

REPORT OF DIRECTOR OF STRATEGIC FINANCE

**INTERNAL AUDIT WORK PLAN FOR EAST MIDLANDS SHARED SERVICES**

**1 PURPOSE OF THE REPORT**

This report follows the report presented to the 15 February 2013 Audit Committee and outlines the work undertaken to date by Nottingham City Internal Audit (NCCIA) for East Midlands Shared Services (EMSS).

**2 RECOMMENDATIONS**

To note the progress on audit work planned and completed to date.

**3 REASONS FOR CONSIDERATION**

- 3.1 Nottingham City Council (NCC) and Leicestershire County Council (LCC) formed a partnership (EMSS) in 2011 to deliver HR, payroll and finance transactional shared services. It will be supported by state of the art technology and intends to offer a sustainable solution through new ways of working to deliver more efficient and cost effective services. It will also form the base from which other services can be added and other councils taken on board.
- 3.2 The change to EMSS requires significant changes in both organisations operational procedures and culture.
- 3.3 Both organisations have agreed that NCCIA will conduct the required audit project work both during the transition and when the service is in full operation.
- 3.4 The Committee's Terms of Reference include receiving reports on the work planned and undertaken by NCCIA.
- 3.5 The Committee has considered and endorsed the work planned for EMSS at previous meetings.
- 3.6 This report updates the Committee on the work undertaken to date and the work planned for the financial year.

**4 OVERVIEW OF WORK UNDERTAKEN**

**Appendix 1** contains the combined Internal Audit plan for EMSS with planned timings and where appropriate status of the work. The plan is on target, the main part of the work being planned for the second half of the financial year.

**5 BACKGROUND PAPERS OTHER THAN PUBLISHED WORKS OR THOSE DISCLOSING EXEMPT OR CONFIDENTIAL INFORMATION**

None

## **6 PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT**

Audit Committee 15 February 2013 - Combined Internal Audit Work Plan for East Midlands Shared Services

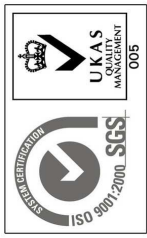
Tony Kirkham  
Director of Strategic Finance

### **Author and Contact Colleague**

Shail Shah - Head of Internal Audit

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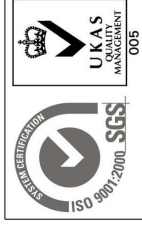
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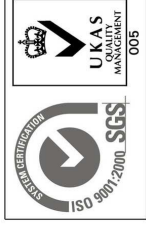
# East Midlands Shared Services 2013 / 2014 Internal Audit Plan

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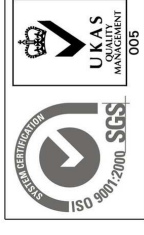


EMSS - BUSINESS AUDITS			
Audit	Description / Business Development Service Delivery	Days	Status
EMSS IT Audit	<ul style="list-style-type: none"> <li>Review of hosting and associated IT configurations</li> </ul>	15	In Progress
Contingency Planning	<ul style="list-style-type: none"> <li>Review initial Contingency arrangements</li> <li>Review Business Continuity Plans</li> </ul>	3 3	Jan '14 Jan '14
Reviews requested by the Head of EMSS	<ul style="list-style-type: none"> <li>EMSS payments and income from clients</li> <li>Teachers Pensions</li> <li>Payroll QA                             <ul style="list-style-type: none"> <li>Overpayments</li> <li>Skills</li> <li>Academy interface</li> </ul> </li> <li>Recruitment Team                             <ul style="list-style-type: none"> <li>CRB checks</li> <li>QA</li> </ul> </li> <li>File Management</li> <li>Systems Administration Team</li> <li>External Customers / Academies – SLA's</li> <li>BACS (June 2013)</li> <li>Duplicate Payments</li> </ul>	40	As Commissioned On-Going
Reviews requested by Section 151 Officers	<ul style="list-style-type: none"> <li>LCC                             <ul style="list-style-type: none"> <li>Waste Contractor</li> </ul> </li> <li>NCC                             <ul style="list-style-type: none"> <li>Accounts Receivable</li> </ul> </li> </ul>	20 20	In Progress Completed Completed As Commissioned
Velos-IT contract	<ul style="list-style-type: none"> <li>Review performance in line with the contract with Velos-IT</li> </ul>	3	In Progress

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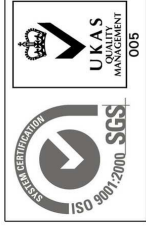


<b>POST LIVE REVIEWS</b>			
<b>Audit</b>	<b>Description / Business Development Service Delivery</b>	<b>Days</b>	<b>Lead</b>
Desk top review of EMSS capability to meet SSAE 16 (ex SAS 70)	<ul style="list-style-type: none"> <li>Review of position to identify any shortfalls in the short term and assist with accreditation if necessary</li> </ul>	1	Mar '14
Commercial arrangements between EMSS and partners	<ul style="list-style-type: none"> <li>Look at SLA and contractual arrangements</li> </ul>	1	TBC
			Mar '14
			TBC



**ASSURANCE RELATED AUDITS 2013/14**

Description	Outline / Service Delivery	Days	Est. EMSS days	Start / Status
Payroll Audit	System Audit / Employee Service Centre	20	3	In Progress
Pensions Audit	System Audit / Employee Service Centre	5	1	Complete
Accounts receivable Audit	System Audit / Finance Service Centre	15	2	Dec 13
Accounts Payable Audit	System Audit / Finance Service Centre	18	2	Dec13



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NOTTINGHAM CITY COUNCIL ACCOUNTS AND SYSTEMS RELATED AUDITS 2013/14

Description	Outline / Service Delivery	Days	Est. EMSS days	Start / Status
NFI	Review of Payroll and Creditor Matches / Finance Service Centre	20	1	Complete
Proactive Counter Fraud Work	Structure to Payroll / Creditors – EMSS System Live 2013/14	10	1	On-Going
Main Accounting Audit	System Audit / Finance Service Centre	10	1	In Progress
Budgetary Control Audit	System Audit / Finance Service Centre	1	0.5	In Progress

**Contact Details**

Shail Shah  
Head of Internal Audit - NCC  
0115-8764245  
[shail.shah@nottinghamcity.gov.uk](mailto:shail.shah@nottinghamcity.gov.uk)