Management Action Plan – Progress update

Annex B

Audit (report date)	Audit opinion (1)	Recommendations for improvement (priority) (2)	Management action to date	Audit assessment (RAG) (3)
Members' Disclosures and Declarations (Feb 2013)	Effective	Introduce a method of sampling members related party disclosure submissions for accuracy and completeness. **(M)**	A trial of checking on-line records was attempted but the resourcing required and the likely outcomes did not add sufficient value or benefit to the existing checks.	G
Network Controls (Feb 2013)	Effective	None		G
Financial Assessments and Charging (Feb 2013)	Some Improvement Needed	It is recommended that the resourcing of the migration programme is reviewed to ensure it meets management requirements. **(M)** Management should ensure the 5% sample checks are undertaken for all assessments in line with agreed procedures. **(H)**	This has been superseded by the Rapid Improvement Event held on the financial assessments and charging processes. Sample checks were brought up to date within the requested time frame.	G

1

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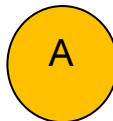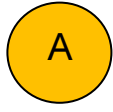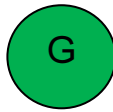
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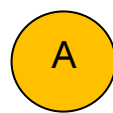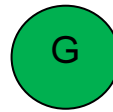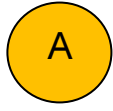# Management Action Plan – Progress update

Audit (report date)	Audit opinion (1)	Recommendations for improvement (priority) (2)	Management action to date	Audit assessment (RAG) (3)
Corporate Governance Policies – Control Risk Self Assessment (Feb 2013)	Some Improvement Needed	The next review of the Disciplinary Policy should consider the specific points raised by the Auditor that may benefit from further clarification, and also respondents' desire to see a policy that is easier to read (e.g with case studies, training and FAQs. **(M)**	FAQs and information on s-net are being revised to make the process even clearer. HR Relationship teams are supporting managers who are conducting investigations, and also working closely with colleagues in the training team to devise a follow up to the formal training around the practical application of what they have learned.	A
		HR should raise the level of management understanding of the Disciplinary Policy in specific areas **(M)**	Wording on s-net is being amended, with feedback from MyHelpdesk and HR Relationship teams who work with managers, to ensure more clarity on specific points raised around: Suspensions; investigations being conducted by line managers, and non-staff reps attending appeal hearings.	A
		The next review of the Bullying Harassment and Discrimination policy and guidance to provide clearer illustrative guidelines to staff on unacceptable behaviour, supported by innovative and concise ways to explain unacceptable behaviours to staff e.g. posters, video clips on SNET. **(M)**	The coalition review of Public Sector Equality Duty was completed on 6 September (including repeal of third party harassment). A series of conversations with CS&F concerning restorative principles and practice in employment have been held. A 'values based policy' approach being developed. In Qtr 3, HR will revise policy accordingly, and the 'changing behaviours, changing culture' workstream will feed into a rewrite of policy, with consultation held with the trade unions.	A
		Strengthen SCC's Whistle Blowing Policy to reflect the British Standards Institute provisions. **(M)**	Some small changes made and the whistle blowing policy on S:Net linked with guidance on protection for whistleblowers under the Public Interest Disclosure Act. The whistle blowing policy has been updated to reflect BSI provisions.	G

2

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Audit (report date)	Audit opinion (1)	Recommendations for improvement (priority) (2)	Management action to date	Audit assessment (RAG) (3)
		HR to clarify in the next update of the Change Management policy, the best way to treat vacant posts to minimise redundancies, particularly where there is no immediate plan to recruit to these posts. **(M)**	HR relationship teams work with services to plan ahead to ensure that vacant posts are not recruited to and to offset against redundancies. Workforce planning helps managers to use posts differently so that resource available fits the needs of the service. Policy to be updated.	A
Corporate Training Management (Feb 2013)	Some Improvement Needed	Report slippages in implementation and expected savings to the COSC on a quarterly basis. **(H)**	PVR activity formally closed down and further savings activity initiated as a new e-learning transfer project entitled STARS review	A
		Adjustments made to the OPD team structure via the PVR should be authorised by the Directorate Leadership Team and changes to pay should be communicated promptly to Payroll **(M)**	Completed	G
		Compile a Training Plan using input from stakeholders, formally approve and regularly monitor. **(H)**	Ongoing. Specific focus at this stage is with main Health and Social Care Directorates, other areas will follow.	A
		Robust budget monitoring by budget holders trained to manage their budgets using the new financial forecasting dashboard **(H)**	New dashboard established and monitoring ongoing.	G
		Monthly STARS reports should show statistics of training to staff internal and external to SCC with consideration of cancellation fees **(M)**	STARS report currently being revised in order to provide more effective commercial Management Information to support further efficiencies.	A

