

## **FOLLOW UP AUDITS**

### **RECOMMENDATION**

- 1.1 To review the summary report in Appendix 2, that shows where agreed actions in respect of audit recommendations have not been implemented.
- 1.2 To scrutinise the report in Appendix 3, that shows those recommendations not yet implemented to determine whether members consider further actions are required to secure implementation or whether officers should be required to provide the committee with more detailed explanations of the action status.

### **SUPPORTING INFORMATION**

- 2.1 At the Audit & Accounts Committee meeting on 24 September, members approved a revised approach to following-up and reporting on the implementation of audit recommendations.
- 2.2 The report at Appendix 2 is 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 that have passed their agreed implementation dates.
- 2.3 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 have requested an update on each recommendation's implementation status, which has been fed back into the database, along with any revised implementation dates.
- 2.4 Each Chief Officer has been provided with the details of each of the recommendations made to their departments, relating to reports issued between 1 April 2006 and 30 November 2009, which have yet to be implemented. This is intended to give them an opportunity to provide Audit with an update position.
- 2.5 We have not included the recommendations made in audit reports issued since 1 December 2009. This is to allow time for recommendations to have reached their agreed implementation dates.

- 2.6 Each recommendation made by Internal Audit is 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** = Audit have been unable to ascertain any progress information from the responsible officer.
  - **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  - **Superseded** = Audit has received information about changes to the system or processes that means that the original weaknesses no longer exist.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)
  - **Not Implemented** = Management has decided, on reflection, not to implement the agreed actions.

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**Background papers:**

**List of appendices:** Appendix 1 – Implications  
Appendix 2 – Summary of Implementation Status  
Appendix 3 – Detail of Recommendations Not Yet Implemented

<b>IMPLICATIONS</b>
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**Financial**

1. None directly arising.

**Legal**

2. None directly arising.

**Personnel**

3. None directly arising.

**Equalities impact**

4. None directly arising.

**Corporate objectives and priorities for change**

5. The functions of the Committee have been established to support delivery of corporate objectives by enhancing scrutiny of various aspects of the Council's controls and governance arrangements.

# Summary of Implementation Status

## Appendix 2

Status of Recommendations Made Between 1 April 2006 and 30 November 2009											
Department	Made	Accepted	Complete		Incomplete		No Response		% Complete	% Incomplete	% Not Known
			Implemented	Superseded	Being Implemented	Not Implemented	Action Date Passed	Future Action Date			
Significant											
Regeneration & Community	34	34	33	1					100.0%		
Children & Young People	35	35	30	5					100.0%		
Resources	91	91	61	14	14	1		1	82.4%	16.5%	1.1%
Environmental Services	30	30	12	7	4		3	4	63.3%	13.3%	23.3%
Corporate & Adult Services	25	25	18	6	1				96.0%	4.0%	
Totals	215	215	154	33	19	1	3		87.0%	9.3%	3.7%
Merits Attention											
Regeneration & Community	72	72	66	5				1	98.6%		1.4%
Children & Young People	61	61	56	5					100.0%		
Resources	187	187	156	18	12			1	93.0%	6.4%	0.5%
Environmental Services	60	60	46	8	4		2		90.0%	6.7%	3.3%
Corporate & Adult Services	50	50	34	16					100.0%		
Totals	430	430	358	52	16		2	2	95.3%	3.7%	0.9%
Department	Made	Accepted	Complete		Incomplete		No Response		% Complete	% Incomplete	% Not Known
			Implemented	Superseded	Being Implemented	Not Implemented	Action Date Passed	Future Action Date			
All Recommendations											
Regeneration & Community	106	106	99	6				1	99.1%		0.9%
Children & Young People	96	96	86	10					100.0%		
Resources	278	278	217	32	26	1		2	89.6%	9.7%	0.7%
Environmental Services	90	90	58	15	8		5	4	81.1%	8.9%	10.0%
Corporate & Adult Services	75	75	52	22	1				98.7%	1.3%	
Totals	645	645	512	85	35	1	5	7	92.6%	5.6%	1.9%

## Details of Audit Recommendations Not Yet Implemented

### Corporate & Adult Services

**861 Investigation - Electrical Contracts - Design Services** **Report Issued** **03/02/2009**

**Recommendation 1** **Significant** **Action Status** **Being Implemented**

The list currently used for the procurement of Electrical Works has not been reviewed for many years which is a breach of Contract Procedure Rule 11.6.

We recommend that a new approved list for the procurement of electrical works is drawn up in accordance with Contract Procedure Rules, including the recommended questions in relation to equalities, and Cabinet Approval is sought.

**Action Details** **Responsible Officer** Chris Edwards **Action Date** 30/04/2010

Generally: note that the audit and these comments relate to major building and electrical projects rather than the Public Buildings Contract which is carried out by Environmental Services as part to the tendered repair and maintenance term contract To improve the situation, as a temporary measure to increase the pool of contractors, a list of 20 contractors has been produced from a combination of Constructionline (16) and those contractors recently successful from the list that was being used. Most contracts are let via a Principal Building Contractor where the 'preferred list', selected from the above list, of electrical sub contractors is included in the specification. Any Principal Contractor has the right to propose another contractor during the tender period. If a Principal Contractor exercises this right, the selection panel will consider the request. There are a number of contracts and approved lists to be tendered and very limited resources to do so (that is why the lists were never formally reviewed previously). We will undertake the procurement of these lists with the assistance of the procurement team. The action date is, therefore, a target date.

**Update** **Revised Action Date** 30/06/2010

Select List advertised and PQQs returned 8 July 2009. Over 100 applications were assessed with limited resources. This has delayed the implementation. However, a report will be taken to the June 2010 Cabinet.

### Environmental Services

**867 Environmental Services - Procurement** **Report Issued** **09/10/2009**

**Recommendation 2** **Significant** **Action Status**

Job No. 712694 did not go out to tender and there was nothing recorded on the contract file to explain why the Contract Procedure Rules had not been followed.

We recommend that for each occasion when the Council's Contract Procedure Rules are not to be followed, the Corporate Director should seek a waiver to the Rules in accordance with CPR 6. A copy of this written request and the subsequent decision should be maintained on the relevant Contract File.

**Action Details** **Responsible Officer** Andy Thomas **Action Date** 31/01/2010

The Surveyors are now required to complete a Project Procurement Declaration form, to be included on all contract files, along with adequate documentation to evidence that the new CPR are being adhered to. Furthermore, associated training will be provided by Finance and Purchasing for all officers involved.

**Update** **Revised Action Date**

**Recommendation 3** **Merits Attention** **Action Status**

For Job No. 682060, no specification or job requirements had been provided by the Surveyors in the tender documents.

We recommend the Surveyors be formally instructed that all tender documents must include a clear specification of the works or services required, giving details of the standard of the works or services to be supplied, as outlined in CPR 24.

**Action Details** **Responsible Officer** Andy Thomas **Action Date** 31/01/2010

The Surveyors are now required to complete a Project Procurement Declaration form, to be included on all contract files, along with adequate documentation to evidence that the new CPR are being adhered to. Furthermore, associated training will be provided by Finance and Purchasing for all officers involved.

**Update** **Revised Action Date**

**Recommendation 4** **Significant** **Action Status**

The financial standing and technical ability of contractors had not been assessed before inviting them to tender.

We recommend the Surveyors be instructed when selecting contractors to be invited to tender, who have not been chosen from an official approved list, and have therefore not been subject to the vetting process, that they have particular regard to the financial standing and technical ability of contractors in a Pre-Qualification Questionnaire, as outlined in CPR 22.

**Action Details** **Responsible Officer** Andy Thomas **Action Date** 31/01/2010

The Surveyors are now required to complete a Project Procurement Declaration form, to be included on all contract files, along with adequate documentation to evidence that the new CPR are being adhered to. Furthermore, associated training will be provided by Finance and Purchasing for all officers involved.

**Update****Revised Action Date****882 Environmental Services HR-Payroll****Report Issued****30/10/2009****Recommendation 6 Significant****Action Status Being Implemented**

Exception reports were not reviewed within Environmental Services Payroll/HR or passed to Service managers for review and action where necessary.

