



central midlands audit partnership

Derby City Council – Audit Progress Report

Audit & Governance Committee: 26th January 2022



Derby City Council



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Our Vision

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

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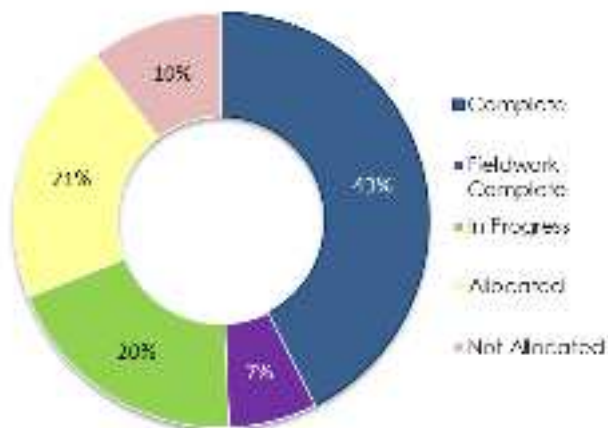
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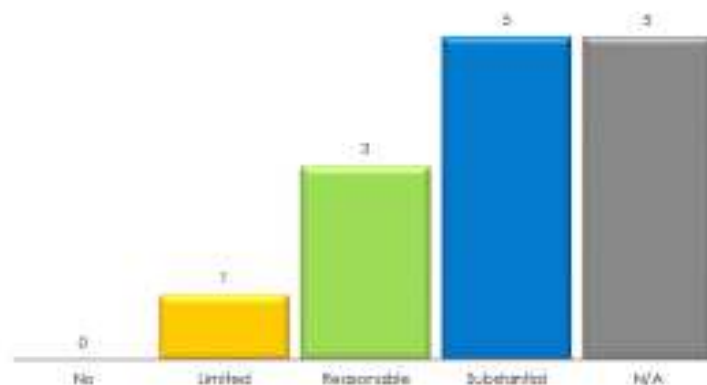
AUDIT DASHBOARD

Plan Progress



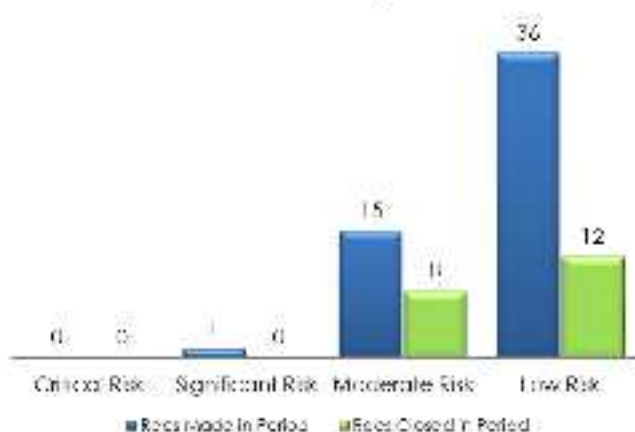
Jobs Completed in Period

Control Assurance Ratings During Period



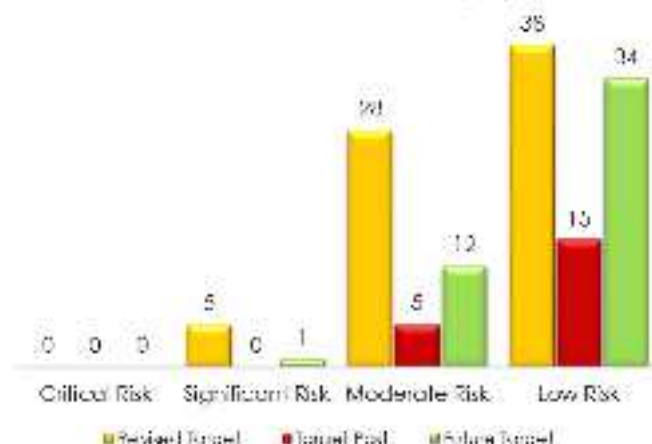
Recommendations

Movement During Period



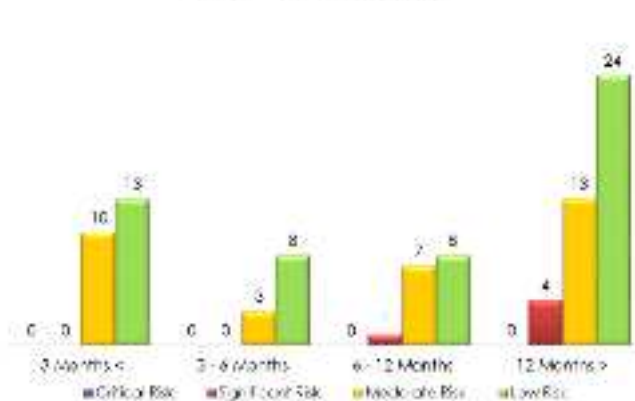
Recommendations

Recommendations Currently Open



Recommendations

Overdue Recommendations



Customer Satisfaction

Customer Satisfaction Scores Dec 20 to Dec 21



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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 31st December 2021.