3

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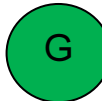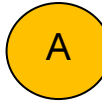# Management Action Plan – Progress update   Annex B

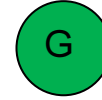| Audit (report date)	Audit opinion (1)	Recommendations for improvement (priority) (2)	Management action to date	Audit assessment (RAG) (3)
Transport for Education (Feb 2013)	Major Improvement Needed	SEN staff should have clear written procedures to allow consistency (H)	This has been delayed until February 2014 due to data cleansing which needs to be completed and is currently in progress.	R
		Requests should be completed in full on forms with mandatory fields and the facility to upload them to the Transport system (H)	The original go-live date for the new system of Nov. 2013 has slipped to April 2014 due to delays in agreeing the Terms & Conditions of the contract.	A
		Senior Management should ensure that management information from the new system is fit for purpose (H)	The above has delayed the production of request forms and management information to be used as part of the new system.	A
		A service level agreement to reflect the required arrangements should be in place (M)	The service level agreement signed (April 2013) by the Strategic Directors for CSF and E&I is in place.	G
		The SEN officers should be present at the reviews. The written reviews from schools should be reviewed by SEN Officers to indicate approval of the reviews and the costs (H)	This is unlikely to happen due to resource constraints. Auditor to attend the December 2013 Area Education Officer meeting to agree an alternative arrangement.	R
		The budgets need to be set from a zero base and managers should have the necessary information to monitor the budgets effectively (H)	To be completed in line with the implementation of the new system.	A
		Up to date risk registers should acknowledge all of the risks and senior management should review them regularly to take mitigating actions. (M)	The risks associated with transport costs have been recognised in the risk registers and reviewed.	G

4

Audit (report date)	Audit opinion (1)	Recommendations for improvement (priority) (2)	Management action to date	Audit assessment (RAG) (3)
General Ledger (Feb 2013)	Some Improvement Needed	Consider introducing a monthly, sample journal testing routine to help confirm that proper diligence is being employed by staff making journals. **(M)**	Journal samples are taken during the year-end audit of the statement of accounts and for 2013/14. No inappropriate journals were identified. The AI&A Team is of the opinion that the time resources required to undertake such sampling outweighs the risks in this area as other controls are in place, e.g. regular budget monitoring and balance sheet management processes. Monthly journal statistics produced by the AI&A Team will highlight any changes in the trend of the number and types of journals entered in each area/service. Only trained authorised people can upload journals.	G
		Consider what investigation is needed to determine the historic use of the facility to pay a vendor by use of the F-02 type journal and complete work already initiated prior to the audit on how controls over this powerful SAP 'transaction' can be improved. **(M)**	The F-02 transaction has been removed from most SAP user profiles. Access to this transaction remains on a limited number of users in specific roles.	G
		Consider improving the controls around the processing and data integrity of bank statement data downloaded from HSBC systems and uploaded into the SAP General Ledger. **(M)**	Spreadsheet list of processing errors and daily record of screen prints for HSBC net and SAP balances maintained since March 2013.	G

