

AUDIT COMMITTEE – 28 NOVEMBER 2014

Title of paper:	East Midlands Shared Services Update	
Director(s)/ Corporate Director(s):	Glen O’Connell Acting Corporate Director for Resources	Wards affected: All
Report author(s) and contact details:	Jeff Abbott, Head of Corporate and Strategic Finance jeff.abbott@nottinghamcity.gov.uk 0115 876 3648	
Other colleagues who have provided input:	Barry Dryden, Senior Finance Manager Lucy Littlefair, Head of East Midlands Shared Services	
Recommendation(s):		
1	The report is for information and discussion	

1 REASONS FOR RECOMMENDATIONS

- 1.1 The City Council’s external auditors (KPMG) presented their “report to those charged with governance” (ISA260) to Audit Committee on 19 September 2014. The only significant finding in the report related to weaknesses in the operation of financial controls by East Midlands Shared Services (EMSS).
- 1.2 These weaknesses were identified by Internal Audit reports and Audit Committee requested that the recommendations arising from those reports were presented to the Committee together with an update on the progress made in meeting them.

2 BACKGROUND

- 2.1 During 2013/14 Internal Audit produced series of reports for both EMSS and Nottingham City Council (NCC) reviewing the following systems:
 - Accounts Payable
 - Accounts Receivable
 - Payroll
- 2.2 As part of the external audit KPMG undertook additional testing to ascertain whether the weaknesses had a material impact on the financial statements.
- 2.3 Although KPMG confirmed that there was no material impact arising within the Council’s accounts as a result of these issues, they recommended that the Internal Audit recommendations were implemented as soon as possible.

3 KEY ISSUES

- 3.1 The recommendations from the Internal Audit reports have been combined into one document and are attached at Appendix A, together with updated management responses. Some of the recommendations related solely to Leicestershire County Council and have, therefore, been omitted here. Additionally, recommendations that appeared in both the NCC and EMSS Audit Reports have been combined.

3.2 Elsewhere on this agenda the current situation has been summarised in the management response to the recommendation in the Annual Audit letter as follows:

“The weaknesses raised by Internal Audit were identified through joint work with Strategic Finance and EMSS. They were mitigated during the year through, for example, manual interventions and system development. This is inefficient, however, and the EMSS partners have embarked upon a comprehensive improvement programme designed to evaluate and correct all processes in use within these systems. The objectives of this programme include the delivery of the Internal Audit recommendations, although they will be exceeded by the level of improvement being delivered. The issues raised by Internal Audit which relate to the availability of data have already been resolved.”

3.3 Nevertheless the majority of issues raised have already been resolved. The major outstanding issues are as follows:

NCC Outstanding Issues:

- A Service Level Agreement for finance functions is being constructed and is due to be issued by March 2015.
- The Council’s Financial Regulations are being reviewed with a view to providing an update by March 2015. The review will include the Council’s relationship with EMSS.

Joint NCC and EMSS Outstanding Issues:

- Reports to provide information on the Council’s debt position have been significantly improved and further improvements will be provided through the upgraded version of Oracle and the associated reporting tools by March 2015
- Resourcing issues to allow payroll reconciliations to be passed to EMSS will be resolved by March 2015

EMSS Outstanding Issues:

- A number of day-to-day issues caused by the functioning of Oracle are being analysed and resolved as part of the improvement programme identified in 3.2 above.
- From February 2015 all requests for payment will only be entered on Oracle once they have been approved
- The process for dealing with invoices on hold will be confirmed as part of the improvement programme identified in 3.2 above.
- New processes for managing invoices not scanned into the Council’s imaging system have been piloted through the Royal Centre and are working well. Further developments in these processes and in electronic invoicing are being considered as part of the improvement programme.
- Debt collection history notes will be included in the reports being written using the upgraded version of Oracle, allowing a much more timely and focussed collection process.
- The Accounts Receivable process review will address both the completeness of supporting information for debts written off and issues associated with the timely recovery of salary overpayments
- The contents of payroll exception reports are being reviewed and revised reports will be commissioned