2021-22 Jobs	Status	% Complete	Assurance Rating
Policy, Insight & Communications			
Recovery Plan - Corporate	Cancelled		
People Services			
Carelink	Final Report	100%	Limited
Care Act 2014	In Progress	60%	
Safeguarding & Domestic Abuse	In Progress	60%	
Payments for Children's Social Care 2021-22	Draft Report	95%	
Housing Framework for 16 & 17 Year Olds	In Progress	45%	
Direct Payments 2021-22	Final Report	100%	Substantial
Special Educational Needs and/or Disabilities	Allocated	0%	
Demand Management	Final Report	100%	N/A
Corporate Resources			
Contract & Project Audit Assurance	In Progress	45%	
Contract Management - Data Analytics	In Progress	90%	
Accounts on Deposit	Final Report	100%	N/A
Grant Certification 2021-22	In Progress	60%	
Financial Management System Project	In Progress	20%	
CIPFA Financial Management Code	Allocated	0%	
Key Financial Controls 2021-22	Allocated	0%	
Health & Wellbeing	Final Report	100%	Substantial
Health & Safety 2021-22	Allocated	0%	
SIRO/Information Governance	Fieldwork Complete	80%	
Leaver Data Matching	Final Report	100%	N/A
Digital By Default Project	Allocated	5%	
Digital Workforce - Windows 10 Build	Draft Report	95%	
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
Communities & Place			
Catering - Cash & Bank Process	Fieldwork Complete	80%	
Leisure Centres	In Progress	65%	
Food Safety	In Progress	40%	
Community Safety	Allocated	5%	
Land Drainage & Flood Control	Allocated	0%	
Transforming Cities /Mobility Programme	In Progress	50%	
Parking Permits 2021-22	Fieldwork Complete	80%	
Rough Sleeping & Foodbanks	Draft Report	95%	
Becketwell Project	Final Report	100%	Substantial
Former Aida Bliss Site Project	Final Report	100%	Reasonable
Strategic Housing	Final Report	100%	Substantial
SmartParc Project	Fieldwork Complete	80%	
Bed & Breakfast Framework	Final Report	100%	Reasonable

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Leisure & Business Development 2021-22	Complete	100%	N/A
Sinfin Waste Plant	In Progress	65%	
Schools			
Schools SFVS Contingency (11 School visits planned)	Allocated	25%	

B/Fwd Jobs	Status	% Complete	Assurance Rating
People Services			
Pre-Paid Cards	Final Report	100%	Reasonable
School Financial Irregularities	Final Report	100%	N/A
School Whistleblowing - Expenses	Final Report	100%	N/A
Corporate Resources			
Project Delivery - Fact Finding	Complete	100%	N/A
Budget Management	Final Report	100%	Reasonable
Payment Systems - In Light of Covid 19	Draft Report	95%	
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	In Progress	65%	
Corporate Resources - Risk Management	Final Report	100%	Reasonable
Communities & Place			
Business Continuity - Impact of Covid 19	In Progress	20%	
Neighbourhood Boards	Final Report	100%	Reasonable
Section 106 Agreements 2020-21	Final Report	100%	Substantial
Derby Arena Car Parks	Final Report	100%	Limited
Schools			
Schools SFVS Self Assessment 2020-21	Final Report	100%	Reasonable
Schools SFVS (4 Schools – 1 Substantial, 3 Reasonable)	Final Report	100%	Various

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AUDIT COVERAGE

Completed Audit Assignments

Between 15th October 2021 and 10th January 2022, the following audit assignments have been finalised since the last Progress Report was presented to this Committee (3rd November 2021).

