

**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 (by end of)</u></b>	<b><u>Confirmed Implemented</u></b>
<b>Decommissioning of SSIS the previous case management system (C&amp;F)</b>	<p><b>C&amp;F Management Team has accepted advice from Legal Services to retain all data recorded on the former electronic case management system (SSIS). This is because it is not practical to physically go through thousands of children's records, and make a judgement on what should or should not be retained, given the limited resource of staff that are 'qualified' to make such decisions.</b></p> <p><b>The risk with retaining all C&amp;F (electronic and paper) records is that the Authority could be breaching the Data Protection Act by retaining records for longer than required.</b></p> <p><b>Legal Services' view is that any fines for not retaining data when it should be retained, for example in litigation, would be greater than if data is kept securely for longer than required.</b></p> <p><b>It is recommended that the risk (to cover electronic and paper) should be escalated to Chief Officer level and if accepted should be included in the Corporate Risk Register.</b></p>	<b>A</b>	<b>September 2014</b>	

Reported May 2014				
Risk Management – Operational Delivery (C&F)	<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 the Management Team.</p> <p>Recommended a structured approach to risk management should be developed for the Department as whole.</p>	A	August 2014	Yes
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inadequate, with no formalised ownership of disaster recovery requirements, inadequate documentation and limited and outdated tests.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>	A	August 2014	Yes
‘M-Star’ – Managed Service For Temporary Agency Resources (CR)	<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"> <li>1. Proactive periodical analysis by Procurement team and pass to business HR and Finance teams to drive more conformity;</li> <li>2. Establish targets and thresholds for auto approvals and investigate those falling outside them.</li> </ol>	<p>A</p> <p>At the time of final report some progress had already been made</p>	<p>July 2014</p> <p><b>1. Reports are compiled quarterly and discussed with the supplier. There remains two significant areas of off contract spend, but the issue cannot be fully addressed until the supplier is satisfactorily meeting its service level for fill rates (getting suitable</b></p>	

			<p><b>candidates). The supplier has been issued with a default notice and challenged to right this before it is awarded any further opportunity to expand. A report to Senior Officers is being produced.</b></p> <p><b>2. Auto approvals are covered in the quarterly strategy reports provided by the supplier. It's planned to report auto approved timesheets to department HR Business Partners, but MSTAR is only just moving to business as usual, and so hasn't yet occurred.</b></p> <p><b>Extend from July 2014 to October 2014</b></p>	
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Reported November 2013				
Capital Maintenance Programme (CR)	<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 Leicestershire County Council 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>Extended from March 2014 to August 2014.</p>	Yes
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: -</p> <ol style="list-style-type: none"> <li>1. that the report should be reconfigured;</li> <li>2. a framework for sample testing should be agreed and implemented to cover future pension banding changes.</li> </ol>	A	<p>September 2013</p> <p><b>1. The report was produced</b></p> <p><b>2. The Interim Head of EMSS is to agree the framework with the two clients at the end of September.</b></p> <p><b>LCCIAS will confirm this in October.</b></p> <p><b>Nottingham City Audit will pick up that the agreed sample checks are being undertaken as part of their EMSS audits</b></p> <p><b>Extend from June 2014 to October 2014</b></p>	<ol style="list-style-type: none"> <li>1. Yes</li> <li>2. Pending</li> </ol>

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 LCC conditions of service who have access to self-service.</p> <p><b>An audit around staff use of self-serve to record leave is planned</b></p> <p><b>Extend from August 2014 to October 2014</b></p>	
Reported September 2012				
Partnerships Risks (CR)	<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: - 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 was implemented. The requirement for all Departments to duly consider any partnerships risks to the Authority has been recorded as a key improvement area in the AGS (deadline December 2014).</p>	<b>Yes</b>

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

Reported February 2012				
Developers Contributions (Section 106) (CEEx) 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>	<ol style="list-style-type: none"> <li>1. Met</li> <li>2. Data migration errors have now been addressed. Work underway on validation checks and introducing systems to capture spending data.</li> <li>3. Not met</li> </ol>
Developers Contributions (Section 106) (CEEx) 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) (CEEx)	<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/14-15/Sep 14/Appendix 2 HI Progress Report

Last Revised 10/9/2014