

MANAGEMENT RESPONSE TO INTERNAL AUDIT RECOMMENDATIONS

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NO	RECOMMENDATIONS	PRIORITY	RESPONSIBLE OFFICER TIME-SCALE	COMMENTS / ACTIONS BY DEPARTMENT
1	There are documented procedures and policies in place to ensure consistent practices and standards are applied and maintained.			
1.1	<p>The Recoupment Policy should be reviewed and amended to reflect current practices and legislation in accordance with its planned review for 2009/10. It should then be formally approved.</p> <p>The current provision to allow an add-on cost for administration should be left open until it can be determined whether 10% is sufficient to recover these costs.</p>	High	<p>SEN Inclusion Manager</p> <p>March 2010</p>	<p>Agreed.</p> <p>The Recoupment Policy will be reviewed with a draft for approval completed by January 2010.</p> <p>The administration cost of 10% will remain unchanged for the remainder of the current financial year. During this time The Principal Education Officer, SEN will research the costs charged by neighbouring LAs.</p>
1.2	<p>Documented procedure notes should be written to cover all working practices associated with the recoupment process. These procedures should be retained where key staff can access them when required and be subject to annual review to ensure they are kept up-to-date. The procedures should include the following aspects of recoupment:</p> <ul style="list-style-type: none"> a. The basis of determining the cost of placement including the administration. b. The process of recouping the charges from other LEAs. c. Recording placements and the committed spend on the monitoring system. 	High	<p>Senior Education Officer / Senior Accounting Technician.</p> <p>March 2010</p>	<p>Agreed.</p> <p>A step by step procedures guide will be drawn up by Colleagues working in this area, which scopes the complete workload within both Finance and SEN Assessment Team and schools. This will be completed by the end of March 2010 ready for the next financial year.</p> <p>The Senior Accounting Technician will aim to complete this by the end of November 2009.</p>

APPENDIX B

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NO	RECOMMENDATIONS	PRIORITY	RESPONSIBLE OFFICER TIME-SCALE	COMMENTS / ACTIONS BY DEPARTMENT
2	Contracts are in place with other Local Authorities and best value can be demonstrated for placements made outside the borough.			
2.1	<p>When a placement is made between Swindon and another LEA, a formal agreement should be signed by each party to ensure that the responsibilities for each party is clear and the cost of the placement is agreed.</p> <p>Collaborative agreements should be considered with neighbouring local authorities to reduce the administrative burden. For example, an exercise could be completed at the end of the year to outline the total costs incurred by each authority and the amounts netted off with the balance paid by the relevant authority.</p>	High	<p>Principal Education Officer</p> <p>March 2010</p>	<p>Agreed.</p> <p>A draft agreement will be submitted for approval to Borough Legal Services and will be used in future admission arrangements in 2010/2011.</p> <p>Discussions between neighbouring authorities and the Finance Team will look at this feasibility by March 2010.</p>
2.2	The SENAT team should look at more collaborative arrangements with its neighbouring authorities with a view to aid placement planning at a regional level and reduce the administrative burden of recoupment, e.g. perhaps look at block purchases of places at certain schools that can be invoiced in advance.	Medium	<p>Principal Education Officer</p> <p>March 2010</p>	<p>Agreed.</p> <p>The local authority will have discussions with other authorities in the South West Region and Borough Legal Services about the feasibility and legality of this suggestion.</p>

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NO	RECOMMENDATIONS	PRIORITY	RESPONSIBLE OFFICER TIME-SCALE	COMMENTS / ACTIONS BY DEPARTMENT
2	Contracts are in place with other Local Authorities and best value can be demonstrated for placements made outside the borough.			
2.3	<p>The costs charged by other LEA's should be compared periodically to ensure that Swindon's costs remain comparable to those of similar authorities and that the charges incurred by Swindon are not excessive.</p> <p>As advised by the Deputy Group Finance Manager (Schools), work should be progressed with the South West Fair Funding Group to agree a common basis for calculating recoupment costs to ensure comparability with our neighbouring Local Education Authorities.</p>	High	<p>Senior Education Officer</p> <p>March 2010</p>	<p>Agreed.</p> <p>This will be carried out twice a year when recoupment arrangements are agreed. However the comparable information may be limited as charges are made for individual needs in each placement and schools costs will vary according to their circumstances.</p>
2.4	<p>When a child moves from another LEA to Swindon but continues to be educated in the other LEA's school, a procedure should be put in place to ensure that the SENAT team members identify the costs of these placements and forward these to the Senior SEN Officer for incorporation in to their expenditure projections.</p>	Medium	<p>Senior Education Officer</p> <p>March 2010</p>	<p>Agreed.</p> <p>This happens already.</p>

