

FOLLOW UP AUDITS

RECOMMENDATION

- 1.1 To review the summary report in Appendix 2, that shows where agreed actions in respect of audit recommendations have not been implemented.
- 1.2 To scrutinise the report in Appendix 3, that shows those recommendations not yet implemented to determine whether members consider further actions are required to secure implementation or whether officers should be required to provide the committee with more detailed explanations of the action status.

SUPPORTING INFORMATION

- 2.1 At the Audit & Accounts Committee meeting on 24 September, members approved a revised approach to following-up and reporting on the implementation of audit recommendations.
- 2.2 The report at Appendix 2 is intended to provide members with an overview of the current implementation status of all agreed actions to address the control weaknesses highlighted by audit recommendations that have passed their agreed implementation dates.
- 2.3 Internal Audit has sent emails, automatically generated by our recommendations database, to officers responsible for action where their recommendations' action dates have been exceeded. We have requested an update on each recommendation's implementation status, which has been fed back into the database, along with any revised implementation dates.
- 2.4 Each Chief Officer has been provided with the details of each of the recommendations made to their departments, relating to reports issued between 1 April 2006 and 31 March 2009, which have yet to be implemented. This is intended to give them an opportunity to provide Audit with an update position.
- 2.5 It should be noted that this new follow-up process has not yet embedded and we have been unable to obtain an update position on many recommendations. Accordingly, we have only included incomplete recommendations that were made between 1 April 2006 and 31 March 2009.

- 2.6 We have also attempted followed up any recommendations due for implementation which were made since 1 April 2009, but as there were many still not implemented we have chosen not to include them in this report. Any of these recommendations that are still not implemented will be reported to the next Committee meeting if they are still not implemented.

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Background papers:

List of appendices:

Appendix 1 – Implications

Appendix 2 – Summary of Implementation Status

Appendix 3 – Detail of Recommendations Not Yet Implemented

IMPLICATIONS

Financial

1. None directly arising.

Legal

2. None directly arising.

Personnel

3. None directly arising.

Equalities impact

4. None directly arising.

Corporate objectives and priorities for change

5. The functions of the Committee have been established to support delivery of corporate objectives by enhancing scrutiny of various aspects of the Council's controls and governance arrangements.

Summary of Implementation Status

Appendix 2

Status of Recommendations Made Between 1 April 2006 and 31 March 2009										
Department	Made	Accepted	Complete		Incomplete		Not Known	% Complete	% Incomplete	% Not Known
			Implemented	Superseded	Being Implemented	Not Implemented				
Fundamental										
Regeneration & Community Children & Young People Resources Environmental Services Corporate & Adult Services										
Totals										
Significant										
Regeneration & Community	30	30	22	1	4		3	76.7%	13.3%	10.0%
Children & Young People	31	31	26	5				100.0%		
Resources	46	46	31	8	7			84.8%	15.2%	
Environmental Services	16	16	7	7	1		1	87.5%	12.5%	
Corporate & Adult Services	22	22	16	5	1			95.5%	4.5%	
Totals	145	145	102	26	13		1	3	88.3%	9.7% 2.1%
Merits Attention										
Regeneration & Community	51	51	42	5	1		3	92.2%	2.0%	5.9%
Children & Young People	53	53	48	5				100.0%		
Resources	153	153	123	18	10		2	92.2%	7.8%	
Environmental Services	46	46	33	8	4		1	89.1%	8.7%	2.2%
Corporate & Adult Services	42	42	24	15			1	2	92.9%	2.4% 4.8%
Totals	345	345	270	51	15		3	6	93.0% 5.2%	1.7%
Department	Made	Accepted	Complete		Incomplete		Not Known	% Complete	% Incomplete	% Not Known
			Implemented	Superseded	Being Implemented	Not Implemented				
All Recommendations										
Regeneration & Community	81	81	64	6	5		6	86.4%	6.2%	7.4%
Children & Young People	84	84	74	10				100.0%		
Resources	199	199	154	26	17		2	90.5%	9.5%	
Environmental Services	62	62	40	15	5		1	1	88.7%	1.6%
Corporate & Adult Services	64	64	40	20	1		1	2	93.8%	3.1%
Totals	490	490	372	77	28		4	9	91.6% 6.5%	1.8%

Details of Audit Recommendations Not Yet Implemented

Corporate & Adult Services

485 Allenton Market	Report Issued	09/05/2006
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Recommendation 4 Merits Attention	Action Status	Not Implemented
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Licences to reward loyal market traders and encourage their regular attendance are not currently being issued.

We recommend that, in the interest of offering an appealing and equitable service to all existing and potential market traders, the decision to withdraw the offer of licences to loyal and reliable casual traders be reconsidered.

Action Details	Responsible Officer	Stephen Meynell	Action Date	30/06/2006
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As it is a daily market, casual usage is more appropriate particularly given the present trading conditions on markets generally. It is considered that formal licences would bind traders to agreements they may find too onerous. However the Allenton Market Traders Committee will be consulted on whether such licences should be granted. Staff will continue to consider other ways of encouraging more uptake and loyalty of stallholders. Any suggestions will again be discussed with the newly formed traders committee and thereby communicated with traders.

Update	Revised Action Date
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Reconsidered in consultation with Traders Committee. When casual traders become permanent we will review position after consultation with the traders. New traders reluctant to sign licences that do not give them flexibility to leave without notice. Traders committee and markets staff consider that we have been able to attract all regular traders to market that are available to trade.

861 Investigation - Electrical Contracts - Design Services	Report Issued	03/02/2009
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Recommendation 1 Significant	Action Status	Being Implemented
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The list currently used for the procurement of Electrical Works has not been reviewed for many years which is a breach of Contract Procedure Rule 11.6.

We recommend that a new approved list for the procurement of electrical works is drawn up in accordance with Contract Procedure Rules, including the recommended questions in relation to equalities, and Cabinet Approval is sought.

