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Derby City Council –
Internal Audit Progress Report
Covering the period 1st September 2015 to 31st October 2015)

Audit & Accounts Committee: 2nd December 2015

Our Vision

Through continuous improvement, the central midlands audit partnership will strive to provide cost effective, high quality internal audit services that meet the needs and expectations of all its partners.

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Providing Excellent Audit Services in the Public Sector

Derby City Council – Internal Audit Progress Report

Summary

Role of Internal Audit

The Internal Audit Service for Derby City Council is provided by the Central Midlands Audit Partnership (CMAP). The Partnership operates in accordance with standards of best practice applicable to Internal Audit (in particular, the Public Sector Internal Audit Standards – PSIAS). CMAP also adheres to the Internal Audit Charter.

The role of internal audit is to provide independent assurance that the organisation's risk management, governance and internal control processes are operating effectively.

Recommendation Ranking

To help management schedule their efforts to implement our recommendations or their alternative solutions, we have risk assessed each control weakness identified in our audits. For each recommendation a judgment was made on the likelihood of the risk occurring and the potential impact if the risk was to occur. From that risk assessment each recommendation has been given one of the following ratings:

- Critical risk.
- Significant risk.
- Moderate risk.
- Low risk.

These ratings provide managers with an indication of the importance of recommendations as perceived by Audit; they do not form part of the risk management process; nor do they reflect the timeframe within which these recommendations can be addressed. These matters are still for management to determine.

Control Assurance Definitions

Summaries of all audit reports are to be reported to Audit & Accounts Committee together with the management responses as part of Internal Audit's reports to Committee on progress made against the Audit Plan. All audit reviews will contain an overall opinion based on the adequacy of the level of internal control in existence at the time of the audit. This will be graded as either:

- **None** - We are not able to offer any assurance. The areas reviewed were found to be inadequately controlled. Risks were not being well managed and systems required the introduction or improvement of internal controls to ensure the achievement of objectives.
- **Limited** - We are able to offer limited assurance in relation to the areas reviewed and the effectiveness of the controls found to be in place. Some key risks were not well managed and systems required the introduction or improvement of internal controls to ensure the achievement of objectives.
- **Reasonable** - We are able to offer reasonable assurance as most of the areas reviewed were found to be adequately controlled. Generally risks were well managed, but some systems required the introduction or improvement of internal controls to ensure the achievement of objectives.
- **Comprehensive** - We are able to offer comprehensive assurance as the areas reviewed were found to be adequately controlled. Internal controls were in place and operating effectively and risks against the achievement of objectives were well managed.

This report rating will be determined by the number of control weaknesses identified in relation to those examined, weighted by the significance of the risks. Any audits that receive a None or

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Limited assurance assessment will be highlighted to the Audit & Accounts Committee in Audit's progress reports.

Audit Coverage

Progress on Audit Assignments

The following tables provide Audit & Accounts Committee with information on how audit assignments were progressing as at 31stOctober 2015.

Corporate Programmes - Property Rationalisation	Type of Audit	Current Status	% Complete
Corporate Programmes - Property Rationalisation	Governance Review	Final Report	100%
Safeguarding Missing Children	Systems/Risk Audit	Final Report	100%
Payroll 2014-15	Key Financial System	Final Report	100%
Business Support	Systems/Risk Audit	Final Report	100%
Fixed Assets 2014-15	Key Financial System	Final Report	100%
Treasury Management 2014-15	Key Financial System	Final Report	100%
Main Accounting System 2014-15	Key Financial System	Draft Report	95%
Creditors 2014-15	Key Financial System	Final Report	100%
Debtors 2014-15	Key Financial System	Final Report	100%
IT Governance	IT Audit	In Progress	50%
Configuration Management	IT Audit	Final Report	100%
Virtualisation Management	IT Audit	Final Report	100%
Oracle Business Intelligence	IT Audit	Final Report	100%
Wireless Network Infrastructure	IT Audit	Fieldwork Complete	80%
Network Access Management	IT Audit	Final Report	100%
Oracle EBS R12 Security Assessment	IT Audit	Final Report	100%
Strategic Housing	Systems/Risk Audit	Final Report	100%
Integrated Commissioning: Younger Adults	Systems/Risk Audit	Final Report	100%

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Progress on Audit Assignments (Cont.)

2015-16 Audit Plan Assignments	Type of Audit	Current Status	% Complete
Sickness Absence	Governance Review	Final Report	100%
Locality Services	Systems/Risk Audit	Draft Report	95%
Children in Care & Registered Services	Systems/Risk Audit	Reviewed	90%
Integrated Commissioning	Systems/Risk Audit	Allocated	5%
Investigation - St Chads Nursery & Infants School	Investigation	In Progress	75%
Payroll 2015-16	Key Financial System	Allocated	10%
Democratic Services	Systems/Risk Audit	Allocated	25%
Procurement	Procurement/Contract Audit	In Progress	45%
Fixed Assets 2015-16	Key Financial System	Allocated	0%
Treasury Management 2015-16	Key Financial System	In Progress	50%
Main Accounting System (MTFP) 2015-16	Key Financial System	Allocated	10%
Teachers Pensions 2014-15	Key Financial System	In Progress	75%
Grant Certification Audits 2015-16	Grant Certification	In Progress	65%
Insurance	Systems/Risk Audit	Allocated	15%
Anti-Fraud & Corruption 2015-16	Governance Review	In Progress	55%
Internal Groups 2015-16	Advice/Emerging Issues	In Progress	20%
IT Forensics 2015-16	Advice/Emerging Issues	In Progress	50%
Debtors 2015-16	Key Financial System	Allocated	10%
Council Tax 2015-16	Key Financial System	Allocated	0%
Non-Domestic Rates 2015-16	Key Financial System	In Progress	25%
Housing Benefits & Council Tax Support 2015-16	Key Financial System	In Progress	25%
EDRMS Application	IT Audit	In Progress	70%
Income Management (Civica ICON)	IT Audit	Allocated	10%
MiPeople Application	IT Audit	Allocated	5%
IT Risk Management	IT Audit	Allocated	0%
Waste Management & Disposal	Systems/Risk Audit	In Progress	60%
Bereavement Services	Systems/Risk Audit	Final Report	100%
Sector Development	Systems/Risk Audit	Allocated	5%
Business Intelligence	Systems/Risk Audit	Allocated	5%
Learning Disabilities	Systems/Risk Audit	In Progress	60%
School Self-Assessments 2015-16	Schools	In Progress	70%
20 Schools SFVS Assessments	Schools	Various	Various

