

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

**Finance**

**Main Accounting System Phase 1 2013/14**

<p><b>Recommendation R1:</b> The process for recording journals electronically, and performing monthly reconciliations of postings to SAP should be reviewed.</p>
<p><b>Rationale for Recommendation:</b> There was no evidence to support 1 of 15 journals sampled. It is recognised that this journal was then reversed and therefore there was nil budget effect, however supporting documentation was not available in respect of the original journal, value £423k.</p> <p>2 of 15 journals sampled were authorised by the appropriate officer after the journal was posted to SAP. A review of journals prepared by officers in the Financial Control team found that no journal log was maintained or that monthly reconciliations of journals to SAP were undertaken. It was also noted that supporting documents relating to journals were not always found in the journal folder and hyperlinks within 2 emails were broken..</p> <p>The testing period for Phase 2 of the audit covered November 2013 to February 2014, and a similar finding to Phase 1 has been noted, with the Phase 1 recommendation still applicable.</p>
<p><b>Target Dates:</b> 31<sup>st</sup> March 2014 30<sup>th</sup> September 2014</p>
<p><b>Current Position and Explanation for Slippage:</b> An extensive review of journal procedures by Finance officers was commenced in March 2014 is currently being concluded.</p>

## **Social Care, Health and Housing**

### **Housing Repairs Commissioning**

**Recommendation R2:**

Housing Repairs expenditure in QL and SAP should be regularly reconciled.

**Rationale for Recommendation:**

There is no reconciliation between Housing Repairs expenditure in QL and SAP.

Actions to resolve this are defined within an invoice review process. Three specific objectives are to be achieved:

- 1) A robust interface between the SAP system and the QL system, so that these systems effectively function as one system within the Invoice Process.
- 2) A business process that includes pre-payment on account (subject to reconciliation) related to invoicing where work supplied is goods receipted and approved for payment, concurrent with the contractors process to provide an invoice for payment.
- 3) Updated procedures which define management accountability, including delegation of task related authority, to ensure that a robust reconciliation of Repairs works to invoices takes place.

**Target Dates:**

End September 2014

End March 2015 (revised)

**Current Position and Explanation for Slippage:**

Development of the SAP/QL interface has been delayed but is expected to be completed by October with full testing thereafter. Once completed, business processes and procedures will be prepared or updated as appropriate.

## **Improvement & Corporate Services**

### **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 (a similar recommendation was made in last year's audit with an implementation date of January 2014 but a new implementation date of April 2014 has now been agreed.)

**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

**Current Position and Explanation for Slippage:**

Since the Audit, work is in progress to review authorisation levels across the organisation as part of the OD work programme. FP1 and FP2 have both been redrafted and are currently being reviewed by senior Finance and HR officers.

### **Value for Money Review of External Legal Services**

**Recommendation R4:**

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.

**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.

**Target Dates:**

End March 2014 (revised)  
End August 2014  
End November 2014

**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.