

Appendix C

**Details on those recommendations outstanding
Status – all Amber (Ongoing with deadline missed)**

Corporate Resources/ACE People and Organisations

Main Accounting System 2009/10

Recommendation R1 :

The financial procedures for asset management, debt recovery, leasing, insurance and risk management should be documented if not already done so, published on the Intranet, and regularly reviewed and maintained on the Intranet thereafter.

Rationale for Recommendation:

The Systems Documentation and Walkthrough Testing review 2009/10 identified that the financial procedures for asset management, debt recovery, leasing, insurance and risk management had not been documented and published on the intranet.

Target Dates:

End August 2010.
End July 2011 (revised)
October 2011 (revised)
March 2012 – publish omitted procedures on Intranet
June 2012 (revised).
September 2012 (revised)
December 2012 (revised).

Current Position and Explanation for Slippage:

The current position is that there are a number of Financial Procedures currently under review as a result of the normal schedule of reviewing, audit recommendations, changes in operating procedures and other factors.

The reason for slippage is the additional time required in respect of the preparation of the annual statement of accounts. The revised target date is December 2012. By then the updated intranet version will be published with the known agreed changes.

Payroll 2009/10

Recommendation R2:

It should be ensured that timesheets and travel claims are appropriately approved prior to payment.

Rationale for Recommendation:

The authorised signatory list of managers is incomplete, which hinders the ability to check the authorisations on expenses and travel claims thoroughly.

Target Dates:

August 2010.

September 2011.(revised)

March 2012.(revised)

June 2012 (revised)

End December 2012 (revised)

End April 2013

Current Position and Explanation for Slippage:

This action has been updated to incorporate anticipated actions in the SAP Optimisation project which may impact on the control mechanism for use of authorised signatories. These have been agreed as part of the Payroll audit for 2011/12.

a) Finance action - Review possibilities and timescales for the electronic approval system included in the SAP optimisation programme – *Completed.**

b) Finance actions - Based on results of this review, determine if interim signature approval list will need to be reinstated – *Completed.**

c) HR action - When an authorised signatory list is made available, this practice will be developed and maintained – *No longer relevant.**

*It has been formally specified that the authorised signatory control will be integrated into SAP during the current SAP Optimisation project. It is intended to use standard functionality to align jobs to authorisation levels. An updated signatory list is currently being collated by finance to support this and this work is expected to continue over the next 6 months alongside looking at the functionality and how it would be applied within CBC. Solution to be implemented in line with the SAP Optimisation project which is April 2013.

Teachers' Pensions

Recommendation R3:

Monthly Return Summaries submitted by schools should be retained by HR and filed in date order with the TP2 and TP3 forms. Any non returns could then be identified and pursued with the schools.

Rationale for Recommendation:

The extent of non- returns and the ability to 'chase' these with schools has an impact on the completeness of LA records and CBC still has statutory responsibility for content of annual returns for Teachers Pensions.

Target Dates:

31 March 2011 (revised)
1 October 2011(revised)
30 September 2012 (revised)
31 March 2013

Current Position and Explanation for Slippage:

The above recommendation is not now considered a practical way of meeting TP requirements due to the changing educational environment e.g. movement towards academies.

It is recognised that there are some mitigating controls in place however following the decision to cease providing payroll services to schools, further work is now underway with external payroll providers for our maintained schools to implement a control mechanism to provide assurance that Teachers Pensions contributions have been accurately deducted and paid over. A proforma and associated details of this mechanism are being developed and will be embedded into service provider processes by March 2013.

SAP Access and Security (incl. IT DR) Managed Audit

Recommendation R4:

A Disaster Recovery Plan should be developed and approved. As a minimum, this should include;

- the identification and prioritisation of key IT systems
- the roles and responsibilities of relevant officers and third party suppliers
- a set of IT procedures which should be executed initially to react to crises/disaster
- escalation procedures
- salvage procedures that deal with retrieval of items from affected sites
- the recovery and reconfiguration of all IT and communication systems
- details of additional accounts where monies may be sourced to aid recovery efforts
- a schedule in respect of the testing of the plan

Rationale for Recommendation:

During 2009/10, there was no Disaster Recovery Plan. Recovery from the server failures in February 2010 gave highest priority to restoration of the IT infrastructure. Meetings and telephone conversations with Heads of Services and Directors were held to agree the recovery plan / priorities and time scales. No IT Disaster Recovery Strategy was found to be documented to describe the role and development of a Disaster Recovery Plan and to improve the recovery options of IT systems.

Target Dates:

December 2010.
December 2011 (revised).
September 2012 (revised)
October 2012 (revised)

Current Position and Explanation for Slippage:

SunGuard, a third party provider, has been commissioned to put in place a robust Disaster Recovery Plan by October 2012.

Main Accounting System 2011/12 Phase 1

Recommendation R5:

Bank Reconciliations should be carried out in accordance with CBC policies and procedures.

Rationale for Recommendation:

There are 2 rationales:

1) The Payment Bank Accounts reconciliation was prepared 24 working days after the month end instead of the 15 days deadline for September 2011. Following discussions with the Senior Financial Advisor - Treasury, it was understood that the officer in charge was on annual leave and that there is an ongoing procedure to ensure bank reconciliations are prepared in a timely manner.

2) The quarterly reconciliations were also not presented for the Chief Finance Officer's review. It was noted that due to the recent restructure, the Chief Finance Officer has agreed that the independent check of the reconciliation should be undertaken by the Head of Financial Control and that the procedure will be reviewed to reflect this.

Target Dates:

31st January 2012.

30th June 2012 (Revised)

31st December 2012 (Revised)

Current Position and Explanation for Slippage:

1) Implemented.

2) The current position is that there are a number of Financial Procedures currently under review as a result of the normal schedule of reviewing, audit recommendations, changes in operating procedures and other factors.

The post of Head of Financial Control has now been appointed to permanently and the quarterly reconciliations review will commence in Quarter 3. The revised target date therefore December 2012.