



central midlands audit partnership

Derby City Council – Audit Progress Report

Audit & Governance Committee: 27th July 2022



Derby City Council



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Our Vision

To bring about improvements in the control, governance and risk management arrangements of our Partners by providing cost effective, high quality internal audit services.

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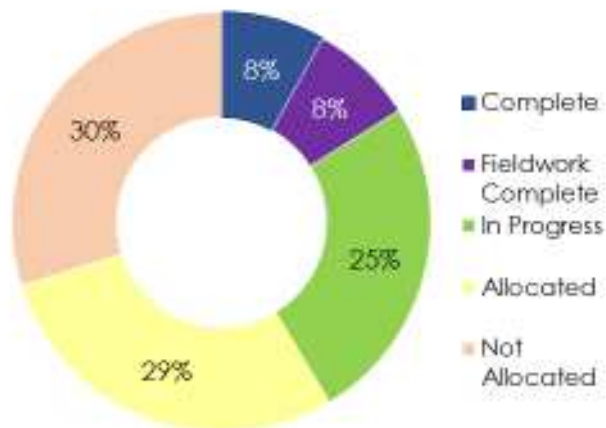
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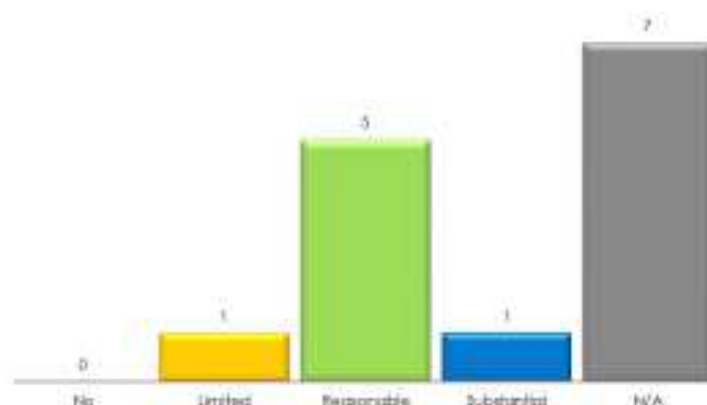
AUDIT DASHBOARD

