disability.</li> <li>Personal budgets if requested by children/young people/ parents/guardians.</li> <li>Appropriate consultation has taken place on draft plans.</li> <li>That they have been reviewed at 12 monthly intervals from when initiated.</li> </ul>
---	--	--

## **Appendix C: Limitations and responsibilities**

### ***Limitations inherent to the internal auditor's work***

We have undertaken this review subject to the limitations outlined below

### ***Responsibilities of management and internal auditors***

It is management's responsibility to develop and maintain sound systems of risk management, internal control and governance and for the prevention and detection of irregularities and fraud. Internal audit work should not be seen as a substitute for management's responsibilities for the design and operation of these systems.

We endeavour to plan our work so that we have a reasonable expectation of detecting significant control weaknesses and, if detected, we carry out additional work directed towards identification of consequent fraud or other irregularities. However, internal audit procedures alone, even when carried out with due professional care, do not guarantee that fraud will be detected.

Accordingly, our examinations as internal auditors should not be relied upon solely to disclose fraud, defalcations or other irregularities which may exist.

<b><i>Internal control</i></b>	<b><i>Future periods</i></b>
Internal control systems, no matter how well designed and operated, are affected by inherent limitations. These include the possibility of poor judgment in decision-making, human error, control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of unforeseeable circumstances.	<p>Our assessment of controls is for the period specified only. Historic evaluation of effectiveness is not relevant to future periods due to the risk that:</p> <ul style="list-style-type: none"><li>• The design of controls may become inadequate because of changes in operating environment, law, regulation or other changes; or</li><li>• The degree of compliance with policies and procedures may deteriorate.</li></ul>

## *Internal Audit Report 2018/19*

Home to School Transport 18-19-04



## Contents

- 
- Executive summary
  - Detailed Current Year Findings
  - Appendix A: Basis of our Classifications
  - Appendix B: Terms of Reference
  - Appendix C: Limitations & Responsibilities

## Distribution List

### For action

- Colin Rowland, Director of Neighbourhoods
- Martin Goff, Head of Information, Transport and Admissions
- Stewart Chandler, Principal Contract Officer - Transport

### For information

- Elizabeth Goodwin, Chief Internal Auditor



The document has been prepared solely for the use of the Audit Committee of the Isle of Wight Council in accordance with the agreement between the Isle of Wight Council and PwC dated 27<sup>th</sup> November 2015. The work was performed in accordance with the Isle of Wight Council's internal audit methodology and the findings reported to the Chief Internal Auditor, who remains responsible for the final conclusions and ratings assigned therein. PwC accepts no liability (including for negligence) to anyone else in connection with its work or this document, and it may not be provided to anyone else.

## Executive summary (1 of 2)

Classification	Trend	By type	By scope area							
			Control design	Operating effectiveness	Total	Critical	High	Medium	Low	Advisory
High Risk  We have not previously carried out a review with an equivalent scope	Critical	0	0	0	0	0	0	1	1	0
		High	1	0	1	0	1	1	1	0
		Medium	3	0	3	0	0	1	1	0
	Low	3	0	3	0	0	0	1	1	0
		Advisory	0	0	0	0	0	0	0	0
<b>Total findings: 7</b>										

### Total findings: 7

#### Summary of findings

This review focussed on the contracts the Council has in place to provide Home to School Transport. In overview this review covered:

- Confirming the Council has appropriate arrangements in place to comply with statutory requirements, for example required policies and strategy, with the correct coverage.
- Confirming the Council has a current portfolio of contracts, which are correctly managed, to enable the Council to meet statutory and good practice expectations.
- Confirming that contracts are being managed and paid for as documented.

In context the Council spent £2,949,161.56 on its main bus contract and £247,696.80 on taxis during 2017/18. While this report needs to be viewed in the context of only two members of staff being available to support Home to School Transport available on the Island, our review has identified some significant gaps in current arrangements, against good practice, specific legislative requirements and oversight arrangements. For example validating that appropriate training is completed by and Disclosure Disbarring Service (DBS) checks undertaken for relevant contractor staff. However operationally the Council does have appropriate arrangements in place to provide home to schools transport in line with legislative arrangements, has reviewed the core bus contract to identify potential efficiencies (i.e. maximise VfM), with a similar exercise underway for taxi transport. The Council has also implemented a Dynamic Purchasing System (DPS) for taxi transport, which will also help to promote VfM.

What is most noticeable is the lack of an overall strategic framework, setting out the Council's high level objectives, research to identify options/opportunities and plans to make these a reality. The Council already works closely with Hampshire County Council across Children's Services, with the limited resources the Council has locally the best option is likely to be building on this relationship, to source intelligence and replicate good practice from Hampshire where there are gaps on the Island. Internal Audit has documented our work in six detailed findings, summarised below:

**Supplier Compliance:** (**high risk**) confirming that taxi companies have appropriate insurance in place and that their staff have completed training and have valid DBS checks in place are covered as part of the core taxi driver licensing process. However, while this has been requested historically, the Council does not have a copy of Go Ahead's insurance on file; this should be requested

at the earliest opportunity, put on file and the process repeated annually. We also identified that the Council does not have a process in place to confirm that, where required, Go Ahead staff have valid DBS checks in place; due to this safeguarding risk this finding has been rated high risk. A suitable process should be agreed with Go Ahead and carried out on an ongoing basis, to ensure that only appropriate individuals come into contact with children in an unsupervised context. For context subsequent to the completion of core fieldwork the Council has confirmed that Go Ahead staff are appropriately DBS checked and has received a copy of Go Ahead's current insurance. However as this confirmation was not in place at the time of fieldwork the finding remains rated high risk.

**Home to School Policy:** (**low risk**) the current Home to School Transport Policy was approved in September 2014 and identifies that it was scheduled to be reviewed in July 2015. While it includes key content required by legislation, for example eligibility, the appeals and complaint processes, it is clearly overdue review. While, due to the lead time, it is not realistic to complete this for the 2018/19 school year it should be reviewed, updated and implemented in time for the 2019/20 school year. As part of this process the review interval should be changed to triennial, in line with the historic norm on the Island. While a more frequent formal review may not be realistic, a high level review should be carried out annually, informed by benchmarking, to confirm that the Council's home to school transport arrangements represent VFM. For context subsequent to the completion of core fieldwork we were informed that practice at Hampshire County Council is for the Home to School Policy to be undated and to remain effective until reviewed. While the Isle of Wight Council's Policy was produced on its behalf by Hampshire County Council under the strategic partnership the review date was subsequently added, without the knowledge or authority of Hampshire County Council staff.

**Sustainable Modes of Travel Strategy:** (**medium risk**): the Council does not currently have an annually reviewed Sustainable Modes of Travel Strategy published on its website, as required by the 2002 Education Regulations. An action plan should be drawn up at the earliest opportunity, setting out the actions necessary to inform and produce an appropriate Strategy. In summary this should include: an audit of current arrangements; review of school travel plans/consultation with schools; and consultation with highways (PFI), planning, children's services and public health. Following on from the action plan, an appropriate Strategy should be approved and published, with arrangements made to ensure that it is reviewed and updated on an annual basis.

**Delivery Strategy:** (**medium risk**) the Council does not have a Delivery Strategy for Home to School Transport. A strategic document of this type is important as it will consider home to school transport in the wider context of sector good practice, the Council's overarching objectives/synergies with home to school transport and specific need on the Island. While Internal Audit has been informed that Hampshire County Council does not have a Delivery Strategy and that one has not been requested under the Strategic Partnership this is considered as good practice at other neighbouring authorities. The risk of not having an appropriate document should be highlighted to senior management to confirm the risk is accepted.

**Bus Contract:** (**medium risk**) there is a single contract covering home to school bus journeys; this commenced in 2012 and runs through to 2020. There are a number of issues with the contract; including clauses which are not being enforced, for example regarding penalties for late arrivals; and enhancements which need to be implemented, for example formalising performance management reports and oversight meetings. These should be consulted on with the provider and addressed through a change notice, appended to the original Contract. For context, subsequent to the completion of core fieldwork, Internal Audit was informed that, despite the Contract not being enforced or formally monitored, the Council is confident that a good level of service is being provided, based on the low level of complaints received. Internal Audit was also informed that the Council is in the process of procuring a replacement Bus Contract, to be effective from September 2020; this will include a realistic set of performance indicators, supported by a regime of regular reporting and oversight meetings.

**Taxi Contract:** (**low risk**) the Council operates a Dynamic Purchasing System (DPS) to source taxis for low volume transport or where pupils have specific needs, which cannot be met through bus transport. There are 22 providers on the DPS system, who agree to the overarching agreement by signing up to provide services. Provider compliance, specifically with insurance, DBS checks and training requirements, is confirmed through the Council's core taxi licensing process. There are no specific performance reporting requirements specified in the overarching DPS agreement; a realistic set of indicators, for example covering timeliness and complaints, should be agreed and monitored at a minimum on a quarterly basis. Also, while training is mandated as part of the licensing process, the content/coverage of this training is not referenced in the overarching DPS agreement. For clarity/completeness this should be referenced, to make sure it is clear to providers and other stakeholders how this links to and supports the provision of safe, good quality home to school transport. For context, subsequent to the completion of core fieldwork, Internal Audit was informed that, despite the Contract not being formally monitored, the Council is confident that a good level of service is being provided, based on the low level of complaints received.

**Payments:** (**low risk**) we sample tested three of the five payments to Go Ahead processed since the 1st January 2018, covering the main bus contract and supply of escorts and a sample of 20 payments made to taxi companies during the same time period. We identified three minor issues:

- 
- Due to the high volume of work carried out (51% of total awards) one provider on the DPS is paid weekly. This should be formally documented and a threshold identified in the DPS which will trigger the option for weekly payments for other high volume providers in future.
  - One payment to the main bus supplier was delayed for two months, due to staff absence. A suitable alternative authoriser should be identified to authorise payments in case this occurs in future.
  - Three providers state different payment terms on their invoices to those identified in the DPS agreement. Requests should be made to providers to revise the terms on their invoices, to those identified in the DPS (30 days).
- 

We would like to take this opportunity to thank Isle of Wight Council staff for their help and assistance with this review.