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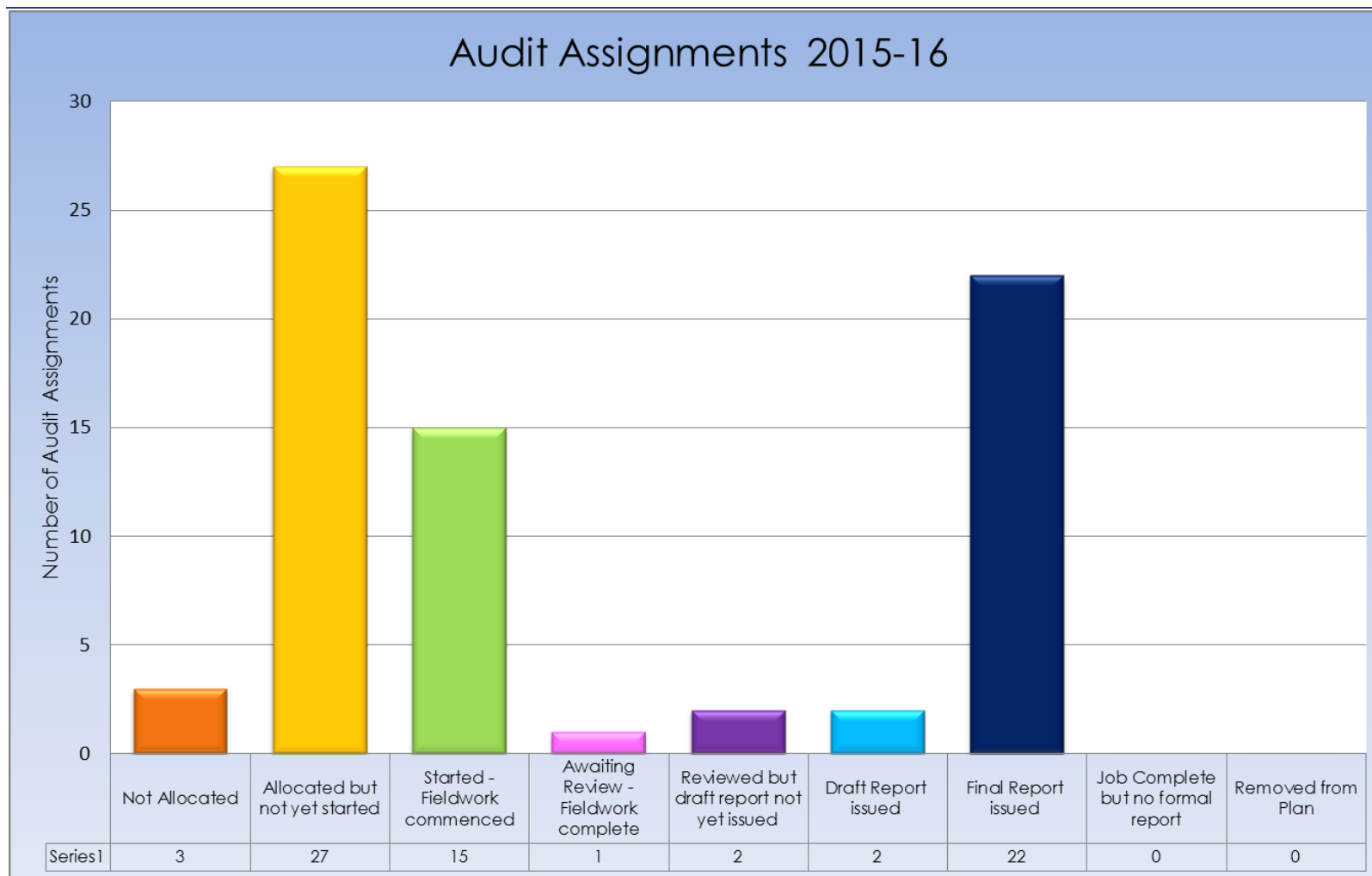3planned audit assignments have yet to be allocated.

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Audit Coverage

Progress on Audit Assignments Chart

The following graph provides Audit & Accounts Committee with information on what stage audit assignments were atas at 31stOctober 2015. Of the 27 assignments allocated but not yet started, 14 relate to School's Financial Value Standard reviews.

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Audit Assignments 2015-16

Series1	Not Allocated	Allocated but not yet started	Started - Fieldwork commenced	Awaiting Review - Fieldwork complete	Reviewed but draft report not yet issued	Draft Report issued	Final Report issued	Job Complete but no formal report	Removed from Plan
	3	27	15	1	2	2	22	0	0

Audit Coverage

Completed Audit Assignments

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Between 1st September 2015 and 31st October 2015 Internal Audit has completed the following 4 audit assignments for Derby City Council as well as completing 5 School's Financial Value Standard reviews:

Audit Assignment	Overall Assurance Rating
Corporate Programmes - Property Rationalisation	Comprehensive
Treasury Management 2014-15	Reasonable
Creditors 2014-15	Reasonable
Integrated Commissioning & Transition of Younger Adults	Reasonable

All audits leading to a rating of "Limited" or "None" will be brought to the Committee's specific attention. Accordingly, no audit assignments are brought to Committee's attention from this period.

