



central midlands audit partnership

# Derby City Council – Audit Progress Report

Audit & Governance Committee: 30<sup>th</sup> November 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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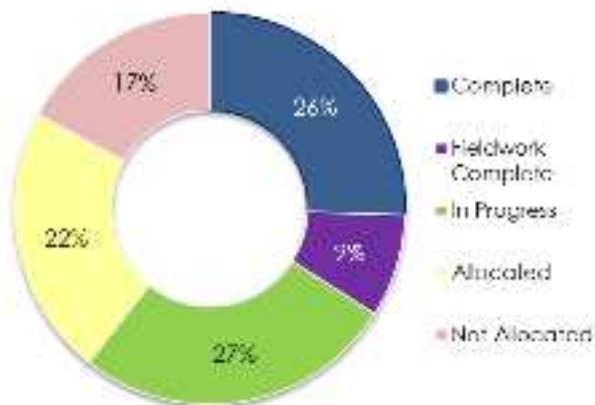
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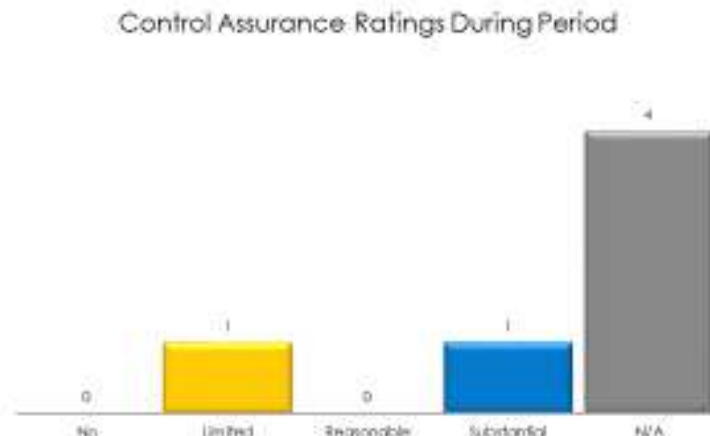
## Derby City Council – Audit Progress Report