Action Details	Responsible Officer	Chris Edwards	Action Date	30/04/2010
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Generally: note that the audit and these comments relate to major building and electrical projects rather than the Public Buildings Contract which is carried out by Environmental Services as part to the tendered repair and maintenance term contract To improve the situation, as a temporary measure to increase the pool of contractors, a list of 20 contractors has been produced from a combination of Constructionline (16) and those contractors recently successful from the list that was being used. Most contracts are let via a Principal Building Contractor where the 'preferred list', selected from the above list, of electrical sub contractors is included in the specification. Any Principal Contractor has the right to propose another contractor during the tender period. If a Principal Contractor exercises this right, the selection panel will consider the request. There are a number of contracts and approved lists to be tendered and very limited resources to do so (that is why the lists were never formally reviewed previously). We will undertake the procurement of these lists with the assistance of the procurement team. The action date is, therefore, a target date.

Update	Revised Action Date
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Select List advertised and PQQs returned 8 July 2009. Over 100 applications to be assessed with limited resources.

798 LPSA2 Target 10 Reduce Homelessness 2008-9	Report Issued	18/08/2008
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Recommendation 1 Merits Attention	Action Status
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No records had been maintained to evidence which files had been audited by the Senior Housing Advisors.

We recommend that the Housing Advice Manager (Homelessness) set up a Log of Files Audited and instruct the Senior Housing Advisors to record the following details for each casework file sampled: • The persons name on the file. • The name of the Homelessness Officer dealing with the case. • The name of the Senior Housing Advisor reviewing the file. • The date the file was audited. • An overall file evaluation comment following the audit.

Action Details	Responsible Officer	Lisa Callow	Action Date	30/09/2008
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This will be implemented as per the recommendation, by the Housing Advice Manager (Homelessness), from September 2008 onwards.

Update	Revised Action Date
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Recommendation 2 Merits Attention	Action Status
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Checks had not been undertaken to confirm that file data had been correctly entered onto the Abritas system.

We recommend that the Housing Advice Manager (Homelessness) incorporate an additional check onto the Casework Review Form for the Senior Housing Advisors to check that file information has been correctly entered onto the Abritas system.

Action Details	Responsible Officer	Lisa Callow	Action Date	30/09/2008
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This will be implemented as per the recommendation, by the Housing Advice Manager (Homelessness), from September 2008 onwards.

Update	Revised Action Date
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Environmental Services

758 LPSA 2 Target 7 Young People Physical Activity **Report Issued** 09/07/2008

Recommendation 1 Merits Attention

Action Status

The partnership agreement in place between the Council and the Carnegie Research Institute had not been signed and dated by either party.

We recommend that the Head of Sport and Leisure arrange for the partnership agreement to be signed and dated by all parties involved in the delivery of the performance indicator as soon as is practically possible.

Action Details **Responsible Officer** Andrew Beddow **Action Date** 30/09/2008

The Head of Sport and Leisure will arrange for the existing partnership agreement to be signed and dated by himself, representing the Council, and Professor Jim McKenna from the Carnegie Research Institute to formalise the partnership, by September 2008.

Update

Revised Action Date

477 Moorways Sports Centre - Security & Stock Control **Report Issued** 17/07/2006

Recommendation 4 Merits Attention

Action Status Being Implemented

A cohesive Security Policy has not been produced which details the Complex's security controls and procedures.

We recommend that a cohesive Security Policy be developed, covering the whole Sports Complex. When complete this should be distributed to all Complex staff. It should contain:

- The security controls that need to be maintained.
- The security procedures that should be adhered to.
- The specific security duties and responsibilities of staff.
- The actions to take in the event of a breach of security.

Action Details **Responsible Officer** Wayne Sills **Action Date** 30/09/2006

As part of producing a Security Policy for Springwood Leisure Centre, a Policy will also be produced for Moorways Sports Centre and other Sports Centre's.

Update

Revised Action Date 31/01/2008

Principal Sport Centre Manager / Sports Centre Manager workload. There is no draft to work to so a new policy / format has to be put together. A revised completion date of Dec 2007 for a Jan 2008 implementation is being looked at.

Recommendation 5 Merits Attention

Action Status Being Implemented

Not all external doors were connected to the alarm system, and therefore did not alert reception when opened.

We recommend that the double doors in the sports hall and the two fire doors in the bar, be connected to the system which alerts reception when security doors are opened during opening hours.

Action Details **Responsible Officer** Wayne Sills **Action Date** 31/07/2006

Quotes will be obtained to connect all external doors to the alarm system.
We will then see how this work can be funded.

Update

Revised Action Date

Quotes have been obtained for this work and funding obtained from Community Safety Engagement Partnership. However, this funding was then withdrawn. From some reserve funding Sports Centre Management has £10,000 has been allocated to Moorways to address some of it's security issues. A list of priorities is being drawn up by Centre Management.

Recommendation 6 Merits Attention

Action Status Being Implemented

Not all areas of the Complex were monitored by CCTV. Recordings were not being taken from the CCTV camera in the Sports Centre reception and recordings were not being stored appropriately.

We recommend that a review of the Complex's CCTV systems in operation should be undertaken in conjunction with either the Derby Community Safety Partnership or Crime Prevention Officer. The review should include:

- An assessment of the areas covered by CCTV cameras to determine whether highest risk areas are being appropriately monitored.
- Where it is appropriate to take recordings from the cameras in operation.
- Producing guidelines (to include in the Security Policy) for the storage, re-use and destruction of the CCTV tapes.

Action Details **Responsible Officer** Wayne Sills **Action Date** 30/09/2006

Quotes are being obtained for upgrade of CCTV and appropriate lighting.
Sports Centre Management have been working with police and local partners since the managers arrival in Aug 05 to tackle anti social behaviour issues at the sports centre and stadium. There has been good progress made in this area

Update

Revised Action Date

Quotes have been obtained for this work and funding obtained from Community Safety Engagement Partnership. However, this funding was then withdrawn. From some reserve funding Sports Centre Management has £10,000 has been allocated to Moorways to address some of it's security issues. A list of priorities is being drawn up by Centre Management.