## **Current year findings (1 of 7)**

<b>Supplier Compliance</b>	<b>Control design</b>	<b>1</b>	<b>High</b>
----------------------------	-----------------------	----------	-------------

### **Finding and root cause**

There are number of specific requirements in both the contract with Go Ahead and the overarching DPS agreement with taxi operators. The requirements identified in the audit terms of reference for which the Council should have mechanisms operating to confirm these are in place are:

- Insurance.
- DBS checks.
- Arrangements to cater for children with specific and specified needs.

Taxi drivers are covered by the core licensing process, which confirms drivers/staff have insurance in place, have been DBS checked and have completed safeguarding training.

Internal Audit was informed that historically a copy of Go Ahead's insurance documentation has been requested, although this has not been done yet for 2018; this should be done at the earliest opportunity, checked for adequacy and repeated annually, as has been the case historically.

The Council does not currently have a process to confirm that Go Ahead's staff have had a DBS checks. In future, an appropriate process needs to be designed, agreed with Go Ahead and implemented; due to this safeguarding risk, this finding has been rated as high risk.

For context subsequent to the completion of Internal Audit's core fieldwork the Council has received confirmation from Go Ahead that all of its staff are DBS checked and has been provided with a copy of Go Ahead's current insurance, with commitments that these will be provided annually in future. However at the time of our review this could not be confirmed, as a result this finding is rated high risk.

### **Implications**

If the Council does not confirm annually that Go Ahead has appropriate insurance in place then, should there be a claim, the financial viability of the provider could be impacted and/or there could be insufficient funds available to meet a claim, potentially leading to financial hardship for claimants and reputational damage to the Council.

If the Council does not have an appropriate mechanism in place to validate that Go Ahead staff who come into contact with children unsupervised have valid DBS checks then children could be put at risk, through coming into contact with unsuitable individuals.

### **Action plan**

1. A current copy of Go Ahead's insurance will be requested and put on file, with the process repeated annually.

**Responsible person/title**

	Martin Goff, Head of Information, Transport and Admissions
<i>Target date</i>	
	<ul style="list-style-type: none"> <li>1. Completed during report finalisation.</li> <li>2. March 2019</li> </ul>
<i>Reference number</i>	18-19-04-01

2. In consultation with Go Ahead a suitable process will be agreed to confirm that Go Ahead staff who come into unsupervised contact with children have appropriate DBS checks.

## **Current year findings (2 of 7)**

### **Home to School Policy**

#### *Control design*

**2**

**Low**

#### *Finding and root cause*

The current Home to School Transport Policy was approved in September 2014 and is linked to from the school admissions page on the Council's website. The Policy identifies that it was scheduled to be reviewed in July 2015. Key legislative requirements, for example setting out eligibility, the appeals and the complaint processes, are included in the Policy. As required by legislation, the Council has a statement regarding post 16 transport published on its website.

While the Policy is clearly overdue an update, due to the lead time, it is not realistic to revise and update the Policy for the 2018/19 school year. We were informed that the Policy is scheduled to be reviewed during 2018, for implementation in the 2019/20 school year; this should continue as planned. As part of this process the next review date should be identified in the revised Policy as 2022, triennial review being the standard, historic review interval for the Council's Home to School Transport Policy.

While carrying out a formal review and update of the Policy more frequently may not be realistic, an annual lighter touch review of arrangements, for example to confirm they are cost effective, would be sensible. This should be informed by benchmarking and, if significant disparities in costs with similar councils are identified, more comprehensive work should follow-on. This could be along the lines of the recent review of bus transport and the planned exercise regarding taxi transport, as covered in more detail elsewhere in this report.

For context Internal Audit was informed subsequent to the completion of our core fieldwork that practice at Hampshire County Council is for the Home to School Policy to be undated and to remain effective until reviewed. The Isle of Wight Council's Policy was developed on its behalf by Hampshire County Council, under the strategic partnership for Children's Services. However the review date were added subsequent to the Policy being produced, without the knowledge of Hampshire County Council staff.

#### *Implications*

If the Home to School Policy is not regularly reviewed it may not respond to/align with legislation or more general expectation from central government, sector good practice or the specific needs of the Island. This could make it less likely that the Council will achieve VfM from its home to school transport arrangement and/or children on the Island may not be provided with the best service possible, aligned to their individual needs.

#### *Action plan*

The Home to School Policy will be reviewed and updated as planned, to be approved and implemented ready for the 2019/20 school year. As part of this process the formal review interval will be identified as triennial, in line with historic practice.

<i>Responsible person/title</i>
Martin Goff, Head of Information, Transport and Admissions
<i>Target date</i>
March 2019

A lighter touch annual exercise, informed by benchmarking, will be scheduled annually, to validate that the Council is achieving VfM from its home to school transport arrangements.

<i>Reference number</i>
18-19-04-02

## **Current year findings (3 of 7)**

### **Sustainable Modes of Travel Strategy Control design**

**3**

**Medium**

#### **Finding and root cause**

The Council does not have a Sustainable Modes of Travel Strategy. The 2002 Education Regulations require a Strategy to be published on the Council's website by the 31<sup>st</sup> August each year. However Internal Audit was informed that when introduced this requirement was supported by ring fenced funding, which is no longer available.

There are some mechanisms in place which could be used to support producing an appropriate Strategy, for example there are regular meetings held between the Council Officer responsible for Home to School Transport and the team responsible for the Highways PFI, which could be used to identify potential sustainable options. There is also a grant funded initiative in Place to promote sustainable transport in schools, which will implicitly support sustainable transport options, although this is at an early stage (reviewed as part of wider review of Contract Management, in 2017/18).

An action plan needs to be drawn up at the earliest opportunity, setting out the actions necessary to inform an appropriate Strategy, leading to publication of a Sustainable Modes of Travel Strategy on the Council's website, with updates published annually, as required by the 2002 Education Regulations. This should leverage the existing mechanisms/initiatives above and at a high level should include:

- An audit of current arrangements.
- Review of school travel plans/consultation with schools.
- Consultation with highways (PFI), planning, children's services and public health.

#### **Implications**

Without an annually reviewed/updated Sustainable Modes of Travel Strategy published on iwright.com the Council is not complying with the requirements of the 2002 Education Regulations; potentially this could lead to sanctions from central government. Without an overarching Strategy, appropriately informed and supported by detailed delivery plans, the Council may not be sufficiently promoting sustainable school transport. This may impact on VfM and wider transport on the Island and more generally adversely impact quality of life on the Island.

#### **Action plan**

<b>Action plan</b>	<b>Responsible person/title</b>	<b>Target date</b>
1. An action plan will be produced setting out the actions up to the production, approval and publication on the Council's website of a Sustainable Modes of Travel Strategy; at a high level this will include: <ul style="list-style-type: none"><li>• An audit of current arrangements.</li><li>• School travel plans/consultation with schools.</li></ul>	Martin Goff, Head of Information, Transport and Admissions	
		1. March 2019

- Consultation with highways (PFI), planning, children's services and public health.
- 2. An appropriate Sustainable Modes of Travel Strategy will be approved and published on the Council's website, with ongoing annual review scheduled.

	2. March 2019
<i>Reference number</i>	
	18-19-04-03

## **Current year findings (4 of 7)**

<b>Delivery Strategy</b>	<b>Finding and root cause</b>	<b>Implications</b>
<b>Control design</b>	<p>The Council does not have a Delivery Strategy for Home to School Transport, setting out the Council's strategic, long term vision for how it intends to deliver Home to School transport.</p> <p>Some work has been done which could be used to inform an appropriate Strategy. For example, Internal Audit was provided with a comprehensive document setting out the number of bus transports and location of children entitled to free transport relative to schools. The aim of this document is to investigate options for potentially amalgamating routes, to promote efficiency. Discussions are ongoing with the sole provider used for bus transport. Alongside this, a similar initiative is at an early stage regarding taxi transports.</p> <p>An action plan needs to be drawn up at the earliest opportunity, setting out the actions necessary to inform an appropriate Strategy. At a high level should include:</p> <ul style="list-style-type: none"><li>• Identification and consultation with key stakeholders, specifically senior management, relevant internal departments such as Education and Planning, schools and service users.</li><li>• Agreeing and defining the Council's strategic, long term vision for how it intends to deliver Home to School transport.</li><li>• Baseline the current position, leveraging the existing initiatives summarised above.</li><li>• Benchmarking against statistical peers.</li><li>• Investigating alternative mechanisms for the Council to satisfy its legal requirements. For example considering options such as paying parents mileage allowances.</li><li>• Considering how discretionary elements for how particular/special individual needs will be supported.</li><li>• How the market will be shaped, for example to promote a vibrant range of providers on the Island.</li></ul>	<p>Subsequent to the completion of Internal Audit's core fieldwork it was highlighted that Hampshire County Council do not have a Delivery Strategy and a Delivery Strategy has not been requested under the Strategic Partnership for Children's Services. For context other neighbouring councils do have regularly reviewed delivery strategies, as a key component in ensuring that appropriate medium and longer term plans are in place. The risk of not having a Delivery Strategy on the Island should be highlighted to senior management, to confirm that this risk is accepted.</p> <p>Without an appropriately informed overarching Delivery Strategy for Home to School Transport a number of opportunities may be missed, for example:</p> <ul style="list-style-type: none"><li>• Opportunities to support the wider Council Corporate Plan and more specific objectives of wider service areas.</li></ul>

- Opportunities to leverage complementary initiatives in other service areas.
- Opportunities to utilise innovations, such as partnership working, market shaping and different transport mechanisms. Ultimately these will impact on the VfM the Council achieves from home to school transport and may lead to a worse service for children and their parents, less well aligned to their individual needs.