### AUDIT DASHBOARD

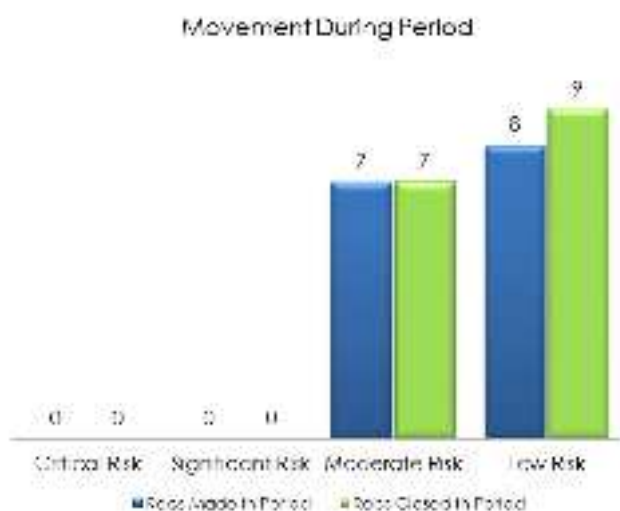
#### Plan Progress



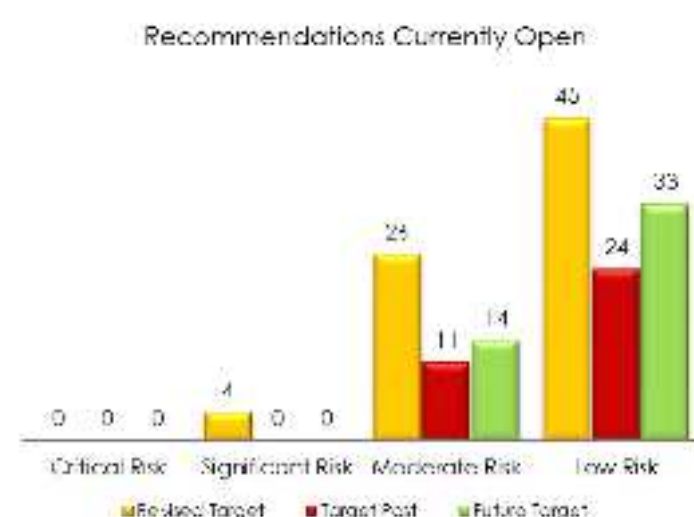
#### Jobs Completed in Period



#### Recommendations



#### Recommendations



#### Recommendations



#### Customer Satisfaction



# Derby City Council – Audit Progress Report

## 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 31<sup>st</sup> October 2022.

2022-23 Jobs	Status	% Complete	Assurance Rating
<b>Chief Executive - Policy, Insight &amp; Communications</b>			
Organisational Performance Management 2022-23	In Progress	45%	
Strategic Communications	In Progress	75%	
Transparency Code	Fieldwork Complete	90%	
<b>People Services</b>			
Shared Lives 2022-23	In Progress	75%	
Home Care 2022-23	Draft Report	95%	
Hospital to Home - Protection of Property	Draft Report	95%	
Whistleblowing - Learning, Inclusion and Skills	In Progress	40%	
Fostering Services	Final Report	100%	Reasonable
D2N2 Children's Homes Contract	In Progress	65%	
National Drugs Strategy	In Progress	30%	
Individuals & Families in Need	Final Report	100%	N/A
Adult Social Care Reforms	In Progress	10%	
<b>Corporate Resources</b>			
Grant Certifications 2022-23	In Progress	50%	
Revenue Collection Contract Management (inc Lot 1)	Draft Report	95%	
FMS Data Migration 2022-23	Allocated	5%	
Revenue Collection Contract (Lot 3 - Sundry Debts)	Allocated	0%	
Procurement Cards 2022-23	Allocated	15%	
Cash Handling 2022-23	Allocated	0%	
Pre-Employment Checks	Final Report	100%	Limited
Payroll Fraud - Advice on Processes	In Progress	65%	
Contract Management Project	In Progress	55%	
Declarations of Interest - Staff and Members	Draft Report	95%	
Contract Management - Data Analytics Follow-Up	Complete	100%	N/A
Procurement - Off-Contract Spend	Allocated	0%	
Property Design & Maintenance	Draft Report	95%	
IT Key Controls 2022-23	In Progress	75%	
Management of Information in a Remote Environment	In Progress	25%	
Project Management Office - Development Group	In Progress	30%	
PCI Compliance 2022-23	In Progress	20%	
Governance Weaknesses - Fact Finding	Complete	100%	N/A
Unitary & Single Tier Authorities Risk - Fact Finding	Complete	100%	N/A
<b>Communities &amp; Place</b>			
Catering - Stocks & Stores	In Progress	50%	
Building Consultancy	In Progress	65%	
Cash Seizure - POCA	Final Report	100%	N/A
Streetpride HGV Driver Resources	In Progress	15%	
Revenue Collection Contract (Lot 2 - Parking)	Allocated	0%	
Ascend Programme	In Progress	65%	
Right to Buy 2022-23	Draft Report	95%	
Long Term Waste Management Project	In Progress	75%	

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<b>Anti-Fraud &amp; Corruption</b>			
Management of Fraud and Corruption Risks	In Progress	60%	
<b>Schools</b>			
Schools SFVS (25 Schools self-assessment)	Allocated	20%	
Schools SFVS (13 School visits planned)	Allocated	10%	

B/Fwd Jobs	Status	% Complete	Assurance Rating
<b>People Services</b>			
Care Act 2014	Final Report	100%	Reasonable
Safeguarding & Domestic Abuse	Final Report	100%	Substantial
Housing Framework for 16 & 17 Year Olds	Final Report	100%	N/A
Special Educational Needs and/or Disabilities	Final Report	100%	Limited
<b>Corporate Resources</b>			
Financial Management System Project	Final Report	100%	Substantial
CIPFA Financial Management Code	Complete	100%	N/A
Key Financial Controls 2021-22	Final Report	100%	Substantial
Health & Safety 2021-22	In Progress	40%	
SIRO/Information Governance	Final Report	100%	Substantial
Digital By Default Project - Household Support Fund	Final Report	100%	Limited
<b>Communities &amp; Place</b>			
Leisure Centres	Final Report	100%	Reasonable
Darley Fields - Building Security	Final Report	100%	N/A
Food Safety	In Progress	75%	
Community Safety	Fieldwork Complete	80%	
Land Drainage & Flood Control	Final Report	100%	Reasonable
Climate Change - Roadside Air Quality	In Progress	75%	
Transforming Cities /Mobility Programme	Final Report	100%	Reasonable
Parking Permits 2021-22	Final Report	100%	Reasonable
Economic Recovery 2021-22	In Progress	65%	
Planning Complaint - Pastures Hill	Final Report	100%	N/A
Business Continuity - In Light of Covid 19	Final Report	100%	Reasonable
<b>Schools</b>			
Schools SFVS Self Assessment 2021-22	Final Report	100%	Reasonable

