

REPORT TO SHEFFIELD CITY COUNCIL AUDIT COMMITTEE

14 January 2016

Internal Audit Report on Progress Against High Opinion Audit Reports.

Purpose of the Report

1. The purpose of this 'rolling' report is to present and communicate to members of the audit committee progress made against recommendations in audit reports that have been given a high opinion.

Introduction

2. An auditable area receiving a high opinion is considered by internal audit to be an area where the risk of the activity not achieving objectives is high and sufficient controls were not present at the time of the review.
3. This report provides an update to the audit committee on high opinion audit reports previously reported. Where internal audit has yet to undertake follow up work, the relevant portfolio directors were contacted and asked to provide internal audit with a response. This included indicating whether or not the recommendations agreed therein have been implemented to a satisfactory standard. Internal audit clearly specified that as part of this response, directors were to provide specific dates for implementation and that this was required by the audit committee.

This report also details those high opinion audits that internal audit plan to remove from future update reports. The audit committee is asked to support this.

FINANCIAL IMPLICATIONS

There are no direct financial implications arising from the report.

EQUAL OPPORTUNITIES IMPLICATIONS

There are no equal opportunities implications arising from the report.

RECOMMENDATIONS

1. That the audit committee notes the content of the report.
2. That the audit committee agrees to the removal of the following reports from the tracker:
 - Markets Service (Place) – requested update due in March 2016
 - Assisted Cycle Purchase Scheme (Resources)
 - Blue Badges – Assessment Process (Resources)
 - School Attendance - Multi Agency Support Teams (MAST) (CYPF)
 - Schools, using independent payroll services (CYPF)
 - Short Term Intervention Team (STIT) (Communities).

Kayleigh Inman
Senior Finance Manager, Internal Audit.

**SHEFFIELD CITY COUNCIL
UPDATED POSITION ON HIGH OPINION AUDIT REPORTS AS AT JANUARY 2016**

1. Petty Cash Controls (Resources) (Issued to the audit committee 5.11.2015)

As at January 2016

This report was issued to management on the 27.8.15 with the latest agreed implementation date of 31.10.15. Management have provided an updated position and this is reproduced below. In addition, EMT has commissioned a review to challenge the continued use of petty cash to support service delivery.

Ref	Recommendation	Priority	Original Responsible Officer	Original Implementation Date	Updated position - provided by Finance Manager, Revenues & Benefits and Senior Finance Manager, Resources BP and Contract Manager
1.1	Petty cash reimbursement procedures should be documented and periodically reviewed to ensure they are fit for purpose. Procedures should include all aspects of petty cash reimbursements including but not exclusively, the process of paying out (including identification verification), retention of authorised documents and collation of year end data.	High	Andy Jarvis, Capita Contract Manager Hayley Dolling, Financial System Support Group	31.10.15 Revised implementation date : 31.3.16	The review of SCC procedure notes is dependent on having cashiers' process notes. These have now been submitted and work will begin assessing how much change is needed.
1.2	The Cashiers service should collate and maintain a list of petty cash floats held for every portfolio throughout the Council, including value, nominated float holder name and Finance Business Partner. The list should also be updated when a float is repaid and no longer used.	High	Andy Jarvis, Contract Manager	30.09.15 Revised implementation date : 31.3.16	Petty cash spreadsheets emailed to SCC 2/11/15. Further meeting with SCC who have advised to send out to all Heads of Service with SIG list and Authorised Signature form to be completed by all portfolios.
1.3	To ensure consistency and completeness the Cashiers service should issue, co-ordinate and collate the year end petty cash returns for all portfolios.	Medium	Andy Jarvis, Contract Manager Hayley Dolling, Financial System Support Group	31.10.15 Revised implementation date 30.4.16	This has been accepted but will be done as part of the year end process.

1.4	<p>Capita should instigate and co-ordinate a review of petty cash authorisation.</p> <p>An exercise to review and update the electronic lists of the names of the authorised signatures should be undertaken by all services who have a petty cash float to ensure all leavers are deleted.</p> <p>New authorised signature lists should be completed and then submitted to Heads of Service for authorisation.</p> <p>Capita should create new electronic lists of the names of the authorised signatures for every portfolio and file the corresponding authorised signature lists.</p> <p>An email should be issued to all business unit managers to remind them that it is their responsibility to inform Cashiers of any leavers.</p> <p>Cashiers should delete leavers from the list as and when notifications are received.</p> <p>Cashiers should undertake an annual review of the lists.</p>	High	<p>Andy Jarvis, Contract Manager</p> <p>Progress monitored and completion verified by John Squire, Finance Manager, Revenues & Benefits</p>	<p>30.09.15</p> <p>Revised implementation date : 31.3.16</p>	<p>Capita have reviewed existing information relating to budget holders authorised signatories and appropriate heads of service. New proformas for services to complete have been produced.</p> <p>Capita will contact relevant heads of service w/c 23.11.15 in order for new authorised signature lists to be completed and returned and for new electronic list of authorised signatories to be compiled.</p>
1.5	<p>Heads of Service to ensure all authorised signature lists are correctly completed and authorised before submitting them to Cashiers.</p>	2 - High	<p>Relevant Head of Service</p> <p>Hayley Dolling, Financial System Support Group</p>	<p>31.10.15</p> <p>Revised implementation date : 31.3.16</p>	<p>Capita will contact relevant heads of service w/c 23.11.15 in order for new authorised signature lists to be completed and returned and for new electronic list of authorised signatories to be compiled.</p>

2. Assisted Cycle Purchase Scheme (Resources) (Issued to the audit committee 5.11.2015)

As at January 2016

This report was issued to management on the 20.10.15. The headline recommendation was for the assisted cycle purchase scheme to be withdrawn, given that a replacement scheme has already been introduced. Internal Audit has received confirmation from HR Business Partnering that new applications will no longer be accepted, and the scheme has been closed-down. Existing loans issued will be recovered in full through the agreed payment arrangement.

Internal Audit proposes to remove this item from the tracker report.

3. Outcome planning (corporate review)

As at January 2016

Internal Audit: The outcome planning review was a corporate review. The report was discussed with the chief executive as well as the appropriate senior officers. It was issued to management on the 03.02.15. It was agreed that the report gave an accurate reflection of the current position. The recommendations were also agreed as a positive way forward. The issues raised were not confined to simple process changes and many of the recommendations required a cultural shift within the organisation. These recommendations will therefore in some instances take a longer period to fully embed. The chief executive has agreed to produce an annual report in June to the audit committee on the progress made in this area. This report will be timetabled into the work plan for the committee. It is therefore not proposed to report on this report in detail as part of these high opinion progress reports.

4. Transitions – governance arrangements (Communities) (Issued to the audit committee 27.04.15).

As at July 2015

Internal Audit: This report was issued to management on the 17.04.15 with the latest agreed implementation date of 30.09.15. Therefore an update will be provided in the next high opinion update report.

As at January 2016

An internal audit follow-up review was scheduled for quarter 3 of 2015/16. A new Head of Service (Andrew Wheawall) in Communities was appointed in Oct 2015 and this has led to slippage in the original agreed implementation dates. He provided the following management update.

Ref	Recommendation	Priority	Original Responsible Officer	Original Implementation Date	Updated position - provided by Andrew Wheawall, Head of Adults Mental Health/Learning Disabilities and Transitions, Communities.
4.1	Service Plans should include clear objectives for the Transitions service, which includes targets to be met for improvement of the service, and timescales and monitoring arrangements for this. Plans should be in line with Corporate and legislative objectives, be consistent within CYPF and Communities, and should be agreed by management from both portfolios.	3 - Medium	Anne Flanagan, Interim Head of LD. Dorne Collinson, Director, Children and Families.	30/06/2014 Revised implementation date : 30/6/2016	Work is planned to address this as part of the joint working arrangements now being put in place. 30/06/2016
4.2	There should be a clear and consistent operational plan in place for the Transitions service which details the objectives of the service, and shows clear pathways for the transition from children's to adult	2 - High	Anne Flanagan, Interim Head of LD.	30/06/2015 Revised implementation date : 30/6/2016	Work is planned to address this as part of the joint working arrangements now being put in place.

	social care. The operational plan should be in line with portfolio service plans, and include details of roles and responsibilities of portfolios and partnerships involved in transitions work, detailed performance targets and timescales and arrangements for monitoring these. Progress against the plan should be monitored and reported to senior management on a regular basis.		Dorne Collinson, Director, Children and Families.		
4.3	Performance monitoring should include specific outcomes for which performance can be measured against; for example number of days it should take to complete an initial assessment against actual time taken. Outcomes should be set by management, monitored at least quarterly and used to inform service improvement and staff training and development. Results of performance monitoring, and any action taken to improve this should be reported to senior management.	2 - High	Anne Flanagan, Interim Head of LD. Dorne Collinson, Director, Children and Families.	30/06/2015 Revised implementation date : 30/6/2016	Work is planned to address this as part of the joint working arrangements now being put in place.
4.4	There should be a risk management plan in place for the Transitions Team which identifies key risks that affect the service and its partners/stakeholders. The plan should be in line with corporate requirements and include actions to be taken to mitigate risks, timescales and monitoring arrangements. The plan should be reviewed for adequacy at least quarterly.	3 - Medium	Anne Flanagan, Interim Head of LD. Dorne Collinson, Director, Children and Families.	30/06/2015 Revised implementation date : 30/6/2016	Work is planned to address this as part of the joint working arrangements now being put in place.
4.5	There should be documented processes and procedures in place which detail the different pathways for service users transitioning to adult social care. This should include roles and responsibilities of each partner and portfolio, how each service interacts with each other and the service user, and timescales for each stage of the process. Procedures should be reviewed by the Transitions Working Group (or similar multi-agency group) to ensure consistency across portfolios. As transitions staff work with children's and adult social care systems, a training and development plan should also be considered to ensure that information is recorded appropriately.	1 - Critical	Anne Flanagan, Interim Head of LD. Dorne Collinson, Director, Children and Families.	30/09/2015 Revised implementation date : 30/6/2016	Work is planned to address this as part of the joint working arrangements now being put in place.