493 Springwood Sports Centre - Security**Report Issued**

25/05/2006

Recommendation 1 Merits Attention**Action Status Being Implemented**

A cohesive Security Policy has not been produced which details the Centre's security controls and procedures.

We recommend that a cohesive security policy be developed, covering the whole Leisure Centre complex. When complete this should be distributed to all Centre staff. It should contain:

- The security controls that need to be maintained.
- The security procedures that should be adhered to.
- The specific security duties and responsibilities of staff.
- The actions to take in the event of a breach of security.

Action Details**Responsible Officer**

Wayne Sills

Action Date

30/09/2006

Security Policy to be produced for Springwood Leisure Centre and other Sports Centres.

Update**Revised Action Date**

31/01/2008

Principal Sport Centre Manager / Sports Centre Manager workload. There is no draft to work to so a new policy / format has to be put together. A revised completion date of Dec 2007 for a Jan 2008 implementation is being looked at

Recommendation 7 Significant**Action Status****Not Implemented**

Access to the Centre's safe is via an access code number, rather than a key. Accordingly, access to the safe cannot be appropriately restricted to one responsible officer at any one time.

We recommend that the safe is replaced with one which is accessed with a key. The number of keys in general circulation should be strictly restricted to a working minimum. The transfer of safe keys between officers should be formally recorded. Safe keys should be carried on the person of the responsible officer(s) at all times.

Action Details**Responsible Officer**

Wayne Sills

Action Date

31/08/2006

The Centre Manager will obtain a cost to have a key lock installed for the safe. Once a cost is obtained then this will be looked at in more detail. However, we propose not to change the current system at present as there are concerns regarding the use of a key and cost.

It will mean additional secure key safe will be required on site to have the key locked in over night. As the safe and the key safe would be within very close proximity to each other for operation reasons and that this would be on ground level, the risk could be greater than at present.

Update**Revised Action Date**

Cost to have the safe changed over to a key system is £300. The Centre does not have any unallocated budget to do this work. The Safe is now operated by a PIN code which is changed every six months. Only designated staff have the number.

Recommendation 8 Significant**Action Status****Being Implemented**

Responsibility for the safe's contents is not formally transferred between officers.

We recommend that when Duty Managers change during the day, the outgoing Duty Manager at the end of their shift should record the contents of the safe and the contents should be checked and signed for by the incoming Duty Manager. At the end of the day, the contents of the safe should be recorded and signed by the Duty Manager to show the amount held overnight. On the next morning, the incoming Duty Manager should check and sign for the safe's contents at the start of their shift.

Action Details**Responsible Officer**

Wayne Sills

Action Date

30/06/2006

The Centre Manager will look at what forms are currently in place to record the contents of the safe, with regard to floats and cash bags containing banked daily takings on a daily basis.

The Centre Manager will also look at how best to record the contents of the safe with regard to valuable lost property and how this can be transferred between officers without substantially increasing workloads.

Update**Revised Action Date**

31/03/2007

A new form is to be introduced and will be trialled 1 December - 31 March, to identify cash / floats in the safe. It is not practical for all contents such as valuable found property to be documented each time the Duty Manager changes shift.

Regeneration & Community**200 R&C Debtors - Credit Notes****Report Issued**

29/06/2007

Recommendation 3 Significant**Action Status****Being Implemented**

The CODAS system is unable to enforce a segregation of duties which ensures that the person who raises the original invoice is unable to raise a credit note against that invoice.

We recommend that through procedural controls, management ensures that only designated officers are authorised to process credit notes. These designated officers should not also have any responsibility for raising invoices. When the Oracle Financials system is in place, management should ensure that the system enforces an appropriate separation of duties, via access controls, which ensures that an employee cannot raise both credit notes and debtors invoices.

Action Details**Responsible Officer**

Peter Ireson

Action Date

30/09/2007

Currently the new oracle system is being introduced, we will review this issue and suggest a corrective course of action, when we have a better

understanding of the level of control it is able to offer.

Update

Revised Action Date 30/04/2009

Due to staff shortage and the current re-structure of Derby LIVE we have been unable to implement this recommendation. We should be able to implement when the restructure is complete April 09

Recommendation 4 Significant

Action Status Being Implemented

Checks were not performed which confirmed that only approved credit notes had been input to the debtors system.

We recommend that following input of approved credit notes to the debtors system checks are undertaken which demonstrate that the number and value of credit notes input agrees with the number and value of credit notes authorised. It would not be appropriate to determine the best way of achieving this control until the Oracle Financials system has replaced the CODAS system in April 2007.

Action Details

Responsible Officer

Peter Ireson

Action Date

30/06/2007

We will look at the best way of achieving this control as soon as possible. Although Oracle is now in place, staff processing debtor invoices, do not fully understand the system's full capabilities. In the meantime, all credit notes that have been processed will be checked and signed off against the authorised credit by the person's line manager.

Update

Revised Action Date 30/04/2009

This has not been implemented due to new staff members in admin section currently being trained. We would welcome further guidance and support on implementing this from audit.

547 Contract Partnership: IRRIMS

Report Issued

12/08/2008

Recommendation 2 Merits Attention

Action Status

The initial project meeting for the IRRIMS Board took place on 24 March 2005. However, no dedicated project board meetings took place between June 2005 and June 2006. During this time the scheme was managed at Board level through HATS. Furthermore, there was no member representation on the IRRIMS Board until July 2006.

We recommend that a dedicated project board is put in place throughout the duration of a major capital scheme. This will ensure the project board has a prominent role in providing overall direction and management of the scheme and that where possible the membership of the project board includes an appropriate member of the Council who is available to make a contribution to the decision making process that will enable the scheme to be successful.

Action Details

Responsible Officer

Christine Durrant

Action Date

31/07/2009

All significant highways and transport projects now have a Project Management Structure with a separate Project Board. More usually member involvement is at the Highways and Transport Programme Board level, rather than specific projects. However each project board should regularly review its membership.

Update

Revised Action Date

Recommendation 3 Merits Attention

Action Status

KPIs were reported to monthly progress meetings and not to the IRRIMS Board. An important element of this process is the consideration of KPIs which can be reviewed against the pre-determined targets.

