

#### Appendix 4 – Recommendations 1-6 Months Overdue

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
<p>SAP Expenditure Approval</p> <p>27 February 2018</p>	<p>30 May 2018</p>	<p>We recommend that, once relevant training and guidance has been produced, the Organisational Development Manager should ensure that there is a programme for cost centre managers to undertake refresher training (we would suggest that initially this is offered to cost centre managers to allow those with a self-identified need to obtain the training first).</p>	<p>A range of development modules are to be introduced by 30 May 2018 to support managers and leaders in managing the finances of the Council. This will include the training for cost centre managers as recommended.</p>	<p>Draft training material has been developed and feedback from the Directorate Head of Finance has been incorporated into its content. However, production of the final training material has been delayed owing to a planned SAP upgrade.</p> <p>This is now anticipated to be completed in mid-November.</p> <p><b>Internal Audit Opinion:</b> Partially implemented</p>	<p><b>Director:</b> Lynne Ridsdale, Director of HROD</p> <p><b>Executive Member:</b> Councillor Ollerhead</p> <p><b>Status:</b> Five months overdue</p> <p><b>Action:</b> Monitor</p>
<p>IR35 Compliance Review</p> <p>26 June 2018</p>	<p>30 September 2018</p>	<p>Once a corporate process owner has been designated they should determine how and where evidence should be retained to document compliance with the legislation. They should also be clear over who has responsibility for ensuring that this evidence is obtained and stored in the appropriate location. Consideration will also need to be given to the types of evidence that are required and whether any central monitoring or access to the evidence will be required.</p>	<p>Available guidance will be reviewed and updated to include the retention of evidence to support the IR35 decisions.</p>	<p>The Director of HROD has supplied a copy of the draft updated guidance for IR35. This substantially addresses the recommendation we have made. However, this guidance has not yet been finalised or issued.</p> <p><b>Internal Audit Opinion:</b> Partially implemented</p>	<p><b>Director:</b> Lynne Ridsdale, Director of HROD</p> <p><b>Executive Member:</b> Councillor Ollerhead</p> <p><b>Status:</b> One month overdue</p> <p><b>Action:</b> Monitor</p>
<p>IR35</p>	<p>30</p>	<p>Guidance on IR35 should be</p>	<p>Available guidance will be</p>	<p>The Director of HROD has supplied a</p>	<p><b>Director:</b> Lynne</p>

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
<p>Compliance Review</p> <p>26 June 2018</p>	<p>September 2018</p>	<p>expanded to ensure that all hiring managers are clear that they should retain evidence to support their decisions and how this should be stored to ensure that compliance can be confirmed should the decision be queried at any point in the future. Care should be taken to outline the types of evidence that should be retained (e.g. a copy of the contract terms or declaration from the umbrella company, or copies of the HMRC determinations) while making clear that each case must be treated on its own merits and as such evidence requirements may differ for different situations. Guidance should also reflect known common situations and how these should be treated, e.g. consultants hired through umbrella companies and the requisite confirmations required to show that our duties towards the consultant with regard to IR35 have been discharged. The guidance should also state that where there is a change to the terms of the agreement a new decision will be required. It is also recommended that the guidance when expanded is made available through the HR, Procurement and Shared Services intranet pages regardless of which department takes central responsibility for the process.</p>	<p>reviewed and updated to include the retention of evidence to support the IR35 decisions.</p>	<p>copy of the draft updated guidance for IR35. This substantially addresses the recommendation we have made. However, this guidance has not yet been finalised or issued.</p> <p><b>Internal Audit Opinion:</b> Partially implemented</p>	<p>Ridsdale, Director of HROD</p> <p><b>Executive Member:</b> Councillor Ollerhead</p> <p><b>Status:</b> One month overdue</p> <p><b>Action:</b> Monitor</p>
<p>ICT Software</p>	<p>31 August</p>	<p>The Council should ensure that the</p>	<p>Issue to be raised at earliest</p>	<p>ICT have commissioned an external</p>	<p><b>Director:</b> Bob Brown,</p>