4.6	The service responsible for agreeing costs that are generated from transitions activity should ensure that arrangements for financial management and responsibility are documented and agreed by management. This includes identifying responsible officers, and budget monitoring arrangements.	2 - High	Anne Flanagan, Interim Head of LD. Dorne Collinson, Director, Children and Families.	31/03/2015 Revised implementation date : 30/6/2016	Work is planned to address this as part of the joint working arrangements now being put in place.
4.7	There should be an agreed procedure in place for identifying and monitoring spend on service users with a transitional support plan. This can be used to identify and monitor impact on the adult social care purchasing budget.	2 - High	Anne Flanagan, Interim Head of LD. Dorne Collinson, Director, Children and Families.	31/03/2015 Revised implementation date : 30/6/2016	Work is planned to address this as part of the joint working arrangements now being put in place.
4.8	Transitions management should undertake long-term financial forecasting of service users care needs. This would assist in giving a picture of who is likely to use the transitions service in the future, and aid with financial planning of the service.	2 - High	Anne Flanagan, Interim Head of LD. Dorne Collinson, Director, Children and Families.	30/06/2015 Revised implementation date : 30/6/2016	Work is planned to address this as part of the joint working arrangements now being put in place.
4.9	A communication plan should be developed which identifies key partners and stakeholders and how the service work with them. The plan should identify what meetings take place and how often, officers responsible for communication, and types of communication that take place. The plan should be reviewed periodically to ensure adequacy.	3 - Medium	Anne Flanagan, Interim Head of LD. Dorne Collinson, Director, Children and Families.	30/06/2015 Revised implementation date : 30/6/2016	Work is planned to address this as part of the joint working arrangements now being put in place.
4.10	Results of feedback from service users and other stakeholders should be collated and reported to management. Any actions taken to inform service planning, or staff training and development as a result	2 - High	Anne Flanagan, Interim Head of LD.	30/06/2015 Revised implementation date : 30/6/2016	Work is planned to address this as part of the joint working arrangements now being put in place.

	of feedback should be documented and agreed.		Dorne Collinson, Director, Children and Families.		
4.11	Processes and procedures for recording information for service users transitioning from children's to adult social care should be documented and reviewed by management from both portfolios for adequacy and consistency. It should be ensured that all transitions staff are adequately trained in using Carefirst and Careassess for recording information in both children and adult social care capacities.	2 - High	Anne Flanagan, Interim Head of LD. Dorne Collinson, Director, Children and Families.	30/06/2015 Revised implementation date : 30/6/2016	Work is planned to address this as part of the joint working arrangements now being put in place.

5. External Funding (corporate review) (Issued to the audit committee 01.06.15).

As at July 2015
Internal Audit: This report was issued to management on the 07.05.15, with the latest agreed implementation date of 30.09.15. Therefore an update will be provided in the next high opinion update report.

As at January 2016
An internal audit follow-up review is scheduled for quarter 1 of 2016/17. A key challenge with regard to external funding is getting managers across portfolios to comply with the process, this has resulted in slippage in some of the original implementation dates. An update has been provided by service management and this is reproduced below:

Ref	Recommendation	Priority	Original Responsible Officer	Original Implementation Date	Updated position - provided by External Funding Manager 23.11.15
5.1	It is recommended that where appropriate approval has not been sought for external funding and where there is a lack of clarity with regards to the key funding arrangements (including match funding arrangements), this is clearly detailed and escalated to the relevant Executive Director/Director for information and appropriate action to be taken (where necessary). The External Team should continue to publicise the	High	Finance Manager, External Funding	Management actions in progress at the time of the discussion meeting. Actions to be confirmed as satisfactory at the time of the follow-up review.	Budget holders requiring grant sign off at a late stage with no grant report are refused and required to produce a report before sign off is undertaken (Communities – Prevent Coordinator grant is an example) Where necessary, excessive

	<p>process across the Council with periodic updates placed on the intranet.</p>			<p>Revised implementation date 31.3.16 for training to Executive Directors and Directors.</p> <p>Wider roll-out of the presentation to be reviewed in June 2016.</p>	<p>delays in Leader's scheme reports are progressed with appropriate level of management (Example DFE S31 Innovation grant and DCLG S31 Roma Grant)</p> <p>Grant offers still continue to arrive with External Funding requiring a very quick turnaround from funders. External Funding manage to review these ensuring compliance with the Leader's Scheme, but too often it means having to delay/ reschedule planned work to avoid losing a grant offer (example CYPF :Make, Learn, Share EU grant)</p> <p>An External Funding presentation on how the Leader's Scheme works has been developed for Senior Management Training. Sessions had been booked with Place Leadership Team, but were cancelled by Place on two occasions. This training presentation will be promoted more widely in 2016 with External Funding asked to attend a CYPF Managers event in January (the previous presentation request being cancelled by CYPF). Availability of Senior Management Teams is sometimes difficult. The presentation has already been presented to some Finance Business Partner teams and will be promoted across all Finance teams during 2016.</p>
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				<p>Revised implementation date : Cabinet report finalised by 31.1.16.</p> <p>Revised implementation date : 31.12.15</p> <p>Revised implementation date : 30.6.16</p>	<p>The External Funding team have worked with Legal to develop and implement proposals to make decision making more efficient and simpler for all parties.</p> <p>Developments in the pipeline are as follows: 1. A new approach of seeking block approval by Cabinet for all established, annually recurrent grants has been adopted. This aims to remove the need for budget holders to produce individual reports every year for the same recurrent grants. Legal and Finance will continue to review every grant offer every year and only require a specific individual report if there are material changes in terms and conditions, risks and or the purpose of the grant.</p> <p>2. In agreement with Legal, developing a speedier approval process whereby new non EU grants below £100k can be signed off more efficiently without diminishing Finance and Legal controls. External Funding have set up a register to identify and record breaches of the Leader's Scheme process.</p> <p>Intranet updates are under review and are something that External Funding will be looking into during 2016 as part of their process review.</p>
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5.2	The lessons learnt from legacy grant funding arrangements should be shared with all relevant staff across the Council. This should be linked to details of proper process and responsibility.	High	Finance Manager, External Funding	Management actions in progress at the time of the discussion meeting. Actions to be confirmed as satisfactory at the time of the follow-up review.	<p>Action complete.</p> <p>External Funding have directed new managers on ERDF projects to managers with experience of ERDF projects for advice and guidance on things such as Audits, records and evidence retention.</p> <p>External Funding have identified ERDF requirements that need to be included as standard agenda items to be discussed at Project Board meetings.</p> <p>The External Funding Team are currently contacting external training providers to see if there are courses available to train SCC employees who are involved in or are new to EU projects including new members of the External Funding Team.</p> <p>Lessons learned/advice given from DCLG about the importance of ERDF record retention and its duration has been communicated to Project managers and Senior Management.</p> <p>External Funding have advised the Integra Implementation team on the electronic storage requirements based on DCLG advice.</p>
5.3	A timescale should be set for the implementation of the use of SharePoint for recording all key grant funding information.	High	Finance Manager, External Funding	September 2015 Revised implementation date :	Resource pressures and workloads have meant that SharePoint is not able to be implemented during 2015/16.

	A review should be taken on legacy arrangements across the Council and how these can potentially be included on SharePoint using a cost benefit analysis to assess the cost of doing this with potential claw back etc.			Resource levels to be reviewed July 2016.	However, there is full commitment to the use of SharePoint and work will commence as and when time, workload pressures and resources allow.
5.4	<p>Going forward, grant claims should not be signed off by any party where there is any doubt regarding the supporting evidence. In the case of any loss of funding, the service area should make a provision for this.</p> <p>A grant authorisation checklist should always be present when a claim is signed off. If this has not been completed, the claim should be sent back to the project manager for completion.</p> <p>Grant claims should be submitted in such a time as to allow for appropriate checking. If a claim is submitted late or with little or no time for appropriate checking; again, the Service should make provision for this. Lack of time cannot be a reason to sign off a claim without the appropriate supporting evidence. Where appropriate, it is the project manager's responsibility to agree a time extension with the funder to allow for verification to take place.</p> <p>Going forward, consideration should be given to whether the External Funding Team should re-charge for their time spent on grant funding claims - if verification and checking work goes beyond the level normally expected.</p>	High	Finance Manager, External Funding	<p>Management actions in progress at the time of the discussion meeting. Actions to be confirmed as satisfactory at the time of the follow-up review.</p> <p>Revised implementation date : September 2016</p> <p>Revised implementation date : 31.12.15</p>	<p>All claims are reviewed and checked first by Finance Business Partner and then by External Funding. The External Funding team will not sign off weak claims and will delay submission where there are significant errors.</p> <p>Where grant submissions do not have the correct documentation or evidence to support the budget holder is informed and the claim is delayed until the requirements are met. Staff turnover and resource levels along with tight funder timescales can mean that claims arrive with very little time to turnaround.</p> <p>As part of the process review External Funding will undertake a review of the grant claim process (during 16/17) with the intention of producing periodic information for Portfolio management about budget holder performance on claims.</p> <p>It is the intention of the External Funding team to recharge for staff time spent on grants work where the grant conditions enable this. A paper is currently being produced for the Director of Finance outlining proposals for this (aiming to be completed by early</p>