We recommend KPIs are reported to each IRRIMS Board meeting to enable performance to be assessed, monitored and if necessary corrective action taken.

Action Details

Responsible Officer

Christine Durrant

Action Date

30/11/2008

Currently the process is to report KPIs by exception. However, this issue will be reviewed at the H & T Programme Board.

Update

Revised Action Date

Recommendation 4 Merits Attention

Action Status

The minutes of the IRRIMS Board meetings demonstrated that the issue concerning the underpass surface water drainage maintenance, repairs and improvements was discussed and works instructed. However, they do not record actual approval for the works and expenditure to take place.

We recommend that all decisions taken are made clearer are recorded in accurate minutes. This will support the decisions that are made.

Action Details

Responsible Officer

Christine Durrant

Action Date

31/03/2009

Minutes will be clearer. Reported through the IRRIMS lessons learnt exercise, to be completed in 2008/9, and reported to the Highways and Transport Programme Board by March 2009.

Update

Revised Action Date

854 Investigation - Amendment to EXOR Database

Report Issued

19/08/2008

Recommendation 1 Significant

Action Status

The visual basic code had been compiled from within the spreadsheet against live data, without being checked in a formal test environment. Additionally, the live data had not been backed-up prior to the code being run.

We recommend that for any future amendments made to live data using visual basic code, accessing the data with ODBC connections, that the ICT Manager ensures that a backup and test process is adhered to prior to running in a live environment. The test and back-up process/results should be documented and presented to the ICT Manager for scrutiny. The ICT Manager should sign and date the documentation to clearly evidence that approval has been given to run the code on the live system.

Action Details	Responsible Officer	John Hansed	Action Date	19/12/2008
The Highways by Exor system already has a test environment which mirrors the live database. Procedures will be implemented which ensures that a backup and test process is implemented prior to any running in a live environment. Processes have already been implemented to ensure that the ICT Manager has the responsibility to formally approve documentation which authorises changes to the live system, both for ODBC connections and manual input changes. Training will be given to appropriate staff members, by the ICT Manager, to ensure that these changes are implemented.				
Update	Revised Action Date			

Recommendation 2 Significant Action Status

We found there were no documented audit records that detailed when the code had been run or approved.

We recommend that in future the code is developed to capture dates and times specific to when code has been compiled. In addition, a standard proforma request document should be created that collects the following data: Prior to running visual basic code – • A unique reference number. • What the proposed input / changes are. • The reason why the changes needed to be completed this way. • The signature of an appropriate Senior Officer or ITLO authorising the ODBC connection and then amending of data this way. • The tables backed-up, using a timestamp (tbl_suppliers_02072008) prior to making any amendments to data. After running visual basic code – • Copies of the code used to amend the data. • The results of the code being used against test data. • The time and date the code was run. • Checks have been undertaken after the code was run to provide assurance that the results were as expected.

Action Details	Responsible Officer	John Hansed	Action Date	19/12/2008
We are undertaking a complete review of our procedures to ensure that full audit records are available following changes to the database using VB code. The ICT Manager will put together a complete set of documentation to manage the process when code changes are required. Relevant users will be given training to ensure that the procedures are circulated and implemented.				
Update	Revised Action Date			

Recommendation 3 Significant Action Status

We found the username "Highways" and password "Macbeth" used for the ODBC connection appeared to be a generic, and appeared to have full read and write access to the desired tables.

We recommend that the generic "Highways" account is reviewed by the ICT Manager, and where necessary the privileges and rights of this account further restricted, or alternative accounts with less permissions created for future database maintenance. The "Highways" account should be limited for EXOR administration of the System.

Action Details	Responsible Officer	John Hansed	Action Date	19/12/2008
The generic username "Highways" and password access will in future be restricted to the ICT Manager and Exor administration only. We will implement a change to the access levels of all other users, including the other members of the ICT Team, so that only the ICT Manager has the authority to make changes via an ODBC connection.				
Update	Revised Action Date			

608 RTI - Chellaston Report Issued 21/06/2007

Recommendation 2 Merits Attention Action Status Being Implemented

There appears to be a lack of monitoring of the achievement of a key element of the scheme namely the production of Flag posts.

We recommend that performance indicators are detailed in the BRTIS. These should include target completion dates which are closely monitored by designated officers. Appropriate and timely remedial action should be taken to address areas poor performance.

Action Details	Responsible Officer	Christine Durrant	Action Date	31/08/2007
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Weekly project monitoring and monthly HMTc (Highway Maintenance Term Contract) works programme monitoring will continue. The existing contract performance indicator "Key Performance Indicator 5 – Timely Completion" will be developed and linked to the model payment mechanism under the new HMTc (August 2007). Consideration will be given to linking "supply chain management" into the overall performance management framework under the new HMTc. The Partnership Board under the new HMTc will lead on poor or inadequate performance delivery. The appointment of a Contracts Manager for the new HMTc in association with the preferred bidder and the associated payment model will drive forward the continuous improvement agenda.

Update Revised Action Date

These meetings continued until contract end in August 2007, although the degree of engagement by MHM was limited. During the preferred bidder stage of the tender for the new HMTc a series of operational performance indicators were recognised for year 1. These were established from the 3 key areas identified relating to poor performance in the previous contract. These were health and safety, quality and timeliness of the works (commencement and completion times). The indicators measure the performance of the contractor and their sub-contractors or suppliers and are directly linked to the payment mechanism. Performance is checked via agreed PI's, some of which then effect the payment mechanism. There was some delay in agreeing these but the relevant PI's are now reviewed by Board and the payment mechanism is now being utilised. The Board also has committed to an annual health check. This was undertaken in the summer and a subsequent Improvement Programme is now being undertaken, including a review of PI's, including those that affect the payment mechanism. A Contract Manager post created in the summer of 2007 and was subsequently filled in the autumn by Stewart Corbett. He plays a pivotal role in running and developing the contract, including the production of PI's and the running of the payment mechanism.