Action plan	
Confirm with senior management that the risk of not having a Delivery Strategy for Home to School transport is accepted by senior management.	<i>Responsible person/title</i>
	Martin Goff, Head of Information, Transport and Admissions
	<i>Target date</i>
	March 2019
	<i>Reference number</i>
	18-19-04-04

## **Current year findings (5 of 7)**

<b>Bus Contract</b>	<b>Finding and root cause</b>	
<b>Control design</b>	<p>There is a single provider, Go Ahead, contracted to provide home to school bus transport on the Island. This contract is current, running up to Summer 2020.</p> <p>Currently Clause B6.8 of the contract identifies that meetings should be attended 'as requested' and Schedule 4 identifies that there may be a need for monthly and biannual service reviews but only if requested. While there are no specific reporting requirements, there is a requirement for GPS trackers to be present in all vehicles used by the provider (known to be only present in 50% of the vehicles used), while Clause 2.7 b identifies that payment will be withheld if buses are over 15 minutes late, although this is not enforced, as it is felt to be unrealistic by the Council.</p> <p>Arrangements regarding reporting and oversight of the provider need to be normalised and formalised. The provider needs to be reminded of the requirement for GPS trackers to be fitted in all vehicles and, if this is not possible, then an alternative mechanism to monitor the location/timeliness of vehicles needs to be agreed, along with a realistic threshold for timeliness. Once these are in place the provider should be required to provide the Council with a monthly report, covering an agreed set of performance indicators, including timeliness and, for example, any complaints in period.</p> <p>There is regular, usually daily, communication between the provider's representatives and the Council Officer responsible for Home to School Transport. While a provider officer as lead liaison does need to be agreed, subsequent to restructuring at the provider (the lead identified in the Contract has changed role), in light of the existing close working relationship formal monthly meetings are likely to be excessive. However formal, minuted meetings on a quarterly basis, to review contractor performance is a reasonable expectation.</p> <p>The contract is specific regarding the training which drivers will complete, Clause 3.5 identifies that all new contractor staff will complete a Council provided six week course, which includes disability awareness, while Clause 3.7 identifies that contractor staff will be expected to undertake Continuing Professional Development (CPD) to maintain their skills, although detail regarding what this should cover is not specified.</p> <p>We were informed that current practice is for Go Ahead to provide their own training for drivers (for context the contract came into effect in 2012, taking over from the previous in-house WightBus service; staff who transferred at the initiation of the contract would have completed the specified Council provided training). While the exact content of the course is not known, it is likely to cover similar ground to the Council course. Detail regarding the course completed by new staff and details of CPD completed by staff should be requested from the provider. This should be reviewed to confirm it is satisfactory, with any changes necessary requested.</p> <p>Given the issues identified above, the current Contract will require updating which, once agreed, should be documented in a change notice signed by both the Council and the Provider, and appended to the original contract.</p> <p>For context subsequent to the completion of core fieldwork Internal Audit was informed that, despite the terms of the Contract not being enforced</p>	
<b>5</b>	<b>Medium</b>	

or 'formally' monitored the Council is confident that an appropriate level of service is being provided, based on the low level of complaints received.

Comparative complaint figures for Hampshire and the Isle of Wight are:

	2017	2018	
	Official *	DCS*	Official *
Hampshire	1	12 **	3
Isle of Wight	0	-	3
			41
			1

\* Official complaints are those which may include referral to the LGO (Local Government and Social Care Ombudsman). DCS (Director of Children's Services) complaints are recorded in the DCS administration log capture complaints requiring a reply from the DCS, for example enquiries from MPs.

\*\* All Hampshire figure, including Isle of Wight.

Internal Audit was also informed that the Council is in the process of procuring a replacement Bus Contract, to be effective from September 2020. As part of this exercise the Council intends to agree a realistic set of performance metrics, supported by a regime of regular reporting and oversight meetings.

### *Implications*

At a high level if the terms of a contract are not being enforced/compiled with then the value of having the contract is at a minimum negated, with the risk clauses which are not being enforced/complied being uncontrolled.

More specifically:

- If an agreed set of performance indicators are not enforced, ideally with penalties for where not met, then performance will not be maximised, the Council may be paying an excessive amount for the service received and ultimately children on the Island may be receiving a poor service.
- If there are specific requirements, for example GPS, which are included to support performance reporting but not enforced then the provider will not be able to provide the detail required by the Council.
- If a specified lead liaison is not identified in the Contract then responsibilities may be unclear and ultimately the Council may not be able to maintain timely and good quality communication with the provider.
- If the training to be completed by staff and what this covers is not clearly specified then this may be unclear, staff may not have the required skills and ultimately children may not be safe.

### *Action plan*

*Responsible person/title*

As planned progress a replacement Bus Contract, to be effective from September 2020, which includes realistic performance metrics, supported by a regime of regular reporting and oversight meetings.

	Martin Goff, Head of Information, Transport and Admissions
<i>Target date</i>	
September 2019	
<i>Reference number</i>	
18-19-04-05	

## **Current year findings (6 of 7)**

<b>Taxi Contract</b>	<b>Control design</b>	<b>6</b>	<b>Low</b>
----------------------	-----------------------	----------	------------

### **Finding and root cause**

The Council operates a Dynamic Purchasing System (DPS) to source taxis for low volume transport or where pupils have specific needs, which cannot be met through bus transport. While providers do not physically sign contracts, accepting the terms of the overarching agreement is part of the sign up process to the DPS, agreements are for 10 years.

Clauses 17.1, 17.2 and 17.3 identify that the Council will monitor performance and that providers must comply with this oversight. However no further detail is set out in the agreement regarding oversight arrangements, for example performance indicators, reports to be produced or oversight meeting regularity. Essentially performance management of providers is reactive, if complaints are received then these are acted on by the Council. While there aren't felt to be major issues with provider performance by the Council, this does need to be formalised. A realistic set of performance indicators needs to be agreed, for example covering timeliness, spend and complaints, to be reported at a minimum quarterly. This does need to be mindful of the size/scale of individual providers. While producing regular reports may be realistic for larger providers a 'light touch' regime, based on sample checking by the Council would be more realistic for smaller providers.

The only mention of training in the overarching agreement is in Clause 31.3, which states 'Following the removal of any of the Supplier's Personnel for any reason, the Supplier shall ensure such person is replaced promptly with another person with the necessary training and skills to meet the requirements of the Services.' However we confirmed that taxi drivers are overseen separately by the Council's Licensing Team. As part of the core licensing process all taxi drivers are required to undergo safeguarding training and evidence appropriate DBS checks have been undertaken. For clarity/completeness this should be cross referenced, including the coverage of the training, from the overarching DPS agreement.

For context subsequent to the completion of core fieldwork Internal Audit was informed that, despite the terms of the Contract not being 'formally' monitored the Council is confident that an appropriate level of service is being provided, based on the low level of complaints received.

### **Implications**

If there isn't appropriate performance reporting for taxi provision then any issues may not be identified and addressed/escalated and/or performance is less likely to be maximised.

If it is not clear how training supports Home to School transport provision then there may be less clarity for providers and other stakeholders regarding the mechanisms the Council has in place, for example to safeguard passengers.

### **Action plan**

The overarching DPS agreement will be reviewed, a change notice agreed and attached to the original contract, specifically to address the following areas:

- Design and implement a performance monitoring regime, appropriate to the scale of individual providers.
- Reference the content of the training provided by Licensing on safeguarding in the agreement.

<i>Responsible person/title</i>
Martin Goff, Head of Information, Transport and Admissions
<i>Target date</i>
March 2019
<i>Reference number</i>
18-19-04-06

## **Current year findings (7 of 7)**

<b>Payments</b>
<b>Control design</b>

**7**

**Low**

### **Finding and root cause**

#### **Control design**

Internal Audit reviewed three of the five payments to Go Ahead processed since the 1<sup>st</sup> January 2018, covering the main bus contract and supply of escorts and a sample of 20 payments made to taxi companies during the same time period. For clarity, through the DPS, taxi companies 'bid' for work, once awarded work is billed after the service has been provided, the Council's payment terms being 30 days. There are 22 providers on the DPS, although not all are actively bidding for work (three were identified during sample testing who have not bid for work in the last six months). In total there were a total of 100 'contracts' for transport sourced through the DPS during 2017/18.

All payments sampled were appropriately approved and paid at the correct amounts, as per invoices and, for the contract with Go Ahead, in line with the Contract and subsequent agreed uplifts. We identified three minor issues, summarised below:

- One provider is paid weekly, due to the volume of work they carry out (51% of total work awarded through the DPS). While this is reasonable it isn't a formally documented arrangement. For clarity this should be formally agreed and a reasonable threshold documented in the DPS, which will trigger a move to weekly payments.
- The April payment to Go Ahead (£245,763.46) was not paid till June 2018. This was due to both of the members of staff who normally approve payments being unavailable. Although this is unlikely to reoccur in future a protocol should be established to ensure that, if it does, payments are approved in a timely manner.
- Three providers, where invoices were reviewed during sample testing, state payment terms on their invoices which are not in line with the overarching DPS agreement; two state 14 days and one states the invoice date, i.e. immediately. While none of the providers are enforcing these payment terms requests should be made for them to revise the payment terms on their invoices, in line with the overarching DPS agreement.

### **Implications**

If varying payment terms are offered to some but not all providers the Council may be open to challenge from other providers if the basis on which these terms have been offered in not clear and formally documented; this could lead to additional costs for the Council and/or reputational damage.

If payments are not made in a timely manner this could have an adverse impact on the finances of the third party; potentially the Council could be liable for additional late payment fees to the provider.

If payment terms on invoices are not the same as in the overarching agreement there will be a lack of clarity and, if invoices are paid containing these terms, the Council could potentially be deemed to have accepted these revised terms and have to make payments in line with the terms in future.

**Action plan**

- The overarching DPS agreement will be updated, to identify an appropriate threshold over which payment will be made weekly.
- The existing arrangement with one provider for weekly payments will be documented.
- A suitable alternative authoriser will be identified to authorise payments if the key staff normally authorising payments are unavailable in future.
- Providers who state different payment terms than those in the overarching DPS agreement will be requested to update these to the 30 settlement timeframe identified in the DPS.

