

High Importance Recommendations

<u>Audit Title (Director)</u>	<u>Summary of Finding and Recommendation</u>	<u>Management Response</u>	<u>Action Date:</u>	<u>Confirmed Implemented</u>
Risk Management – Operational Delivery (CYPS)	<p>Whilst there was evidence of some risk management activities operating adequately, the procedures for scoring and reporting key risks from strategic and business plans was inconsistent with Corporate guidance, there was some duplication in reporting, and a number of risks with potential high scores had not been included within progress reports to Management Team.</p> <p>Recommended a structured approach to risk management should be developed for the Department as whole.</p>	A	<p>May 2014</p> <p>Evidence received that from 14/15 there is a structured process; strategic plans are accompanied by a risk register and reporting and escalation is more aligned which should assess all key risks</p>	Yes – but f/u embedded in late summer
Disaster Recovery – Framework Design & Governance (CR)	<p>The Corporate framework governing disaster recovery was inadequate, with no formalised ownership of disaster recovery requirements, inadequate documentation and limited and outdated tests.</p> <p>Recommended a robust programme of disaster recovery work with defined milestones and deliverables.</p>	<p>A</p> <p>At the time of final report good progress had been made</p>	August 2014	

<p>‘M-Star’ – Managed Service For Temporary Agency Resources (CR)</p>	<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>A</p> <p>At the time of final report some progress had already been made</p>	<p>July 2014</p>	
<p>Reported November 2013</p>				
<p>Integrated Adults System (A&C)</p>	<p>A consulting/advisory style audit of current state of readiness for the implementation of the Integrated Adults System (IAS) revealed issues around: -</p> <ol style="list-style-type: none"> 1. Migration of data from the current management information system to the new one 2. Shortage of time to conduct full tests 3. The interfaces between IAS and both the Corporate Financial and Electronic Data Records Management Systems <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>	<p>A</p>	<p>Original Action Date: December 2013</p> <p>Issues 2 and 3 were cleared in time to report to February 2014 Committee</p> <p>Clearance of issue 1 was extended to March 2014.</p>	<p>Yes</p> <p>Reviewed the test programme and re-performed small sample.</p>

Capital Maintenance Programme (Corporate Property)	<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>	A	<p>Still awaiting a new contract to start before proof that control is embedded.</p> <p>Extend from March 2014 to August 2014.</p>	
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. 	A	<p>September 2013</p> <p>A meeting to co-ordinate re-implementing the new business reporting mechanism (OBIEE) for EMSS and its partners is due early February. This particular report requirement will be escalated.</p> <p>A framework has been designed but the current temporary arrangements for EMSS management has delayed implementation</p> <p>Extend from March 2014 to June 2014</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>Originally March 2013 Extended to January then March 2014</p> <p>Changes to the annual leave self-service system were implemented from April. Supporting guidance issued applies to all employees on Leicestershire County Council conditions of service who have access to self-service. Further communications will follow but it will be some time before compliance can be checked.</p> <p>Extend to August 2014</p>	
Reported September 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: - An effective framework to define and identify significant partnerships and ensure the risks from those partnerships have</p>	A	<p>February 2013</p> <p>A framework has been designed and implemented.</p>	<p>Yes – progress has been made but requires testing of bedding in</p>

	been identified, prioritised and monitored should be devised and implemented. Example content was supplied.			
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‘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"> 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>	<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>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) (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>Suspended June 2013</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/Feb 14/Appendix 2 HI Progress Report

Last Revised 28/1/2014