Plan Progress



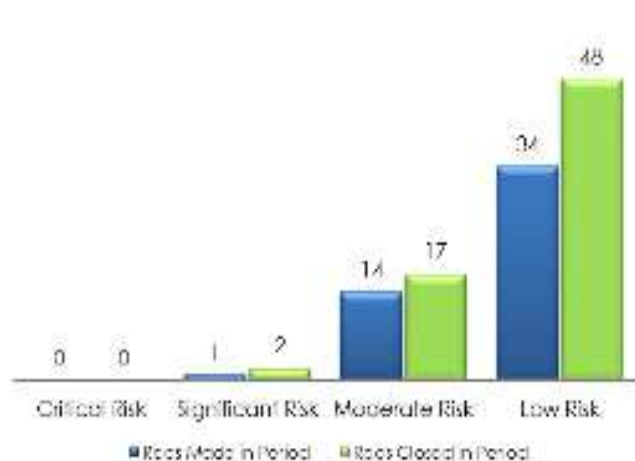
Jobs Completed in Period

Control Assurance Ratings During Period



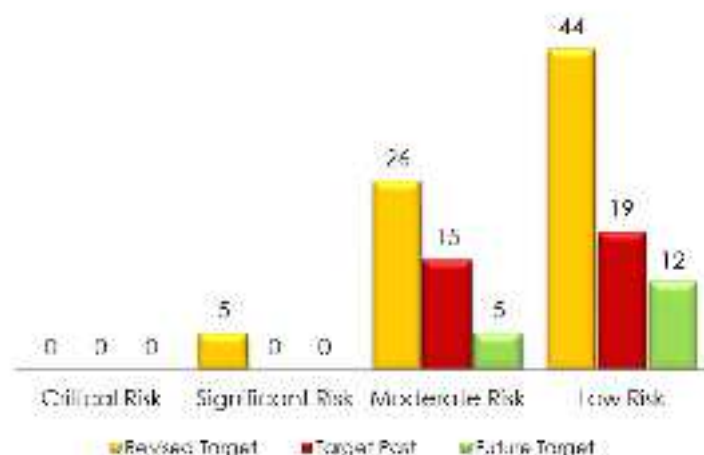
Recommendations

Movement During Period



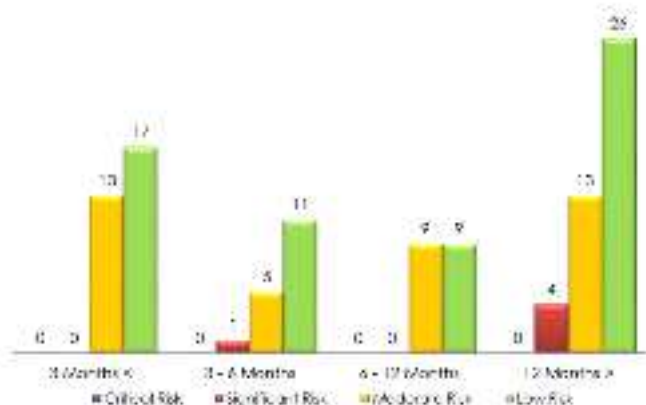
Recommendations

Recommendations Currently Open



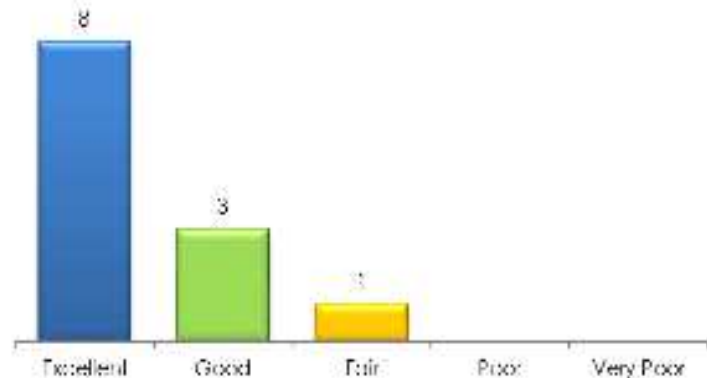
Recommendations

Overdue Recommendations



Customer Satisfaction

Customer Satisfaction Scores Jun 21 to Jun 22



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AUDIT PLAN

Progress on 2022/23 Audit Assignments

The following table provide Audit and Governance Committee with information on how ongoing audit assignments were progressing as at 30th June 2022.

2022-23 Jobs	Status	% Complete	Assurance Rating
Chief Executive - Policy, Insight and Communications			
Organisational Performance Management 2022-23	Allocated	0%	
Strategic Communications	In Progress	20%	
Transparency Code	Allocated	10%	
People Services			
Shared Lives 2022-23	Allocated	10%	
Fostering Services	In Progress	70%	
D2N2 Children's Homes Contract	In Progress	30%	
Tackling Child Poverty	Removed From Plan	10%	
Individuals & Families in Need	Allocated	0%	
Corporate Resources			
Grant Certifications 2022-23	In Progress	40%	
Revenue Collection Contracts	Allocated	10%	
FMS Data Migration 2022-23	Allocated	0%	
Pre-Employment Checks	In Progress	65%	
Contract Management Project	In Progress	20%	
Declarations of Interest - Staff and Members	In Progress	25%	
Contract Management - Data Analytics Follow-Up	In Progress	40%	
Property Design & Maintenance	Allocated	5%	
IT Key Controls 2022-23	In Progress	55%	
Management of Information in a Remote Environment	Allocated	10%	
Project Management Office - Development Group	In Progress	5%	
Communities & Place			
Building Consultancy	Allocated	15%	
Cash Seizure - POCA	Final Report	100%	N/A
Streetpride HGV Driver Resources	Allocated	10%	
Ascend Programme	In Progress	30%	
Right to Buy 2022-23	In Progress	20%	
Long Term Waste Management Project (Embedded Assurance)	In Progress	10%	
Anti-Fraud & Corruption			
Management of Fraud and Corruption Risks	In Progress	25%	
Schools			
Schools SFVS (25 Schools self-assessment)	Allocated	10%	
Schools SFVS (13 School visits planned)	Allocated	0%	

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B/Fwd Jobs	Status	% Complete	Assurance Rating
People Services			
Care Act 2014	Draft Report	95%	
Safeguarding & Domestic Abuse	Draft Report	95%	
Housing Framework for 16 & 17 Year Olds	Fieldwork Complete	90%	
Special Educational Needs and/or Disabilities	Draft Report	95%	
Corporate Resources			
Financial Management System Project	Draft Report	95%	
CIPFA Financial Management Code	Allocated	10%	
Key Financial Controls 2021-22	In Progress	45%	
Health & Safety 2021-22	Allocated	10%	
SIRO/Information Governance	Final Report	100%	Substantial
Digital By Default Project - Household Support Fund	In Progress	65%	
Communities & Place			
Leisure Centres	Final Report	100%	Reasonable
Darley Fields - Building Security	Final Report	100%	N/A
Food Safety	In Progress	50%	
Community Safety	In Progress	40%	
Land Drainage & Flood Control	Fieldwork Complete	90%	
Climate Change - Roadside Air Quality	In Progress	40%	
Transforming Cities /Mobility Programme	Final Report	100%	Reasonable
Parking Permits 2021-22	Final Report	100%	Reasonable
Economic Recovery 2021-22	In Progress	60%	
Planning Complaint - Pastures Hill	In Progress	75%	
Business Continuity - In Light of Covid 19	Draft Report	95%	
Schools			
Schools SFVS Self Assessment 2021-22	Final Report	100%	Reasonable

Changes in the Plan:

As reported in the Quarter 2 Audit Plan report to the Committee meeting on 15th June 2022, the Individuals/Families in Need audit has been introduced to replace the Tackling Child Poverty audit that was scheduled for Quarter 1 and the Stronger Families audit planned for quarters 3 or 4.

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AUDIT COVERAGE

Completed Audit Assignments

Between 10th March 2022 and 30th June 2022, the following audit assignments have been finalised since the last Progress Report was presented to this Committee (23rd March 2022).

