

central midlands audit partnership

# Derby City Council – Audit Progress Report

Audit & Accounts Committee: 28<sup>th</sup> July 2021



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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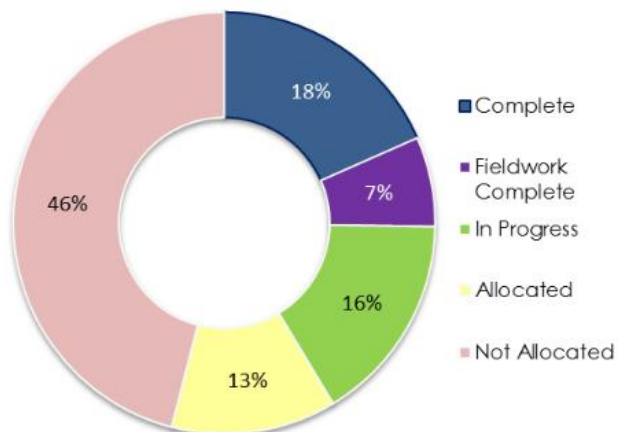
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## Derby City Council – Audit Progress Report

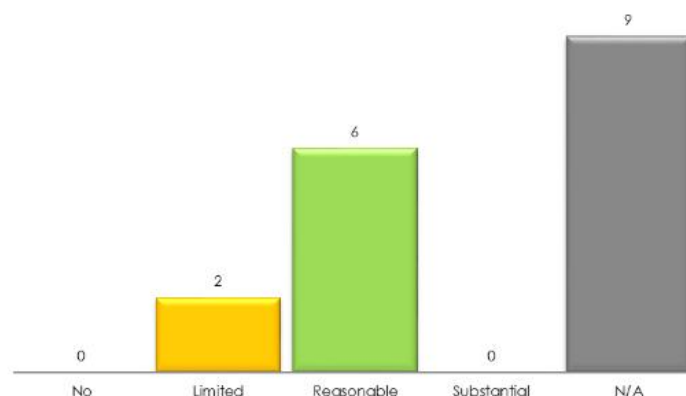
### AUDIT DASHBOARD

#### Plan Progress



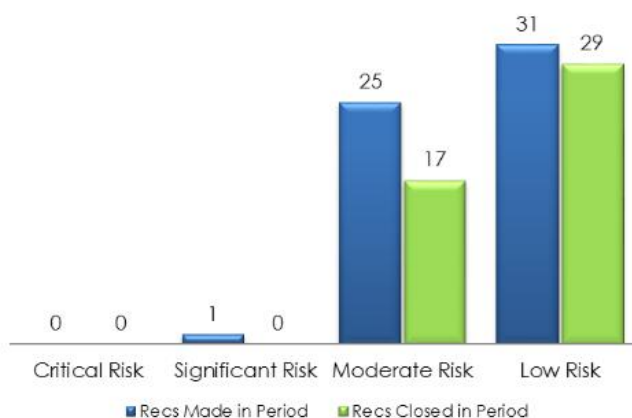
#### Jobs Completed in Period

Control Assurance Ratings During Period



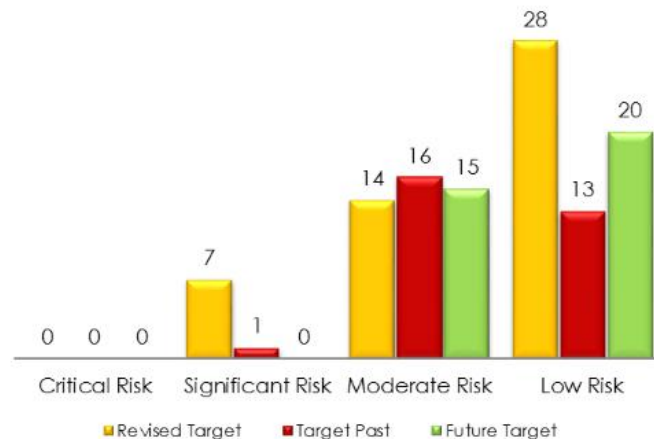
#### Recommendations

Movement During Period



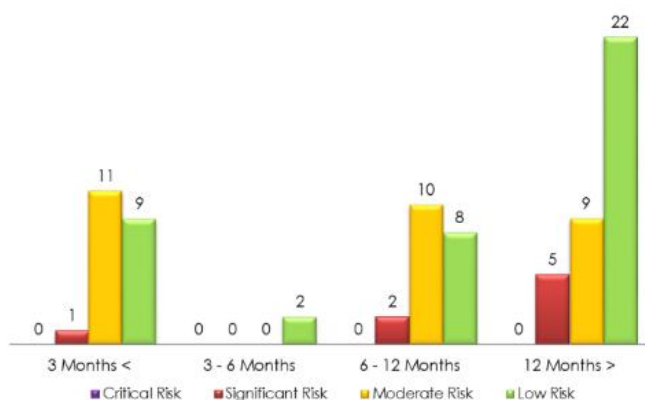
#### Recommendations

Recommendations Currently Open



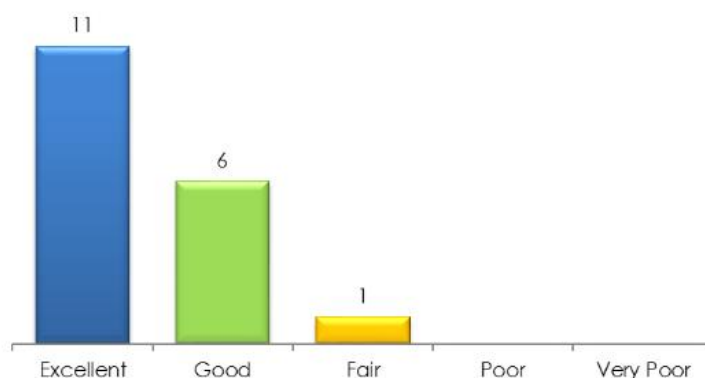
#### Recommendations

Overdue Recommendations



#### Customer Satisfaction

Customer Satisfaction Scores Jun 20 to Jun 21



## Derby City Council – Audit Progress Report

## AUDIT PLAN

## Progress on 2021/22 Audit Assignments

The following table provide Audit and Accounts Committee with information on how ongoing audit assignments were progressing as at 30<sup>th</sup> June 2021.

2021-22 Jobs	Status	% Complete	Assurance Rating
<b>Policy, Insight &amp; Communications</b>			
Contract & Project Audit Assurance	Allocated	10%	
Policy, Insight & Communications Contingency (1)	Not Allocated	0%	
<b>People Services</b>			
Carelink	In Progress	40%	
Direct Payments 2021-22	In Progress	25%	
Demand Management	Allocated	5%	
Peoples Services Contingency (1)	Not Allocated	0%	
<b>Corporate Resources</b>			
Accounts on Deposit	In Progress	25%	
Grant Certification 2021-22	In Progress	30%	
Financial Management System Project	In Progress	5%	
CIPFA Financial Management Code	Allocated	0%	
Health & Wellbeing	Fieldwork Complete	80%	
SIRO/Information Governance	Allocated	0%	
Leaver Data Matching	Allocated	10%	
Digital By Default Project	Allocated	0%	
Digital Workforce	Allocated	0%	
Compliance with Grievance Policy	Complete	100%	N/A
Key Financial Systems Contingency (6)	Not Allocated	0%	
Corporate Resources Systems/Risk Contingency (3)	Not Allocated	0%	
Corporate Resources Governance Contingency (5)	Not Allocated	0%	
