

AUDIT COMMITTEE - 28 February 2014

Title of paper:	INTERNAL AUDIT WORK PLAN FOR EAST MIDLANDS SHARED SERVICES	
Director(s)/ Corporate Director(s):	DIRECTOR OF STRATEGIC FINANCE	Wards affected: All
Report author(s) and contact details:	Shail Shah Head of Internal Audit ☎ 0115-8764245 ✉ shail.shah@nottinghamcity.gov.uk	
Other colleagues who have provided input:		
Recommendation(s):		
1	Note the progress on 2013/14 audit work planned and completed to date	
2	Note the proposed EMSS 2014/15 Audit Plan	

1. REASONS FOR RECOMMENDATIONS

This report follows the report presented to the 29 November 2013 Audit Committee and outlines the work undertaken to date by Nottingham City Internal Audit (NCCIA) for East Midlands Shared Services (EMSS), and the Internal Audit Plan for EMSS 2014/15

- **Appendix 1** contains the 2013/14 Internal Audit plan for EMSS with planned timings and where appropriate status of the work. The plan is on target.
- **Appendix 2** is the proposed audit plan for 2014/15

2. BACKGROUND

- 2.1. 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.
- 2.2. The change to EMSS requires significant changes in both organisations operational procedures and culture.
- 2.3. 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.
- 2.4. The Committee's Terms of Reference include receiving reports on the work planned and undertaken by NCCIA.

- 2.5. The Committee has considered and endorsed the work planned for EMSS at previous meetings.
- 2.6. This report updates the Committee on the work undertaken regarding the 2013/14 audit plan and presents the proposed 2014/15 audit plan.

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

None

4. PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

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

Nottingham City Council
Internal Audit



East Midlands Shared Services

2013 / 2014 Internal Audit Plan



ASSURANCE RELATED AUDITS 2013/14

Description	Outline / Service Delivery	Days	Start / Status
Payroll Audit	System Audit / Employee Service Centre	20	In Progress
Pensions Audit	System Audit / Employee Service Centre (NCC only)	5	Completed
Accounts receivable Audit	System Audit / Finance Service Centre	15	In Progress
Accounts Payable Audit	System Audit / Finance Service Centre	18	In Progress



EMSS - BUSINESS AUDITS

Audit	Description / Business Development Service Delivery	Days	Start / Status
EMSS IT Audit	<ul style="list-style-type: none"> Review of hosting and associated IT configurations 	15	In Progress
Contingency Planning	<ul style="list-style-type: none"> Review initial Contingency arrangements Review Business Continuity Plans 	3 3	Jan '14 Jan '14
Reviews requested by the Head of EMSS	<ul style="list-style-type: none"> Systems Administration Team BACS (June 2013) Duplicate Payments NCC 	40	In Progress Completed Completed
Reviews requested by Section 151 Officers	<ul style="list-style-type: none"> LCC <ul style="list-style-type: none"> Waste Contractor NCC <ul style="list-style-type: none"> Accounts Receivable 	20 20	Completed Completed
Velos-IT contract	<ul style="list-style-type: none"> Review performance in line with the contract with Velos-IT 	3	In Progress



NOTTINGHAM CITY COUNCIL ACCOUNTS AND SYSTEMS RELATED AUDITS 2013/14

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

Contact Details

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East Midlands Shared Services

2014 / 2015

Proposed Internal Audit Plan



ASSURANCE RELATED AUDITS 2014/15

Description	Outline / Service Delivery	Days	Start / Status
Payroll Audit	System Audit / Employee Service Centre	20	Oct 14
Accounts receivable Audit	System Audit / Finance Service Centre	15	Oct 14
Accounts Payable Audit	System Audit / Finance Service Centre	18	Oct 14

EMSS - BUSINESS AUDITS

Audit	Description / Business Development Service Delivery	Days	Start / Status
EMSS IT Audit	<ul style="list-style-type: none"> • Systems Administration Follow up • Velos-IT contract Follow up • IT Audits 	5 3 10	Oct 14 Nov 14 As Commissioned
Reviews requested by the Head of EMSS	<p>Potential Issues Brought Forward</p> <ul style="list-style-type: none"> • EMSS payments and income from clients • Teachers Pensions • Payroll QA • Overpayments <ul style="list-style-type: none"> ○ Skills ○ Academy interface 	40	As Commissioned

Nottingham City Council
Internal Audit



Audit	Description / Business Development Service Delivery	Days	Start / Status
	<ul style="list-style-type: none"> • Recruitment Team <ul style="list-style-type: none"> ○ CRB checks ○ QA • File Management • External Customers / Academies – SLA's • Duplicate Payments NCC & LCC 		
Reviews requested by Section 151 Officers	<ul style="list-style-type: none"> ▪ LCC • NCC 	20 20	As Commissioned

POST LIVE REVIEWS

Audit	Description / Business Development Service Delivery	Days	Start / Status
	<ul style="list-style-type: none"> • Review SLA and contractual arrangements (Brought Forward) 	1	Mar 15 TBC



NOTTINGHAM CITY COUNCIL ACCOUNTS AND SYSTEMS RELATED AUDITS 2014/15

Description	Outline / Service Delivery	Days	Start / Status
NFI	Review of Payroll and Creditor Matches / Finance Service Centre	20	Feb 15
Proactive Counter Fraud Work	Structure / Payroll / Creditors	6	Monthly
Main Accounting Audit	System Audit / Finance Service Centre	10	Oct 14
Budgetary Control Audit	System Audit / Finance Service Centre	1	Oct 14
Pensions Audit	x	5	Sept 14

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