Audit Assignments Completed in Period	Assurance Rating	Recommendations Made				% Recs Closed
		Critical Risk	Significant Risk	Moderate Risk	Low Risk	
Catering - Cash & Bank Process	Limited		1	4	3	75%
SmartParc Project	Reasonable			1	2	67%
Boundary Defence	Reasonable			2	7	11%
Leisure Centres	Reasonable				13	92%
Parking Permits 2021-22	Reasonable			3	3	
Transforming Cities /Mobility Programme	Reasonable				2	100%
SIRO/Information Governance	Substantial				1	
Contract Management - Data Analytics	N/A					n/a
Grant Certification 2021-22	N/A					n/a
Darley Fields - Building Security	N/A					n/a
Cash Seizure - POCA	N/A					n/a
IT Key Controls 2022-23	N/A			4	3	14%

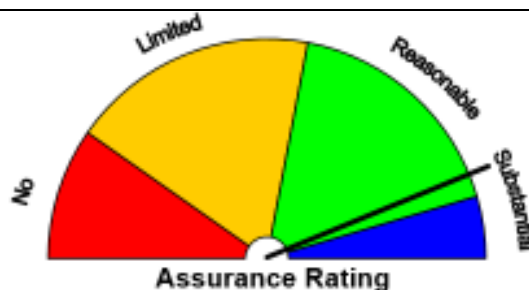
The opinions provided within the audits detailed below have been derived from risk-based audit work and as such, can only provide assurance relating to the specific areas within each objective inspected. These opinions do not imply that Internal Audit have reviewed all risks, controls and governance arrangements relating to this area. Likewise, full implementation of all agreed actions is essential if the benefits of the control improvements detailed in this audit report are to be realised. No system of control can provide absolute assurance against material misstatement or loss, nor can Internal Audit give absolute assurance.

Catering - Cash & Bank Process					
Control Objectives Examined		Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
Controls are in place which ensure income transactions are processed accurately.		5	2	0	3
Controls are in place, which allow access to the safe and its key handling to be handled securely.		6	1	1	4
Adequate arrangements are in place to allow the banking of cash to be handled securely.		4	3	0	1

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TOTALS	15	6	1	8
Summary of Weakness	Risk Rating		Agreed Action Date	
Records of training in cash handling given to officers were deficient; records were not available for some officers and, where a file was available, did not include acknowledgement of training received in cash handling procedures either at all or since the latest version of the Council's Cash Handling Policy and Procedures was issued in July 2019.	Low Risk		01/05/2022 Implemented	
Inadequate controls were in place for till cash handling and recording for both daily activities and at large events. This included weaknesses in the issue of floats, the use of bank card readers over multiple tills and a lack of investigation into discrepancies in takings.	Significant Risk		01/05/2022 Implemented	
Due to the limited number of staff available, separation of duties was compromised at the remote locations, where only one officer was responsible for recording sales through the till, receiving cash takings and for compiling cash bankings for collection. This was contrary to the Council's Cash Handling Policy and Procedures and no dispensation could be evidenced.	Low Risk		01/04/2022 Implemented	
Updating of key codes to gain access to two safes had not been completed for in excess of twelve months.	Moderate Risk		01/04/2022 Implemented	
There was no key transfer register provided for the transfer of safe keys between colleagues at Alvaston Park Cafe. Additionally, the key transfer register at Markeaton Park lacked continuity.	Low Risk		01/04/2022 Implemented	
Council resources were used to process fishing permits for a third party organisation. Council safes were used to retain third party monies and valuables.	Moderate Risk		01/04/2022 Being Implemented Date TBC	
Security over the keys to the Council's safes at the Arena, Markeaton Park and Alvaston Park did not comply with the Cash Handling Policy and Procedures.	Moderate Risk		01/05/2022 Being Implemented 30/06/2022	
A register was not in use to record transfers of cash between locations.	Moderate Risk		01/04/2022 Implemented	

SmartParc Project



Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
Projects are selected with the appropriate documentation and governance in place from the start	8	6	2	0
Officers are appointed for the project to ensure adequate monitoring and management throughout	6	5	1	0
The gateway process is followed with appropriate approval at the relevant stages with documentation available	4	4	0	0
TOTALS	18	15	3	0
Summary of Weakness	Risk Rating		Agreed Action Date	
The Terms of Reference (TOR) had not been reviewed in accordance with the timeframe stipulated within the document and did not include reference to one group that had been instrumental in the project's governance structure.	Moderate Risk		30/04/2022 Action Due	
There was no register of Declarations of Interest for Council Officers or Contractors.	Low Risk		Implemented	

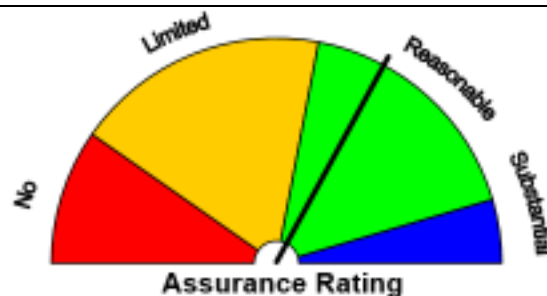
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Key governance information from the Delivery Team meetings was not being recorded.

