

**High Importance Recommendations**

<b><u>Audit Title (Director)</u></b>	<b><u>Summary of Finding and Recommendation</u></b>	<b><u>Management Response</u></b>	<b><u>Action Date:</u></b>	<b><u>Confirmed Implemented</u></b>
<b>Reported November 2013</b>				
<b>Integrated Adults System (A&amp;C)</b>	<p>A consulting/advisory style audit of current state of readiness for the implementation of the Integrated Adults System (IAS) revealed issues around: -</p> <ul style="list-style-type: none"> <li>• Migration of data from the current management information system to the new one</li> <li>• Shortage of time to conduct full tests</li> <li>• The interfaces between IAS and both the Corporate Financial and Electronic Data Records Management Systems</li> </ul> <p>Recommendations made in each of the three high risk areas have been accepted by the Project Sponsor. Internal Audit Service will be undertaking a follow-up review in early December 2013 to determine the status of the project to ensure that key risks identified are either being managed or mitigated in time for a successful go-live in January 2014.</p>	<b>A</b>	<b>December 2013</b>	
<b>Capital Maintenance Programme (Corporate Property)</b>	<p>There had been a history of high value, large scale building works commencing and progressing before contracts were formally signed, with potential for risks from disputes on liability, insurance etc.</p> <p>Recommended a formal document should be introduced, to confirm the target cost and method of procurement, which when signed by LCC and the contractor would be sufficient safeguard to allow work to start whilst the detailed contract requirements were finalised.</p>	<b>A</b>	<b>Already designed and implemented but cannot be tested to prove it's embedded until a new contract starts.</b>	

Reported September 2013				
Information Governance (A&C)	<p>An audit of a large sample of staff across a variety of sections within the Department, revealed a weak approach to operational information governance including: -</p> <ul style="list-style-type: none"> <li>• A very low percentage of staff had completed the mandatory Information Security E Learning course</li> <li>• There was a high number of examples of staff failing to adequately secure confidential/sensitive data both within the office and in transit</li> </ul> <p>Recommended formal and regular reminders on staff responsibilities.</p>	A	<p>A group was immediately set up to implement good practice, culture change and monitor performance in all service areas. Progress to be reported back to A&amp;C Management Team.</p>	<p><b>Yes – there are signs of a marked improvement but Internal Audit Services will continue to monitor</b></p>
Pension Fund contribution 'bands' (Pension Fund)	<p>Each year the Department for Communities &amp; 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 that the report should be reconfigured and a framework for sample testing should be agreed and implemented to cover future pension banding changes.</p>	A	<p>September 2013</p> <p>Implementation of the new business reporting mechanism has been delayed and there have been changes to management.</p> <p><b>Extend from October to December 2013</b></p>	

Reported February 2013				
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>EMSS partners have agreed Oracle requirements and are requesting changes to the system from April 2014, but these will need to be considered against other system developments.</p> <p>Extend to January 2014</p>	
Reported September 2012				
Partnerships Risks (CG)	<p>Considerable time &amp; 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>A framework has been designed and implemented. A period of operation is required before compliance testing can take place, which will be performed later in the year.</p> <p>Extend to January 2014</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 process to alert the system administrator of temporary changes to BACS access, has been tested in a 'development' environment but further testing is required by Internal Audit Service to prove it works in 'live' environment.</p> <p>Extend to October 2013.</p>	<b>Yes</b>

**‘On hold’ pending new internal audit work**

Reported February 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"> <li>1. Monitoring income and expenditure to project time-spans and purpose intended</li> <li>2. validating the accuracy of individual record content as it was migrated onto the new database</li> <li>3. department 'links officers' reporting to a central coordinator</li> </ol>	A	<p>March 2012</p> <p>Agreed to extend to April 2013</p> <p><b>Suspended June 2013</b></p>	<p>1. Met</p> <p>2. Data migration errors have now been addressed. Work underway on validation checks and introducing systems to capture spending data.</p> <p>3. Not met</p>
Developers Contributions (Section 106) (CEx) 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>	A	<p>February 2012</p> <p>Agreed to extend to April 2013</p> <p><b>Suspended June 2013</b></p>	<p>Partly met</p> <p>A group is established but await the data migration cleansing to finalise methodology.</p>
Developers Contributions (Section 106) (CEx)	<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>	A	<p>March 2012</p> <p>Agreed to extend to April 2013</p> <p><b>Suspended June 2013</b></p>	<p>Not yet in place</p>

Key to management response

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

Audit/CGC/13-14/Nov 13/Appendix 2 HI Progress Report

Last Revised 12/11/2013

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