In recent times, the organisation has demonstrated a higher appetite for risk which has resulted in Management taking decisions not to take mitigating actions to address certain control weaknesses we have identified. Internal Audit acknowledges Management's responsibility to only take appropriate and proportionate actions to mitigate risks. Accordingly, we no longer intend to provide full details of any Low risk recommendations where management has decided not to take any mitigating actions. These will still be highlighted to this Committee in the assignment summaries provided in these Progress reports. However, we will continue to provide full details of any Moderate, Significant or Critical risk issues where management has decided not to take any mitigating actions.

The following summarises the internal audit work completed in the period and seeks to highlight issues which Committee may wish to review in more detail at the next meeting.

Chief Executives

Corporate Programmes - Property Rationalisation

This audit focused on the mechanisms in place to achieve the required savings on the property maintenance costs through the property rationalisation project. From the 28 key controls evaluated in this audit review, 26 were considered to provide adequate control and 2 contained weaknesses. This report contained 1 recommendation which was considered to present a moderate risk. The following issue was considered to be the key control weakness:

- The Risk Register had not been taken to the Board regularly throughout the duration of the project. (Moderate Risk)

The control issues raised in this report was accepted. Positive action in respect of this recommendation was due to be undertaken by 3rd November 2015.

Resources

Treasury Management 2014-15

This audit focused on evaluating the adequacy of controls in place for ensuring the security and integrity of data within the Council's Debt Charges Model spreadsheet. That appropriate authorisations and documentation were in place in support of Treasury Management investments and borrowing transactions. From the 14 key controls evaluated in this audit review, 9 were considered to provide adequate control and 5 contained weaknesses. This report contained 7 recommendations, 5 of which were considered to present a low risk and 2 were considered to present a moderate risk. The following issues were considered to be the key control weaknesses:

- There were no access controls over data within the Council's Debt Charges Model to ensure access was restricted to authorised officers with a business need. (Low Risk)
- The criticality of the Debt Charges Model had not been risk assessed to determine whether its network location was sufficiently secure and no local back-ups were being undertaken to ensure the model continued to be readily available. (Low Risk)
- The "tracked changes" facility within the spreadsheet model had not been activated, to allow for an audit trail of changes made to the information to be obtained. (Moderate Risk)

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- Details of changes made to the current Debt Charges Model were being maintained within the current spreadsheet, but there was no formal procedure in place for these changes to be formally documented and approved. (Low Risk)

- Changes made to the Council's Debt Charges Model were not being verified to original source data to confirm its accuracy. (Moderate Risk)

- The Debt Charges Model was not subject to review or logic inspection by an officer who was independent of its use. (Low Risk)

- Version control for the Council's current Debt Charges Model had been introduced in January 2015, but previous versions had not been recorded within the spreadsheet model. A version control mechanism was yet to be decided upon for the new Debt Charges Model. (Low Risk)

All 7issues raised within this report have been accepted. Action was agreed to be taken to address all of the issues raised by 30th September 2015.

Creditors 2014-15

This audit focused on the controls in operation over the Sundry Payment account, the creation and amendment of suppliers and payments by cheque.From the 16 key controls evaluated in this audit review, 8 were considered to provide adequate control and 8 contained weaknesses. This report contained 8 recommendations,7 of which were considered to present a low risk and 1 was considered to present a moderate risk. The following issues were considered to be the key control weaknesses:

- The Sundry Payment account was being used when alternative, more efficient, methods were available. (Low Risk)

- More than 50% of cash payments made in the sample reviewed did not include the amounts of expenditure in words as well as figures. (Moderate Risk)

- There were gaps in the number sequence of sundry payment vouchers that had been scanned and, the reconciliation of remittances from General Ledger to the Payment request register highlighted over £13,000 worth of sundry payment vouchers that had not been recorded as reimbursed on the Sundry Payment account in the General Ledger. (Moderate Risk)

- A segregation of duties was not always maintained between authorisation and collection of cash. (Low Risk)

- More than 50% of the sample of sundry payments reviewed had not been appropriately authorised. (Moderate Risk)

- Requests for new supplier account creation were being made after invoices and goods had been received which meant that the purchase order process was not being utilised. (Low Risk)

- The template for cheque payments did not include sufficient space to record all transactions on a single sheet which meant that additional cheque sheets were being used unnecessarily. (Low Risk)

- The total number of cheques being issued was not reported and there had been no overall reduction in the numbers of cheques being issued in the last four years. (Low Risk)

All 8 issues identified in this report were accepted and by the time of the production of the final report, 2 issues had already been addressed (1 moderate risk and 1 low risk). The 2 remaining moderate risk issues were agreed to be addressed by 21stNovember 2015. Another 3 low risk issues were agreed to be addressed during December 2015 and January 2016. The remaining low risk issue regarding the use of the Sundry Payments account has been agreed to be addressed by 30thJuly 2016.