## Derby City Council – Audit Progress Report

### AUDIT COVERAGE

#### Completed Audit Assignments

Between 1<sup>st</sup> September 2022 and 10<sup>th</sup> November 2022, the following audit assignments have been finalised since the last Progress Report was presented to this Committee (5<sup>th</sup> October 2022).

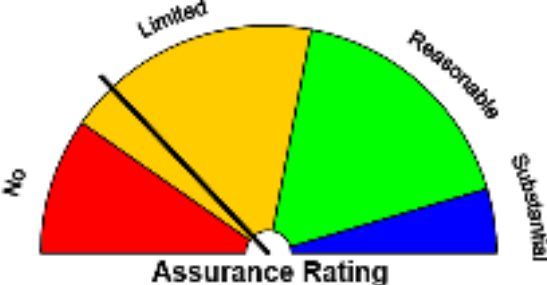
Audit Assignments Completed in Period	Assurance Rating	Recommendations Made				% Recs Closed
		Critical Risk	Significant Risk	Moderate Risk	Low Risk	
Individuals & Families in Need	N/A			1		0%
Pre-Employment Checks	Limited			6	8	14%
Governance Weaknesses - Fact Finding	N/A					n/a
Contract Management - Data Analytics Follow-Up	N/A					n/a
CIPFA Financial Management Code	N/A					n/a
Key Financial Controls 2021-22	Substantial					n/a

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.

Individuals & Families in Need	Assurance Rating: N/A	
We have undertaken a deep dive assessment of the arrangements in place to manage the Strategic and Peoples Risk SR18-PS13, 'Increase in number of individuals/households 'in need' during and after COVID'. In summary, we found that SR18-PS13 had been managed through business-as-usual assurances provided through the on-going analysis of performance data, wider multiagency collaborations, and the quarterly risk monitoring report updates. However, we identified a need to improve on how a risk is both titled and described, and how the associated controls to manage/mitigate the risk are worded and have made the following recommendation:		
Summary of Weakness	Risk Rating	Agreed Action Date
There is a significant need to improve on how a risk is titled, described, and how the associated controls to manage/mitigate the risk are worded and evidenced.	Moderate Risk	31/03/2023 Future Action



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Pre-Employment Checks	 <p><b>Assurance Rating</b></p>			
Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
To ensure that the Council's strategies, policies and procedures, relating to pre-employment checks, are sufficient and in accordance with best practice guidelines.	14	5	8	1
To determine whether the pre-employment checks are consistently conducted in accordance with Council policies and procedures, and in accordance with best practice guidelines.	9	2	5	2
<b>TOTALS</b>	<b>23</b>	<b>7</b>	<b>13</b>	<b>3</b>
Summary of Weakness		Risk Rating	Agreed Action Date	
There were no review dates within the 'Recruitment and Selection-guide to recruiters' webpages and a date of review could not be confirmed.		Low Risk	30/11/2022 Future Action	
Processes for undertaking pre-employment documentation checks, including documentation demonstrating the right to work in the UK, were not robust to ensure that the required checks had been undertaken and evidenced.		Moderate Risk	31/10/2022 Action Due	
The list of acceptable identification for right to work in the UK used by the Recruitment Team were not in accordance with Home Office guidelines.		Moderate Risk	31/10/2022 Action Due	
There were inadequate arrangements in place to identify managers and staff involved in the recruitment process who required training.		Moderate Risk	31/12/2022 Future Action	
The Recruitment Team did not notify or monitor recruiting managers and staff involved in the recruitment process of the right to work documents they were required to check during and post pandemic.		Moderate Risk	Implemented	
The criminal record declaration section of the job application form was not in accordance with the recommended wording by the CPNI (Centre for the Protection of National Infrastructure).		Low Risk	31/10/2022 Action Due	
Candidates' qualification certificates were not checked to ensure they were legitimate.		Moderate Risk	Risk accepted	
The employment history on candidates' application forms, that ideally covered two positions with separate employers were not checked by the Recruitment Team.		Low Risk	31/10/2022 Action Due	
Testing identified that two references had not always been obtained for new employees and evidence of recruiting managers decision to proceed with the appointment had not always been retained on file.		Low Risk	31/10/2022 Action Due	
Evidence was not always available to demonstrate names and dates of birth were checked as part of pre-employment checking processes.		Low Risk	31/10/2022 Action Due	
Conditional offer emails, right to work in the UK and other pre-employment documentation for employees were not consistently saved in their files and correct location.		Low Risk	30/11/2022 Future Action	
The control table in the Disclosure and Baring Service (DBS) Policy was not updated and no information was held in two employee's files to demonstrate a DBS check had been requested and undertaken prior to the Pandemic.		Low Risk	31/10/2022 Action Due	
Financial checks were not carried out on candidates whose role would mean access to very sensitive financial information.		Moderate Risk	31/10/2022 Action Due	
Pre-Placement Questionnaire and automated response from the Occupational Health team for candidates referred to the team were not saved in the candidates' file.		Low Risk	31/10/2022 Action Due	

