

central midlands audit partnership

## Derby City Council – Audit Progress Report

Audit & Governance Committee: 23<sup>rd</sup> March 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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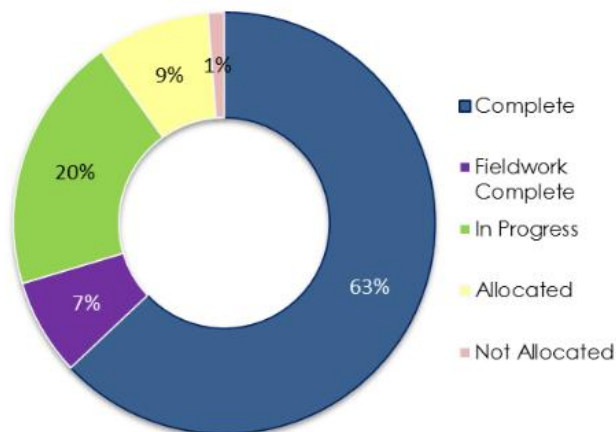
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# Derby City Council – Audit Progress Report

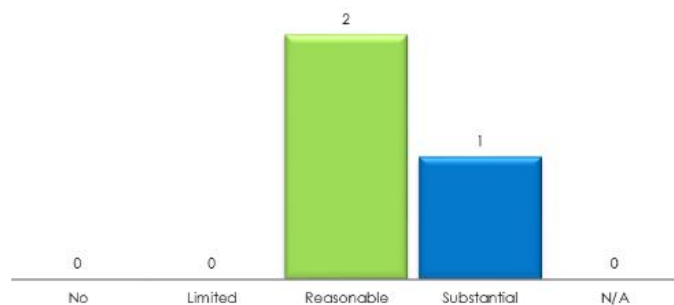
## AUDIT DASHBOARD

### Plan Progress



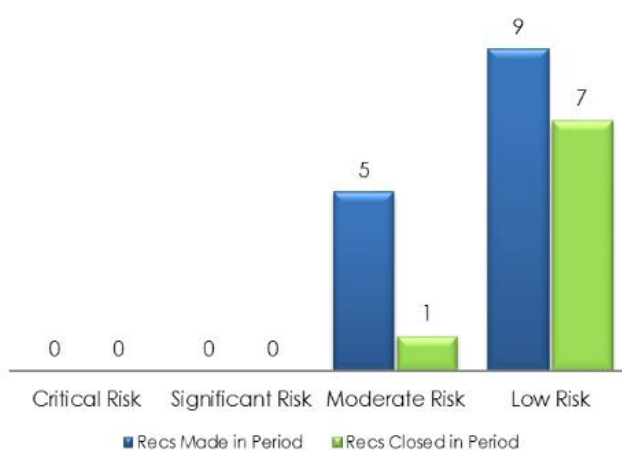
### Jobs Completed in Period

Control Assurance Ratings During Period



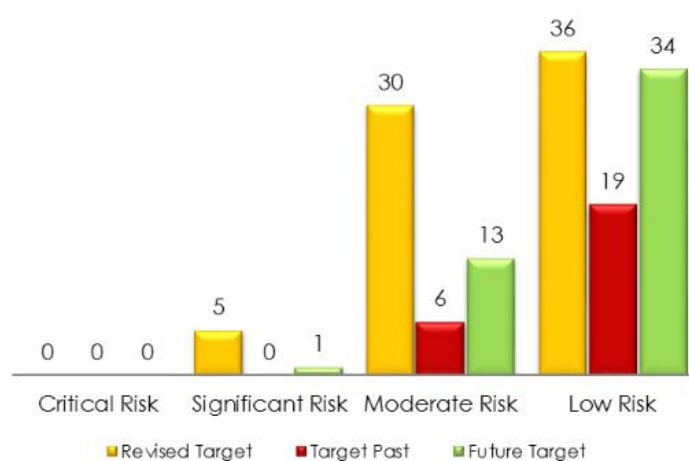
### Recommendations

Movement During Period



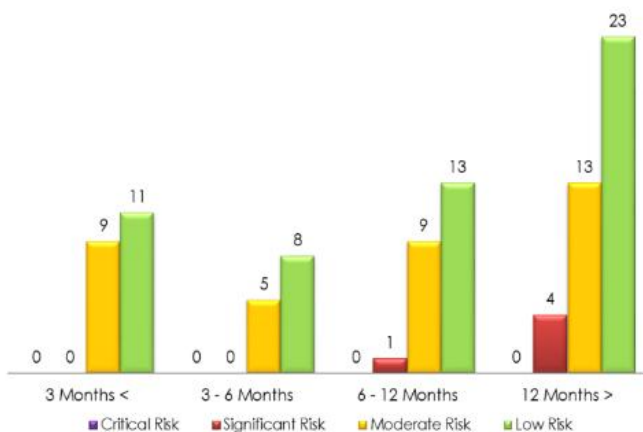
### Recommendations

Recommendations Currently Open



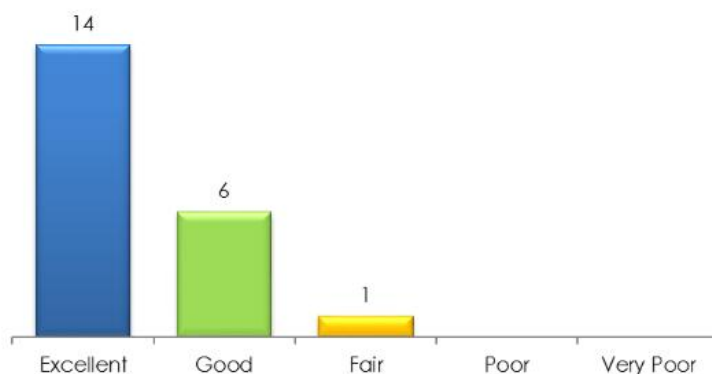
### Recommendations

Overdue Recommendations



### Customer Satisfaction

Customer Satisfaction Scores Feb 21 to Feb 22



## Derby City Council – Audit Progress Report

## AUDIT PLAN

## Progress on 2021/22 Audit Assignments

The following table provide Audit and Governance Committee with information on how ongoing audit assignments were progressing as at 28<sup>th</sup> February 2022.

| 2021-22 Jobs                                  | Status             | % Complete | Assurance Rating |
|---|--------------------|------------|------------------|
| <b>People Services</b>                        |                    |            |                  |
| Carelink                                      | Final Report       | 100%       | Limited          |
| Care Act 2014                                 | In Progress        | 60%        |                  |
| Safeguarding & Domestic Abuse                 | In Progress        | 65%        |                  |
| Payments for Children's Social Care 2021-22   | Final Report       | 100%       | Reasonable       |
| Housing Framework for 16 & 17 Year Olds       | In Progress        | 45%        |                  |
| Direct Payments 2021-22                       | Final Report       | 100%       | Substantial      |
| Special Educational Needs and/or Disabilities | In Progress        | 50%        |                  |
| Demand Management                             | Final Report       | 100%       | N/A              |
| <b>Corporate Resources</b>                    |                    |            |                  |
| Accounts on Deposit                           | Final Report       | 100%       | N/A              |
| Grant Certification 2021-22                   | In Progress        | 95%        |                  |
| Financial Management System Project           | In Progress        | 25%        |                  |
| CIPFA Financial Management Code               | Allocated          | 0%         |                  |