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

None

5 PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

KPMG report to those charged with governance (ISA 260) 2013/14

Annual Audit Letter 2013/14

Accounts Payable - Detailed Findings and Action Plan

Ref	Finding Risk	Recommendation	Priority	Management Response (Current Status November 2014)	Responsibility and Target Date
NCC 1	<p>There is excessive use of blue bills by NCC colleagues.</p> <p>Risk Duplicate payments occur.</p>	<p>NCC should consider its position regarding the use of blue bills, with a specific focus on:</p> <ul style="list-style-type: none"> Discouraging / controlling future use Reviewing all of the blue bills processed by NCC Finance to date and highlighting and correcting duplicate payments made via Oracle or OneWorld. 	High	<p>The use of blue bills, which are requests for payments where an invoice is not held, was a temporary measure during the change over process.</p> <p>Payment by blue bill is now reserved for exceptional circumstances when urgent payment is required that is not available through the normal AP process.</p> <p>Effective and efficient use of the AP system and internal processes including the use of purchase orders has reduced the need to make payment by blue bill.</p> <p>SLA setting out the roles and responsibilities, processes and performance levels / targets for EMSS has been drafted and is planned to be issued by the end of March 2015</p>	<p>Complete</p> <p>Jeff Abbott 31/3/15</p>
Joint NCC and EMSS	<p>The control of blank NCC cheques became the responsibility of FSC from April 2013. Our review highlighted the fact that there are no records in place to record usage, i.e. no audit trail.</p> <p>In the past year two incidents of missing blank cheques have been reported to Internal Audit.</p> <p>Risk Cheques could be used fraudulently</p>	<p>FCS should discuss this issue with NCC with a view to improving the record keeping or transferring the responsibility back to NCC.</p>	High	<p>Control of blank cheques has been transferred back to NCC. Usage records are now held within Strategic Finance.</p>	Complete

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Ref	Finding Risk	Recommendation	Priority	Management Response (Current Status November 2014)	Responsibility and Target Date
EMSS 1	<p>The following concerns have been raised regarding the day to day use of Oracle:</p> <ul style="list-style-type: none"> • Time involved when inputting invoices • Invoices disappearing from the invoice log and reappearing several days later • Order numbers not being allocated when requisitions are approved • Limited reporting facilities <p><u>Risk</u> Inefficient process</p>	These issues should be prioritised and investigated	High	<p>Head of EMSS has commissioned a reviewed of all processes within the FSC. The review will be complete by the end of March. It will address process and system related issues.</p> <p>Concerns regarding slowness and reliability of Oracle and all supporting systems is still of significant concern for the FSC. A wider review of the IT Platform supporting Oracle, email, intranet as well as Castle and Wisdom storage solutions is required but cannot be prioritised until the Oracle Health has been completed.</p> <p>A standard Oracle report is now available and work to extract daily information from both Castle and Wisdom needs prioritising with the respective IT Teams. Further investigation of 'reappearing' invoices indicates that this is a process issue associated with the management of invoice folders in the FSC. This process is under review</p>	Lucy Littlefair March 2015
EMSS 2	<p>NCC RFP's are automatically transferred onto the Castle system. The level of detail transferred does not allow for an effective search facility.</p> <p><u>Risk</u> Inefficient process</p>	FSC should take advice from IT regarding potential for improvement	Medium	Additional information is now available for RFP's	Complete
EMSS 3	<p>When RFP's are received by FSC, these are input straight into Oracle for payment. No checks are undertaken to ensure the correct authorisation has been obtained.</p> <p><u>Risk</u> Fraudulent payments may occur</p>	All RFP's should be first checked for authorisation before being processed for payment on Oracle.	High	A decision to implement a significant change to the RFP process was made at a recent client meeting. The RFP and approval process will be incorporated into Oracle functionality with the FSC receiving approved RFP's only which will processed in a similar way to a 'feeder' interface.	February 2015 Penny Hurst

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Ref	Finding Risk	Recommendation	Priority	Management Response (Current Status November 2014)	Responsibility and Target Date
EMSS 4	<p>Although the majority of invoices are scanned by Northgate onto Castle/Wisdom there are still occasions when authorised invoices are received directly into the Accounts Payable Section. These are entered directly into Oracle and not scanned into Castle.</p> <p><u>Risk</u> Invoices cannot be readily identified</p>	All invoices should be scanned onto Castle in order that they can be attached when entered into Oracle	High	This is no longer an issue for NCC as there is now a facility to 'smart save' images into Castle. This stores the image directly into the imaging software without the need to forward the invoice to the scanning service.	Jeff Abbott July 2014
EMSS 5	<p>There are currently a large number of invoices on hold, which are mainly down to work flow procedures. It is understood that FSC are currently working to clear the current back log.</p> <p><u>Risk</u> Invoices will remain unpaid</p>	The cause of the backlogs should be investigated and rectified	High	Hold invoice chases - agreement on the approach to this has been agreed in a recent client meeting. A change request is to be submitted shortly alongside changes to the invoice notifications. There is clarity as to where the responsibility lies for invoice holds between LCC/FSC. Further work to clarify responsibilities is required between NCC/FSC but it is expected that this will be addressed as part of NCC's 'Enabling Oracle' project	March 2015 Penny Hurst
EMSS 6	<p>Internal Audit have provided FSC a report highlighting all potential duplicate payments, so far no work has been undertaken to review these.</p> <p><u>Risk</u> Invoices may be paid twice</p>	All apparent duplicate payments should be investigated and corrected where necessary	High	<p>The FSC have completed the review of NCC duplicates to February 2014 and are working with suppliers/payees where there is still monies to be returned.</p> <p>Work is ongoing to review duplicates from March 2014 onwards.</p>	Complete