Low Risk


Implemented

Boundary Defence



Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
Ensure that the boundary defence systems are configured and managed in line with best practices to protect the Council's private network environment from external attacks.	14	7	0	7
Ensure the Council has established and implemented firewall configuration standards that align with recognised best practices	7	2	0	5
TOTALS	21	9	0	12
Summary of Weakness		Risk Rating	Agreed Action Date	
There were inconsistencies in the way vulnerabilities flagged during different external testing exercises were being communicated and tracked to closure.		Low Risk	30/06/2022 Future Action	
A number of configuration settings on the perimeter Firewall devices did not align with the Cisco best practice hardening guidelines, as highlighted by a Nessus compliance audit scan.		Low Risk	30/06/2022 Future Action	
The Council did not have a formal vulnerability scanning policy that detailed timing requirements for internal and external scans.		Low Risk	30/09/2022 Future Action	
Generic default accounts with administrative access to the edge firewalls were not protected by minimum password length, maximum failed login or maximum password age settings.		Moderate Risk	30/06/2022 Future Action	
Access to the Cisco Firepower Management Center, used to manage the boundary firewalls, did not require multi-factor authentication (MFA).		Low Risk	30/04/2022 Being Implemented 30/06/2022	
There was no formal procedure for ensuring the network diagram that documented all connections between the Council's private network and other networks was kept current and updated as required based upon changes made to the network architecture.		Low Risk	30/09/2022 Future Action	
There was no formal schedule in place to review boundary firewall rule bases at set intervals, such as bi-annually.		Moderate Risk	31/07/2022 Future Action	
Administrative changes made to the boundary firewall configurations, such as amendments to the rule base, were not being logged.		Low Risk	30/06/2022 Future Action	
Changes made to the boundary firewall configuration that were not processed through the change control system had not been documented in a list of standard (pre-approved) changes.		Low Risk	31/07/2022 Future Action	

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Leisure Centres	 <p>Assurance Rating</p>			
Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
Cash and any other credits on hand agreed to establishment's records.	6	6	0	0
All cash and other related income was kept securely and access was restricted.	5	3	1	1
The invoice process was comprehensive, accurate and authorised appropriately.	6	6	0	0
To ensure that the Leisure Centres were safe and secure.	10	4	5	1
New employee inductions were consistent and documented accordingly.	3	3	0	0
TOTALS	30	22	6	2
Summary of Weakness		Risk Rating	Agreed Action Date	
At Queens Leisure Centre, the safe keys were not kept on the person of the Duty Manager and were instead held in a key safe, where the code was not changed regularly.		Low Risk	Implemented	
At Derby Arena, the safe keys were held in a key safe where the code was not changed regularly.		Low Risk	Implemented	
At Queens Leisure Centre there was no key transfer register provided, for the transfer of safe keys between senior staff during shift changes.		Low Risk	Implemented	
At Springwood Leisure Centre there was no key transfer register provided, for the transfer of safe keys between senior staff during shift changes.		Low Risk	Implemented	
At the Derby Arena there was no key transfer register provided, for the transfer of safe keys between senior staff during shift changes.		Low Risk	Implemented	
Staff at Derby Arena were not completing the staff signing in and out sheet correctly at the end of their shift.		Low Risk	Implemented	
At Derby Arena, no visitor identification was provided and not all visitors were signing out of the visitors book when they left the premises.		Low Risk	Implemented	
There was no record held documenting allocation of keys for the main centre door at Springwood Leisure Centre.		Low Risk	30/04/2022 Action Due	
A transfer of key register for the duty manager keys was not held at Queens Leisure Centre.		Low Risk	Implemented	
A transfer of key register for the duty manager keys was not held at Springwood Leisure Centre.		Low Risk	Implemented	
A transfer of key register for the duty manager keys was not held at Derby Arena.		Low Risk	Implemented	
At Queens Leisure Centre it was not known when the code for the key code lock to the office was last changed.		Low Risk	30/04/2022 Superseded	
The fire evacuation record for Derby Arena was not being signed off by a senior member of staff and the layout of the record could potentially limit the details that could be recorded.		Low Risk	Implemented	


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Parking Permits 2021-22				
Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
The MiPermit System has adequate controls in place to protect customer data and provide management with sufficient information to reconcile permit fees.	9	2	2	5
Parking Services use the MiPermit system effectively to monitor parking permit use and identify any potential misuse of parking permits.	8	7	1	0
TOTALS	17	9	3	5
Summary of Weakness	Risk Rating		Agreed Action Date	
The MiPermit operating procedures were only in draft and had not been finalised at the time of audit.	Low Risk		01/07/2022 Future Action	
Two-factor authentication was not available on the MiPermit system.	Moderate Risk		01/07/2022 Future Action	
The Derby City Council Document Retention Schedule did not include retention periods for the information held on the MiPermit system and data retention was not being monitored /deleted at the time of audit.	Moderate Risk		01/07/2022 Future Action	
Refunds could be processed without legitimate reason or challenge. The MiPermit system report detailing refund requests lacked detail and did not specify the user that had requested the refund.	Low Risk		01/06/2022 Action Due	
Management reports available on the MiPermit system were not consistent with those provided by the third party responsible for the MiPermit system as part of the monthly reconciliation process. This meant that the information provided by the third party could not be independently verified by Parking Services.	Moderate Risk		01/07/2022 Future Action	
While testing confirmed that the booking system for the Household Waste Recycling Centre (HWRC) was generally operating as intended, we also flagged a number of potential anomalies and possible limitations in control.	Low Risk		01/07/2022 Future Action	

Transforming Cities /Mobility Programme				
Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
Projects were selected with the appropriate documentation and governance in place from the start	8	6	2	0
Officers were appointed for the project to ensure adequate monitoring and management throughout	6	6	0	0

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The gateway process was followed with appropriate approval at the relevant stages with documentation available	6	4	2	0
TOTALS	20	16	4	0
Summary of Weakness		Risk Rating	Agreed Action Date	
The project plan was not being regularly monitored /updated.		Low Risk	Implemented	
Insufficient evidence of scrutiny and supportive challenge of the risk controls		Moderate Risk	31/05/2022 Implemented	