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Governance Weaknesses - Fact Finding	Assurance Rating: N/A
<p>A fact-finding exercise was undertaken to identify recommendations, weaknesses and risks from Local Auditors value for money reports for upper and single tier local authorities from the municipal years 2017 to 2021. This information was intended to help determine if any of the key risks identified in other similar local authorities could potentially affect Derby City Council. If so, such risks would be included for review in future Internal Audit Plans.</p>	

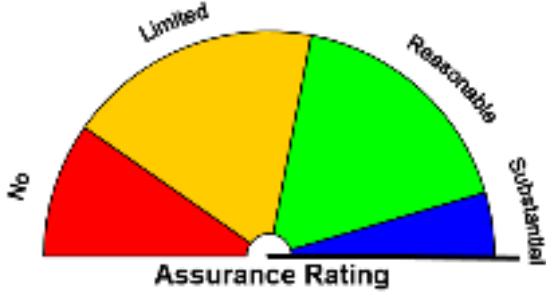
Contract Management - Data Analytics Follow-Up	Assurance Rating: N/A
<p>In response to a forecast overspend of £6.4m for 2021/22, the Council have introduced a series of Budget Gap Emergency Measures. A key element of these measures is for services to seek savings from existing contracts.</p> <p>Internal Audit undertook an exercise during 2021/22 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.</p> <p>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. Unfortunately, due to various reasons, management were not able to effectively perform this task. Accordingly, it fell to Internal Audit to provide the necessary help and support to facilitate this task.</p>	

CIPFA Financial Management Code	Assurance Rating: N/A
<p>The Financial Management Code applied from April 2021 and was designed to support good financial management. Whilst it is not a mandatory requirement it would be good practice to demonstrate that it had been considered and the Council had reviewed how far they complied with its contents.</p> <p>The objective of the audit was to ensure (or otherwise) that the Authority had adequately considered the 17 financial management standards in the Code to provide a comprehensive assessment of its compliance. However, Finance presented a report on compliance with the Code to the meeting of the Audit and Governance Committee (A &amp; G) on 27<sup>th</sup> July 2022. Accordingly, we reviewed the report that was presented to the A&amp;G Committee and while we had no recommendations to make, we put forward the following comments and questions to Finance.</p>	
<b>Key Areas/Questions for Improvement</b>	
The report to A&G did not include reference to Financial Management Standard Q (the presentation of the final outturn figures and variations from budget allows the leadership team to make strategic financial decisions).	
The Council completes the CIPFA Resilience Index and this is evidence that could be used to support both Financial Management Standards F and K.	
Is there an intention to include compliance with the CIPFA Financial Management Code in the Corporate Resources risk register? This would provide a reminder that there are Principles with a Red rating that require addressing.	
Principles with an Amber rating. It is not clear what action will be taken regarding these Principles. Is an Amber rating considered	



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acceptable or is the Council taking action to address these weaknesses?
Principle L1. The narrative attached to this Principle focused on stakeholder engagement regarding the budget and provided no evidence that the Council has engaged regarding developing its long-term financial strategy or medium-term plan. As such, is a Green rating appropriate for this Principle?
No RAG symbol was included for Principle E5. The narrative suggests that this is considered Green.
Principle I4 was considered an Amber risk with an Action but it was not included in the Action Plan at the end of Appendix 1.
Principle N1. There was an action point identified in the narrative, but the risk rating was Green. Should this risk be rated as Amber?
Principle O. The FM Standard narrative is a repeat of Principle N. It should read "The Leadership Team monitors the elements of its balance sheet which pose a significant risk to its financial sustainability."

