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central midlands audit partnership

Derby City Council –
Internal Audit Progress Report
(Covering the period March 2018 to 31 May 2018)
Audit & Accounts Committee: 19th June 2018



Derby City Council



Providing Excellent Audit Services in the Public Sector

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Our Vision

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

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DASH BOARD

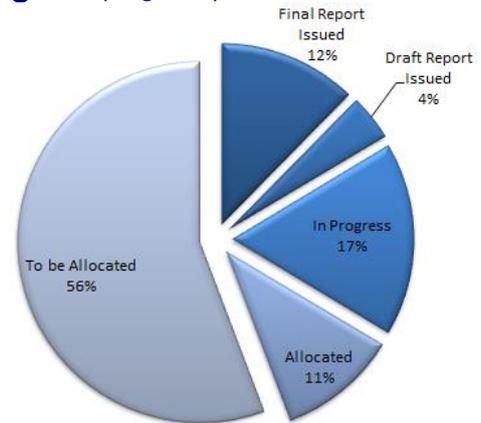
APPENDICES

A = Control environment Assurance Categories and control Risk Rating explained.

B = Details of control issues raised in the period, assessed as Moderate Risk

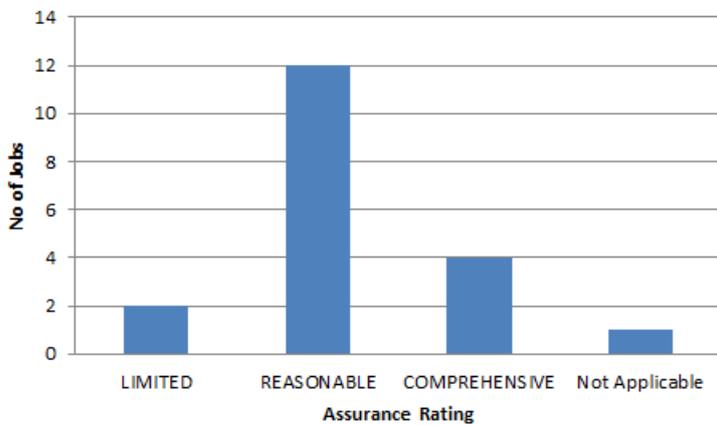
C = Details of recommendations not implemented by Target Date

Plan Progress (Page 4-9)

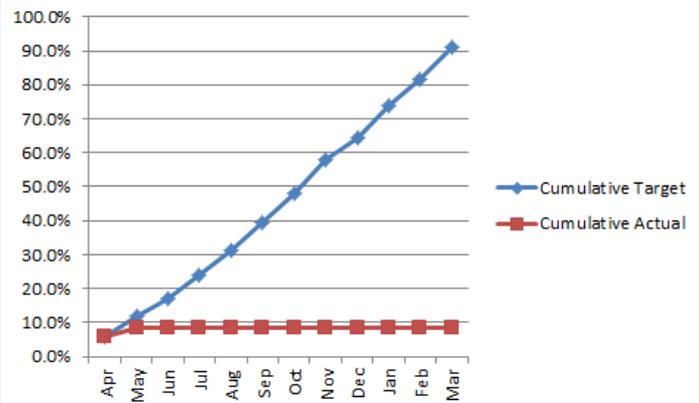


Job Status	Totals	% of Plan
Final Report Issued	15	13%
Draft Report Issued	5	4%
In Progress	21	17%
Allocated	13	10%
To be Allocated	68	56%
Total	122	100%

Assurance Opinion for jobs completed 1st March to May 2018 (excluding schools page11)



Service Delivery year to date



Recommendation Tracking (page 14)

Open Recommendations as at 31st May 2018

Risk Rating	Low Risk	Moderate Risk	Significant Risk	Total
Recs open at last Committee	95	63	7	165
Recs made in period	95	33	2	130
Recs closed in period	103	47	3	153
Recs currently open*	87	49	6	142

(* Recs open last committee + Recs made in period - Recs closed in period)

Partnership Development (page 10)

1. The effectiveness of the relationship between the Council and CMAP.
2. Partnership Change Programme to improve service delivery.
3. Staff Training

