

HIGH LEVEL AUDIT RECOMMENDATIONS NOT IMPLEMENTED BY THE AGREED DUE DATE

APPENDIX 1

No.	Audit Subject	Recommendations	Target Date for Implementation	Current Status
1	Mental Health Trust – Section 75 Agreement	A new s75 Agreement should be approved as soon as possible. Lessons learned from the outgoing arrangement should be formalised in a risk assessment so that arrangements going forward remain, in the short term at least, on the radar of senior management.	30.04.15 Revised to 31.03.16	Discussions around integrated commissioning have overtaken the Section 75 discussion therefore alternative contracting options are currently being considered. This has been delayed however plans are now being developed to move forward for 2016/17.
2	Mental Health Trust – Section 75 Agreement	The development of a new performance management framework, and underlying indicators, should be timetabled in as soon as possible. A small number of output oriented/qualitative indicators, together with key financial indicators, should be aligned to the aims and objectives set out in the s75 Agreement and reported to the Council.	30.04.15 Revised to 31.03.16	Previously it was reported to the Audit and Standards Committee that a new, revised and robust performance framework had been developed. The County Commissioner, Mental Health has confirmed that the performance framework will be included within the alternative contracting model once this has been agreed. In the interim, the Trust are providing some performance data to support the County Council in understanding the key issues. These will be built into future contracting arrangements.
3.	Accounts receivable – Debt recovery	As previously recommended, it is recommended that debt recovery action is instigated promptly by Income Staff within Finance for those debts which have reached dunning level 3 and that debt recovery action continues to be carried out on a timely basis until such time as the debt is referred to Legal Services.	On-Going during 2014/15 and 2015/16 Revised to 31.3.16	The team was centralised in July 2015. Due to continuing issues arising from the changes to the banking contract and data information requirements from Entrust / Capita re Accounts Receivable data migration for 1 st April 2016, implementation was delayed. The Income Manager has confirmed that the recommendation will now be addressed by the end of March 2016. This has been included in the 'My Performance Conversations' with the Income Officers.
4.	E-Payments	The task of ensuring that SCC is in compliance with the PCI-DSS requirements should be completed as soon as possible.	30.04.15 Revised to 30.06.16	The planned upgrade did not take place as originally envisaged. The e-payments contract has since been re-tendered and awarded which addresses this recommendation. The project to implement the wholly hosted and managed service commenced in November 2015, with an implementation date of May – June 2016. It should be noted that currently the on-line internet payments and automated telephone payments system is 100% compliant. ParentPay as used in schools is likewise 100% PCI Compliant and local chip and pin handheld devices are all currently assessed as being fully PCI compliant.
5.	Procurement (outside of Staffordshire procurement)	a) Staffordshire Procurement should consider how the requirement to apply Procurement Regulations can be enforced when the procurement activity is undertaken by staff other than those within the Team. b) Staffordshire Procurement should consider whether a more proactive approach should be taken to identifying contracts organised by	31.12.14 Revised to 01.04.16 31.12.14 Revised to 01.04.16	The actions of (a) and (b) are ongoing and form part of the work programme for the new Commercial Unit. Procurement Regulations are to be updated by the Head of Commercial Services and approved via the Audit Committee.

		<p>service managers. Consideration should be given to a periodical review of SAP supplier spending to identify large spends which are not covered by contracts let with the involvement of Staffordshire Procurement.</p> <p>c) That Internal Audit is advised of the outcome of the review of the Scientific Analysis Labs Ltd contract by Staffordshire Procurement and Legal Services.</p>	<p>30.12.14 Revised to 30.06.15 31.03.16</p>	<p>c) It has been confirmed that there have been various discussions between Staffordshire Procurement, Legal Services and Internal Audit since the issue of the final audit report in July 2014. Staffordshire Procurement has also tried to establish whether Scientific Analysis Ltd (SAL) was the only laboratory in the country to provide scientific services. The situation was not conclusive and it was agreed that Staffordshire Procurement would undertake a soft market testing exercise with other potential providers of scientific services to ascertain whether they are able to deliver the same services as (SAL). The outcome of this will then determine the next course of action to be taken.</p> <p>Legal Services has reviewed the contract that the Authority has with the LB of Hillingdon and SAL and considered that the terms of the existing agreement exposed the Authority to a number of significant risks (mainly in relation to liability terms) which had been accepted due to Legal not being involved in the original contract discussions.</p>
6.	I54 Bus Lane Enforcement	<p>It is recommended that once Cabinet Approval has been granted, Legal Services be requested to draft the agreement with Stoke on Trent City Council.</p>	<p>31.12.14 Revised 31.12.15</p>	<p>The Regulation and Governance Manager confirmed that Cabinet approval has been granted and the agreement with Stoke on Trent City Council has been formulated, although not yet signed due to TUPE issues that are being dealt with by Legal Services. It is anticipated that the agreement will be signed before end of December 2015 subject to any further changes being required.</p>
7.	Deputyships	<p>A revised internal control process should be adopted which incorporates additional checks over the following areas:</p> <ul style="list-style-type: none"> • Beneficiaries • Transaction Spot Checks • Management of the Umbrella Account 	<p>30.09.15 Revised to 31.01.16</p>	<p>Work on this recommendation had not commenced due to the long term sickness of two supervisory staff and the significant increase in the 'Deprivation of Liberties' work which the Senior Deputyship Officer has had to undertake. However work to implement the recommendation has now been rescheduled for December 2015/January 2016.</p>
8.	Suppressed Debts	<p>The Income Manager should review the monitoring regime in relation to dunning blocks with a view to ensuring that Budget Holders and Income Officers actively and proactively manage the level of suppressed debts. The issue of relevant management reports to Income Officers should recommence with immediate effect.</p>	<p>30.09.15 Revised to 31.12.15</p>	<p>The team was centralised in July 2015. Due to continuing issues arising from the changes to the banking contract and data information requirements from Entrust / Capita re Accounts Receivable data migration for 1st April 2016, implementation was delayed. The Income Manager has confirmed that this recommendation would be completed by end of December 2015..</p>