| Key Financial Controls 2021-22                | Allocated          | 5%         |                  |
| Health & Wellbeing                            | Final Report       | 100%       | Substantial      |
| Contract & Project Audit Assurance            | In Progress        | 80%        |                  |
| Contract Management - Data Analytics          | In Progress        | 90%        |                  |
| Health & Safety 2021-22                       | Allocated          | 10%        |                  |
| SIRO/Information Governance                   | Draft Report       | 95%        |                  |
| Leaver Data Matching                          | Final Report       | 100%       | N/A              |
| Digital By Default Project                    | Allocated          | 15%        |                  |
| Digital Workforce - Windows 10 Build          | Final Report       | 100%       | Reasonable       |
| Domain Password Security 2021-22              | Final Report       | 100%       | N/A              |
| File Server Migration - Data Security         | Final Report       | 100%       | N/A              |
| Compliance with Grievance Policy              | Complete           | 100%       | N/A              |
| <b>Communities &amp; Place</b>                |                    |            |                  |
| Catering - Cash & Bank Process                | Draft Report       | 95%        |                  |
| Leisure Centres                               | Fieldwork Complete | 90%        |                  |
| Food Safety                                   | In Progress        | 50%        |                  |
| Community Safety                              | Allocated          | 5%         |                  |
| Land Drainage & Flood Control                 | In Progress        | 30%        |                  |
| Climate Change – Roadside Air Quality         | Allocated          | 5%         |                  |
| Transforming Cities /Mobility Programme       | In Progress        | 70%        |                  |
| Parking Permits 2021-22                       | Draft Report       | 90%        |                  |
| Rough Sleeping & Foodbanks                    | Final Report       | 100%       | Substantial      |
| Becketwell Project                            | Final Report       | 100%       | Substantial      |
| Former Aida Bliss Site Project                | Final Report       | 100%       | Reasonable       |
| Strategic Housing                             | Final Report       | 100%       | Substantial      |
| SmartParc Project                             | Draft Report       | 95%        |                  |
| Bed & Breakfast Framework                     | Final Report       | 100%       | Reasonable       |
| Leisure & Business Development 2021-22        | Complete           | 100%       | N/A              |

