central midlands audit partnership

Derby City Council – Audit Progress Report

Audit & Governance Committee: 25th January 2023

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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A P central midlands audit partnership
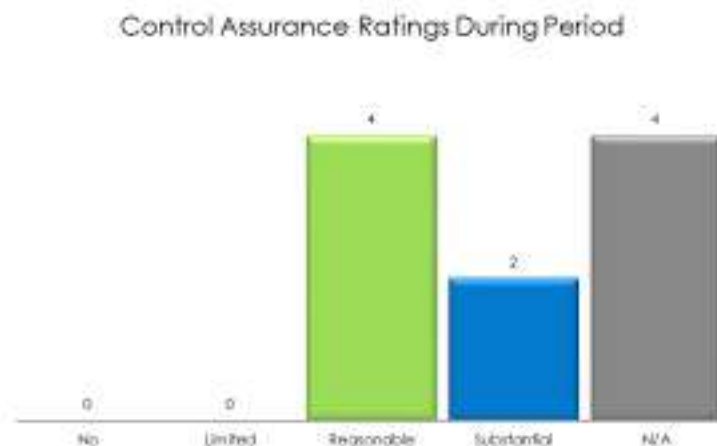*Providing Excellent Audit Services in the Public Sector*

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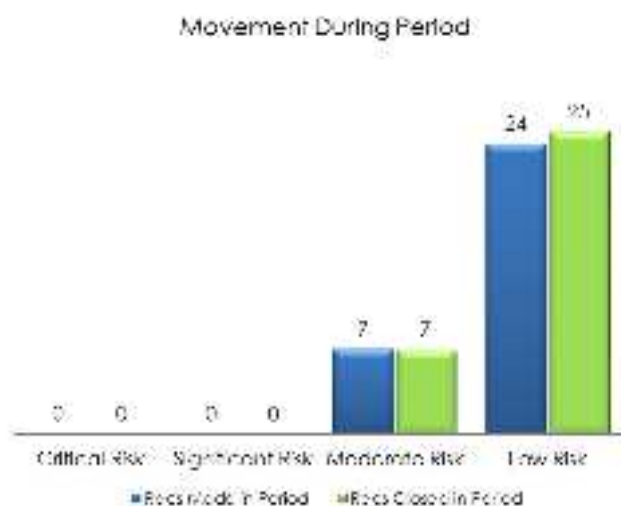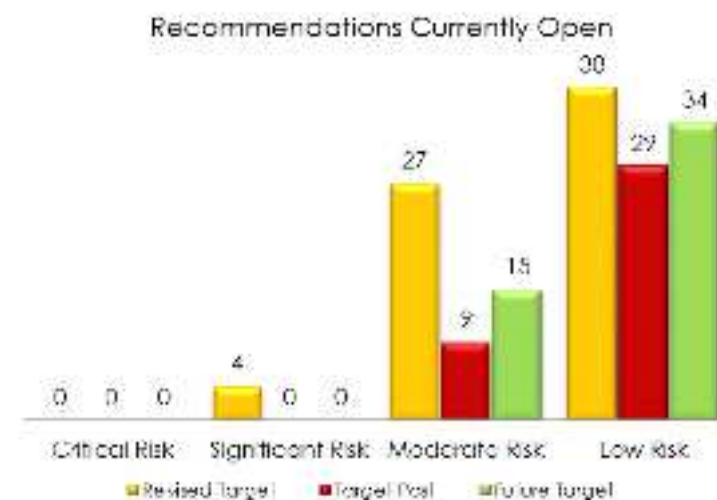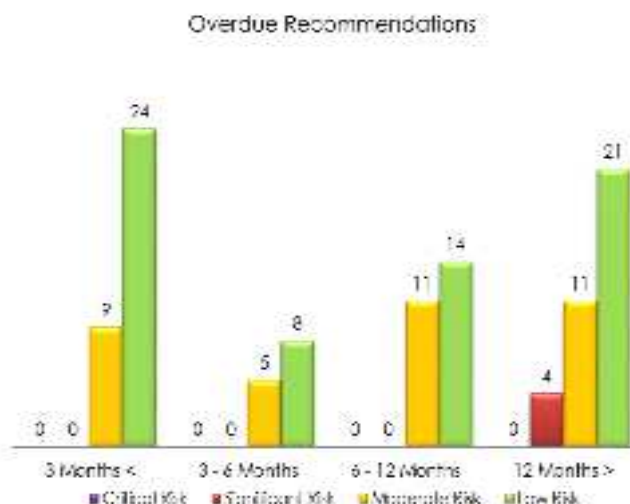# AUDIT DASHBOARD