Audit Assignments Completed in Period	Assurance Rating	Recommendations Made				% Recs Closed
		Critical Risk	Significant Risk	Moderate Risk	Low Risk	
Carelink	Limited			4	9	31%
Former Aida Bliss Site Project	Reasonable		1	1	4	
Budget Management	Reasonable				6	
Financial Reporting - Impact of Covid 19	Reasonable			2	3	20%
Section 106 Agreements 2020-21	Substantial				3	33%
Direct Payments 2021-22	Substantial				4	25%
Insurance 2020-21	Substantial				2	
Strategic Housing	Substantial				2	50%
Rough Sleeping & Foodbanks	Substantial				1	
Accounts on Deposit	N/A				2	
Domain Password Security 2021-22	N/A			4		25%
Leaver Data Matching	N/A			3		33%
Demand Management	N/A					n/a
File Server Migration - Data Security	N/A			1		100%

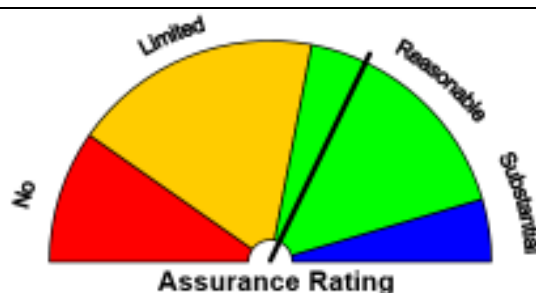
The opinions provided within the audits detailed below have been derived from risk-based audit work and as such, can only provide assurance relating to the specific areas within each objective inspected. These opinions do not imply that Internal Audit have reviewed all risks, controls and governance 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.

Carelink					
Control Objectives Examined		Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
To provide assurance on the progress made on the implementation of the recommendations from an external review of compliance with the quality standards framework carried out in March 2018.		3	1	1	1
There are robust governance arrangements in place for managing the assessment, installation and financial management processes for delivering the Carelink service.		10	2	8	0

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There are suitable Performance Management arrangements in place to ensure service delivery is monitored with any shortfalls in performance being identified and improved.	6	2	3	1
There are adequate customer service arrangements in place that helped to ensure customers received a good quality service.	5	2	3	0
TOTALS	24	7	15	2
Summary of Weakness		Risk Rating	Agreed Action Date	
There was no formally documented action plan to help the Carelink service area implement the recommendations made by the external assessor, which in turn would help prepare for the Council's reassessment against the quality standards framework.		Moderate Risk	31/12/2021 Being Implemented 31/03/2022	
The progress and subsequent decisions on the implementation of the recommendations from the external assessment against the quality standards framework were not formally reported to and evidenced as agreed by senior management.		Moderate Risk	31/12/2021 Being Implemented 31/03/2022	
A duplicate record of customer details was held in the format of a Microsoft excel spreadsheet that was not routinely reconciled to the Answerlink system, the central database of customer records.		Low Risk	Implemented	
The financial procedure for setting up the Carelink customer account, undertaking the billing process and reconciling control totals and ensuring all income is properly accounted was convoluted, inefficient and at risk of error.		Moderate Risk	31/12/2021 Implemented	
There was an absence of formal methodology and criteria to manage the departmental debt collection and write off procedure.		Low Risk	31/03/2022 Future Action	
Access and storage of customer records in the office and on the network was not secure and properly restricted.		Moderate Risk	Implemented	
An up-to-date pricing list for the services and equipment offered by Carelink had not been formally approved and made available to existing and potential customers.		Low Risk	31/12/2021 Implemented	
The role and responsibilities of the Contract Manager for overseeing the implementation and ongoing management of the Answerlink Service provision had not been formally assigned to a designated officer.		Low Risk	31/10/2021 Being Implemented 11/01/2022	
Contract management meetings with the service provider for the Answerlink system had not been formally timetabled and minuted.		Low Risk	31/10/2021 Being Implemented 31/03/2022	
The budgets and costs for Carelink were not all being accounted for against specific subjective/analysis codes to enable levels of spend to be properly monitored/identified and ensure that the Council adhered to procurement regulations.		Low Risk	31/12/2021 Being Implemented 31/03/2022	
There was no structured and periodic management information produced on the Carelink services for data analysis and monitoring purposes.		Low Risk	30/01/2022 Future Action	
Customer satisfaction surveys and customer feedback had not been regularly obtained.		Low Risk	31/03/2022 Future Action	
The marketing strategy to develop the Carelink service required updating.		Low Risk	31/03/2022 Future Action	

Former Aida Bliss Site Project



Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
Projects are selected with the appropriate documentation and governance in place from the start	8	4	3	1