We recommend that ESC managers, in conjunction with departmental managers, should define which exception reports would be of most use. Depending on the nature of the report, the ESC management should circulate reports for review and investigation where appropriate. Wherever possible this should be to an officer outside the payroll approval process. The reports should be regularly distributed, signed and dated to evidence the check.

**Action Details****Responsible Officer**

Nigel Dowey

**Action Date**

31/12/2009

This recommendation will be carried out in full. Officer responsible for action - Faye Dulon.

**Update****Revised Action Date**

01/04/2010

There is a major operation currently underway to remove all unfunded vacancies from the establishment and thereafter, establishment reports will be made available to managers on a regular basis. It is anticipated that this will be completed by 1/04/10

**Recommendation 7 Significant****Action Status Being Implemented**

A separate report on variations to pay was not being produced or distributed in Environmental Services for verification by Service managers.

We recommend that, as it is intended that individual service managers will be responsible for monitoring establishment data, processes should be put in place in the ESC to ensure that changes to standing data, such as new starters, are reported to those service managers. As the service manager would be the creator of changes, they would therefore be best placed to check that the amendment has been processed correctly. Reports should be distributed regularly and discrepancies investigated.

**Action Details****Responsible Officer**

Nigel Dowey

**Action Date**

31/12/2009

This recommendation will be carried out in full. Officer responsible for action – Mark Snape.

**Update****Revised Action Date**

01/04/2010

As for rec 6 above

**Recommendation 8 Merits Attention****Action Status Being Implemented**

Posts on the Environmental Services payroll are not subject to regular checks to the authorised establishment.

We recommend that under the new ESC arrangements, departmental managers are required to undertake checks of the posts in their areas of responsibility to ensure that they are set up in accordance with the Council's establishment.

**Action Details****Responsible Officer**

Nigel Dowey

**Action Date**

31/12/2009

This recommendation will be carried out in full. Officer responsible for action – Mark Snape.

**Update****Revised Action Date**

01/04/2010

As for 6 above

**785 Investigation - Employee Payment Issues****Report Issued****30/11/2009****Recommendation 1 Merits Attention****Action Status**

An officer who was appointed as a Relief Contract Manager has been acting in this capacity since June 2007 without the arrangement being subject to review.

We recommend that relief cover arrangements should be reviewed regularly by management.

**Action Details****Responsible Officer**

Rachel Squirrell

**Action Date**

31/12/2009

Actions to be taken: Recommendation is being carried out. The use of agency workers and relief staff across the Department is currently being reviewed and a process for reviewing ongoing arrangements will be implemented.

**Update****Revised Action Date****Recommendation 2 Significant****Action Status**

A number of poor practices and systems have been noted in the standby / callout payment processes that enable the misuse and abuse of these arrangements.

We recommend that the potential for abuse / misuse that has been identified in a number of examples should be considered by management and appropriate controls put in place.

**Action Details****Responsible Officer**

Rachel Squirrell

**Action Date**

31/12/2009

Actions to be taken: Recommendation will be carried out in full. Issue will be raised with Departmental Management Team and Heads of Service and appropriate controls put in place.

**Update****Revised Action Date**


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**477 Moorways Sports Centre - Security & Stock Control** **Report Issued** **17/07/2006**
**Recommendation 6 Merits Attention** **Action Status** **Being Implemented**

Not all areas of the Complex were monitored by CCTV. Recordings were not being taken from the CCTV camera in the Sports Centre reception and recordings were not being stored appropriately.

We recommend that a review of the Complex's CCTV systems in operation should be undertaken in conjunction with either the Derby Community Safety Partnership or Crime Prevention Officer. The review should include:

An assessment of the areas covered by CCTV cameras to determine whether highest risk areas are being appropriately monitored.

Where it is appropriate to take recordings from the cameras in operation.

Producing guidelines (to include in the Security Policy) for the storage, re-use and destruction of the CCTV tapes.

**Action Details** **Responsible Officer** Wayne Sills **Action Date** 30/09/2006

Quotes are being obtained for upgrade of CCTV and appropriate lighting.

Sports Centre Management have been working with police and local partners since the managers arrival in Aug 05 to tackle anti social behaviour issues at the sports centre and stadium. There has been good progress made in this area

**Update****Revised Action Date** 31/03/2010

Nov 09 - Tender process underway for new CCTV system.

Quotes have been obtained for this work and funding obtained from Community Safety Engagement Partnership. However, this funding was then withdrawn. From some reserve funding Sports Centre Management has £10,000 has been allocated to Moorways to address some of it's security issues. A list of priorities is being drawn up by Centre Management to be completed during 2009/10.

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**493 Springwood Sports Centre - Security** **Report Issued** **25/05/2006**
**Recommendation 7 Significant** **Action Status** **Being Implemented**

Access to the Centre's safe is via an access code number, rather than a key. Accordingly, access to the safe cannot be appropriately restricted to one responsible officer at any one time.

We recommend that the safe is replaced with one which is accessed with a key. The number of keys in general circulation should be strictly restricted to a working minimum. The transfer of safe keys between officers should be formally recorded. Safe keys should be carried on the person of the responsible officer(s) at all times.

**Action Details** **Responsible Officer** Wayne Sills **Action Date** 31/08/2006

The Centre Manager will obtain a cost to have a key lock installed for the safe. Once a cost is obtained then this will be looked at in more detail. However, we propose not to change the current system at present as there are concerns regarding the use of a key and cost.

It will mean additional secure key safe will be required on site to have the key locked in over night. As the safe and the key safe would be within very close proximity to each other for operation reasons and that this would be on ground level, the risk could be greater than at present.

**Update****Revised Action Date** 02/04/2010

Cost to have the safe changed over to a key system is £300. The Centre does not have any unallocated budget to do this work. The Safe is now operated by a PIN code which is changed every six months. Only designated staff have the number.

Response from Wayne Sills on 4 Mar 10 - I have spoken with John Brown, Head of Sport and Leisure regarding this recommendation. The recommendation is to change the Springwood Leisure Centre safe 'combination' lock to a key for the safe. In the latest Audit Report – Leisure Centre Income, audit have raised concerns over the current safe key system in operation at other sports centres. I met with auditor Marcus Cale, 3 March to discuss this and we have come up with a system that will now satisfy audit and is practical to operate. The combination lock at Springwood Leisure Centre is being changed to a key lock system. This will be completed by within the next four weeks.

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**859 Trading Standards** **Report Issued** **26/05/2009**
**Recommendation 1 Significant** **Action Status** **Being Implemented**

There were an unacceptable number of visits in backlog.

We recommend that the Team Leader of the Inspections Team evaluate the visits in backlog and remove the non-essential visits which we are not required to conduct by law. The remaining visits should be prioritised and every effort made for them to be conducted as soon as practically possible.

**Action Details** **Responsible Officer** Julian DeMowbray **Action Date** 30/04/2009

The evaluation of the backlog has already been actioned. The backlog has arisen because of staff shortages and a high absence rate. Two unsuccessful attempts have been made to fill the vacant posts in the team. HR/attendance issues are being dealt with through Council procedures and, in the meantime, consultants have been recruited on a temporary basis to reduce the backlog of work.

**Update****Revised Action Date** 31/03/2010

Three consultants have been in post since June 2009 (one part-time) and have made substantial in-roads into the backlog. We are on target to hit our 09/10 business plan objective for reduction of the backlog. Recruitment problems remain at TSO level, although a new enforcement officer has now started with the team. Some HR issues are now resolved, others remain outstanding but absence rates are now much reduced. This should be addressed by the end of the financial year.

**Recommendation 2 Merits Attention****Action Status Being Implemented**

Officer Performance Log Sheets were not being reviewed with any regularity and the review process had not been documented.

We recommend that the Team Leader of the Inspections Team perform regular reviews of the Officer Performance Log Sheets and conduct sample checks of case records to ensure that they have been processed in accordance with documented procedures, specified timescales, codes of practice, etc and take appropriate action to address any issues identified and implement systems to prevent similar occurrences. This review process should be documented by the Team Leader and signed and dated to evidence the review.

**Action Details**      **Responsible Officer** Julian DeMowbray      **Action Date** 31/08/2009

Log sheet monitoring will be incorporated within existing team internal audit programme (under ISO 9001 accreditation) and recorded as recommended in ref.2

**Update**      **Revised Action Date** 31/03/2010

Log sheets are being reviewed but review process is not yet being documented. Team leader is aware this is a priority issue and will implement by the end of the financial year.