Plan Progress
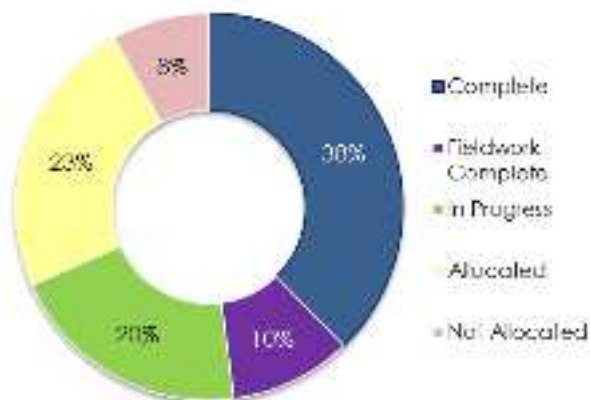
Jobs Completed in Period

Recommendations

Recommendations

Recommendations

Customer Satisfaction

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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 11th January 2023.

2022-23 Jobs	Status	% Complete	Assurance Rating
Chief Executive - Policy, Insight & Communications			
Organisational Performance Management 2022-23	Fieldwork Complete	90%	
Strategic Communications	Draft Report	95%	
Transparency Code	Draft Report	95%	
People Services			
Shared Lives 2022-23	Draft Report	95%	
Home Care 2022-23	Final Report	100%	Reasonable
Hospital to Home - Protection of Property	Final Report	100%	N/A
Whistleblowing - Learning, Inclusion and Skills	In Progress	60%	
Fostering Services	Final Report	100%	Reasonable
D2N2 Children's Homes Contract	In Progress	70%	
National Drugs Strategy	In Progress	70%	
Individuals & Families in Need	Final Report	100%	N/A
Adult Social Care Reforms	In Progress	30%	
iPad Investigation	Final Report	100%	N/A
Corporate Resources			
Grant Certifications 2022-23	In Progress	60%	
Revenue Collection Contract Management (inc Lot 1)	Final Report	100%	Reasonable
FMS Data Migration 2022-23	Allocated	10%	
Revenue Collection Contract (Lot 3 - Sundry Debts)	Allocated	0%	
Procurement Cards 2022-23	Allocated	15%	
Cash Handling 2022-23	Allocated	0%	
Key Financial Controls 2022-23	Allocated	15%	
Pre-Employment Checks	Final Report	100%	Limited
Payroll Fraud - Advice on Processes	Complete	100%	N/A
Contract Management Project	In Progress	75%	
Declarations of Interest - Staff and Members	Final Report	100%	Reasonable
Contract Management - Data Analytics Follow-Up	Complete	100%	N/A
Procurement - Off-Contract Spend	Allocated	5%	
Property Design & Maintenance	Final Report	100%	Substantial
IT Key Controls 2022-23	In Progress	75%	
Management of Information in a Remote Environment	In Progress	35%	
Records Management 2022-23	Allocated	5%	
Project Management Office - Development Group	In Progress	55%	
PCI Compliance 2022-23	In Progress	40%	
Governance Weaknesses - Fact Finding	Complete	100%	N/A
Unitary & Single Tier Authorities Risk - Fact Finding	Complete	100%	N/A
Communities & Place			
Catering - Stocks & Stores	Draft Report	95%	
Derby's Cultural Offer	In Progress	70%	
Building Consultancy	Fieldwork Complete	90%	
Cash Seizure - POCA	Final Report	100%	N/A
Streetpride HGV Driver Resources	In Progress	70%	