***Responsible person/title***

Martin Goff, Head of Information, Transport and Admissions

***Target date***

March 2019

***Reference number***

18-19-04-07

## Appendix A: Basis of our classifications

<i>Effect on Service</i>	<i>Embarrassment/reputation</i>	<i>Personal Safety</i>	<i>Personal privacy infringement</i>	<i>Failure to provide statutory duties/meet legal obligations</i>	<i>Financial</i>	<i>Effect on Project Objectives/Schedule Deadlines</i>	
A finding that could result in a: <ul style="list-style-type: none"><li>Major loss of service, including several important areas of service and / or protracted period. Service Disruption 5+ Days</li></ul>	A finding that could result in: <ul style="list-style-type: none"><li>Adverse and persistent national media coverage</li><li>Adverse central government response, involving (threat of) removal of delegated powers</li><li>Officer(s) and/or Members forced to resign</li></ul>	A finding that could result in: <ul style="list-style-type: none"><li>Death of an individual or several people</li></ul>	A finding that could result in: <ul style="list-style-type: none"><li>All personal details compromised/ revealed</li></ul>	A finding that could result in: <ul style="list-style-type: none"><li>Litigation/claims/ fines from Department £250k +</li><li>Corporate £500k +</li></ul>	A finding that could result in: <ul style="list-style-type: none"><li>Costs over £500,000</li></ul>	A finding that could result in: <ul style="list-style-type: none"><li>Complete failure of project/ extreme delay – 3 months or more</li></ul>	
A finding that could result in a: <ul style="list-style-type: none"><li>Complete loss of an important service area for a short period</li><li>Major effect to services in one or more areas for a period of weeks Service Disruption 3-5 Days</li></ul>	A finding that could result in: <ul style="list-style-type: none"><li>Adverse publicity in professional/municipal press, affecting perception/standing in professional/local government community</li><li>Adverse local publicity of a major and persistent nature</li></ul>	A finding that could result in: <ul style="list-style-type: none"><li>Major injury to an individual or several people</li></ul>	A finding that could result in: <ul style="list-style-type: none"><li>Many individual personal details compromised/ revealed</li></ul>	A finding that could result in: <ul style="list-style-type: none"><li>Litigation/claims/ fines from Department £50k to £125k</li><li>Corporate £100k to £250k</li></ul>	A finding that could result in: <ul style="list-style-type: none"><li>Costs between £50,000 and £500,000</li></ul>	A finding that could result in: <ul style="list-style-type: none"><li>Significant impact on project or most of expected benefits fail/ major delay – 2-3 months</li></ul>	
<b>Critical</b>		<b>High</b>					

<b>Effect on Service</b>	<b>Embarrassment/ reputation</b>	<b>Personal Safety</b>	<b>Personal privacy infringement</b>	<b>Failure to provide statutory duties/meet legal obligations</b>	<b>Financial</b>	<b>Effect on Project Objectives/ Schedule Deadlines</b>
A finding that could result in a: <ul style="list-style-type: none"><li>• Major effect to an important service area for a short period</li><li>• Adverse effect to services in one or more areas for a period of weeks Service Disruption 2-3 Days</li></ul>	A finding that could result in: <ul style="list-style-type: none"><li>• Adverse local publicity /local public opinion aware</li><li>• Statutory prosecution of a non-serious nature</li></ul>	A finding that could result in: <ul style="list-style-type: none"><li>• Severe injury to an individual or several people</li></ul>	A finding that could result in: <ul style="list-style-type: none"><li>• Some individual personal details compromised/revealed</li></ul>	A finding that could result in: <ul style="list-style-type: none"><li>• Litigation/claims/fin es from Department £25k to £50k</li><li>• Corporate £50k to £100k</li></ul>	Costs between £5,000 and £50,000	A finding that could result in: <ul style="list-style-type: none"><li>• Adverse effect on project/ significant slippage – 3 weeks–2 months</li></ul>
A finding that could result in a: <ul style="list-style-type: none"><li>• Brief disruption of important service area</li><li>• Significant effect to non-crucial service area Service Disruption 1 Day</li></ul>	A finding that could result in: <ul style="list-style-type: none"><li>• Contained within section/Unit or Directorate</li><li>• Complaint from individual/small group, of arguable merit</li></ul>	A finding that could result in: <ul style="list-style-type: none"><li>• Minor injury or discomfort to an individual or several people</li></ul>	A finding that could result in: <ul style="list-style-type: none"><li>• Isolated individual personal detail compromised/revealed</li></ul>	A finding that could result in: <ul style="list-style-type: none"><li>• Litigation/claims/fin es from Department £12k to £25k</li><li>• Corporate £25k to £50k</li></ul>	Costs less than £5,000	A finding that could result in: <ul style="list-style-type: none"><li>• Minimal impact to project/ slight delay less than 2 weeks</li></ul>
A finding that does not have a risk impact but has been raised to highlight areas of inefficiencies or good practice.						

**Low**

**Advisory**

## ***Report classifications***

The report classification is determined by allocating points to each of the findings included in the report.

<b><i>Findings rating</i></b>	<b><i>Points</i></b>	<b><i>Report classification</i></b>	<b><i>Points</i></b>
Critical	40 points per finding	 Low	6 points or less
High	10 points per finding	 Medium	7–15 points
Medium	3 points per finding	 High	16–39 points
Low	1 point per finding	 Critical	40 points and over

## **Appendix B: Terms of reference**

### **Background and Scope**

The specific requirements setting out how a local authority will provide Home to School transport is set out in the ‘Home to school travel and transport guidance; Statutory guidance for local authorities’ July 2014 document published by the Department for Education. Simplistically these aim to ensure that children are not prevented from attending school through lack of ‘transport’. Free transport is mandated for children under eight years old who live more than two miles from their allocated school and, for those between eight and 16 years old, more than three miles from their allocated school; there are no statutory requirements to provide transport for children over 16, although councils must publish a related policy statement.

This audit will:

- Review the Council’s arrangements against statutory guidance, identifying any gaps in current arrangements.
- Review a sample of related contracts with service providers, to confirm that they are current and that statutory and good practice expectations are satisfied.
- Review the operational arrangements for a sample of contracts, specifically to ensure that specified reports are being produced, meetings taking place and payments being made, in line with contracts.

The sub-processes, control objectives and potential related risks included in this review are:

#	Control objective	Potential risks	Summary of Fieldwork
1	<b>Legislative Requirements</b> The Council has an appropriate, current Home to School Transport Policy in place, which identifies: <ul style="list-style-type: none"> <li>• Free transport will be made available for all pupils under 16, attending categories of state schools, including special schools and pupil referral units.</li> <li>• For pupils aged four to seven transport will be provided where pupils live over two miles from their allocated school.</li> <li>• For pupils aged eight to 16 transport will be provided where pupils live over three miles from their allocated school.</li> <li>• The criteria used to calculate distances.</li> <li>• The circumstances under which statements children will be provided with transport, where they are not covered by the overarching eligibility criteria.</li> <li>• The appeals process.</li> <li>• The complaints process.</li> </ul>	If mandated requirements from central government are not being complied with then the Council will be in breach of legislation. More specifically: <ul style="list-style-type: none"> <li>• Children’s right to education will be adversely impacted/families will suffer unnecessary hardship, if appropriate arrangement are not made to facilitate their attendance at school.</li> <li>• If policy/guidance is not regularly reviewed then it may be both in breach of current legislation and may not provide the best service possible for children and achieve VfM for the Council.</li> <li>• If policy/guidance is not suitably available then parents/children will be less likely to be aware of their entitlements and the appeals/complaints processes.</li> <li>• If appropriate supporting arrangements, specifically regarding need assessments and supporting sustainable transport, are not in place then the provision is less likely</li> </ul>	Internal Audit will review the Council’s Home to School Transport Policy to confirm it is current, has been reviewed in the last 12 months and covers the key legislative requirements.  We will confirm that a policy statement is published annually and is publicly available concerning the Council’s approach to Post 16 transport arrangements.  We will confirm the Council’s Sustainable Modes of Travel Strategy and supporting documentation is informed/supported by: <ul style="list-style-type: none"> <li>• An audit of current arrangements.</li> <li>• School travel plans/consultation with schools.</li> <li>• Consultation with highways (PFI), planning, children’s services and public health.</li> </ul>

#	Control objective	Potential risks	Summary of Fieldwork
	<p>The Council formally reviews its Home to School Transport arrangements annually, to confirm that they are cost effective.</p> <p>A specific policy statement is published annually and is publicly available, regarding the Council's approach to Post 16 transport arrangements.</p> <p>The Council has a Sustainable Modes of Travel Strategy, to support the needs of children and young people; this is informed/supported by:</p> <ul style="list-style-type: none"> <li>• An audit of current arrangements.</li> <li>• School travel plans/consultation with schools.</li> <li>• Consultation with highways (PFI), planning, children's services and public health.</li> </ul> <p>The Council has an appropriate Delivery Strategy; this:</p> <ul style="list-style-type: none"> <li>• Sets out the Council's strategic, long term vision for how it intends to develop Home to School transport.</li> <li>• Identifies the number of individual 'transports' and their annual cost.</li> <li>• Fully and recently investigates alternative mechanisms for the Council to satisfy its legal requirements. For example considering options such as paying parents mileage allowances.</li> <li>• Considers how discretionary elements, for how particular/special individual needs will be supported.</li> <li>• How the market will be 'shaped', for example to promote a vibrant range of providers on the Island.</li> </ul> <p>Internal Audit will confirm that where options such as discretionary provision and/or payments have been progressed these are clearly identified in assessment criteria.</p>	<p>to be in line with the need and the Council less likely to achieve VfM.</p>	<p>Internal Audit will confirm that the Council has an appropriate Delivery Strategy or equivalent, which:</p> <ul style="list-style-type: none"> <li>• Sets out the Council's strategic, long term vision for how it intends to develop Home to School transport.</li> <li>• Identifies the number of individual 'transports' and their annual cost.</li> <li>• Fully and recently investigates alternative mechanisms for the Council to satisfy its legal requirements. For example considering options such as paying parents mileage allowances.</li> <li>• Considers how discretionary elements, for how particular/special individual needs will be supported.</li> <li>• How the market will be 'shaped', for example to promote a vibrant range of providers on the Island.</li> </ul> <p>Internal Audit will confirm that where options such as discretionary provision and/or payments have been progressed these are clearly identified in assessment criteria.</p>