PLAN PROGRESS

Brought Forward 2017/18

Job No	2017/18 Audit Assignments	Assurance	Status	% Job Complete
Corporate Resources				
2997	CM2000 Care rostering system	Reasonable	Final Report Issued	100%
3005	Revenues Write off procedures.	Reasonable	Final Report Issued	100%
3051	CCTV Management	Reasonable	Final Report Issued	100%
3090	Social Media - Monitoring	Reasonable	Final Report Issued	100%
3065	IT Data quality checks	Reasonable	Final Report Issued	100%
3003	Schools SFVS self assessments	Comprehensive	Final Report Issued	100%
3074	Key Financials High level controls - Treasury Management	Comprehensive	Final Report Issued	100%
3056	Organisational Culture & Ethics	Reasonable	Draft Report Issued	95%
3138	Payroll – Key controls review & IR35 process	Reasonable	Draft Report Issued	95%
3088	Contract Monitoring 2017/18		In Progress	60%
3068	Key Financial Systems -Year- end procedure S24 action plan		In Progress	90%
3066	Main Accounting - reconciliation S24 action plan monitoring		In Progress	90%
3073	General Data Protection Regulations		In Progress	45%
3069	Key Financial Systems - Data quality S24 monitoring		In Progress	80%
3067	Fixed Assets – Capital valuation S24 action plan		In Progress	75%
3137	People Management – HR recruitment		In Progress	20%
3174	Insurance Valuation		In Progress	5%
People Services				
3093	Payment of Adoption Allowances	Reasonable	Final Report Issued	100%
3124	Public Health – Stock Control	Comprehensive	Final report Issued	100%
3135	Leaving Care Payments	Reasonable	Draft Report Issued	95%
3130	Adults Commissioning – contract management	Reasonable	Draft Report Issued	95%
3058	Out of Area Placements		In Progress	55%
3131	Children Commissioning - EPM Payroll Contract Monitoring		In Progress	80%
Communities & Place				
3089	Connect Derby - Rents	Reasonable	Final Report Issued	100%
3040	Markets – Old Hall; Allenton; Farmers		Final Report Issued	100%
3086	Bus Station Income Recharges		In Progress	10%
3132	Metro Dynamics Governance Arrangement		In progress	10%
3004	Alcohol licensing		In Progress	65%
3153	Partnership Governance Arrangements(Building controls & Fly tipping)		Allocated	15%

SCHOOLS

Job No	Schools	Assurance	Status	% Job Complete
3016	Arboretum Primary School SFVS	Comprehensive	Final Report Issued	100%
3017	Ashgate Primary School SFVS	Comprehensive	Final Report Issued	100%
3023	Griffe Field Primary School SFVS	Comprehensive	Final Report Issued	100%

OTHER ASSURANCE WORK

Job No	Anti-Fraud & Corruption	Assurance	Status	% Job Complete
3085	Customer Services Investigation	Limited	Final report Issued	100%
3055	Compliance HR	Limited	Draft Report Issued	95%
3143	Derby Live – Catering Investigation		In Progress	50%
3083	Probity Audit - MTFP (AGILE)		In Progress	10%
3136	File Management		In Progress	80%

Grant Certification	Definition	Status	% Job Complete
OCOR	Our City Our River	Certificate Issued	100%

APPENDIX A - Control Environment Assurance Categories explained.

Current Plan Work 2018/19

Job No	2018/19 Audit Assignments	Assurance	Status	% Job Complete
Corporate Resources				
3180	<u>Key Financial Systems</u> Treasury Management; Main Accounting; Payroll; Fixed Assets		Allocated	
3158	<u>Revenues & Benefits</u> Housing Benefits & Ctax support; Council tax Non domestic Rates Creditors Debtors		Allocated	
	<u>Procurement</u> Procurement Section monitoring Compliance with CPR; Capital contracts monitoring; Revenues Contract monitoring		To Be Allocated	
3151	<u>Cash Management</u> Car park 3 rd Party Collections Pay by Phone Collections Markets 3 rd Part Collections Council House Kiosk		In progress	10%
	Risk Management - Embedding		To Be Allocated	
	Land Charges		To Be Allocated	
	Translation Services		To Be Allocated	
	Data Quality & Performance		To Be Allocated	
	Data Protection / GDPR		To Be Allocated	
	Election Services		To Be Allocated	
3178	Health & Safety - Contractors Policy		Allocated	
	Document Management/Network printing		To Be Allocated	
	Asset Management - Asset Portfolio management		To Be Allocated	
3161	<u>IT Governance</u> Public facing webservers; IT Assets Disposals		Allocated	
3160	<u>IT Network Infrastructure</u> Open text; backups; change manage		In progress	
3162	<u>IT Applications</u> Civica Iken Confirm Terminal 4		In progress	80%
	ISO certification		To Be Allocated	
	Local Information Software Support		To Be Allocated	
3179	IT Project Development		Allocated	