					December 2015). Starting from November the External Funding team are intending to ask the question about recharging staff time for every new grant offer arriving.
5.5	In the interests of the Council, Internal Audit recommends that an email is sent to the CCG specifying the conditions under which the Council are operating/will operate until the Memorandum of Understanding is signed off.	High	Finance Manager, External Funding	Note – Compensating Controls Revised implementation date : 30.4.16	External Funding will liaise with Finance Business Partner and the Portfolio to review these proposals when the next round of Memorandums of Understanding needs to be signed off.
5.6	Going forward, the Bikeability grant claims should be monitored on an ongoing basis and the amounts of surplus retained by the Service remain under review.	Medium	Finance Manager, External Funding	Ongoing – for the term of the funding	Action Complete Along with the rest of the LSTF funding streams, Bikeability claims are reviewed each month by the External Funding team and any issues are taken up with the service.
5.7	It is recommended that Project Managers charged with managing external funding sign to confirm that they understand their roles and responsibilities in relation to the external funding scheme at the start of the process when they take on their role. Project Managers who have failed in their duty to administer/manage external funding appropriately should not be permitted to continue in their role until they have received appropriate training. In serious cases, it may be necessary to remove them from managing the external funding schemes completely. Where officers have failed in their duties, this should be reported to the relevant Director/Executive Director (as this is either a capability or a disciplinary issue).	High	Finance Manager, External Funding	September 2015 Revised implementation date : 31.3.16	Clarification and documentation of Project Manager roles is being reviewed as part of External Funding's process reviews and will be developed further over the coming months. A pilot of a new grant template where the specific roles of each party are more clearly defined has been tested with some Place grants. The results of this will be reviewed and adaptations made to the form where needed prior to wider usage across all Portfolios. Where there have been problems with the management and

					administration of the grant then External Funding have intervened and advised Project Managers where necessary (e.g. Autism Grant)
5.8	It is recommended that the External Funding Manager prepares a short report on an annual basis for the attention of the Audit Committee. This should identify any areas of concern that have arisen throughout the year in relation to external funding. This will allow the Audit Committee the opportunity to challenge senior management within the areas where concerns have been raised and hopefully, encourage appropriate action to rectify any arising issues.	High	Finance Manager, External Funding	September 2015	Action complete The External Funding Manager is aware of the key issues, pressures and areas of concern and is able to produce a report to the required timetable as and when requested to do so.
5.9	It is recommended that a notice is included on the grant claim authorisation checklist (which the project manager must sign off) that states that if an officer knowingly completes a claim which contains false information; this can potentially be treated as a fraud matter. It should be stated that it is the manager's responsibility to obtain, read and comply with all the grant conditions. Where they cannot provide this assurance, they should seek advice immediately from the External Funding Team.	2 - High	Finance Manager, External Funding	June 2015 Revised implementation date : 31.3.16	As per item 5.7 the wording of the grant checklist will be adapted once the finalised version of the template is agreed.

6. Markets Service (Place) (Issued to the audit committee 25.02.15).

As at July 2015

Internal Audit: This report was issued to management on the 16.1.15, with the latest agreed implementation date of 31.3.15. A follow up was undertaken in May 2015 and the results were included on the high opinion tracker report in July 15.

As at January 2016

Markets Service management attended the audit committee in September to provide an update on progress implementing the outstanding recommendations. The action is summarised in the table below, with management stating that all actions have been implemented. Members asked that a further update be provided to the committee in 6 months' time (due March 2016).

Ref	Recommendation	Priority	Original Responsible Officer	Original Implementation Date	Updated position - presented by management to AC (September 2015)
6.1	Staff should have access to copies of the markets business continuity plan. Copies should be held in the main markets office as well as at Crystal Peaks and the Parkway Wholesale Market. Staff should be made aware of where these are located, their contents and intended use. In addition, nominated officers should also retain copies personally to ensure access to the plans at all times (in the event of the offices not being accessible).	Medium	Head of Markets	27.02.15 Revised implementation date 30.06.15	Action complete <u>Management Position</u> The transfer of Markets patrol staff to Kier was completed on the 1 st September and BCP for both the Moor Market and Crystal Peaks Market are held at both sites and by the Markets Manager (Districts), the Assistant Markets Manager (City) and the Markets Maintenance Manager.
6.2	Over and above the need to initiate immediate action for the recovery of the traders' debts (as set out elsewhere in this report), the director of capital & major projects should require the head of markets to explain why the stated policy preventing traders holding outstanding arrears from transferring to the Moor Market was disregarded, particularly as this has resulted in significant arrears being built up by those traders in the new market. Similar explanations should be sought as to why the promise of allowances on the new market was used to offset existing arrears on Castle Market.	High	Head of Markets	30.01.15 Revised implementation date 30.09.15	Action complete <u>Management Position</u> An investigation has been carried out by The City Centre Manager and Major Events Manager. <u>Internal Audit Comment</u> This has been reported to Internal Audit separately and demonstrates that action is now being taken to manage the debt.
6.3	The monthly debt recovery meetings should be re-introduced as a means of identifying and initiating recovery action against traders' arrears. Appropriate action should be taken to ensure recovery of rental and service charge arrears from traders. This includes the initiation of prompt recovery action on or after 37 days in line with the corporate recovery process. Markets management should review the arrears position of individual traders in advance of the monthly ICAM meetings to ensure that the meetings are productive and provide clear guidance and instruction on action to be taken.	High	Head of Markets	30.01.15 Revised implementation date: 31.07.15	Action complete <u>Management Position</u> All old debt has been reviewed with a view to write-off where it has been determined to be uncollectable. <u>Additional comment from Head of Markets 2.11.15</u> A fortnightly debt meeting has now been set up with

	<p>Markets management should use the notebook facility in OEO (sundry debtors) to set out any payment arrangements, meeting notes, arising from discussions with the traders as a means of enhancing communications with the ICAM team. Traders should be reminded of their contractual obligation under the terms of their tenancy agreements to pay rent and service charges within 1 month of them being invoiced and of the consequences of failing to do so. Consideration should be given to the termination of tenancies where arrears remain outstanding.</p>				<p>representatives from the ICAM Team and Legal to target key debtors which has seen some success, however the difficulty of dealing with market traders should not be underestimated.</p> <p>Several debts have already been written off and more are currently being considered through the above group. Especially where traders have left and searches have found they have no tangible assets.</p> <p><u>Internal Audit Comment</u> Evidence has been provided to support the monitoring of the debt position.</p>
6.4	<p>Management's attention is drawn to the recommendations raised within this report for the re-establishment of debt recovery meetings, the formal monitoring of sundry debtors and initiation of prompt recovery action in line with corporate policy. In addition, consideration should be given to the re-evaluation of the stated risk pending introduction of any agreed action and consideration of escalation of the risk to Place PLT.</p>	High	Head of Markets	31.03.15	<p>Action complete</p> <p><u>Management Position</u> Has been escalated in the Place risk register to PLT level and all accounts if they remain unpaid at the 37 day point are referred to the ICAM Team for further recover action.</p>
6.5	<p>In order to adequately protect the public from the risk of injury or loss as a result of illegal trading, systematic inspection of trader's stalls should be carried out. Inspections should be arranged without the knowledge of the traders so as to maximise the benefit.</p>	Medium	Head of Markets	<p>31.01.15</p> <p>Revised implementation date 31.07.15</p>	<p>Action complete</p> <p><u>Management Position</u> Markets Patrol staff take a more active role in identifying counterfeit, fake, illegal or dangerous goods being sold on trader's stalls in line with the Real Deal Campaign, Sheffield Markets have signed up to. Now that</p>

					<p>these staff are employees of Kier their line manager is going to give them a toolbox talk on what to look for and ask them to sign to say they have received it. Trading Standards are also going to provide a couple of workshops explaining to Markets staff the most obvious thing to look out for in terms of counterfeit, fake, illegal or dangerous goods.</p> <p><u>Additional comment from Head of Markets 2.11.15</u> We still await workshops by Trading Standards whose premise is 'if it looks fake, it probably is'. Staff have been instructed to report anything suspicious to Trading Standard Officers at the earliest opportunity.</p>
6.6	<p>Markets staff should be reminded that they must not accept cheques from traders for the payment of rents and service charges, nor bank them via the markets' cash collection and banking arrangements. Traders attempting to do so should be reminded of the appropriate payment arrangements (including cross-referencing to the respective invoices). Under no circumstances should staff accept post-dated cheques. Debt recovery and payment arrangements entered in to between markets management and individual traders should be formally documented in the OEO notebook facility and discussed with the ICAM Team at the monthly debt management meetings. Markets staff should monitor on a monthly basis to ensure that traders continue to make payment in line with the agreement and initiate recovery action where traders lapse from it. Management should reconcile payments made by</p>	High	Head of Markets	<p>31.01.15</p> <p>Revised implementation date 31.07.15</p>	<p>Action complete</p> <p><u>Additional comment from Head of Markets 2.11.15</u> Staff have been instructed not to accept cheques or cash except where it goes via the MACCS system or chip and pin for the temporary barrows/spaces around the markets or where organisers are paying for a temporary market licence in advance. Cash is still accepted from the outdoor markets but once Capita is able to provide us a suitable wireless chip and pin machine we will aim to collect as much of these fees via card payment as possible.</p>

	<p>the trader in question to determine an accurate arrears position. That trader should then be placed on a formal or structured repayment schedule to address those arrears. All temporary lettings should be documented in formal temporary lettings agreements, clearly setting out the letting period and charges due. This should form the basis for the raising of the monthly accounts. Under no circumstances should informal, undocumented temporary lettings be accepted.</p>				<p>All contact with traders regarding debt is put on OEO straight away to ensure colleagues in the ICAM Team are aware of the latest position. All temporary lettings are recorded and the fees due collected via the MACCS System. Chip and Pin or an account is raised.</p>
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Internal Audit proposes to remove this item from the tracker report.