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Officers are appointed for the project to ensure adequate monitoring and management throughout	7	6	0	1
The gateway process is followed with appropriate approval at the relevant stages with documentation available	5	5	0	0
TOTALS	20	15	3	2
Summary of Weakness		Risk Rating	Agreed Action Date	
There was no clear record of the approval of the Outline Business Case by the Senior Responsible Officer or the Project Board.		Low Risk	31/12/2021 Action Due	
The development appraisal did not clearly evidence assumptions used or appropriate review.		Low Risk	31/03/2022 Future Action	
The budget monitoring process did not present financial information in a way which facilitated effective monitoring of costs against budget.		Low Risk	31/10/2021 Being Implemented 31/12/2021	
The annual Project Health Check had not been completed since September 2019.		Low Risk	31/03/2022 Future Action	
There was limited evidence demonstrating effective oversight of the project by the HRA Capital Board.		Significant Risk	31/03/2022 Future Action	
Highlight reports were not provided to the Board at the intended frequency and did not clearly link to the project plan and budget.		Moderate Risk	31/03/2022 Future Action	

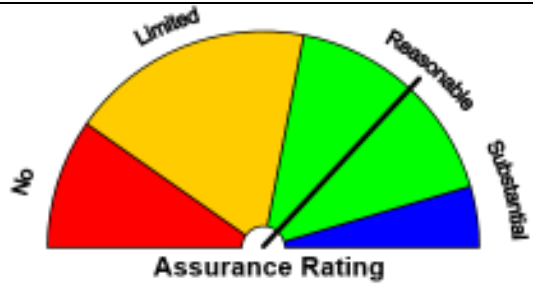
Budget Management




Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
There are detailed policy, procedure and guidance documents in place to direct the management of performance against budget.	7	5	0	2
The forecasts of annual out-turns are compiled using reliable data.	4	1	0	3
Current performance and forecasted outturns against budget are reported appropriately and acted upon accordingly.	5	3	1	1
TOTALS	16	9	1	6
Summary of Weakness		Risk Rating	Agreed Action Date	
The Heads of Finance and Senior Accountancy officers advised that Budget Managers were coached in their responsibilities and the use of the Oracle system. However, Budget Managers suggested that training was minimal at best and that learning was 'on the job'. Budget Managers also reported that they had not received refresher training in Budget Management.		Low Risk	31/03/2022 Future Action	
Whilst Budget Managers responsibilities were stated in the 'Budget Management' area of the iDerby intranet site, detailed procedures that described the methods to be employed to achieve those responsibilities were not available.		Low Risk	31/03/2022 Future Action	
Forecast values were not provided in the Oracle system by departments in the People's Directorate. Forecast values were not provided in respect of cross-charged contributions from operational areas to fund service areas such as IT and Democratic Services.		Low Risk	30/04/2023 Future Action	
The Council was unable to substantiate forecast values entered into the Oracle system for		Low Risk	31/03/2022	

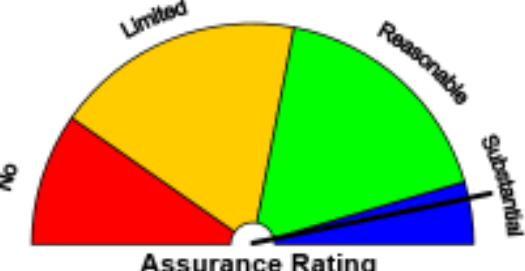
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five departments sampled because calculations performed in the compilation of year end outturn forecasts were not available to view. Records were not retained by Budget Managers after submission to the Oracle system. There was no instruction in the guidance available on iDerby to retain the completed calculations.		Future Action
Officers who were able to deputise for Budget Managers had not been identified and appointments had not been formalised.	Low Risk	31/03/2022 Future Action
The Council did not have a written record of the decision-making processes taken with regard to Budget Management. Notes or minutes of discussions between Budget Managers and Accountants were not kept. Actions designed to resolve concerns about financial performance were not drawn up into action plans; follow-up to give assurance that actions had been implemented successfully was not formally documented.	Low Risk	31/03/2022 Future Action

Financial Reporting - Impact of Covid 19				
Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
The Council has considered its financial sustainability and taken appropriate action to demonstrate its compliance with the principles and standards set out in CIPFAs Financial Management Code.	1	0	0	1
The Council has considered the impact of Covid-19 on its control environment, identifying critical controls to reduce the risk of fraud or error.	5	2	2	1
The Council has considered the regularity of its spending to ensure it adheres to the principles set out in Managing Public Money.	6	4	2	0
TOTALS	12	6	4	2
Summary of Weakness		Risk Rating	Agreed Action Date	
The Council had not formally assessed itself against CIPFAs Financial Management Code.		Moderate Risk	31/01/2022 Future Action	
Minutes from meetings of the Statutory Officers' Group, which forms part of the Governance Framework, were not being taken.		Low Risk	No action taken – risk accepted	
The Council had not formally recognised the risk of Covid-19 on its governance arrangements, processes, internal control environment and the increased risk of fraudulent activity.		Moderate Risk	31/12/2021 Action Due	
Scanned signatures were being copied and pasted to approve cash requisition forms by other officers to which the signature did not belong.		Low Risk	31/10/2021 Being Implemented 31/12/2021	
The Council had only acknowledged the potential fraud and error risk in relation to the Business Support Grant scheme to the Audit and Accounts Committee (now Audit and Governance Committee) and not the potential fraud and error risk which may be inherent across other Council Services.		Low Risk	31/01/2022 Future Action	