5

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		Seek a complete set of assurances from all staff allocated to reconcile, agree or clear specific balance sheet codes each month by the specified deadline. (**M**)	The certification of balances process continues as a quarterly activity and non-returns are chased. All balance sheet codes have now been risk assessed and high risk ones are reconciled monthly rather than quarterly by the General Ledger Team.	G
		Consider what system changes can be made to reduce the likelihood that payments are made which are never matched to an existing charge to the Service. (**M**)	A review of all non-SRM payment methods has been undertaken and extra checks are made by the Accounts Payable Team to ensure that payments have not been raised on the SRM system before alternative payment methods are utilised.	G
Follow up Review of Rental Income – Position Statement (Feb 2013)	Some Improvement Needed	Preparatory work towards PAMS implementation in 2013/14 should continue. (**M**)	PAMS roll out is in progress since go-live on 2 April 2013 and expected to be completed by 31 March 2014.	G
		The debt management process should be formalised via a service level agreement. (**L**)	The formal service level agreement for debt management to be finalised once PAMS is fully operational.	A
		Reconciliation of rent deposits should be completed and reported quarterly from 2013/14. (**M**)	Monthly reconciliations of rent deposits are completed but will be reported from December 2013.	G
		The risk register should be updated and lodged on S:net. (**M**)	Up to date service risk register is maintained on the S:net by the recently appointed Risk Management Officer.	G

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Residential Block Care Contracts (Mar 2013)	Some Improvement Needed	ASC and other directorate stakeholders consider whether the present arrangements to oversee the contracts with Anchor and Care UK allow for the delivery of not just the contractual basics, but also enable clear strategic decisions to be made and additional benefits to be delivered to the residents of Surrey. **(M)**	ASC and other directorate stakeholders continue to work collaboratively to take a strategic view of the contracts. Officers from ASC, Procurement, Finance, Legal and Property Services have been working closely to identify opportunities and make recommendations with a view to securing further value from the contract and improve the quality of services delivered.	G
		It is recommended that Adult Social Care implements a formal risk management process for these two contracts. **(M)**	Risk is addressed as part of the quarterly contract review meetings. SCC and Anchor Trust are currently finalising the format and content of a shared risk log to be jointly owned and reviewed at all future quarterly meetings.	G

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Audit (report date)	Audit opinion (1)	Recommendations for improvement (priority) (2)	Management action to date	Audit assessment (RAG) (3)
Registration Service (Mar 2013)	Some Improvement Needed	The Registration Service should consider developing an income strategy to include quantification of those benefits envisaged as part of the PVR. The strategy should also consider the review and setting of fees/charges and other income streams such as advertising. **(M)**	To maximise income, the risks regarding any potential down turn in ceremonies are offset by taking advantage of new income-generating opportunities and setting fees appropriately.	G
		Consider engaging with SCC's Communications Service to develop the Registration Service external web pages as a 'shop window' for fee-earning services. **(M)**	Registration Services web pages are being refreshed as part of the corporate transformation of SCC's website, balancing the selling of services to the public and the amount of information that is provided about the statutory services.	G
		The Registration Service should consider reviewing the net cost of centralisation prior to deciding on whether to move wedding and civil partnership ceremonies administration to Leatherhead. **(M)**	Ongoing costs have been avoided by transitioning gradually to the new arrangements. No staff have been required to move offices, and natural turnover used to ensure the right people are in the right place to deliver the desired customer experience.	G
		Registration service to continue to engage with IMT with the aim of ensuring as a matter of urgency that customer-facing systems do not impact of service delivery. **(M)**	It has been decided the new Registrars booking system is not working as expected and therefore it will not go-live to the public. Silberbear/Evocos will no longer be the software supplier, but IMT are committed to developing replacement systems. A new appointment booking system is expected to go-live in February 2014. The new ceremony booking system is awaiting approval by the Technology Board	A

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Audit (report date)	Audit opinion (1)	Recommendations for improvement (priority) (2)	Management action to date	Audit assessment (RAG) (3)
CRB Clearance (Mar 2013)	Some Improvement Needed	HR to use best means to ensure all services complete their returns by 1 April 2013. **(M)** HR to ensure that the Safer Recruiting Policy is clear about the circumstances for DBS checks the council can/will request. **(M)**	Complete System in place that agrees the post requirements for DBS checks with internal and external managers rather than individuals for position	G G
Section 106 developer contributions and CIL (Mar 2013)	N/a	No recommendations made.	N/a	G
Revenue Budgetary Control (Mar 2013)	Effective	No high or medium priority recommendations were made.	N/a	G
Early Years Education Funding (Mar 2013)	Some Improvement Needed	Three medium priorities on updating information on record keeping, the introduction of the electronic claims system enabling more site visits and checks with released resources.	Partially complete. The electronic system has passed the Investment Panel initial review – Cataloguing of Technical requirements continuing earliest completion expected September 2014	A