IT Audit Contingency (4)	Not Allocated	0%	
Anti Fraud Contingency (4)	Not Allocated	0%	
<b>Communities &amp; Place</b>			
Trading Standards & Environmental Health	Allocated	0%	
Rough Sleeping & Foodbanks	Allocated	15%	
Becketwell Project	In Progress	40%	
Former Aida Bliss Site Project	In Progress	60%	
Strategic Housing	Allocated	0%	
Bed & Breakfast Framework	Draft Report	95%	
Leisure & Business Development 2021-22	Complete	100%	N/A
Community & Place Contingency (5)	Not Allocated	0%	
<b>Schools</b>			
Schools SFVS Contingency (11)	Not Allocated	0%	

## Derby City Council – Audit Progress Report

B/Fwd Jobs	Status	% Complete	Assurance Rating
<b>People Services</b>			
Pre-Paid Cards	Final Report	100%	Reasonable
School Financial Irregularities	Final Report	100%	N/A
School Whistleblowing - Expenses	Final Report	100%	N/A
<b>Corporate Resources</b>			
Project Delivery - Fact Finding	Complete	100%	N/A
Budget Management	In Progress	75%	
Payment Systems - In Light of Covid 19	In Progress	30%	
Procurement Cards 2020/21	Fieldwork Complete	90%	
Financial Reporting - Impact of Covid19	Draft Report	95%	
Democratic Services - Impact of Covid 19	Final Report	100%	Reasonable
Insurance 2020-21	In Progress	75%	
SR5 - Non-complaint condition of council properties	Draft Report	95%	
SR8 - Poor Data and Records Management	Final Report	100%	N/A
Microsoft 365 Security	Final Report	100%	Reasonable
Boundary Defence	In Progress	40%	
Corporate Resources - Risk Management	Fieldwork Complete	90%	
<b>Communities &amp; Place</b>			
Business Continuity - In Light of Covid 19	In Progress	15%	
Sinfin Waste Plant	In Progress	60%	
Neighbourhood Boards	Final Report	100%	Reasonable
Section 106 Agreements 2020-21	In Progress	70%	
Covid - Community Hub	Superseded		
Derby Arena Car Parks	Final Report	100%	Limited
<b>Schools</b>			
Schools SFVS Self Assessment 2020-21	Final Report	100%	Reasonable
Schools SFVS (4 Schools – 1 Substantial, 3 Reasonable)	Final Report	100%	Various

### Audit Programme of Work

The consultancy/advice work on the Community Hub initiative commenced during the pandemic is now to be superseded by audit work scheduled for quarter 2 on the "Better Together Approach".

