

High Importance Recommendations at 29<sup>th</sup> May 2020

<u>Audit Title (Director)</u>	<u>Summary of Finding(s) and Recommendation(s)</u>	<u>Management Response</u>	<u>Action Date (by end of) &amp; extensions</u>	<u>Confirmed Implemented</u>
Reported June 2020				
Records management (Consolidated Risk)	<p>Internal Audit randomly chose three sections within County Hall to undertake floor walks. The exercise identified some confidential and sensitive records that were not secured.</p> <p>Recommended</p> <ol style="list-style-type: none"> <li>1. Physical records containing personal and sensitive information should be held securely.</li> <li>2. Ad hoc spot checks should be independently undertaken by the Information Governance Team or Internal Audit.</li> </ol>	<p>Agreed</p> <p>The first recommendation has been actioned and comms was sent out immediately after the internal audit report.</p> <p>The Data Protection Officer intends to arrange for spot checks once there is recovery to offices</p>	Immediate	<ol style="list-style-type: none"> <li>1. Yes</li> <li>2. Tba</li> </ol>
Early Years Funding (C&FS)	<p>Providers are paid in advance, based on headcount data from the previous term. Sums are recovered where actual headcount data is less than the previous headcount. Delays with raising invoices led to one provider being overpaid. Legal has advised the overpayment will need to be written off.</p>	<p>Both recommendations were agreed, and several changes are due to be implemented, including the wider audit recommendations.</p> <p>Initial implementation dates agreed (April 2020) have largely been unachievable due to Covid-19. These are being kept under review by the</p>	October 2020	

	<p><b>Recommended to thoroughly review the circumstances surrounding the overpayment and consequently determine any process changes.</b></p> <p><b>Furthermore, a report detailing overpayments to providers showed substantial outstanding balances owed to LCC with some dating back an number of years</b></p> <p><b>Recommended immediate action should be taken regarding the aged outstanding balances owed to LCC/overpayments held on Oracle.</b></p>	<p><b>Service and will be implemented at an appropriate time, post Covid-19.</b></p> <p><b>Internal Audit will review the position in October 2020</b></p>		
<p><b>Fee Review Implementation (A&amp;C)</b></p>	<p><b>Transition of providers from the old (five band) fee structure to the new (two band) is behind schedule, due to several reasons including Provider disputes.</b></p> <p><b>Recommended that DMT received regular updates from the Project Board on the current status re: transitions, any remaining hurdles and progress against aspirational timescales.</b></p>	<p><b>Agreed</b></p> <p><b>99% of transitions completed by end of May</b></p>	<p><b>April 2020</b></p>	<p><b>Yes</b></p>
<p>Reported January 2020</p>				
<p>Burbage CE Infant School (C&amp;FS)</p>	<p>A deficit carry-forward is forecast for 2019/20. The forecast for subsequent years is expected to be considerable and increasing deficit year on year, with estimates indicating a total deficit of as much as £200K by 2023/24.</p> <p>Some recharges to the adjoining Junior school had not been processed at the time of the audit, which may result in a break-even position for 2019/20, but does not change the position for future years.</p> <p>Recommended that conversations continue with the</p>	<p><b>Agreed</b></p> <p>Will implement the recommendation by early February 2020 and monitor at each Finance meeting.</p> <p>The school finished 2019/20 with a deficit of £12K.</p>	<p>February 2020</p> <p><b>Extend to October 2020</b></p>	

	LA Finance Section with a view to forming a deficit budget plan for future years. In addition, the completion of a cash flow forecast was recommended to assist with monitoring cash flow.			
Reported May 2019				
Property Contracts Awards (CR)	Management requested an audit of the award of property maintenance contracts and the allocation of work. Whilst the audit identified poor practice and control, no evidence came to light of any wrong doing. Management agreed to act on several recommendations to strengthen control.	Because of quality issues with the data recorded in the primary system, work continues to check the processes for retrospective orders.  <b>From the HoIAS</b>  <b>The impact of the virus has affected internal audit concluding this exercise</b>	June 2019  August 2019  November 2019  April 2020  <b>Extend to June 2020</b>	
Leicestershire Schools Music Service (CR)	At management's request a review of the financial, operational and governance arrangements in place surrounding the Leicester-Shire Schools Music Service (LSMS) and it's at arm's length charity, the Leicester-Shire Music and Cultural Trust (LMCT) was undertaken. This review included the separation of responsibilities between both the LSMS and the LMCT and to assess that proper procedures are in place for the administration of ensembles.  Several recommendations and an action plan for implementation were agreed with management, including 1) improved governance arrangements, 2) clearer job roles and responsibilities, 3) revised contracts and overtime arrangements, 4) revise	Agreed  <b>From the HoIAS</b>  <b>The opinion given following the initial audit in February 2019 was only partial assurance. The opinion was lifted to substantial on the basis that there is a clear roadmap of compliance with the recommendations. Closed off recommendations 1 - 3</b>  <b>A retest will take place in 20/21 in respect of completion of the wide-ranging review of the transport service</b>	September 2019  December 2019  April 2020  <b>Extend recommendation #4 to September 2020</b>	

	<p>procurement of transport.          Whilst none of the recommendations was deemed individually as “high importance” collectively the recommendations will require a targeted follow up to ensure improvements have been made.</p>	<p><b>offered.</b></p> <p><b>From management</b></p> <p><b>Planning to go ahead with the public engagement exercise during second half of summer term</b></p>		
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