People Services		
	Adults Commissioning - Contract performance framework	To Be Allocated
3180	Shared Lives-Service Delivery & contractual arrangements monitoring	Allocated
	Local Area Co-Ordination - Impacts & outcomes	To Be Allocated
	Schools Standards& Performance Monitoring	To Be Allocated
	Social Care Field work- prevention & early intervention	To Be Allocated
	Corporate Parenting -Personal Education Plan monitoring	To Be Allocated
3165	Children Sexual Exploitation Prevention Strategy - monitoring of implementation	Allocated
	Children's Commissioning - Contract performance framework	To Be Allocated
	Public Health - Commissioning	To Be Allocated
	Public Health consultancy- Health care services	To Be Allocated
Communities & Place		
	Planning and Development Control- Planning Applications processing	To Be Allocated
	Highways Maintenance - New Delivery Framework	To Be Allocated
	Waste Disposal & Processing	To Be Allocated
3152	Licensing- Taxi	Allocated
	Prevent Strategy -Modern Slavery	To Be Allocated
	CCTV -CH Control room; Care Homes; Bus Station; Multi car parks	To Be Allocated
	Regeneration Grants/Loans - Vetting prior to award of funds(EPM LTD)	To Be Allocated
	Commercial Property -Leasehold Management	To Be Allocated
3169	Homelessness Reduction Act - Empty Homes Strategy	Allocated

SCHOOLS

Job No	Schools	Assurance	Status	% Job Complete
	Schools SFVS self-assessments			
	Ashcroft Primary(Fed1)		To Be Allocated	
	Cotton Farm Primary(Fed1)		To Be Allocated	
	Ashgate Nursery(Fed2)		To Be Allocated	
	Central Nursery(Fed 2)		To Be Allocated	
	Beckett Primary		To Be Allocated	
	Bemrose community Secondary		To Be Allocated	
	Borrow Wood Primary		To Be Allocated	
	Chaddesden Park Primary		To Be Allocated	
	Chellaston Junior		To Be Allocated	
	Pear Tree Infant (Fed 3)		To Be Allocated	
	Walbrook Nursery (Fed 3)		To Be Allocated	
	Markeaton Primary		To Be Allocated	
	Mickleover Primary		To Be Allocated	
	Ravesdale Infant		To Be Allocated	
	Roe Park Primary		To Be Allocated	
	St Andrew's Primary (Special)		To Be Allocated	
	St Clare's Primary (Special)		To Be Allocated	
	St Martin's Secondary (special)		To Be Allocated	
	St Werburgh's		To Be Allocated	

APPENDIX A - Control Environment Assurance Categories explained.

OTHER ASSURANCE WORK

Grant Certification	Definition	Status	% Job Complete
3159	Grants Certifications	Allocated	Complete
	Derby Live - Café Stock Controls	To Be Allocated	
	Events - cash handling and stock controls	To Be Allocated	
	Parks & Golf Courses -cash handling & stock controls	To Be Allocated	
	Markeaton Park - cash handling & Stocks controls	To Be Allocated	
	High value contracts-monitoring delivery	To Be Allocated	
3164	Probity – Discretionary Housing Payments	In Progress	75%
3170	Probity-Heritage Assets, physical verification	In Progress	5%
3182	Probity – Corporate Pledges	Allocated	
3177	Probity – SARS & FOI Response Times	Allocated	

IT SECURITY	Outcomes
Iken Legal systems Security Review	Interim memo issued
IT Forensics work Various requests for specific searches on electronic records.	Ongoing Forensic Investigations being undertaken for various officers.