Key Financial Controls 2021/22	 <p style="text-align: center;"><b>Assurance Rating</b></p>			
Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
Key control account reconciliations are carried out on a regular basis, reconciling items are cleared and the reconciliation is subject to independent review.	8	8	0	0
Suspense accounts are monitored and cleared on a regular basis, with prompt supervisory review.	3	3	0	0
There are appropriate controls over journals which are input manually to the general ledger.	5	5	0	0
TOTALS	16	16	0	0
Summary of Weakness		Risk Rating	Agreed Action Date	
This report contained no recommendations, as no key control weaknesses were identified by the audit review.				

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RECOMMENDATION TRACKING (as at 10<sup>th</sup> November 2022)

Final Report Date	Audit Assignments with Open Recommendations	Assurance Rating	Recommendations Open		
			Action Due	Being Implemented	Future Action
Peoples					
07-Jul-22	Special Educational Needs and/or Disabilities	Limited	8		4
20-Oct-21	Carelink	Limited		3	
27-Nov-19	Deprivation of Liberty	Limited		1	
16-Aug-22	Fostering Services	Reasonable	3		2
18-Jan-22	Payments for Children's Social Care 2021-22	Reasonable	1	4	
07-Jul-22	Care Act 2014	Reasonable			12
27-Apr-21	Pre-Paid Cards	Reasonable		2	
14-May-20	Billing for Home Care	Reasonable		1	
17-Aug-22	Safeguarding & Domestic Abuse	Substantial			1
28-Oct-21	Direct Payments 2021-22	Substantial		2	
11-Oct-22	Individuals & Families in Need	N/A			1
Corporate Resources					
19-Oct-22	Pre-Employment Checks	Limited	9		3
16-Aug-22	Digital By Default Project - Household Support Fund	Limited	4		7
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		1	1
09-Nov-21	Budget Management	Reasonable			1
30-Mar-21	Controlled Use of Administrative Privileges	Reasonable		5	
31-Mar-22	Boundary Defence	Reasonable	1	7	
22-Apr-21	Microsoft 365 Security	Reasonable		1	
31-Mar-21	People Management	Reasonable		1	
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		3	
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		1	
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		1	
09-Apr-20	Taxation	Substantial		1	
16-Aug-22	IT Key Controls 2022-23	N/A			3
16-Aug-21	Domain Password Security 2021-22	N/A		1	
29-Oct-21	Leaver Data Matching	N/A		1	
27-Oct-21	Accounts on Deposit	N/A	1		
30-Mar-21	Domain Password Security	N/A		1	
Communities & Place					
09-Mar-22	Catering - Cash & Bank Process	Limited		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	
06-May-22	Parking Permits 2021-22	Reasonable		4	
08-Sep-22	Land Drainage & Flood Control	Reasonable			3
10-Mar-22	SmartParc Project	Reasonable	1		
13-Jul-22	Business Continuity - In Light of Covid 19	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
19-Apr-21	Neighbourhood Boards	Reasonable	1	4	
30-Sep-20	Strategic Housing - Disabled Facilities Grants	Reasonable		2	
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	
		<b>Totals</b>	<b>35</b>	<b>75</b>	<b>47</b>

**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
<b>Peoples</b>						
Special Educational Needs and/or Disabilities		2	6			
Carelink					1	2
Deprivation of Liberty					1	
Fostering Services			3			
Payments for Children's Social Care 2021-22		1			2	2
Pre-Paid Cards						2
Billing for Home Care					1	
Direct Payments 2021-22						2
<b>Corporate Resources</b>						
Pre-Employment Checks		3	6			
Digital By Default Project - Household Support			4			
Fixed Assets 2018/19		2				
Public Utilities Management						1
Digital Workforce - Windows 10 Build						1
Controlled Use of Administrative Privileges					2	3
Boundary Defence			1		2	5
Microsoft 365 Security						1
People Management					1	
Domain Accounts						1
Digital Channels - Firmstep						1
Corporate Resources - Risk Management						2
Document Management & Network Printing						1
File Share Management						3
MTFP(Agile)					1	
Fixed Assets- S24 Capital Controls						1
Welfare Reform Reserve			2			
SIRO/Information Governance			1			
Health & Wellbeing						1
Insurance 2020-21						1
Creditors - Follow Up						1
Attendance Management - First Care						1
Taxation						1
Domain Password Security 2021-22					1	
Leaver Data Matching					1	