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
Licensing 24 July 2018	2018	agreed remediation actions to address the SAP licensing non-compliance are implemented as a matter of priority.	DLT opportunity to resolve any barriers to implementation and agree on timetable. This timetable to be communicated to IA.	partner to reassess the Council's exposure to risk with regard to SAP licensing. The outcome of this review will inform the actions to be taken.	Chief Information Officer  <b>Executive Member:</b> Councillor Ollerhead  <b>Status:</b> Two months overdue  <b>Action:</b> Monitor
Liquidlogic Data Migration – Phase 1 10 May 2018	31 May 2018	The Programme Manager should secure agreement from the Project Steering Group on a single officer to act as the project SRO.	A meeting has been held with Head of ICT Delivery and ICT Chief Information Officer (CIO) to discuss. The CIO will write to Strategic Director of Children's Services and Director for Strategic Commissioning and Director of Adult Social Care to agree who should be the single SRO for this project. Steering Group to be re-convened and chaired by Tyrone Griffiths (ICT Head of Delivery).	We do not currently have evidence of full implementation of this recommendation. We plan to incorporate this assessment into our follow up work in this area.  <b>Internal Audit Opinion:</b> Not Implemented	<b>Director:</b> Bob Brown, CIO  <b>Executive Member:</b> Councillor Ollerhead  <b>Status:</b> Five months overdue  <b>Action:</b> Audit on future phase of data migration to include follow up of these recommendations – scheduled for October 2018.
Liquidlogic Data Migration – Phase 1 10 May 2018	31 May 2018	As a matter of priority the Programme Manager, in conjunction with the SRO, should ensure that the scope of the project in each of the four areas is agreed by the key stakeholders and formally signed off. In line with specified pre-conditions we would not expect the project to proceed to phase 3 of data migration without this sign off.	The ICT Programme Manager Children's and Families, to pursue sign off of the Adults and Children's scope.  Data migration in relation to Early Help is currently out of scope. We hope to deliver a solution in this area - the scope	We do not currently have evidence of full implementation of this recommendation. We plan to incorporate this assessment into our follow up work in this area.  <b>Internal Audit Opinion:</b> Not Implemented	<b>Director:</b> Bob Brown, CIO  <b>Executive Member:</b> Councillor Ollerhead  <b>Status:</b> Five months overdue  <b>Action:</b> Audit on future

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
			<p>of any migration will be governed by what is feasible and will be communicated to the steering group for discussion and approval as required.</p> <p>The migration of finance data will include all Adults finance data and is included in the Adults scope. No Children's financial data is to be migrated and information for active cases will be re-keyed. This has been communicated to the Finance workstream lead who endorses the proposed approach.</p>		<p>phase of data migration to include follow up of these recommendations – scheduled for October 2018</p>
<p>Liquidlogic Data Migration – Phase 1</p> <p>10 May 2018</p>	<p>31 May 2018</p>	<p>The Programme Manager should ensure that where configuration workshops have not identified an appropriate business solution for system configuration they should be rearranged. To achieve this the Programme Manager should liaise with the Business Leads to ensure that there is a better articulation and collective understanding of the projects' needs and requirements to ensure that the project can secure the necessary commitment from the business.</p>	<p>Where there have been issues with engagement from the business these have been addressed and workshops to define these areas have been re-run. Problems with engagement in some business areas are being addressed, and meetings are being arranged.</p>	<p>Internal Audit await evidence of full implementation of this recommendation. We plan to incorporate this assessment into our follow up work in this area.</p> <p><b>Internal Audit Opinion:</b> Not Implemented</p>	<p><b>Director:</b> Bob Brown, CIO</p> <p><b>Executive Member:</b> Councillor Ollerhead</p> <p><b>Status:</b> Five months overdue</p> <p><b>Action:</b> Audit on future phase of data migration to include follow up of these recommendations – scheduled for October 2018</p>
<p>Liquidlogic Data Migration</p>	<p>30 June 2018</p>	<p>The Programme Manager should ensure that full testing schedules</p>	<p>Meeting to be held with ICT Test team to ensure a smooth error</p>	<p>Internal Audit await evidence of full implementation of this</p>	<p><b>Director:</b> Bob Brown, CIO</p>