**Recommendation 4 Merits Attention****Action Status Being Implemented**

Checks were not being undertaken on the content or the accuracy of the data recorded in the APP system, other than for general completeness.

We recommend that the Team Leader of the Inspections Team arrange for monthly checks to be undertaken of the data recorded in the APP system to ensure that it is fit for purpose and that it correlates with other records held by Trading Standards. These checks can be conducted on a sample basis but should be documented and records should be signed and dated by the officer(s) conducting the review. The Team Leader should formally report any key findings to the Trading Standards Manager.

**Action Details**      **Responsible Officer** Julian Demowbray      **Action Date** 31/08/2009

Monthly checks will be incorporated into the team leader's 1:1 meetings with staff and will now also form part of the team's internal audit programme. They will be recorded as recommended in ref. 4. Outcomes will be discussed at team leader's 1:1 meetings with Trading Standards Manager and reported quarterly to Management Team

**Update**      **Revised Action Date** 31/03/2010

Not actioned yet. IT problems have prevented installation of APP upgrade software, which needs to be done before recommendation can be implemented. APP upgrades are imminent however and this should be implemented by the end of the financial year.

## Resources

**876 Academy - Housing Benefits - IT Security****Report Issued****09/07/2009****Recommendation 2 Significant****Action Status Not Implemented**

The Business Systems Manager of Academy and Anite was not periodically reviewing audit trail and event log data for indications of suspicious user behaviour.

We recommend the Business Systems Manager of Academy and Anite develops reports and procedures for regularly checking audit trails and event logs which would potentially identify suspicious and inappropriate user behaviour. The following checks are the minimum we would expect to be performed:

- a) Unusual logon failures, specifically against the Administrative accounts such as aisdba.
- b) The same employee trying to access multiple accounts
- c) The same user having concurrent sessions open at the same time on different machines.
- d) Users running queries, reports or extracts that contain a large volume of personal or financial data should be verified to ensure this activity is reasonable.

The Business Systems Manager of Academy and Anite should maintain a record which provides evidence of:

- The checks that have been undertaken.
- The officer undertaking the checks.
- The date when the checks were undertaken.

**Action Details**      **Responsible Officer** Lynda Innocent      **Action Date** 30/09/2009

The Business Systems Manager of Academy and Anite will regularly run the audit recommendations to identify suspect activity. Business Systems Manager (Academy) End September 2009.

**Update**      **Revised Action Date**

The output is not meaningful apparently.

**864 Cashiers 2008-9****Report Issued****03/03/2009****Recommendation 3 Merits Attention****Action Status Being Implemented**

There are no plans to monitor the project after the project deadline and the closure of the cashiers counters.

We recommend that a member of the Project Team be allocated to undertake post-project monitoring in order to ensure there are no outstanding issues that need addressing.

**Action Details**      **Responsible Officer** Kath Gruber      **Action Date** 31/03/2010

Post project monitoring to take place.



**Update****Revised Action Date** 31/03/2010

Project monitoring will take place when the project has ended.

**Recommendation 7 Significant****Action Status** Being Implemented

The ability to pay by cash will not be available for all types of Council debts.

We recommend cash payment facilities be provided for all debt types and for suitable controls surrounding these facilities to be put in place and adhered to.

**Action Details****Responsible Officer**

Kath Gruber

**Action Date**

31/03/2010

Cash payments come with increased risks for the Council, for example, fraud, theft and misappropriation of money. Limiting cash payments helps to manage these risks in favour of more secure, electronic payments such as Direct Debit. Cabinet have approved the recommendation to use of PayPoint outlets and post offices rather than the Council House cash counter for those customers who wish to continue to pay in cash. As a result of that decision significant work has been underway to make alternative arrangements for the range of miscellaneous debts currently paid at the cash counter. The focus of these arrangements have been to move away from cash, however temporary arrangements for customers who cannot move to alternative methods have been agreed with the Departments – see below:

- penalty charge notices - can be paid via the internet or over the telephone but cash payments continue to be an option at Saxon House.
- housing advances – there are very few of these remaining (2) and satisfactory arrangements have been agreed with the individual customers, mainly by setting up standing orders.
- bulky waste payments - these can be paid over the telephone using a debit card. For those customers wanting to pay in cash an invoice will be issued by the Waste Management Division.
- TV licences – these are very few, approximately 2 transactions in November 2008, Derby Homes have confirmed that they will have alternatives for these payments in place before the cash counter closes. An option for customers paying in cash would be raising an invoice through the sundry debtors system which will allow payment via PayPoint.
- Housing options rent – these are very few, approximately 16 transactions in November 2008. Housing Options have confirmed they will have alternative arrangements in place. An option for customers paying in cash would be raising an invoice through the sundry debtors system which will allow payment via PayPoint.
- Cattle Market fines - these are very few, approximately 2 transactions in November 2008. Markets will have alternative arrangements in place for those customers which is that these fines will be collected by markets employees and incorporated with their other cash payments which are paid into the cashiers back office.
- Legal – they will continue with the current arrangement where they pay cash into the back office. From a legal perspective cash continues to be legal tender and unless there is a contractual requirement to pay in a particular way a debtor can tender cash. All references to paying Council Tax (the majority of cash payments made) have been removed from the 09/10 annual bills. Rent payments (the next largest group of cash payers) all have PayPoint cards – those who pay currently at Council House are required to bring in their card and these customers will be redirected to alternative outlets where they can continue to pay in cash.

**Update****Revised Action Date** 31/03/2010

Final plans in place to enable cash payments for the full range of council bills. The last remaining bill type with no solution for those customers who prefer to pay cash is for payments for Bulky Waste. Plans are being developed to have a solution for this.

**Recommendation 8 Merits Attention****Action Status** Being Implemented

The Council House reception desk operates a small till float and takes cash payments from members of the public.

We recommend the necessity for the reception desk till be reviewed and alternative methods for taking payments be sought, in line with the objectives of the Cashiers Project.

**Action Details****Responsible Officer**

Kath Gruber

**Action Date**

03/03/2009

Once the cashiers service has closed and this project is finalised a review of those payments taken at Council House reception will take place with alternatives being sought. This review will be in line with the objectives of the Cashiers Project.

**Update****Revised Action Date** 31/03/2010

The project now includes plans to reduce / eliminate cash transactions at the main reception.

**865 Creditors 2008-9****Report Issued**

31/03/2009

**Recommendation 7 Significant****Action Status** Being ImplementedIndependent checks were not being undertaken to verify that:

- New supplier account details input to the system; and
- Any amendments made to supplier account details on the system; were accurate and legitimate and in accordance with the authorised documentation.

We recommend that an officer, independent of the supplier set up and amendment process, should regularly check all additions and amendments to supplier standing data in the Oracle Financials System to the authorised input documents. A bespoke system generated report, listing all such changes to suppliers' standing data, should be used for this purpose. The officer undertaking these checks should evidence that this control has been performed by signing and dating the system generated report.

**Action Details****Responsible Officer**

John Massey

**Action Date**

30/06/2009

Response from Dawn Hallsworth: This issue existed under the established processes that were in operation prior to Customer Services taking over the External Payments Section. The system generated report is called DCC\_AUD01. It would need running every day by the External Payments Manager. However, the audit module which contains this report is not switched on at the moment. The Accounts Payable Manager / External Payments Manager will liaise with the Business Systems team to investigate either using this report or developing an alternative.

**Update****Revised Action Date** 30/09/2010

Business Systems Manager advises that the Audit Module will not be available. However she has commissioned some Audit Trail work with Teamsolve and this should be in the production environment w/c 12/10/09. In progress report due 1/12/09. Being followed up as part of Creditors 2009/10 audit

**850 Debtors - Police Liaison****Report Issued**

05/10/2009

**Recommendation 1 Significant****Action Status** Being Implemented

Ultimately the Council's cash collection facility for Market Traders enabled a major fraud to be committed.