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Commercial Services (Mar 2013)	Major Improvement Needed	New written Governance Arrangements must be produced, approved by the Education Select Committee and signed by both the Head of CS and Assistant Director for S&L. (H) The Head of CS should produce a concise annual strategy and business plan summarising the key priorities and objectives for the year. This must be agreed with the Assistant Director for S&L and presented to the Education Select Committee. (H) The Head of CS should produce a quarterly written update for the Assistant Director of S&L. This may be a one-page summary but should be in a consistent format so that changes in position may be easily identified. (H)	A new document detailing Governance Arrangements was produced and signed by relevant officers in June 2013. However, this has not yet been presented to the Education Select Committee. The Head of CS has started authoring this document but delays to finalising it have been caused by significant changes in legislation regarding free school meals. The document should be ready for 2014/15. The Head of CS provides verbal, non-written updates to the Assistant Director for S&L on a monthly basis.	A G A
Making a Difference Programme (Mar 2013)	Effective	There were no recommendations from the review.	N/a	G

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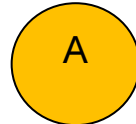## Management Action Plan – Progress update

Audit (report date)	Audit opinion (1)	Recommendations for improvement (priority) (2)	Management action to date	Audit assessment (RAG) (3)
Review of Payroll (Apr 2013)	Some Improvement Needed	Non compliance of the existing leaver procedures and staff changes should be challenged by Payroll staff and reported to Heads of Service **(M)**	Monthly e mail reminder is sent to managers asking them to notify leavers. Employee Services Team is currently undertaking a full review of all forms and processes to streamline their operations.	G
		Accounts Receivable (AR) Team should be provided with all supporting documentation for salary overpayments by Payroll when the request to raise an invoice is made **(M)**	Adequate information is supplied by Payroll to AR Team to raise invoices and closely manage debts >50 days old including recovery through small claims court.	G
		Heads of Service to be notified of the debts arising when salary overpayments remain uncollected so as to charge back to their budgets (**M**)	Debts arising from salary overpayment that remain uncollected are written back to the original service budgets.	G
		Streamline recruitment processes to prevent processing of incorrect e-suite forms & incorporate the Rapid Improvement Event (RIE) outcome **(M)**	New recruitment system went live on 15 October 2013 and the outcomes from the RIE are expected to be delivered.	G
		Regular completion of the gross to net pay reconciliation.**(M)**	Regular reconciliation of the gross to net pay is carried out on a monthly basis and is up to date as at 30 September 2013.	G
		Personnel files with signed e-suite forms should be readily accessible **(M)**	Overhaul of HR filing room and a full audit of missing files to be completed by 31 December 2013	A

11

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ASC Transport (Apr 2013)	Some Improvement Needed	Provide staff a checklist to ensure service users are using non-council funding and engaging available alternate sources of support (family community) prior to the council stepping in to provide transport. **(M)** Ensuring that the current review process being undertaken includes a consideration of transport options available. **(M)** Management should draft a "Provision of Transport" policy **(M)** A standardised system for recording transport costs on AIS should be instituted which facilitates management reporting and that allows comparisons to be made between cases. **(M)** An SLA similar to that being put in place with Children's Services should be developed within ASC to guide practitioners accessing the service and to set standards expected of the service. **(M)**	A group was put together that looked at the requisite policy changes, amendments to procedure and documentation. The group was due to report back by 01/05/2013 with an agreed timeframe to address any outstanding issues. This was delayed due to the departure of the relevant Assistant Director. A procedure is currently being developed basing the new system around assessment of eligibility. The service is working with stakeholders to ensure the transition (with service users previously receiving a free service now being asked to pay) is smooth.	A

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Audit (report date) (3)	Audit opinion (1)	Recommendations for improvement (priority) (2)	Management action to date	Audit assessment (RAG) (3)
Children and Families Care Leavers (Apr 2013)	Effective	No high priority recommendations	N/a	G
Pension Fund Investments (Apr 2013)	Effective	No High or Medium priority recommendation made.	N/a	G
Transfer Of Public Health (Apr 2013)	Effective	No recommendations arising	N/a	G
Non Care Accounts Receivable (Apr 2013)	Effective.	N/A	N/a	G
Pension Administration (Apr 2013)	Effective	No recommendations arising	N/a	G

