central midlands audit partnership

Derby City Council –
Audit Progress Report
Audit & Governance Committee: 5th October 2022

Derby City Council

Contents   Page

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.

Contacts

Richard Boneham CPFA
Head of Internal Audit (DCC) &
Head of Audit Partnership
c/o Derby City Council
Council House
Corporation Street
Derby, DE1 2FS
Tel. 01332 643280
richard.boneham@derby.gov.uk

Adrian Manifold CMIIA
Audit Manager
c/o Derby City Council
Council House
Corporation Street
Derby
DE1 2FS
Tel. 01332 643281
adrian.manifold@centralmidlandsaudit.co.uk

Mandy Marples CPFA, CCIP
Audit Manager
c/o Derby City Council
Council House
Corporation Street
Derby
DE1 2FS
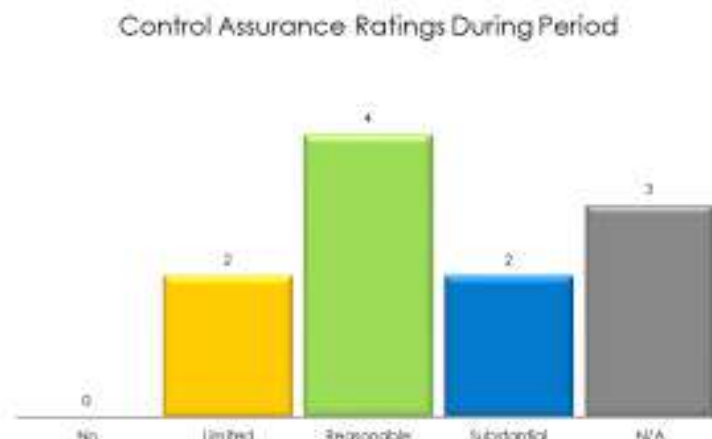Tel. 01332 643282
mandy.marples@centralmidlandsaudit.co.uk

C M A P central midlands audit partnership

Providing Excellent Audit Services in the Public Sector

Derby City Council – Audit Progress Report

AUDIT DASHBOARD
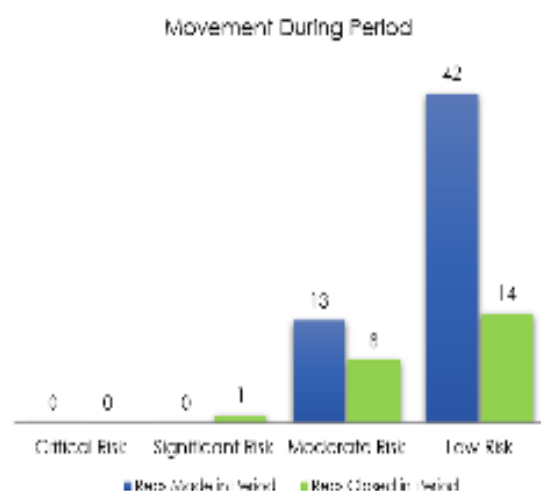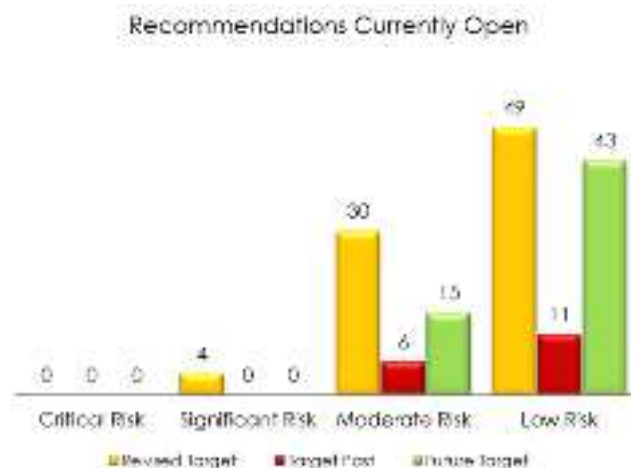
Plan Progress
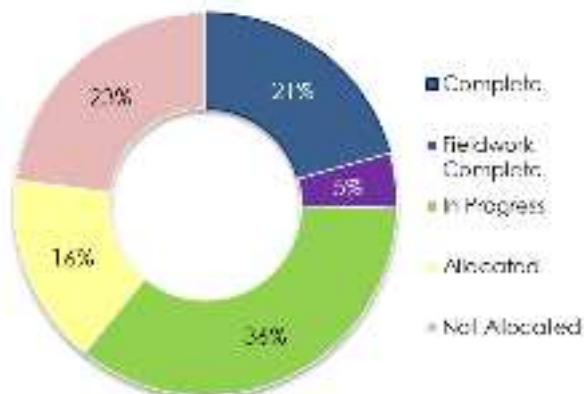
Jobs Completed in Period