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
<p>– Phase 1</p> <p>10 May 2018</p>		<p>should be produced, agreed and signed off for each module before phase 3 of data migration and user acceptance testing.</p>	<p>recording process is in place. Test scenarios to be developed by the Project Business Leads and to be signed off by the Project Manager and the Programme Manager.</p>	<p>recommendation. We plan to incorporate this assessment into our follow up work in this area..</p> <p><b>Internal Audit Opinion:</b> Not Implemented</p>	<p><b>Executive Member:</b> Councillor Ollerhead</p> <p><b>Status:</b> Four months overdue</p> <p><b>Action:</b> Planned Audit on phase 3 of data migration to include follow up of these recommendations – scheduled for October 2018</p>
<p>Homecare Services – Contract Management</p> <p>7 March 2018</p>	<p>31 May 2018</p>	<p>The Strategic Commissioning Manager in liaison with the Head of Social Work and Head of Adults Finance should put in place a clear process for the reporting, investigation and follow up of variations in invoice value / care provision immediately.</p> <p>This should involve:</p> <ul style="list-style-type: none"> <li>• A clear policy on the levels of upwards and downwards variation that should be reported / investigated.</li> <li>• Clear designation of responsibility for investigating variances and the action that to be taken on overpayments.</li> <li>• How variations are prioritised</li> </ul>	<p>Commissioning Manager will draft a pro forma for the finance and front line services to follow in the event of underpayments, this will need to be proportionate with the risk associated to it. The work will have an impact on capacity due to the size and number of services involved.</p> <p>Policy and process for over payment is already in place, Strategic Lead, Social Care will undertake checks that teams are following this.</p> <p>Head of Adults Finance will work with Head of Social Care and Commissioning Manager to</p>	<p>There were initial delays with progressing this recommendation within the service until a decision was made over the pricing framework to be used in the new tender. However, we have recently been informed that the next tender will continue to be priced on a time and task system so sufficient resource for the completion of this is required and will need to be maintained moving into the new tender to provide assurance over the amounts being charged by providers. We will continue to engage with officers to assess progress.</p> <p><b>Internal Audit Opinion:</b> Partially Implemented</p>	<p><b>Director:</b> Dr Carolyn Kus, Director of Adult Social Care Services</p> <p><b>Executive Member:</b> Councillor B Craig</p> <p><b>Status:</b> Five months overdue</p> <p><b>Action:</b> Monitor</p>

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
		<p>and a target timeline for investigation based on priority.</p> <ul style="list-style-type: none"> <li>An evidence trail of actions taken confirming the approval of any payment for variation to planned care.</li> <li>Reporting so that management can be assured that investigations and recovery are taking place.</li> </ul>	<p>review the decision on suspensions. This will include an analysis of whether it is appropriate to re-introduce the earlier suspensions policy. In addition to this the Payments Team Leader will run a periodic report for the Commissioning Manager based on weekly delivery against planned for both under and over delivery.</p>		
<p>Contract Creation and Formalisation</p> <p>12 January 2018</p>	<p>1 June 2018</p>	<p>The Head of Legal Services and the Head of Corporate Procurement should put together an improvement action plan for approval by the City Solicitor and City Treasurer to address areas of non compliance in relation to the Council's financial regulations and procurement rules and associated risks. This should include consideration of the proposals set out below which were identified during the risk workshop as potential mitigating actions and changes to process and practice.</p> <p>Re-examine the Council's existing Contract Procurement Rules to ensure they remain appropriate and fit for purpose. In particular;</p> <ul style="list-style-type: none"> <li>Any necessity to adjust financial limits at which contracts require written 'sign off' or sealing by Legal Services.</li> <li>Consider delegations for</li> </ul>	<p>A shared improvement action plan will be put in place to set out the required actions, key deliverables and associated business owners and timelines for implementation. This will include the key actions listed below;</p> <ul style="list-style-type: none"> <li>Consideration will be given to assessing the current levels and criteria as set out in the Constitution, and whether any revisions or supplementary guidance will be necessary to assist with the process.</li> <li>Protocol to be agreed and developed between Legal and Procurement to set out expectations around timescales, documents required, completion arrangements and</li> </ul>	<p>Internal Audit has established that protocol documents and templates produced by Legal Services have now been shared with Corporate Procurement for comment and are intended to help document and smooth the process between the services. The introduction of a system for the allocation and tracking of work within Legal Services has also been put in place. A meeting with relevant officers will be held in October to determine the extent of progress since our last review.</p> <p><b>Internal Audit Opinion:</b> Partially implemented</p>	<p><b>Director:</b> Fiona Ledden, City Solicitor Carol Culley, City Treasurer</p> <p><b>Executive Member:</b> Councillor C Ollerhead</p> <p><b>Status:</b> Five months overdue</p> <p><b>Action:</b> Monitor</p>