13

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Audit (report date)	Audit opinion (1)	Recommendations for improvement (priority) (2)	Management action to date	Audit assessment (RAG) (3)
SAP Application Controls (Apr 2013)	Some Improvement Needed	Access to the following should be secured/restricted as appropriate • Se38 and Sa38 transactions • Zscc_crb_disc table • Trainee Apprentice profiles **(H)** Developer actions should be totally removed from the production (live) environment. **(H)** Activate table logging or adapt the change document process to cover master tables in SAP. **(H)**	Some users still have an operational need to use the Sa38 transaction. As a compensatory control the programs available to run have been limited. Access to Zscc_crb_disc table has been removed from roles not requiring. Apprentice profiles identified have been cleaned, although work is ongoing on ensuring recruiting teams identify apprentices as non standard staff. Developer access is now given as a time limited profile. The SAP technical team is still working with services to determine the impact of logging table activity	G A
Accounts Payable (May 2013)	Effective	Library interim account payable processes to be migrated into the central corporate Accounts Payable function **(M)**	A template has been setup to bring this activity into central AP. There are some difficulties in processing batches with more than 6 line items, although this currently the focus of an improvement exercise..	G
Treasury Management (May 2013)	Effective	No high priority recommendations were made.	N/a	G
Schools Financial Value Standard Process (May 2013)	Effective	One medium priority recommendation to share learning points from analysis of returns with Babcock 4S and schools. (This is the first year that all maintained schools had to make a submission)	Schools and Learning (Finance) have shared the results with Babcock 4S at the October Schools Budget meeting. The Senior Principal Accountant (Schools Funding) is going to share the analysis with schools in a forthcoming Schools Bulletin.	A

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Audit (report date)	Audit opinion (1)	Recommendations for improvement (priority) (2)	Management action to date	Audit assessment (RAG) (3)
Capital Monitoring (May 2013)	Some Improvement Needed	The Head of Property Services should prepare business cases for planned acquisitions that clearly identify specific economic development aims and service needs for these properties, which closely align with a planned investment strategy and a set of investment criteria agreed by Members. Consideration should also be given for the need for a special purpose vehicle (company, etc) to acquire any property assets purchased with an investment purposes. **(H)**	On 23 July Cabinet agreed an investment strategy for the Council as part of ensuring it maintains its financial resilience, protects its long term financial position and develops alternative sources of income that reduce its reliance on Government grants and Council tax increases. This set out a proposed governance framework including the establishment of an Investment Advisory Board to advise Cabinet on implementation of the investment strategy. It also approved the proposal to establish, subject to a full business case to be agreed at Cabinet, a Property Investment Company. These proposals are currently being developed and tested more fully. All planned acquisitions are subject to Cabinet approval, with each proposal clearly identifying the service needs/economic development benefits. Property Services is currently undertaking exercises that will better inform our understanding of future service need and how these align with the priorities identified in the Council's Strategic Asset Management Plan, which has now been published. Going forward in partnership with our Districts and Boroughs, Government Property Unit, NHS, and emergency services we will identify priority projects that both support economic growth and regeneration and transform public sector service delivery. The financial viability of such projects will always be a key consideration.	A

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Highways Contract Lot 3 – Highway Construction and Surface Works (May 2013)	Some Improvement Needed	Management should continue to actively liaise with the contractor to ensure that programme slippage is minimised. (**M**) Management should continue to explore avenues available to minimise the costs associated with both general and hazardous waste materials. Consideration should also be given to the inclusion of a contingency sum within each scheme budget to cover the possibility that hazardous material will be encountered. (**M**) Management should remind staff of the need to scrutinise rates used in applications for payment to ensure that they are correct. The contractor should also be required to check the rates held on their systems and to confirm that they are in accordance with the agreed 'Schedule of Rates'. (**H**)	Management are continuing to liaise with the contractor on the subject of waste materials with a view to minimise the potential impacts. Rates have been reviewed and agreed.	G

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