

MANAGEMENT ACTION PLAN

Directorate:	Business Services
Audit report:	A01080/2014/15 - Agency Staff Contract
Dated:	31 July 2014

PRIORITY RATINGS

Priority High (H) - major control weakness requiring immediate implementation of recommendation

Priority Medium (M) - existing procedures have a negative impact on internal control or the efficient use of resources

Priority Low (L) - recommendation represents good practice but its implementation is not fundamental to internal control

I agree to the actions below and accept overall accountability for their timely completion. I will inform Internal Audit if timescales are likely to be missed.

The auditor agrees that the actions set out below are satisfactory.

Lead Responsible Officer (HOS) Ken Akers, HR Relationship Manager Auditor Gary Kandinsky, Lead Auditor

Date 4 September 2014

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Para Ref	Recommendation	Priority Rating	Management Action Proposed	Timescale for Action	Officer Responsible	Audit Agree?
5.1.10	SCC should ensure that that there are robust plans in place for a rapid implementation of the new MSTAR contract signed with Manpower in August 2014. These plans should include careful monitoring of the Panel Vendors' response to rate reductions and the new routes to market that procurement are establishing.	High Priority	Implementation plans have been agreed with Manpower on the MSTAR contract. Manpower has written to all Panel Vendors to confirm new rates under the new contract. Where exceptions happen, Manpower will gain confirmation from SCC on the appropriate course of action.	August 2014 September 2014	Laura Langstaff	Yes Yes

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	(cont.)		The overall effectiveness of the MSTAR contract will be reviewed at quarterly supplier meetings.	Quarterly until early 2015		Yes
5.1.11	<p>Procurement, HR and other interested parties should continue to develop innovative options for an alternative to a framework contract solution to the recruitment of agency staff.</p> <p>In particular, further consideration should be given to the options for SCC to:</p> <ul style="list-style-type: none"> • creating more specialist agency staff supply contracts where Services are able to take on the necessary overheads for contract management. • consider cost effective and innovative options for the future supply of agency staff taking into account any potential for wider regional collaboration and/or opportunities to generate income 	High Priority	Identify and agree the problem areas through the Relationship Managers, Procurement and Manpower and Service Coordinators.	October 2014	Laura Langstaff, / Ken Akers / Caroline Budden	Yes
			Utilise operations meetings and strategy meetings to identify the project team to resource this.	December 2014		Yes
			Consider bringing in an additional resource to manage the options analysis.	Mid October 2014		Yes
			Have contract in place for directly sourced temporary CSF Social Workers. (Amy / Keith)	December 2014		Yes
			Options and costs paper	March 2015		Yes, but somewhat late.

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5.2.6	Childrens Services should produce aspirational targets for the phased replacement of some of the long term locums in Children Services with permanent staff, along with a set of measures designed over a period of time to stimulate such change.	Medium Priority	Develop a strategic approach to workforce supply and retention which would deliver a sustained reduction in locums and achieve the right balance between flexible, employed and trainee skills. Project started with Service and HR. Make sure that are appropriate management arrangements in place for locum staff, including target setting, performance management and professional supervision. Continue offering 'locum lunch' to target and communicate clear opportunities and to explain the approach of becoming permanent. Introduce total reward benefit illustrations to allow cost comparison between locums and permanent staff.	October 2014 to outline strategic approach and aims. March 2015 progress towards reduction in locum numbers began, and on-going monitoring established. Next 'locum lunch' before Christmas 2014. By April 2015.	Amy Bailey / Caroline Budden	Yes Yes Yes Yes

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	(cont.)			Ongoing – to be reviewed in October 2014.		Yes
5.3.3	HR and Manpower should continue to work together to meet some of the specific concerns of Childrens Services on Manpower's performance, but particularly with regard to the quality and relevance of CV sent to managers and on the functionality of Manpower's system which lead to so many requests for the cancelation of orders.	Medium Priority	<p>Strengthen operational management of the contract.</p> <p>Managers to raise issues through the issue log and for the issues log to be regularly reviewed and checked for appropriateness of response.</p> <p>Strengthen the process of feeding back to managers about expectations. . .</p>	<p>Already in place and will be monitored on ongoing basis</p> <p>To be reviewed at operational meetings.</p>	Ken Akers	Yes
5.4.7	Where Childrens Services need further flexibility on procurement arrangements, they should ensure that they use the procedures within SCC Procurement Standing Orders to request such flexibility and also ensure that there is adequate planning and co-ordination with other Departments on how changes are to be implemented.	Medium Priority	CSF will comply with SCC procurement rules. Where there are emergencies with the risk of major service failure, CSF will follow emergency waiver procedures to ensure sufficient skills are sourced to manage service delivery risks at short notice.	December 2014	Caroline Budden / Amy Bailey	Yes

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5.5.5	Manpower should be asked to substantially reduce its mark-up on any hard to recruit staff that Children Services introduced to them.	Low Priority	Service to identify relevant staff and volumes. Procurement and HR to meet with Manpower to establish whether an alternative charging mechanism can be added to the existing procurement terms.	December 2014 December 2014	Ken Akers / Ian Banner Keith Coleman	Yes Yes
5.6.9	Where agency staff are working at more than one site, the management of their total working week should be the formal responsibility of Manpower and one nominated SCC Manager. Manpower's performance on ensuring that staff do not reasonably exceed a normal working week should be scored on the contract KPIs spreadsheet.	Low Priority	ASC and CSF Service Coordinators are monitoring the hours on a monthly basis and liaising with managers and Manpower. If a person working at more than one site breaches the weekly limit, then we ask a manager to take a lead role in making sure there is no repeat of this. Manpower also instructs all their workers not to work above 48 hours/week. We will review the hours regularly at our operational/service coordinators meetings.	Monthly from August 2014	ASC/CSF Service Coordinators and Manpower Manpower Ken Akers	Yes