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Trading Standards Complaint	In Progress	30%	
Trading Standards Complaint - Review of Statements	Allocated	20%	
Climate Change 2022-23	Allocated	0%	
Grounds Maintenance 2022-23	In Progress	15%	
General Licensing 2022-23	Allocated	10%	
Street Cleansing 2022-23	Allocated	5%	
Revenue Collection Contract (Lot 2 - Parking)	Allocated	10%	
Street Lighting PFI 2022-23	Allocated	0%	
Ascend Programme	Fieldwork Complete	90%	
Right to Buy 2022-23	Draft Report	95%	
Long Term Waste Management Project	In Progress	85%	
Anti-Fraud & Corruption			
Counter Fraud and Corruption Framework	In Progress	50%	
Management of Fraud and Corruption Risks	Complete	100%	N/A
Schools			
Schools SFVS (25 Schools self-assessment)	In Progress	30%	
Schools SFVS (13 School visits planned)	In Progress	25%	

B/Fwd Jobs	Status	% Complete	Assurance Rating
People Services			
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
Corporate Resources			
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
Communities & Place			
Leisure Centres	Final Report	100%	Reasonable
Darley Fields - Building Security	Final Report	100%	N/A
Food Safety	Fieldwork Complete	90%	
Community Safety	Final Report	100%	Reasonable
Land Drainage & Flood Control	Final Report	100%	Reasonable
Climate Change - Roadside Air Quality	Fieldwork Complete	90%	
Transforming Cities /Mobility Programme	Final Report	100%	Reasonable
Parking Permits 2021-22	Final Report	100%	Reasonable
Economic Recovery 2021-22	Final Report	100%	Substantial
Planning Complaint - Pastures Hill	Final Report	100%	N/A
Business Continuity - In Light of Covid 19	Final Report	100%	Reasonable
Schools			
Schools SFVS Self Assessment 2021-22	Final Report	100%	Reasonable

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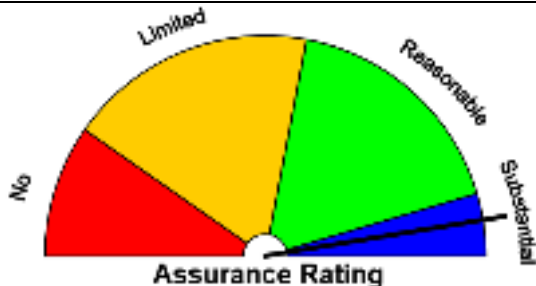# AUDIT COVERAGE

Completed Audit Assignments

Between 11th November 2022 and 11th January 2023, the following audit assignments have been finalised since the last Progress Report was presented to this Committee (30th November 2022).
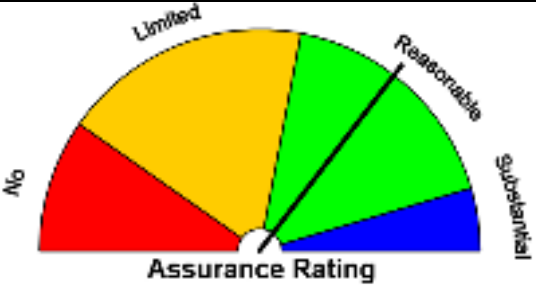
Audit Assignments Completed in Period	Assurance Rating	Recommendations Made				% Recs Closed
		Critical Risk	Significant Risk	Moderate Risk	Low Risk	
Economic Recovery 2021-22	Substantial				1	0%
Property Design & Maintenance	Substantial				3	0%
Revenue Collection Contract Mgt (inc Lot 1)	Reasonable			2	5	57%
Home Care 2022-23	Reasonable			3	3	0%
Community Safety	Reasonable				5	0%
Declarations of Interest - Staff and Members	Reasonable			1	7	25%
Payroll Fraud - Advice on Processes	N/A					n/a
Management of Fraud and Corruption Risks	N/A					n/a
iPad Investigation	N/A					n/a
Hospital to Home - Protection of Property	N/A			1		0%

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.