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Ref	Finding Risk	Recommendation	Priority	Management Response (Current Status November 2014)	Responsibility and Target Date
EMSS 7	There is currently no report to identify accounts that have a credit balance. <u>Risk</u> Monies may be owed to the Client	A report should be commissioned that would allow FSC to identify any accounts with a credit balance. Accounts Payable should review accounts in credit and request direct payment where necessary.	Medium	New reports are being developed to address this and other operational information needs	March 2015 Penny Hurst
EMSS 8	Although some work has been undertaken on returned NCC BACS payments, there is still a large number awaiting investigation. <u>Risk</u> Inaccuracies will not be corrected	FSC should ensure that all returned BACS and cheques are investigated and brought up to date. A process should then be introduced which allows these to be investigated promptly.	High	2014/15 NCC BAC's returns are up to date. BAC's backlogs have now been cleared with returned BAC's now being dealt with on a daily basis as they arise.	Complete
EMSS 9	When a new supplier is required, the requestor completes an e-form and provides a copy of the supplier's official stationery. Once entered into Oracle, the form is printed off to be later scanned and filed within a shared drive. Currently there is a back-log of documents from July 2013 awaiting scanning and filing. <u>Risk</u> Inefficiency	The suppliers' details should not be printed off but stored automatically on the shared drive.	Low	Although supplier management processes have been significantly improved, and backlogs are substantially reduced, further developments are to be delivered as part of the improvement plan	March 2015 Lucy Littlefair

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Ref	Finding Risk	Recommendation	Priority	Management Response (Current Status November 2014)	Responsibility and Target Date
EMSS 10	<p>A sample of NCC invoices was selected to ensure they had been accurately entered. It was noted that for one supplier 'SR Universal White Lining' VAT had been charged but there was no VAT registration number on the invoice.</p> <p><u>Risk</u> Non-compliance with HMRC rules</p>	<p>Colleagues involved with the processing of invoices should be reminded of the need to check the tax details and refer back to the supplier if there is a problem.</p>	Medium	<p>CIS Overview delivered to FSC AP and Technical staff by NCC Finance. A mop up session to be arranged for staff who were unavailable along with additional VAT training by March 2015.</p> <p>Spot checks will be carried out on an ongoing basis to ensure compliance with VAT rules.</p>	<p>Penny Hurst and Tina Adams March 2015</p>

Accounts receivable - Detailed Findings and Action Plan

Ref	Finding Risk	Recommendation	Priority	Management Response (Current Status November 2014)	Responsi bility and Target Date
NCC R1	<p>Financial Regulations have not been updated since the introduction of East Midlands Share Services, particularly in the way in which Debt Collection is managed. EMSS are tasked with the collection of Debt and write off of the debt but this role is not clarified within Financial Regulations or any delegated authority.</p> <p>In addition, the responsibilities of outside agencies in the debt management process are not specified.</p> <p><u>Risk</u></p> <p>Changes in governance arrangements are not clear leading to misunderstandings thus leading to disputes and conflict over actions or inaction.</p>	Financial Regulations and delegations should be reviewed in light of the role of East Midlands Shared Services.	High	The Council's Financial Regulations are currently undergoing a fundamental review in the light of both EMSS and other new partnership/new business arrangements.	Theresa Channell March 2015
NCC R2	<p>From the testing undertaken it is apparent that there is no cross referencing, from source documents to invoices / credit notes to ensure that supporting documentation can easily be traced</p> <p>This also refers to the e-forms raised by departments and stored within EMSS.</p> <p><u>Risk</u></p> <p>Recovery action through the courts may be challenged and lost where supporting information cannot be traced and located easily.</p>	Corporate document management processes should be established to ensure best practice is achieved and source documents readily located.	Medium	Cross referencing is a standard practice for areas that raise invoices, however, services involved will be reminded of the requirement to cross reference documentation.	Jeff Abbott December 2014