We recommend that Market Traders are informed that cash collections from market stalls are to be withdrawn by a set date, within three months of notice. All new and each existing Market Trader should be required to make all future payments via Direct Debit. All new traders in Council premises who are required to pay rent, electricity charges etc should be required to sign a Direct Debit instruction when a lease is signed. The direct debit instruction should be an integral part of the contract/lease with the Market Trader.

Action Details	Responsible Officer	Stephen Meynell	Action Date	31/01/2010
<p>Cash collection: 1. Eagle Market and Market Hall: Cash collection of rents ceased from 11 May 2009. The alternative for traders to pay in cash/cheque at the Council House is currently still possible and there are the other various alternative payment methods that the Council accepts.2. Allenton Market is a 'casual' market and rent is now collected by officers working in pairs. Whilst it may be possible to identify regular traders and collect by direct debit in the future, this would entail entering lease agreements with traders. Confidentially, until the future of the Market is determined, we would not wish to take this course of action.3. Street traders: • City Centre traders (4) are invoiced and no cash is collected. Payment is by cheque or cash as in 1 above. • Out of city traders (regular) currently pay by cash/cheque following a letter reminding them to renew for the next year (January – December). For next year, January 2010, traders will be invoiced in advance. • Casual traders because of the need for a quick turn around of requests, it is not possible to issue invoices and obtain payment in advance of issuing a licence. All cash/cheques collected will now have receipts signed by two officers.4. Car boot sales: There is no alternative to cash collection by Council officers whilst the Market remains in the management of the Council. Cash is now collected by officers in pairs and, because of the amount collected, will be paid in by two officers to ensure insurance limits for cash carrying are not breached. Those with regular pitches (refreshments) are to be issued with an annual agreement and required to pay monthly by direct debit.5. Eagle Market parking: As an interim measure, cash is being collected by officers in pairs. Introducing direct debit for regular parking is to be considered alongside the introduction of car park ticket machines with collection by third parties (last reviewed 2006). 6. Cattle Market parking: Cash has been collected by officers in pairs since 2006. The introduction of collection by third parties will be reviewed alongside the Eagle Market parking. Payment by Direct Debit (DD)7. Eagle Market and Market Hall: Under the current lease arrangements it is generally possible to require tenants to pay by DD, although each and every lease is being checked to establish that this is possible in all cases Market trading is traditionally a cash economy. DD on bank accounts with its associated charges will increase costs to traders and this, together with lessening opportunities to pay, may result in an increase in the level of arrears, rather than reduce it. Ideally, incentives for the introduction of DD would need to be offered and would coincide with new lease agreements when rental levels are considered. However, given that lease renewals are not due until 1 August and 1 September 2010 and that income supports the Council's revenue budget and is already accounted for, the general requirement for traders to pay by direct debit is to be introduced as quickly as possible. Discussions with the Eagle Market Traders Committee on 26 August, where an officer from Resources accounts team was present, highlighted reluctance by the traders to move to DD. This reluctance stems mainly from mistrust and loss of confidence: • Two committee members, who paid in the past by DD, cancelled because they were charged incorrectly and it took a long time to recover the overpayment. • It will cost (marginally) more to operate DD. • Their experience of responses to financial queries has been poor. The Traders Committee requested confirmation from the accounts team that systems have improved for the allocation and collection of DDs and that queries arising will be dealt with speedily so that they will not remain out of pocket for long periods. If their confidence can be gained, then they will work with the Council to assist in getting other traders to pay by this method. The issue will be discussed again at the next Committee meeting, planned for October. All new tenants, or tenants wishing to move stalls, are already required to agree to make their future payments by DD. Responsible Officer: Steve Meynell Action Dates: 1. Eagle Market and Market Hall: Cessation of cash collection - Implemented 2. Allenton Market: cash collected in pairs already implemented. 4. Car Boot Sale: • Cash collection in pairs already implemented • Regular pitches – 30 September 2009 • Review management options – 31 January 2010 5/6. Parking: 30 November 2009 7. Eagle Market and Market Hall DDs: Partially introduced (new tenants and those moving stalls). Existing tenants – as soon as possible with a 'long-stop' date to coincide with the lease renewals (1 August/1 September 2010).</p>				

Update	Revised Action Date	01/09/2010
<p>1. Eagle Market and Market Hall: Cessation of cash collection - Implemented 2. Allenton Market: cash collected in pairs already implemented. 3. Street traders: . City Centre traders (4) are invoiced and no cash is collected. Payment is by cheque or cash as in 1 above. . Out of city traders (regular) currently pay by cash/cheque following a letter reminding them to renew for the next year (January - December). For next year, January 2010, traders will be invoiced in advance. - Implemented . Casual traders because of the need for a quick turn around of requests, it is not possible to issue invoices and obtain payment in advance of issuing a licence. All cash/cheques collected will now have receipts signed by two officers. - Implemented</p> <p>4. Car Boot Sale: . Cash collection in pairs already implemented . Regular pitches - 30 September 2009 Being invoiced now . Review management options - 31 January 2010 5/6. Parking: 30 November 2009 Not sorted yet as machines expensive. As is collection by third party so need discussion. 7. Eagle Market and Market Hall DDs: Partially introduced (new tenants and those moving stalls). Existing tenants - as soon as possible with a 'long-stop' date to coincide with the lease renewals (1 August/1 September 2010). To be part of lease renewals. To RB 15/03/10 - 4 Car Boot Sale Continuing with present arrangements on collection though investigating possible use of external cash collection from site. Being Implemented 5/6 External cash collection along with 4 above being considered . New machines at Eagle market to be considered provide external cash collection is cost effective Being Implemented</p>		

Recommendation 3	Significant	Action Status	Being Implemented
<p>By allowing Council staff to negotiate face to face with Market Traders regarding the payment of their arrears, Council officers have been able to take advantage of the debtors' vulnerable position to steal cash. A number of local authorities use private bailiffs to tackle Market arrears. We recommend that to avoid opportunities for officers to enter into corrupt practices, Council officers are no longer allowed to enter into negotiations with Market Traders for the repayment of arrears. A firm of private bailiffs should be engaged by the Council to pursue all outstanding Markets debts with Market Traders. A policy would need to be determined which states at what stage the bailiffs will be called in. This can be as severe or as lenient as is considered appropriate.</p>			

Action Details	Responsible Officer	Stephen Meynell	Action Date	28/02/2010
<p>The face-to-face meeting with tenants is an integral part of chasing debts at the early stage as there needs to be an understanding of the issues and this needs to continue. However, from June 2009 two officers, from different departments, are present at all such meetings. These meetings often result in agreements to pay arrears in full or part and the success of this is demonstrated by the level of recovery outlined in Recommendation 2 above. The current procedures for debt recovery involve, if agreement on the payment of arrears cannot be reached, either the repossession of the stall or if the tenant has already left the Market then pursuit through the legal process. The opportunity for the use of bailiffs is limited but Finance colleagues are looking at the use of them across all Council debts. It is accepted that the judicious use of such action is both a deterrent and a solution and so once a contract is in place Council-wide such action could, if appropriate, be used to pursue Market debts. Finance will explore the use of bailiffs for market debts and present findings to Steve Meynell - February 2010</p>				

**Update****Revised Action Date** 31/01/2011

SM to RB - Finance colleagues have a meeting in April 2010 to discuss scoping the retendering the bailiff service with an inception date of Dec 2010. Whilst the current contract does not allow for adding markets debts this will be explored as part of the retendering process

**889 Debtors 2008-9****Report Issued****27/10/2009****Recommendation 2 Significant****Action Status Being Implemented**

The AR module cannot be configured to enforce a separation of duties which ensures that the person who raises the original invoice is unable to raise a credit note against that invoice.

We recommend that the Head of Business Systems evaluates 3rd party software (such as CaoSys) which can enhance Oracle's functionality. We understand this product may be used to enforce an appropriate separation of duties via system controls. If the enforcement of an appropriate separation of duties by 3rd party software is either not practical or not cost effective, the Revenues Manager should devise a manual process for approving credit notes for those users who can raise a credit note against an invoice that they had previously raised. The Revenues Manager should undertake random checks to ensure that credit notes processed have been appropriately approved.