Economic Recovery 2021-22

Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
Appropriate governance arrangements have been established and embedded to oversee the Council's involvement in the economic recovery of the City centre.	12	11	1	0
TOTALS	**12**	**11**	**1**	**0**

| Summary of Weakness	Risk Rating	Agreed Action Date
Informal notes had been made to record the content of Economic Recovery Steering and Task Force Group meetings.	Low Risk	30/09/2023 Future Action

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Property Design & Maintenance

Assurance Rating

Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
Value for money for the Council has been considered and obtained when procuring staff via contracts.	5	1	2	2
Value for money for the Council has been considered and obtained when procuring staff via waivers.	4	4	0	0
Value for money for the Council has been considered and obtained when procuring staff via Matrix. *Nb. Value for money was considered to be obtaining the right quality of candidate, with the right skills, knowledge and understanding to perform the duties required at an acceptable price.*	4	4	0	0
TOTALS	**13**	**9**	**2**	**2**

Summary of Weakness	Risk Rating	Agreed Action Date
The procurement process being followed as best practice had not been formally agreed and documented.	Low Risk	31/03/2023 Future Action
Evidence was not available to demonstrate that other procurement methods, such as advertising on the Council's website, had been fully considered before employing the officers via the contractors route.	Low Risk	31/03/2023 Future Action
A signed contract could not be located for an officer employed through a contract within the Property Projects and Technical Services Team.	Low Risk	03/02/2023 Future Action

Revenue Collection Contract Management (incl. Lot 1)

Assurance Rating

Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
There are adequate arrangements in place that allow contractual obligations and expectations to be identified and monitored effectively.	10	3	3	4
TOTALS	**10**	**3**	**3**	**4**

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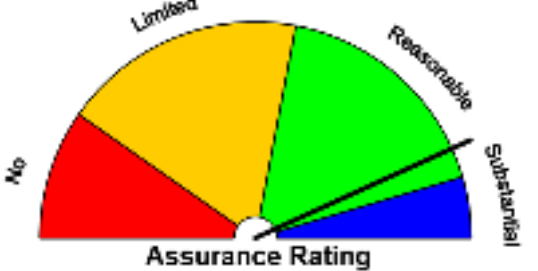| Summary of Weakness	Risk Rating	Agreed Action Date
A complete copy of the contract was not available digitally and was only held by the Procurement Team, offsite, which was not readily available for the Contract Manager to refer to when needed.	Low Risk	Implemented
Minutes were not being taken during contract monitoring meetings between the Contract Manager and the Service Provider.	Low Risk	Implemented
The *'Number of complaints received with number and percentage upheld'* performance measure was not being reported on and performance was subsequently not discussed monthly, as required by the contract.	Low Risk	Implemented
Performance reports were not checked regularly and the last full reconciliation between the Service Provider's system and Council's system had been undertaken in 2020, which was not in line with the contract requirements.	Moderate Risk	15/01/2023 Being Implemented 31/03/2023
There were no documented KPIs within the contract.	Low Risk	30/11/2022 Being Implemented 20/02/2023
Invoices were not checked before being paid, the Council was three months in arrears with paying invoices at the time of the audit (August 2022) and there was limited financial monitoring taking place over the contract's finances.	Moderate Risk	31/12/2022 Being Implemented 31/01/2023
A formal contract evaluation was not undertaken before the revenue collection contract was extended for another two years.	Low Risk	Implemented