7. Blue Badges – Assessment Process (Resources). (Issued to the audit committee 03.03.15).

<p>As at July 2015</p>
<p>Internal Audit: This report was issued to management on the 12.02.15, with the latest agreed implementation date of 30.04.15. A progress update from management is reproduced below and a follow up audit is planned by Internal Audit for later in 15/16.</p>

<p>As at January 2016</p>
<p>Internal audit carried out a follow-up review in September 15. The results of this review are included in the table below, all recommendations had been adequately addressed.</p>

Ref	Recommendation	Priority	Original Responsible Officer	Original Implementation Date	Updated position after Internal Audit follow-up work
7.1	<p>Corrections to the errors currently in the policy dated August 2013 (paragraphs 8.6 & 5.6) should also be made. The blue badge policy dated August 2013 should replace the November 2011 version on the council's website.</p>	Medium	Mark Holmes / Linda Lawson	28.02.15	<p>Updated policy on internet. Data sharing notice in new application. Action Completed</p>

7.2	Management should ensure that the current assessment process is documented and available to all relevant staff	High	Mark Holmes / Linda Lawson	31.03.15	There is a new assessment matrix on Lagan with guidance notes / instructions for staff at each stage. Action Completed
7.3	Management need to investigate viable options for the assessment process, determine the most appropriate for the applicant and council and ensure that there is sufficient training and documented guidance for the relevant staff.	Critical	Mark Holmes / Linda Lawson	28.02.15	New Blue Badge application (paper and online) and new matrix, with guidance / instructions for staff, introduced in August 2015. Matrix is consistent with Department for Transport guidance and input received from Physiotherapists involved in the assessments. Action Completed
7.4	Management should consider what information is available to assist in monitoring productivity and develop a quality check to enable meaningful feedback is provided to staff.	Medium	Mark Holmes / Linda Lawson	30.04.15 Revised implementation date 30.06.15	A Quality Monitoring programme has been introduced in line with the current programme in Customer Services at the beginning of September 2015. Physiotherapists are scheduled to review a sample of decisions and provide feedback on an ongoing basis. Productivity monitoring is in development and work with the Performance and Review team to address accuracy of productivity reports is ongoing. Action Completed

Internal Audit proposes to remove this item from the tracker report.

8. Statutory Responsibilities Health Check (Resources). (Issued to the audit committee 14.01.15).

As at July 2015

Internal Audit: This report was issued to management on the 12.01.15, with the latest agreed implementation date of 31.03.15. An update of progress to date is provided below from the interim director of Legal and Governance. A follow up will be undertaken as part of the 15/16 audit plan.

As at January 2016

An Internal Audit follow-up review was undertaken in October 2015. 2 of the 8 recommendations have been actioned and the remaining 6 are ongoing for completion as part of the Annual Governance Statement production for 2015/16. The results from the follow up are included below.

Ref	Recommendation	Priority	Original Responsible Officer	Original Implementation Date	Update provided from Gillian Duckworth, Interim Director of Legal & Governance As at 12.11.15
8.1	<p>Individual service managers should be required to carry out an annual refresh of the data bases as part of each year's AGS process. This requirement should be incorporated in to the AGS Guidance issued by the interim director of Legal & Governance.</p> <p>This will ensure that the data bases remain contemporaneous in relation to current legislation, organisational structure and the appropriate assignment of lead officer responsibilities and can be used as the basis for the corporate-based confirmation processes raised at finding 3.1 in this report.</p>	Medium	<p>Interim Director of Legal & Governance</p> <p>(Initially - with individual directors subsequently picking up responsibility for their own registers).</p>	<p>31.03.15</p> <p>Revised implementation date 31.03.16</p>	<p>Since the last update further work has been commissioned from BCIS to provide the Statutory Responsibilities Registers on SharePoint similar to the Risk Registers (previous SharePoint presence was only an Excel document).</p> <p>This work is still in progress (not all responsibilities have been allocated to specific services yet just Portfolios) and therefore there has not been any Council wide interaction with departments in relation to this.</p> <p>A pilot is now in progress in the Governance team providing advice to Place regarding statutory responsibilities in two discrete areas which will inform how we further progress this so that all services have an up to date Register by 31 March 2016.</p> <p>Therefore work is still ongoing to meet the 2015/16 timetable.</p>

8.2	<p>The interim director of Legal & Governance should take forward the agreed actions from the deputy chief executive's original report and work with individual executive directors to ensure their implementation. In doing so, however, internal audit further recommends that guidance should be issued by the director of Legal & Governance as to:</p> <ul style="list-style-type: none"> • The levels of assurance required by portfolio management from the respective lead officers; • The consideration of statutory responsibilities as part of the service business planning process, budget setting and performance monitoring procedures across all portfolios; • The systematic risk review of all statutory responsibilities to determine the potential impacts of non-compliance (particularly where statutory responsibilities are delivered externally to the service) and their inclusion on service risk management plans where considered significant. Consideration should then be given to the escalation of significant risks as and where necessary. 	High	Interim Director of Legal & Governance	<p>31.03.15</p> <p>Revised implementation date 31.03.16</p>	<p>Action at 8.1.</p> <p>This work is ongoing to meet the 2015/16 AGS timetable – delayed due to SharePoint progress and to be informed by pilot with Place.</p>
8.3	<p>Internal Audit recommends that the interim director of Legal & Governance puts in place arrangements for portfolios to undertake an annual review of compliance with statutory responsibilities and its incorporation in to the existing AGS schedule as a means of stream lining the process and providing cohesive coverage. Further recommendations relating to how the two processes may be combined are made at 6.8</p>	Medium	Interim Director of Legal & Governance	31.03.15	Completed
8.4	<p>Up to date and accurate registers of statutory responsibility should be maintained at portfolio and service level ensuring that all relevant responsibilities have been identified and assigned. These should then be used as the foundation for monitoring compliance.</p> <p>The registers should be updated to account for new legislation and be reviewed on an annual basis to ensure that they remain up to date (ideally in</p>	High	<p>All Executive Directors</p> <p>Initial agreement with Interim Director of Legal & Governance with individual directors subsequently</p>	<p>31.03.15</p> <p>Revised implementation date 31.03.16</p>	<p>Part of process outlined at 8.2.</p> <p>This work is ongoing to meet the 15/16 AGS timetable.</p>

	conjunction with the service business planning process).		picking up responsibility for their own registers.		
8.5	<p>Corporate service business planning guidance should be revised so as to explicitly require business plans to outline the range of statutory responsibilities anticipated to impact on resource allocation, as well as the actual allocation of resources in ensuring compliance.</p> <p>Business plans should be used to set out management's strategies in addressing its statutory responsibilities including the risks and impact of planned partial or non-compliance.</p> <p>Directors should ensure that all statutory responsibilities have been accounted for before signing-off individual business plans (with reference to the registers of statutory responsibility set out at 8.4</p>	High	Director of Policy, Performance and Communications	31.03.15	<p>Director of Policy, Performance and Communications response as at 09.04.15</p> <p>Action completed - as statutory responsibilities are included in the service planning guidance, which will be issued shortly.</p>
8.6	Having established registers of statutory responsibility, directors should ensure that these are considered as part of the monthly governance arrangements. Compliance with statutory responsibilities should be incorporated in to the framework of governance meetings covering service managers, heads of service and their respective directors	High	All executive directors	<p>31.03.15</p> <p>Revised implementation date 31.03.16</p>	<p>To form part of guidance detailed at 8.2 above.</p> <p>This work is ongoing to meet the 15/16 AGS timetable.</p>
8.7	<p>All portfolios and services should monitor compliance with statutory responsibilities in the context of staff changes and reduced funding levels. This should incorporate:</p> <ul style="list-style-type: none"> As part of the annual service business planning process, identifying the service costs required to ensure compliance; The consideration of alternative strategies for delivering compliance; The use of appropriate performance indicators where applicable to aid monitoring; & Incorporation of compliance monitoring in to the 	High	All executive directors	<p>31.03.15</p> <p>Revised implementation date 31.03.16</p>	<p>To form part of guidance detailed at 8.2 above.</p> <p>This work is ongoing to meet the 15/16 AGS timetable to be informed by pilot with Place.</p>

	monthly governance framework; Over and above this, executive directors should report to EMT annually at the culmination of the service business planning process, setting out the impact of reduced resources on compliance with statutory responsibilities.				
8.8	<p>Guidance for the completion of the 2014/15 AGS should be more explicit in requiring service managers to declare all issues of non-compliance with statutory responsibilities.</p> <p>Service managers should be required to include in the declaration details of any risk/impact assessment and mitigation strategies as a means of evaluating the significance of the non-compliance. This is particularly pertinent where the AGS is to be used as the platform for the annual monitoring of compliance with statutory responsibilities.</p> <p>The AGS guidance package should require the submission of registers of statutory responsibility to the director of Legal & Governance. These should be signed-off where appropriate by the relevant service manager and director as formal confirmation of compliance, or cross-reference to the appropriate declaration in the service AGS.</p> <p>This will enable the director of Legal & Governance to provide EMT with an annual report on compliance with statutory responsibilities when reporting on AGS.</p>	High	Interim Director of Legal & Governance	31.03.15 Revised implementation date part 30.09.15 and fully 31.03.16	Moving Statutory Responsibilities Register onto SharePoint has delayed this work but still on course to have up to date Service Registers by 31.3.16 Therefore this work is ongoing to meet the 2015/16 AGS timetable

9. Waste Management Contract (Place). (Issued to the audit committee 15.08.14).

As at January 2015

Internal Audit: This report was issued to management on the 04.06.14, with the latest agreed implementation date of 31.03.15. Therefore an update will be provided in the next high opinion update report.