#	Control objective	Potential risks	Summary of Fieldwork
2	<p><b>Service Provision/Contracts</b></p> <p>The Council has appropriate contracts to meet its statutory provision; these:</p> <ul style="list-style-type: none"> <li>• Are current; where within 12 months of expiry appropriate procurement exercises have been initiated.</li> <li>• Clearly identify performance expectations/reporting, meeting and payment schedules.</li> <li>• Require Disclosure and Barring Service (DBS) checks for all contractor staff coming into contact with children, specifically bus and taxi drivers.</li> <li>• Require equality training to be completed by contractor staff coming into contact with children, specifically bus and taxi drivers.</li> </ul> <p>Signed copies of contracts are held securely.</p>	<ul style="list-style-type: none"> <li>If the Council does not have a suitable set of contracts in place to meet mandated central government expectations it will be more difficult for it to comply with legislative requirements. More specifically:           <ul style="list-style-type: none"> <li>• If contracts are not current there will not be a legal basis for contracts and their clauses will be more difficult to enforce.</li> <li>• If performance expectations and associated reporting are not identified in contracts then contractors may not be clear about what is expected of them, performance is less likely to be maximised or underperformance identified and addressed at the earliest opportunity.</li> <li>• If DBS checks are not required then children may be put at risk.</li> <li>• If equality training is not required then contractor staff may not be sensitive to the needs of all clients.</li> </ul> </li> </ul>	<p>Internal Audit will review a sample of Home to School transport contracts, to confirm:</p> <ul style="list-style-type: none"> <li>• They are current; where within 12 months of expiry appropriate procurement exercises have been initiated.</li> <li>• They clearly identify performance expectations/reporting, contract review meeting and payment schedules.</li> <li>• Performance and reporting expectations are consistent across contracts.</li> <li>• They require Disclosure and Barring Service (DBS) checks for all contractor staff coming into contact with children, specifically bus and taxi drivers.</li> <li>• They require equality training to be completed by contractor staff coming into contact with children, specifically bus and taxi drivers.</li> <li>• Contracts are signed and held securely.</li> <li>• They specify the most 'efficient' routes; these are mapped with anticipated passenger numbers to make best use of resources.</li> </ul> <p>The Council has appropriate mechanisms in place to:</p> <ul style="list-style-type: none"> <li>• Confirm that providers have appropriate insurance in place.</li> <li>• Confirm that, where contractor employees are 'alone' with children DBS checks have been carried out.</li> <li>• Appropriate arrangements are in place to cater for children with specific and specified needs.</li> </ul>
3	<p><b>Operational performance and controls</b></p> <p>Contractors are producing required performance reporting, at a minimum as specified in contracts. Performance reporting is reviewed at the required interval and any issues followed up and resolved with the contractor.</p> <p>Any contractual / service changes have been correctly managed, approved and documented.</p>	<ul style="list-style-type: none"> <li>If contractors are not complying with the terms of contracts ultimately the value of having contracts will be diminished and key risks, for example underperformance, will be less likely to be addressed.</li> <li>If performance reporting and contractual meetings are not being produced/held then contractor performance is less</li> </ul>	<p>Internal Audit will select a sample of contractor performance reports and contract meeting minutes, for sampled contracts, to confirm that contractual requirements / performance reporting requirements are complied with.</p>

#	<b>Control objective</b>	<b>Potential risks</b>	<b>Summary of Fieldwork</b>
	<ul style="list-style-type: none"> <li>• Payments have been made in line with contract terms.</li> </ul>	<p>likely to be maximised and underperformance may not be identified and addressed at the earliest opportunity.</p> <p>If payments are not made in line with contractual terms the Council may not be paying the correct amounts for the services received.</p>	We will select a sample of payments made to contractors, for sampled contracts, to confirm they comply with contractual terms.

## **Appendix C: Limitations and responsibilities**

### ***Limitations inherent to the internal auditor's work***

We have undertaken this review subject to the limitations outlined below

### ***Responsibilities of management and internal auditors***

It is management's responsibility to develop and maintain sound systems of risk management, internal control and governance and for the prevention and detection of irregularities and fraud. Internal audit work should not be seen as a substitute for management's responsibilities for the design and operation of these systems.

We endeavour to plan our work so that we have a reasonable expectation of detecting significant control weaknesses and, if detected, we carry out additional work directed towards identification of consequent fraud or other irregularities. However, internal audit procedures alone, even when carried out with due professional care, do not guarantee that fraud will be detected.

Accordingly, our examinations as internal auditors should not be relied upon solely to disclose fraud, defalcations or other irregularities which may exist.

<b><i>Internal control</i></b>	<b><i>Future periods</i></b>
Internal control systems, no matter how well designed and operated, are affected by inherent limitations. These include the possibility of poor judgment in decision-making, human error, control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of unforeseeable circumstances.	<p>Our assessment of controls is for the period specified only. Historic evaluation of effectiveness is not relevant to future periods due to the risk that:</p> <ul style="list-style-type: none"><li>• The design of controls may become inadequate because of changes in operating environment, law, regulation or other changes; or</li><li>• The degree of compliance with policies and procedures may deteriorate.</li></ul>

# *Internal Audit Report 2018/19*

## Social Media and CCTV 18-19-06

Isle of Wight Council

**FINAL**  
January 2019



## Contents

- 
- Executive summary
  - Detailed Current Year Findings
  - Appendix A: Basis of our Classifications
  - Appendix B: Terms of Reference
  - Appendix C: Limitations & Responsibilities

## Distribution List

---

### For action

- Claire Shand, Head of Resources
- Justin Thorne, Strategic Manager of Legal Services
- Gavin Muncaster, Head of IT
- Helen Wheller, Principal Communications and Engagement Manager Peter Marsden, Interim Strategic Manager – Highways and Transportation

---

### For information

- Elizabeth Goodwin, Chief Internal Auditor

The document has been prepared solely for the use of the Audit Committee of the Isle of Wight Council in accordance with the agreement between the Isle of Wight Council and PwC dated 27<sup>th</sup> November 2015. The work was performed in accordance with the Isle of Wight Council's internal audit methodology and the findings reported to the Chief Internal Auditor, who remains responsible for the final conclusions and ratings assigned therein. PwC accepts no liability (including for negligence) to anyone else in connection with its work or this document, and it may not be provided to anyone else.

## Executive summary (1 of 2)

Classification	Trend	By type	By scope area							
			Control design	Operating effectiveness	Total	Critical	High	Medium	Low	Advisory
High Risk  We have not previously carried out a review with an equivalent scope	Critical	Critical	0	0	0	0	0	1	0	0
		High	2	0	2	0	0	1	0	0
		Medium	2	0	2	0	2	0	0	0
	Low	Low	0	0	0	0	2	0	0	0
		Advisory	0	0	0	0	0	0	0	0
<b>Total findings: 4</b>										

### Total findings: 4

#### Summary of findings

This review comprised of three distinct but related elements:

1. *Surveillance Policy*: confirming that the Council has an appropriate policy in place, with a particular focus on using social media for surveillance purposes.
2. *Social Media Surveillance Survey*: a survey of senior managers, to identify if there is any unknown/insufficiently controlled use at the Council of social media for surveillance.
3. *CCTV*: confirming that the Council's use of CCTV is in line with the 12 guiding principles, set out in the Home Office's 2013 Surveillance Camera Code of Practice.

The main issues identified through this review relate to CCTV , which largely transferred to Island Roads as part of the Highways PFI. Island Roads adopted the then Council CCTV Code of Practice, with the PFI Agreement identifying the need for compliance with it (Schedule 27) and to keep it up to date (Schedule 2). The Code dates from 2002 and needs updating to reflect current legislation and the 2013 Surveillance Camera Code of Practice – current arrangements do not comply with the Code and are also likely not to comply with more recent legislation, for example the recently introduced General Data Protection Regulation (GDPR), which has resulted in a **high risk** finding and in this report being rated **high risk** overall. Regarding social media use for surveillance, while only minor changes are likely to be necessary to the Council's Covert Surveillance Policy there are a number of 'housekeeping' issues which need to be addressed, for example ensuring that staff are aware of the training which is available and enhancing preventative controls, to ensure that authorised social media accounts are only used as intended. Internal audit have raised four detailed findings, summarised below:

**CCTV Code:** (**high risk**) the CCTV Code of Practice (effective at the point the PFI agreement was entered into) dates from 2002 and does not meet legislative nor good practice expectations – the Council's code both predates and is unlikely to satisfy the Home Office's 2013 Code and a number of items of more recent legislation, for example GDPR. There are also a number of controls

identified in the current Code which are no longer operating, which would contribute to meeting the 2013 Home Office guidance if they were operating, for example the requirement for regular reports to be produced and considered by a committee of the Council and independent, biennial reviews to be carried out of CCTV use. For clarity the PFI agreement identifies that the Code should be both complied with and maintained by Island Roads, although the Code itself identifies that the original parties to the Code (Council, police and the Isle of Wight NHS Trust) should be consulted and approve any revised Code. The Code should be reviewed and updated. As part of this process exactly what the Council and Island Roads are respectively responsible for should be clarified and ongoing reporting and oversight arrangements agreed and implemented, sufficient for the Council to satisfy itself that CCTV requirements are being complied with.

*CCTV Operation:* (**medium risk**) there are a number of ‘operational’ requirements identified in the 2002 CCTV Code of Practice which are not covered by reporting provided to the Council by Island Roads and are not complied with. For example an annual CCTV audit by the Service Manager, a transparent complaint process, independent inspection six times a year and BS7858 screening for all CCTV operators. An appropriate reporting format and appropriate oversight arrangements need to be agreed and implemented with Island Roads.

*Covert Surveillance Policy:* (**medium risk**) this Policy explicitly covers use of social media for surveillance and is supported by specific training. However this dates from 2016, when the Policy was drafted and no record is kept of those who have completed the training. Internal Audit’s review also identified minor elements which are out of date, limited to job titles and officers in post and enhancements which should be progressed, for example making the ‘nominated officer’ post holder explicit when this Policy is scheduled for review in 2019. In parallel with this the supporting training needs to be reviewed/updated, the training more widely promoted and record keeping regarding who has completed the training improved.