Home Care 2022-23
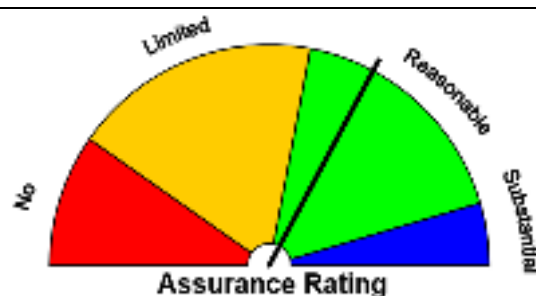
Assurance Rating

Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
This audit will seek to assess the controls and provide assurance on the processes in place for managing the contractual arrangements with Home Care service providers whilst applying a fee increase.	9	3	5	1
TOTALS	**9**	**3**	**5**	**1**

Summary of Weakness	Risk Rating	Agreed Action Date
The functionality of the Liquid Logic Adult Social Care system (LAS) design did not help to ensure that the commissioning for home care services was fully controlled and managed by the expertise of the Brokerage team.	Low Risk	01/04/2023 Future Action
The procedure for administering amendments to the agreement with a service provider was longwinded and cumbersome which caused delays in implementing the necessary changes to the service delivery requirements.	Moderate Risk	31/05/2023 Future Action
There was not a regular schedule of contract management meetings formally agreed with the service providers to discuss and assess performance against identified performance measures.	Low Risk	31/05/2023 Future Action
Customers were not routinely contacted to obtain their views on the quality of Home Care services being delivered.	Low Risk	31/07/2023 Future Action
The procedure for processing invoices and accurate payments to Home Care service providers was convoluted, time consuming and an inefficient use of resource.	Moderate Risk	01/04/2023 Future Action
There were a number of access related issues with permissions set on the approved contracts folder.	Moderate Risk	30/06/2023 Future Action

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Community Safety

Assurance Rating

Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
The Council has adequate training and guidance in place that ensures officers recognise and report indicators of modern slavery.	5	2	1	2
The Council has processes in place that ensure all suspicions of modern slavery are reported in accordance with Section 52 of the Modern Slavery Act 2015.	12	11	0	1
There are governance arrangements and reporting mechanisms in place that demonstrate compliance with the Modern Slavery Act 2015.	4	3	0	1
TOTALS	**21**	**16**	**1**	**4**

Summary of Weakness	Risk Rating	Agreed Action Date
The e-learning module on modern slavery was not tailored to the Council and instructor-led training had not been delivered since February 2021.	Low Risk	01/04/2023 Future Action
Frontline officers most likely to encounter victims of modern slavery had not been identified and provided with relevant training.	Low Risk	01/04/2023 Future Action
First Responders were not provided with detailed and specialist training specific to their role.	Low Risk	01/04/2023 Future Action
The risk of modern slavery was not fully considered during procurement and in ongoing contract management activities.	Low Risk	01/06/2023 Future Action
The published Modern Slavery Statement had not been reviewed and updated since March 2017 and may subsequently be out of date.	Low Risk	31/03/2023 Future Action

Declarations of Interest - Staff and Members

Assurance Rating

Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
To determine whether declaration of interests for Members are conducted and managed in accordance with the Council's policies and procedures.	10	4	6	0
To determine whether declaration of interests for staff are conducted in accordance with the Council's policies and procedures, managed and monitored robustly.	11	2	8	1

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		TOTALS	21	6	14	1
Summary of Weakness				**Risk Rating**	**Agreed Action Date**	
The Declaration of Interests form was not readily accessible to Members. There was insufficient evidence to demonstrate that current Members had registered their interests within 28 days.				Low Risk	Implemented	
Guidance given to Members at committee meetings did not explain the requirement to update their declaration of interest form for a new disclosure made.				Low Risk	01/02/2023 Future Action	
The date of hospitality and gifts tab on the Democracy Portal was not clear. In addition, there was no section or tab on the Democracy Portal to record refused offers of gifts and hospitality.				Low Risk	01/04/2023 Future Action	
The Employee Code of Conduct and Policy Development Plan did not state the next review date.				Low Risk	31/12/2023 Future Action	
No procedure across all Council departments to remind employees to declare an interest, such as in tendering and during committee meetings. In addition, declaration of interests had not been registered that were identified within the data collated through recent National Fraud Initiative (NFI) activity.				Moderate Risk	31/03/2023 Future Action	
Information from the employee declaration forms had not always been entered into the registers correctly.				Low Risk	Implemented	
There was no guidance and declaration forms for employees that know of a colleague who was working for another company or had a business interest that could cause a potential conflict of interest.				Low Risk	Risk Accepted	
Declaration forms did not clearly state who will be in receipt of the disclosed information.				Low Risk	31/12/2023 Future Action	