As at July 2015

Internal Audit undertook a follow up review in February 2015, the results are reproduced below.

As at January 2016

An update on progress implementing the actions outstanding at July was requested from management. 3 recommendations were outstanding and management have now confirmed that 2 have been actioned (evidence to support this was provided to internal audit) and implementation of the final recommendation is expected by the end of April 2016. The detailed response is reproduced below:

Ref	Recommendation	Priority	Original Responsible Officer	Original Implementation Date	Updated position provided by Head of Waste Management 23.11.15
9.1	Management should monitor the situation to ensure that the financial records are provided by the deadline date and in the prescribed format, so as to enable their review by the project finance team. Management should work towards the resolution of the contractual disputes and the identification of the business improvement plan savings.	Critical	Head of Waste Management & Senior Commercial Manager	31.12.14 Revised implementation date 31.08.15	Action complete Accounts provided as per contract schedule. Project Finance undertaking review and challenge with Veolia. <u>Evidence</u> Evidence of review by Project Finance provided. Dispute resolution process evidenced.
9.2	Both partners should consider all options in relation to lifecycle maintenance accounts. The assistant director of finance (project & commercial) should be included in any discussions and consulted on the decisions taken regarding these funds. Any decisions taken should be formally documented and ratified by both parties.	High	Head of Waste Management & Senior Commercial Manager	31.03.15 Revised implementation date 30.04.16	Action partly complete Contract drafting to reflect agreed change be added to future supplemental agreement. Access fobs for bank accounts outstanding. <u>Evidence</u> Evidence of contract amendments provided.
9.3	Management should work towards the resolution of the outstanding contractual disputes with the contractor. Deadlines should be set to provide structure and the means of measuring progress towards resolution.	Critical	Head of Waste Management	31.12.14 Revised implementation date 31.08.15	Action completed We continue to have a number of disputes with Veolia. They range from ongoing interpretations of income sharing clauses to more recent

					<p>performance deductions which the Council has applied and Veolia do not agree with. All of these are however now in the Dispute Resolution Process. The next meeting is scheduled 1.12.15.</p> <p><u>Evidence</u> Schedule of disputes for discussion at next Dispute Resolution meeting provided.</p>
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10. School Attendance - Multi Agency Support Teams (MAST) (CYPF). (Issued to the audit committee 22.08.14).

As at January 2015
Internal Audit: This report was issued to management on the 11.08.14, with the latest agreed implementation date of 31.12.14.

As at July 2015
Internal Audit undertook a follow up review in March 2015, the results are reproduced below. As a consequence of this, Internal Audit is now revising the follow-up approach and will undertake visits to a sample of schools from the original themed review (for high opinion audits). Compliance with the recommendations will be tested as part of this process. Existing mechanisms such as the City Wide Learning Body, Schools Forum and the Chair of Governors will also be utilised to stress the importance of engagement with internal audit and adherence to agreed recommendations.

As at January 2016
The sampled schools have not been contacted again for an updated position. With all agreed recommendations, the onus is on the headteacher and governing body to ensure adequate control processes are in operation, and as such internal audit have agreed that significant follow-up work in schools will not be undertaken. The recommendations assigned to SCC officers have been followed-up and the responses are reproduced below.

Ref	Recommendation	Priority	Original Responsible Officer	Original Implementation Date	Updated position – provided by Assistant Service Manager.
10.1	A consistent approach across all schools is required. MAST need to review the guidance in relation to the term time holiday process, ensuring no ambiguity, and that guidance is not open to interpretation by schools	High	Assistant Service Manager	31.12.14	Action Complete Comments from Marie McGreavy – Assistant Service Manager: Code of Conduct was revised in collaboration with schools.

				Revised implementation date: 25/02/2015	<p>Guidance for schools on term time holiday penalty notices is revised and issued.</p> <p>Both documents shared on School Point. Guidance shared through forums and by email to schools.</p> <p>Audit Comment: Documentation provided to support the above.</p>
10.2	Targets should be set by the schools for both 'attendance overall' and 'persistent absences', and there should be regular monitoring/ reporting of both of these targets by individual schools and the city area. Intervention work and resources should be allocated to the areas of greatest need and particularly focused on areas with higher than average 'persistent absence rates' as these are areas that could have a greater impact on attainment results.	Medium	Head Teacher or Business Manager at each school sampled & Assistant Service Manager	31.12.14	<p>Action Completed.</p> <p>Comments from Marie McGreavy – Assistant Service Manager:</p> <p>Schools are no longer required to set targets for attendance. However targets are set for the city which is reviewed annually.</p> <p>Resources have been targeted on:</p> <ul style="list-style-type: none"> • The schools with the highest % of persistent absences requiring support. • Individual students with high levels of persistent absences.
10.3	In addition, a checklist should be produced for schools to follow in relation to the key roles and duties regarding the attendance strategy, term time holiday leave policy, etc. It is recommended that this checklist is put on Schoolpoint. Finally, the areas of weakness identified within this report should be checked to the areas covered during a routine MAST "audit" to ensure adequate and full coverage.	Medium	Assistant Service Manager	31.12.14	<p>Action Completed</p> <p>Comments from Marie McGreavy – Assistant Service Manager:</p> <p>See 9.1 above. The guidance documents provide the relevant information in a clear format which gives more information and clarity than could be gained from a checklist.</p>
				Revised implementation date: 31.05.15	

10.4	A formal attendance strategy group should be established now the attendance strategy has been in place since January 2013. The attendance strategy group meetings should also be minuted and one of its first tasks should be to carry out a review of the attendance strategy, which should then be reviewed and updated annually.	Medium	Service Manager	30.09.14 Revised implementation date: 31.05.15	<p>Action Complete</p> <p>Comments from Diane Dewick - Service Manager:</p> <p>The attendance strategy has been reviewed with schools and has been agreed with Inclusion and Learning Service and EI&P SLT and PLT. The Strategy is awaiting agreement and approval from Cabinet members.</p> <p>An Attendance Partnership Group has begun with the first meeting on 13/10/15. Sub groups have been developed to focus on key issues. The first sub groups are booked to take place in early December.</p> <p>Audit Comment: Minutes for the Attendance Partnership Group and terms of reference for the group were provided to Internal Audit.</p>
10.5	If parenting contracts and parenting orders are not issued in Sheffield then this should be reflected in the attendance guidance, policy and reports that SCC issue. Alternatively if these powers are to be utilised, MAST need to ensure all relevant parties understand the purpose/ use of parenting contracts and orders, and when/ how these may be issued.	High	Assistant Service Manager	31.03.15	<p>Action Completed</p> <p>Comments from Marie McGreavy – Assistant Service Manager: School attendance orders (SAO) are used as part of HHE process. The first SAO are being prepared for court. SAO are being investigated for use with CME cases. The ESO process has been clarified. The first education supervision orders have been identified and the process begun.</p>

					Parenting orders and contracts remain within the attendance strategy because they are available and quite possible steps that school (Contracts) or the courts and SCC (orders) could issue. It is not to say that they will be used but they must remain within the guidance.
School Specific Recommendations					
10.6	In line with the good practice guidance stated within the attendance strategy, dated Jan 2013. Every school should have a designated member from SMT as an attendance lead and a member of the governing body who takes responsibility for attendance, and who is willing to play an active role in the improvement of attendance at the school	Medium	Head Teacher or Business Manager at each school sampled	31.12.14 Revised implementation date: 31.05.15	Action Outstanding <u>Audit Comment:</u> 5 schools were contacted for a response: • 1 school provided assurance that the recommendation had been implemented. • 1 school is actioning the recommendation. • 3 schools did not provide any assurance that the recommendation had been implemented. No evidence was provided to support the statements.
10.7	Good governance should be adopted within all schools, with clear in depth reports on attendance being presented to the schools SMT, the governing body and the attendance team. The MAST should also have a follow up process in place for 'missing' reports.	Efficiency/ Effectiveness	Head Teacher or Business Manager at each school sampled	31.12.14 Revised implementation date: 31.05.15	Action Outstanding <u>Audit Comment:</u> Only 6/12 schools provided a response to internal audit stating this recommendation has been actioned. Please note: The 2 nd part of this recommendation - relating to MAST was not followed up as it wasn't agreed.
10.8	All meetings that discuss attendance should be formalised, recorded in the form of meeting minutes and then retained for inspection. This will further	Medium	Head Teacher or Business Manager at	31.12.14 Revised implementation date:	Action Outstanding <u>Audit Comment:</u>