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|   |             |     |  |
|---|-------------|-----|--|
| Sinfin Waste Plant                                  | In Progress | 90% |  |
| <b>Schools</b>                                      |             |     |  |
| Schools SFVS Contingency (11 School visits planned) | In Progress | 75% |  |

| 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                                      | Final Report       | 100%       | Reasonable       |
| Payment Systems - In Light of Covid 19                 | Final Report       | 100%       | Substantial      |
| Procurement Cards 2020/21                              | Final Report       | 100%       | N/A              |
| Financial Reporting - Impact of Covid19                | Final Report       | 100%       | Reasonable       |
| Democratic Services - Impact of Covid 19               | Final Report       | 100%       | Reasonable       |
| Insurance 2020-21                                      | Final Report       | 100%       | Substantial      |
| SR5 - Non-complaint condition of council properties    | Final Report       | 100%       | N/A              |
| SR8 - Poor Data and Records Management                 | Final Report       | 100%       | N/A              |
| Microsoft 365 Security                                 | Final Report       | 100%       | Reasonable       |
| Boundary Defence                                       | Fieldwork Complete | 90%        |                  |
| Corporate Resources - Risk Management                  | Final Report       | 100%       | Reasonable       |
| <b>Communities &amp; Place</b>                         |                    |            |                  |
| Business Continuity - Impact of Covid 19               | In Progress        | 60%        |                  |
| Neighbourhood Boards                                   | Final Report       | 100%       | Reasonable       |
| Section 106 Agreements 2020-21                         | Final Report       | 100%       | Substantial      |
| 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          |

### Changes in the Plan:

The Climate Change audit has been postponed until 2022/23 due to the creation of the Climate Change Action Plan (due to be approved in Q1 of 2022/23). This will allow Internal audit to form an opinion on a defined set of objectives. This has been replaced by audit work on Roadside Air Quality, which had been raised as an area of concern by a member of the Audit and Governance Committee.

## Derby City Council – Audit Progress Report

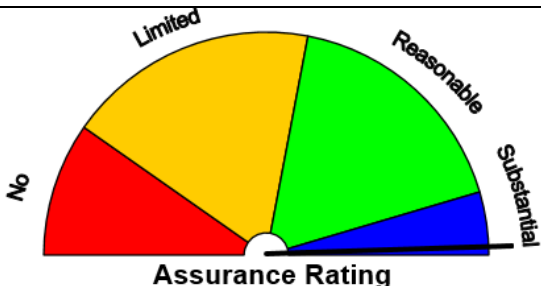
## AUDIT COVERAGE

## Completed Audit Assignments

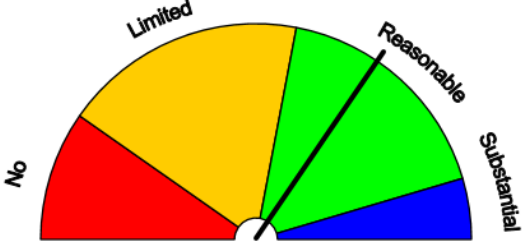
Between 11<sup>th</sup> January 2022 and 9<sup>th</sup> March 2022, the following audit assignments have been finalised since the last Progress Report was presented to this Committee (26<sup>th</sup> January 2022).


| Audit Assignments Completed in Period       | Assurance Rating | Recommendations Made |                  |               |          | % Recs Closed |
|---|------------------|----------------------|------------------|---------------|----------|---------------|
|   |                  | Critical Risk        | Significant Risk | Moderate Risk | Low Risk |               |
| Payment Systems - In Light of Covid 19      | Substantial      |                      |                  |               | 1        |               |
| Digital Workforce - Windows 10 Build        | Reasonable       |                      |                  | 2             | 6        | 38%           |
| Payments for Children's Social Care 2021-22 | Reasonable       |                      |                  | 3             | 2        |               |

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.

|   |  |                   |                             |               |
|---|--|-------------------|-----------------------------|---------------|
| Payment Systems - In Light of Covid 19  |  |                   |                             |               |
| Control Objectives Examined   | Controls Evaluated   | Adequate Controls | Partial Controls            | Weak Controls |
| Changes to normal purchasing processes as a result of the global pandemic are properly authorised and appropriate, whilst also maintaining an adequate level of internal control.                             | 5  | 5                 | 0                           | 0             |
| The new one-time payments procedure, introduced in response to the global pandemic, is robust and effective.  | 8  | 7                 | 0                           | 1             |
| TOTALS  | 13   | 12                | 0                           | 1             |
| Summary of Weakness   |  | Risk Rating       | Agreed Action Date          |               |
| Refunds for certain Council facilities were being processed through one-time payments processed by Accounts Payable as opposed to the venue responsible for the initial transaction and their payment system. |  | Low Risk          | 01/04/2023<br>Future Action |               |