Payroll Fraud - Advice on Processes	Assurance Rating: N/A
The Head of Internal Audit was asked to provide advice and assistance on system improvements following a fraud whereby the bank account details of an employee were changed, and their monthly salary paid to the perpetrator.	

Management of Fraud and Corruption Risks	Assurance Rating: N/A
This was part one of a two-part exercise around the Council's Counter Fraud Framework. The aim of the first part was to review how Derby City Council views and reacts to its potential fraud exposure. The outcomes from this work have then fed into the second part of the exercise.which is looking at how the counter fraud framework operates. The overall exercise will inform the Head of Internal Audit's assurance/opinion on the robustness of the framework.	

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iPad Investigation	Assurance Rating: N/A
Internal Audit was requested to assist with the investigation of a data breach involving an iPad device to determine the extent of the breach in order to update the Information Commissioners Office. We completed a forensically sound acquisition of the device and performed targeted searches and analysis that supported the various lines of enquiry and reported back any supporting evidence to the investigating officer.	

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Key Areas for Improvement
We suggested that management work with the client service to highlight the risks of using shadow IT devices for business purposes, i.e., using mobile devices that are not deployed, configured and supported by the Council's central IT department.

Hospital to Home - Protection of Property	Assurance Rating: N/A

The audit will sought to assess the adequacy of the processes in place for managing personal belongings (cash) on behalf of adults in receipt of social care and checked for compliance with the relevant policies and procedures for safeguarding and cash handling.

Summary of Weakness	Risk Rating	Agreed Action Date
There was no overarching, formally recorded and approved policy document in place that explained the Council's approach to ensuring the safeguarding of customers and members of staff when dealing with circumstances that required the protection of customers personal property across the service.	Moderate Risk	30/06/2023 Future Action

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RECOMMENDATION TRACKING (as at 11th January 2023)

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		4	4
20-Oct-21	Carelink	Limited		3	
27-Nov-19	Deprivation of Liberty	Limited		1	
07-Dec-22	Home Care 2022-23	Reasonable			6
16-Aug-22	Fostering Services	Reasonable		1	1
18-Jan-22	Payments for Children's Social Care 2021-22	Reasonable		5	
07-Jul-22	Care Act 2014	Reasonable			12
17-Aug-22	Safeguarding & Domestic Abuse	Substantial	1		
28-Oct-21	Direct Payments 2021-22	Substantial		1	
11-Oct-22	Individuals & Families in Need	N/A			1
11-Jan-23	Hospital to Home - Protection of Property	N/A			1
Corporate Resources					
19-Oct-22	Pre-Employment Checks	Limited	12		
16-Aug-22	Digital By Default Project - Household Support Fund	Limited	7		4
15-Apr-19	Public Utilities Management	Limited		1	
23-Nov-22	Revenue Collection Contract Mgt (inc Lot 1)	Reasonable		2	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	4	2	
24-Apr-19	Document Management & Network Printing	Reasonable		1	
30-Jul-18	File Share Management	Reasonable		3	
11-Jan-23	Declarations of Interest - Staff and Members	Reasonable			5
09-Mar-20	Welfare Reform Reserve	Substantial	2		
05-Dec-22	Property Design & Maintenance	Substantial			3
05-Apr-22	SIRO/Information Governance	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	
09-Apr-20	Taxation	Substantial		1	
19-May-22	IT Key Controls 2022-23	N/A	1	1	1
16-Aug-21	Domain Password Security 2021-22	N/A		1	
29-Oct-21	Leaver Data Matching	N/A		1	
30-Mar-21	Domain Password Security	N/A		1	
Communities & Place					
13-Jul-20	Bus Station - Processes & Procedures	Limited		3	
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	2		1
05-Jan-23	Community Safety	Reasonable			5
10-Mar-22	SmartParc Project	Reasonable	1		
13-Jul-22	Business Continuity - In Light of Covid 19	Reasonable	5		
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		1	