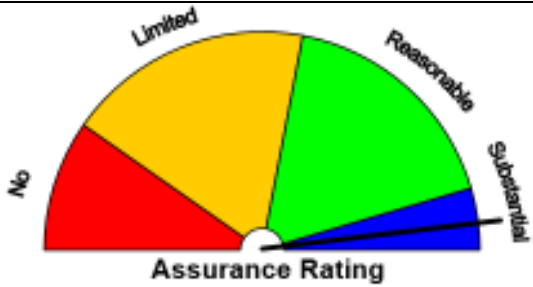
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Section 106 Agreements 2020-21				
Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
Policy and procedures relating to Section 106 agreements adhere to both Council policy and legislation.	4	4	0	0
Adequate departmental and corporate records are maintained for all Section 106 agreements.	4	3	1	0
Arrangements are in place to monitor financial and non-financial contributions to ensure they are adequately enforced.	1	1	0	0
Section 106 income is promptly identified, recorded, and allocated.	3	2	1	0
Expenditure of Section 106 funds is appropriate and meets the terms of the agreement.	1	0	1	0
Section 106 agreements are appropriately approved, and regularly monitored by management and Members.	1	1	0	0
TOTALS	14	11	3	0
Summary of Weakness		Risk Rating	Agreed Action Date	
We found from a sample of 13 Section 106 documents searched for online, using the eplanning service, one could not be located, and two others had been incorrectly filed.		Low Risk	01/12/2021 Action Due	
We found two agreements where the payments received had not been subject to indexation as required in the Section 106 agreements. No evidence was available to determine if chasing of the additional amounts due had taken place, or if not, that the decision not to chase had been appropriately approved.		Low Risk	Implemented	
For one of the Section 106 agreements sampled, we found that two financial contributions received had not been expended or otherwise contractually committed within the agreed time period.		Low Risk	31/12/2021 Action Due	


Direct Payments 2021-22				
Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
Documentation for support plans is in place with the relevant process followed throughout.	11	9	2	0
Direct payments and support plans are monitored in a timely manner,	13	11	2	0


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with any issues highlighted and resolved.				
TOTALS	24	20	4	0
Summary of Weakness	Risk Rating		Agreed Action Date	
The procedures and guidance documents for direct payments on iDerby were out of date and officers were not aware of their location.	Low Risk		31/03/2022 Future Action	
There was one customer account that did not have the responsible person for managing the direct payment recorded as a contact on Liquid Logic.	Low Risk		Implemented	
There was one customer account that did not have a financial assessment in place while their direct payment was being paid out.	Low Risk		31/03/2022 Future Action	
The Council was behind in monitoring the income and spending forms for direct payments.	Low Risk		30/04/2022 Future Action	

Insurance 2020-21				
Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
Adequate insurance cover is in place, to cover known areas of insurable risk, legal and other contractual requirements.	6	5	1	0
Insurance Claims are promptly and adequately assessed, processed and dealt with to conclusion with summary information reported to management.	5	4	0	1
Data relating to insurance policies and claims is appropriately stored and managed.	4	3	1	0
The insurance function is appropriately recognised throughout the Council and given sufficient priority to enable the Insurance Team to deliver their service effectively.	4	4	0	0
TOTALS	19	16	2	1
Summary of Weakness	Risk Rating		Agreed Action Date	
The Insurance Handbook on the staff intranet was a year out of date and currently in the process of being reviewed. (Compliance with System)	Low Risk		31/01/2022 Future Action	
The claims information was deleted from the Local Authority Claims Handling System after 10 years, not the 6 years specified in the Derby City Council Document Retention Schedule. (Compliance with System)	Low Risk		30/04/2022 Future Action	