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| Digital Workforce -<br>Windows 10 Build   |  |                   |                             |               |
|---|--|-------------------|-----------------------------|---------------|
| Control Objectives Examined   | Controls Evaluated   | Adequate Controls | Partial Controls            | Weak Controls |
| Ensure the security configuration of the Council's W10 devices issued to end users align with recognised best practices.  | 18   | 9                 | 0                           | 9             |
| <b>TOTALS</b>   | <b>18</b>  | <b>9</b>          | <b>0</b>                    | <b>9</b>      |
| Summary of Weakness   | Risk Rating  |                   | Agreed Action Date          |               |
| Synchronised accounts with administrative privileges were being used to manage both the on-premises and Microsoft 365 environments, which no longer aligned with recognised best practice.  | Low Risk   |                   | 31/01/2023<br>Future Action |               |
| 6 outdated software versions were presenting a minor risk, and 4 driver versions were presenting a major risk to the security of the Windows 10 Laptop device provided to audit for test purposes.  | Low Risk   |                   | Risk Accepted               |               |
| The process for managing the risks associated with unused Windows 10 Laptop devices was not comprehensive.  | Moderate Risk  |                   | 30/06/2022<br>Future Action |               |
| There were 255 devices registered in the Council's Azure Active Directory, whose Windows 10 operating system was listed as a version previous to 10.0.19042 (version 20H2). This included some versions officially listed as unsupported. And 5 different build of Windows 10 in operation. | Low Risk   |                   | Risk Accepted               |               |
| Membership of the Azure AD Joined Device Local Administrators had not been appropriately restricted.  | Moderate Risk  |                   | 30/06/2022<br>Future Action |               |
| Reporting procedures for local administrator permissions granted outside of support roles, was not effective.   | Low Risk   |                   | 30/06/2022<br>Future Action |               |
| The process for reviewing noncompliance reports relating to device security was not effective.  | Low Risk   |                   | 30/06/2022<br>Future Action |               |
| An audit of the Windows 10 operating system settings on the test Laptop provided using the CIS Benchmarks identified areas for improvement.   | Low Risk   |                   | Risk Accepted               |               |

| Payments for Children's<br>Social Care 2021-22   |  |                   |                  |               |
|--|--|-------------------|------------------|---------------|
| Control Objectives Examined  | Controls Evaluated   | Adequate Controls | Partial Controls | Weak Controls |
| There are policies and procedures in place which ensure a standard and consistent approach for providing financial assistance to support Looked After Children and Children in Need. | 7  | 3                 | 4                | 0             |
| There are robust arrangements in place for monitoring and managing the financial assistance provided to support Looked After Children and Children in Need.                          | 5  | 3                 | 2                | 0             |



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| TOTALS   | 12            | 6 | 6                           | 0 |
|--|---------------|---|-----------------------------|---|
| Summary of Weakness  | Risk Rating   |   | Agreed Action Date          |   |
| There was 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.   | Moderate Risk |   | 04/04/2022<br>Future Action |   |
| There was no standard payment method and process used for each category of spend that was reconciled to the individual child/young person records.   | Low Risk      |   | 01/06/2022<br>Future Action |   |
| There was no properly documented guidance that helped ensure a consistent procedure for selecting payment methods was followed across the service and that the weekly Quick Credit Vouchers limit was not exceeded.  | Low Risk      |   | 01/06/2022<br>Future Action |   |
| The details provided by the social worker to explain the reason for requesting financial assistance and the team manager as justification for approval, were not always clearly explained and properly input to the 'Request' and 'Decision' forms designed in Liquid Logic. | Moderate Risk |   | 31/07/2022<br>Future Action |   |
| There was a mismatch of data sets in Liquid Logic and Controcc to facilitate accurate and meaningful reporting and the requirements for management reporting had also not been formally established.   | Moderate Risk |   | 30/09/2022<br>Future Action |   |