Recommendation 3 Significant**Action Status Being Implemented**

A contributing factor to the delay in the scheme was that the Contractor was unwillingly to commit further resources to the scheme as they were experiencing a peak in their workload which stretched their existing resources.

We recommend that an appropriate performance management structure is introduced which focuses on contract delivery. Commencement and completion dates will be agreed with the Contractor for each scheme with payment made for the works upon completion and interim payments avoided. An appointment of a Contracts Manager will help to facilitate this process.

Action Details **Responsible Officer** Christine Durrant **Action Date** 31/08/2007

The cornerstone of the HMTc will be the performance management system and its associated linkage to the model payment requirements under the contract. The performance management system for Year 1 and Years 2 to 5 is being developed with the preferred bidder. Key to delivering on target (commencement and completion) will be the associated incentive arrangements within a bonus/charge payment model. The Partnership Board will approve all performance indicators in association with an incentivised payment model. Contract payments will be made in accordance with the contract terms. It is intended to include a provision for interim payments on high order value works only. The Partnership Board will decide the appropriate minimum value of interim payments taking into account expert opinion and the other terms and conditions of the contract. An appointment of a Contracts Manager is considered essential for a contract of this nature.

Update**Revised Action Date**

See Comment above under 2

Performance is checked via agreed PI's, some of which then effect the payment mechanism. There was some delay in agreeing these but the relevant PI's are now reviewed by Board and the payment mechanism is now being utilised. The Board also has committed to an annual health check. This was undertaken in the summer and a subsequent Improvement Programme is now being undertaken, including a review of PI's, including those that affect the payment mechanism.

This was not possible in the choice of contract terms which does not allow withholding payment in this way on scheme works. Programming commitments by Carillion are currently satisfactory in any event.

A Contract Manager was appointed in autumn 2007 (see above)

Recommendation 4 Significant**Action Status Being Implemented**

It appeared that MHM Ltd gangs working on the Chellaston BRTIS were redirected to alternative schemes that were of a higher priority for example, if urgent minor repairs were required to the highway. This caused delay with the completion of the Chellaston BRTIS.

We recommend that schemes are continuously monitored and assessed as to their priority including the impact subsequent delays may have on the completion of other schemes. In addition, the introduction of an appropriate performance management structure which focuses on contract delivery, outlined in recommendation 3, will assist with this process.

Action Details **Responsible Officer** Christine Durrant **Action Date** 31/08/2007

Weekly project monitoring and monthly HMTc (Highway Maintenance Term Contract) works programme monitoring will continue. The existing contract performance indicator "Key Performance Indicator 5 – Timely Completion" will be developed and linked to the model payment mechanism under the new HMTc (August 2007). Consideration will be given to linking "supply chain management" into the overall performance management framework under the new HMTc. The Partnership Board under the new HMTc will lead on poor or inadequate performance delivery.

Update**Revised Action Date**

See Comment above under 2

See Comment above under 2

See Comment above under 2

Resources

752 BVPI 12 - Working Days Lost through Sickness **Report Issued** 30/06/2008

Recommendation 2 Merits Attention**Action Status Being Implemented**

There were no procedures documenting the methodology for calculating the performance figure.

We recommend that the Compiling Officer drafts procedure notes to document the process of extracting data from Vision and the actions required to arrive at the performance figure, as soon as is practically possible.

Action Details **Responsible Officer** Barbara Rusk **Action Date** 30/09/2008

Compiling Officer to compile procedure notes by the end of Sept 08.

Update**Revised Action Date** 09/12/2009

864 Cashiers 2008-9 **Report Issued** 30/06/2008

Recommendation 3 Merits Attention**Action Status Being Implemented**

There are no plans to monitor the project after the project deadline and the closure of the cashiers counters.

We recommend that a member of the Project Team be allocated to undertake post-project monitoring in order to ensure there are no outstanding issues that need addressing.

Action Details **Responsible Officer** Kath Gruber **Action Date** 31/03/2010

Post project monitoring to take place.

Update**Revised Action Date** 31/03/2010

Project monitoring will take place when the project has ended.

Recommendation 7 Significant**Action Status** Being Implemented

The ability to pay by cash will not be available for all types of Council debts.

We recommend cash payment facilities be provided for all debt types and for suitable controls surrounding these facilities to be put in place and adhered to.

Action Details**Responsible Officer**

Kath Gruber

Action Date

31/03/2010

Cash payments come with increased risks for the Council, for example, fraud, theft and misappropriation of money. Limiting cash payments helps to manage these risks in favour of more secure, electronic payments such as Direct Debit. Cabinet have approved the recommendation to use of PayPoint outlets and post offices rather than the Council House cash counter for those customers who wish to continue to pay in cash. As a result of that decision significant work has been underway to make alternative arrangements for the range of miscellaneous debts currently paid at the cash counter. The focus of these arrangements have been to move away from cash, however temporary arrangements for customers who cannot move to alternative methods have been agreed with the Departments – see below:

- penalty charge notices - can be paid via the internet or over the telephone but cash payments continue to be an option at Saxon House.
- housing advances – there are very few of these remaining (2) and satisfactory arrangements have been agreed with the individual customers, mainly by setting up standing orders.
- bulky waste payments - these can be paid over the telephone using a debit card. For those customers wanting to pay in cash an invoice will be issued by the Waste Management Division.
- TV licences – these are very few, approximately 2 transactions in November 2008, Derby Homes have confirmed that they will have alternatives for these payments in place before the cash counter closes. An option for customers paying in cash would be raising an invoice through the sundry debtors system which will allow payment via PayPoint.
- Housing options rent – these are very few, approximately 16 transactions in November 2008. Housing Options have confirmed they will have alternative arrangements in place. An option for customers paying in cash would be raising an invoice through the sundry debtors system which will allow payment via PayPoint.
- Cattle Market fines - these are very few, approximately 2 transactions in November 2008. Markets will have alternative arrangements in place for those customers which is that these fines will be collected by markets employees and incorporated with their other cash payments which are paid into the cashiers back office.
- Legal – they will continue with the current arrangement where they pay cash into the back office. From a legal perspective cash continues to be legal tender and unless there is a contractual requirement to pay in a particular way a debtor can tender cash. All references to paying Council Tax (the majority of cash payments made) have been removed from the 09/10 annual bills. Rent payments (the next largest group of cash payers) all have PayPoint cards – those who pay currently at Council House are required to bring in their card and these customers will be redirected to alternative outlets where they can continue to pay in cash.