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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
Accounts on Deposit			1			
Domain Password Security					1	
<b>Communities &amp; Place</b>						
Catering - Cash & Bank Process					1	
Bus Station - Processes & Procedures				2	2	
Bereavement Services				1		
Derby Arena Car Parks					3	1
Parking Permits 2021-22					3	1
SmartParc Project		1				
Business Continuity - In Light of Covid 19		1				
Neighbourhood Boards		1		1	1	2
Strategic Housing - Disabled Facilities Grants					1	1
Bus Station Recharges						2
Strategic Housing						1
CCTV - Access Control - Parking						4
CCTV - Access Control - Public Protection					1	
		11	24	4	26	45

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 >
<b>Peoples</b>								
Special Educational Needs and/or Disabilities	2							
Carelink			1					
Deprivation of Liberty				1				
Payments for Children's Social Care 2021-22	1	1	1					
Billing for Home Care				1				
<b>Corporate Resources</b>								
Pre-Employment Checks	3							
Fixed Assets 2018/19				2				
Controlled Use of Administrative Privileges				2				
Boundary Defence		2						
People Management				1				
MTFP(Agile)				1				
Domain Password Security 2021-22			1					
Leaver Data Matching			1					
Domain Password Security				1				
<b>Community &amp; Place</b>								
Catering - Cash & Bank Process			1					
Bus Station - Processes & Procedures				2				2
Bereavement Services								1
Derby Arena Car Parks		3						

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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 >
Parking Permits 2021-22	3							
SmartParc Project	1							
Business Continuity - In Light of Covid 19	1							
Neighbourhood Boards				1				1
Strategic Housing - Disabled Facilities Grants				1				
CCTV - Access Control - Public Protection				1				
	7	9	7	14				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 four significant risk recommendations greater than 3 months overdue for implementation. All four of these recommendations have been reported to previous meetings of the Committee. 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 26<sup>th</sup> 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. The "Review of Crematoria and burial provision in Derby" is being led by the Director of Public Protection and Streetpride, with support from the Head of Service and the Council's Commercial Manager. In October 2022 the review went to the Council's Strategic Leadership Team who asked that consideration be given to exploring possible refurbishment of the cremators. At the moment the review has been paused given the financial pressures the Council is under.

- 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. A revised target date for implementation of September 2022 had been agreed, however staffing shortages/changes were impacting on implementation. At its meeting on 5<sup>th</sup> October, Committee decided to "call in" this audit to get a verbal update on progress.

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### Moderate Risk Recommendations (> 6 Months Overdue)

There are currently 37 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 21 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	1	01/10/2020	31/03/2023	<p>This audit recommendation was concerned with there being no policy that detailed the roles and responsibilities of the Council and other relevant parties during the deprivation of liberty process.</p> <p>The progress in implementing the required actions has been slower than anticipated due to staff shortages, COVID pandemic responses and delays in the publication of the Liberty Protection Safeguards (LPS) Code of Practice by the DHSC. Until the full code of practice is published it will not be possible to release an updated Mental Care Act and LPS policy. The consultation on the draft Code ended in June 2022.</p> <p>In the meantime, it is proposed that some light touch amendments will be made to existing documentation. This will not be a policy though, it will be practice guidance.</p>
Billing for Home Care	1	31/12/2020	30/12/2022	<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 continues on the on-line financial assessment tool. Work on this was impacted by the pandemic. A revised action date of 31 December 2022 has been agreed.</p>
Fixed Assets 2018/19	2	30/04/2021		<p>The two recommendations relate to the following findings:</p> <ul style="list-style-type: none"> <li>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.</li> <li>The proposed notification system relies on Departments to identify and report</li> </ul>