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Strategic Housing				
Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
The Council has a Housing Strategy that is supported by sub-strategies where necessary.	3	2	0	1
The Council has a delivery plan in place that aligns with the aims of its Strategies.	4	2	2	0
There are governance arrangements in place to ensure the monitoring and reporting of delivery plans linked to the implementation of the Council's Housing Strategy 2020-2029.	8	6	1	1
TOTALS	15	10	3	2
Summary of Weakness		Risk Rating	Agreed Action Date	
Development of the Accommodation Strategy for Disabled Adults of Working Age had been delayed. The Housing Strategy was therefore not fully supported by a detailed strategy in this area.		Low Risk	31/05/2022 Future Action	
Meetings of the Derby Homes Strategic Partnership Board were not held between November 2019 and April 2021, meaning that there was no formal review of the services provided by Derby Homes to the Council during that time.		Low Risk	Implemented from April 2021	

Rough Sleeping & Foodbanks				
Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
To ensure that rough sleeping initiatives identified by Central Government are being addressed and monitored by the City Council.	7	6	1	0
To ensure that the City Council is monitoring food bank activity.	3	3	0	0
TOTALS	10	9	1	0
Summary of Weakness		Risk Rating	Agreed Action Date	
We found that the Terms of Reference of the Homelessness Liaison Forum were not up to date.		Low Risk	31/03/2022 Future Action	

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Accounts on Deposit (Assurance Rating: N/A)

We completed a review of the Council's approach to giving notice regarding the Audit and public inspection of the annual accounts and the management of any enquiries arising from it. We reviewed the process for managing requests from the public to inspect the statement of accounts, associated accounting records and other related documents. The following issues were identified:

Summary of Weakness	Risk Rating	Agreed Action Date
The Council's notice of public inspection did not comply with all the requirements of the Accounts and Audit Regulations 2015 as it had not declared the statement of accounts was unaudited and may be subject to change.	Low Risk	01/06/2022 Future Action
Draft procedure notes to manage publicising the Statement of Accounts and the inspection period had not been finalised and issued.	Low Risk	01/06/2022 Future Action

Domain Password Security 2021-22 (Assurance Rating: N/A)

We carried out scheduled password vulnerability assessments across to the DerbyAD domain as part of the 2021/22 audit plan. As previously, the objective was to help management identify and report on weak passwords, and poor password management practices, such as password duplication across privileged accounts, or password duplication across standard 'day to day' and secondary administrative accounts used by the same employee.

Our audit checks identified a number of areas where security improvements could be made and four moderate risk recommendations were suggested. IT Management agreed to take action to address all four recommendations. One issue has already been addressed; one has passed its agreed implementation date and the remaining two have agreed action dates for the end of March 2022.

Leaver Data Matching (Assurance Rating: N/A)

We undertook a review and comparison of leavers' data obtained from the payroll system to details of DerbyAD user accounts that were live within the IT system. This was to determine whether effective network account management controls were still being implemented during the COVID-19 pandemic.

We noted anomalies within and between the two data sets that gave rise to concerns, and three moderate risk recommendations were made. IT Management agreed to take actions to address all three recommendations. One recommendation has already been addressed and the two remained have passed their original action dates and management have provided revised action dates for the end of June 2022.

Demand Management (Assurance Rating: N/A)

We have undertaken a consultancy review of Strategic Risk 10 – Budget overspend due to high numbers of children in care – 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. From a review of the information held on the Strategic Risk Register for Strategic Risk 10 (SR10) We found that:

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- The controls and resources allocated during operations to manage the risk were proportionate to the level of risk faced. This demonstrated an understanding of both the scale of the risk and the objective both separately and collectively.
- The controls that were in place were focused on addressing the entirety of the risk not just facets of it.
- The controls were regularly reviewed and adjusted to reflect any changes or observations to the risk or the larger risk environment.
- The directorate was working with the Policy & Improvement Team and the Finance team to ensure effective management of the identified risk and appropriate application of the controls.

The review also identified that the following area could be improved upon:

- At the time of audit, details of what information needed to be escalated or communicated to other workstreams was not clearly documented, this could result in important or useful information not being communicated to the relevant officer or overall risk owner.

File Server Migration - Data Security (Assurance Rating: N/A)

A basic probity review was performed to ensure there were no access control vulnerabilities associated with staging or read-only archive areas on the Council's 'on-prem' server estate. Our understanding was that this was an ongoing project, therefore any control issues found should be reported to management in real-time to address and consider for future stages of the migration project.

A moderate risk issue was identified during the audit which was reported to IT Management. This matter had been appropriately addressed by the end of the audit.