As part of the quarterly planning approach we have created contingencies to help with future resource scheduling. The numbers in brackets after the contingencies in the table above indicate the potential number of audit jobs for that area.

## Derby City Council – Audit Progress Report

### AUDIT COVERAGE

### Completed Audit Assignments

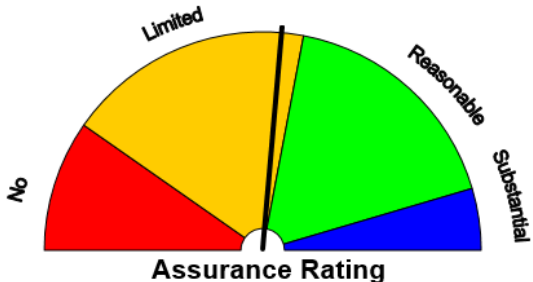
Between 9th March 2021 and 8th July 2021, the following audit assignments have been finalised since the last Progress Report was presented to this Committee.

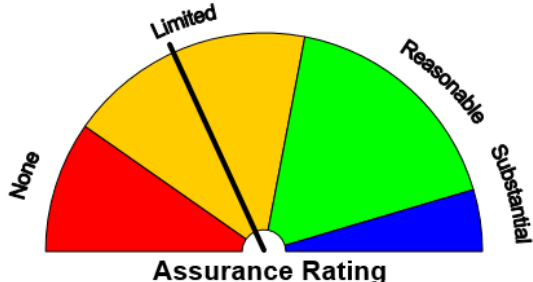
Audit Assignments Completed in Period	Assurance Rating	Recommendations Made				% Recs Closed
		Critical Risk	Significant Risk	Moderate Risk	Low Risk	
Fixed Assets 2018/19	Limited			4	4	75%
Derby Arena Car Parks	Limited			3	2	
Controlled Use of Administrative Privileges	Limited*			4	5	44%
People Management	Reasonable			4	4	50%
Neighbourhood Boards	Reasonable		1	2	2	
Microsoft 365 Security	Reasonable			3	4	43%
Pre-Paid Cards	Reasonable				7	43%
Democratic Services - Impact of Covid 19	Reasonable			1	1	
Independent Review for Chief Executive	N/A					n/a
Compliance with Grievance Policy	N/A					n/a
Project Delivery - Fact Finding	N/A					n/a
Grant Certification Work 2020/21	N/A					n/a
Leisure & Business Development 2021-22	N/A					n/a
Domain Password Security	N/A			4		
School Financial Irregularities	N/A					n/a
SR8 - Poor Data & Records Management	N/A					n/a
School Whistleblowing - Expenses	N/A				2	

**Note:** The Controlled Use of Administrative Privileges was erroneously categorised as "Reasonable Assurance" when issued. This was due to the two moderate recommendations that were issued in advance via memo not being properly included in the assurance assessment calculation. The correct assurance level is "limited". This does not impact on the Head of Audit's overall Annual Opinion presented at the June meeting.

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.

## Derby City Council – Audit Progress Report

Fixed Assets 2018/19				
Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
There are robust systems in place to identify, report and manage changes to assets as a result of impairment.	6	2	2	2
There are robust systems in place to ensure that the Council's fixed assets are classified correctly.	3	0	0	3
<b>TOTALS</b>	<b>9</b>	<b>2</b>	<b>2</b>	<b>5</b>
Summary of Weakness	Risk Rating	Agreed Action Date		
There was no clear statement of who is responsible for the quality and accuracy of the asset valuation information.	Low Risk	Implemented		
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.	Moderate Risk	30/4/2021 Action Due		
The proposed notification system relies on Departments to identify and report on property events/changes with no oversight by SAM&E.	Moderate Risk	30/4/2021 Action Due		
The Impairment and Enhancement Review for the 2018/19 year end process had not been completed and signed off.	Low Risk	Implemented		
There was no evidence that the Council was considering all of the impairment indicators listed in IAS 36 when assessing if an asset's useful life, depreciation method, or residual value needed to be reviewed and adjusted.	Moderate Risk	Implemented		
There is no clear statement that defined who was responsible for the final decision regarding changes to asset classifications.	Low Risk	Implemented		
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 changes to the classification of assets.	Moderate Risk	Implemented		
There was no standard procedure and forms to capture information to support decisions relating to reclassification reviews.	Low Risk	Implemented		

Derby Arena Car Parks				
Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
Management information relating to cash collections at the Park & Ride Car Park is received regularly and reconciled to ensure integrity.	4	4	0	0
Use of the Park & Ride car park by the Arena is appropriate and any income generated is correctly allocated.	5	1	2	2