**Action Details****Responsible Officer**

John Massey

**Action Date**

31/10/2009

Software Supplier (as mentioned in Audit recommendation) will be working with Business Systems on the proposed solution. Proposed implementation date of 31/10/09. In terms of the External Payments Manager/ Revenues Manager devising a manual process of approving credit notes, this presents practical difficulties. Between April to August 2009 670 credit notes were raised. Any documentary evidence of these will be held at the Department where the transaction was completed. As such any such checks will need to be undertaken by Officers in Departments. Email sent to Carolyn Wright (14/09/09) requesting that this is added to the agenda of the Heads of Finance Meeting

**Update****Revised Action Date** 30/09/2010

We have undertaken an initial review of the CoaSys product and hope to make a decision before the end of November as to whether we will be pursuing this option.

Jan update We have taken the decision not to pursue the CaoSys product because implementing this will mean that we have to licence the database on a different basis that would be very prohibitive.

JM Update 16/03/2010 This item is still outstanding. It was hoped for an IT solution to this recommendation but this is not deliverable. We are now looking to amend working practice via the TSC review, recommending that Credit Note processing should be undertaken centrally. Implementation date 30 Sept 2010

**Recommendation 3 Significant****Action Status Being Implemented**

A report of all transfers was not being produced for the Head of External Payments to monitor activity.

We recommend that the Revenues Manager initiates the production of a report which identifies all transfer activity to ensure the effective monitoring of the function.

**Action Details****Responsible Officer**

Lynda Innocent

**Action Date**

31/10/2009

Lynda Innocent has commissioned audit trail work with Teamsolve. This should be in the production environment in the week commencing 12/10/09. Once the functionality is available the External Payments Manager will devise and document appropriate checks

**Update****Revised Action Date** 31/03/2010

The audit trail has been developed and we are scheduled to undertake testing over the next 2 weeks to confirm that it works as we have specified with a view to making this functionality live at the end of this month.

Jan update The audit trail work is still in development as we cannot currently produce any reports. We have therefore asked the consultant who has developed the reporting area to meet with us to outline where it does not appear to be working.

Unfortunately there has been a delay in implementing the audit trail. We are trying to get this up and running with assistance from Teamsolve. Hopefully we will reach a conclusion to this soon.

**Recommendation 4 Significant****Action Status Being Implemented**

Periodic statements were not being sent to appropriate debtors to allow them to confirm the transactions and balances on their accounts.

We recommend that the Revenues Manager, in conjunction with the relevant Service Heads, determine which of the recurring debtors would benefit from receiving a periodic statement of account, determine an appropriate schedule for each and provide an appropriate independent contact point for any queries. This process should be commenced at the earliest possible juncture.

**Action Details****Responsible Officer**

John Massey

**Action Date**

31/03/2010

Statements are not routinely sent out as they can only be produced by customer number. This means production on an ad-hoc account basis, or a range of account numbers. The proposal was taken to the Oracle Board in September 2008, however the Board dismissed the idea. It is assumed that this recommendation is only applicable to those clients receiving periodic invoices, i.e. Estate Rents, Market Traders etc. It is proposed to include

this issue in future consultation exercises with clients to identify if there is a demand for such functionality.

**Update****Revised Action Date** 30/09/2010

JM 16/03/2010 As reported previously Oracle functionality does not allow the production of statements by client type. Investigations are ongoing regarding moving certain client types to annual billing ie Market Traders/Estate Rents. Implementation date 30 Sept 2010

**Recommendation 7 Merits Attention****Action Status Being Implemented**

Debt reports were not being distributed to departmental management.

We recommend that the issue of debt reports is discussed with departmental managers in order to provide them with a set of reports that will allow them to better monitor and manage their debtor accounts. Every effort should continue to be made to reduce the levels of unapplied receipts.

<b>Action Details</b>	<b>Responsible Officer</b>	John Massey	<b>Action Date</b>	31/12/2009
It is suggested that this issue is taken to the next available Heads of Finance meeting. HoF can then specify their information requirements. Email to Carolyn Wright 14/9/09 requesting this				
<b>Update</b>			<b>Revised Action Date</b>	30/06/2010
Departmental Managers have access to Oracle reports. The key issue is that Jm 16/03/2010 Departmental Managers want to report by cost centre but Oracle functionality prevents that. Reporting will be revised in May 2010 in line with new structures, departments and debt types. Implementation date 30 June 2010.				

<b>898 Direct Debits</b>			<b>Report Issued</b>	<b>11/06/2009</b>
<b>Recommendation 3</b>	<b>Significant</b>		<b>Action Status</b>	<b>Being Implemented</b>
Current banking practices allow direct debits to be set up without a signature. Banks do not check whether direct debits or standing orders have been authorised in accordance with the Council's internal rules. Accordingly, the Council's bank accounts are now more vulnerable to erroneous or fraudulent direct debit mandates.				
We recommend that consideration be given to setting up a separate bank account, where details of the account number, sort code and title are strictly restricted. This should be used solely for the payment of direct debits and standing orders which have been approved by the Corporate Director - Resources. Funds could be transferred by CHAPS into this account on a regular basis for this purpose. All other corporate bank accounts should then be "locked" against any further direct debits or standing orders being set up against them.				
<b>Action Details</b>	<b>Responsible Officer</b>	Ciaran Guifoyle	<b>Action Date</b>	31/05/2009
The Banking Officer will contact the Co-operative bank and enquire about the feasibility of a separate account for direct debits. If credit amounts to this account (to clear it) can be performed automatically (similar to the Council's existing Payments account) then there should be no problem. (Gurjit Gill, end of May). The Banking Officer will also enquire into whether all remaining accounts can be 'locked' against direct debits.				
<b>Update</b>			<b>Revised Action Date</b>	31/03/2010
New account set up by end Sept 09. Still in process of transferring DD's to new account.				

<b>Recommendation 6</b>	<b>Merits Attention</b>		<b>Action Status</b>	<b>Being Implemented</b>
The instructions on how to code the charges relating to mobile phone usage and how to recharge for personal usage did not clearly explain all aspects of the procedure and officers were not always adhering to the guidance provided.				
We recommend that the instructions for coding mobile phone bills and recharging for personal use be rewritten, in liaison with the income team, to ensure that full detailed guidance is available for staff. Non-adherence to these instructions should be challenged. Guidance should state that the mobile phone bills should be received and checked by an independent officer – i.e. one who does not hold a phone which is charged on the statement being checked.				
<b>Action Details</b>	<b>Responsible Officer</b>	Ciaran Guifoyle	<b>Action Date</b>	12/05/2009
The new direct debit guidance will determine a single departmental account/revenue holding cost centre for each direct debit, and the full amount of the direct debit will be charged to this when being coded from the bank statement by the Income Team. It will be up to the departmental accountant in question to clear out the cost centre to the relevant revenue codes and ensure that the amount charged is correct and to query any strange amounts appearing on the direct debit statement. This has been made clear to them in the new guidance drawn up for APIG. (Ciaran Guifoyle, 12th May)				
<b>Update</b>			<b>Revised Action Date</b>	31/03/2010
as for rec 3, two files being set up for current DD's out of main account and out of new account. As DD's are transferred the file entries are being moved so that the main account file will be emptied when all are transferred.				

<b>555 Employment Agency Contract (Comensura)</b>			<b>Report Issued</b>	<b>01/08/2006</b>
<b>Recommendation 1</b>	<b>Significant</b>		<b>Action Status</b>	<b>Being Implemented</b>
Arrangements for monitoring the performance of the contract have yet to be determined.				
We recommend that the following performance monitoring should be undertaken: Market information should be sought, wherever practicable, to assess the appropriateness of the benchmark data specified in the contract. At 6 and 9 months following the start of the contract, the savings to date should be evaluated in conjunction with the Technical Finance section, and a judgement made as to the most appropriate course of action. A sample of invoices from Comensura should be chosen each month and checked to ensure that the Council is being charged as outlined in the contract.				
<b>Action Details</b>	<b>Responsible Officer</b>	Karen Simonite	<b>Action Date</b>	01/08/2006
The benchmark price for each category of temporary labour was set as the historic figure of the rate the Council were paying in the four months prior to the commencement of the Comensura contract. It was agreed by Accountancy as being an accurate reflection of the price we were paying for these posts and would, therefore, be used throughout the first year of the contract as the basis of the calculation of the saving achieved through the use of the Comensura system.				
It was agreed through the tender process that we would have a shared savings remuneration system for the first 12 months and that we would be able to review this option at the end of the first year of the contract and decide if we wish to transfer to a management fee instead.				
It would be anticipated that as we come towards the latter part of the first year of the contract that we would seek information to ascertain whether the level of mark up that is being managed through the Comensura arrangement remains competitive.				