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Ref	Finding Risk	Recommendation	Priority	Management Response (Current Status November 2014)	Responsibility and Target Date
Joint NCC and EMSS R1	<p>The reports within the AR module are poor and do not provide for sufficient information to inform managers about how the debt is being managed and support electronic analysis. Information should include:</p> <ol style="list-style-type: none"> 1) The collection stage of any outstanding debt 2) Sufficient information about the reasons for write off i.e. the stages already gone through prior to authorisation being required. <p>This is particularly important concerning the commercialisation agenda.</p>	<p>Full reporting requirements should be established to ensure that managers have sufficient information to make decisions about any outstanding debt issue.</p> <p>Users should be consulted as to the types of reports and information required.</p> <p>Training and guides should be provided in order that users can effectively use the system to manage and report on their debt.</p>	Medium	<p>Interim arrangements have been in place, however, since the introduction of the system upgrade in November 2014 reports need to be rewritten. An AR debt report showing debt responsibilities and dunning levels (the stage an invoice is in, in the chase process) has been submitted for development post upgrade and is high priority for the FSC</p> <p>These reports will also give managers access to the relevant information via their dashboards.</p> <p>The interim arrangements to date have been:</p> <ol style="list-style-type: none"> 1) The information has been available in ORACLE and provided to EMSS to aid collection. 2) The information is available as a note to individual invoices and reporting allowed this information to be viewed by Strategic Finance. <p>However, the information could not be provided to managers due to security access issues in the previous version of OBIEE.</p>	Susan Tytherleigh 31/3/15

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<p>Joint NCC and EMSS R2</p>	<p>EMSS have written off £47k of debt under a previous delegated authority when they were part of Nottingham City Council. EMSS believe that they are able to write off debt below £5k without formal approval of the City Council.</p> <p>No such delegated authority exists for external agencies, such as, EMSS and therefore the City Council and its Heads of Service do not have an awareness of the debt that is being written off.</p> <p><u>Risk</u></p> <p>Debt may be written off without appropriate authority</p>	<p>Heads of Service and Senior Finance Partners should formally approve EMSS action the write off debt, where the reason for non-collection can be justified. This should be applied to all debt.</p>	<p>Medium</p>	<p>Authority to write off debt will remain with NCC.</p> <p>Full and appropriate supporting papers which follow the corporate policy will be required prior to any write off of debt.</p> <p>All write offs are held centrally and reported to CFO on a quarterly basis and reported to Executive Board at the year end.</p>	<p>Complete</p>
		<p>In addition considerations should be give to establishing an on-line approval route in order that managers can formally approve the write off on-line rather that work arounds that require formal, manual, signatures as this removes any efficiency gains and would require no further additional work should the reporting disclose the full circumstance and justification at source</p>	<p>Medium</p>	<p>Agreed, subject to the necessary supporting documentation being available through the online route. Some system reconfiguration is necessary and resource constraints may delay this.</p> <p>This will be considered as part of the improvement programme</p>	<p>Lucy Littlefair March 2015</p>
<p>EMSS R1</p>	<p>The report of adjustment approval does not provide details or notes as to why the adjustment or write off has occurred. Nor does it give an indication as to the authority of the write off.</p>	<p>The write off approval report should be specified in order to record the management trail as to the reason and approval of the write off.</p>	<p>High</p>	<p>Collection history notes cannot be reported out of Oracle and until the reporting issues are addressed additional information regarding write offs have to be collated manually by</p>	<p>Penny Hurst March 2015</p>

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	<p><u>Risk</u> Write off of debt is not properly reported</p>			the FSC.	
EMSS R2	<p>Some of the debts that had been written off were following appropriate attempts to collect that debt. In these cases it is clear that the collection histories are being recorded differently for each client. Those debts that relate to LCC appear to keep a record of each e-mail and telephone call concerning the action taken. Those records that relate to NCC lack supporting information, as only one record appeared to state action taken. In addition, this record also indicated that the Head of EMSS had approved the debt write off.</p> <p><u>Risk</u> No collection history is retained within the system, thereby making it difficult to justify the reason for write off.</p>	<p>EMSS should a establish a common workling practice that ensure a full history of each invoice should be recorded in order that the write off can be justified. In addition, when approval is given by the client organisation the name and designation should be recorded in the notes as a point of reference and as a means of completing the management trail.</p>	High	<p>Debt collection is forming part of the Accounts Receivable process review (Sept-Mar) and completeness of information held will form part of this review.</p>	<p>Penny Hurst March 2015</p>