PLAN CHANGES 2018/2019 proposed audit plan presented for approval - 20th March 2018

Following consultation with Senior Management and consideration of associated risks, the following changes to the Audit Plan are proposed, to introduce:

- Local Land charges income
- Translation services

CMAP PARTNERSHIP DEVELOPMENT

1. Effectiveness of Relationship with the Council –
 - Regular meetings held with senior management teams to ensure effective working. These include monthly “catch-up” with Strategic Corporate Director of Resources, quarterly “catch –up with Chief Executive Officer and quarterly meetings with Director’s and their management teams.
 - Head of Audit Partnership now allocated responsibility for managing Audit Committee agenda in consultation with those charged with governance for the Council.
2. CMAP Change Programme – the extensive change programme has been significantly curtailed, following an assessment of the benefits achieved to date, by the Partnership Board. An achieving change process has been initiated to restructure the team, with the outcomes being effective from 01/07/2018.
3. Staff Development –Various training routes and associated costs are being explored, for proposed audit trainee roles. Staff are directed to courses provided by Derby City Council Organisation and Development team, to ensure Continuous Professional Development, so CMAP remains compliant with Public Sector Internal Audit Standard -1230

ASSIGNMENTS COMPLETED DURING PERIOD

1st March 2018 to 31 May 2018

Job Ref	Final Report Date	Job Name	Control Environment	Low Risk	Moderate Risk	Significant Risk	Grand Total
3085	18/05/2018	Customer Services Investigation	Limited	1	7	0	8
3040	29/05/2018	Markets	Limited	12	4	1	17
2897	02/05/2018	Procurement Monitoring	Reasonable	2	1	0	3
2968	17/04/2018	Direct Payments - Mental Health	Reasonable	5	2	0	7
2997	06/03/2018	CM2000 Social Care Rostering System	Reasonable	4	4	0	8
3005	22/03/2018	Revenues Write-offs	Reasonable	5	3	0	8
3010	14/03/2018	Parkview Primary School SFVS	Reasonable	10	0	0	10
3013	01/03/2018	Portway Junior School SFVS	Reasonable	8	2	0	10
3051	17/05/2018	CCTV Management Arrangements	Reasonable	4	2	1	7
3072	19/03/2018	Key Financial Systems-High level Controls on Revenues & Debtors	Reasonable	4	4	0	8
3090	18/05/2018	Social Media -Monitoring	Reasonable	8	0	0	8
3089	09/05/2018	Connect Derby Rents	Reasonable	6	1	0	7
3093	25/05/2018	Payment of Adoption Allowances	Reasonable	5	3	0	8
3065	18/05/2018	Servelec Synergy Data Quality Audit	Reasonable	6	0	0	6
3016	02/03/2018	Arboretum Primary School SFVS	Comprehensive	6	0	0	6
3023	29/03/2018	Griffe Field Primary School SFVS	Comprehensive	3	0	0	3
3017	29/03/2018	Ashgate Primary School SFVS	Comprehensive	4	0	0	4
3124	16/04/2018	Public Health - PharmOutcomes	Comprehensive	1	0	0	1
3092	22/03/2018	Safeguarding Training	N/A	1	0	0	1
TOTAL				95	33	2	130

APPENDIX B – details of MODERATE or SIGNIFICANT control Issues raised in period

RECOMMENDATION TRACKING

All Assignments–Recommendations currently open

Directorate	Low Risk	Moderate Risk	Significant Risk	Grand Total
Corporate Resources	45	21	3	69
Peoples	13	8	0	21
Communities & Place	21	10	2	33
Anti-Fraud	8	10	1	19
GRAND TOTAL	87	49	6	142