*Social Media Survey:* (**low risk**) the survey identified two instance where there was limited central corporate visibility of social media for surveillance. The service areas involved had implemented their own arrangements to ‘control’ use, however this was not known to Legal Services. Arrangements within the services should be reviewed by Legal Services, to ensure that effective controls are in place. Associated with this the social media training offered by Legal Services should be completed by all relevant staff (i.e. those with access to social media via Council devices). Additionally there are a number of authorised accounts, used for publishing information. Monitoring and oversight arrangements regarding these accounts need to be improved, to ensure they are only used as intended.

We would like to take this opportunity to thank Isle of Wight Council staff for their help and assistance with this review.

## **Current year findings (1 of 4)**

<b>CCTV Code</b>	<b>Control design</b>	<b>1</b>	<b>High</b>
------------------	-----------------------	----------	-------------

### **Finding and root cause**

Responsibility for CCTV now largely sits with Island Roads (as part of the Highways PFI). Schedule 27 of the PFI agreement states that Island Roads need to ‘comply’ with the Council’s CCTV Code of Practice (effective at the point the PFI agreement was entered into in 2009). Schedule 2 identifies that, following consultation with the original parties to the code of practice (the Council, police and Isle of Wight NHS Trust), the Code should be reviewed and updated, to ensure it is fit for purpose. From a Council perspective the responsibility is to ensure that Island Road is meeting these requirements, for example through the production of appropriate reporting and consideration at regular oversight meetings.

While the Council is of the view that there are no ‘operational’ issues with Island Roads’ management of CCTV (covered in finding two below), the more ‘strategic’ elements are not being satisfied and arrangements to oversee the provision of CCTV by the Council need to be improved. Most importantly the Council needs to ensure that appropriate mechanisms are in place to demonstrate compliance with the Home Office’s 2013 Surveillance Camera Code of Practice (for clarity these are listed at the end of this finding). The mechanisms in the CCTV Code of Practice, dated 2002, all contribute to satisfying the 12 principles, in combination with the identification of where responsibilities sit in the PFI agreement and simplistically this document needs to be reviewed and updated.

More specifically the Home Office guidance is dated 2013, while the Council’s current Code is dated 2002 and there have been a number of wider changes in legislation since which could affect the Council’s Code, most recently the General Data Protection Regulation (GDPR). When the Council’s Code is updated both the 2013 Home Office Code and all subsequent legislative changes need to be considered, to ensure that CCTV practice is compliant with legal requirements.

Regarding the Council’s 2002 Code there are a number of clauses (all of which would contribute to meeting the Home Office’s 12 principles) which are not being complied with by Island Roads:

- 4.2.1 and 4.2.2: regular reports should be produced and considered by a committee of the Council.
- 4.4.2: an annual report will be produced by the end of June each year, covering ownership, extent, cost, objectives, evaluation and complaints, with a copy available for inspection in libraries.
- 4.4.1: a copy of the Code to be available for inspection in libraries.
- 5.1.1: periodic (at least every other year), independent evaluations to be carried out. Specific areas this should cover are listed in the code, for example impact on local businesses

Wider areas of good practice, as set out in terms of the scope of this review, for which compliance cannot be evidenced:

- Privacy impact assessments to be carried out where there are any privacy concerns, for example coverage of CCTV camera.
- Regular consultation with the police.
- Clearer signposting of complaint process.
- Regular consultation with public regarding CCTV.

Responsibility for carrying out all of the above is likely to sit with Island Roads. However, the PFI Agreement only covers CCTV at a very high level

referencing the Code. It is also likely that some of the requirements in the original Code are no longer necessary, for example holding hard copies of the Code in libraries. Elsewhere this is more normally satisfied by the ability to view these documents on public access terminals in County Hall and libraries.

In the first instance a meeting needs to be held between the Council and Island Roads, to confirm if there are additional mechanisms in place which may satisfy some of the above and to agree in detail what the Council and Island Roads are respectively responsible for. Following on from this the Code needs to be reviewed and updated, including consultation with the parties to the original code and, as the accountable authority, sign off of the final revised Code by the Council's legal team.

Once refreshed appropriate arrangements need to be put in place to enable the Council to satisfy itself that requirements are being met. This is also applicable to 'operational' elements of CCTV, covered in finding two, included here for completeness.

*The 12 guiding principles from the Home Office's 2013 Surveillance Camera Code of Practice are listed below:*

1. *It is only used for a specified, legitimate purpose.*
2. *It take into account privacy impact.*
3. *Use is transparent.*
4. *Responsibility and accountability is documented.*
5. *Rules, policies and procedures are documented and communicated to relevant parties.*
6. *Image/information storage is proportionate.*
7. *Access to images/information is restricted and subject to clearly defined rules.*
8. *Operators are mindful of expected standards.*
9. *Images/information is held securely.*
10. *Arrangements are regularly reviewed/audited, with the results published.*
11. *Images/information is processed to ensure it has evidential value.*
12. *Any matching databases are kept up to date.*

### ***Implications***

Failure to maintain the Code, for example regularly reviewing it to respond to any new/changed requirements stemming from legislation, could lead to legal requirements and more generally good practice expectations not met. This could lead to protections/safeguards provided by legislation, for example the right to 'privacy' not being met and ultimately could lead to regulatory sanctions/fines and reputational damage, both to Island Roads and as the accountable authority the Council.

Failure to comply with the Home Office's 12 guiding principles, leading to:

- The value of any CCTV being adversely impacted, for example if signposting is not used then it will be less likely to have the desired impact on crime/antisocial behaviour.

- Privacy not being respected, potentially leading to key legislation, for example the Human Rights Act, being breached.
- Roles/responsibilities being unclear, leading to an inconsistent approach.
- The value of any evidence gathered being invalidated, due to it not being of the required standard.

Action plan	Responsible person/title
<p>Meet with Island Roads at the earliest opportunity to:</p> <ul style="list-style-type: none"> <li>• Identify if there are further mechanisms in place to satisfy the requirements of the Code and wider good practice in consultation with Island Roads.</li> <li>• Clarify at a detailed level exactly what the Council and Island Roads are respectively responsible for.</li> <li>• Review and update the Code of Practice, including consulting with and approval by the original parties to the Code.</li> <li>• Ensure that future reporting/oversight arrangements are sufficient (also included in finding two, below).</li> </ul>	<p>Peter Marsden, Interim Strategic Manager – Highways and Transportation</p> <p><i>Target date</i></p> <p>March 2019</p> <p><i>Reference number</i></p> <p>18-19-06-01</p>

## **Current year findings (2 of 4)**

<b>CCTV Operation</b>	<b>Control design</b>	<b>2</b>	<b>High</b>
-----------------------	-----------------------	----------	-------------

### **Finding and root cause**

The Council stated there are no significant issues with the operation of CCTV by Island Roads due to no issues having been raised by the police (who make use of the CCTV network on the Island) and due to the majority of the staff within the CCTV function being ex-Council staff. These staff will have carried out training and complied with the requirements of the Code while Council employees, prior to the Highways PFI coming into effect in 2009.

There are a number of specific operational requirements sent out in the 2002 CCTV Code of Practice:

- 4.3.2: The system will be subject to annual audit by the Service Manager.
- 4.3.3: The system manager will ensure that every complaint is acknowledged in writing within five working days which will include advice to the complainant of the enquiry procedure to be undertaken. A formal report will be forwarded to the nominee of the system owner named at Appendix A, giving details of all complaints and the outcome of relevant enquiries.
- 5.4.1 to 5.4.3: regular independent inspections, at least six times per year.
- 6.3.1: All staff in control room to sign confidentiality agreement and screened to BS7858.
- 8.1.1 An Access log will be kept for all persons entering the control room.

The Code also specifies that 'all controllers and managers shall receive training relevant to their role in the requirements of the Human Rights Act 1998, Data Protection Act 1998, Regulation of Investigatory Powers Act 2000 and the Codes of Practice and Procedures. Further training will be provided as necessary.'

The current reporting and oversight arrangements are not sufficient to enable the Council to satisfy itself that the requirements outlined above are being complied with by Island Roads.

Once the Code is updated, and agreed between the Council and Island Roads the operational requirements should be monitored and reported. Sample testing also identified one CCTV sign, at Ryde Harbour, which does not identify ownership, purpose or contact details. This is required to comply with the third principle of the Code, that 'use is transparent'.

### **Implications**

Without appropriate reporting and oversight arrangements being in place the Council is unable to confirm, on an ongoing basis, that strategic and operational requirements set out in the Code are being complied with. This could lead to inappropriate practice not being prevented and/or detected and addressed at the earliest opportunity, including potentially breaching a number of items of legislation, including the Human Rights

Act 1998, Data Protection Act 1998, Regulation of Investigatory Powers Act 2000 and the recent GDPR. Specific to the Home Office's 2013 Code of Practice:

- The value of any CCTV use may be adversely impacted, for example if signposting is not used then it will be less likely to have the desired impact on crime/antisocial behaviour.
- Privacy may not be respected, potentially leading to key legislation, for example the Human Rights Act, being breached.
- Roles/responsibilities may be unclear, leading to an inconsistent approach.
- The value of any evidence gathered may be invalidated, due to it not being of the required standard.

### Action plan

Once the Code and associated procedures have been refreshed:

- Agree a suitable report format and interval, sufficient to enable the Council to confirm that the Code or any replacement is being complied with and that CCTV is being operated 'safely'.
- Ensure that CCTV is covered in future oversight meetings, specifically regarding escalating any issues which occur 'in year'.
- Update the sign at Ryde harbour.

### Responsible person/title

Peter Marsden, Interim Strategic Manager – Highways and Transportation

### Target date

March 2019

### Reference number

18-19-06-02

## **Current year findings (3 of 4)**

### **Covert Surveillance Policy**

#### *Control design*

**3**

**Medium**

#### *Finding and root cause*

The Council “Covert Surveillance Policy” explicitly references using social media. There is training available covering appropriate use of social media for covert surveillance. However we note that the training slides are dated 2016, no records are kept of those attending training and both of the surveys returned (see specific finding elsewhere in this report) which identify that there is potentially some use of social media for surveillance (Adult and Children’s services) state that relevant teams have not been provided with any training.