Payroll - Detailed Findings and Action Plan

Ref	Finding Risk	Recommendation	Priority	Management Response (Current Status November 2014)	Responsibility and Target Date
NCC 1	<p>Corporate Financial procedure (CFP) D4.14 requires that the establishment structure should be certified as correct by the Head of HR at least annually. No exercise has been taken since October 2012 to verify departmental establishment structures.</p> <p>Risk</p> <p>Paying employees who have left the employment of the establishment</p>	EMSS should be requested to provide establishment details for Heads of Service to confirm accuracy at least annually but preferably monthly, before payrolls are run.	High	<p>Since 2012 the establishment held in ORACLE HR has been kept up to date through a control process which requires documented authorisation (DDM) before the establishment is changed.</p> <p>An establishment is also created within the Pay Model which is used to agree the Council's payroll budget with managers through the Finance Analysts. Details of staff payments are provided to managers each month as part of the budget monitoring process. External Audit no longer raise this issue as a risk.</p>	Complete
NCC 2	<p>NCC Finance is currently undertaking all reconciliations for payroll. Due to the limited reports available on Oracle and the uncertainty as to whose responsibility it has been to complete the reconciliations, reconciliations only commenced in November 2013. Some Payroll Control accounts have still not been reconciled this financial year.</p> <p>Risk</p> <p>Errors will not be identified</p>	Reconciliations should be completed on a monthly basis and all discrepancies investigated.	High	<p>NCC Strategic Finance completed reconciliations for 2013/14 and are undertaking them again in 2014/15. Reconciliations are largely complete up to September 2014.</p> <p>Discussions are in progress with EMSS to determine the most effective process for the future</p>	<p>Complete</p> <p>Barry Dryden December 2014</p>

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NCC 3	<p>Where reconciliations have been undertaken, there is no evidence to show who has completed the reconciliation and no evidence could be seen that any had been reviewed.</p> <p><u>Risk</u> No accountability</p>	All reconciliations should be signed and dated (electronically) when completed. There should be a system of periodic review for all reconciliations.	Low	Reconciliations are now being signed, dated and reviewed.	Complete
NCC 4	<p>Managers are not always informing EMSS of staff changes/leavers on a timely basis.</p> <p><u>Risk</u> Salary overpayments may be incurred</p>	NCC managers should be reminded of the importance of informing EMSS in regard to any staffing changes.	High	<p>We have regular communications either directly from EMSS to the organisation or via the intranet in terms of process, systems improvements and changes. The intranet has been updated with the manager self serve information and any key information is fed through also to Departmental Leadership Teams via the Business Partner network, both finance and HR.</p> <p>In terms of process also there are certain checks and balances in place requiring managers to check with colleagues in HR for some processes before submitting to EMSS to ensure that the necessary action can be taken e.g. changes to posts, retirements, leavers, job evaluation, post creation</p>	Complete

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NCC 5	<p>NCC process 3rd party payments (PAYE, pension, unions etc.) on behalf of a small number of academies who use EMSS as their payroll provider. Reimbursements for these payments are collected at a later date. It was noted at the time of audit St Stephens Academy owed four months of 3rd party deductions to NCC (£186k).</p> <p>Risk Poor credit control</p>	A process should be in place to ensure Academies reimburse NCC on a regular monthly basis for all 3 rd party payments made on their behalf.	Medium	<p>EMSS notify the academies of the required reimbursement each month. All but two of the academies are paying by direct debit.</p> <p>The two outstanding academies are negotiating with their respective banks to establish direct debits.</p>	Complete
Joint NCC and EMSS	<p>ESC does not provide a standard service to both Councils. Reconciliations for LCC are being undertaken by ESC, whilst the same reconciliations for NCC are being undertaken by NCC Finance.</p> <p>Risk Responsibilities are unclear</p>	Undertake a review to determine where the levels of responsibility should lay i.e. client or provider.	High	Some work has taken place to assess where this work should sit, however there still remain an issue with regards to allocation of resources to the ESC to undertake this work.	Jill Turner March 2015
EMSS 1	<p>The exception reports (Pay Variation >60%) for the two main payrolls (M and 10) are substantial. The current process requires Payroll colleagues to view every record on the report unless there is local knowledge and the length of the report makes it difficult to identify the important flags and increases the risk of errors occurring</p> <p>Risk Errors will be overlooked</p>	The contents of the exception reports should be reviewed to ensure the parameters used to determine what is printed are relevant. By identifying/excluding casual employees would allow a more streamlined approach.	High	As part of the review of payroll services (Sept – Mar) we will be establishing the reporting requirements for submission for development.	Emma Gibson Head of ESC