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	(Cont.)		Establish if individuals are given the option to opt out of WTD and if so, where is this information held / shared.		Manpower	
5.8.16	<p>IMT should look at possible means of identifying possible IMT self-employed contractors that it can then refer on to Manpower, who can then work for SCC or even its partners at a much reduced mark-up. This may mean adopting novel approaches such as:</p> <ul style="list-style-type: none"> • offering a finder's fee to SCC IMT staff and existing agency staff; • using someone in IMT part time to act as a recruitment executive; • maintaining a joint register of potential agency staff with Surrey Partners, particularly the Boroughs and Districts. 	Low Priority	<p>Alternative options for resourcing flexible IMT capacity with a range of skills needs to be discussed with HR, procurement and the IMT programme manager.</p> <p>The IMT programme manager will be the senior lead for recruitment. However a more junior member of staff may support them in this capacity.</p> <p>Maintaining records of trusted contractors and agency staff used by us and partners would be helpful.</p>	<p>New IMT Programme Manager not likely to be appointed until end of September, with subsequent start date depending on notice, likely to start this work in January 2015.</p>	Paul Brocklehurst	Yes
5.8.17	<p>IMT should ensure that it does not go off contract to secure agency staff in a way that breaches SCC procurement rules.</p>	Medium Priority	<p>IMT will comply with SCC procurement rules. Where there are emergencies with the risk of major IMT service/infrastructure failures, IMT will follow emergency waiver procedures to ensure</p>	Immediate.	Paul Brocklehurst	Yes

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	(Cont.)		<p>sufficient skills are sourced to manage service delivery risks at short notice.</p> <p>The IT Programme Manager will review contractor placements to ensure resourcing is forecasted and planned.</p>			
5.8.18	<p>IMT Management and Procurement should give further consideration to the basis of the agency supplier mark-ups being paid on Manpower agency staff, and where mark ups could be negotiated down further based on the value and duration of the booking.</p>	Low Priority	<p>Agreed.</p>	Quarterly meetings	Paul Brocklehurst / Keith Coleman/ HR	Yes
5.8.19	<p>IMT management should give further, wide ranging consideration to where IMT support and specialist work typically provided from IMT contractors could be aggregated and put out to tender on a flexible basis.</p>	Low Priority	<p>The new IMT programme manager in conjunction with IMT SMT will be responsible for identifying projects in the pipeline that could be resourced as a tendered project rather than through individual contractors whilst still ensuring best value. However the reality of the labour market for IMT contractors may mean this is</p>	<p>New IMT programme manager not likely to be appointed until end of September, with subsequent start date depending on notice, likely to start this work in January 2015. In the interim to be considered by IMT SMT.</p>	Paul Brocklehurst	Yes

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5.8.20	IMT and Procurement to give further consideration as to the suitability of the MSTAR contract for IMT needs and whether alternative contractual arrangements would provide a better solution.	Low Priority	not always an attractive approach to individuals with the necessary skills. Options appraisal above will consider the needs of the services Alternative options for resourcing flexible IMT capacity with a range of skills needs to be discussed with Procurement and the IMT Programme Manager	31 March 2015	Paul Brocklehurst / Keith Coleman	Yes
5.8.21	The need for all IMT agency roles and the associated cost (and separately the agency mark-up) should be reviewed by the IMT Senior Management Team every three months.	Medium Priority	Agreed - for SMT agenda supported by regular reporting from manpower/HR	To start September 2014	Paul Brocklehurst	Yes
5.9.6	HR should raise for discussion, whether there is a need and a means by which the target for the percentage of agencies that pass Safeguarding inspections conducted by Manpower is increased.	Medium Priority	Agreed. HR will raise with Manpower at next strategic meeting in Autumn	End November 2014	Ken Akers / Monika Mullaney	Yes
5.9.12	Further consideration should be given to means of improving the percentage of orders filled for ASC and Childrens Services bookings.	Medium Priority	We will seek clarity around how the data is achieved so that we are satisfied that the reported rate of fulfilled	Ongoing and will be monitored at the Operational/Service Coordinators meeting	Manpower and HR Operational team / Service Managers	Yes

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	(contd)		orders is accurate. Where we are dissatisfied by the fill rate we will consider the options available to us prepared in the options paper.			
5.9.13	Improvements in the recording of the reasons for cancelled bookings should be sought so that Manpower and SCC practice can be considered and improved where necessary.	Low Priority	Manpower delivery team has been instructed not to choose the "cancelled" category even if the manager does not state the reason for cancellation. There will also be a separate category used for the orders which are cancelled by MP so it is clear which ones are cancelled by MP and which ones by our managers.	From middle of August 2014, and then ongoing.	Ken Akers	Yes
5.9.14	Services should look to further develop their long-stop contingency arrangements for out of hours orders. This may involve giving greater consideration to the requirements of the service when considering leave requests around bank holidays.	Low Priority	We will review roster patterns and review the practice of leave approval.	31 March 2015	Phillipa Alisiroglu / Ken Akers	Yes

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5.9.15	HR should continue to monitor which managers are failing to manually authorise timesheets for agency staff and consider what escalation to Service management is appropriate.	Medium Priority	Agreed. We have been doing this together with Service Coordinators and the figures are decreasing.	Ongoing until the figures reach below 10% on regular basis.	Ken Akers	Yes
5.9.18	The monitoring arrangements for the new MSTAR contract and other routes to market need to be supported with effective measurements of the value for money being achieved.	Medium Priority	Discuss the new KPIs at the next Quarterly Strategy meeting with MP in October.	End November 2014	Ken Akers / Keith Coleman	Yes