Grant Thornton

Post-audit Action Plan for Shropshire Council

Relating to Audit Findings for the year ended 31 March 2018

November 2018

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Action plan

Priority

Rec no.	Recommendation	Priority	Management response	Implementation date and responsibility
1	Review the accounting treatment of the JPUT in order to determine whether a different treatment may be more appropriate.		The Council will re-consider the accounting treatment of the JPUT and consider obtaining a second opinion on the accounting treatment used that can then be applied in the 2018/19 financial accounts.	C Sedgley, Head of Finance 31 March 2019
2	Obtain formal valuations for its shopping centre assets in the 2018/19 financial year.		Plans have already been put in place to obtain a formal valuation for the shopping centre assets for 2018/19.	C Sedgley, Head of Finance 31 March 2019
3	Review its accounting policies and disclosures around the JPUT, pension guarantees, schools, reserves and financial instruments (as set out in our 17/18 audit findings report). A number of non-material disclosure issues were noted in the prior period; in order to ensure best practice and full Code compliance, these should be reviewed.		Agreed that the Council will work with Grant Thornton in reviewing any non-material disclosures that could be disclosed in the 2018/19 financial accounts.	N Higgins, Strategic Financial Accountant 31 January 2019
4	Monitor decisions from the Government with regard to funding and respond accordingly as well as: • making appropriate decisions with regard to Council Tax • ensuring income generation schemes and savings plans are delivered in full • consider whether the highways savings should be maintained or reversed depending on the funding available.		The Council already has a mechanism in place to identify and highlight any issues with savings proposals and Government funding levels which involves monthly consideration at Directors, and reporting to Cabinet on a Quarterly basis. Appropriate action is identified as part of these monitoring reports to address any shortfalls in savings and other budgetary pressures. The Council is also in the process of developing its financial strategy which considers the delivery of savings plans, funding announcements. As part of this process, consideration has been made of the required level of Council tax that needs to be set to minimise the funding gap where possible and this has been discussed with the Portfolio Holder for Finance and the Leader of the Council.	J Walton, Head of Finance, Governance & Assurance 28 February 2019

Controls
● High – Significant effect on control system
● Medium – Effect on control system
● Low – Best practice

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5	Ensure data transfer supporting the transition from the old IT systems and hardware to the new is robust and complete, supported by parallel running until assurance has been gained over the new systems.		A robust Service to Transition document has been developed to take the Transformation work, as in the implementation of new tools including parallel running, from a project and into Business as Usual (BaU). This document will give the organisation a level of assurance that the processes required to bring the software into operation have been carried out.	A Boxall, Technology & Communications Manager Ongoing
6	Promote and lead a cultural change to support innovation and agile working from the new Digital solutions, continuing to mitigate the risk that departments will redesign the system they already have and not focus on the required outputs and the outcomes for the customer.		A barrier to culture change was identified in the Transformation Programme in the level of IT literacy of staff. This problem compounds the issue of IT adoption as staff struggle to use existing tools, let alone new tools. To try and overcome this, five levels of IT literacy have been developed which are backed up with promotional tools (such as posters and screen-locks) but predominantly using an E-Learning test to identify specific problems. There is also a range of videos showing people how to do various things with their IT equipment on Stream (an internal YouTube service). For some service areas, they have been taken on the Transformation journey and involved in the whole process – identifying failures of the existing arrangements to gain buy-in for the new tools. This has had varying levels of success but has been extremely effective in some areas. A range of posters regarding Transformation have also been displayed around key buildings, giving staff the opportunity to digest information collectively. The Yammer group also frequently attracts over 600 people viewing specific posts, with over 1000 not uncommon (depending on the nature of the post).	M Leith, Head of Workforce & Transformation Ongoing

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6	Promote and lead a cultural change to support innovation and agile working from the new Digital solutions, continuing to mitigate the risk that departments will redesign the system they already have and not focus on the required outputs and the outcomes for the customer.		The culture of a large organisation like Shropshire won't change overnight, but we are making positive steps to promote a good, future focussed culture. Work underway includes: • Equipping our staff with new skills - Leadership Programme; Future Leaders Programme; Upskill Shropshire; E-learning • Having honest and open discussions – e.g. the Yammer Transformation thread. This has included ideas on how to work differently and advice on how to solve technical/operational problems. It has also been used to stimulate discussions around 'cultural' topics such as printing and commercialism. • Working together across silos - Cross functional 'Squads' focussed on customer centric transformation of service • Mobile/Agile working - Trials in November will inform a co-ordinated strategy encompassing HR, IT, Property, Financial and Cultural aspects of agile working. • Keeping staff updated - Staff Workshops e.g. Impact Assessment and Operating Model workshops that give us the opportunity to explain the direction of the business and gives staff chance to explain the challenges they face. The learning from these sessions helps to inform future training and engagement activities. • Team working – Facilitated DiSC sessions to helping staff understand themselves and to work more effectively as teams. • Better use of Technology - The Legacy Applications/ICT Governance work is helping to curb purchase /renewal of systems and helping staff to assess how DTP technologies can be used instead. And finally, we are currently undertaking a Staff Survey. This survey will help us better understand current culture so that we can prioritise support for those areas in greatest need of help and further encourage those that are demonstrating forward thinking culture.	M Leith, Head of Workforce & Transformation Ongoing

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