

High Importance Recommendations

<u>Audit Title (Director)</u>	<u>Summary of Finding and Recommendation</u>	<u>Management Response</u>	<u>Action Date (by end of)</u>	<u>Confirmed Implemented</u>
Reported June 2015				
Resource Allocation System (E&T)	<p>An audit of the new Resource Allocation System (vehicles and plant) for highways work revealed that standing data was incomplete, there were delays in recording allocations and other key information and there was not any management information.</p> <p>Recommended: -</p> <ol style="list-style-type: none"> 1. Processes and training should be reviewed and revised 2. Information should be produced on a frequent basis and reviewed by management 	Agreed and actions already in place including internal audit stock checks	July 2015	
Reported February 2015				
Health and Safety in maintained schools (C&FS)	<p>Internal Audit Service was requested to follow up on a recommendation from a Health and Safety Executive Improvement Notice that full inventories exist of all vehicles and plant, and that records can demonstrate fully that all vehicles/plant have been/are being serviced and maintained in accordance with manufacturers' instructions. None compliance to the Notice could result in penalties, compensation awards, adverse publicity and legal action (and costs) against the County Council.</p> <p>There was a poor response from maintained schools, even after reminders and further guidance. It was recommended that the C&FS H&S representatives should work closely with the Corporate Health & Safety Unit to drive forward compliance with the HSE Improvement Notice.</p>	Agreed	January 2015 Extended to Mar. 2015	Yes

Reported November 2014				
Liquid Logic Adults System (LAS) project phase 2 (A&C)	<p>The audit revealed there was need for immediate improvements to some areas of the project specifically around scoping requirements, determining processes, and resource identification and planning.</p> <p>Recommended: -</p> <ol style="list-style-type: none"> 1. clear criteria be established for the prioritisation of tasks, 2. development of a detailed resource plan, 3. regular updating of the project control records 4. undertaking a 'gap analysis' to determine processes that still need to be developed <p>Management agreed that a formal re-planning exercise involving key stakeholders would be formally signed off as a matter of urgency. This will also take into account key tasks still outstanding from Phase 1. Once phase 2 priorities have been finalised a detailed resource plan will be developed and the PID updated to reflect this.</p>	Agreed (see previous column for detail)	Originally Dec. 2014 Extended to Feb. 2015	Yes
Sponsored Academies - Revenue & Capital Implications (C&FS/CR)	<p>The LA has ongoing responsibilities under legislation, part of which is to ensure that schools remain 'fit-for-purpose' from an infrastructure aspect and business continuity risks are appropriately managed. However, on-going role of the LA post-conversion with regard to the physical state of an academy's buildings is not clearly defined.</p> <p>Recommended that the ongoing responsibilities of LCC as the landlord should be defined</p> <p>A system of prioritisation is used, based on condition surveys and other intelligence, to determine which capital works will be funded centrally (e.g. those relating to health & safety or serious structural issues). With regard to schools undergoing imposed sponsored academy conversion there will be</p>	Agreed	Originally Jan. 2015 Extended March 2015	Yes

	<p>negotiation with the potential sponsor surrounding their expectations that any immediate capital works are completed at the LA's expense and prior to conversion. Without completion, there is a risk that the sponsors will find schools financially unattractive to sponsor.</p> <p>Recommended that a clear strategy should be developed by C&FS and CR (Property Services), endorsed by the Corporate Schools' Group, setting out the process to be followed in determining what capital works will be LA-funded.</p>	Agreed		
Reported May 2014				
'M-Star' – Managed Service For Temporary Agency Resources (CR)	<p>'Off contract' spend on agency staff remained high and if the levels continued then projected savings would not be achieved. In addition, the volume of agency worker timesheets that were auto-approved (i.e. if they hadn't been approved by the relevant manager after a certain time) was high (almost 20%), increasing the risk of errors and perhaps fraud.</p> <p>Recommended: -</p> <ol style="list-style-type: none"> 1. Proactive periodical analysis by Procurement team and pass to business HR and Finance teams to drive more conformity 2. Establish targets and thresholds for auto approvals and investigate those falling outside them 	<p>Agreed</p> <p>At the time of final report some progress had already been made</p>	<p>Originally July 2014 Extended to Oct. 2014 Extended to Jan. 2015 Extended to Apr. 2015</p>	Yes

Reported November 2013				
Pension Fund contribution 'bands' (Pension Fund)	<p>Each year the Department for Communities & Local Government set the contribution bandings for the Local Government Pension Fund. These come into effect each April, hence payrolls have to be revised to reflect the new bandings. EMSS payroll staff should check that the changes have properly occurred. The audit revealed that a report designed to assist this task was inadequate and also that due to work load and time constraints no checks were undertaken on one payroll and only a random sample on another. This could impact on both employee and employer contributions and have reputation damage.</p> <p>Recommended: -</p> <ol style="list-style-type: none"> 1. that the report should be reconfigured 2. a framework for sample testing should be agreed and implemented to cover future pension banding changes. 	Agreed	<p>Originally Sept. 2013 Extended to June 2014 Extended to Oct. 2014 Extended to Jan. 2015 Extended Mar. 2015</p> <p>2. The Head of EMSS acknowledges that this is an issue that remains to be solved with the Senior Users at both LCC and Nottingham City and not just for payroll but other functions. An updated EMSS plan covering 2015-18 is due to be approved at the Joint Committee in June 2015. It includes a strategic priority to increase levels of standardisation to support future business integration.</p>	Removed by HoIAS and transferred to Senior Users and the Head of Audit at Nottingham City Council.

‘On hold’ pending new internal audit work

Reported February 2012				
Developers Contributions (Section 106) (CEEx) in conjunction with all departments	<p>Departmental records have not been consistent in providing a clear trail of income and expenditure.</p> <p>Recommended: -</p> <ol style="list-style-type: none"> 1. Monitoring income and expenditure to project time-spans and purpose intended 2. validating the accuracy of individual record content as it was migrated onto the new database 3. department 'links officers' reporting to a central coordinator 	Agreed	<p>March 2012</p> <p>Agreed to extend to April 2013</p> <p>Suspended June 2013</p>	<ol style="list-style-type: none"> 1. Met 2. Data migration errors have now been addressed. Work underway on validation checks and introducing systems to capture spending data. 3. Not met
Developers Contributions (Section 106) (CEEx) in conjunction with all departments	<p>Once the S106 has been agreed the responsibilities for co-ordinating and monitoring income and expenditure relating to the administration of developers' contributions against the Section 106 are fragmented. Recommended establishing a time limited working group to produce agreed procedures.</p>	Agreed	<p>February 2012</p> <p>Agreed to extend to April 2013</p> <p>Suspended June 2013</p>	<p>Partly met</p> <p>A group is established but await the data migration cleansing to finalise methodology.</p>
Developers Contributions (Section 106) (CEEx)	<p>The Statement of Requirements for Developer Contributions clearly states how the County Council aims to ensure efficiency and transparency in the handling of developer contributions, but formal monitoring reports had not been produced to aid those aims. Recommended a review and decide on which (and to who) reports should be produced.</p>	Agreed	<p>March 2012</p> <p>Agreed to extend to April 2013</p> <p>Suspended June 2013</p>	<p>Not yet in place</p>