Update**Revised Action Date** 31/03/2010

Final plans in place to enable cash payments for the full range of council bills. The last remaining bill type with no solution for those customers who prefer to pay cash is for payments for Bulky Waste. Plans are being developed to have a solution for this.

Recommendation 8 Merits Attention**Action Status** Being Implemented

The Council House reception desk operates a small till float and takes cash payments from members of the public.

We recommend the necessity for the reception desk till be reviewed and alternative methods for taking payments be sought, in line with the objectives of the Cashiers Project.

Action Details**Responsible Officer**

Kath Gruber

Action Date

03/03/2009

Once the cashiers service has closed and this project is finalised a review of those payments taken at Council House reception will take place with alternatives being sought. This review will be in line with the objectives of the Cashiers Project.

Update**Revised Action Date** 31/03/2010

The project now includes plans to reduce / eliminate cash transactions at the main reception.

865 Creditors 2008-9**Report Issued**

31/03/2009

Recommendation 5 Significant**Action Status** Being Implemented

Although in practice the Accounts Payable Section had assigned officers with sole responsibility for creating and amending supplier accounts a number of officers had user responsibilities that would give them access to set up and amend a supplier account.

We recommend the user responsibilities in the Oracle Financials System that allow officers to create and amend supplier accounts are restricted to the designated officers. We strongly advise the Business Systems Administrator to review the responsibilities AP Manager Central, AP Manager Schools, DCC PO Superuser, DCC Central PO User, DCC Schools PO User. Immediate action must be taken to ensure access to create and amend supplier details is restricted to designated officers so to prevent the potential for any fraudulent activity to take place.

Action Details**Responsible Officer**

John Massey

Action Date

30/04/2009

Response from Dawn Hallsworth: In consultation with Business Systems Manager - Removal of ability to create and amend supplier accounts from DCC AP Manager Central and DCC AP Manager Schools

Update**Revised Action Date** 01/12/2009

After consultation with the Business Systems Manager it was concluded that this was not possible without significantly compromising the ability of staff to perform their duties. As such AP Team Leader will undertake sample checking to ensure the accurate set-up and amendment of accounts. Checking to commence 1/12/09.

Recommendation 6 Significant**Action Status** Being Implemented

A number of officers had user responsibilities to create and amend supplier account details, process payments and set up a bank on the system, failing to enforce a separation of duties and increasing a risk of fraud.

We recommend the user responsibilities within the Oracle Financials System are examined with the view to restricting permissions to ensure there is a separation of duties in place and no one officer has access to complete an entire transaction from placing an order to generating a payment and

setting up a bank. We strongly advise the Business Systems Administrator to review the responsibilities AP Manager Central and AP Manager Schools. Immediate action must be taken to modify the permissions to ensure users assigned to this responsibility cannot access and complete an entire transaction so to prevent the potential for any fraudulent activity to take place.

Action Details	Responsible Officer	John Massey	Action Date	13/03/2009
Response from Dawn Hallsworth: These practices were part of the established processes that were in operation prior to Customer Services taking over the External Payments Section.1. Permissions for the Creditors Assistants will be amended in AP Manager Central and AP Manager Schools so that they are no longer able to Set Up a new supplier.2. We are unable to amend the Creditors Assistants' permissions further to restrict access to either amend supplier details or generating a payment, as this would restrict their activities to a point that meant the business could not operate efficiently – for example only one member of staff would be able to process BACS: the other would have nothing to do 2 days a week. We propose to request that a report is created that would show an indicator on payment report to show that the supplier has had an amendment – this could then be spot checked by the AP team leader.3. Permissions for the Supplier Data Controller will be amended in AP Manager Central and AP Manager Schools so that she can no longer amend supplier details.4. Permissions for the Accounts Payable Manager for Set Up, amending accounts and generating payments will be removed.5. Permissions for the Accounts Payable Team leader will be amended so she is no longer able to Set Up supplier accounts.6. Neil Day to speak to Wendy Hooley to remove inappropriate permissions				
Update			Revised Action Date	01/12/2009
Changes were attempted but had to be reversed as Creditors Assistants could not carry out their duties without these permissions. Permissions for the Supplier Data Controller have been amended. Business Systems staff need full access to the system to perform their duties and to ensure emergency cover. To reduce risk AP Team Leader carries out sample checking to ensure that accurate set-up and amendment takes place. Checking to commence 1/12/09				

Recommendation 7	Significant	Action Status	Being Implemented
Independent checks were not being undertaken to verify that:• New supplier account details input to the system; and• Any amendments made to supplier account details on the system; were accurate and legitimate and in accordance with the authorised documentation.			

We recommend that an officer, independent of the supplier set up and amendment process, should regularly check all additions and amendments to supplier standing data in the Oracle Financials System to the authorised input documents. A bespoke system generated report, listing all such changes to suppliers' standing data, should be used for this purpose. The officer undertaking these checks should evidence that this control has been performed by signing and dating the system generated report.

Action Details	Responsible Officer	John Massey	Action Date	30/06/2009
Response from Dawn Hallsworth: This issue existed under the established processes that were in operation prior to Customer Services taking over the External Payments Section. The system generated report is called DCC_AUD01. It would need running every day by the External Payments Manager. However, the audit module which contains this report is not switched on at the moment. The Accounts Payable Manager / External Payments Manager will liaise with the Business Systems team to investigate either using this report or developing an alternative.				
Update			Revised Action Date	
Business Systems Manager advises that the Audit Module will not be available. However she has commissioned some Audit Trail work with Teamsolve and this should be in the production environment w/c 12/10/09. In progress report due 1/12/09.				