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
		<p>Officers with authority to sign contracts on behalf of the Council.</p> <ul style="list-style-type: none"> <li>• Decide whether a more risk based approach should be adopted.</li> <li>• Review the existing requirement that 'All contracts must be concluded formally in writing before the supply, service or construction work begins, except in exceptional circumstances and then only with the written consent of the City Solicitor'</li> </ul> <p>A forward plan of procurement activity should be developed and shared to support Legal Services in the planning and resourcing of caseload. This could be linked to the current Key Decision and Forward Planning processes. This could be used to support</p> <ul style="list-style-type: none"> <li>• Earlier engagement and involvement with Legal</li> <li>• Better timetabling and more effective work planning</li> <li>• Reduced timescales for producing formalised agreements</li> <li>• Risk profiling of upcoming contracting and procurement activity.</li> </ul> <p>Consider whether the introduction of a standard form of contract for more straightforward low risk/value contracts would be beneficial to avoid 'overworking' of contracts and allow these to be completed without the</p>	<p>communication between legal services and the client.</p> <ul style="list-style-type: none"> <li>• A request for Legal services to execute a contract requiring sealing can be made using a "standardised request form" which will be drafted and agreed between Legal and Procurement. This form should be forwarded to Legal prior to approval being given for the contract to be entered into, which will allow sufficient time for Legal to process the contract ready for issuing at the end of the call in period. Procurement should also advise Legal of the full details of the successful tenderer as soon as possible.</li> <li>• Integrated commissioning to include reference to the contract creation and formalisation process in the contract specification document and guidance. This should clearly set out the importance of early engagement and collaboration between legal, procurement and the contract owner.</li> <li>• Integrated Commissioning will include the requirement to</li> </ul>		

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
		<p>necessity for Legal involvement.</p> <p>The outcomes of the risk workshop cited several process, procedure and general administration issues which impacted on the time taken to complete the formalisation stage. We recommend that these areas are explored further to develop expectations during the process and implement revised ways of working.</p> <ul style="list-style-type: none"> <li>• Improved communication between Legal, Corporate Procurement and client departments to ensure all parties are kept informed of progress and issues to be resolved.</li> <li>• Understanding reasons where significant delays exist.</li> <li>• Formal notification to the client department that the contract sign off stage has been completed.</li> <li>• Ensuring the latest version of the contract is shared with the client department to ensure they are monitoring against the correct terms and conditions.</li> <li>• Retaining an electronic copy of the signed contract to ensure that there is appropriate back up should the team be unable to access the hard copy documents for any reason.</li> <li>• Development of guidance to explain the contract formalisation stage and outline some of the common issues involved in the</li> </ul>	<p>seek approval for work to begin as a requirement in guidance to contract managers.</p> <ul style="list-style-type: none"> <li>• Once the protocol and guidance are agreed and implemented officers must be aware of their requirements and expectations to reduce risk to MCC.</li> <li>• Consideration should be given to setting up and maintaining a corporate contracts register. Legal Services are looking to develop a system to run alongside that process for additional resilience.</li> </ul>		