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Final Report Date	Audit Assignments with Open Recommendations	Assurance Rating	Recommendations Open		
			Action Due	Being Implemented	Future Action
29-Nov-21	Strategic Housing	Substantial		1	
1-Jan-23	Economic Recovery 21-22	Substantial			1
10-Oct-19	CCTV - Access Control - Public Protection	N/A		1	
		Totals	**38**	**69**	**49**

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						
Special Educational Needs and/or Disabilities					1	3
Carelink					1	2
Deprivation of Liberty					1	
Fostering Services					1	
Payments for Children's Social Care 2021-22					3	2
Safeguarding & Domestic Abuse			1			
Direct Payments 2021-22						1
Corporate Resources						
Pre-Employment Checks		4	8			
Digital By Default Project - Household Support Fund		1	6			
Public Utilities Management						1
Revenue Collection Contract Management (inc Lot 1)					1	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			4			2
Document Management & Network Printing						1
File Share Management						3
Welfare Reform Reserve			2			
SIRO/Information Governance			1			
Insurance 2020-21						1
Creditors - Follow Up						1
Taxation						1
IT Key Controls 2022-23	1				1	
Domain Password Security 2021-22					1	
Leaver Data Matching					1	
Domain Password Security					1	
Communities & Place						
Bus Station - Processes & Procedures				2	1	
Bereavement Services				1		
Derby Arena Car Parks					3	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
Parking Permits 2021-22					3	1
Land Drainage & Flood Control			2			
SmartParc Project		1				
Business Continuity - In Light of Covid 19		1	4			
Neighbourhood Boards		1		1	1	2
Strategic Housing - Disabled Facilities Grants					1	1
Bus Station Recharges						1
Strategic Housing						1
CCTV - Access Control - Public Protection					1	
		9	29	4	27	38

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								
Special Educational Needs and/or Disabilities		1						
Carelink			1					
Deprivation of Liberty			1					
Fostering Services	1							
Payments for Children's Social Care 2021-22		2	1					
Corporate Resources								
Pre-Employment Checks	4							
Digital By Default - Household Support Fund	1							
Revenue Collection Contract Mgt (inc Lot 1)	1							
Controlled Use of Administrative Privileges				2				
Boundary Defence		1	1					
People Management				1				
IT Key Controls 2022-23	2							
Domain Password Security 2021-22			1					
Leaver Data Matching				1				
Domain Password Security				1				
Community & Place								
Bus Station - Processes & Procedures				1				2
Bereavement Services								1
Derby Arena Car Parks			3					
Parking Permits 2021-22			3					
SmartParc Project			1					
Business Continuity - In Light of Covid 19	1							
Neighbourhood Boards			1	1				1
Strategic Housing - Disabled Facilities Grants			1					
CCTV - Access Control - Public Protection			1					
	9	5	11	11				4

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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 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. Internal audit has not received any updates other than what has been reported at previous meetings.

- Bereavement Services audit – 1 significant recommendation

  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. It was reported at the November 2022 meeting that at the moment the review has been paused given the financial pressures the Council is under. This is still the case.

- Neighbourhood Boards audit – 1 significant recommendation

  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 5th October 2022, Committee decided to "call in" this audit to get a verbal update on progress. Unfortunately, no officers were able to attend the November 2022 meeting so the call in has been deferred to this meeting.