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Adults, Health & Housing

Integrated Commissioning & Transition of Younger Adults

This audit focused on reviewing the adequacy of the processes in place for ensuring the effective and efficient commissioning and transitioning of care services for children in transition from the children's to the adults' social care system.From the 8 key controls evaluated in this audit review, 7was considered to provide adequate control and 7 contained weaknesses. This report contained 7 recommendations,5 of which were considered to present a low risk and 2 were considered to present a moderate risk. The following issues were considered to be the key control weaknesses:

- Contrary to the Transitions protocol, 66% of young people aged between15 and18 recorded as transferred to the Transition team from CYP had not been allocated a social worker from the transition team. (Low Risk)

- It was not standard practice for the CYP social services teams to routinely share the assessments completed for children with a Special Education Needs statement or Education, Health Care plan at the age of 14 with the adult social services transitions team. (Moderate Risk)

- For a sample of 10 cases that were checked the self-assessment document had not been completed and saved onto the child's electronic social care record as required by the transition protocol.(Low Risk)

- It was not routine for a mental capacity assessment to be performed, as was required in accordance with the Mental Capacity Act.(Moderate Risk)

- There was an expectation that the role of the care-coordinator would be fulfilled by the transition worker, however this was not specifically identified within the 'Transitions - Preparing for Adulthood' protocol document.(Low Risk)

- The transition protocol did not go into detail about the joint working arrangement between the Council's social care and the commissioning teams.(Low Risk)

- There was no formal arrangement in place that ensured the commissioning teams were involved in the transition planning process in a timely manner.(Low Risk)

All 7 of the control issues raised in this report were accepted. Positive action had already been taken to address both of the moderate risk issues and 1 of the low risk control issues. Positive actions were agreed to address 2 more low risk issues by 31stOctober 2014 and the remaining 2 by 30thNovember 2015.

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Audit Performance

Customer Satisfaction

The Audit Section sends out a customer satisfaction survey with the final audit report to obtain feedback on the performance of the auditor and on how the audit was received. The survey consists of 11 questions which require grading from 1 to 5, where 1 is very poor and 5 is excellent. The chart across summarises the average score for each question from the 80 responses received between 1st April 2013 and 31stOctober 2015. The overall average score from the surveys was 50.3 out of 55. The lowest score received from a survey was 29, whilst the highest was 55 which was achieved on 27 occasions.
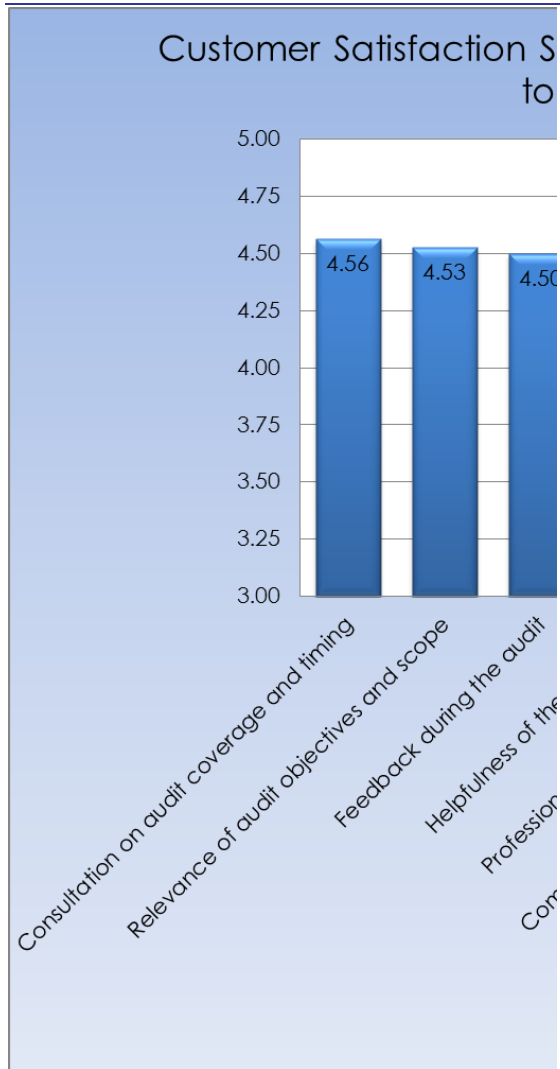
The overall responses are graded as either:

- Excellent (scores 47 to 55)
- Good (scores 38 to 46)
- Fair (scores 29 to 37)
- Poor (scores 20 to 28)
- Very poor (scores 11 to 19)

Overall 62 of 80 responses categorised the audit service they received as

excellent, another 16 responses categorised the audit as good and 2 categorised the audit as fair. There were no overall responses that fell into the poor or very poor categories.