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Audit Review	No of Recs overdue	Original Action Date	Revised Date	Reason for Delay
				<p>on property events/changes with no oversight by Strategic Asset Management &amp; Estates.</p> <p>No updates have been received. At its meeting on 5th October, Committee decided to "call in" this audit to receive a verbal update.</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>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 are still awaiting evidence of key documents to enable this recommendation to be closed.</p>
Bus Station - Processes & Procedures	2	31/08/2020 & 31/08/2020	Summer 2023	See comments on page 13 in relation to the update on the Bus Station Audit.
Neighbourhood Boards	2	31/05/2021 & 31/03/2022	September 2022 & No response	<p>The two moderate risk recommendation were made to address the findings that:</p> <ul style="list-style-type: none"> <li>There was no record of instances where Neighbourhood Managers had provided advice regarding a possible application and that application had not then been made.</li> <li>A flat allocation to all Wards regardless of need was not achieving the best result for the residents of Derby as a whole.</li> </ul> <p>See also the comments on page 13 in relation to the update on the Neighbourhood Boards Audit.</p> <p>At its meeting on 5th October, Committee decided to "call in" this audit for officers to provide a verbal update.</p>

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Audit Review	No of Recs overdue	Original Action Date	Revised Date	Reason for Delay
CCTV - Access Control - Public Protection	1	31/10/2019	31/12/2020	This recommendation covers the responsibility for the back-up of servers on which the CCTV images are being stored on. We are still requiring further information on the actions taken to implement it. At its meeting on 5th October, Committee decided to "call in" this audit so that a verbal update could be provided by officers.
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.
People Management	1	31/10/2021	31/03/2023	We found that 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. There has been delay due to reduced resource capacity and other priorities, such as COVID response. All policies will be on a plan of review, and the relevant timelines for each review will 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	30/11/2022	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

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Audit Review	No of Recs overdue	Original Action Date	Revised Date	Reason for Delay
				duplicate record in the format of a Microsoft Excel spreadsheet.
Leaver Data Matching	1	31/12/2021	31/03/2023	User accounts were not disabled when officers left employment with the Council. 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.
Carelink	1	31/12/2021	30/11/2022	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 TSA Accreditation Gap Analysis and working to meet standards is being led by the Business Development Officer in PICT, BSSI. Work cannot progress at present due to staff resource issues.
Payments for Children's Social Care 2021-22	1	04/04/2022	03/04/2023	The recommendation aimed to address there being no overarching strategic document in place that clearly detailed the Council's policy on how it defined and administered the social care sundry payments made to Looked After Children and Children in Need.  Management had commenced a review of the Finance Assistance Policy and was due to hold a series of workshops in July with operational services and commissioning to look at the issues around consistency of payments and policies around CLA.  The implementation of the recommendation is dependent on affordability, the review so far has identified it is too costly to ensure sundry payments are updated and made consistent which is the entire purpose of the policy. The situation will be reviewed again in April 2023.
Catering - Cash & Bank Process	1	01/05/2022	30/06/2022	The recommendation aimed to address security over the keys to the Council's

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Audit Review	No of Recs overdue	Original Action Date	Revised Date	Reason for Delay
				safes at the Arena, Markeaton Park and Alvaston Park did not comply with the Cash Handling Policy and Procedures. An update on management actions to address these issues has not been received.
Domain Password Security 2021-22	1	31/03/2022	31/12/2022	We found that administrative privileges were being granted directly to user accounts, as opposed to the best practice of assigning privileges to role groups.
SmartParc Project	1	30/04/2022		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. No updates have been received around progress of implementation of this recommendation.

### Low Risk Recommendations

There are currently 69 low risk recommendations that are overdue for implementation. Of these 69, 26 exceed 12 months, and in 24 of these cases Internal Audit has agreed a revised implementation date. The remaining two relate to the Welfare Reform Reserve (due for implementation in April 2020) where we are still waiting on an update. None of these low-risk recommendations are currently considered worthy of Committee's attention.

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### QUALITY ASSURANCE & IMPROVEMENT PLAN

#### Background

A quality assurance and improvement programme is designed to enable an evaluation of the Internal Audit activity's conformance with the Definition of Internal Auditing and the Standards and an evaluation of whether internal auditors apply the Code of Ethics. The programme also assesses the efficiency and effectiveness of the Internal Audit activity and identifies opportunities for improvement.

In line with the Public Sector Internal Audit Standards, we have included the latest version of the CMAP Quality Assurance & Improvement Plan (QAIP) within the Internal Audit Annual Reports that have gone to each Partner's Audit Committee. This update is to inform the Committee on the progress in addressing the actions of the QAIP going forward.