## Derby City Council – Audit Progress Report

RECOMMENDATION TRACKING (as at 9<sup>th</sup> March 2022)

| Final Report Date   | Audit Assignments with Open Recommendations    | Assurance Rating | Recommendations Open |                   |               |
|---------------------|--|------------------|----------------------|-------------------|---------------|
|                     |  |                  | Action Due           | Being Implemented | Future Action |
| Peoples             |  |                  |                      |                   |               |
| 20-Oct-21           | Carelink                                       | Limited          | 1                    | 5                 | 3             |
| 27-Nov-19           | Deprivation of Liberty                         | Limited          |                      | 2                 |               |
| 18-Jan-22           | Payments for Children's Social Care 2021-22    | Reasonable       |                      |                   | 5             |
| 27-Apr-21           | Pre-Paid Cards                                 | Reasonable       |                      |                   | 2             |
| 14-May-20           | Billing for Home Care                          | Reasonable       |                      | 1                 |               |
| 28-Oct-21           | Direct Payments 2021-22                        | Substantial      |                      |                   | 3             |
| 16-Jun-21           | School Whistleblowing - Expenses               | N/A              | 2                    |                   |               |
| Corporate Resources |  |                  |                      |                   |               |
| 24-Mar-21           | Fixed Assets 2018/19                           | Limited          | 2                    |                   |               |
| 15-Apr-19           | Public Utilities Management                    | Limited          |                      | 1                 |               |
| 17-Jan-22           | Digital Workforce - Windows 10 Build           | Reasonable       |                      |                   | 5             |
| 09-Nov-21           | Budget Management                              | Reasonable       |                      |                   | 6             |
| 30-Nov-21           | Financial Reporting - Impact of Covid 19       | Reasonable       | 2                    | 1                 |               |
| 30-Mar-21           | Controlled Use of Administrative Privileges    | Reasonable       |                      | 5                 |               |
| 22-Apr-21           | Microsoft 365 Security                         | Reasonable       | 1                    | 3                 |               |
| 31-Mar-21           | People Management                              | Reasonable       |                      | 4                 |               |
| 27-Mar-20           | Agency Spend and Contract Monitoring           | 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       | 3                    |                   | 4             |
| 24-Apr-19           | Document Management & Network Printing         | Reasonable       |                      | 2                 |               |
| 25-Mar-19           | Insurance Valuation                            | 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                    |                   |               |
| 27-Sep-21           | Health & Wellbeing                             | Substantial      |                      |                   | 2             |
| 04-Nov-21           | Insurance 2020-21                              | Substantial      | 1                    |                   | 1             |
| 07-Feb-22           | Payment Systems - In Light of Covid 19         | Substantial      |                      |                   | 1             |
| 24-Feb-21           | Asbestos Removal Contract Management           | Substantial      | 2                    |                   |               |
| 22-Sep-20           | Creditors - Follow Up                          | Substantial      |                      | 1                 |               |
| 10-Dec-20           | Attendance Management - First Care             | Substantial      |                      | 3                 |               |
| 09-Apr-20           | Taxation                                       | Substantial      | 1                    |                   |               |
| 16-Aug-21           | Domain Password Security 2021-22               | N/A              |                      |                   | 2             |
| 29-Oct-21           | Leaver Data Matching                           | N/A              |                      | 2                 |               |
| 27-Oct-21           | Accounts on Deposit                            | N/A              |                      |                   | 2             |
| 23-Feb-21           | Revenues Data Security Risk                    | N/A              |                      |                   | 1             |
| 30-Mar-21           | Domain Password Security                       | N/A              |                      | 2                 |               |
| Communities & Place |  |                  |                      |                   |               |
| 13-Jul-20           | Bus Station - Processes & Procedures           | Limited          |                      | 4                 |               |
| 16-Jan-20           | Bereavement Services                           | Limited          |                      | 3                 |               |
| 14-Jun-21           | Derby Arena Car Parks                          | Limited          | 1                    |                   | 4             |
| 24-Sep-19           | Catering 2019-20                               | Limited          |                      | 1                 |               |
| 10-Aug-21           | Bed & Breakfast Framework                      | Reasonable       | 6                    | 1                 |               |
| 20-Oct-21           | Former Aida Bliss Site Project                 | Reasonable       | 1                    | 1                 | 4             |
| 19-Apr-21           | Neighbourhood Boards                           | Reasonable       |                      | 4                 | 1             |
| 30-Sep-20           | Strategic Housing - Disabled Facilities Grants | Reasonable       |                      | 3                 |               |
| 13-Feb-19           | Bus Station Recharges                          | Reasonable       |                      | 4                 |               |
| 29-Nov-21           | Strategic Housing                              | Substantial      |                      |                   | 1             |
| 06-Jan-22           | Rough Sleeping & Foodbanks                     | Substantial      |                      |                   | 1             |
| 10-Oct-19           | CCTV - Access Control - Parkinga               | N/A              |                      | 4                 |               |