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Customer Satisfaction S
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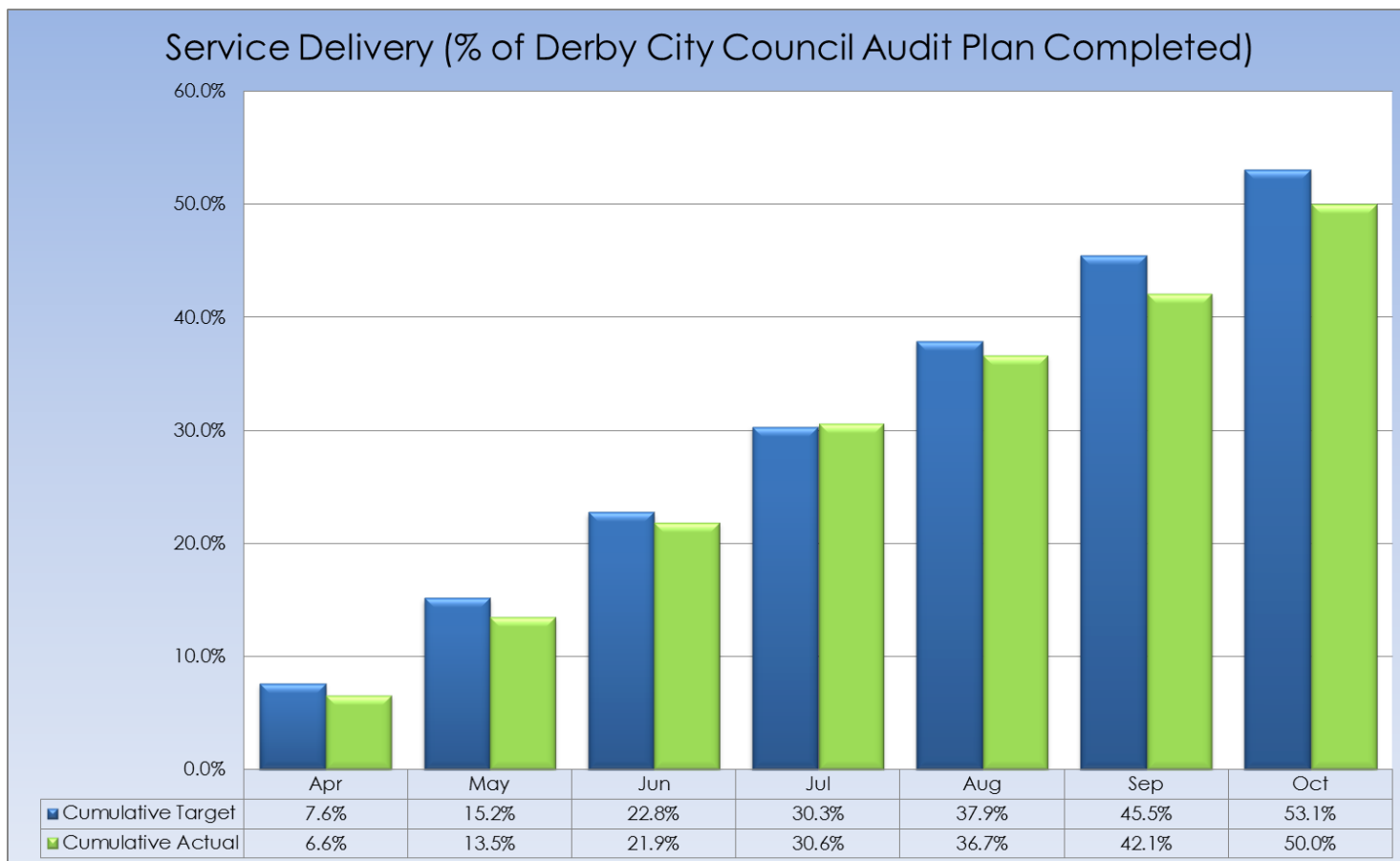# Derby City Council – Internal Audit Progress Report

Audit Performance

Service Delivery (% of Audit Plan Completed)

At the end of each month, Audit staff provide the Audit Manager with an estimated percentage complete figure for each audit assignment they have been allocated. These figures are used to calculate how much of each Partner organisation's Audit Plans have been completed to date and how much of the Partnership's overall Audit Plan has been completed.

Shown across is the estimated percentage complete for Derby City Council's 2015-16 Audit Plan (including incomplete jobs brought forward) after 7 months of the Audit Plan year.

The monthly target percentages are derived from equal monthly divisions of an annual target of 91% and do not take into account any variances in the productive days available each month.

Service Delivery (% of Derby City Council Audit Plan Completed)

	Apr	May	Jun	Jul	Aug	Sep	Oct
Cumulative Target	7.6%	15.2%	22.8%	30.3%	37.9%	45.5%	53.1%
Cumulative Actual	6.6%	13.5%	21.9%	30.6%	36.7%	42.1%	50.0%

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Recommendation Tracking

Follow-up Process

Internal Audit has sent emails, automatically generated by our recommendations database, to officers responsible for action where their recommendations' action dates have been exceeded. We will request an update on each recommendation's implementation status, which will be fed back into the database, along with any revised implementation dates.Each recommendation made by Internal Audit will be assigned one of the following "Action Status" categories as a result of our attempts to follow-up management's progress in the implementation of agreed actions. The following explanations are provided in respect of each "Action Status" category:

- **Blank(Due)** = Action is due and Audit has been unable to ascertain any progress information from the responsible officer.

- **Blank (Not Due)** = Action is not due yet, so Audit has not followed up.

- **Implemented** = Audit has received assurances that the agreed actions have been implemented.

- **Superseded** = Audit has received information about changes to the system or processes that means that the original weaknesses no longer exist.

- **Being Implemented** = Management is still committed to undertaking the agreed actions, but they have yet to be completed. (This category should result in a revised action date)

- **Risk Accepted**= Management has decided to accept the risk that Audit has identified and take no mitigating action.

Implementation Status Details

Reports to Committee are intended to provide members with an overview of the current implementation status of all agreed actions to address the control weaknesses highlighted by audit recommendations made between 1st April 2013 and 31st October 2015. All recommendations made prior to this period have now been resolved.

	Implemented	Being Implemented	Risk Accepted	Superseded	Due, but unable to obtain progress information	Hasn't reached agreed implementation dates	Total
Low Risk	205	17	14	2	6	15	**259**
Moderate Risk	63	10	3	2	1	14	**93**
Significant Risk	2	1	1	1	0	3	**8**
Critical Risk	0	0	0	0	0	0	**0**
Totals	**270**	**28**	**18**	**5**	**7**	**32**	**360**

The table below shows those recommendations not yet implemented by Dept.

Recommendations Not Yet Implemented	Chief Executives	Children & Young People	Resources	Neighbourhoods	Adults Health & Housing	**Totals**
Being implemented	2	0	20	6	0	**28**
Due, but unable to obtain progress information	0	3	2	0	2	**7**
Totals	**2**	**3**	**22**	**6**	**2**	**35**

Internal Audit has provided Committee with summary details of those recommendations still in the process of 'Being Implemented' and those that have passed their duedate for implementation. 16 of the risk accepted issues shown above have already been reported to this Committee. Another 2 low risk recommendations have been 'risk accepted' in respect of the Virtualisation Management audit as management has determined that these weaknesses will be superseded in the near future by the changing ICT environment.