555	Employment Agency Contract (Comensura)	Report Issued	01/08/2006
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Recommendation 1	Significant	Action Status	Being Implemented
Arrangements for monitoring the performance of the contract have yet to be determined.			

We recommend that the following performance monitoring should be undertaken:• Market information should be sought, wherever practicable, to assess the appropriateness of the benchmark data specified in the contract.
At 6 and 9 months following the start of the contract, the savings to date should be evaluated in conjunction with the Technical Finance section, and a judgement made as to the most appropriate course of action.
A sample of invoices from Comensura should be chosen each month and checked to ensure that the Council is being charged as outlined in the contract.

Action Details	Responsible Officer	Karen Simonite	Action Date	01/08/2006
The benchmark price for each category of temporary labour was set as the historic figure of the rate the Council were paying in the four months prior to the commencement of the Comensura contract. It was agreed by Accountancy as being an accurate reflection of the price we were paying for these posts and would, therefore, be used throughout the first year of the contract as the basis of the calculation of the saving achieved through the use of the Comensura system. It was agreed through the tender process that we would have a shared savings remuneration system for the first 12 months and that we would be able to review this option at the end of the first year of the contract and decide if we wish to transfer to a management fee instead. It would be anticipated that as we come towards the latter part of the first year of the contract that we would seek information to ascertain whether the level of mark up that is being managed through the Comensura arrangement remains competitive. Benchmark rates for temporary staff will be assessed annually but these are to reflect market forces of temporary staff and cannot be driven downwards continually. Current rates have been agreed between Comensura and the council. Assessment of value for money will need to be carried out by other means such as checking against other authorities in the local vicinity. Savings information provided by Comensura can be checked departmentally and assessed against those predicted during the first year at timings to be agreed with Technical Finance. I would agree to the recommendation of monitoring invoices and would suggest the checking of the rates of 10 lines of a Comensura invoice every month.				

Update			Revised Action Date	
Corporate HR have been unable to get market information from other local authorities as the authorities are reluctant to release this information. However, bordering authorities spend more than twice what Derby spends on agency temps, therefore it is questionable whether their rates could be used as a comparator. Equally agencies are not forthcoming with agency rates. From Sept 06 to Aug 07 the expenditure with Comensura was £2,550,691.56, the cost saving was £123,997.69, so the amount of actual savings received by the Council was £61,998.84. Comensura have already implemented a re-procurement exercise in October 06 to negotiate more competitive rates and will continue to do so to reflect market prices. Sample invoices have not been checked on a monthly basis. External Payments do vet all invoices before making payments, however, they are not aware of the specifics of the contract. Corporate HR are aware of the contract but have no access to Oracle.				

Further investigations on how to achieve this requirement need to take place.

505 Financial Services - Control Accounts

Report Issued

28/04/2006

Recommendation 2 Merits Attention

Action Status

Not Implemented

Creditors and debtors control account reconciliations are not always signed and dated.

We recommend that all control account reconciliations are signed and dated upon completion by the responsible officer.

Action Details

Responsible Officer

Lynda Innocent

Action Date

31/05/2006

These will be reviewed monthly to ensure they have been signed.

Update

Revised Action Date

These are electronically held, therefore it is not practicable to sign these documents. The important issue is that these are properly reconciled and reconciling items are addressed.

866 H&CTB - 2008-9 - Administration & Overpayments

Report Issued

30/01/2009

Recommendation 2 Merits Attention

Action Status

Being Implemented

Three cases out of a sample of 20 overpayments were found to have been calculated incorrectly.

We recommend that the sample checking activity is increased to help to reduce the occurrence of inaccuracies when calculating overpayments. We also recommend that additional training be given to Benefits Assessors who are found to make errors when calculating overpayments.

Action Details

Responsible Officer

Mark Holmes

Action Date

28/02/2009

We believe the errors are not systemic and will be used to highlight quality issues or potential training issues with the individuals concerned. Quality/accuracy checks are routinely conducted on benefits processing work. A review of quality/accuracy within benefits processing is underway, which aims to embed the responsibility for quality/accuracy with the benefits processing section. Action: Produce a review and action plan for quality/ accuracy.

Update

Revised Action Date

30/11/2009

Review of quality/accuracy has been undertaken and action plan for quality framework will be produced end of Nov 09. Responsibility for Quality checking and training/coaching is now within benefits processing

Recommendation 8 Significant

Action Status

Being Implemented

A number of Benefits staff had inappropriate access to the different modules within the Academy system.

We recommend a full review be undertaken of user access to the Academy system to ensure staff access is set at an appropriate level based on the duties undertaken by each member of staff. We recommend a user access review be undertaken periodically thereafter.

Action Details

Responsible Officer

Mark Holmes

Action Date

30/06/2009

Permissions will be reviewed at 'modular level' to ensure all users have appropriate access to modules within the Academy system. Action: Review and where appropriate amend all users' Academy permissions.

Update

Revised Action Date

31/12/2009

Partially complete and some permissions updated, in particular those staff with inappropriate access to Debt Management modules. Remaining staff user levels to be reviewed and amended by end of Dec 2009.

777 Main Accounting System 2007-8

Report Issued

26/09/2008

Recommendation 1 Merits Attention

Action Status

Being Implemented

Procedures had not been fully documented for all changes to the bank reconciliation processes brought about by the implementation of Oracle.

We recommend that bank reconciliation procedure notes are brought up to date as soon as possible and maintained to reflect any procedural changes. All amendments to the procedural guide should be recorded in a log and evidenced by signature and date.

Action Details

Responsible Officer

Carolyn Wright

Action Date

31/12/2008

Procedure notes formerly developed for CODAS to be updated and maintained to reflect ORACLE system.

Update

Revised Action Date

31/12/2009

The Accountancy Performance Improvement Group (APIG) is carrying out a review of all Oracle procedures to ensure these are up to date. The bank reconciliation procedure notes will be reviewed and updated as part of this process. All revised procedures will be reviewed by APIG. Corporate Accountancy are also implementing other improvements to the bank reconciliation process, such as ensuring a second officer is also trained to be able to carry out bank reconciliation.