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|           |   |               |           |           |           |
|-----------|---|---------------|-----------|-----------|-----------|
| 10-Oct-19 | CCTV - Access Control - Public Protection | N/A           |           | 4         |           |
|           |   | <b>Totals</b> | <b>25</b> | <b>71</b> | <b>48</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>                                 |                  |               |           |                   |               |           |
| Carelink                                       |                  |               | 1         |                   | 2             | 3         |
| Deprivation of Liberty                         |                  |               |           |                   | 2             |           |
| Billing for Home Care                          |                  |               |           |                   | 1             |           |
| School Whistleblowing - Expenses               |                  |               | 2         |                   |               |           |
| <b>Corporate Resources</b>                     |                  |               |           |                   |               |           |
| Fixed Assets 2018/19                           |                  | 2             |           |                   |               |           |
| Public Utilities Management                    |                  |               |           |                   |               | 1         |
| Financial Reporting - Impact of Covid 19       |                  | 1             | 1         |                   | 1             |           |
| Controlled Use of Administrative Privileges    |                  |               |           |                   | 2             | 3         |
| Microsoft 365 Security                         |                  |               | 1         |                   | 2             | 1         |
| People Management                              |                  |               |           |                   | 3             | 1         |
| Agency Spend and Contract Monitoring           |                  |               |           |                   | 1             |           |
| Domain Accounts                                |                  |               |           |                   |               | 1         |
| Digital Channels - Firmstep                    |                  |               |           |                   |               | 1         |
| Corporate Resources - Risk Management          |                  |               | 3         |                   |               |           |
| Document Management & Network Printing         |                  |               |           |                   | 1             | 1         |
| Insurance Valuation                            |                  |               |           |                   |               | 1         |
| File Share Management                          |                  |               |           |                   |               | 4         |
| MTFP(Agile)                                    |                  |               |           |                   | 1             |           |
| Fixed Assets- S24 Capital Controls             |                  |               |           |                   |               | 1         |
| Welfare Reform Reserve                         |                  |               | 2         |                   |               |           |
| Insurance 2020-21                              |                  |               | 1         |                   |               |           |
| Asbestos Removal Contract Management           |                  |               | 2         |                   |               |           |
| Creditors - Follow Up                          |                  |               |           |                   |               | 1         |
| Attendance Management - First Care             |                  |               |           |                   |               | 3         |
| Taxation                                       |                  |               | 1         |                   |               |           |
| Leaver Data Matching                           |                  |               |           |                   | 2             |           |
| Domain Password Security                       |                  |               |           |                   | 2             |           |
| <b>Communities &amp; Place</b>                 |                  |               |           |                   |               |           |
| Bus Station - Processes & Procedures           |                  |               |           | 2                 | 2             |           |
| Bereavement Services                           |                  |               |           | 2                 |               | 1         |
| Derby Arena Car Parks                          |                  |               | 1         |                   |               |           |
| Catering 2019-20                               |                  |               |           |                   | 1             |           |
| Bed & Breakfast Framework                      |                  | 3             | 3         |                   | 1             |           |
| Former Aida Bliss Site Project                 |                  |               | 1         |                   |               | 1         |
| Neighbourhood Boards                           |                  |               |           | 1                 | 1             | 2         |
| Strategic Housing - Disabled Facilities Grants |                  |               |           |                   | 1             | 2         |
| Bus Station Recharges                          |                  |               |           |                   |               | 4         |
| CCTV - Access Control - Parking                |                  |               |           |                   |               | 4         |
| CCTV - Access Control - Public Protection      |                  |               |           |                   | 4             |           |
|  |                  | <b>6</b>      | <b>19</b> | <b>5</b>          | <b>30</b>     | <b>36</b> |

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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>                                 |               |              |               |             |                  |              |               |             |
| Carelink                                       | 2             |              |               |             |                  |              |               |             |
| Deprivation of Liberty                         |               |              |               | 2           |                  |              |               |             |
| Billing for Home Care                          |               |              |               | 1           |                  |              |               |             |
| <b>Corporate Resources</b>                     |               |              |               |             |                  |              |               |             |
| Fixed Assets 2018/19                           |               |              | 2             |             |                  |              |               |             |
| Financial Reporting - Impact of Covid 19       | 2             |              |               |             |                  |              |               |             |
| Controlled Use of Administrative Privileges    |               |              | 2             |             |                  |              |               |             |
| Microsoft 365 Security                         |               | 1            | 1             |             |                  |              |               |             |
| People Management                              |               | 1            | 2             |             |                  |              |               |             |
| Agency Spend and Contract Monitoring           |               |              |               | 1           |                  |              |               |             |
| Document Management & Network Printing         |               |              |               | 1           |                  |              |               |             |
| MTFP(Agile)                                    |               |              |               | 1           |                  |              |               |             |
| Leaver Data Matching                           | 2             |              |               |             |                  |              |               |             |
| Domain Password Security                       |               | 1            | 1             |             |                  |              |               |             |
| <b>Community &amp; Place</b>                   |               |              |               |             |                  |              |               |             |
| Bus Station - Processes & Procedures           |               |              | 2             |             |                  |              |               | 2           |
| Bereavement Services                           |               |              |               |             |                  |              |               | 2           |
| Catering 2019-20                               |               |              | 1             |             |                  |              |               |             |
| Bed & Breakfast Framework                      | 3             | 1            |               |             |                  |              |               |             |
| Neighbourhood Boards                           |               |              | 1             |             |                  |              | 1             |             |
| Strategic Housing - Disabled Facilities Grants |               | 1            |               |             |                  |              |               |             |
| CCTV - Access Control - Public Protection      |               |              |               | 4           |                  |              |               |             |
|  | 9             | 5            | 9             | 13          |                  |              | 1             | 4           |

