

Southend-on-Sea Borough Council

Agenda
Item No.

Report of Corporate Director for Corporate Services

to

Audit Committee

on

30th September 2015

Report prepared by: Joe Chesterton

Current Status of Internal Audit Report Actions Plans:

Accounts Receivable - Social Care Debt

Parking Management Schemes

Southend Adult Community College

Payroll system

Executive Councillor – Councillor Ron Woodley

A Part 1 Public Agenda Item

1. Purpose of Report

To update the Audit Committee on the progress made to implement and fully embed in the day-to-day operation of the service, the actions contained in the following Internal Audit reports:

- Accounts Receivable - Social Care Debt (Appendix 1)
- Parking Management Schemes (Appendix 2)
- Southend Adult Community College (Appendix 3)
- Payroll system (Appendix 4).

2. Recommendations

2.1 The Committee notes the progress made and to identify any further action required by relevant Officers.

3. Background

3.1 The appendices attached cover the four reports the Audit Committee requested further information about at its June 2015 meeting. They contain:

- details of actions agreed where they were outstanding at the conclusion of the last audit
- the last audited assessment
- the respective managements view of the current status of outstanding actions.

3.2 The following sections contain a brief summary of the current position in each area as provided by service management.

3.3 Officers from the respective services will respond to Members' questions.

3.4 These updated action plans have not been subject to audit and therefore until audited do not have audit assurance regarding the progress made on the recommendations as identified by management in the attached action plans.

4. Accounts Receivable - Social Care Debt

4.1 Since the progress on implementing recommendations was reported to Audit Committee in June 2015, of the six outstanding recommendations:

- three have now been fully implemented
- two have been substantially implemented with full implementation due by the end of October 2015
- with the agreement of Internal Audit, the remaining recommendation has been closed, as its requirements are covered by another recommendation.

4.2 The implementation of three new recommendations was agreed with Internal Audit during their follow up work, two of these have been fully implemented and one partially implemented. It is anticipated that the target implementation date of the end of October 2015 will be met for this remaining recommendation.

4.3 Going forward, to ensure the timely implementation of audit recommendations:

- progress against agreed dates will be regularly and formally monitored by the Department for People's management team
- the Head of Adult Services and Housing has put a system in place for audit recommendations to be included as a standard in service planning. This ensures that implementation of recommendations will be further monitored on a monthly basis.

5. Parking Management Schemes

5.1 The management actions agreed at the time of the audit have been given priority to ensure compliance and progress has been made on a number of these where processes and resources have been strengthening to complete actions. This has resulted in full implementation in some cases.

5.2 There are a few recommendations which have not been tested and this remains the case as we don't have any new parking management schemes that meet the current policy requirements.

5.3 The remaining few relate to the retendering of the existing parking enforcement contract which is due to expire at the end of February 2016. The approach taken in procuring the new contract is to ensure we have new contractual arrangements that are driven by technological developments to implement intelligent led enforcement thereby reducing costs and bring about efficiencies throughout the life of the new contract. Procedural compliance, contractual requirements, need for documentation of change control notices and effective client management of the contract through management information reports is an integral part of the new contract, which is expected to be operational from 1st March 2016.

6. Southend Adult Community College

6.1 The College was first audited in June 2013 and as a result there were 16 Priority 1 actions and 14 priority 2 actions identified. An action plan assessment update was submitted in December 2013 and a report on progress following a further

visit was produced in February 2014. Since then work has been ongoing in addressing the recommendations.

6.2 Of the Priority 1 outstanding actions identified in the February 2014 follow report now:

- 8 actions have been fully implemented
- substantial progress has been made towards 2 of the actions
- partial progress has been made towards 1 of the actions.

6.3 Of the February 2014 Priority 2 outstanding actions:

- 5 actions have been fully implemented
- substantial progress has been made towards 2 of the actions
- partial progress has been made towards 3 of the actions

6.4 It is anticipated that where further work needs to be done the majority of the Priority 1 and 2 outstanding actions will be completed by 31st December 2015, apart from one which has a revised completion date of 31st March 2016.

7. Payroll system

7.1 The Agresso HR/Payroll module was upgraded in July 2015. There were issues following migration particularly in respect of reports; and resources had to be focused on ensuring that payroll could be run successfully. This proved a significant challenge in June and July but all staff were paid correctly and on time.

7.2 A dedicated Agresso payroll specialist is now working in the payroll team and changes have been introduced to business processes. This has had a positive impact and August payroll ran much more smoothly as a result.

7.3 Work is progressing on the outstanding audit recommendations and, although some of the timescales have slipped, actions are in hand to address these.

7.4 The implementation of the self-serve module is the next priority and will resolve a number of the issues particularly around authorisation. It will also release resource in the payroll team to focus on issues around reconciliation and reporting.

7.5 The project plan for the self serve module is currently being agreed with the Agresso Support Team (AST) and ICT where there are major dependencies. The technical functionality has already been built and is currently in test phase. A date for implementation is still to be determined and will be dependent on resources available in AST and ICT.

7.6 Internal Audit has been fully involved in the review of the self serve module and continue to offer advice and support as 'critical friends'.

7.7 Internal auditors have confirmed that adequate considerations have been made during the module's design. This will be formally tested in October 2015 as part of the on-going critical friend work.

8. Corporate Implications

8.1 Contribution to Council's Aims and Priorities

Audit work contributes to the delivery of all corporate Aims and Priorities.

8.2 Financial Implications

Any financial issues arising from these reviews would have been covered in the individual reports and action plans. All recommendations are expected to be delivered within existing Departmental budgets.

8.3 Legal Implications

The UK Public Sector Internal Audit Standards require the Audit Committee to approve (but not direct) the annual Internal Audit Plan and then receive regular updates on its delivery. This report contributes to discharging this duty.

8.4 People and Property Implications

People and property issues that were relevant to these audits were considered as part of each individual review.

8.5 Consultation

The terms of reference and draft reports, including recommendations and management responses on actions required and timescales, were discussed and agreed with the relevant Corporate Directors / Director and Heads of Service before the relevant Audit Report was finalised.

8.6 Equalities Impact Assessment

The relevance of equality and diversity was considered during the initial planning stage of the each audit before the Terms of Reference were agreed.

8.7 Risk Assessment

Failure to operate a robust assurance process (which incorporates the internal audit and service performance management functions) increases the risk that there are inadequacies in the internal control framework that may impact of the Council's ability to deliver its corporate aims and priorities.

8.8 Value for Money

If opportunities to improve value for money in the delivery of services were identified during a review, recommendations would have been made as appropriate.

8.9 Community Safety Implications and Environmental Impact

These issues were only considered if relevant to a specific audit review.

9. Background Papers

- The Accounts and Audit Regulations 2015
- UK Public Sector Internal Audit Standards
- CIPFA: Local Government Application Note for the UK Public Sector Internal Audit Standards
- Original Internal Audit reports

10. Appendices

- Appendix 1: Accounts Receivable, Social Care Debt
- Appendix 2: Parking Management Schemes
- Appendix 3: Southend Adult Community College
- Appendix 4: Payroll system