| Rec No. | Recommendation | Priority | Management response | Implementation date & responsibility |
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| 1. | The Council needs to review the calculation of the Council Tax and NNDR bad debt provisions. The current methodology uses 2001/02 arrears as the basis for the calculation. However, those arrears will have been reduced by amounts written off. As a result, provisions will be understated but not by a material amount. | Medium | A revised basis for calculating the Council Tax and NNDR bad debt provision is being developed and will be agreed with Grant Thornton as part of the 2013/14 Final Accounts closedown arrangements. | March 2014 Corporate Manager Resources |
| 2. | The gifts and hospitality returns are maintained via paper returns for both members and officers. Returns for members are maintained by the Council's monitoring officer and for officers, by their managers. The Council should consider centralising gifts and hospitality returns for all departments and members. | Medium | A central record of gifts and hospitality returns will be set up and maintained by the Democratic Services and Governance Manager. | December 2013 Democratic Services & Governance Manager |

| 3. | The Council should review and strengthen its procedures for producing the officers' remuneration and termination payments notes (Notes 25, 26 & 27). | Medium | The source reports will be reviewed and amended to include all the required elements as part of the planning for the 2013/14 Final Accounts Closedown Programme.<br><br>Appropriate training will also be included in the Closedown Programme to ensure that officers have full understanding of the data included in the reports and an additional quality assurance process will be undertaken, involving HR officers. | March 2014<br><br>Corporate Manager Resources |
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| 4 | The responsibility of administering security within Oracle Financials should be performed by IT system administrators who do not perform programming duties, and the practice of granting programmers greater than read-only access into production environments should be halted. | Low | Currently ICTSS and HR & Finance Shared Services have the access to carry out system administration. It is proposed that responsibility for all levels of support will sit within the Separate Legal Entity (SLE), therefore technical administration will be carried out by ICT and financial reporting by HR&F – this will provide appropriate segregation of duties.<br><br>Access to greater than read-only which is over and above that required for individual job roles will be removed. Access will be granted at the higher levels via strict approval as and when required and removed when completed. | March 2014<br><br>Corporate Manager ICT |

| 5 | Password complexity should be enforced within Oracle Financials. | Low | This will be implemented. | March 2014<br><br>Corporate Manager ICT |
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| 6 | Management should periodically perform formal reviews of user accounts and group membership assignments within Active Directory for appropriateness. | Low | Staff will be reminded that it is their and their manager's responsibility to ensure that they have the correct and appropriate permissions to perform their role and that if they leave or move roles then permissions will be reset accordingly.<br><br>User roles and group membership will be reviewed as part of organisational redesign and transformational projects such as Next Generation Desktop and changes implemented. | March 2014 and ongoing<br><br>Corporate Manager ICT |
| 7 | Documented policies and procedures covering batch administration, monitoring and error handling within Oracle Financials should be established. These should be formally approved by the appropriate officers and communicated to relevant staff. | Low | Current processes will be reviewed and updated where necessary. Clear communication will then be issued. | March 2014<br><br>Corporate Manager ICT |
| 8 | Follow the principles set out in the revised budget setting process to ensure that budgets are realistic at the outset and therefore less reliant on remedial savings | High | The revised budget setting process agreed by Cabinet in July is being fully adhered to as part of the development process for the 2014/15 – 2016/17 | Clear ongoing responsibility for all budget holders.<br><br>Chief Operating Officer will |

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| | during the year. | | Medium Term Financial Strategy.

It is clear that stronger financial management has been in place throughout 2013/14. Forecasts at Q1 and Q2 reflect a more stable, managed position, without huge overall fluctuations. Work is continuing to try to achieve a balanced budget by the end of the year and the direction of travel is positive.

Given the scale of the budget challenges being faced by all local councils in the current financial environment, flexing of budget delivery plans during the year is inevitable but this will be achieved in a more measured and controlled way. | ensure compliance and ensure that the budget setting process remains fit for purpose in the future. |
| 9 | Ensure that the capital budget is set at a realistic level at the start of the financial year by identifying only core projects that the Council can afford, are linked to its strategic objectives and therefore avoid in year slippage. | High | A Capital Challenge session has been arranged as part of the business planning process to review the current programme and ensure that on-going projects are prioritised according to strategic objectives and are deliverable within profiled budgets.  This exercise has been informed by a review of the reasons for slippage in previous years, which identified a number of factors that have contributed to this issue. This was not linked to affordability but it is clear that improvements in both planning and delivery were required.