### Highlighted Recommendations

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

### Significant Risk Recommendations (> 3 Months Overdue)

The five significant risk recommendations overdue for implementation are as reported to Committee at its meeting on 26<sup>th</sup> January 2022. They are:

- Two actions relating to the Bus Station – Processes & Procedures audit.

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. The Committee were informed that :

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- A refurbishment of the bus station was being undertaken which would address the issues raised but this had been delayed and was scheduled to be completed in the summer of 2023.
- The refurbishment would address most of the recommendations.
- The toilets were not currently being charged for and a new system would be incorporated in the refurbishment, which would remove the need for the use of cash.
- A process had been put in place for ticket sales and
- A process had been put in place relating to keys.

Updates will be brought to future Committee on the progress with implementation of the agreed actions.

- Two agreed actions from the Bereavement Services audit relating to the cremators at Markeaton Crematorium. The update provided to Committee at its January meeting was that
  - In respect of the procurement for the provision of maintenance services to the cremators, a supplier had been agreed. The Council's Procurement and Legal Services were supporting the process and working up the contract. A revised action date of 31<sup>st</sup> December 2021 had been given. We are awaiting an update on this.
  - A review of crematorium has been agreed following completion of a report from Association for Public Sector Excellence (APSE) around options for the site. A business case for change was being developed and would be taken through CLT/SLT and Cabinet for approvals as required. A revised action date of 31<sup>st</sup> March 2022 had been given.

We are awaiting an update on the progress regarding implementation of both actions.

- One agreed action relating to the Neighbourhood Boards audit on the absence of a clear record of the decisions made by Members outside the normal Neighbourhood Board/Ward Committee meeting cycle.

Committee were informed at the last meeting that because responsibility for the implementation of the action had been transferred to Derby Homes, their request for more time to review the issue, due to its complexity, has been agreed. The revised action date is 31<sup>st</sup> March 2022.

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

There are currently 33 moderate risk recommendations that are overdue for implementation. Twenty of these exceed the original action date by 6 months. The table below outlines the current state on these 20 recommendations. The Chair and the Head of Internal Audit will advise the Committee at the meeting on any actions that need to be taken in respect of these recommendations.

| Audit Review           | No of Recs overdue | Original Action Date | Revised Date | Reason for Delay   |
|------------------------|--------------------|----------------------|--------------|--|
| Deprivation of Liberty | 2                  | 01/07/2020 &         | 31/03/2022 & | The recommendations concerned: <ul style="list-style-type: none"><li>● There was no policy that detailed the</li></ul> |

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| Audit Review                         | No of Recs overdue | Original Action Date | Revised Date | Reason for Delay   |
|--------------------------------------|--------------------|----------------------|--------------|--|
|                                      |                    | 01/10/2020           | 31/03/2022   | <p>roles and responsibilities of the Council and other relevant parties during the deprivation of liberty process.</p> <ul style="list-style-type: none"> <li>There was a lack of guidance and clarity for storing documents. There was no clear indication of how long documents should be kept for each type of circumstance.</li> </ul> <p>The progress in implementing the required actions has been slower than anticipated due to staff shortages, COVID pandemic responses and delays in implementation of a new electronic document management system. Implementation of the actions to meet both recommendations should be completed by the end of March 2022.</p>  |
| Billing for Home Care                | 1                  | 31/12/2020           | 31/12/2021   | <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. Again, this has been impacted by the pandemic. An update has been requested, but no response had been received at the time of writing the report.</p>  |
| Agency Spend and Contract Monitoring | 1                  | 30/04/2020           | 28/02/2022   | <p>The audit identified that there was off contract spending for agency staff that was not covered by another compliant contract or by a contract waiver.</p> <p>We have previously reported to Committee that the service has stated that it has been difficult to move forward given the level of procurement support available as their resources are focussed on the contract spending review. However, a report of all off contract spend for 2020/21 and the first three quarters of 2021/22 has been requested. This will be reviewed and a plan of action developed accordingly. We also understand that a meeting with Procurement was planned to move this forward, but have not received any further updates.</p> |