SIRO/Information Governance				
Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
The Council has embedded key requirements of the General Data Protection Regulations into its business as usual processes.	3	1	2	0
Roles and responsibilities were adequately documented and complied with by the relevant officers.	7	7	0	0
Employees have been made aware of and provided with appropriate training in information governance good practice.	3	3	0	0
Robust systems have been established for processing and monitoring.	8	8	0	0
TOTALS	21	19	2	0
Summary of Weakness		Risk Rating	Agreed Action Date	
The Council's data breach response plan was not subject to regular review.		Low Risk	30/06/2022 Future Action	

Contract Management - Data Analytics

(Assurance Rating: N/A)

Internal Audit undertook an exercise to perform data analytics over the General Ledger data for Council spend with all suppliers, in order to identify opportunities for potential savings, gaps in the Contracts Register, non-compliance with the Public Contract Regulations and/or the requirements to publish contract opportunities on the Contract's Finder website. The analysis was based on 5 years, with this being the standard contractual period for contracts, i.e. 3 years plus an option to extend for a further 2 years. Our analysis was therefore representative of contract opportunities over the whole life of a contract. Where opportunities /issues were flagged these were reported to the Contract Management Programme Team and in turn, relayed to Senior Management in order for them to identify where the Council could benefit from formalising arrangements with suppliers /service providers in order to drive down costs and achieve compliance with Council rules /legislation.

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Grant Certification 2021-22 (Assurance Rating: N/A)

Internal Audit was required to certify that expenditure had been incurred in accordance with the relevant grant conditions, in respect of the following grants:

- Local Authority Bus Subsidy (Revenue) Grant Determination 2020/21 No 31/5013
- COVID-19 Bus Services Support Grant No31/5023
- COVID-19 Bus Service Support Grant Restart (Revenue) Grant Determinations No31/5120, No31/5198, No31/5302, No31/5409, No31/5563, No31/5621, No31/5652 and No31/5767
- Compliance and Enforcement Grant Determination 2020 No 31/5216
- Disabled Facilities Capital Grant (DFG) Determination 2020-21 No 31/5037
- Green Homes Grant: Local Authority Delivery Grant Determination (2020) No:31/5336
- Grant for Boosting Action in Surface Water
- HIV pre-exposure prophylaxis (PrEP) grant determination 2020 to 2021 No 31/ 5179
- Provision of Safer Streets Grant
- Travel Demand Management 2020-21 No 31/5127

The number of grants requiring certification from the Chief Internal Auditor that grant conditions are being met continues to increase on an annual basis.

Darley Fields - Building Security (Assurance Rating: N/A)

This was a consultancy piece of work to review the security of the office and the proposed process changes that were to be introduced following the theft of cash from a till.

Cash Seizure - POCA (Assurance Rating: N/A)

This was a consultancy review of the procedures around the handling of seized cash arising from actions performed by Trading Standards under the Proceeds of Crime Act 2002 (POCA).

IT Key Controls 2022-23 (Assurance Rating: N/A)

A high-level IT key controls review of the derbyad.net domain is ongoing. To date, 7 recommendations have been raised to address weaknesses in internal control, 4 of which are considered to pose a moderate risk to the Council and 3 a low risk. Management have agreed to take actions to address each recommendation during 2022.

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RECOMMENDATION TRACKING (as at 6th July 2022)

Final Report Date	Audit Assignments with Open Recommendations	Assurance Rating	Recommendations Open		
			Action Due	Being Implemented	Future Action
Peoples					
20-Oct-21	Carelink	Limited	1	3	
27-Nov-19	Deprivation of Liberty	Limited		2	
18-Jan-22	Payments for Children's Social Care 2021-22	Reasonable		4	1
27-Apr-21	Pre-Paid Cards	Reasonable		2	
14-May-20	Billing for Home Care	Reasonable		1	
28-Oct-21	Direct Payments 2021-22	Substantial		2	
Corporate Resources					
24-Mar-21	Fixed Assets 2018/19	Limited	2		
15-Apr-19	Public Utilities Management	Limited		1	
17-Jan-22	Digital Workforce - Windows 10 Build	Reasonable	4		1
09-Nov-21	Budget Management	Reasonable			1
30-Nov-21	Financial Reporting - Impact of Covid 19	Reasonable		2	
30-Mar-21	Controlled Use of Administrative Privileges	Reasonable		5	
31-Mar-22	Boundary Defence	Reasonable	3	1	4
22-Apr-21	Microsoft 365 Security	Reasonable		4	
31-Mar-21	People Management	Reasonable		2	
20-Feb-20	Domain Accounts	Reasonable		1	
21-Nov-19	Digital Channels - Firmstep	Reasonable		1	
04-Oct-21	Corporate Resources - Risk Management	Reasonable		2	4
24-Apr-19	Document Management & Network Printing	Reasonable		1	
30-Jul-18	File Share Management	Reasonable		4	
18-Jan-19	MTFP (Agile)	Reasonable		1	
12-Feb-19	Fixed Assets- S24 Capital Controls	Reasonable		1	
09-Mar-20	Welfare Reform Reserve	Substantial	2		
05-Apr-22	SIRO/Information Governance	Substantial	1		
27-Sep-21	Health & Wellbeing	Substantial		1	
04-Nov-21	Insurance 2020-21	Substantial	2		
07-Feb-22	Payment Systems - In Light of Covid 19	Substantial			1
22-Sep-20	Creditors - Follow Up	Substantial		1	
10-Dec-20	Attendance Management - First Care	Substantial		3	
09-Apr-20	Taxation	Substantial	1		
19-May-22	IT Key Controls 2022-23	N/A	1	1	4
16-Aug-21	Domain Password Security 2021-22	N/A		1	
29-Oct-21	Leaver Data Matching	N/A		2	
27-Oct-21	Accounts on Deposit	N/A	2		
23-Feb-21	Revenues Data Security Risk	N/A			1
30-Mar-21	Domain Password Security	N/A		1	
Communities & Place					
09-Mar-22	Catering - Cash & Bank Process	Limited	1	1	
13-Jul-20	Bus Station - Processes & Procedures	Limited		4	
16-Jan-20	Bereavement Services	Limited		1	
14-Jun-21	Derby Arena Car Parks	Limited	4	1	
06-May-22	Parking Permits 2021-22	Reasonable	6		
29-Apr-22	Leisure Centres	Reasonable	1		
10-Mar-22	SmartParc Project	Reasonable	1		
20-Oct-21	Former Aida Bliss Site Project	Reasonable	1	3	
19-Apr-21	Neighbourhood Boards	Reasonable	1	4	