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Moderate Risk Recommendations (> 6 Months Overdue)

There are currently 36 moderate risk recommendations that are overdue for implementation. Twenty-Two 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	1	01/10/2020	31/03/2023	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. 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. 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.
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.
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

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Audit Review	No of Recs overdue	Original Action Date	Revised Date	Reason for Delay
				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 the end of 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.
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.
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.
Bus Station - Processes & Procedures	1	31/08/2020	Summer 2023	See comments on page 15 in relation to the update on the Bus Station Audit.
Neighbourhood Boards	2	31/05/2021 & 31/03/2022	September 2022 & No response	The two moderate risk recommendation were made to address the findings 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.

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Audit Review	No of Recs overdue	Original Action Date	Revised Date	Reason for Delay
				• A flat allocation to all Wards regardless of need was not achieving the best result for the residents of Derby as a whole. See also the comments on page 15 in relation to the update on the Neighbourhood Boards Audit. At its meeting on 5th October, Committee decided to "call in" this audit for officers to provide a verbal update. Unfortunately, no officers were able to attend the November meeting so the call in has been deferred to this meeting.
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.
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.
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

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Audit Review	No of Recs overdue	Original Action Date	Revised Date	Reason for Delay
				again in April 2023.
Boundary Defence	1	30/06/2022	30/09/2022	We found that 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.
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.
Derby Arena Car Parks	3	30/06/2022	31/03/2023	The three moderate risk recommendation were made to address the findings that: • There was no formal contract /agreement in place between the Council and the Park & Ride bus service operator. The letter of terms in place was not being adhered to and had no provision for insurance requirements. • There was no reconciliation of ticket information to verify the fixed fee payment being requested from the Council for tickets being issued. • There was no provision to conduct a value for money assessment of the Park & Ride bus service, due to the lack of a fees & charges schedule being in place.
Parking Permits 2021-22	3	01/07/2022	30/06/2023 & 31/10/2022	The three moderate risk recommendation were made to address the findings that: • Two-factor authentication was not available on the MiPermit system. • 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. • 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

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Audit Review	No of Recs overdue	Original Action Date	Revised Date	Reason for Delay
				Parking Services.
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 70 low risk recommendations that are overdue for implementation. Of these 70, there are 21 that exceed 12 months, and in 19 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.

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
1. We should continue to heighten our profile by building on the relationship management already	Completed.

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Actions	Update Position
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.	
2. 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: • staff completing the AMS in respect of any training received, • undertaking GPCs in accordance with the hosts requirements and • producing a Training & Development Plan.	The Training and Development Plan is now being drawn up.
3. We should ask staff to complete a Personal Development Plan and then produce a Training & Development Plan for the Team.	Being done in conjunction with the overall Training and Development plan
4. 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. • To ensure that audit engagements are supported by appropriate tools, we need to develop a strategy for the	Four members of the team have been on a data analytics training course. Data analytics is being used in audits.

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Actions	Update Position
use of data analytics.	
5. 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.	Completed
6. 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.	Completed
7. CMAP needs to explore potential external assessors that can deliver the appropriate level of validation required and that understand the partnership ethos/approach.	Completed.
8. 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.	This is all about CMAP establishing an assurance mapping framework for partners to build on and develop. Ideally we need to get all Partners interested in producing their own Assurance Map.
9. We should ensure that our Audit Manual is complete, up-to-date, readily available and used by all audit staff.	Completed - Business as usual task
10. To support the improvement of the organisation's governance framework, we should undertake consultancy work to facilitate the	There is an annual exercise at Derby run by the Head of the Audit Partnership with the Chair of Audit and Governance Committee. Another partner does a

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Actions	Update Position
self-assessment of the effectiveness of the Audit Committee at all partner organisations.	similar annual exercise with its Audit Committee. Other partners need to be encouraged to adopt an Audit Committee effectiveness assessment process.
11. 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 Derby. Each year CMAP are sent a series of fraud risk management related questions for each partner by the External Auditor.
12. To review all CMAP reports to assess compliance with the Web Content Accessibility Guidelines (WCAG).	An initial assessment was done. Its currently on hold as we want to review the report templates available in the new AMS when it is procured .