Benchmark rates for temporary staff will be assessed annually but these are to reflect market forces of temporary staff and cannot be driven downwards continually. Current rates have been agreed between Comensura and the council.

Assessment of value for money will need to be carried out by other means such as checking against other authorities in the local vicinity.

Savings information provided by Comensura can be checked departmentally and assessed against those predicted during the first year at timings to be agreed with Technical Finance.

I would agree to the recommendation of monitoring invoices and would suggest the checking of the rates of 10 lines of a Comensura invoice every month.

## Update

## Revised Action Date

Corporate HR have been unable to get market information from other local authorities as the authorities are reluctant to release this information. However, bordering authorities spend more than twice what Derby spends on agency temps, therefore it is questionable whether their rates could be used as a comparator. Equally agencies are not forthcoming with agency rates. From Sept 06 to Aug 07 the expenditure with Comensura was £2,550,691.56, the cost saving was £123,997.69, so the amount of actual savings received by the Council was £61,998.84. Comensura have already implemented a re-procurement exercise in October 06 to negotiate more competitive rates and will continue to do so to reflect market prices. Sample invoices have not been checked on a monthly basis. External Payments do vet all invoices before making payments, however, they are not aware of the specifics of the contract. Corporate HR are aware of the contract but have no access to Oracle. Further investigations on how to achieve this requirement need to take place.

## 860 Fixed Asset Register

## Report Issued

30/09/2009

## Recommendation 1 Merits Attention

## Action Status

## Being Implemented

Council departments did not maintain departmental asset registers of the assets they would expect to be listed in the fixed asset records.

We recommend that the Capital Team provide departmental Accountants with guidance on the development and maintenance of departmental asset registers. This should include guidance on which assets are required to be included.

## Action Details

## Responsible Officer

Carolyn Wright

## Action Date

15/11/2009

As per Nicola Goodacre, Group Accountant (Capital). Asset register procedure notes are being developed and in conjunction with this there will be a section for departmental responsibilities and procedures. The capital accountants will have the responsibility of ensuring that a departmental register is kept and updated on a quarterly basis.

## Update

## Revised Action Date

30/04/2010

We are still looking at asset register procedures for a corporate approach which has meant a lot of investigating and info gathering from departments. Until we finalise these and decide what we actually want to happen I will not be issuing departments with separate guidance.

Update - Mar 10: We are developing a new Fixed Asset Register database and once implemented draft procedures will be prepared to complement this new system, by the end of April 2010.

Data cleansing between our records, estates records and property services evolution records has been completed now. Final data cleansing between our records and legal records now taking place to be completed before the 31/3. We had done some work to develop evolution as the main FAR system but it does not provide the functionality required to deliver the information for the Accounts so we have had to re-visit. Agreed with estates that a new database will be developed by the end of March 2010, system to be maintained by accountancy but changes to asset register data to follow from instructions from estates. Control report checks of the integrity of the data to be given to Estates to agree and sign off. Proformas and sign off sheets to be set up. Work on the database is underway. Chloe Bowes has completely reviewed the requirements to ensure compliance with the SORP. Now that we know exactly how we are going to proceed with the new system and exactly what is required step by step to comply with the detailed SORP requirements Nicola Goodacre is going to commence work on the procedure notes covering actions by accountancy and estates. We have agreed with estates that we will then work on developing an SLA between us during 2010/11 to formalise our respective requirements and responsibilities. Monthly reconciliations between the new FAR database (to replace accountancy and estates records) and property services evolution and legal will take place in 2010/11. External audit are coming back in April to review what we've set up so we'll need their Ok to things before finalising the procedures. The more formal SLA with estates will be a task after closure. The other thing I meant to mention is that the new database is not intended as a long term solution but to get us through this closure and probably the next. A cross dept project will be needed to address the longer term solution linked to whatever comes out of one derby one council and property management.

## Recommendation 2 Merits Attention

## Action Status

## Being Implemented

Departmental Accountants were not checking that all their department's fixed assets were listed in the Capital Team's fixed asset records.

We recommend that when departmental Accountants are forwarded a copy of the Capital Team's fixed asset records, they are requested to check through the assets listed to identify any errors or omissions. The Capital Team should also reconcile their fixed asset records to all departmental registers annually to identify potential errors and omissions.

## Action Details

## Responsible Officer

Carolyn Wright

## Action Date

15/11/2009

As per Nicola Goodacre, Group Accountant (Capital). Agreed on a quarterly basis that the capital team would send departmental extracts of the asset register to the capital accountants to ensure the information was accurate with no omissions. This will be written into the departmental procedure notes to be undertaken and evidenced on a formal basis.

## Update

## Revised Action Date

31/05/2010

As we are still working on the actual entries in the register we don't have an accurate version that I would be happy in sending out to the departments. The queries are still being worked on and as such a version will go out when we are happy with all the entries.

Update - Mar 10: Capital Charge files have recently been forwarded to the Capital Accountants for scrutiny and it is hoped that this will be undertaken with more regularity in the future, with a view to including this as a standing agenda item on the Asset Management Groups monthly meetings, from April / May 2010 onwards.

Data cleansing between our records, estates records and property services evolution records has been completed now. Final data cleansing between our records and legal records now taking place to be completed before the 31/3. We had done some work to develop evolution as the main FAR system but it does not provide the functionality required to deliver the information for the Accounts so we have had to re-visit. Agreed with estates that a new database will be developed by the end of March 2010, system to be maintained by accountancy but changes to asset register data to follow from instructions from estates. Control report checks of the integrity of the data to be given to Estates to agree and sign off. Proformas and sign off sheets to be set up. Work on the database is underway. Chloe Bowes has completely reviewed the requirements to ensure compliance with the SORP. Now that we know exactly how we are going to proceed with the new system and exactly what is required step by step to comply with the detailed SORP requirements Nicola Goodacre is going to commence work on the procedure notes covering actions by accountancy and estates. We have agreed with estates that we will then work on developing an SLA between us during 2010/11 to formalise our respective requirements and responsibilities. Monthly reconciliations between the new FAR database( to replace accountancy and estates records) and property services evolution and legal will take place in 2010/11. External audit are coming back in April to review what we've set up so we'll need their Ok to things before finalising the procedures. The more formal SLA with estates will be a task after closure. The other thing I meant to mention is that the new database is not intended as a long term solution but to get us through this closure and probably the next. A cross dept project will be needed to address the longer term solution linked to whatever comes out of one derby one council and property management.

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<b>Recommendation 3      Significant</b>	<b>Action Status</b>	<b>Being Implemented</b>
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The fixed asset records did not clearly identify the nature of all assets listed and furniture had not been recorded on the fixed asset records as specified in SORP B28.

We recommend that the Capital Team arrange for additional information to be provided by the departmental Accountants of material items of furniture from historical costs and for the Capital Team to list these additional assets types in the fixed asset records. Further to this, the departmental Accountants should provide further details of the assets listed which clearly reflect the nature of the asset where it is considered that the description does not adequately identify the make up of the asset and for the Capital Team to update the fixed asset records accordingly.

<b>Action Details</b>	<b>Responsible Officer</b>	Carolyn Wright	<b>Action Date</b>	15/11/2009
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As per Nicola Goodacre, Group Accountant (Capital). As part of the departmental procedure notes capital accountants will be instructed that any new purchases of significant items of furniture should be added to their departmental asset registers and notified to the central capital team through the quarterly asset register monitoring procedure.

<b>Update</b>	<b>Revised Action Date</b>	30/04/2010
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As stated below this will be picked up in the asset register procedure notes which I hope to issue in march. Data gathering has taken longer than anticipated therefore the procedure notes are still in process.

Update - Mar 10: Once the new Fixed Asset Register database has been implemented draft procedures will be prepared to complement the new system, by the end of April 2010.

