

Appendix C

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

Improvement & Corporate Services

Value for Money Review of External Legal Services

<p>Recommendation R1: The Service Level Agreements between Legal Services and each Directorate should be updated to reflect the current Directorate structure, revised to reflect the specific requirements of the corporate approach to external procurement of legal services and a 'business partner' approach, and then formally agreed with each Directorate.</p>
<p>Rationale for Recommendation: The SLAs between Legal Services and service areas are a mechanism for formalising the support required from Legal Services by service areas; the SLA previously drafted is comprehensive in respect of the service level to be delivered, but is out of date in respect of the Directorate structure and the SLAs do not expressly state the expectation that the procurement of all legal services should be through Legal Services.</p>
<p>Target Dates: End March 2014 (revised) End August 2014 (revised) End November 2014</p>
<p>Current Position and Explanation for Slippage: It has been decided that a new approach is needed; the SLAs are no longer considered to be the most efficient way of achieving this aim, therefore a different mechanism is being identified through discussions between the Chief Legal and Democratic Services Officer and Directors. Working protocols are currently in place as we develop our areas of expertise to support changing needs. Areas that we are developing are in Housing, Education and Social Care.</p>

<p>Recommendation R2: The extent to which internal Legal Services revenue expenditure can be capitalised against assets should be reviewed and maximised in line with accounting best practice.</p>
<p>Rationale for Recommendation: Capitalisation of external legal costs (in line with accounting best practice) has been undertaken as appropriate but this has not been considered methodically for internal legal costs. This could help to alleviate budget pressures and better reflect the matching of expenditure to its anticipated benefits.</p>
<p>Target Dates: End January 2014 (revised) End August 2014</p>
<p>Current Position and Explanation for Slippage: The Chief Finance Officer has agreed with the Chief Legal & Democratic Services Officer's (CLDSO) approach to maximise capitalisation of internal legal costs on capital projects. The CLDSO has briefed her senior team and given instructions during team meetings in respect of capitalising internal legal costs. Further work is underway on clear guidelines for client project managers and lead lawyers to ensure</p>

that the internal legal costs are included in the project specifications for capitalisation to occur in a systematic way and to promote this practice as appropriate in the future.

Further meetings to discuss procedures for managing how this will be implemented have been set for June.

Payroll Phase 1 2013/14

Recommendation R3:

The Financial Scheme of Management (Authorised Listing) FP 1 and Establishment and Staff Control Process FP2 should be reviewed and updated as required.

Rationale for Recommendation:

Officers may not adhere to correct processes or be unclear of their roles and responsibilities if documented procedures are incomplete. This could result in a possible ineffective use of managers' resources due to time spent addressing queries and issues arising.

Target Dates:

April 2014
September 2014 (Revised)

Current Position and Explanation for Slippage:

Since the Audit, work has progressed to review authorisation levels across the organisation as part of the Organisational Development (OD) work programme. Recommendations to change Financial Procedures 1 and 2 are likely to result from this, and therefore this recommendation will be included within this review.

Corporate Services

Main Accounting System Phase 1 2013/14

Recommendation R4:

The process for recording journals electronically, and performing monthly reconciliations of postings to SAP should be reviewed.

Rationale for Recommendation:

The failure to review journals and reconcile postings increases the risk of errors and unauthorised transactions not being detected.

Target Dates:

31st March 2014
30th September 2014 (Revised)

Current Position and Explanation for Slippage:

Action not implemented due to the prioritisation of other activities.

Finance – Council Tax

Recommendation R5: Revenues management to ensure that a reconciliation of the 2013/2014 Council Tax annual billing run is completed. (Note: Now applies to the 2014/15 billing run)
Rationale for Recommendation: Although changes to individuals' circumstances regularly require additional billing runs, the annual billing run reconciliation provides assurance that the number of bills sent out annually reconciles fully to the number of liable individuals.
Target Dates: 31 st March 2014 (revised) 30 th June 2014
Current Position and Explanation for Slippage: Work has begun on the annual billing run for 2014/15 but was on hold due to annual leave of key staff; the exercise is planned to be completed now during June 2014.