Recommendations

Recommendations

Recommendations

Customer Satisfaction

Derby City Council – Audit Progress Report

AUDIT PLAN

Progress on 2022/23 Audit Assignments

The following table provide Audit and Governance Committee with information on how ongoing audit assignments were progressing as at 31st August 2022.

2022-23 Jobs	Status	% Complete	Assurance Rating
Chief Executive - Policy, Insight & Communications			
Organisational Performance Management 2022-23	In Progress	15%	
Strategic Communications	In Progress	50%	
Transparency Code	In Progress	75%	
People Services			
Shared Lives 2022-23	In Progress	40%	
Home Care 2022-23	In Progress	20%	
Fostering Services	Final Report	100%	Reasonable
D2N2 Children's Homes Contract	In Progress	55%	
Tackling Child Poverty (Replaced by Individuals & Families in Need)	Removed From Plan	10%	
Individuals & Families in Need	Draft Report	95%	
Corporate Resources			
Grant Certifications 2022-23	In Progress	50%	
Revenue Collection Contract Management (inc Lot 1)	In Progress	45%	
FMS Data Migration 2022-23	Allocated	0%	
Revenue Collection Contract (Lot 3 - Sundry Debts)	Allocated	0%	
Pre-Employment Checks	Draft Report	95%	
Contract Management Project	In Progress	35%	
Declarations of Interest - Staff and Members	Fieldwork Complete	90%	
Contract Management - Data Analytics Follow-Up	In Progress	70%	
Property Design & Maintenance	In Progress	45%	
IT Key Controls 2022-23	In Progress	75%	
Management of Information in a Remote Environment	Allocated	15%	
Project Management Office - Development Group	In Progress	10%	
PCI Compliance 2022-23	Allocated	10%	
Governance Weaknesses – Fact Finding	In Progress	80%	
Unitary & Single Tier Authorities Risk – Fact Finding	Complete	100%	N/A
Communities & Place			
Catering - Stocks & Stores	Allocated	5%	
Building Consultancy	In Progress	30%	
Cash Seizure - POCA	Final Report	100%	N/A
Revenue Collection Contract (Lot 2 - Parking)	Allocated	0%	
Ascend Programme	In Progress	50%	
Right to Buy 2022-23	In Progress	70%	
Long Term Waste Management Project	In Progress	15%	
Anti-Fraud & Corruption			
Management of Fraud and Corruption Risks	In Progress	25%	
Schools			
Schools SFVS (25 Schools self-assessment)	Allocated	10%	
Schools SFVS (13 School visits planned)	Allocated	0%	