	strengthen the governance around attendance within school.		each school sampled	31.05.15	See response at 9.2.
10.9	Class attendance figures should be highlighted to all staff, via a weekly email, which highlights the week's attendance and compares this to the previous academic year's attendance at that stage of the year	Efficiency/ Effectiveness	Head Teacher or Business Manager at each school sampled	31.12.14 Revised implementation date: 31.05.15	Action Outstanding <u>Audit Comment:</u> See response at 9.2.
10.10	The school attendance strategy states that every school should have policies and procedures designed to ensure that all its pupils attend regularly. Schools should be reminded of this requirement. In line with good practice, the policy should be endorsed and monitored by the school's governing body. Publication of the policy may also help parental engagement.	High	Head Teacher or Business Manager at each school sampled	31.12.14 Revised implementation date: 31.05.15	Action Outstanding <u>Audit Comment:</u> 10 schools were contacted for a response: • 4 schools provided assurance that the recommendation had been implemented. • 2 schools are actioning the recommendation. • 4 schools did not provide any assurance that the recommendation had been implemented. No evidence was provided to support the statements.
10.11	Schools should ensure they have robust, documented continuity arrangements in place regarding first day calling, in the absence of the officer who normally undertakes this role	Efficiency/ Effectiveness	Head Teacher or Business Manager at each school sampled	31.12.14 Revised implementation date: 31.05.15	Action Outstanding <u>Audit Comment:</u> 11 schools were contacted for a response: • 6 schools provided assurance that the recommendation had been implemented. • 5 schools did not provide any assurance that the recommendation had been implemented. No evidence was provided to support the statements.

10.12	All schools should have an up-to-date term time holiday leave policy that follows guidance produced by MAST or include as part of the school attendance policy. This policy should be ratified by the school's governors, cascaded throughout the school and made available on the schools website, i.e. for parents to view.	High	Head Teacher or Business Manager at each school sampled	31.12.14 Revised implementation date: 31.05.15	Action Outstanding <u>Audit Comment:</u> 9 schools were contacted for a response: • 5 schools provided assurance that the recommendation had been implemented. • 4 schools did not provide any assurance that the recommendation had been implemented. No evidence was provided to support the statements.
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Internal Audit proposes to remove this item from the tracker report.

11. Short Term Intervention Team (STIT) (Communities). (Issued to the Audit Committee 17.07.14).

As at January 2015

Internal Audit: This report was issued to management on the 14.07.14 with the latest agreed implementation date of 31.03.15. Therefore an update will be provided in the next high opinion update report.

As at July 2015

Internal Audit undertook a follow up audit in May 2015, and it was found that a number of recommendations had not been completed. The implementation of the better care fund (BCF) throughout 2015/16 will see Communities working with health even more closely to deliver social care services. Underpinning this developing relationship needs to be strong strategic and operational plans for each strand/service that adult social care is tasked with managing, which at the time of the initial audit and the follow up was still not in place. Please see the table below for further details.

As at January 2016

An updated position was requested from the new Head of Access and Prevention:

The original audit was undertaken approx. 2 years ago, and considered STIT's role as part of the Active Recovery service. This was prior to the Integrated Commissioning programme which will likely change the role of STIT in Active Recovery and will require further revision and development of new SLA's etc. going forward. This work will therefore supersede the actions in the report.

Internal Audit is scheduled to undertake further audit work in this area and so proposes to review new working arrangements as part of future audits.

Ref	Recommendation	Priority	Original Responsible Officer	Original Implementation Date	Updated position following Internal Audit follow-up in May 2015.
11.1	Arrangements should be clearly defined to ensure that the objectives for the active recovery (AR) function are formally established and periodically reviewed to ensure that it continues to reflect the ambitions of Right First Time, the local authority and Health	High	Head of Care & Support & Senior Service Manager	31.03.15 Revised implementation date: 30.09.15	Action outstanding Internal audit were provided with evidence that demonstrated a vision for AR, a governance structure, and operational management controls in place. However there was no single, formalised strategic document to govern the AR function. This needs to be achieved as part of the implementation of the BCF intermediate care workstream.
11.2	A formal operational plan should be defined and set in place that documents how management will manage active recovery.	High	Head of Care & Support & Senior Service Manager	30.06.14 Revised implementation date 30.09.15	Action outstanding Management stated that AR consisted of 2 organisations that each had clear operational plans that contained agreed service levels, and performance targets. Management of these is via the operational management group (OMG) and via Right First Time. <u>Internal Audit opinion</u> No single operational plan was in place, as originally envisaged, for the delivery of AR. This needs to be achieved as part of the BCF intermediate care workstream.
11.3	Management should ensure that: - the service delivery expectations from both SCC and Health should be formally defined and agreed	Critical	Head of Care & Support & Senior Service	30.06.14	Action partly completed An active recovery action plan

	(including the basis/criteria for Health's funding of STIT); - formal targets, monitoring and reporting arrangements should be formally defined and implemented as soon as possible		Manager	Revised implementation date: 30.09.15	was provided as evidence of how service delivery expectations were being defined, however these were dated Nov 2013 – Mar 2014. Further evidence was provided to outline actual monitoring and reporting, and again these were dated for autumn 2014. Internal audit acknowledge that reporting appears to have been occurring, however there is still a requirement for some form of strategic documentation that outlines the required/agreed monitoring and reporting of AR delivery.
11.4	Service level expectations between Health and SCC for the delivery of the AR function should be formally defined and agreed. Arrangements for the periodic review of service level arrangements should be defined and all amendments fully documented.	High	Head of Care & Support & Senior Service Manager	30.06.14 Revised implementation date: 30.09.15	Action outstanding Management stated that memoranda of agreement were submitted and that finance was working on the agreements for the next year. Additionally it was stated that work was ongoing on this basis and to agree a joint AR dashboard.
11.6	A business continuity plan should be defined that includes the STIT's responsibilities regarding AR. Arrangements should be put in place to ensure that the business continuity plan is reviewed, staff are made aware and the plan is tested at least annually	Medium	Head of Care & Support & Senior Service Manager	15.05.14 Revised implementation date: 30/09/2015	Action partly completed Internal audit noted that BCPs were in place for STIT South and STIT North. STIT North's plan was still current – being up for review in June 2015, however STIT South was out of date.

					Management should address this, and ensure an updated plan is put in place.
11.7	The terms of reference for the OMG should be reviewed, revised and finalised to include the criteria defined in the finding. Management should take step to find a suitable replacement SCC representative for the Right First Time Group at the earliest opportunity.	High	Head of Care & Support & Senior Service Manager	15.05.14 Revised implementation date: 30/05/2015	Action partly completed. Internal audit were provided with the TOR for the OMG that had been updated and supplied following the original audit testing. These were more detailed, however were still to be finalised (ie: they were still annotated 'draft'). It was stated in an email that they had been formally signed off; however no final version was available to review. <u>Internal Audit Opinion:</u> Whilst the TOR were found to contain more detail, they still needed to be signed off and this recorded.
11.8	Formal arrangements regarding the management of Active Recovery's risks should be clearly defined and documented. Arrangements should include: - overall responsibility for the risk management; - responsibility for maintaining the risk register/risk management plan - responsibility for reviewing the risk register/management plan and defining mitigating actions; - an escalation process	Medium	Head of Care & Support & Senior Service Manager	31.08.14	Action partly completed. Internal audit reviewed risk logs dated June, July and August 2014. In addition, as stated above the ToR did cover risk management responsibility but this was still in draft. See 11.7 above.
11.9	Management should ensure that arrangements are in place and adhered to. Ensuring that the AR risk log and the individual risks reported are formally reviewed and updated in line with defined timescales.	Medium	Head of Care & Support	31.08.14	Action outstanding See 11.8 above.
11.10	A formal service level agreement (SLA) should be produced that clearly defines the services that Health	High	Head of Care & Support	15.05.14	Action outstanding.

<p>are funding and how much they will pay. The SLA should also include:</p> <ul style="list-style-type: none"> - the period or duration of agreement; - arrangements for reviewing and amending service delivery and charges; - how service provision will be reviewed; - when and how payment will be received. <p>The SLA should be formally signed off by appropriate senior management representatives from both authorities and copies of the signed agreements should be retained by appropriate officers from both authorities.</p> <p>All requests to amend the details of the agreements should be raised and recorded formally and all revisions of the agreement should be demonstrated by the appropriate responsible officers from both authorities signing up to the new arrangements. All versions of the SLA should be clearly version controlled to ensure that the latest version can easily be identified.</p>			<p>Revised implementation date 30/09/2015</p>	<p>Management stated that this is now part of the BCF and the pooled arrangements. At the time of the follow up, finance were working on the agreements for 16/17. Historical funding has been confirmed for 2015/16.</p> <p><u>Audit Comment</u> It is acknowledged that AR will form part of the BCF going forward and as stated earlier, memoranda of agreement were reviewed, however there was no SLA in place regarding this.</p>
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Internal Audit proposes to remove this item from the tracker report.

12. Car Parking Services (Place). (Issued to the audit committee 23.09.14).

As at January 2015

Internal Audit: This report was issued to management on the 23.09.13, with the latest agreed implementation date of 31.03.14. Following a piece of follow up work by internal audit in September 14, the director of regeneration and development services attended the November audit committee meeting and provided an update against the outstanding recommendations. At this meeting it was agreed that a further piece of follow up work would be undertaken by Internal Audit.