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
		process and how they could be avoided. • Legal administration of caseload including, caseload allocation, prioritisation, recording and progress monitoring.			
Retail Markets 21 May 2018	27 July 2018	Pricing strategies and methodologies should be reviewed and evidence retained as to why a method has been used and why any differences between stalls have been applied.	1. Charging Strategy document to be created for each business area and issued as part of the SOP manual.  2. Any historical agreements to be recorded on a site by site basis.  3. All historical agreements to be reviewed with Head of Service, and formal annual review.	The service has started a full review of rents and charges in October 2018 to inform a strategy for the control over consistent charging of market stall holders.  <b>Internal Audit Opinion:</b> Not implemented	<b>Director:</b> Fiona Worrall, Chief Operating Officer for Neighbourhoods  <b>Executive Member:</b> Councillor Rahman  <b>Status:</b> Three months overdue  <b>Action:</b> Monitor
Art Gallery Contract	28 September	The Deputy Director of Galleries should set up and agree with the	Service Level Agreement to be drafted between the	This recommendation has only recently fallen due, we have	<b>Director:</b> Sara Todd, Deputy Chief Executive

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
<p>Management 23 July 2018</p>	<p>2018</p>	<p>Development Trust a formal agreement to detail the relationship between the Gallery and Development Company.</p> <p>The formal agreement should also include information on:</p> <ul style="list-style-type: none"> <li>- Any payback mechanism for profits generated by the provision.</li> <li>- Performance measures that should be reported on (financial and non-financial), including the levels at which performance is deemed to be below standard.</li> <li>- Change management processes including a method for recording any formally agreed changes.</li> <li>- Any conditions or restrictions on venue hire conditions once approved.</li> </ul>	<p>Development Company and the gallery</p>	<p>requested an update from the service and are awaiting a response. We will continue to monitor progress.</p> <p><b>Internal Audit Opinion:</b> Not implemented</p>	<p><b>Executive Member:</b> Councillor Rahman</p> <p><b>Status:</b> One month overdue</p> <p><b>Action:</b> Monitor</p>
<p>Art Gallery Contract Management 23 July 2018</p>	<p>28 September 2018</p>	<p>The Deputy Director of Galleries should identify any potentially conflicting roles and introduce safeguards to ensure that officers are acting in a clear and transparent manner. This could be achieved through incorporating a non-conflicted MCC officer into the contract management process who is not involved in the day to day management of the service provision in order to improve segregation and allow officers to:</p> <ul style="list-style-type: none"> <li>- Challenge management of the service to ensure value is being achieved.</li> </ul>	<p>Service Level Agreement to include management structure and KPI monitoring tools</p>	<p>This recommendation has only recently fallen due, we have requested an update from the service and are awaiting a response. We will continue to monitor progress.</p> <p><b>Internal Audit Opinion:</b> Not implemented</p>	<p><b>Director:</b> Sara Todd, Deputy Chief Executive</p> <p><b>Executive Member:</b> Councillor Rahman</p> <p><b>Status:</b> One month overdue</p> <p><b>Action:</b> Monitor</p>

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
		<ul style="list-style-type: none"> <li>- Ensure that quality is being maintained and question any perceived drops.</li> <li>- Challenge costs being associated with the service and the calculation of any payment due to the Gallery.</li> <li>- Exit and termination issues, including any benchmarking or review and approval arrangements that may be required prior to any decision to extend the current arrangements.</li> </ul> <p>Additional safeguards could be achieved through the clear documenting of the relationship between the Development Company and the Gallery and how any elements of potential conflict will be dealt with.</p>			
Art Gallery Contract Management  23 July 2018	28 September 2018	The Deputy Director of Galleries should ensure that formal approval is given for the transfer of the venue hire service and that the terms of the transfer are clear. It may be beneficial to consult with Corporate Procurement to ensure that all relevant procurement legislation is complied with on this matter.	Transfer of the venue hire service will be formally agreed alongside the Service Level Agreement.  Service Level Agreement to include financial terms for payments to the gallery.	This recommendation has only recently fallen due, we have requested an update from the service and are awaiting a response. We will continue to monitor progress.  <b>Internal Audit Opinion:</b> Outstanding	<b>Director:</b> Sara Todd, Deputy Chief Executive  <b>Executive Member:</b> Councillor Rahman  <b>Status:</b> One month overdue  <b>Action:</b> Monitor
Art Gallery Contract Management	28 September 2018	The Deputy Director of Galleries should ensure that a clear methodology for calculating future	Service Level Agreement to include financial payment schedule and details of how	This recommendation has only recently fallen due, we have requested an update from the service	<b>Director:</b> Sara Todd, Deputy Chief Executive