Derby City Council – Audit Progress Report

B/Fwd Jobs	Status	% Complete	Assurance Rating
People Services			
Care Act 2014	Final Report	100%	Reasonable
Safeguarding & Domestic Abuse	Final Report	100%	Substantial
Housing Framework for 16 & 17 Year Olds	Final Report	100%	N/A
Special Educational Needs and/or Disabilities	Final Report	100%	Limited
Corporate Resources			
Financial Management System Project	Final Report	100%	Substantial
CIPFA Financial Management Code	Draft Memo	95%	
Key Financial Controls 2021-22	In Progress	45%	
Health & Safety 2021-22	In Progress	35%	
SIRO/Information Governance	Final Report	100%	Substantial
Digital By Default Project - Household Support Fund	Final Report	100%	Limited
Communities & Place			
Leisure Centres	Final Report	100%	Reasonable
Darley Fields - Building Security	Final Report	100%	N/A
Food Safety	In Progress	50%	
Community Safety	In Progress	50%	
Land Drainage & Flood Control	Final Report	100%	Reasonable
Climate Change - Roadside Air Quality	In Progress	75%	
Transforming Cities /Mobility Programme	Final Report	100%	Reasonable
Parking Permits 2021-22	Final Report	100%	Reasonable
Economic Recovery 2021-22	In Progress	60%	
Planning Complaint - Pastures Hill	Final Report	100%	N/A
Business Continuity - In Light of Covid 19	Final Report	100%	Reasonable
Schools			
Schools SFVS Self Assessment 2021-22	Final Report	100%	Reasonable

Derby City Council – Audit Progress Report

AUDIT COVERAGE

Completed Audit Assignments

Between 1st July 2022 and 31st August 2022, the following audit assignments have been finalised since the last Progress Report was presented to this Committee (27th July 2022).

| Audit Assignments Completed in Period	Assurance Rating	Recommendations Made				% Recs Closed
		Critical Risk	Significant Risk	Moderate Risk	Low Risk	
Special Educational Needs and/or Disabilities	Limited			6	7	8%
Digital By Default Project - Household Support Fund	Limited			4	8	
Care Act 2014	Reasonable			1	12	
Business Continuity - In Light of Covid 19	Reasonable			1	4	
Fostering Services	Reasonable			1	6	29%
Land Drainage & Flood Control	Reasonable				3	
Safeguarding & Domestic Abuse	Substantial				1	
Financial Management System Project	Substantial				1	100%
Unitary & Single Tier Authorities Risk – Fact Finding	N/A					n/a
Planning Complaint - Pastures Hill	N/A					n/a
Housing Framework for 16 & 17 Year Olds	N/A					n/a

The opinions provided within the audits detailed below have been derived from risk-based audit work and as such, can only provide assurance relating to the specific areas within each objective inspected. These opinions do not imply that Internal Audit have reviewed all risks, controls and governance arrangements relating to this area. Likewise, full implementation of all agreed actions is essential if the benefits of the control improvements detailed in this audit report are to be realised. No system of control can provide absolute assurance against material misstatement or loss, nor can Internal Audit give absolute assurance.

Special Educational Needs and/or Disabilities

(See separate report on the Agenda)

Assurance Rating

Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
There are sound governance arrangements in place for managing the special education needs and disability procedures that ensure a robust decision-making process.	13	6	5	2
There are sound governance arrangements in place for managing the home to school transport services.	3	2	1	0
There are robust contract management arrangements in place to ensure that service provision for special education needs and disability is properly monitored to meet contractual obligations and expectations	5	0	5	0
TOTALS	**21**	**8**	**11**	**2**