Data cleansing between our records, estates records and property services evolution records has been completed now. Final data cleansing between our records and legal records now taking place to be completed before the 31/3. We had done some work to develop evolution as the main FAR system but it does not provide the functionality required to deliver the information for the Accounts so we have had to re-visit. Agreed with estates that a new database will be developed by the end of March 2010, system to be maintained by accountancy but changes to asset register data to follow from instructions from estates. Control report checks of the integrity of the data to be given to Estates to agree and sign off. Proformas and sign off sheets to be set up. Work on the database is underway. Chloe Bowes has completely reviewed the requirements to ensure compliance with the SORP. Now that we know exactly how we are going to proceed with the new system and exactly what is required step by step to comply with the detailed SORP requirements Nicola Goodacre is going to commence work on the procedure notes covering actions by accountancy and estates. We have agreed with estates that we will then work on developing an SLA between us during 2010/11 to formalise our respective requirements and responsibilities. Monthly reconciliations between the new FAR database( to replace accountancy and estates records) and property services evolution and legal will take place in 2010/11. External audit are coming back in April to review what we've set up so we'll need their Ok to things before finalising the procedures. The more formal SLA with estates will be a task after closure. The other thing I meant to mention is that the new database is not intended as a long term solution but to get us through this closure and probably the next. A cross dept project will be needed to address the longer term solution linked to whatever comes out of one derby one council and property management.

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<b>Recommendation 4      Significant</b>	<b>Action Status</b>	<b>Being Implemented</b>
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There were no documented procedures relating to the compilation of the fixed asset records and evidence of write-offs had not been retained by the Capital Team.

We recommend that the Principal Capital Accountant arrange for procedural guidance notes to be prepared for the maintenance of the Capital Team's fixed asset records which incorporate the required processes for the disposal, write-off or transfer of assets. These guidance notes should be distributed to all relevant officers to ensure that standard processes are followed. The Capital Team should ensure that all supporting evidence is retained in respect of any changes to their fixed asset records.

<b>Action Details</b>	<b>Responsible Officer</b>	Carolyn Wright	<b>Action Date</b>	30/10/2009
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As per Nicola Goodacre, Group Accountant (Capital). In line with external audit recommendations documented procedures on the maintenance of the asset register including responsibilities will be produced and issued to estates and all departments maintaining a departmental register.

<b>Update</b>	<b>Revised Action Date</b>	30/04/2010
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Again this will be picked up in the asset register procedure notes which are currently being worked through.

Update - Mar 10: Now that we know exactly how we are going to proceed with the new system and exactly what is required step by step to comply with the detailed SORP requirements Nicola Goodacre is going to commence work on the procedure notes covering actions by accountancy and estates, by the end of April 2010. We have agreed with estates that we will then work on developing an SLA between us during 2010/11 to formalise our respective requirements and responsibilities.

Data cleansing between our records, estates records and property services evolution records has been completed now. Final data cleansing

between our records and legal records now taking place to be completed before the 31/3. We had done some work to develop evolution as the main FAR system but it does not provide the functionality required to deliver the information for the Accounts so we have had to re-visit. Agreed with estates that a new database will be developed by the end of March 2010, system to be maintained by accountancy but changes to asset register data to follow from instructions from estates. Control report checks of the integrity of the data to be given to Estates to agree and sign off. Proformas and sign off sheets to be set up. Work on the database is underway. Chloe Bowes has completely reviewed the requirements to ensure compliance with the SORP. Monthly reconciliations between the new FAR database( to replace accountancy and estates records) and property services evolution and legal will take place in 2010/11. External audit are coming back in April to review what we've set up so we'll need their Ok to things before finalising the procedures. The more formal SLA with estates will be a task after closure. The other thing I meant to mention is that the new database is not intended as a long term solution but to get us through this closure an probably the next. A cross dept project will be needed to address the longer term solution linked to whatever comes out of one derby one council and property management.

<b>Recommendation 5      Significant</b>	<b>Action Status</b>	<b>Being Implemented</b>
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Art gallery and museums exhibits (heritage assets) had not been valued recently to enable them to be recorded in the Council's fixed asset records.

We recommend that the Capital Team request that the Head of Museums considers arranging for all significant heritage assets, not purchased within the last five years, to be valued. Further to this, a five year rolling programme of re-valuations should be considered for all significant heritage assets, which could be fed into the Council fixed asset and insurance records.

<b>Action Details</b>	<b>Responsible Officer</b>	<b>Action Date</b>	<b>25/09/2009</b>
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As per Nicola Goodacre, Group Accountant (Capital). Formal notification to be sent to the head of museums to instruct them to have the significant items of heritage assets properly valued and to continue this on a 5 year rolling programme to be added to the central asset register as soon as is practically possible.

<b>Update</b>	<b>Revised Action Date</b>	<b>31/08/2010</b>
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An email has been sent and Regen are currently monitoring this on a monthly basis. Until a valuation has been undertaken nothing further can happen on this.

Update - Mar 10: The Museums are due to report to Cabinet on 27 April 2010 on a revised Museums Strategy which will include the storage of artefacts. It is hoped that this will report on how they will be dealing with the valuation of heritage assets so this issue can be moved forward.

Data cleansing between our records, estates records and property services evolution records has been completed now. Final data cleansing between our records and legal records now taking place to be completed before the 31/3. We had done some work to develop evolution as the main FAR system but it does not provide the functionality required to deliver the information for the Accounts so we have had to re-visit. Agreed with estates that a new database will be developed by the end of March 2010, system to be maintained by accountancy but changes to asset register data to follow from instructions from estates. Control report checks of the integrity of the data to be given to Estates to agree and sign off. Proformas and sign off sheets to be set up. Work on the database is underway. Chloe Bowes has completely reviewed the requirements to ensure compliance with the SORP. Now that we know exactly how we are going to proceed with the new system and exactly what is required step by step to comply with the detailed SORP requirements Nicola Goodacre is going to commence work on the procedure notes covering actions by accountancy and estates. We have agreed with estates that we will then work on developing an SLA between us during 2010/11 to formalise our respective requirements and responsibilities. Monthly reconciliations between the new FAR database( to replace accountancy and estates records) and property services evolution and legal will take place in 2010/11. External audit are coming back in April to review what we've set up so we'll need their Ok to things before finalising the procedures. The more formal SLA with estates will be a task after closure. The other thing I meant to mention is that the new database is not intended as a long term solution but to get us through this closure an probably the next. A cross dept project will be needed to address the longer term solution linked to whatever comes out of one derby one council and property management.

<b>Recommendation 7      Significant</b>	<b>Action Status</b>	<b>Being Implemented</b>
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The Capital Team's fixed asset records were not being comprehensively reconciled to the Property Asset Register.

We recommend that the Capital Team liaise with Property Services to undertake a full and comprehensive reconciliation between the information recorded on the Property Asset Register and the Capital Team's fixed asset records in order to ensure that all Council owned property has been correctly accounted for.

<b>Action Details</b>	<b>Responsible Officer</b>	<b>Action Date</b>	<b>01/10/2009</b>
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As per Nicola Goodacre, Group Accountant (Capital). Fixed Asset Register (FAR) action already taken• Introduction of a unique reference number on the FAR• One common file on a shared drive with restricted access • Monthly reconciliation to financial and Estates data and sign-off by the Group Accountant (capital)

<b>Update</b>	<b>Revised Action Date</b>	<b>30/04/2010</b>
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Currently in order to ensure the accurateness the capital team and estates are meeting regularly to go through outstanding issues within the asset register. Further to this we are looking to move to using evolution for both valuations and one asset register which accountancy will use to download reports for the purposes of year end transactions. A meeting to discuss adapting evolution and creating the relevant reports is being held on 14th jan.