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Final Report Date	Audit Assignments with Open Recommendations	Assurance Rating	Recommendations Open		
			Action Due	Being Implemented	Future Action
30-Sep-20	Strategic Housing - Disabled Facilities Grants	Reasonable		3	
13-Feb-19	Bus Station Recharges	Reasonable		2	
29-Nov-21	Strategic Housing	Substantial		1	
10-Oct-19	CCTV - Access Control - Parking	N/A		4	
10-Oct-19	CCTV - Access Control - Public Protection	N/A		1	
		Totals	34	75	17

Action Due = The agreed actions are due, but Internal Audit has been unable to ascertain any progress information from the responsible officer.

Being Implemented = The original action date has now passed, and the agreed actions have yet to be completed. Internal Audit has obtained status update comments from the responsible officer and a revised action date.

Future Action = The agreed actions are not yet due, so Internal Audit have not followed the matter up.

Audit Assignments with Recommendations Due	Action Due			Being Implemented		
	Significant Risk	Moderate Risk	Low Risk	Significant Risk	Moderate Risk	Low Risk
Peoples						
Carelink			1		2	1
Deprivation of Liberty					2	
Payments for Children's Social Care 2021-22					2	2
Pre-Paid Cards						2
Billing for Home Care					1	
Direct Payments 2021-22						2
Corporate Resources						
Fixed Assets 2018/19		2				
Public Utilities Management						1
Digital Workforce - Windows 10 Build		2	2			
Financial Reporting - Impact of Covid 19					1	1
Controlled Use of Administrative Privileges					2	3
Boundary Defence		1	2			1
Microsoft 365 Security					2	2
People Management					2	
Domain Accounts						1
Digital Channels - CRM						1
Corporate Resources - Risk Management						2
Document Management & Network Printing						1
File Share Management						4
MTFP(Agile)					1	
Fixed Assets- S24 Capital Controls						1
Welfare Reform Reserve			2			
SIRO/Information Governance			1			
Health & Wellbeing						1
Insurance 2020-21			2			
Creditors - Follow Up						1
Attendance Management - First Care						3
Taxation			1			
IT Key Controls 2022-23		1			1	
Domain Password Security 2021-22					1	
Communities & Place						
Catering - Cash & Bank Process		1			1	
Bus Station - Processes & Procedures				2	2	

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Audit Assignments with Recommendations Due	Action Due			Being Implemented		
	Significant Risk	Moderate Risk	Low Risk	Significant Risk	Moderate Risk	Low Risk
Bereavement Services				1		
Derby Arena Car Parks		3	1			1
Parking Permits 2021-22		3	3			
Leisure Centres			1			
SmartParc Project		1				
Former Aida Bliss Site Project			1	1		2
Neighbourhood Boards		1		1	1	2
Strategic Housing - Disabled Facilities Grants					1	2
Bus Station Recharges						2
Strategic Housing						1
CCTV - Access Control - Parking						4
CCTV - Access Control - Public Protection					1	
		15	19	5	26	44

It is the responsibility of the Head of Internal Audit to bring to this Committee's attention any recommendations where management actions have not been effectively implemented within a reasonable timeframe. It is suggested that the following timescales are introduced.

- Critical Risk and Significant Risk recommendations – where management's original action date is exceeded by over 3 months.
- Moderate Risk recommendations – where management's original action date is exceeded by over 6 months.
- Low Risk recommendations – where management's original action date is exceeded by over 12 months.

Recommendations To Highlight to Committee	Moderate Risk				Significant Risk			
	3 Months <	3 - 6 Months	6 - 12 Months	12 Months >	3 Months <	3 - 6 Months	6 - 12 Months	12 Months >
Peoples								
Carelink			2					
Deprivation of Liberty				2				
Payments for Children's Social Care 2021-22		1						
Billing for Home Care				1				
Corporate Resources								
Fixed Assets 2018/19				2				
Digital Workforce - Windows 10 Build	2							
Financial Reporting - Impact of Covid 19		1						
Controlled Use of Administrative Privileges			1	1				
Boundary Defence	1							
Microsoft 365 Security			1	1				
People Management			1	1				
MTFP(Agile)				1				
IT Key Controls 2022-23	2							
Domain Password Security 2021-22		1						
Leaver Data Matching			2					
Domain Password Security			1					
Community & Place								
Catering - Cash & Bank Process	1	1						
Bus Station - Processes & Procedures				2				2
Bereavement Services								1
Derby Arena Car Parks	3							
Parking Permits 2021-22	3							
SmartParc Project	1							
Former Aida Bliss Site Project						1		

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Recommendations To Highlight to Committee	Moderate Risk				Significant Risk			
	3 Months <	3 - 6 Months	6 - 12 Months	12 Months >	3 Months <	3 - 6 Months	6 - 12 Months	12 Months >
Neighbourhood Boards		1		1				1
Strategic Housing - Disabled Facilities Grants			1					
CCTV - Access Control - Public Protection				1				
	13	5	9	13		1		4

Highlighted Recommendations

The implementation of audit recommendations has been impacted by the Covid19 pandemic. The following update is provided for the Committee's information.