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RECOMMENDATION TRACKING (as at 10th January 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		5	4
27-Nov-19	Deprivation of Liberty	Limited		2	
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	
09-Nov-21	Budget Management	Reasonable			6
30-Nov-21	Financial Reporting - Impact of Covid 19	Reasonable	1	1	2
30-Mar-21	Controlled Use of Administrative Privileges	Reasonable		5	
22-Apr-21	Microsoft 365 Security	Reasonable	2	2	
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			2
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		
27-Oct-21	Accounts on Deposit	N/A			2
16-Aug-21	Domain Password Security 2021-22	N/A	1		2
29-Oct-21	Leaver Data Matching	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		5	
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		1	6
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
27-Oct-21	Section 106 Agreements 2020-21	Substantial	2		
10-Oct-19	CCTV - Access Control - Parking	N/A		4	
10-Oct-19	CCTV - Access Control - Public Protection	N/A		4	
		Totals	20	71	47

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

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

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

Audit Assignments with Recommendations Due	Action Due			Being Implemented		
	Significant Risk	Moderate Risk	Low Risk	Significant Risk	Moderate Risk	Low Risk
Peoples						
Carelink					2	3
Deprivation of Liberty					2	
Billing for Home Care					1	
School Whistleblowing - Expenses			2			
Corporate Resources						
Fixed Assets 2018/19		2				
Public Utilities Management						1
Financial Reporting - Impact of Covid 19		1				1
Controlled Use of Administrative Privileges					2	3
Microsoft 365 Security		1	1		1	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			
Asbestos Removal Contract Management			2			
Creditors - Follow Up						1
Attendance Management - First Care						3
Taxation			1			
Domain Password Security 2021-22		1				
Leaver Data Matching					2	
Domain Password Security					2	
Communities & Place						
Bus Station - Processes & Procedures				2	2	1
Bereavement Services				2		1
Derby Arena Car Parks			1			
Catering 2019-20					1	
Bed & Breakfast Framework					1	
Former Aida Bliss Site Project			1			1
Neighbourhood Boards				1	1	2
Strategic Housing - Disabled Facilities Grants					1	2
Bus Station Recharges						4
Section 106 Agreements 2020-21			2			
CCTV - Access Control - Parking						4
CCTV - Access Control - Public Protection					4	
		5	15	5	28	38

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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 >
Peoples								
Carelink	2							
Deprivation of Liberty				2				
Billing for Home Care				1				
Corporate Resources								
Fixed Assets 2018/19			2					
Financial Reporting - Impact of Covid 19	1							
Controlled Use of Administrative Privileges		1	1					
Microsoft 365 Security	1		1					
People Management	1		2					
Agency Spend and Contract Monitoring				1				
Document Management & Network Printing				1				
MTFP(Agile)				1				
Domain Password Security 2021-22	1							
Leaver Data Matching	2							
Domain Password Security	1	1						
Community & Place								
Bus Station - Processes & Procedures				2				2
Bereavement Services								2
Catering 2019-20				1				
Bed & Breakfast Framework		1						
Neighbourhood Boards			1				1	
Strategic Housing - Disabled Facilities Grants	1							
CCTV - Access Control - Public Protection				4				
	10	3	7	13			1	4

Highlighted Recommendations

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

Significant Risk Recommendations (> 3 Months Overdue)

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

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- 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. A recent update on progress states that management are in the process of producing an updated procedure for cashing up. A meeting will be convened to discuss the updated procedures prior to any submission to the Strategic Director of Corporate Resources. This is still to be finalised and implemented – a revised action date of 31st March 2022 has been provided. The update to the toilet turnstiles is being included as part of the National Productivity Investment Fund (NPIF). Discussions are ongoing between Property Projects and Technical Services and the suppliers. The toilets are currently operating free of charge. The revised action date for the implementation of this recommendation is 30th June 2022.
- Two are from the Bereavement Services audit and relate to the cremators at Markeaton Crematorium. The latest update received was that a supplier had been agreed and the VEAT process was being used. The Council's Procurement and Legal Services were supporting the process and working up the contract. A revised action date of 31st December 2021 had been given. A review of crematorium has been agreed following completion of a report from Association for Public Sector Excellence (APSE) around options for the site. The business case for change will be developed throughout the 21/22 performance year and taken through CLT/SLT and Cabinet for approvals when required. A revised action date of 31st March 2022 has been given.
- One relates to the Neighbourhood Boards audit which found that there was no clear record of the decisions made by Members outside the normal Neighbourhood Board/Ward Committee meeting cycle. With responsibility having been transferred to Derby Homes, a request for more time to review the issue, due to its complexity, has been agreed. The revised action date is 31st 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 & 01/10/2020	31/03/2022 & 31/03/2022	The recommendations concerned: <ul style="list-style-type: none"> There was no policy that detailed the roles and responsibilities of the Council and other relevant parties during the deprivation of liberty process. There was a lack of guidance and clarity for storing documents. There