Update - Mar 10: Data cleansing between our records, estates records and property services evolution records has been completed now. Final data cleansing between our records and legal records now taking place to be completed before the 31/3. We had done some work to develop evolution as the main FAR system but it does not provide the functionality required to deliver the information for the Accounts so we have had to re-visit. Agreed with estates that a new database will be developed by the end of March 2010, system to be maintained by accountancy but changes to asset register data to follow from instructions from estates. Control report checks of the integrity of the data to be given to Estates to agree and sign off. Proformas and sign off sheets to be set up. Work on the database is underway. Chloe Bowes has completely reviewed the requirements to ensure compliance with the SORP. Now that we know exactly how we are going to proceed with the new system and exactly what is required step by step to comply with the detailed SORP requirements Nicola Goodacre is going to commence work on the procedure notes covering actions by accountancy and estates. We have agreed with estates that we will then work on developing an SLA between us during 2010/11 to formalise our respective requirements and responsibilities. Monthly reconciliations between the new FAR database( to replace accountancy and estates records) and property services evolution and legal will take place in 2010/11. External audit are coming back in April to review what we've set up so we'll need their Ok to things before finalising the procedures. The more formal SLA with estates will be a task after closure. The other thing I meant to mention is that the new database is not intended as a long term solution but to get us through this closure an probably the next. A cross dept project will be needed to address the longer term solution linked to whatever comes out of one derby one council and property management.

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**873 Main Accounting System 2008-9** **Report Issued** **20/11/2009**
**Recommendation 2 Merits Attention** **Action Status** **Being Implemented**

Heads of Finance were not verifying that the actual rights allocated to their staff were as authorised.

We recommend that the Heads of Finance from each Department regularly obtain from the Business Systems Team a report of the permissions allocated to their staff in order that they may check that the access permissions are still appropriate to each officer's current roles and responsibilities.

<b>Action Details</b>	<b>Responsible Officer</b>	Carolyn Wright	<b>Action Date</b>	30/11/2009
Agreed				

A report of current access and authorisation rights is available to Group Accountants and Heads of Finance (DCC-SYS03) to run on request. This will allow Heads of Finance to ensure that only appropriate users have access to the system.

Review and approval of this list on a quarterly basis will be added to the control framework prepared by Corporate Accountancy, which will be used as the basis for an exception report to the Head of Accountancy and the Corporate Director of Resources.

Chloe Bowes Corporate Group Accountant - This response has also been agreed by the Head of Business Systems.

<b>Update</b>	<b>Revised Action Date</b>	31/03/2010
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12/03/10 - Procedures have been drafted and a report is being produced for the APIG group. Chloe to confirm at end of March.

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**871 NNDR - 2008-9** **Report Issued** **26/05/2009**
**Recommendation 3 Merits Attention** **Action Status** **Being Implemented**

One business sampled had been charged a BID Levy that was too high for the rateable value of their property.

We recommend that an exception report be developed that would highlight any anomalies between the rateable value of the property and the BID Levy that has been charged.

<b>Action Details</b>	<b>Responsible Officer</b>	John Massey	<b>Action Date</b>	03/06/2009
JA to ask Business Systems Team to produce an exception report which will be then run on a monthly basis				

<b>Update</b>	<b>Revised Action Date</b>	31/03/2010
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Liam has created various reports now on Access. Including one for potential overcharged accounts. We haven't been able to write one specifically for the RV'S A and this still relies on manual checking. We are in the process of requesting a suite of management information from Capita for BIDs and Liam and our account manager at Capita are working on this.

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**582 NNDR 2006-7 - Billing & Refunds** **Report Issued** **30/01/2007**
**Recommendation 1 Merits Attention** **Action Status** **Being Implemented**

Although it is noted that the procedure manual is currently being updated, the NNDR procedure manual is out of date.

It is recommended that the NNDR procedure manual is updated to include all necessary changes brought about by the implementation of the Academy system.

<b>Action Details</b>	<b>Responsible Officer</b>	John Massey	<b>Action Date</b>	31/12/2007
This is an ongoing project which will take considerable time to complete but work is progressing				

<b>Update</b>	<b>Revised Action Date</b>	31/12/2010
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This is a "forth rail bridge" task, as soon as it gets close to completion it needs reviewing. We have some changes to legislation to be effective 1/4/08 which will necessitate even more work.

Update nov 2009. NDR is currently struggling to keep up with the workload as the work on the BID is requiring additional resource due to the software being unreliable. There is also a revaluation due for implementation at 1 April 2010 with much software testing required for the new transition regulations that are due to accompany this. It is therefore unlikely that work will progress on the manual until after the annual billing rush (and any such work would be pointless as the regulation changes due 1 April would require a rewrite anyway) so the date has been put far enough in advance to allow a reasonable time to address this task.

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**774 Payroll 2007-8** **Report Issued** **09/05/2008**
**Recommendation 5 Merits Attention** **Action Status** **Being Implemented**

The supplier of the Council's payroll system did not inform the Council that their accreditation to the Payroll Standard had ceased.

We recommend that the Council ask Selima to confirm in writing the current situation with the HMRC Payroll Standard.

<b>Action Details</b>	<b>Responsible Officer</b>	Nigel Dowey	<b>Action Date</b>	30/06/2008
This will be requested as part of the contract negotiations currently taking place.				



**Update****Revised Action Date** 30/09/2010

The system suppliers are at present applying for one for the new system to be implemented 1 Nov 2009.

Update 25/11/09 - Selima have not formally sought or got accreditation to the HMRC Payroll Standard but will be requesting this in the future. Their contact confirmed to L Innocent that when the software is completed for release they run through the HMRC test scripts prior to release to customers. Asked Lynda for a new date so we can follow up. No response so asked N Dowey. He contacted Selima and got them to commit to a 30 Sept 2010 deadline to achieve accreditation. To follow up in October 2010.

**639 Windows XP - Security Configuration****Report Issued** 24/10/2008**Recommendation 4 Merits Attention****Action Status** Being Implemented

There was an excessive amount of GPO's that were applied across our domains.

We recommend Central IT review change requests for new GPO's and determine whether the ITSP proposals are justified to develop a new group policy for these specifics, or whether these settings could be incorporated into existing policies.

**Action Details**      **Responsible Officer** Mike Thompson      **Action Date** 30/04/2009

Recommendation agreed. The activity to review and aggregate GPO's and review change requests to be carried out by Technical Design Analyst when in post

**Update****Revised Action Date** 01/01/2010

Unfortunately this recommendation has not been implemented. With the current issues around recruitment and savings on staffing we have not been able to recruit the TDA as expected, so this activity has not been able to be resourced. Pending the results of the budget reviews and DECATS review, this activity will be picked up at a later stage when the appropriate resource is in place.

**586 Wireless Network****Report Issued** 20/08/2008**Recommendation 5 Significant****Action Status** Being Implemented

Our current IT Service Provider performs security assessments to identify access points that have been installed without the knowledge and approval of the network administrators on an ad-hoc basis as chargeable project work.

We recommend that the Council ensures that quarterly wireless security assessments should take place for the purpose of identifying rogue access points that have been installed without the network administrator's knowledge and approval. Such regular checks should be incorporated into any future contract specification, rather than incurring additional charges each time they are undertaken. Logs of such checks should be produced for scrutiny by Central IT.

**Action Details**      **Responsible Officer** Mike Thompson      **Action Date** 31/12/2008

Agree, I think we have a better way to do this. We are kicking off a project to bring our existing access points under centralised management. These AP can then be used to police the "airspace" to identify access points joining our network – anything not authorised can be disabled by a denial of service attack. This obviously does not cover offices where there is not at least one corporate access point – so we need to retain the field engineer survey visits. Regular checks will be built into the specification for the new IT FM contract by way of having that service as an option from a catalogue of services which can be 'called off' when required. We can then call off the service for a specific site on an adhoc basis. Including an option for all sites as an integral part of the FM contract is not financially viable.

**Update****Revised Action Date** 31/12/2009

Serco have just employed a security manager, MP to meet with him in December to determine the scope of their work including WiFi sniffing.

**Recommendation 7 Merits Attention****Action Status** Being Implemented

The Council's users of wireless technology were not being formally informed that they should turn off Bluetooth or WI-FI when it is not required.

We recommend Central IT should incorporate such advice into either the "Guidelines for the use of mobile computing equipment" document, or any future policy documents produced which cover wireless technology. Consideration should be given to supplementing policy and procedural guidance with wireless security awareness training for all new users.

**Action Details**      **Responsible Officer** Mike Thompson      **Action Date** 31/12/2008

Probably pick this up as part of the policy/guidelines identified in recommendation 6

**Update****Revised Action Date** 01/02/2010

Rather than trust users cisco security agent planned for early 2010 on such devices