Because of timing issues, internal audit agreed to obtain evidence for those actions stated as having been completed in the November update – with further updates being provided in the next tracker against actions noted as still being ‘in progress’. It was stated that these in progress actions were to be completed by the end of December 2014.

Internal audit were provided with sufficient evidence to confirm that the 8 recommendations stated as being ‘complete’ in November had all been actioned and these were reported in the previous high opinion report.

As at July 2015

Progress against the remaining outstanding actions was reported to the committee.

As at January 2016

A management update has been provided for the 3 outstanding recommendation, these are included below:

Ref	Recommendation	Priority	Original Responsible Officer	Original Implementation Date	Updated position - provided by
12.6	Consideration should be given to whether restricted authorisation levels should be incorporated in to the parking gateway system for cancellation of penalty charge notices (PCN). Alternatively consideration should be given to the potential for management to review a daily log of cancellations processed to confirm legitimacy and correct application of the enforcement policy.	Medium	TT&PS Business Manager	<p>31.10.14</p> <p>Revised implementation date 31.12.14</p> <p>Revised implementation date 31.07.15</p>	<p>Action Outstanding.</p> <p>Update November 2015: Currently on average the service processes 673 PCN cancellations per month. The service have carried out research on levels of PCN cancellation checking employed by other Core City local authorities and a discussion with Internal Audit is to be scheduled to discuss the findings and agree a reasonable level of checking which can be factored into the services resource requirements in the new structure.</p> <p>The benchmarking data from other Core City Authorities on cancellation checking levels (supplied) show that levels of checking vary between one or two monthly per officer (Bristol), up to 5%. (for experienced staff in Newcastle).</p> <p>Parking Services already demonstrably check up to 10 cancellations per officer (evidence has been supplied) which broadly equates to up to 10% of cancellations being already checked (average 673 per month with 7FTE processing staff).</p>

					Managers continue with the monthly quality checks (of which cancellations are only one part) and these are discussed with the member of staff in monthly 1:1 meetings. No suggestion of any fraudulent activity has been detected to date.
12.7	A systematic monthly review of PCN cancellations should be carried out. Information to facilitate such reviews should be requested from the management system provider.	Medium	TT&PS Business Manager	31.10.14 Revised implementation date 31.12.14	Action complete Update November 2015: The custom report module has now been added to the back office reporting system, so managers are able to run more detailed reports to look for commonalities / patterns within PCN cancelations.
12.9	Regeneration and development services management should review the levels of overtime claimed.	High	TT&PS Business Manager	30.09.13 Revised implementation date 31.12.14 Revised implementation date 31.07.15	Action complete Update November 2015: Monthly financial reports are provided to the Director illustrating the budget position for all business units in Parking services. Periodic reports are provided on overtime usage, which now include a table illustrating overtime usage for each team within parking services for each month of the current financial year, so that trends can be noted. Commentary on the use of overtime is included. All overtime is correctly incurred and productivity of staff working overtime is checked. Managers check and challenge claims being made to ensure corporate requirements are met.

					<u>Audit Comment</u> Evidence to support financial reporting and overtime monitoring submitted.
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13. Schools, using independent payroll services (CYPF). (Issued to the audit committee 22.04.14).

As at January 2015

Internal Audit: This report was issued to management on the 31.3.14, with the latest agreed implementation date of 31.03.2015. Therefore an update will be provided in the next high opinion update report.

As at June 2015

Internal Audit undertook a follow up audit in February 2015 and progress is reported below.

As at Jan 2016

Given the agreed revised approach, the sampled schools have not been contacted again for an updated position. The recommendations assigned to SCC officers have been followed-up and the responses are reproduced below.

Ref	Recommendation	Priority	Original Responsible Officer	Original Implementation Date	Updated position from Assistant Commercial Director (finding 13.10)
13.1	All payroll / HR provider decisions that are made on behalf of the school should be discussed and agreed by the governing body or designated subcommittee. Only then can the level of challenge be demonstrated and the true transparency of the decision becomes clear. The head teacher and governing body needs to ensure that decisions made are based on supporting evidence / documentation.	High	Head Teacher/Business Manager at each school sampled	To be actioned at the next selection process Revised implementation date 31.03.15	Action Outstanding. See comment at 13.3
	Schools should be encouraged to have open dialogue with each other and establish the decision making processes that has been adopted at each school in relation to their payroll / HR provider. Therefore, best practice can be shared and ultimately value for money may be achieved. The HR Service	Medium	HR Service Manager (Schools Statutory and Strategic HR Service), Head	To be actioned at the next selection process	Action Completed A paragraph on procurement has been added to the HR Guidance booklet. IA reviewed this.

	Manager (Schools Statutory and Strategic HR Service) should encourage this practice.		Teacher/Business Manager at each school sampled.		
13.2	The HR Service Manager (Schools Statutory and Strategic HR Service) should produce and provide some guidance in this area and facilitate sharing best practice between schools that promotes VFM. Furthermore, encourage schools to negotiate "block" discounted charges for schools in partnership.	Medium	HR Service Manager (Schools Statutory and Strategic HR Service). Assistant Commercial Director, Commercial Services.	30.09.14 Revised implementation date of 31.03.16	Action Complete No longer have a dedicated HR Service Manager for schools. Commercial Services have produced some guidance on procurement to be published on School Point. Audit comment Guidance notes produced by Commercial Services were provided to internal audit.
School Specific Recommendations					
13.3	Risk management plans should be completed, assessed and regularly amended / updated. The plan should contain sufficient detail, have consistent and complete data, feature a responsible officer, have appropriate timeframes for action / update and record a review date.	Medium	Head Teacher/Business Manager at each school sampled	30.06.14 Revised implementation date 31.03.15	Action Outstanding. The 5 LA schools (2 schools now academy) did not provide an updated position, or evidence of any assurance that the recommendations had been implemented.
13.4	A business continuity plan should be documented and communicated to appropriate personnel. This should outline key parts of the payroll function and how they will be delivered or continued in the event of any disruption. A risk assessment should be undertaken on such events and form the basis of the plan.	Medium	Head Teacher/Business Manager at each school sampled	30.06.14 Revised implementation date 31.03.15	Action Outstanding. See comment at 13.3
13.5	An accreditation system for independent providers of payroll / HR services should be developed, implemented and subsequently evaluated. This should include financial checks and controls in place to monitor these companies after they receive funds from the school.	High	Head Teacher/Business Manager at each school sampled	30.06.14 Revised implementation date 31.03.15	Action Outstanding. See comment at 13.3

13.6	<p>A suite of performance measures and targets should be developed by schools to ensure that they are sufficiently performance managed and meeting the required standards. Schools should benchmark with each other, identify targets set and how they monitor their respective providers. The HR Service Manager (Schools Statutory and Strategic HR Service) should also be contacted for advice and guidance on performance targets and monitoring.</p> <p>A performance report / briefing document should be produced and presented to the governing body or designated subcommittee at the school to summarise the performance of the payroll provider. This performance report is also considered beneficial for in house payroll / HR arrangements.</p>	Medium	Head Teacher/Business Manager at each school sampled	30.06.14 Revised implementation date 31.03.15	Action Outstanding. See comment at 13.3
13.7	When services such as payroll or HR are procured, schools should ensure that the correct tendering process is followed, i.e. quotes are obtained, the market is tested and a robust selection process is used. The savings that can be made, via testing the market, need to be explored and could assist the schools financial position in challenging times ahead.	High	Head Teacher/Business Manager at each school sampled	30.06.14 Revised implementation date 31.03.15	Action Outstanding. See comment at 13.3
13.8	Schools should consider, document and review potential fraud risks that may arise in relation to the payroll / HR functions, and in particular when an independent provider has been appointed. There should be an understanding of counter fraud arrangements and what actions to take in the event of a fraud arising.	Medium	Head Teacher/Business Manager at each school sampled	30.06.14 Revised implementation date 31.03.15	Action Outstanding. See comment at 13.3
13.9	A signed agreement / contract should be held at the school for all payroll / HR services procured. The agreement should contain adequate detail, i.e. what is expected from both parties, performance measures, the pricing mechanism and security of data / policy.	High	Head Teacher/Business Manager at each school sampled	30.06.14 Revised implementation date 31.03.15	Action Outstanding. See comment at 13.3
13.10	Providers should be regularly challenged to ensure that the price charged and service received is maximised to benefit the school. Negotiations should occur at least annually to ensure that the services	Medium	Head Teacher/Business Manager at each school	30.06.14 Revised implementation date	Action Outstanding. See comment at 13.3

	purchased are commensurate with the schools' needs.		sampled	31.03.15	
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Internal Audit proposes to remove this item from the tracker report.

14. Delivery of Highways Schemes (Place). (Issued to the audit committee 08.04.14).

As at 25th November 2014

Internal Audit: This report was issued to management on the 19.03.14, with the latest agreed implementation date of 30.09.14. The Director of Regeneration and Development Services, Dave Caulfield, provided an updated position against the recommendations and this is provided below.

Additionally, he wished it to be recorded that a firm of consultants, Turner & Townsend, were appointed by Sheffield City Council in August 2014 to undertake a review of the council's approach to delivering its non-core transport capital programme (i.e. excluding the Streets Ahead PFI capital maintenance programme). This end to end review has just reported and a full change programme will be implemented over the next 6 months including picking up some early wins in the first three months. The remaining outstanding internal audit recommendations will be captured as part of implementing the change programme.