# Derby City Council – Audit Progress Report

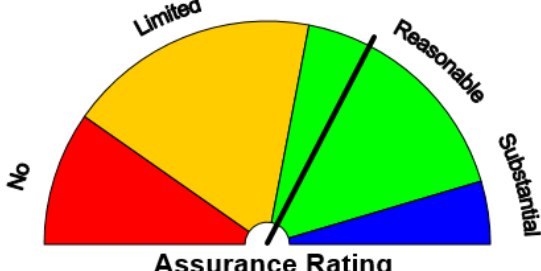
Use of the Park & Ride car park by Derby County Football Club is appropriate and any income generated is correctly allocated.	4	0	0	4
The Council's relationship with the Park & Ride bus service operator is appropriately managed and has sufficient controls in place to ensure value for money.	3	0	0	3
<b>TOTALS</b>	<b>16</b>	<b>5</b>	<b>2</b>	<b>9</b>
<b>Summary of Weakness</b>		<b>Risk Rating</b>	<b>Agreed Action Date</b>	
There was no formal review process for the Event Traffic Management contract.		Low Risk	30/09/2021 Future Action	
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.		Moderate Risk	30/06/2022 Future Action	
There was minimal /no monitoring of the service agreement with the Park & Ride bus service operator by management, review meetings were not being held and management information was not requested or discussed.		Low Risk	30/06/2022 Future Action	
There was no reconciliation of ticket information to verify the fixed fee payment being requested from the Council for tickets being issued.		Moderate Risk	30/06/2022 Future Action	
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.		Moderate Risk	30/06/2022 Future Action	

Controlled Use of Administrative Privileges		<p>Assurance Rating</p>		
<b>Control Objectives Examined</b>	<b>Controls Evaluated</b>	<b>Adequate Controls</b>	<b>Partial Controls</b>	<b>Weak Controls</b>
Ensure that the Council has implemented effective processes to control the use, assignment and configuration of administrative level accounts and privileges across its IT Infrastructure.	21	9	0	12
<b>TOTALS</b>	<b>21</b>	<b>9</b>	<b>0</b>	<b>12</b>
<b>Summary of Weakness</b>		<b>Risk Rating</b>	<b>Agreed Action Date</b>	
The process for inventorying and verifying all administrative accounts and privileges across the Council's network was not effective.		Moderate Risk	31/08/2021 Future Action	
The process for reviewing and addressing critical vulnerabilities reported in internal vulnerability scanning exercises, which may include default password issues, was not comprehensive.		Low Risk	30/09/2021 Future Action	
Vulnerability assessment reports conducted for PSN accreditation purposes had not been appropriately restricted within the Council's document management system.		Low Risk	Implemented	
Alerting and monitoring had not been configured in line with recommended best practice to inform of possible signs of attempted or successful attacks targeting administrative privileges.		Low Risk	30/09/2021 Future Action	
The use of dedicated administrative accounts was not consistent across the network.		Moderate Risk	30/06/2021 Being Implemented 30/09/2021	
The process for identifying and disabling stale domain administrator accounts was not effective with regards to 3rd party support contractors.		Low Risk	Implemented	
Domain admin accounts associated with support staff had been configured with the password never expires option.		Low Risk	31/08/2021 Future Action	

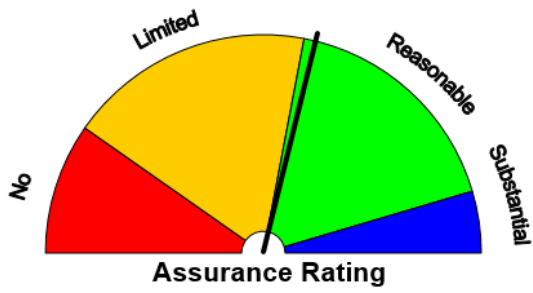


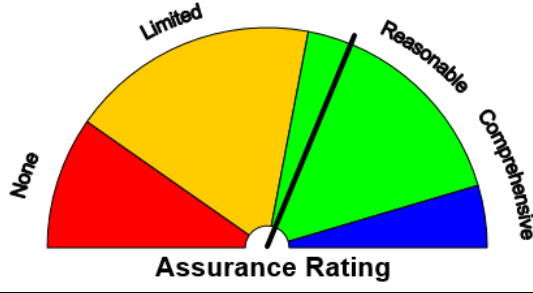
# Derby City Council – Audit Progress Report

Full control at the root of the DerbyAD domain had not been appropriately restricted.	Moderate Risk	31/03/2021 Implemented
Dedicated administrative accounts were not being used for accounts with full control over the DerbyAD domain.	Moderate Risk	Implemented