Directorate: Corporate Resources

Control Environment	Final Report Date	Job Name	Low Risk	Moderate Risk	Significant Risk	Grand Total
Limited	05/08/2016	Creditors 2015-16	0	1	0	1
	18/11/2016	Information Governance	1			1
	18/10/2017	Servelec Synergy (Children's Management System)	2	1	0	3
	02/02/2018	Revenues Contracts	1	2	2	5
	27/02/2018	User Access Management	0	2	0	2
	Reasonable	11/10/2016	Fixed Assets 2015-16	1	0	0
	23/05/2016	Payroll 2015-16	3	1	0	4
	24/08/2017	Data Quality & Performance 2016-17	2	0	0	2
	31/08/2017	Creditors 2017-18 (Agile Audit)	9	2	0	11
	20/09/2017	People Management 2016-17	1	0	0	1
	05/12/2017	Finance Share Folder Permissions	2	0	0	2
	31/01/2018	Procurement Control	0	3	0	3
	19/03/2018	Key Financial Systems-High level Controls on Revenues & Debtors	2	0	0	2
	22/03/2018	Revenues Write-offs	4	2	0	6
	02/05/2018	Procurement Monitoring	2	1	0	3
	17/05/2018	CCTV Management Arrangements	2	2	1	5
	18/05/2018	Severlec Synergy Data Quality Checks	4	0	0	4
		Social Media -Monitoring	4	0	0	4
	06/06/2018	Organisational Risk Culture & Ethics	2	4	0	6
Comprehensive	13/10/2017	Fixed Assets 2016-17	1	0	0	1
	21/12/2017	Key Financials High level controls - Treasury Management	1	0	0	1
N/A	17/07/2017	Payroll - Tax on Mileage	1	0	0	1
Grand Total			45	21	3	69

Directorate: People Services

Control Environment	Final Report Date	Job Name	Low Risk	Moderate Risk	Grand Total
Reasonable	30/05/2017	Business Intelligence	2	1	3
	20/02/2018	Residents Funds - Virtual Accounts	1	2	3
	30/04/2018	Direct Payments - Mental Health	4	2	6
	25/05/2018	Payment of Adoption Allowances	4	3	7
Comprehensive	02/02/2018	Looked After Children (LAC) Corporate Parenting Pledges	1	0	1
	N/A	22/03/2018	Safeguarding Training	1	0
Grand Total			13	8	21

Directorate: Communities & Place

Control Environment	Final Report Date	Job Name	Low Risk	Moderate Risk	Significant Risk	Grand Total
Limited	05/08/2016	Asset Management & Estates	1	0	1	2
	18/11/2016	Health & Safety	4	4	0	8
	08/02/2017	Derby Arena	1	0	0	1
	18/10/2017	Markets	10	3	1	14
	02/02/2018	Markets	0	1	0	1
	27/02/2018	Highways & Engineering	4	0	0	4
Reasonable	11/10/2016	Commercial Rents	0	2	0	2
	22/11/2016	Licensing	1	0	0	1
Grand Total			21	10	2	33

Anti-Fraud & Corruption Probity Audits

Control Environment	Final Report Date	Job Name	Low Risk	Moderate Risk	Significant Risk	Grand Total
Limited	10/01/2017	Purchase Cards	1	3	0	4
	22/08/2017	Various Cash-ups 2017-18	3	1	0	4
	01/09/2017	Registrars	0	1	0	1
	20/12/2017	Vulnerable Adults' GASH Accounts	0	0	1	1
	18/05/2018	Customer Services Investigation	0	5	0	5
Reasonable	31/01/2018	Probity Audit Cash Count - Tourist Centre	4	0	0	4
Grand Total			8	10	1	19

RECOMMENDATIONS TRACKING

Recommendations not implemented- Requiring Committee's Attention

ORIGINAL ACTION DATE EXCEEDED BY OVER 12 MONTHS

Only MODERATE or SIGNIFICANT control Issues

Department Name: Corporate Resources

Job Name	Control Environment	Rec NO	Responsible Officer	Action Date	Revised Action Date
Creditors 2015-16	Limited	1	Accounts Payable Manager	01/09/2016	01/04/2018
Payroll 2015-16	Reasonable	2	Senior Health and Safety Advisor	31/10/2016	31/12/2017