#### Current Position

The current progress on the QAIP is shown below:

Actions	Update Position
<b>1.</b> We should continue to heighten our profile by building on the relationship management already established with each partner organisation. i.e. Regular meetings with Senior Management combined with a regular on-site presence. Note under the current circumstances (Covid pandemic) this needs to be through regular contact via virtual meetings.	We hold regular meetings with each partner. In most cases these are meetings that are scheduled on a monthly basis.  At Derby we have introduced a business partnering approach within each Directorate.
<b>2.</b> We should map competency levels of staff over the various audit disciplines (e.g. contract, IT, probity, investigations etc.) that we can link to audit engagements to demonstrate that the staff assigned are appropriate. We should continue to promote a culture of continuous improvement which considers the needs of individuals by: <ul style="list-style-type: none"><li>• staff completing the AMS in respect of any training received,</li><li>• undertaking GPCs in accordance with the hosts requirements and</li><li>• producing a Training &amp; Development Plan.</li></ul>	All responses have been evaluated and moderated. The Training and Development Plan is now being drawn up.
<b>3.</b> We should ask staff to complete a Personal Development Plan and then produce a Training & Development Plan for the Team.	This will flow from Action 2 above. Some staff have already identified their own development needs.

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Actions	Update Position
<p><b>4.</b> We should aim to increase our knowledge around the use of data analytics and other CAATs and identify the benefits it could bring to the audit processes.</p> <ul style="list-style-type: none"> <li>To ensure that audit engagements are supported by appropriate tools, we need to develop a strategy for the use of data analytics.</li> </ul>	<p>Four members of the team have been on a data analytics training course. Data analytics is being used in audits.</p>
<p><b>5.</b> To demonstrate stakeholder engagement with the process, we should ensure that the QAIP Action Plan is a standard agenda item on both the CMAP Operational Group and at Audit Section meetings.</p>	<p>This is a standard agenda item at CMAP team meetings and now at CMAP Operational Group meetings. We are also in the process of including a section on the QAIP within progress reports to Partner Audit Committees. The QAIP is also included as an Appendix to the Annual Report to each partner.</p>
<p><b>6.</b> To demonstrate each work programme has been appropriately approved, we should seek earlier formal sign off of the control evaluation so we can better demonstrate scrutiny and approval of coverage by audit management.</p>	<p>This change in our process has now been implemented but needs further time to fully embed.</p>
<p><b>7.</b> CMAP needs to explore potential external assessors that can deliver the appropriate level of validation required and that understand the partnership ethos/approach.</p>	<p>Completed.</p>
<p><b>8.</b> We should continue to develop the process for incorporating other assurance information into our overall risk assessment process and our overall opinion and how the other assurance provider information we gather can be used to demonstrate an audit assurance framework for each organisation.</p>	<p>This is all about CMAP establishing an assurance mapping framework for partners to build on and develop.</p> <p>One partner has done such an exercise which was based around their risk registers. CMAP can then utilise the outcomes from this exercise to inform/shape future audit work.</p> <p>We need to get all Partners interested in producing their own Assurance Map.</p> <p>DCC is producing an Assurance Handbook that aims to be drafted by the end of March 2023.</p>
<p><b>9.</b> We should ensure that our Audit Manual is complete, up-to-date, readily available and used by all audit staff.</p>	<p>This is being reviewed and updated as appropriate.</p>
<p><b>10.</b> To support the improvement of the organisation's governance framework, we should undertake consultancy work to facilitate the self-assessment of the effectiveness of the Audit Committee at</p>	<p>There is an annual exercise at DCC run by the Head of the Audit Partnership with the Chair of Audit and Governance Committee. Derby Homes management do a similar annual exercise with the Derby Homes Audit Committee. Other</p>



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Actions	Update Position
all partner organisations.	partners need to be encouraged to adopt an Audit Committee effectiveness assessment process.
<b>11.</b> We should consider how we could systematically evaluate the potential for the occurrence of fraud at each partner organisation and how each organisation manages fraud risk.	Audit work to inform this is underway at DCC. Each year CMAP are sent a series of fraud risk management related questions for each partner by the External Auditor.
<b>12.</b> To review all CMAP reports to assess compliance with the Web Content Accessibility Guidelines (WCAG).	This assessment is in progress.