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NO	RECOMMENDATIONS	PRIORITY	RESPONSIBLE OFFICER TIME-SCALE	COMMENTS / ACTIONS BY DEPARTMENT
3	Recharges for recouped places are set at a level sufficient to recover all costs and invoiced in accordance with the Council's financial regulations.			
3.1	<p>The finance team should undertake a costing exercise to determine whether or not the add-on of 10% for administration is sufficient to cover the total administrative costs. The outcome of this exercise should be incorporated into the costings for 2010/11 to ensure that charges are both realistic and also comparative with similar local authorities.</p> <p>The basis of any calculations on the administrative costs should be clearly documented to ensure their application on a consistent basis.</p> <p>Work on agreeing a regional approach to charging should be progressed to ensure costing is comprehensive and comparable on a regional basis.</p>	Medium	<p>Senior Accounting Technician</p> <p>March 2010</p>	<p>Agreed.</p> <p>The 10% charge has been raised at the recent Southwest regional meeting attended by the Deputy Group Finance Manager. A number of authorities use 10% while others base their central recharges on certain lines of the s52 statement. The consensus of opinion is that the charges should be based on the s52 statement (relevant lines to be agreed between authorities) and the Deputy Group Finance Manager will be working with other authorities to achieve this. Hopefully December 2009 should fit in with this, although this date will be dependant on the timetable of the other authorities involved.</p>
3.2	<p>Budget monitoring should be expanded to allow for the monitoring of variations on a placement by placement basis to identify any significant variations between the indicated and actual recoupment charges and allow SENAT to challenge these.</p>	Medium	<p>Principal Education Officer</p> <p>February 2010</p>	<p>Agreed.</p> <p>This is already in place.</p>

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3	Recharges for recouped places are set at a level sufficient to recover all costs and invoiced in accordance with the Council's financial regulations.			
3.3	The process for authorising hospital recoupment invoices for payment should be revised to ensure that invoices are only processed once confirmation has been received that the educational support was provided.	Medium	Principal Education Officer February 2010	The whole process should be passed to the Education Other Than At Schools (EOTAS) Team as most of the children do not have SEN.
3.4	SENAT should continue to invoice regularly through the year to ensure that as much income is received in the correct financial year as possible. Invoicing 3 times a year should be implemented.	Medium	Senior Education Officer February 2010	Agreed. This is already in place subject to priority.
3.5	A review of all the calculations used in preparing the recoupment costs should be conducted to ensure that all costs are reflected and the true cost of providing the service is covered in any recoupment recharges. The basis for preparing these calculations should be clearly documented to ensure that it can be applied consistently between years.	Medium	Senior Accounting Technician. March 2010	Agreed. A review will be carried out, by the end of December 2009, of the current charging policy to ensure all costs are covered. The Deputy Group Finance Manager will document any changes made to the current charging policy as well as providing some additional guidance notes to accompany the current recharging calculation spreadsheets. Wiltshire County Council's calculations have been received and other authorities have been asked to send their current charging calculations to ensure Swindon's are comparable with other authorities charging methods.

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NO	RECOMMENDATIONS	PRIORITY	RESPONSIBLE OFFICER TIME-SCALE	COMMENTS / ACTIONS BY DEPARTMENT
4	Financial planning and budgetary control is effective.			
4.1	<p>The budget position for 2009/10 should be clarified by SENAT, with assistance from the Children's Finance Team, and reported as a matter of priority.</p> <p>Data and documentation used to prepare the budget should be maintained and developed to provide estimates of the future committed costs and income for recoupment.</p> <p>This information should be reported to senior management to assist in the strategic planning process for school place planning.</p>	High	<p>Principal Education Officer</p> <p>March 2010</p>	<p>Agreed.</p> <p>This has now happened.</p>
4.2	<p>A detailed and accurate forecast of the 2009/10 recoupment budget outturn should be produced. Actions should be agreed by the senior management team to mitigate the impact of the overspend on children services budgets. Actions taken and the position of the budget should be subject to regular and formal review.</p> <p>Accurate budget and activity forecasts should be made monthly, in accordance with Financial Regulations and the Budget Managers' Financial Standards.</p> <p>Closer and more regular monitoring of income and expenditure should be conducted. This will allow sufficient time to implement any plans to reduce the level of spend or identify additional resources should any action be required.</p>	High	<p>Principal Education Officer</p> <p>February 2010</p>	<p>Agreed.</p> <p>Attention will be paid to accurate budget forecasting and will be a priority of the Principal Education Officer.</p>

