

Update on the actions to be taken following the audits of the Shropshire Hills Discovery Centre, 2011-12.

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1. Summary

This report provides an update, subsequent to the last report to the Committee in December 2012, on the progress being made in response to audit reviews carried out at the Shropshire Hills Discovery Centre (SHDC) between May and August 2011 and in April 2012.

2. Recommendations

The Audit Committee are asked to consider and endorse, with appropriate comment, the continued positive progress being made by SHDC management and staff in response to the results of the two audit reports.

REPORT

3. Risk Assessment and Opportunities Appraisal

The main risks to the Council of not actioning the recommendations included in the audits are financial. In overview, the existing procedures, if not updated through the implementing of the audit recommendations, could raise questions of accountability and transparency that would leave the business open to accusations of poor financial and asset management at best, and dishonesty at worst. In terms of the payroll review, the key risk, if not addressed, is that the systems are not robust enough to give assurance that payments to staff are accurate.

The results of the audits do give the opportunity to use existing systems, used elsewhere in the Visitor Economy Service, which have received positive audit feedback (under testing), as a platform from which to develop new processes for SHDC.

4. Financial Implications

The cost for developing and implementing new financial processes and guidelines has and will be met from existing operational budgets.

5. Background

During the period since December 2012, the SHDC has been subject to a series of extensive and in-depth reviews looking to its future management and governance. In parallel with that, work has been undertaken to re-shape the business to meet its budget savings, in order to bridge the period to the point when its future is decided.

A considerable amount of work has been undertaken on the original audit reports and a further review has taken place.

After initial work carried out in Autumn 2012, and reported on to the Committee, further action was taken on the During this process a further Audit review of the SHDC has taken place, recommendations made and a full set of responses and

5.1 Payroll Audit Review

There were a number of common themes identified through recommendations which were summarised by the Audit Service into groups. From the August 2012 report, these have been prioritised further and many new processes have been developed to address them.

The headline issues were:-

- Employment of casual workers;
- Timesheet completion and authorisation;
- Rotas;
- Payment of bank holiday working;
- Storage of sensitive information;
- Preparation and processing of payroll;
- Allocation of payroll costs to appropriate budgets.
- Multiple post-holdings;
- Annual Leave entitlements and records

The current progress position on the twenty-five recommendations made in the report (of which twenty-four were rated “significant” is detailed in the table at 5.3 below.

5.2 Establishment Audit Review

Substantial progress on the Establishment Audit has been made, with prioritisation of the items rated “significant” over those of a lower rating taking place.

The current progress position on the sixty-six recommendations made in the report (of which nine were rated “significant”) is detailed in the table at 5.3 below.

5.3 Table of progress

	Payroll	Establishment
Implemented	12 (2)	38 (17)
Partially Implemented	5 (0)	11 (3)
Superseded	2 (2)	6 (6)
Outstanding	6 (21)	11 (40)

(Figures in brackets show the situation as at 7 December 2012.)

5.4 Forward Plan

The management team at SHDC see the resolution of the remaining recommendations from both audit reports as a high priority and have a forward plan to progress them to completion.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Cabinet Member (Portfolio Holder)

Keith Barrow, Leader of the Council and Brian Williams, Chairman of the Audit Committee, Steve Charmely, Portfolio Holder for Economic Growth and Prosperity

Local Member

Lee Chapman

David Evans

Appendices

None