Derby City Council – Audit Progress Report

Summary of Weakness	Risk Rating	Agreed Action Date
The policy statement to clarify the Council's approach to consultation with independent schools and its order of preference in sourcing service providers was drafted in November 2021 but had not been finalised.	Low Risk	22/07/2022 Action Due
The transition process from a paper-based system to an online procedure for assessing eligibility and producing an Education Healthcare Plan had not been formally documented and communicated.	Low Risk	31/07/2022 Action Due
The Education, Health and Care Plan quality assurance process had not included an assessment of the time that was taken to complete the needs assessment and produce the Education Health and Care plans.	Low Risk	30/09/2022 Future Action
The reasons for being unable to complete the Education, Health and Care Needs Assessment and Plan process within the statutory 20-week timeframe were not recorded for analysis and reporting purposes.	Low Risk	31/07/2022 Action Due
The record management system during the transition from a paper-based system to Liquid Logic and to SharePoint had become decentralised and complex.	Low Risk	31/07/2022 Action Due
The actions that were necessary to improve interdepartmental working arrangements and the sharing of information between teams involved in managing the delivery of SEND services had not been recorded in a consolidated format for the purposes of monitoring and reporting on progress.	Moderate Risk	31/03/2023 Future Action
There was a lack of a separation of duties between officers responsible for preparing the interface file for Oracle to process the element 3 payments made to schools and the accountancy function for financial monitoring and budget management.	Low Risk	30/09/2022 Future Action
The workflow to assess and produce an Education Health and Care Plan and make school transport arrangements was not aligned which had led to a reactive Home to School transport service delivery model.	Moderate Risk	31/01/2023 Future Action
The task to ensure an Individual Placement Agreement had been signed and completed for all special educational needs and disability placements that had been made in Independent and Non-Maintained Special Schools and Special Post 16 Institutions was underway but had not been fully completed.	Low Risk	Implemented
The SEND and Commissioning teams had a collective role as contract managers but the joint responsibility for performance monitoring was not properly aligned to ensure the outcome from the Annual Reviews were incorporated as part of the contract management process.	Moderate Risk	30/09/2022 Future Action
There was an inefficient procedure and insufficient resources to properly plan and undertake contract management meetings for performance monitoring the Education Health and Care plans.	Moderate Risk	31/03/2023 Future Action
The quality of information submitted by the service providers for monitoring and managing the annual reviews of the Education Health and Care plans was inconsistent.	Moderate Risk	31/08/2022 Action Due
There was not a consistent procedure followed by the SEND team for monitoring and managing the annual reviews of the Education Health and Care plans.	Moderate Risk	31/03/2023 Future Action

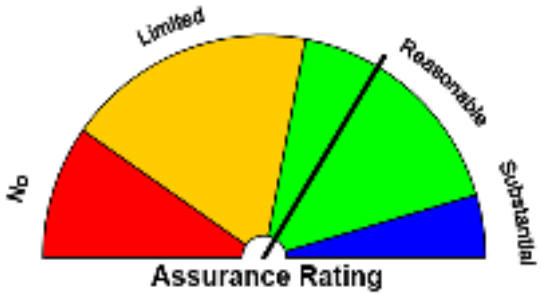# Digital By Default Project - Household Support Fund
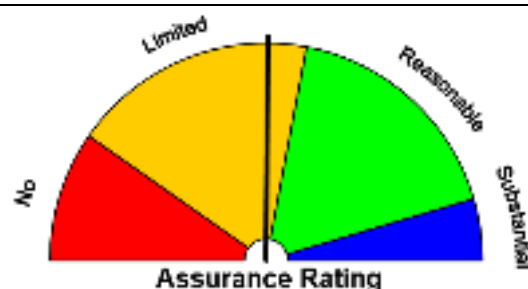
Assurance Rating

Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
Ensure the on-premises Firmstep servers and databases are secured and configured in line with recognised best practices.	16	12	0	4
Ensure the MyAccount system and household support fund application process and workflow are secured and configured in line with	17	9	0	8

Derby City Council – Audit Progress Report

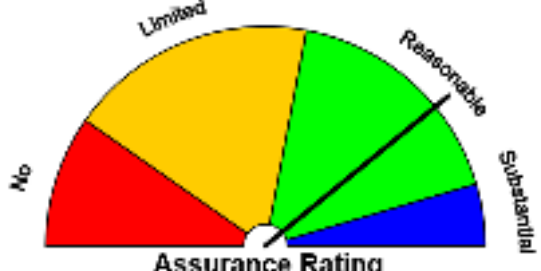|				
recognised best practice. Conduct a data matching assessment of all applications for the household support fund vouchers, to assess whether the eligibility and validation checks are working as expected and preventing duplicate or inappropriate awards.	3	0	0	3
TOTALS	**36**	**21**	**0**	**15**