<h2>People Management</h2>		 <p><b>Assurance Rating</b></p>		
Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
There are the appropriate policies and procedures in place to assist employees and managers in dealing with and resolving disciplinary, managing individual capability and grievances which are in line with the ACAS statutory Code of Practice.	45	34	8	3
There are robust controls in place to ensure compliance with policies and procedures and that there is accurate record keeping and the monitoring of outcomes.	3	0	3	0
<b>TOTALS</b>	<b>48</b>	<b>34</b>	<b>11</b>	<b>3</b>
Summary of Weakness		Risk Rating	Agreed Action Date	
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.		Moderate Risk	31/10/2021 Future Action	
The Council did not operate an impartial mediation scheme to settle disputes that concerned working relationships between employees.		Low Risk	01/04/2021 Implemented	
Council policies and procedural guidelines for dealing with disciplinaries, dismissals and grievances required clarification to be fully compliant with the ACAS Code of Practice.		Moderate Risk	30/06/2021 Action Due	
There was a disparity in the timeframe by which to acknowledge the receipt of a grievance between the formal grievance process described on iDerby which stated five working days and the Grievance and Collective Grievance Policy which stated two working days.		Low Risk	30/04/2021 Implemented	
The number of days to communicate the decision to the employee following the appeal was explained inconsistently; the Appeals Policy stated ten calendar days and the frequently asked questions webpage on iDerby stated seven working days.		Low Risk	30/04/2021 Implemented	
The monitoring of the timeline and the review of the investigation report was not properly documented to clearly evidence that the Council's Disciplinary and Dismissal process had been conducted in a timely manner that was seen to be fair		Low Risk	30/06/2021 Action Due	
The Council did not hold a complete record that identified all the cases where performance issues had not been resolved as part of the GPC process and had undergone the formal processes for managing individual capability.		Moderate Risk	Risk Accepted	
The informal process for dealing with a grievance within seven days had not been followed and the lack of capacity had resulted in commissioning an external provider to undertake an investigation at a significant cost to the Council.		Moderate Risk	01/05/2021 Action Due	

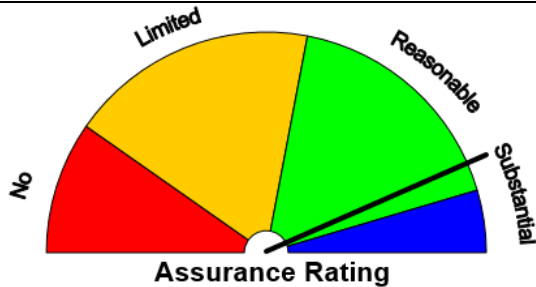
## Derby City Council – Audit Progress Report

Neighbourhood Boards				
Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
Decisions on the use of funding are subject to proper governance, evidence based, approved, recorded and reported.	9	6	1	2
That there is evidence of strong budget monitoring and management.	4	4	0	0
<b>TOTALS</b>	<b>13</b>	<b>10</b>	<b>1</b>	<b>2</b>
Summary of Weakness		Risk Rating	Agreed Action Date	
The Board and Forum Guidance Notes issued to Neighbourhood Boards are significantly out of date.		Low Risk	30/06/2021 Being Implemented 30/09/2021	
There was no clear record of the decisions made by Members outside the normal Neighbourhood Board/Ward Committee meeting cycle.		Significant Risk	30/06/2021 Action Due	
Over a nineteen-month period only three sets of Neighbourhood Board Ward Committee minutes had been posted to the Councils Democracy Portal. Decisions made by the Committees were not visible to the public.		Low Risk	30/06/2021 Action Due	
There is no record of instances where Neighbourhood Managers had provided advice regarding a possible application and that application had not then been made.		Moderate Risk	31/05/2021 Action Due	
A flat allocation to all Wards regardless of need is not achieving the best result for the residents of Derby as a whole.		Moderate Risk	31/03/2022 Future Action	

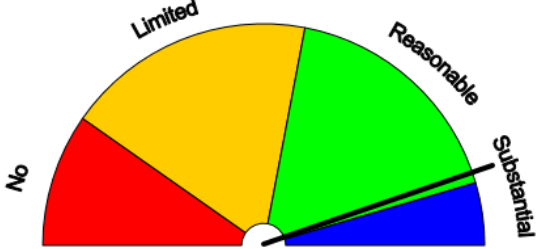
Microsoft 365 Security				
Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
Ensure the cloud side components supporting the Office 365 system are configured and secured in line with recognised best practices.	9	2	0	7
<b>TOTALS</b>	<b>9</b>	<b>2</b>	<b>0</b>	<b>7</b>
Summary of Weakness		Risk Rating	Agreed Action Date	
657 users were not registered for multi-factor authentication, increasing the risk of unauthorised access to the Council's network.		Moderate Risk	30/06/2021 Being Implemented 30/09/2021	
DMARC was not enabled on a Council's domain, increasing the risk of Council domains being spoofed by malicious users.		Low Risk	30/05/2021 Implemented	
Appropriate anti-phishing policies were not set up for five email domains, potentially allowing spam and malicious emails to be received by Derby AD email accounts.		Low Risk	31/10/2021 Future Action	