Significant Risk Recommendations (> 3 Months Overdue)

There are five significant risk recommendations greater than 3 months overdue for implementation. Four of these recommendations have been reported to previous meetings of the Committee. One of the two significant recommendations from the Bereavement Services Audit Report (procurement for the provision of maintenance services to the cremators) has now been implemented. The latest positions on the four recommendations notified previously are:

- Bus Station – Processes & Procedures audit – 2 significant recommendations.

The Head of Traffic and Transportation attended the Committee Meeting on 26th January 2022 to provide members of the Committee with an update on implementation and provisional target dates based around a refurbishment of the bus station which would address the issues raised but that this had been delayed and was scheduled to be completed in the summer of 2023. Updates will be brought to future Committee meetings on the progress with implementation of the agreed actions.

- Bereavement Services audit

This significant recommendation relates to the cremators at Markeaton Crematorium. Committee was informed at its January 2022 meeting that a review of crematorium had been agreed and a business case for change was being developed and would be taken through Strategic Leadership Team (SLT) and Cabinet for approvals as required. It is on the Forward Plan for July for both SLT and Cabinet under the heading of "Review of Crematoria and burial provision in Derby". SLT has visited Markeaton Crematorium to get a feel for the options being considered.

- Neighbourhood Boards audit

This significant recommendation concerns the absence of a clear record of the decisions made by Members outside the normal Neighbourhood Board/Ward Committee meeting cycle. Committee were informed at the last meeting that because responsibility for the implementation of the action had been transferred to Derby Homes, their request for more time to review the issue, due to its complexity, has been agreed. The revised action date is 31st March 2022. This action has now transferred back to the Council as of 6th June 2022 along with the return of the Neighbourhoods Teams to Community Safety. The Director of Public Protection and Streetpride and Head of Community Safety are now leading on this and have met with Director of Legal and Governance and Head of Democracy to review approach

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and put in effective governance of neighbourhood board meetings. A revised target date for implementation of September 2022 has been agreed.

The additional significant recommendation that has become greater than 3 months overdue for implementation relates to the audit report on the Former Aida Bliss Site Project. This is detailed below:

- It was agreed that a thorough review of the Board's processes and working arrangements, with support from the Council's Assurance Team would be undertaken. New Terms of Reference for the HRA Capital Board have been written and are awaiting approval. A revised action date of 31st July 2022 has been agreed.

Moderate Risk Recommendations (> 6 Months Overdue)

There are currently 30 moderate risk recommendations that are overdue for implementation. Twenty-one of these exceed the original action date by 6 months. The table below outlines the current state on these 22 recommendations. The Chair and the Head of Internal Audit will advise the Committee at the meeting on any actions that need to be taken in respect of these recommendations.

Audit Review	No of Recs overdue	Original Action Date	Revised Date	Reason for Delay
Deprivation of Liberty	2	01/07/2020 & 01/10/2020	31/03/2022 & 31/03/2022	<p>The recommendations concerned:</p> <ul style="list-style-type: none">There was no policy that detailed the roles and responsibilities of the Council and other relevant parties during the deprivation of liberty process.There was a lack of guidance and clarity for storing documents. There was no clear indication of how long documents should be kept for each type of circumstance. <p>The progress in implementing the required actions has been slower than anticipated due to staff shortages, COVID pandemic responses and delays in implementation of a new electronic document management system.</p> <p>Implementation of the actions to meet both recommendations was expected to have been completed by the end of March 2022, but we have received no further updates on this.</p>
Billing for Home Care	1	31/12/2020	31/08/2022	<p>The audit found that there were a number of errors in the way that information was interpreted or transferred between the financial assessments and their corresponding Contribution Letters.</p> <p>Random sample checks of assessments have been introduced and work</p>

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Audit Review	No of Recs overdue	Original Action Date	Revised Date	Reason for Delay
				continues on the on-line financial assessment tool. Again, this has been impacted by the pandemic. A revised action date of 31 August 2022 has been agreed.
Fixed Assets 2018/19	2	30/04/2021		<p>The two recommendations relate to the following findings:</p> <ul style="list-style-type: none"> At the time of the audit there were no procedure notes in place that provided guidance on how the Council would identify, record and account for impairment. The proposed notification system relies on Departments to identify and report on property events/changes with no oversight by Strategic Asset Management & Estates. <p>No updates have been received.</p>
MTFP	1	30/06/2019	01/04/2022	<p>The recommendation aimed to address the Council not having a Commercial Strategy, although there was an outstanding action in the Corporate Improvement Plan to implement a commercial approach. There was also no clear indication on how a commercial approach would support the Medium-Term Financial Plan.</p> <p>Commercialism is included as a theme in the MTFP for 2020/21- 2022/23 and Change Derby programme. A Commercial Manager is now in place (based within Streetpride but working corporately).</p> <p>The Governance Framework for the Commercialisation Programme has now been established along with a Terms of Reference document. The framework also includes a Commercial Development Board and a Portfolio Board.</p> <p>We expect to have closed this recommendation as completed by the time of the next Audit and Governance Committee meeting.</p>
Bus Station - Processes & Procedures	2	31/08/2020 & 31/08/2020	Summer 2023	See comments on page 16 in relation to the update on the Bus Station Audit.
Neighbourhood Boards	1	31/05/2021	September	A moderate risk recommendation was