We have included a new 'Highlighted Recommendations' section to the end of this report. This is to bring recommendations to your attention for either of the following reasons:

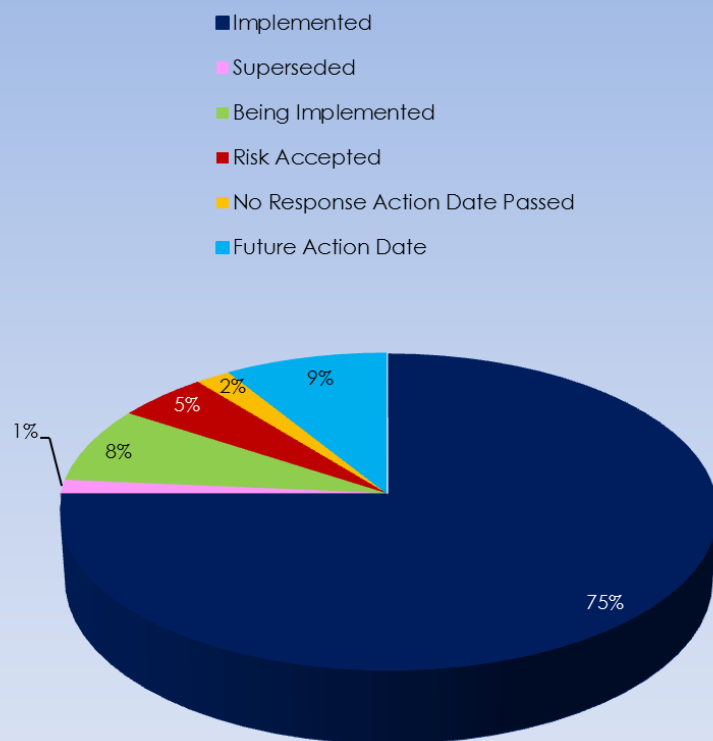# Derby City Council – Internal Audit Progress Report

- Any Moderate, Significant or Critical risk recommendations (either being implemented or with no response) that have passed their original agreed implementation date.

- Any recommendations still to be implemented (regardless of risk rating) where it has been more than a year since the original agreed implementation date.

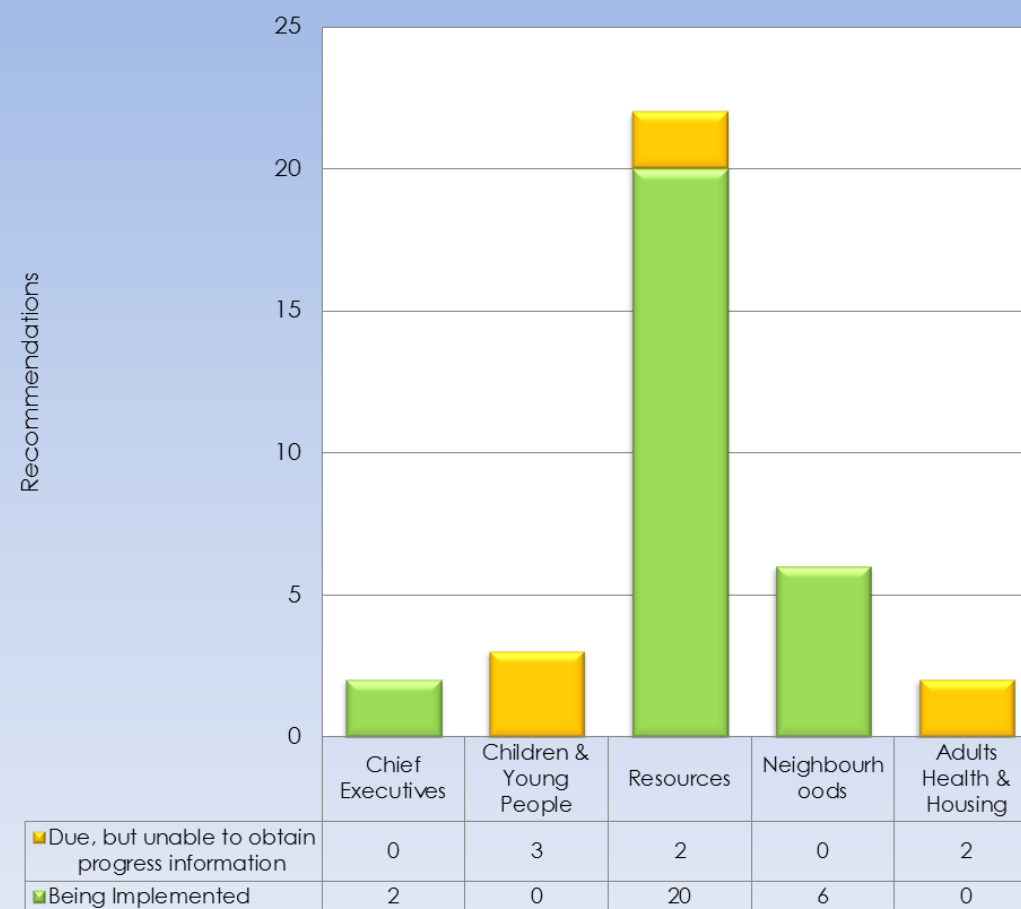# Derby City Council – Internal Audit Progress Report

Recommendation Tracking

Implementation Status Charts

Action Status of Recommendations made between 1st Apr 2013 and 31st Oct 2015

- Implemented
- Superseded
- Being Implemented
- Risk Accepted
- No Response Action Date Passed
- Future Action Date