## Derby City Council – Audit Progress Report

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.	Moderate Risk	31/10/2021 Future Action
11 out of 14 domains did not have Domain Keys Identified Mail (DKIM) enabled, increasing the risk of Council email domains being spoofed by malicious users.	Low Risk	30/06/2021 Implemented
Users were able to request access to a user's machine when screen recording on Microsoft Teams, potentially allowing a malicious user control of their machine.	Moderate Risk	Implemented
Documentation on handling suspect accounts did not exist, increasing the risk of continued unauthorised access.	Low Risk	30/06/2021 Being Implemented 30/09/2021

Pre-Paid Cards				
Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
There is a robust system in place to process applications for prepaid cards in a consistent manner.	11	5	6	0
There are adequate monitoring arrangements that check the prepaid cards are appropriately and legitimately used in accordance with the agreement at application.	3	1	2	0
<b>TOTALS</b>	<b>14</b>	<b>6</b>	<b>8</b>	<b>0</b>
Summary of Weakness		Risk Rating	Agreed Action Date	
The Know Your Customer Policy was overdue its review date of 4 November 2020.		Low Risk	31/08/2021 Implemented	
In contrast to the Children's case recording system (LCS), the Adults system (LAS) did not have a pathway specifically designed for recording and processing the application for a prepaid card account.		Low Risk	31/03/2022 Future Action	
There was a lack of a full understanding of the application process for a prepaid card account by social care workers on the frontline.		Low Risk	31/07/2021 Future Action	
Evidence that checks undertaken under the Council's Know Your Customer Policy could not be located for three customers in receipt of a direct payment and seven customers in receipt of a personal allowance for whom the Council was an appointee.		Low Risk	31/03/2022 Future Action	
The process to complete the Personal Budget Agreement form was inefficient and the Prepaid Card Agreement had not been completed scanned and saved to Livelink for all account holders.		Low Risk	31/03/2022 Future Action	
The customer prepaid card accounts had not been subject to regular monitoring.		Low Risk	31/07/2021 Implemented	
The record maintained for the monitoring of the prepaid card accounts contained an inadequate level of detail to conclude whether there were any concerns with account balances or suspect transactions.		Low Risk	31/07/2021 Implemented	

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Democratic Services - Impact of Covid 19	 <p><b>Assurance Rating</b></p>			
Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
The Forward Plan was utilised as the timetable for presenting reports to Cabinet. Any adjustments resulting from COVID were recorded.	3	3	0	0
The process for preparing reports was robust, contained all necessary information and was adhered to. Any adjustments resulting from COVID were recorded.	6	4	2	0
The Council has established an appropriate mechanism to allow public access for viewing Councillors details relevant in complying with the General Principles of Public Life.	8	7	1	0
<b>TOTALS</b>	<b>17</b>	<b>14</b>	<b>3</b>	<b>0</b>
Summary of Weakness		Risk Rating	Agreed Action Date	
The guidance relating to the consideration of implications arising from any report recommendations appears to be out of date and vulnerable to an oversight.		Moderate Risk	01/09/2021 Future Action	
A small number of the disclosure forms have not been fully completed when published on the Council's website.		Low Risk	01/10/2021 Future Action	

### Independent Review for Chief Executive (Assurance Rating: N/A)

The Chief Executive requested the assistance of Internal Audit to undertake an independent review of several issues which he had received in a formal complaint.

### Compliance with Grievance Policy (Assurance Rating: N/A)

In response to a whistleblowing case, Internal Audit reviewed documents pertaining to grievance investigations to determine whether the Council's policy had been appropriately applied.

### Project Delivery - Fact Finding (Assurance Rating: N/A)

This fact finding review was undertaken to identify the projects that would benefit most from an audit review to ensure resources were used to the best effect.

## Derby City Council – Audit Progress Report

### Grant Certification Work 2020/21 (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 Ring-Fenced (Revenue) Grant Determination 2019/20 (31/3644).
- Covid-19 Emergency Active Travel Fund Capital Grant Determination (2020-21): No 31/5099.
- The Disabled Facilities Capital Grant (DFG) Determination 2019-20 [31/3710].

### Leisure & Business Development 2021-22 (Assurance Rating: N/A)

During 2020/21 there was a joint piece of investigation work between internal audit and the Counter Fraud team into allegations of financial irregularities within one of the Leisure and Business Development services. A report was provided to the Investigating officer in December 2020. This additional work in 2021/22 covered Internal Audit preparing for and attending the hearings to support the investigating officer.

### Domain Password Security (Assurance Rating: N/A)

At the request of ICT management, we conducted quarterly password vulnerability assessments across the Council's domain. The objective was to help management identify and report on weak passwords, as well as poor password management practices.