Department Name: Communities and Place

Job Name	Control Environment	Rec NO	Responsible Officer	Action Date	Revised Action Date
Asset Management & Estates	Limited	1	Head of Strategic Asset Management and Estates	01/09/2015	31/03/2018
Commercial Rents	Reasonable	1	Head of Strategic Asset Management and Estates	30/04/2017	31/12/2017
		11	Head of Strategic Asset Management and Estates	30/04/2017	31/12/2017
Markets	Reasonable	4	Head of Service (Regen Projects)	01/01/2014	31/05/2018

Department Name: Anti-Fraud & Corruption

Job Name	Control Environment	Rec NO	Responsible Officer	Action Date	Revised Action Date
Purchase Cards	Limited	6	Procurement – Category Manager	01/09/2016	01/04/2018
		1	Procurement – Category Manager	31/10/2016	31/12/2017

ORIGINAL ACTION DATE EXCEEDED BY OVER 6 to 12 MONTHS

Only MODERATE or SIGNIFICANT control Issues

Department Name: Corporate Resources

Job Name	Control Environment	Rec NO	Responsible Officer	Action Date	Revised Action Date
Creditors 2017-18 (Agile Audit)	Reasonable	6	Head of Procurement and Contracting	01/08/2017	29/06/2018
		8	Head of Procurement and Contracting	01/08/2017	29/06/2018

Department Name: People Services

Job Name	Control Environment	Rec NO	Responsible Officer	Action Date	Revised Action Date
Business Intelligence	Reasonable	5	Head of Service (Community Support)	05/09/2017	01/04/2018

Department Name: Communities and Place

Job Name	Control Environment	Rec NO	Responsible Officer	Action Date	Revised Action Date
Health & Safety	Limited	1	Head of Health, Safety Attendance and Wellbeing	31/10/2017	31/03/2019
		2	Head of Health, Safety Attendance and Wellbeing	31/10/2017	31/03/2019
		7	Head of Health, Safety Attendance and Wellbeing	31/10/2017	31/03/2019
		8	Head of Health, Safety Attendance and Wellbeing	31/10/2017	31/03/2019
		8	Head of Health, Safety Attendance and Wellbeing	31/10/2017	31/03/2019

Department Name: Anti-Fraud & Corruption

Job Name	Control Environment	Rec NO	Responsible Officer	Action Date	Revised Action Date
Various Cash-ups 2017-18	Limited	11	Children's Homes Manager	22/09/2017	31/12/2017
Purchase Cards	Limited	7	Procurement – Category Manager	01/10/2017	27/07/2018
Registrars	Limited	8	Head of Customer Services	31/10/2017	29/06/2018

ORIGINAL ACTION DATE EXCEEDED BY UP TO 3 MONTHS

Only MODERATE or SIGNIFICANT control Issues

Department Name: Corporate Resources

Job Name	Control Environment	Rec NO	Responsible Officer	Action Date	Revised Action Date
Procurement Control	Reasonable	1	Head of Procurement and Contracting	30/04/2018	30/06/2018
Revenues Write-offs	Reasonable	8	Team Leader – Accounts Receivable	01/05/2018	
		2	Team Leader – Accounts Receivable	01/06/2018	
Revenue Contracts	Limited	7	Residential Care Charging Manager	01/06/2018	

Department Name: People Services

Job Name	Control Environment	Rec NO	Responsible Officer	Action Date	Revised Action Date
Payment of Adoption Allowances	Reasonable	2	Home Care and Charging Team Manager	31/05/2018	
Residents Funds - Virtual Accounts	Reasonable	4	Residential Care Charging Manager	31/05/2018	(blank)

Department Name: Communities and Place

Job Name	Control Environment	Rec NO	Responsible Officer	Action Date	Revised Action Date
Markets	Limited	10	Head of Service (Regen Projects)	31/05/2018	

Department Name: Anti-Fraud & Corruption

Job Name	Control Environment	Rec NO	Responsible Officer	Action Date	Revised Action Date
Vulnerable Adults' GASH Accounts	Limited	1	Senior Office Manager	01/04/2018	31/08/2018
Customer Services Investigation	Limited	7	Civil Enforcement Strategy Officer	01/06/2018	
		6	Civil Enforcement Strategy Officer	01/06/2018	

APPENDIX C - details of all above Recommendations