As at March 2015

A follow up audit was undertaken in March 2015. Internal audit was concerned that adequate progress had not been made against the original recommendations. The majority of the outstanding recommendations relate to the on-going change programme resulting from the independent review of the delivery of highways schemes. However, it should be noted that over and above this the following recommendations remained outstanding:

- The analysis of available and allocated funding,
- Forward programme capital approvals,
- The block procurement strategy and contract waiver and
- "Tracker" reporting to Commercial Services

Revised deadlines have been agreed with transport, traffic and parking services (TTPS) management for those outstanding recommendations.

Internal Audit met with the assistant director of finance on 14.05.15 to get a finance view. With regard to action no 14.3, it was stated that funding had been secured for the 15/16 projects but only after the intervention of finance.

As at Jan 2016

A management update has been provided for the 9 outstanding recommendations from the last report. Management stated that 6 had been actioned and evidence to support this was provided to internal audit. 3 actions are ongoing and are due for completion by the end of the financial year. The management update is included below:

Ref	Recommendation	Priority	Original Responsible Officer	Original Implementation Date	Updated position from Head of TT&PS 2.12.15
14.1	TT&PS management should apply the Q number	High	Head of TT&PS	31.05.14	Action Completed

	<p>process, ensuring that known (unallocated) capital funding levels are accounted for from the outset of the financial year.</p> <p>Management should work with the south Yorkshire LTP partnership body to ensure that capital funding allocations are identified and approved in advance of each financial year and thus are able to be accounted for through the Q number and capital approval form (CAF) processes in a timely manner.</p> <p>Project managers should receive training or be reminded of their responsibilities under the capital approvals process.</p>			Revised implementation date 30.09.15	<p>Manager update: The Transport Capital programme was presented to the GP2L Programme Board in May 2015. The CAFs were approved by CPG over subsequent meetings.</p> <p>Training about using the capital gateways process has been undertaken by most of the project managers, learnings from this have been cascaded down to the remainder. PM roles are being reviewed as part of the change programme.</p> <p><u>Internal Audit comment</u> Report to the programme board provided. Evidence of staff training provided.</p>
14.2	<p>The link between the various funding sources, the south Yorkshire LTP partnership approved schemes and CAF approvals should be clearly demonstrated; as should the split where multiple funding sources are allocated to individual schemes.</p> <p>TT&PS management should maintain a record from the start of each financial year as to how approved capital funding sources had been applied across individual business units. This would provide a documented link between funding and schemes, and so ensure that all such funding had been appropriately applied in line with the funding body/accountable body conditions.</p> <p>In addition, this record should also set out the build-up of funding streams applied to individual</p>	High	Head of TT&PS	30.04.15 Revised implementation date: 31.05.15	<p>Action complete.</p> <p>Manager update: Working in partnership with Turner and Townsend on the change programme, TTAPS have developed the Transport Programme Monitor (TPM). This is an extensive spreadsheet to record all aspects of programme delivery including sections about finance, design and construction. The TPM includes a funding sources section which addresses this</p>

	schemes/business units from the various capital and revenue streams. This analysis should be revised to reflect any changes to the levels of funding or to the scheme budgets throughout the financial year.				action. <u>Internal Audit comment</u> A screen-shot of the spreadsheet was provided with this management update, to demonstrate that funding streams are identified.
14.3	CAFs should be completed and submitted for formal approval on a timely basis in line with the corporate procedures. TT&PS managers should ensure that this is being done and that delays are minimised.	High	Head of TT&PS	30.04.14 Revised implementation date: 31.05.15	Action complete. Manager update: The Waiver and procurement strategy were approved by CPG on 29 May 2015. For 2016/17, six Mandates and four Initial Business Cases were approved at GP2L on 3 rd November 2015. This demonstrates that TTAPS are fully engaged with the capital gateways process and are preparing work streams for future years. An initial meeting with Financial Services about the Waiver for 2016/17 has been arranged for 30/11/15.
14.4	TT&PS management should carry out a review of operational arrangements for the delivery of highways schemes (along with management from Business Partner (Capital), Highways Maintenance Client and Commercial Services). The review should determine whether current arrangements are fit for purpose, ensure an effective contribution towards the Council's strategic objectives and the strategic transport plan, as well as providing effective utilisation of all available grant funding sources.	High	Transport Programme Manager	30.06.14 (Implementation target for end to end review recommendations and change strategy is 30.06.15). Revised implementation date: 30.06.15	Action complete. Manager update: The change programme has been underway since March 2015 and is led by Turner & Townsend. It has focused on improving the planning, design and delivery processes to align with the corporate gateway system.

	<p>Consideration should be given to operational structures across the TT&PS, as well as the interface with the Highways Maintenance Client Team (HMD) and Amey, as principal contractor.</p> <p>Particular focus should be placed on those planned schemes found to have been held up or subject to bottlenecks within the process, to determine the reasons and how these may be alleviated.</p>				<p>With respect to forward planning, a number of long term planning workshops were held to capture the existing process and develop it to align with the gateway process.</p> <p>In addition, at GP2L on 3rd November 2015 we presented the New Transport Vision For a Growing Sheffield together with Mandates and Initial Business Cases for a number of 2016/17 schemes.</p> <p>A number of lessons learnt workshops have been held including those for the Penistone Road scheme and the <u>Greenhill Main Avenue</u> scheme to examine what went right and what could be improved next time.</p> <p><u>Internal Audit comment.</u> The lessons learnt report for the Penistone Road scheme was provided to support this update.</p>
14.5	Officers assigned responsibility for the development and delivery of highways schemes should have received training for, and operate within, the corporate project management procedures. Equivalent roles and responsibilities should not be allocated to officers without the required skills and experience in project management.	High	Head of TT&PS	30.06.14	<p>Action complete.</p> <p>Manager update: Training about using the gateways process has been undertaken by most of the project managers, learnings have been cascaded down to</p>

	Quality assurance arrangements should be established to ensure that managers continue to work within the corporate project management framework.			Revised implementation date 30.09.15.	the remainder. PM roles are being reviewed as part of the change programme. PMs have been coached on a 1-1 basis in the use of the TPM. The "Concerto" project has been overtaken by the T&T change programme.
14.6	<p>Consideration should be given to providing the principal transport planner scheme programme client with the necessary training and support in corporate capital procedures, or assigning responsibility to an officer with suitable experience.</p> <p>The key capital functions listed opposite should be set out and re-established so as to provide effective and sensitive levels of financial control over the highways schemes and associated capital funding.</p> <p>Clarification should be provided on the respective roles and responsibilities of the scheme programme client and principal engineer, business management to avoid ambiguity and potential duplication of those responsibilities. Job descriptions should be revised accordingly.</p>	High	Head of TT&PS	30.05.14 Revised implementation date 30.09.15.	<p>Action complete</p> <p>Manager update: 14.3 and 14.4 are discussed above.</p> <p>The change programme has been underway since March 2015 and is led by Turner & Townsend. It has focused on improving the planning, design and delivery processes to align with the corporate gateway system. The change programme has clarified the separate roles of each function to avoid ambiguity and duplication.</p> <p>An Interim Programme Manager has been appointed and Job descriptions for all the posts mentioned in the report will be revised accordingly as part of the Achieving Change resulting from the change programme.</p>
14.7	The Information Commissioner should be invited to review the automated number plate recognition data-sharing arrangements prior to their implementation.	Medium	Highways Network Manager	30.09.14	<p>Action Outstanding.</p> <p>Manager update: The</p>

	Subject to the Commissioner's approval, all of the parties (ie the four south Yorkshire local authorities and South Yorkshire Police) should enter in to a formal arrangement reflecting the approved procedures for each authority.			Revised implementation date 31.03.16.	Information Commissioner did not visit Sheffield and he has not rearranged the meeting. The data sharing has gone ahead, but using a revised method. Data sharing is being reviewed at a Corporate level by Ian Oldershaw, this includes the agreement between SCC, the other three districts and the SY Police.
14.8	TT&PS management should meet with the Commercial Services construction category manager to determine the levels and frequency of financial data to be provided to him. Once determined, arrangements should be put in place to allocate responsibility and set up timetables to facilitate this information.	Medium	Head of TT&PS	31.05.14 Revised implementation date 31.03.16.	Action ongoing. Manager update: The SME from Turner & Townsend agreed with Financial Services what data is required. This has been included under the Cost Benchmarking section of the TPM. A bespoke report (generated automatically from the TPM) for the Commercial Services construction category manager is to be developed. <u>Internal Audit comment</u> A screen-shot of the cost benchmarking spreadsheet was provided to internal audit.
14.9	The previously recommended operational review (point 14.6) should consider the operational structures required for the effective delivery of highways schemes. Specifically, whether current structures provide the most effective model or whether these give rise to	Critical	Head of TT&PS	30.06.14 Revised implementation date	Action Outstanding. Manager update: Director of RDS and interim head of TT&PS continue to review

	<p>bottlenecks or un-necessary duplication. Once the structure has been clarified, specific roles and responsibilities for all service areas and individual officers should be developed and issued, so as to avoid any ambiguity over those responsibilities or the expectations placed on individuals.</p>			<p>31.03.16.</p>	<p>operational structures as part of the Turner & Townsend programme delivery outcomes, but Place revenue pressures are now uppermost and will influence the way forward.</p>
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