Summary of Weakness	Risk Rating	Agreed Action Date
A significant number of privileged accounts had weak corresponding passwords.	Moderate Risk	31/08/2021 Future Action
A number of misconfigurations were noted with the overall management of service accounts within the domain.	Moderate Risk	31/10/2021 Future Action
Multiple privileged accounts had been configured with the same password in the Council's domain.	Moderate Risk	31/08/2021 Future Action
Accounts relating to former employees were not being disabled in a timely manner on all occasions.	Moderate Risk	31/07/2021 Future Action

### School Financial Irregularities (Assurance Rating: N/A)

A Derby School asked Internal Audit to investigate allegations of financial irregularities and falsification of documents.

### SR8 - Poor Data & Records Management (Assurance Rating: N/A)

A consultancy review of Strategic Risk 8 – Poor Data and Records Management was undertaken to establish if the risk information contained in the Strategic Risk Register gave assurance that the controls were working as intended to manage/mitigate the risk as defined. The review also looked at the accuracy of the description compared to the risk being faced and whether the controls as defined were the controls that were actually in place.

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### School Whistleblowing - Expenses (Assurance Rating: N/A)

Internal Audit undertook a review to assess the adequacy of the processes in place for the completion and approval of travel and expense claims that were submitted by members of staff working in schools.

Summary of Weakness	Risk Rating	Agreed Action Date
Travel and Expense claim forms were not properly completed to show the destination details and purpose of the journeys being claimed.	Low Risk	15/07/2021 Future Action
The supporting evidence to verify travel and expense claims had not been retained in accordance with the Schools Financial Regulations and its document retention schedule.	Low Risk	15/07/2021 Future Action



## Derby City Council – Audit Progress Report

RECOMMENDATION TRACKING (as at 8<sup>th</sup> July 2021)

Final Report Date	Audit Assignments with Open Recommendations	Assurance Rating	Recommendations Open		
			Action Due	Being Implemented	Future Action
Peoples					
14-Jul-20	Special Educational Needs - Action Plan	Limited	7	1	
27-Nov-19	Deprivation of Liberty	Limited		2	
27-Apr-21	Pre-Paid Cards	Reasonable			4
14-May-20	Billing for Home Care	Reasonable		2	
30-May-17	Business Intelligence	Reasonable		1	
16-Jun-21	School Whistleblowing - Expenses	N/A			2
Corporate Resources					
22-Aug-19	Coroner's Service	Limited		3	
24-Mar-21	Fixed Assets 2018/19	Limited	2		
15-Apr-19	Public Utilities Management	Limited	3	1	
30-Mar-21	Controlled Use of Administrative Privileges	Limited		1	4
25-Mar-19	Insurance Valuation	Reasonable	1		
14-Jun-21	Democratic Services - Impact of Covid 19	Reasonable			2
22-Apr-21	Microsoft 365 Security	Reasonable		2	2
31-Mar-21	People Management	Reasonable	3		1
27-Mar-20	Agency Spend and Contract Monitoring	Reasonable		1	
20-Feb-20	Domain Accounts	Reasonable		1	
21-Nov-19	Digital Channels - CRM	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		
24-Feb-21	Asbestos Removal Contract Management	Substantial			3
22-Sep-20	Creditors - Follow Up	Substantial		1	
10-Dec-20	Attendance Management - First Care	Substantial		3	
09-Apr-20	Taxation	Substantial	1		
23-Feb-21	Data Security Risk	N/A			1
30-Mar-21	Domain Password Security	N/A			4
29-Nov-19	Records Management Policy	N/A			4
Communities & Place					
13-Jul-20	Bus Station - Processes & Procedures	Limited		6	
16-Jan-20	Bereavement Services	Limited		3	
14-Jun-21	Derby Arena Car Parks	Limited			5
24-Sep-19	Catering 2019-20	Limited		1	
19-Apr-21	Neighbourhood Boards	Reasonable	3	1	1
30-Sep-20	Strategic Housing - Disabled Facilities Grants	Reasonable	3		2
22-Dec-20	Our City Our River - Contract Management	Reasonable	5		
13-Feb-19	Bus Station Recharges	Reasonable		4	
10-Oct-19	CCTV - Access Control - Parking	N/A		4	
10-Oct-19	CCTV - Access Control - Public Protection	N/A		4	
		Totals	30	49	35

**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.



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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
<b>Peoples</b>						
Special Educational Needs - Action Plan		5	2			1
Deprivation of Liberty					2	
Billing for Home Care					1	1
Business Intelligence						1
<b>Corporate Resources</b>						
Coroner's Service				3		
Fixed Assets 2018/19		2				
Public Utilities Management		1	2			1
Insurance Valuation			1			
Controlled Use of Administrative Privileges					1	
Microsoft 365 Security					1	1
People Management		2	1			
Agency Spend and Contract Monitoring					1	
Domain Accounts						1
Digital Channels - Firmstep						1
File Share Management						4
MTFP(Agile)					1	
Fixed Assets- S24 Capital Controls						1
Welfare Reform Reserve			2			
Creditors - Follow Up						1
Attendance Management - First Care						3
Taxation			1			
<b>Communities &amp; Place</b>						
Bus Station - Processes & Procedures				2	2	2
Bereavement Services				2		1
Catering 2019-20					1	
Neighbourhood Boards	1	1	1			1
Strategic Housing - Disabled Facilities Grants		1	2			
Our City Our River - Contract Management		4	1			
Bus Station Recharges						4
CCTV - Access Control - Parking						4
CCTV - Access Control - Public Protection					4	
	1	16	13	7	14	28

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.