The Policy and, as above, the training was last refreshed in 2016 and is scheduled to be reviewed in 2019. On next review there are a number of updates and enhancements which should be made to the Policy, as below:

- Minor updates, regarding job titles and officers in post.
- Making the post which has the position of ‘nominated officer’, responsible for example for carrying out regular reviews, explicit (the Council’s nominated officer is the Strategic Manager of Legal Services, however this is not explicitly identified in Policy).
- Documenting a protocol, to make it clear that if there any requests for social media access which could be used for surveillance then the ‘nominated officer’ should review these (currently accounts are approved by the Principal Communications and Engagement Manager).

Regarding the supporting training at a high level this should be amended, as required, to align with any changes made in the overarching Policy. At a more detailed level:

- This needs to be widely highlighted across the Council, to ensure that all staff who made need to access the training are aware of it.
- A formal record needs to be kept of all those attending the training. At a minimum this needs to include sign in sheets, capturing both individuals’ job titles and the date training was completed.

#### *Implications*

If the Covert Surveillance Policy is not kept up to date then it maybe unclear who is responsible for fulfilling the roles documented within the Policy, potentially leading to inconsistency and/or gaps in the Council’s approach.  
If training is not promoted relevant staff may not be aware of its existence and therefore may not complete the training, increasing the potential for inappropriate use of social media for surveillance.

Action plan	
The Strategic Manager of Legal Services will:	<p>• Update the Covert Surveillance Policy as planned, addressing minor inaccuracies and progressing enhancements, for example making the officer holding the 'nominated officer' role explicit and documenting a protocol to ensure that the nominated officer is made aware of any potential use of social media for surveillance.</p> <p>• Update the training available regarding use of Social Media for surveillance, to align with the revised Policy.</p> <ul style="list-style-type: none"> <li>• Widely promote the training across the Council. To ensure that all staff who may use social media for surveillance are aware of its existence.</li> <li>• Implement a formal record of training completed, individuals job titles and when training is completed.</li> </ul>

*Responsible person/title*

Justin Thorne, Strategic Manager of Legal Services

*Target date*

September 2019

*Reference number*

18-19-06-03

## **Current year findings (4 of 4)**

<b>Social Media Survey</b>	<b>Control design</b>	<b>4</b>	<b>Medium</b>
----------------------------	-----------------------	----------	---------------

### **Finding and root cause**

The Chief Surveillance Commissioner wrote to all councils on the 20<sup>th</sup> March 2017. This letter highlighted that the central team of Surveillance Inspectors were increasingly observing use of social media by council officers, using their own initiative, which could potentially fall under the category of 'covert surveillance', with RIPA (Regulation of Investigatory Powers Act 2000) potentially applying. Councils were recommended to carry out their own investigations as to how prevalent this issue is at their organisations, by scheduling internal audit reviews. To respond to this recommendation a survey has been carried out of all areas on the Council as part of this review.

All directors and senior managers across the Council were contacted, requesting they propagate a Social Media survey with the teams within their remit covering:

- Purpose and volume of use of social media for surveillance.
- Documentation regarding any use of Social Networking Sites (SNS) for surveillance.
- Hardware used, i.e. Council or private hardware.
- Supervision arrangements.
- Record keeping.
- Checks/oversight, specifically regarding justification in legislation.
- Any training/guidance provided.

The survey was sent out, with summary information, to all officers across the Council (as part of the regular electronic managers' newsletter) with any line management responsibilities, requesting that they complete and return the survey if applicable to their areas.

Additionally discussions were held with the Principal Communications and Engagement Manager and Head of IT, regarding the Council's general arrangements for social media use. These discussions identify that the Council blocks social media by default on its internal network. Any use of social media requires authorisation by the Principal Communications and Engagement Manager. While there are, a small number of authorised accounts all of these are only authorised to be used to publish Council information, barring one which is managed by the Head of Regulatory Services, authorised for investigatory use. When social media is used in Regulatory Services it would be to support investigation of criminal activity, for example stemming from a complaint from a member of the public and would only be initiated subsequent to judicial approval. The records which are maintained regarding the activity will depend on the nature of the investigation but does include all information gained and its dissemination (detailed in section six and following of the overarching Policy).

Of the surveys/responses received all bar two responded to confirm that social media was not used to carry out investigations. Apart from Regulatory Services (covered above) one team within Children's did identify that there was some limited use of social media for investigations. While the Service has its own local arrangements in place the Strategic Manager of Legal Services has been notified and their arrangements will be reviewed to confirm that no enhancements are necessary.

### ***Implications***

If there is not appropriate governance/oversight then there may not be sufficient corporate visibility of the surveillance taking place, performance may not be maximised and any issues may not be identified and addressed at the earliest opportunity.

If senior management is not aware of the opportunity to use social media for surveillance then it may not be being used where justified, to further the Council's aims.

If senior management is not aware of the 'requirements' regarding use of social media for surveillance then they will be less likely to comply with these, potentially invalidating the 'value' of any surveillance carried out.

### ***Action plan***

1. Ensure that the usage in Children's Services is compliant with Council wide requirements, as covered in finding one.
2. Increase the automated logging of social media account use, for the authorised accounts.

#### ***Responsible person/title***

1. Justin Thorne, Strategic Manager of Legal Services
2. Gavin Muncaster, Head of IT

#### ***Target date***

September 2019

#### ***Reference number***

18-19-06-04

## Appendix A: Basis of our classifications

<i>Effect on Service</i>	<i>Embarrassment/reputation</i>	<i>Personal Safety</i>	<i>Personal privacy infringement</i>	<i>Failure to provide statutory duties/meet legal obligations</i>	<i>Financial</i>	<i>Effect on Project Objectives/Schedule Deadlines</i>
A finding that could result in a: <ul style="list-style-type: none"><li>• Major loss of service, including several important areas of service and / or protracted period. Service Disruption 5+ Days</li></ul>	A finding that could result in: <ul style="list-style-type: none"><li>• Adverse and persistent national media coverage</li><li>• Adverse central government response, involving (threat of) removal of delegated powers</li><li>• Officer(s) and/or Members forced to resign</li></ul>	A finding that could result in: <ul style="list-style-type: none"><li>• Death of an individual or several people</li></ul>	A finding that could result in: <ul style="list-style-type: none"><li>• All personal details compromised/ revealed</li></ul>	A finding that could result in: <ul style="list-style-type: none"><li>• Litigation/claims/ fines from Department £250k +</li><li>• Corporate £500k +</li></ul>	A finding that could result in: <ul style="list-style-type: none"><li>• Costs over £500,000</li></ul>	A finding that could result in: <ul style="list-style-type: none"><li>• Complete failure of project/ extreme delay – 3 months or more</li></ul>
<b>Critical</b>						
A finding that could result in a: <ul style="list-style-type: none"><li>• Complete loss of an important service area for a short period</li><li>• Major effect to services in one or more areas for a period of weeks Service Disruption 3-5 Days</li></ul>	A finding that could result in: <ul style="list-style-type: none"><li>• Adverse publicity in professional/municipal press, affecting perception/standing in professional/local government community</li><li>• Adverse local publicity of a major and persistent nature</li></ul>	A finding that could result in: <ul style="list-style-type: none"><li>• Major injury to an individual or several people</li></ul>	A finding that could result in: <ul style="list-style-type: none"><li>• Many individual personal details compromised/ revealed</li></ul>	A finding that could result in: <ul style="list-style-type: none"><li>• Litigation/claims/ fines from Department £50k to £125k</li><li>• Corporate £100k to £250k</li></ul>	A finding that could result in: <ul style="list-style-type: none"><li>• Costs between £50,000 and £500,000</li></ul>	A finding that could result in: <ul style="list-style-type: none"><li>• Significant impact on project or most of expected benefits fail/ major delay – 2-3 months</li></ul>
<b>High</b>						

<b>Effect on Service</b>	<b>Embarrassment/ reputation</b>	<b>Personal Safety</b>	<b>Personal privacy infringement</b>	<b>Failure to provide statutory duties/meet legal obligations</b>	<b>Financial</b>	<b>Effect on Project Objectives/ Schedule Deadlines</b>
A finding that could result in a: <ul style="list-style-type: none"> <li>Major effect to an important service area for a short period</li> <li>Adverse effect to services in one or more areas for a period of weeks</li> </ul> Service Disruption 2-3 Days	A finding that could result in: <ul style="list-style-type: none"> <li>Adverse local publicity /local public opinion aware</li> <li>Statutory prosecution of a non-serious nature</li> </ul>	A finding that could result in: <ul style="list-style-type: none"> <li>Severe injury to an individual or several people</li> </ul>	A finding that could result in: <ul style="list-style-type: none"> <li>Some individual personal details compromised/revealed</li> </ul>	A finding that could result in: <ul style="list-style-type: none"> <li>Litigation/claims/fin es from Department £25k to £50k</li> <li>Corporate £50k to £100k</li> </ul>	Costs between £5,000 and £50,000	A finding that could result in: <ul style="list-style-type: none"> <li>Adverse effect on project/ significant slippage – 3 weeks–2 months</li> </ul>
A finding that could result in a: <ul style="list-style-type: none"> <li>Brief disruption of important service area</li> <li>Significant effect to non-crucial service area</li> </ul> Service Disruption 1 Day	A finding that could result in: <ul style="list-style-type: none"> <li>Contained within section/Unit or Directorate</li> <li>Complaint from individual/small group, of arguable merit</li> </ul>	A finding that could result in: <ul style="list-style-type: none"> <li>Minor injury or discomfort to an individual or several people</li> </ul>	A finding that could result in: <ul style="list-style-type: none"> <li>Isolated individual personal detail compromised/revealed</li> </ul>	A finding that could result in: <ul style="list-style-type: none"> <li>Litigation/claims/fin es from Department £12k to £25k</li> <li>Corporate £25k to £50k</li> </ul>	Costs less than £5,000	A finding that could result in: <ul style="list-style-type: none"> <li>Minimal impact to project/ slight delay less than 2 weeks</li> </ul>
A finding that does not have a risk impact but has been raised to highlight areas of inefficiencies or good practice.						

**Low**

**Advisory**

## ***Report classifications***

The report classification is determined by allocating points to each of the findings included in the report.