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
23 July 2018		<p>payments is put in place. Ideally this should be incorporated as part of the formal agreement between the Gallery and Development Trust recommended above.</p> <p>Once agreed this methodology should be applied consistently, if it is not appropriate to follow the methodology at any point a clear record should be kept of the reasons why, the changes applied and whether these changes are temporary or permanent.</p>	payment is calculated.	<p>and are awaiting a response. We will continue to monitor progress.</p> <p><b>Internal Audit Opinion:</b> Outstanding</p>	<p><b>Executive Member:</b> Councillor Rahman</p> <p><b>Status:</b> One month overdue</p> <p><b>Action:</b> Monitor</p>
<p>HROD Contract Management</p> <p>23 July 2018</p>	1 September 2018.	<p>The Head of Organisational Development supported by the Contract Managers should determine the reason for the insufficient insurance cover of the Occupational Health Contract and gain immediate assurance that amendments are made to the cover to ensure this is compliant with the original contract terms.</p> <p>The Contract Managers should also put a process in place to ensure that going forward insurance limits are checked including at renewal times to prevent any reoccurrence of this and confirm that the correct levels are in place for all contracts. Prior to joining a non MCC framework checks should also be undertaken to ensure the limits are acceptable to the Council.</p>	<p>As provision moves to coordination under the GM DPS the MCC apprenticeship lead will work to ensure effective contract review arrangements are in place and has raised this already with the GM</p> <p>Following publication of the final report all contract managers will be contacted and reminded of the importance of assuring insurance coverage as part of contract letting and monitoring.</p> <p>Corporate Procurement will be asked for advice on the Council's position in relation to insurance levels within collaborative contracts where</p>	<p>The insurance for Occupational Health has now been increased to be in line with Council requirements. The Head of Corporate Procurement has confirmed that for GM contracts the insurance limits and other requirements of the procuring Council apply.</p> <p>The importance of checking insurance levels and certificates has been communicated to contract managers.</p> <p>All apprenticeship providers not covered by the insurance requirements of the GM DPS were contacted on 10 July to provide details of coverage as the service is still awaiting responses from these providers we are unable to class the</p>	<p><b>Director:</b> Lynne Ridsdale, Director of HROD</p> <p><b>Executive Member:</b> Councillor Ollerhead</p> <p><b>Status:</b> Two months overdue</p> <p><b>Action:</b> Monitor</p>

Audit Title	Due Date	Recommendation	Management Response	Update/Opinion	Ownership and Actions
			MCC is not the procuring authority	<p>recommendation as fully implemented.</p> <p><b>Internal Audit Opinion:</b> Partially Implemented</p>	
<p>HROD Contract Management</p> <p>23 July 2018</p>	<p>1 September 2018.</p>	<p>The Contract Manager should actively monitor the levy to ensure there are enough funds available to cover all the learners and that all the funds will be spent.</p> <p>The position in regards to potential clawback will need to be monitored by management on an ongoing basis to ensure that we are utilising the funds in the most effective manner.</p>	<p>Monitoring of actual and projected Levy spend and clawback risk to be incorporated into the quarterly workforce assurance dashboard to ensure visibility by HROD DMT and SMT</p>	<p>Management are awaiting tools from the Central Government which are not yet available to allow them to accurately monitor the levy. When this information is available it will be included it in the quarterly dashboard. In the interim HROD have designed their own tools to do this based on assumptions using average costs of apprenticeships which we are reporting to the Head of Workforce Strategy on a quarterly basis. However we have suggested some enhancements to this interim reporting.</p> <p><b>Internal Audit Opinion:</b> Partially implemented</p>	<p><b>Director:</b> Lynne Ridsdale, Director of HROD</p> <p><b>Executive Member:</b> Councillor Ollerhead</p> <p><b>Status:</b> Two months overdue</p> <p><b>Action:</b> Monitor</p>