All new projects considered for inclusion in the capital | Capital Challenge Session November 2013

Programme development on-going and programme approved February 2014

Chief Operating Officer in conjunction with EMB and TEG arrangements |

| | | | programme as part of the 2014/17 business planning round will go through a managed gateway process. This ensures that proposals are affordable, technically robust, consistent with the Council's strategic objectives, identify clear benefits and are supported by clear and fully resourced delivery plans.<br><br>Monthly project highlight reporting is also used to track progress on all schemes and to proactively identify and address any slippage issues.<br><br>Prioritisation of schemes within the programme will be subject to regular review in the light of new funding and investment opportunities, which may arise in –year so that flexibility is maintained and value for local residents and businesses is maximised. | |
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| **10** | Gain a greater understanding of unit costs to identify areas for potential savings and refer to these alongside benchmarking data in the Financial Resilience Update Report to make more informed management decisions. | High | Significant progress has already been made in this area during 2013/14. This is evidenced by improved decision making, lower cost of placements and more effective demand management in critical areas such Adults and Children.<br><br>All authorities are seeking to continually improve their understanding of unit costs and service cost base. Our development will be tied into the new commissioning structure being developed by the Council. This approach will promote a greater challenge in relation | Evidenced baseline assessment March 2014<br><br>Strategic Commissioning Leadership Team (supported by the Chief Operating Officer) |

| | | | to the delivery of priority outcomes. | |
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| **11** | Apply the recommendations from the procurement transformation project as it develops to deliver the necessary procurement savings. | High | This project is being taken forward at pace with a comprehensive detailed spend analysis already available. A Procurement Board has been established to oversee the delivery of the procurement efficiency programme and to deliver an ambitious cost avoidance and savings programme.  The project will be implemented in accordance with the corporate gateway process. | Procurement Board established October 2013

The Chief Operating Officer will oversee the ongoing developments and refine the remit and arrangements where appropriate to ensure that the project remains fit for purpose and continues to deliver the required benefits. |
| **12** | Ensure that robust governance and risk management arrangements are embedded in the Council and in the emerging arms length companies being created by the Council. | High | The ASDV framework set out the principles of expected governance requirements from ASDVs.  The effective governance and stewardship of the ASDVs will be achieved by a combination of clear accountability to the Shareholder Committee and Council Client Function. This will be supported by clear and transparent internal and external audit arrangements.

A framework for scrutiny will also be developed to ensure regular reporting on performance, outcomes | Chief Operating Officer will oversee the set-up of the governance and stewardship arrangements – March 2014

On-going review of arrangements to make sure that they are fit for purpose. |

| | | | and VFM will be provided to the Corporate Scrutiny Committee of the Council. | |
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| **13** | Ensure that the Council's policies, procedures and decision making processes remain fit for purpose during the period of significant change to a commissioning authority. | High | A Constitution Working Group, led by the Monitoring Officer has been established to work with the Constitution Committee on the on-going review and update of the Council's formal decision making framework.  Proposals for changes to the Officer Scheme of Delegation were considered and agreed at Council in October.<br><br>The Corporate Governance Group, chaired by the Chief Operating Officer will have revised 'terms of reference' and will be given a specific focus to ensure that the operational arrangements for governance, stewardship and decision making are appropriate and meet the needs of the new Commissioning Authority.<br><br>This Group will keep the arrangements under constant review to ensure that the Authority remains fit for purpose as during the transition and responds positively to the wider commissioning agenda and changing service delivery landscape. | Monitoring Officer – October/December 2013<br><br>Chief Operating Officer will oversee ensure compliance and accountability and keep arrangements under review with appropriate Member engagement. |

| 14 | Ensure that Council policies are followed and decision making is – and is seen to be - transparent to the public when developing business plans and entering into significant projects. | High | All council policies have been followed. All Cabinet meetings, debates and the formal decisions are now subject to live web-casts which can be viewed on-line via the Council's website.<br><br>Further work is continuing to improve the forward planning arrangements. This will give the public even better advance notice of key decisions and clearer and more comprehensive records of agreed outcomes. | Chief Operating Officer will continue to oversee the arrangements. |
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