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EMSS 2	<p>The exception reports are split between the Pay Clerks for investigation. There is an inconsistency to how Pay Clerks indicate that each exception has been viewed. Some are ticked some remain blank, while others indicate the reason why the exception occurred i.e. new starter, return from maternity</p> <p><u>Risk</u> Errors will not be identified</p>	There should be a clear, consistent approach to reviewing, marking up and signing and dating exception reports	Low	This was addressed when the report was issued.	Complete
EMSS 3	<p>Systems Administration is responsible for amending standing data within Oracle on the authorisation of ESC Manager. Due to the Government pay award of 1% in 2013, pay scales were updated. This was undertaken by the Team Leader but no checking was undertaken by a second officer to ensure accuracy.</p> <p><u>Risk</u> Errors will not be identified</p>	All amendments to standing data once authorised should be input by one colleague and checked independently by a second. Evidence of this check should be retained.	Medium	EMSS now ensure the tables are checked and evidence retained.	Complete
EMSS 4	<p>All leavers should be actioned on receipt of a completed TER1. For one of the sample selected, ECS had acted on an email from NCC HR. This nearly resulted in an employee being paid a redundancy payment of £6k, fortunately this was averted.</p> <p><u>Risk</u> Inaccurate information may be obtained</p>	Termination of employees should only be undertaken where a TER1 has been completed. Any resignations letters/emails should be returned to the manager asking for the correct document to be completed.	Medium	This was addressed when the report was issued	Complete

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EMSS 5	A sample of 25 leavers was traced to the supporting TER1. For NCC 6 could not be located and for LCC 1 could not be located. <u>Risk</u> Information could not be verified	All documents should be retained.	Low	This was addressed when the report was issued	Complete
EMSS 6	All NCC schools are required to complete a monthly spreadsheet detailing all additional payments. Whilst some LCC schools do operate a similar system the majority still complete individual paper timesheets. <u>Risk</u> Non-standardised procedures leading to inefficiency	All schools/academies should be requested to use a standard approach	Medium	Business case currently being developed to commission a payroll 'interface' solution which will enable EMSS to operate efficient and consistent processes for NCC and LCC schools.	January 2016 Jill Turner Business Development Manager

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Ref	Finding Risk	Recommendation	Priority	Management Response (Current Status November 2014)	Responsibility and Target Date
EMSS 7	<p>A spreadsheet is maintained that lists all outstanding NCC salary overpayments at the time when ESC took over responsibility for NCC payroll. The spreadsheet does not give a true picture of what overpayments are outstanding and what is being recovered.</p> <p>A sample of overpayments was selected and queried with the HR Manager; to date no response has been received.</p> <p>A sample of 10 overpayments were selected and the following results seen:-</p> <ul style="list-style-type: none"> • 5 overpayments had no explanation attached • 3 overpayments could be traced to Delphi were adjustments/recovery had been agreed • 1 overpayment the employee had since left, no debtors invoice could be seen to have been raised • 1 overpayment, the employee had been sent a letter in March 2013 no further recovery could be evidenced. <p><u>Risk</u> Overpayments are not monitored and subsequently recovered.</p>	<p>A full review should be undertaken of all entries within the spreadsheet. The review should endeavour to</p> <ul style="list-style-type: none"> • Check that debtor's invoices have been raised where required. Remove entries where overpayments are being recovered on Oracle. • Ensure that all outstanding overpayments have a clear recovery action plan in place. • Obtain write-out authority from NCC where an overpayment is historic and all possible recovery action has been taken. 	High	<p>A review of the current processes for handling overpayments will be undertaken as part of the EMSS improvement plan, with a view to identifying the most effective and efficient process, and this will then be applied as a standard across the EMSS partnership.</p> <p>Current overpayments are managed by the ESC and outstanding balances monitored</p>	Emma Gibson March 2015