Recommendations Not Yet Implemented by Department

	Chief Executives	Children & Young People	Resources	Neighbourhoods	Adults Health & Housing
Due, but unable to obtain progress information	0	3	2	0	2
Being Implemented	2	0	20	6	0

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Recommendation Tracking

Recommendations Not Yet Implemented

Chief Executives

Audit Assignment	No. of Recs Still Being Implemented	No. of Recs Where Unable to Obtain a Response	Final Report Date
Data Quality 2013-14	2	0	17-Dec-14
Total No. of Outstanding Recommendations	**2**	**0**	

Children & Young People

Audit Assignment	No. of Recs Still Being Implemented	No. of Recs Where Unable to Obtain a Response	Final Report Date
Safeguarding Missing Children	0	3	30-Jun-15
Total No. of Outstanding Recommendations	**0**	**3**	

Neighbourhoods

Audit Assignment	No. of Recs Still Being Implemented	No. of Recs Where Unable to Obtain a Response	Final Report Date
Leisure Facilities	1	0	24-Sep-14
Bereavement Services	1	0	31-Jul-15
Asset Management & Estates	3	0	3-Mar-15
Markets	1	0	19-Nov-13
Total No. of Outstanding Recommendations	**6**	**0**	

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Resources

Audit Assignment	No. of Recs Still Being Implemented	No. of Recs Where Unable to Obtain a Response	Final Report Date
Payroll 2012-13	1	0	12-Apr-13
Workstation Security & Management Operations	3	0	17-Jul-13
Information Governance	1	0	11-Dec-13
VOIP Security Assessment	1	0	12-Dec-13
Contracts Register	1	0	16-Dec-13
Risk Management 2013-14	4	0	26-Feb-14
Main Accounting System 2013-14	2	0	07-Jan-15
Council Tax 2014-15	1	0	17-Mar-15
Virtualisation Management	0	1	28-May-15
Debtors 2014-15	2	0	27-Jul-15
Payroll 2014-15	3	0	30-Jul-15
Business Support	0	1	28-Aug-15
Treasury Management 2014-15	1	0	15-Sep-15
Total No. of Outstanding Recommendations	**20**	**2**	

Adults, Health & Housing

Audit Assignment	No. of Recs Still Being Implemented	No. of Recs Where Unable to Obtain a Response	Final Report Date
Integrated Commissioning: Younger Adults	0	2	10-Sep-15
Total No. of Outstanding Recommendations	**0**	**2**	

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Recommendation Tracking

Highlighted Recommendations

Neighbourhoods

Asset Management & Estates

Control Issue1 - The asset list submitted for insurance did not reflect asset transactions undertaken outside of the Estates Section. The SAM system had not been updated as there was no process for notifying Estates of these changes.

Risk Rating – Significant Risk

Status Update - The revised Corporate Landlord Policy and Procedure is at draft stage and is being reviewed. This will enforce all property transactions to be approved by the Head of Strategic Asset management and estates and will ensure that transactions do not take place outside of the SAM system. There will be some system updates required to allow for full automation of notifications between the various key teams (legal, maintenance, insurance, capital accounts) which will enhance the information flow between teams.

Original Action Date   1Sep 15   Revised Action Date   29Feb 16

Control Issue3 –The list provided by Estates for insurance purposes did not value the assets listed at reinstatement value, needed for correct assessment of insurance cover. Data to enable the computation of reinstatement values was not available at the time of the Insurance review.

Risk Rating – Moderate Risk

Status Update –Revised action by date required due to delays in identifying the properties to be valued.

Original Action Date   30Sep 15   Revised Action Date   31Jan 16

Leisure Facilities

Control Issue4 –There were not any documented cash handling and banking procedures in place.

Risk Rating – Low Risk

Status Update –Notes to create a documented procedure for cash handling and banking procedures have been made.The staff who handle the cash are aware of the procedure most of the cash is taken during the school holidays with the largest amount at Easter and during the summer. Recommendation being implemented still, as at November 2015.

Original Action Date   30 Sep 14   Revised Action Date   30 Nov 15

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Markets

Control Issue 4 –There was no approved Council policy in place for offering concessions on rental charges to market stall traders in the Council's three markets.

Risk Rating – Moderate Risk

Status Update – Progress delayed due to competing priorities and staff shortage.We have been unable to progress this action to date but will raise it with the Markets Officer on her return to work.This action remains outstanding and will not be progressed until the future of Markets is resolved.No progress has been made on this action due to competing priorities included discussions about a future management model.

Original Action Date   1 Jan 14   Revised Action Date   31 Mar 16

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Resources

Payroll 2014-15

Control Issue 5 –Invoices in respect of salary overpayments were not always being raised in a timely manner. In some instances, several months after the employee had left the Council's employment.

Risk Rating – Moderate Risk

Status Update –This one is still in progress. We have agreed that all HR Operations Advisors will be given the profile and be expected to enter their own overpayment invoices but this access change is outstanding.

Original Action Date   31 Oct 15   Revised Action Date   30 Nov 15

Payroll 2013-14

Control Issue 4 –Guidance on the meal allowance element of travel and subsistence expenses was not available on iDerby.

Risk Rating – Low Risk

Status Update –Date extension requested - had been unable to complete this due to pressures of implementing the new HR/Payroll system. A further extension was requested as updating policies had been postponed while the terms and conditions review was underway. This work has now recommenced and is expected to be completed by the end of this calendar year.

Original Action Date   30Apr 13   Revised Action Date   24 Dec 15

Risk Management 2013-14

Control Issue 1 –The Council's appetite for risk had not been adequately communicated throughout the organisation, nor had it been reconsidered since it was agreed in September 2010. There was not a culture at the Council of responding to risk taking behaviours that were in or out of line with the agreed risk appetite.

