

Appendix 2

High Importance Recommendations

	<u>Job Title (Director)</u>	<u>Summary of Finding and Recommendation</u>	<u>Management Response</u>	<u>Action Date:</u>	<u>Confirmed Implemented</u>
	Originally reported Feb 2013				
	Registration Services – Amounts Due (CEX)	<p>Where registration fees had been paid by credit and debit card, the payee's card details were being retained for longer than would be expected in order to comply with the Payment Card Industry (PCI) Data Security Standard. There are potential risks of fines levied by PCI, damaged reputation and fraud.</p> <p>Recommended to keep payment details secure but only for absolute minimum requirement.</p>	A	Dec 2012 & April 2013	Y – f/u testing proved procedures implemented to retain card receipts for minimum period. Historic receipts had been destroyed.
	Registration Services – Amounts Due (CEX)	<p>There was concern that VAT was not being accounted for in some fees thereby incurring a risk of penalty and more rigorous inspection from HMRC.</p> <p>Recommended notifying the Council's Vat Liaison Officer (VATLO) in order to determine whether VAT was applicable and whether a disclosure to HMRC was required.</p>	A	Dec 2012 & April 2013	Y – VAT LO confirmed that VAT is now applied where necessary and would be disclosing around £15k

Employee annual leave recording (CHR)	<p>Oracle Self-Service was not being used by all eligible staff to request and record annual leave, instead they were relying on traditional and familiar methods. This was partly due to operational management not enforcing usage based on uncertainty that the module was “fit for purpose”. A range of potential risks were identified including inefficiency and inconsistency created by continuing use of traditional methods, inability to calculate total unused leave for financial reporting requirements and a risk to reputation should EMSS seek to roll out its Oracle functions and add new partners.</p> <p>Recommended a strategic decision was taken whether to instruct that the use is mandatory or defer, awaiting full confidence in the application and its accuracy.</p>	<p>Agreed in principle subject to: -</p> <p>certain staff groups needing to be excluded;</p> <p>development of recording leave by hours rather than days</p>	<p>Mar 2013</p> <p>Agreed to extend to September 2013 pending detailed consideration of proposal for system development.</p>	
Originally reported Sep 2012				
Partnerships Risks (CG)	<p>Considerable time & effort had been invested to identify all types of partnerships (including those falling under Leicestershire Together) and associated governance arrangements, with a view to identifying risks associated with any key arms length organisations/partnerships. Nevertheless, the audit concluded that existing guidance for evaluating and managing partnership risks could be strengthened.</p> <p>Recommended: -</p> <p>An effective framework to define and identify significant partnerships and ensure the risks from those partnerships have been identified, prioritised and monitored should be devised and implemented. Example content was supplied.</p>	A	<p>February 2013</p> <p>Draft framework shared with IAS but need acceptance from risk groups</p> <p>Agreed to extend to July 2013</p>	

	Originally reported Nov 2011				
	BACS separation of duties (CR)	<p>There is potential for some staff in the Financial Systems Team to override segregation of duties within the BACS payment process. Staff could potentially amend their own access rights to override the end to end process. The Assistant Director Customer Services and Operations is planning for the East Midlands Shared Service project to revise processes to address this issue.</p> <p>Of the two interim recommendations made, only one remains outstanding - Ascertain from Oracle if any additional safeguards could be put in place.</p>	A	<p>September 2011</p> <p>A technological control has been instigated but IAS needs to further test the consistent application. Agreed to extend to July 2013</p>	

‘On hold’ pending new internal audit work

	Originally reported Feb 2012				
	Developers Contributions (Section 106) (CEX) 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 	A	<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) (CEx) in conjunction with all departments	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.	A	February 2012 Agreed to extend to April 2013 Suspended June 2013	Partly met A group is established but await the data migration cleansing to finalise methodology.
Developers Contributions (Section 106) (CEx)	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.	A	March 2012 Agreed to extend to April 2013 Suspended June 2013	Not yet in place

Key to management response

A=Recommendation agreed; M=modified recommendation agreed; D=Assumed agreed; X=Not agreed

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Last Revised 31/5//2013