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4	Financial planning and budgetary control is effective.			
4.3	<p>Placement changes authorised through the SENRAP process should be actioned on the monitoring spreadsheet as soon as the outcomes of the meeting are published i.e. to ensure an up-to-date projection of income and expenditure can be made. Any expected overspend should be reported to senior management to ensure corrective action can be taken before year end.</p> <p>The monitoring spreadsheet should be used to estimate long term placement availability and budget pressures allowing sufficient time for management to determine the most effective way to utilise resources available.</p> <p>Any projected figures should be signed off by the budget holder as correct.</p>	High	<p>Senior Education Officer</p> <p>February 2010</p>	<p>Agreed.</p> <p>The monitoring spreadsheet will be updated as soon as the outcomes of the SENRAP are known. The spreadsheet will be adapted to generate projected costs into future years.</p>
4.4	<p>Work should continue with the developers of EMS to develop a method of recording future committed places and placement availability for Special Schools and Special Resourced Provision (SRP) in mainstream schools.</p>	Medium	<p>Senior Education Officer</p> <p>March 2010</p>	<p>Agreed.</p> <p>This would be an ideal development. It would improve functionality of the system. Until now Capita have been unable to develop and support a workable reliable placement and forecasting system – that would benefit this team and managers adequately. It requires sustained work to maintain this at present and this is not always a priority area.</p>

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4	Financial planning and budgetary control is effective.			
4.5	<p>The SENRAP checklist and outcomes sheets should be used as the source document to update the budget monitoring for new / changes to placements.</p> <p>SENRAP checklists and outcomes sheets should be amended to include the financial implications of any decisions made and signed and dated by the person updating the budget projections once they have been actioned on the finance system to ensure there is no duplication or omission of data.</p>	High	<p>Principal Education Officer</p> <p>February 2010</p>	<p>Agreed.</p> <p>See actions accepted at AP4.3</p>
4.6	<p>The budget monitoring system should be expanded to include more detail of the individual placements to allow easy analysis of any variations and identification of where debtor and creditor provisions are required at year end. It is suggested that further analysis codes could be used to identify each child, with the budget apportioned to each one as placements are allocated. Subjective codes could also be used to distinguish between special and mainstream schools.</p>	Medium	<p>Principal Education Officer</p> <p>March 2010</p>	<p>This would be a painstaking piece of work that should be carried out by the Finance Team. As such the time that it would take needs to be carefully evaluated.</p> <p><i>Audit Comment: This process would not generate significantly more work other than the need to use a code for each child. However, the benefits in identifying any outstanding costs at year-end to calculate accurate year-end provisions should outweigh this extra work.</i></p>

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4	Financial planning and budgetary control is effective.			
4.7	The spreadsheet used to monitor recouped placement income and expenditure should be password protected to restrict any unauthorised or unnecessary amendments being made. Other members of the team could be allowed access to browse the file where necessary.	Medium	Principal Education Officer February 2010	Agreed.
5	Benchmarking against other Local Authorities and providers is undertaken to determine best practice and drive service improvements.			
5.1	The costs of placements in Swindon Schools should be compared to those of LEAs in the surrounding area and within SBC's family group to ensure that they are competitive. The reasons for any significant variations should be investigated to identify any strengths or weaknesses in Swindon procedures and corrective action taken where necessary.	Medium	Principal Education Officer March 2010	Agreed. The LA will carry out this exercise in conjunction with other LAs in the SW Region. Not sure whether Swindon needs to be competitive at this moment in time as there are capacity issues in most schools.
5.2	Following the work of the Fairer Funding Group, the basis of costing and the charges used by Swindon should be benchmarked against other LA's in the south west and any examples of best practice incorporated into Swindon's recoupment procedures.	Medium	Principal Education Officer / Deputy Group Finance Manager – Schools March 2010	Agreed. Benchmarking will be done following the outcome of the Fairer Funding Group meeting. This work is ongoing at present so there may not be an outcome during the timescale suggested but once there is then this recommendation will be actioned.

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I certify that the above information is correct

Service Manager: Sheila Allcock

Date: 28th October, 2009

Nicki Archer

2nd November, 2009

Internal Audit: Nikki Soave

Date: 10th November, 2009