Risk Rating – Moderate Risk

Status Update –The setting of appetite and tolerance needs to be set by COG and agreed by audit and accounts. Unfortunately with all the changes in governance that's been going on in the last 6 months, RM has become a building block in the Governance Framework. Therefore we need to start from scratch. Hoping to take something to the February 2016 A&A meeting.

Original Action Date   30Jun 14   Revised Action Date   28 Feb 16

Control Issue 3 –Risk Management guidance documents had not been reviewed and updated in the last 3 years. There were two project risk management guides in place: one was owned by Risk Management, the other was owned by the Corporate Programmes team.

Risk Rating – Low Risk

Status Update –This is dependent on resources but should be implemented within a few months of having a full Insurance & Risk team. Although guidance does exist on iDerby.

Original Action Date   31Mar 14   Revised Action Date   28 Feb 16

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Control Issue7 –We found limited evidence to support that responsible officers were monitoring and reviewing their risks on a regular basis. Also, risk registers had not been adequately completed and demonstrated a lack of understanding of the effectiveness of control measures and the impact on risk scores. We also found there was a lack of ownership of risks.

Risk Rating – Moderate Risk

Status Update –This is going to be achieved through written guidance available on Derbynet and verbal guidance available at the end of the phone. Officers not fulfilling their duties is beyond our control. However, we are hoping that increasing the profile of risk management in the Council will help to get the message across. We will be attending DMTs to spread the word.

Original Action Date   30Nov 14   Revised Action Date   28 Feb 16

Control Issue9 –A tone for risk taking and avoidance had not been successfully communicated throughout the Council and there was not a culture of sharing risk information and lessons learned.

Risk Rating – Moderate Risk

Status Update –This will be achieved through Directorate DMTs with responsibility for them to cascade.

Original Action Date   31 Oct 14   Revised Action Date   28 Feb 16

Information Governance

Control Issue1 –There was no key performance indicator for subject access requests handled by the Council's Children & Young People's Directorate.

Risk Rating – Low Risk

Status Update –Intention is to report KPI's on SAR's through to audit and accounts committee as part of the Governance update report produced by Head of Governance & Assurance each quarter.

Original Action Date   28 Feb 14   Revised Action Date   31 Dec 15

Main Accounting System 2013-14

Control Issue1 –The VAT element of payments made by the Neighbourhoods Directorate was not being correctly classified as recoverable VAT within the Oracle Financial System and was not being posted to the VAT code within the General Ledger. The total value of the payment, inclusive of VAT, was being posted to the budget code.

Risk Rating – Moderate Risk

Status Update –This report is still being tested for accuracy.

Original Action Date   1 Jan 15   Revised Action Date   20 Mar 15

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Contracts Register

Control Issue2 –The Council's Procurement Strategy was not listed on the intranet pages. The Strategy was being reviewed, but the planned completion date this summer had passed and a revised completion date had not been set.

Risk Rating – Low Risk

Status Update –The strategy is now being revised in light of directives from the new Procurement and Commissioning Board.The publishing of the draft has been delayed but is being worked on.Head of Procurement is leaving in April 2015 and hopes to complete this by end of March 2015.Head of Procurement said that this had been completed working with the Category Manager - Environment. Category Manager to locate the previous strategy and update it in discussion with the Director of Finance and Procurement.The Category Manager has prepared a draft Strategy for her discussion with the Director of Finance & Procurement (on 6/7/2015).

Original Action Date   28 Feb 14   Revised Action Date   31Jul 15

Virtualisation Management

Control Issue7– There were 2 virtual servers which had consistently dangerous CPU utilisation statistics during the course of the audit (DCC-XENAPP096 and DCC-EDRMS-SCAN, utilising around 90% utilisation). This had also created alerts in vCenter Server under the "virtual machine CPU usage" alarm definition. Allowing production systems to constantly exceed high resource utilisation without following capacity management plans can lead to performance issues which can impact on service delivery.

Risk Rating – Moderate Risk

Status Update –No Response Received.

Original Action Date   31 Jul 15   Revised Action Date   n/a

VOIP Security Assessment

Control Issue1 –We found that neither VoIP data nor signalling media were encrypted to prevent voice conversions being recorded by malicious users.

Risk Rating – Moderate Risk

Status Update –The upgrade was undertaken without adding SRST as this had a domain-wide PKI requirement - this is now within the technology roadmap awaiting approval.

Original Action Date   31 Jul 14   Revised Action Date   31 Dec 14

Workstation Security & Management Operations

Control Issue2 –Client devices attached to the network were not protected by a local firewall when attached to the network, or when detached from the network.

Risk Rating – Moderate Risk

Status Update –Powershell reports showed some XP devices in operation. An update on decommission progress was provided to audit, and will be revised each month.

Original Action Date   30Mar 14   Revised Action Date   16 Oct 15

Control Issue6 –By running share enumeration software, we found many open shares on XP clients were openly accessible to the Everyone group. From a sample audited, we found we could access many PST archives of email.

Risk Rating – Low Risk

Status Update –Powershell reports showed some XP devices in operation. An update on decommission progress was provided to audit, and will be revised each month.

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Original Action Date   30 Mar 14   **Revised Action Date**   16 Oct 15

Control Issue7 –The Everyone group was a member of the power users group on XP client devices. This meant that all users could:
- Install potentially malicious programs
- Customize system-wide resources including printers, date, time, power options, and other Control Panel resources that may lead the system vulnerable to exploit.
- Create and manage additional local user accounts and groups.
- Stop and start system services which are not started by default.

Risk Rating – Moderate Risk

Status Update –Powershell reports showed some XP devices in operation. An update on decommission progress was provided to audit, and will be revised each month

Original Action Date   30 Mar 14   **Revised Action Date**   16Oct 15