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Audit Review	No of Recs overdue	Original Action Date	Revised Date	Reason for Delay
			2022	made to address the finding that there was no record of instances where Neighbourhood Managers had provided advice regarding a possible application and that application had not then been made. See also the comments on page 16 in relation to the update on the Neighbourhood Boards Audit
CCTV - Access Control - Public Protection	1	31/10/2019	31/12/2020	Following the update that the Committee received on implementation of the agreed actions from the Director of Public Protection and Streetpride at the meeting on 26 th January 2022, three moderate risk recommendations have been closed and one remains open as we are still requiring further information on the actions taken to implement it.
Controlled Use of Administrative Privileges	2	30/06/2021 & 31/08/2021	31/01/2023	One recommendation concerned the lack of dedicated administrative accounts within ICT. The second recommendation concerned the ineffective process for inventorying and verifying all administrative accounts and privileges across the Council's network Both recommendations are being addressed as part of an overarching cyber security improvement project, which will address a number of Internal Audit and PSN audit flagged issues. This project is expected to be delivered by the end of 2022 and should be in place by January 2023.
Microsoft 365 Security	2	30/06/2021 & 30/06/2021	30/09/2022	The two recommendations relate to the following findings: <ul style="list-style-type: none"> 657 users were not registered for multi-factor authentication, increasing the risk of unauthorised access to the Council's network. A total of 17 unique accounts had one or more legacy protocols enabled on their mailbox account, increasing the risk of unauthorised access to Council email accounts. As reported previously, a number of technical challenges were identified in addressing this issue which are being

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Audit Review	No of Recs overdue	Original Action Date	Revised Date	Reason for Delay
				worked on in 3 individual stages over a 12 month period, forecast to be completed by the end of September 2022.
People Management	2	30/06/2021 & 31/10/2021	30/09/2022 & 31/03/2023	<p>The two findings were:</p> <ul style="list-style-type: none"> • Council policies and procedural guidelines for dealing with disciplinaries, dismissals and grievances required clarification to be fully compliant with the ACAS Code of Practice • It was not routine for the Council's HR policies and procedures to have been regularly reviewed and updated within a maximum of a three-year period, in line with best practice. <p>There has been delay due to reduced resource capacity and other priorities, such as COVID response.</p> <p>The reference to Trade Union Representation is covered within the new Draft Facilities Time Agreement which is currently out for consultation with the Trade Unions. This policy covers all aspects of Trade Union Duties and facilities. It is best placed in this policy as we only have a small number of internal TU Reps that this would apply to, rather than it being included in the Disciplinary Policy.</p> <p>A set companion definition has been agreed as part of the main DCC Policy Template, reasonable time is already granted within the timescales of the meetings.</p> <p>The current Disciplinary Guidance covers the role of the companion, the right to change a hearing within 5 days and provides a link to the Disciplinary Hearing plan that states the role of the companion. This is completed.</p> <p>As the Grievance Policy and guidance is currently being reviewed, we will review to determine if the recommended actions are required.</p> <p>All policies will be on a plan of review, and the relevant timelines for each review will</p>

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Audit Review	No of Recs overdue	Original Action Date	Revised Date	Reason for Delay
				be identified in the plan. Commitment is in place that all new/reviewed policies will have a version control table, and this can already be seen in action in the Attendance Management Policy.
Domain Password Security	1	31/10/2021	30/09/2022	A number of misconfigurations were noted with the overall management of service accounts within the domain.
Strategic Housing - Disabled Facilities Grants	1	01/11/2021	01/04/2024	There was an inadequate system in place for generating management information which had also resulted in maintaining a duplicate record in the format of a Microsoft Excel spreadsheet.
Leaver Data Matching	2	31/12/2021	New date to be advised	<p>The two findings were:</p> <ul style="list-style-type: none"> User accounts were not disabled when officers left employment with the Council. Access to the network had been secured after the expiry date applied to usernames, including one instance where access was gained after an employee's leaving date. <p>Implementation of the actions to meet both recommendations was expected to have been completed by the end of June 2022. However, the go live of the process which will also address these recommendations has been put on hold whilst issues raised by Information Governance are decided on. No revised implementation date has been advised yet.</p>
Carelink	2	31/12/2021	31/07/2022	<p>The two findings were:</p> <ul style="list-style-type: none"> There was no formally documented action plan to help the Carelink service area implement the recommendations made by the external assessor, which in turn would help prepare for the Council's reassessment against the quality standards framework. The progress and subsequent decisions on the implementation of the recommendations from the external assessment against the

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Audit Review	No of Recs overdue	Original Action Date	Revised Date	Reason for Delay
				quality standards framework were not formally reported to and evidenced as agreed by senior management.

Low Risk Recommendations

There are currently 63 low risk recommendations that are overdue for implementation. Of these 63, 26 exceed 12 months, and in 23 of these cases Internal Audit has agreed a revised implementation date. Of the remaining three, one relates to the Taxation audit where Debtor invoices were being written-off too late to be eligible for VAT bad debt relief and two relate to the Welfare Reform Reserve where again we are waiting on an update. None of these low-risk recommendations are currently considered worthy of Committee's attention.