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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 >
<b>Peoples</b>								
Special Educational Needs - Action Plan			5					
Deprivation of Liberty			1	1				
Billing for Home Care			1					
<b>Corporate Resources</b>								
Coroner's Service								3
Fixed Assets 2018/19	2							
Public Utilities Management				1				
Controlled Use of Administrative Privileges	1							
Microsoft 365 Security	1							
People Management	2							
Agency Spend and Contract Monitoring				1				
MTFP(Agile)				1				
<b>Community &amp; Place</b>								
Bus Station - Processes & Procedures			2				2	
Bereavement Services								2
Catering 2019-20				1				
Neighbourhood Boards	1				1			
Strategic Housing - Disabled Facilities Grants			1					
Our City Our River - Contract Management	4							
CCTV - Access Control - Public Protection				4				
	11		10	9	1		2	5

## 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 (&gt; 3 Months Overdue)

There are currently eight significant risk recommendations that are overdue for implementation; seven of these currently exceed three months.

- Three relate to the audit review of the Coroner's Service, for which the Head of Democracy has provided regular updates to Committee. Progress has been made on all the recommendations and at the time of writing this update report, Internal Audit are reviewing evidence to support the closing of the three recommendations.
- Two relate to the Bus Station – Processes & Procedures audit. One concerns an issue that the toilet turnstiles did not record either the cash inserted or the number of users, therefore a reconciliation of the cash counted to amount that should have been collected could not be performed. The second concerns the control process designed around the daily cashing up and paying in process being poorly conceived and key control processes were not being performed in an appropriate manner. In both cases, a revised action date of 31st March 2021 was agreed, but no further updates have been sent to Internal Audit.
- Two relate to the Bereavement Services audit. The Head of Service - Trading Standards, Food and Safety, Bereavement Services and Building Consultancy provided Committee with an update on the progress with implementation of the recommendations at the meeting on 27<sup>th</sup> January 2021. Since then, the contract for maintenance has been discussed with Legal and Procurement and is currently being reviewed by the service. In respect of the

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recommendation on the replacement programme for the cremators at Markeaton Crematorium, the Head of Service is discussing the business case with the new Service Director.

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

There are currently 30 moderate risk recommendations that are overdue for implementation. Nineteen of these exceed the original action date by 6 months. The table below outlines the current state on these 19 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
Billing for Home Care	1	31/12/2020	30/09/2021	Random sample checks of assessments have been introduced and work continues on the on-line financial assessment tool.
Agency Spend and Contract Monitoring	1	30/04/2020	31/07/2021	There has been progress made but a plan is to be devised by HR with the relevant service departments to fully implement the recommendation.
MTFP	1	30/06/2019	30/06/2021	The current relevance of this recommendation on Commercialisation is the topic of a n ongoing discussion between the Head of Internal Audit and the Director of Policy, Insight and Communications.
CCTV - Access Control - Public Protection	4	31/10/2019	31/12/2020	A Corporate Project Board has been established to focus on all the issues raised in this audit. The Board has undertaken an audit of current DCC assets and is now working on a brief with an external provider to develop a co-ordinated DCC Strategy and Plan. No further updates have been received.
Deprivation of Liberty	2	01/07/2020 & 01/10/2020	30/04/2021 & 31/03/2022	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.
Public Utilities Management	1	31/03/2020		A response has not been forthcoming from management despite frequent requests/chasing.

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Audit Review	No of Recs overdue	Original Action Date	Revised Date	Reason for Delay
Catering 2019-20	1	31/01/2020	30/07/2021	This area has been subject to recent audit work (Leisure and Business Development).
Special Educational Needs - Action Plan	5	31/08/2020 & 30/09/2020		A response has not been forthcoming from management.
Strategic Housing - Disabled Facilities Grants	1	01/12/2020		A response has not been forthcoming from management
Bus Station - Processes & Procedures	2	31/08/2020	31/03/2021	The implementation of these two recommendations is tied in with the implementation of the two significant risk recommendations mentioned on the previous page.

### Low Risk Recommendations

There are currently 41 low risk recommendations that are overdue for implementation. Of these 41, 22 exceed 12 months, and in 17 of these cases Internal Audit has agreed a revised implementation date. Of the remaining five, two relate to Public Utilities Management where we have been unable to get a response from management; one relates to the Insurance Valuation of Heritage assets and Museum collections where we are waiting on an update and two relate to 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.