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Audit Review	No of Recs overdue	Original Action Date	Revised Date	Reason for Delay
				<p>was no clear indication of how long documents should be kept for each type of circumstance.</p> <p>The progress in implementing the required actions has been slower than anticipated due to staff shortages, COVID pandemic responses and delays in implementation of a new electronic document management system.</p>
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.</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>A recent update 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.</p>
Document Management & Network Printing	1	31/07/2019	31/10/2021	<p>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.</p> <p>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.</p>

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Audit Review	No of Recs overdue	Original Action Date	Revised Date	Reason for Delay
				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 working from home.
MFTP	1	30/06/2019	01/04/2022	<p>The recommendation aimed to address the Council not having a Commercial Strategy, although there was an outstanding action in the Corporate Improvement Plan to implement a commercial approach. There was also no clear indication on how a commercial approach would support the Medium-Term Financial Plan.</p> <p>Commercialism is included as a theme in the MFTP 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.</p>
Bus Station - Processes & Procedures	2	31/08/2020 & 31/08/2020	31/03/2022 & 30/06/2022	<p>Two recommendations were made around non-compliance with the Council's cash handling procedures in respect of cashiers cashing up and reconciling their own tills without supervision and with regard to the storage of safe keys.</p> <p>The implementation of these two recommendations is tied in with the implementation of the two significant risk recommendations mentioned on page 13.</p> <p>The Assistant Passenger Transport Operations & Facilities Manager is considering what arrangements would work. Given the current situation with regards to home working and COVID-19, this may prove harder to establish in the short-term. Given the current WFH guidance and a lack of resources this has still not been implemented. It is being proposed that the reconciliation checks will be performed by the Passenger Transport Strategy & Inspections Officer. But again, given the current WFH guidance and a lack of resources this has still not been implemented.</p>

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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).
CCTV - Access Control - Public Protection	4	31/10/2019	31/12/2020	<p>The audit assessed the systems in place to manage the Council's CCTV networks against the 12 Principles in the Home Office Surveillance Camera Code of Practice. These four recommendations concerned weaknesses identified in access to CCTV images, responsibility for the servers holding the images, quality of the images produced and responsibility for the overall management of the CCTV function.</p> <p>A CCTV Improvement Board was set up to review and address all the issues raised in this audit. Internal Audit is aware that the Head of Service - Trading Standards, Food and Safety, Bereavement Services and Building Consultancy has been given the CCTV project to undertake a review / scope etc. No further updates have been received on when the recommendations will be implemented.</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"> At the time of the audit there were no procedure notes in place that provided guidance on how the Council would identify, record and account for impairment. The proposed notification system relies on Departments to identify and report on property events/changes with no oversight by Strategic Asset Management & Estates. <p>No updates have been provided.</p>
Controlled Use of Administrative Privileges	1	30/06/2021	31/01/2022	<p>The recommendation concerned the lack of dedicated administrative accounts within ICT.</p> <p>Following workshops held with Microsoft, the Head of ICT is working on plans for the implementation of SIEM (Security Information and Event Management), but timescales and delivery will mainly depend on when funding is available. He will know more in January and will be able to then provide a firmer timeline. In the</p>

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Audit Review	No of Recs overdue	Original Action Date	Revised Date	Reason for Delay
				interim an amended the target date 0r 31 st January 2022 was agreed. This recommendation is being addressed as part of an overarching cyber security improvement project, which will address a number of Internal Audit and PSN audit flagged issues.
Microsoft 365 Security	1	30/06/2021	30/09/2022	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 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 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	The two findings were: <ul style="list-style-type: none"> • Council policies and procedural guidelines for dealing with disciplinaries, dismissals and grievances required clarification to be fully compliant with the ACAS Code of Practice • 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. An update for both recommendations was received on 13 th December 2021. Internal Audit will be supplied with the relevant evidence to verify the action details on compliance with the ACAS Code. The review initiated to the finding on the informal process for dealing with grievances has been delayed due to current resource levels and work priorities in HR.
Neighbourhood Boards	1	31/05/2021	31/03/2022	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

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Audit Review	No of Recs overdue	Original Action Date	Revised Date	Reason for Delay
				and that application had not then been made. Given that responsibility has now transferred to Derby Homes, the Client has requested more time to review due to complexities.

Low Risk Recommendations

There are currently 53 low risk recommendations that are overdue for implementation. Of these 53, 24 exceed 12 months, and in 21 of these cases Internal Audit has agreed a revised implementation date. Of the remaining three, 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.