<i>Findings rating</i>	<i>Points</i>	<i>Report classification</i>	<i>Points</i>
Critical	40 points per finding	● Low	6 points or less
High	10 points per finding	● Medium	7–15 points
Medium	3 points per finding	● High	16–39 points
Low	1 point per finding	● Critical	40 points and over

## **Appendix B: Terms of reference**

### **Background and Scope**

A letter was issued to all councils by the Chief Surveillance Commissioner on the 20<sup>th</sup> March 2017. This highlighted that the central team of Surveillance Inspectors were increasingly observing use of social media by council officers, using their own initiative, which could potentially fall under the category of ‘covert surveillance’, with RIPA (Regulation of Investigatory Powers Act 2000) potentially applying. The letter goes on to recommend that councils schedule internal audits, to both ensure that their policies and procedures and sufficient and to quantify how applicable this potential issue is to their organisations. The first two sub processes of this review address these areas.

More widely, another area of the Council’s responsibilities where ‘surveillance’ is carried out is the use of CCTV. While operationally this now falls under the Highways PFI ultimately the Council is still accountable. Good practice is set out in the 12 guiding principles of the Home Office’s 2013 Surveillance Camera Code of Practice; the third sub process of this audit will review the Council’s arrangements to ensure these are satisfied.

The sub-processes, control objectives and potential related risks included in this review are:

#	Control objective	Potential risks	Summary of Fieldwork
1	<b>Surveillance Policy</b> The Council has an up to date, recently reviewed Surveillance Policy regarding surveillance action of staff and clients, which is suitably available to interested parties, for example through publication on the Council’s intranet.  The Policy and supporting guidance are clear when use of social media constitutes ‘surveillance’ and the process which needs to be followed, specifically: <ul style="list-style-type: none"><li>When use of social media for surveillance is appropriate.</li><li>Authorisations which are necessary before its use.</li><li>Expectations regarding record keeping.</li><li>Reporting and oversight arrangements.</li><li>The consequences of not following Council policy regarding use of social media for obtaining information and potentially carrying out surveillance.</li></ul>	If the Council does not have an appropriate Policy and supporting, documented procedures in place governing its use of surveillance, specifically use of social media, then ultimately it may not comply with legal requirements, for example the 1998 Human Rights Act and 2000 Regulation of Investigatory Powers Act, introducing the potential for significant financial sanctions and reputational damage. More specifically: <ul style="list-style-type: none"><li>Management/staff may not be aware of the Council’s requirements and will be more likely to take an inconsistent and potentially poor/unjustified approach to use of social media for surveillance.</li><li>Use of social media for surveillance may not meet ‘evidentiary’ requirements, introducing the likelihood that results will be of no value and it not being possible to hold perpetrators to account for their actions, potentially leading the Council</li></ul>	<p>Internal Audit will:</p> <ul style="list-style-type: none"><li>Review the Council’s Policy to confirm it has been recently reviewed and is current.</li><li>Confirm that the Policy is published on the Council’s intranet, or otherwise sufficiently available to interested parties.</li></ul> <p>Review the Policy and supporting guidance to confirm that it is clear when use of social media constitutes ‘surveillance’ and the process which needs to be followed; specifically that the following are satisfactorily addressed:</p> <ul style="list-style-type: none"><li>When use of social media for surveillance is appropriate.</li><li>Authorisations which are necessary before its use.</li><li>Expectations regarding record keeping.</li><li>Reporting and oversight arrangements.</li><li>The consequences of not following Council policy regarding use of social media for obtaining information and potentially carrying out surveillance.</li></ul>

#	Control objective	Potential risks	Summary of Fieldwork
1	A register is held of all enquiries into an individual's social media accounts including its purpose/justification, authorisation, time period is was carried out and result.	<ul style="list-style-type: none"> <li>• having to pay compensation if due process has not been followed.</li> <li>• Opportunities to use social media for surveillance effectively to meet the Council's needs may be missed.</li> <li>• Individuals may suffer unnecessary and/or unjustified intrusion into their affairs.</li> </ul> <p>If there is not appropriate governance/oversight then there may not be sufficient corporate visibility of the surveillance taking place, performance may not be maximised and any issues may not be identified and addressed at the earliest opportunity.</p>	<p>Confirm that the Council maintains a register of its use of social media when attempting to obtain information about its staff and clients including its purpose/justification, authorisation and time is was carried out and result.</p> <p>Confirm that the nominated officer is monitoring the usage of social media and is taking the appropriate actions in the event that a breach potential or otherwise exists in relation to the Regulatory Investigative Powers Act 2000 and Human Rights Act 1998.</p>
2	<b>Survey of Surveillance Use</b> The officers of the Council are aware of, understand and comply with the Council's Policy and procedures regarding social media for surveillance; to be confirmed via a survey of senior staff.	<p>If senior management is not aware of the opportunity to use social media for surveillance then it may not be being used where justified, to further the Council's aims.</p> <p>If senior management is not aware of the 'requirements' regarding use of social media for surveillance then they will be less likely to comply with these, potentially invalidating the 'value' of any surveillance carried out.</p>	<p>Internal Audit will survey senior staff regarding the following: Staff use of Social Networking Sites (SNS) to gather information on individuals in the course of their work.</p> <ul style="list-style-type: none"> <li>• Purpose and volume of use.</li> <li>• Documentation regarding any use of SNS.</li> <li>• Hardware used, i.e. Council or private hardware.</li> <li>• Supervision arrangements.</li> <li>• Record keeping.</li> <li>• Checks/oversight, specifically regarding justification in legislation.</li> <li>• Any training/guidance provided.</li> </ul> <p>Distribution and coverage will be agreed with the Chief Internal Auditor prior to the commencement of fieldwork.</p>
3	<b>CCTV</b> The Council's use of CCTV (including mobile cameras, for example drones) is in line with the 12 guiding principles documented in the Home Office's 2013 Surveillance Camera Code of Practice, summarised below:	<ul style="list-style-type: none"> <li>• The value of any CCTV use may be adversely impacted, for example if signposting is not used then it will be less likely to have the desired impact on crime/antisocial behaviour.</li> </ul> <p>If the 12 guiding principles of good CCTV use are not followed then:</p> <ul style="list-style-type: none"> <li>• There is a documented set of objectives, justifying the use of CCTV on the Island.</li> <li>• Ongoing use of CCTV is regularly reviewed against objectives.</li> </ul>	<p>Internal Audit will review the Council's documented CCTV arrangements, including agreements with third parties to confirm the following areas are satisfied:</p> <ul style="list-style-type: none"> <li>• There is a documented set of objectives, justifying the use of CCTV on the Island.</li> <li>• Ongoing use of CCTV is regularly reviewed against objectives.</li> </ul>

#	Control objective	Potential risks	Summary of Fieldwork
	<p>14. It take into account privacy impact.</p> <p>15. Use is transparent.</p> <p>16. Responsibility and accountability is documented.</p> <p>17. Rules, policies and procedures are documented and communicated to relevant parties.</p> <p>18. Image/information storage is proportionate.</p> <p>19. Access to images/information is restricted and subject to clearly defined rules.</p> <p>20. Operators are mindful of expected standards.</p> <p>21. Images/information is held securely.</p> <p>22. Arrangements are regularly reviewed/audited, with the results published.</p> <p>23. Images/information is processed to ensure it has evidential value.</p> <p>24. Any matching databases are kept up to date.</p>	<ul style="list-style-type: none"> <li>Privacy may not be respected, potentially leading to key legislation, for example the Human Rights Act, being breached.</li> <li>Roles/responsibilities may be unclear, leading to an inconsistent approach.</li> <li>The value of any evidence gathered may be invalidated, due to it not being of the required standard.</li> </ul>	<p>Documented processes identify the acceptable use of CCTV, in line with overarching objectives.</p> <ul style="list-style-type: none"> <li>Privacy impacts assessments are required where there are specific privacy concerns and more generally the expectation that individual privacy will be respected is documented.</li> <li>The police have been consulted regarding use of CCTV.</li> <li>The contact point/process for information and complaints is published; statistical information regarding complaints is publicly available.</li> <li>Regular reports are produced and publicly available regarding CCTV use.</li> <li>Responsibility/accountability for CCTV is clearly documented, specifically where services are provided in partnership with third parties.</li> </ul> <p>Internal Audit will confirm that consultation/engagement with the public regarding the use/justification of CCTV is carried out annually.</p> <p>Internal Audit will confirm on a sample basis that where CCTV is deployed its purpose is clearly signposted.</p> <p>Internal Audit will confirm that the Council has arrangements in place to ensure that:</p> <ul style="list-style-type: none"> <li>CCTV operators complete training, highlighting acceptable use and that public space surveillance (CCTV) licences are held, where required.</li> <li>Images and information are stored securely and are deleted after a proportionate time period.</li> <li>A documented process is in place to manage access requests and appropriate audit logs of access are maintained.</li> <li>Images and information is stored in a manner which ensures its 'evidential value'; this has been confirmed with a source of authority, for example the police.</li> </ul>

## **Appendix C: Limitations and responsibilities**

### ***Limitations inherent to the internal auditor's work***

We have undertaken this review subject to the limitations outlined below

### ***Responsibilities of management and internal auditors***

It is management's responsibility to develop and maintain sound systems of risk management, internal control and governance and for the prevention and detection of irregularities and fraud. Internal audit work should not be seen as a substitute for management's responsibilities for the design and operation of these systems.

We endeavour to plan our work so that we have a reasonable expectation of detecting significant control weaknesses and, if detected, we carry out additional work directed towards identification of consequent fraud or other irregularities. However, internal audit procedures alone, even when carried out with due professional care, do not guarantee that fraud will be detected.

Accordingly, our examinations as internal auditors should not be relied upon solely to disclose fraud, defalcations or other irregularities which may exist.

<b><i>Internal control</i></b>	<b><i>Future periods</i></b>
Internal control systems, no matter how well designed and operated, are affected by inherent limitations. These include the possibility of poor judgment in decision-making, human error, control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of unforeseeable circumstances.	<p>Our assessment of controls is for the period specified only. Historic evaluation of effectiveness is not relevant to future periods due to the risk that:</p> <ul style="list-style-type: none"><li>• The design of controls may become inadequate because of changes in operating environment, law, regulation or other changes; or</li><li>• The degree of compliance with policies and procedures may deteriorate.</li></ul>