

High Importance Recommendations at 10th July 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) & extensions</u>	<u>Confirmed Implemented</u>
Reported July 2020				
ICT Externally Hosted Contracts (Consolidated risk)	<p>Three HI recommendations were made: -</p> <ol style="list-style-type: none"> 1. Confirm the circumstances of the contract before deleting records 2. Conduct an audit to determine whether valid contract are in place 3. Decide whether original (signed) contracts should be held centrally. 	All agreed (#1 is implemented)	September 2020	
Rights of audit in procurement contracts (Consolidated risk)	<p>Two HI recommendations were made: -</p> <ol style="list-style-type: none"> 1. Include rights of audit clauses within all corporate guidance and any subsequent toolkits/associated training 2. Consider requesting a variation to retrospectively include rights to audit clauses for any relevant contracts (balancing cost v benefit) 3. 	Both agreed but #2 will focus on key suppliers or highest risk contracts rather than all the contracts	September 2020	
Gifts and Hospitality Registers (Consolidated risk)	<p>Two HI recommendations were made: -</p> <ol style="list-style-type: none"> 1. Strengthen reminders for employees to complete the Counter Fraud e: learning module & consider escalation procedures for non-compliance. 2. Improve manager knowledge of gifts & hospitality through Managers Digest or specific forums in order to increase use 	Both agreed	September 2020	

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"> 1. Physical records containing personal and sensitive information should be held securely. 2. Ad hoc spot checks should be independently undertaken by the Information Governance Team or Internal Audit. 	<p>Agreed</p> <p>The Data Protection Officer intends to arrange for spot checks once there is recovery to offices</p>	<p>Immediate</p> <p>Extend to September 2020</p>	<ol style="list-style-type: none"> 1. Yes 2. Tba
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>Recommended to thoroughly review the circumstances surrounding the overpayment and consequently determine any process changes.</p> <p>Furthermore, a report detailing overpayments to providers showed substantial outstanding balances owed to LCC. Some dated back a number of years</p> <p>Recommended immediate action should be taken regarding the aged outstanding balances owed to LCC/overpayments held on Oracle.</p>	<p>Both recommendations were agreed, and several changes are due to be implemented, including the wider audit recommendations.</p>	<p>October 2020</p>	

Reported January 2020				
Burbage CE Infant School (C&FS)	<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 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.</p>	<p>Agreed</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>Extend to October 2020</p>	
Reported May 2019				
Property Contracts Awards (CR)	<p>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.</p>	<p>Because of quality issues with the data recorded in the primary system, work continues to check the processes for retrospective orders.</p>	<p>June 2019</p> <p>August 2019</p> <p>November 2019</p> <p>April 2020</p> <p>Extend to June 2020</p> <p>Extend to October 2020</p>	

<p>Leicestershire Schools Music Service (CR)</p>	<p>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.</p> <p>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 procurement of transport.</p> <p>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>Agreed</p>	<p>September 2019</p> <p>December 2019</p> <p>April 2020</p> <p>Extend recommendation #4 to September 2020</p>	<p>1 – 3 Yes</p> <p>4 TBC</p>
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