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| Audit Review                           | No of Recs overdue | Original Action Date    | Revised Date            | Reason for Delay   |
|--|--------------------|-------------------------|-------------------------|--|
| Document Management & Network Printing | 1                  | 31/07/2019              | 31/10/2021              | The audit found that access was not restricted to the second-floor storage room (Council House) used for archiving documents, with no process in place to identify who had been inside the room. We have previously reported to Committee that an approach has been agreed and all sensitive documents/boxes held will now be stored off-site or locked away in appropriate cupboards with restricted access. The transfer and full implementation of the actions has been paused due to the COVID-19 situation and the current remote working arrangements for the service. It is expected that when the Council House is open for 'business as usual' activities all remaining actions will be completed. The revised action date of 31/10/21 was based on the assumption that the service would have resumed in the Council House again rather than the continuation of the working from home. A further update has been requested. |
| MTFP                                   | 1                  | 30/06/2019              | 01/04/2022              | 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. Commercialism is included as a theme in the MTFP for 2020/21- 2022/23 and Change Derby programme. A Commercial Manager is now in place (based within Streetpride but working corporately). It is expected the new approach will be finalised by March 2022.   |
| Bus Station - Processes & Procedures   | 2                  | 31/08/2020 & 31/08/2020 | 31/03/2022 & 30/06/2022 | Committee received an update on implementation of the agreed actions from the Head of Traffic and Transportation at the January 2022 meeting. See comments on pages 11/12.   |
| Catering 2019-20                       | 1                  | 31/01/2020              | 30/07/2021              | This area has been subject to recent audit work (Leisure and Business Development).  |



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| Audit Review                                | No of Recs overdue | Original Action Date    | Revised Date | Reason for Delay  |
|---|--------------------|-------------------------|--------------|---|
| CCTV - Access Control - Public Protection   | 4                  | 31/10/2019              | 31/12/2020   | <p>Committee received an update on implementation of the agreed actions from the Director of Public Protection and Streetpride at the meeting on 26<sup>th</sup> January 2022.</p> <p>A review had been undertaken and a report was being prepared to respond to the audit recommendations. The Infrastructure Board provided governance and an officer working group had been set up to oversee progress.</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 on property events/changes with no oversight by Strategic Asset Management &amp; Estates.</li> </ul> <p>No updates have been received.</p>  |
| Controlled Use of Administrative Privileges | 2                  | 30/06/2021 & 31/08/2021 | 31/01/2023   | <p>One recommendation concerned the lack of dedicated administrative accounts within ICT.</p> <p>The second recommendation concerned the ineffective process for inventorying and verifying all administrative accounts and privileges across the Council's network</p> <p>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.</p> |
| Microsoft 365 Security                      | 1                  | 30/06/2021              | 30/09/2022   | <p>The recommendation was raised because 657 users were found to have not registered for multi-factor authentication, increasing the risk of unauthorised access to the Council's network</p> <p>A progress update was received from the Infrastructure Team Leader on the 7th October 2021 which stated that a number of technical challenges have been</p>  |



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| Audit Review         | No of Recs overdue | Original Action Date    | Revised Date            | Reason for Delay   |
|----------------------|--------------------|-------------------------|-------------------------|--|
|                      |                    |                         |                         | identified in addressing this issue, which will be worked on in 3 individual stages over the next 12 months.   |
| People Management    | 2                  | 01/05/2021 & 30/06/2021 | 17/12/2021 & 28/02/2022 | <p>The two findings were:</p> <ul style="list-style-type: none"> <li>• Council policies and procedural guidelines for dealing with disciplinaries, dismissals and grievances required clarification to be fully compliant with the ACAS Code of Practice</li> <li>• 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.</li> </ul> <p>As previously reported to Committee, implementation has been delayed due to current resource levels and work priorities in HR. A further update has been requested, but not received at the time of writing this report.</p> |
| Neighbourhood Boards | 1                  | 31/05/2021              | 31/03/2022              | <p>A moderate risk recommendation was made to address the finding that there was no record of instances where Neighbourhood Managers had provided advice regarding a possible application and that application had not then been made.</p> <p>Given that responsibility has now transferred to Derby Homes, the Client has requested more time to review due to complexities.</p>  |

### Low Risk Recommendations

There are currently 55 low risk recommendations that are overdue for implementation. Of these 55, 23 exceed 12 months, and in 20 of these cases Internal Audit has agreed a revised implementation date. Of the remaining three, one relates to the Taxation audit where Debtor invoices were being written-off too late to be eligible for VAT bad debt relief and two relate to the Welfare Reform Reserve where again we are waiting on an update. None of these low-risk recommendations are currently considered worthy of Committee's attention.