Recommendation 5 Merits Attention

Action Status

Not Implemented

The Head of Business Systems, Financial Systems Manager and Systems Accountant, Business Systems Team were all sharing the username

'sysadmin' in Oracle for posting feeder systems.

We recommend that the responsibility (GL Superuser) that allows these officers to post feeder systems under the user name 'sysadmin' be assigned to individual users instead of via a generic administration account.

Action Details	Responsible Officer	Lynda Innocent	Action Date	31/10/2010
We will investigate this possibility but there are potential problems with systems administration if we are unable to use the sysadmin account.				

Update	Revised Action Date
We require full access to enable us to undertake our duties for example reviewing the status of concurrent requests and resolving workflow issues.	

582 NNDR 2006-7 - Billing & Refunds	Report Issued	30/01/2007
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Recommendation 1	Merits Attention	Action Status	Being Implemented
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Although it is noted that the procedure manual is currently being updated, the NNDR procedure manual is out of date.

It is recommended that the NNDR procedure manual is updated to include all necessary changes brought about by the implementation of the Academy system.

Action Details	Responsible Officer	John Massey	Action Date	31/12/2007
This is an ongoing project which will take considerable time to complete but work is progressing				

Update	Revised Action Date	31/12/2010
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This is a "forth rail bridge" task, as soon as it gets close to completion it needs reviewing. We have some changes to legislation to be effective 1/4/08 which will necessitate even more work.

Update nov 2009. NDR is currently struggling to keep up with the workload as the work on the BID is requiring additional resource due to the software being unreliable. There is also a revaluation due for implementation at 1 April 2010 with much software testing required for the new transition regulations that are due to accompany this. It is therefore unlikely that work will progress on the manual until after the annual billing rush (and any such work would be pointless as the regulation changes due 1 April would require a rewrite anyway) so the date has been put far enough in advance to allow a reasonable time to address this task.

520 Payroll 2005-6	Report Issued	16/06/2006
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Recommendation 3	Merits Attention	Action Status	Being Implemented
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There does not appear to be a reliable system in place to identify when employees reach 25 years service and become eligible for their long service awards.

We recommend that consideration be given to using the automatic reminder function in the payroll system to identify long service awards due.

Action Details	Responsible Officer	Dave Parnham	Action Date	01/10/2006
This could be done via Payroll. Personnel would be able to put a date in the diary message when the employee commences				

Update	Revised Action Date
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Apparently this is not as simple a process as was first thought

774 Payroll 2007-8	Report Issued	09/05/2008
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Recommendation 5	Merits Attention	Action Status	Being Implemented
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The supplier of the Council's payroll system did not inform the Council that their accreditation to the Payroll Standard had ceased.

We recommend that the Council ask Selima to confirm in writing the current situation with the HMRC Payroll Standard.

Action Details	Responsible Officer	Nigel Dowey	Action Date	30/06/2008
This will be requested as part of the contract negotiations currently taking place.				

Update	Revised Action Date	01/11/2009
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The system suppliers are at present applying for one for the new system to be implemented 1 Nov 2009.

639 Windows XP - Security Configuration	Report Issued	24/10/2008
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Recommendation 4	Merits Attention	Action Status	Being Implemented
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There was an excessive amount of GPO's that were applied across our domains.

We recommend Central IT review change requests for new GPO's and determine whether the ITSP proposals are justified to develop a new group policy for these specifics, or whether these settings could be incorporated into existing policies.

Action Details	Responsible Officer	Mike Thompson	Action Date	30/04/2009
Recommendation agreed. The activity to review and aggregate GPO's and review change requests to be carried out by Technical Design Analyst when in post				
Update			Revised Action Date	01/01/2010
Unfortunately this recommendation has not been implemented. With the current issues around recruitment and savings on staffing we have not been able to recruit the TDA as expected, so this activity has not been able to be resourced. Pending the results of the budget reviews and DECATS review, this activity will be picked up at a later stage when the appropriate resource is in place.				

586 Wireless Network	Report Issued	20/08/2008
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Recommendation 5	Significant	Action Status	Being Implemented	
Our current IT Service Provider performs security assessments to identify access points that have been installed without the knowledge and approval of the network administrators on an ad-hoc basis as chargeable project work.				
We recommend that the Council ensures that quarterly wireless security assessments should take place for the purpose of identifying rogue access points that have been installed without the network administrator's knowledge and approval. Such regular checks should be incorporated into any future contract specification, rather than incurring additional charges each time they are undertaken. Logs of such checks should be produced for scrutiny by Central IT.				
Action Details	Responsible Officer	Mike Thompson	Action Date	31/12/2008
Agree, I think we have a better way to do this. We are kicking off a project to bring our existing access points under centralised management. These AP can then be used to police the "airspace" to identify access points joining our network – anything not authorised can be disabled by a denial of service attack. This obviously does not cover offices where there is not at least one corporate access point – so we need to retain the field engineer survey visits. Regular checks will be built into the specification for the new IT FM contract by way of having that service as an option from a catalogue of services which can be 'called off' when required. We can then call off the service for a specific site on an adhoc basis. Including an option for all sites as an integral part of the FM contract is not financially viable.				
Update			Revised Action Date	31/12/2009
Sercio have just employed a security manager, Miles Peters to meet with him in December to determine the scope of their work including WiFi sniffing.				

Recommendation 7		Merits Attention	Action Status	Being Implemented
The Council's users of wireless technology were not being formally informed that they should turn off Bluetooth or WI-FI when it is not required.				
We recommend Central IT should incorporate such advice into either the "Guidelines for the use of mobile computing equipment" document, or any future policy documents produced which cover wireless technology. Consideration should be given to supplementing policy and procedural guidance with wireless security awareness training for all new users.				
Action Details	Responsible Officer	Mike Thompson	Action Date	31/12/2008
Probably pick this up as part of the policy/guidelines identified in recommendation 6				
Update			Revised Action Date	01/02/2010
Rather than trust users cisco security agent planned for early 2010 on such devices.				