Summary of Weakness	Risk Rating	Agreed Action Date
An administrative SQL Server account only had an 8-character password on the Firmstep on-prem database server which stored a daily replica copy of personal and sensitive data collected via MyAccount applications, including the latest household support fund application records.	Low Risk	31/12/2022 Future Action
Old legacy database backups of the Firmstep databases from 2019 were still resident on the on-premises Firmstep database server F:\ drive, possibly breaching the data accuracy and storage limitation principles of the GDPR regulations.	Low Risk	31/08/2022 Action Due
Developer level permissions to create/modify application forms in MyAccount including the live household support fund application form, could not be justified in all cases, such as the Customer Contact Manager.	Low Risk	31/01/2023 Future Action
Access to the personal and sensitive data relating to Household Support Fund applications at the pending stage in DASH could not be justified in certain cases, including a Tenancy Sustainment Officer and Commissioning Manager.	Low Risk	30/09/2022 Future Action
Access to the Household Support Fund process monitoring spreadsheet on OpenText had not been appropriately restricted, exposing personal and sensitive data to unauthorised access.	Low Risk	30/09/2022 Future Action
A 'lite' scan of the MyAccount website flagged vulnerabilities with server-side software, namely out-of-date versions of lodash (a JavaScript library) and jQuery.	Low Risk	31/12/2022 Future Action
MyAccount user accounts for residents were vulnerable to unauthorised access as the site did not require MFA (multi-factor authentication), which could lead to data breaches and privacy violations.	Moderate Risk	28/02/2023 Future Action
The user registration process for MyAccount.derby.gov.uk, did not include any internal validation checks.	Moderate Risk	31/03/2023 Future Action
A data analytics exercise found examples where two household support fund awards had been made to the same individuals in error. This was due to data entry errors or mistakes in the investigation check stage.	Low Risk	31/10/2022 Future Action
Audit logs that were necessary to support investigations into potentially fraudulent applications for the household support fund could not be obtained from the software suppliers and host in a timely manner.	Low Risk	31/10/2022 Future Action
There was no procedure in place for highlighting and disabling MyAccount users that had supplied fraudulent applications for the various support grants and schemes administered by the Council.	Moderate Risk	31/12/2022 Future Action
Basic challenge-response features, such as CAPTCHA or mathematical challenge questions were not in operation for the MyAccount registration or various application forms.	Moderate Risk	31/03/2023 Future Action

Derby City Council – Audit Progress Report

Care Act 2014

Assurance Rating

Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
The Council has processes in place to enable it to fulfil its statutory duties in relation to assessing needs and eligibility for publicly funded care and support as set out in the Care Act 2014.	17	4	8	5
The Council's approach to delivering its statutory duty during the Covid-19 pandemic was compliant with legislation.	4	4	0	0
TOTALS	**21**	**8**	**8**	**5**

| Summary of Weakness	Risk Rating	Agreed Action Date
Framework and procedural guidance documents for adult social care were dated 2015 and as such require updating.	Low Risk	31/03/2023 Future Action
Basic administrative information was not always captured in needs assessments, and information copied forward from previous assessments was not always reviewed and updated.	Low Risk	31/03/2023 Future Action
There was no monitoring of time taken from initial contact to needs assessment and implementation of a care and support plan, and no local performance targets had been set.	Low Risk	31/03/2023 Future Action
There was not always sufficient evidence to demonstrate that the needs assessment process was focused on the customer's needs, the impact on their wellbeing, and the outcomes they wanted to achieve.	Low Risk	31/03/2023 Future Action
Needs assessments and support plans did not clearly document involvement of persons supporting the customer in the process, and we identified one instance where a supporting role was inappropriately performed by a care home manager.	Low Risk	31/03/2023 Future Action
There was no audit trail retained to evidence that customers were receiving written records of needs assessments, eligibility decisions, or care and support plans.	Low Risk	31/03/2023 Future Action
One instance of an incorrectly calculated personal budget was identified in testing.	Low Risk	31/03/2023 Future Action
One instance of a financial assessment not being requested and carried out was identified in testing.	Low Risk	30/09/2022 Future Action
Care and support plans did not make a clear link between needs, desired outcomes and actions.	Low Risk	31/03/2023 Future Action
Signposting to community-based support, including preventative services, was not always clearly documented within the needs assessment or the care and support plan.	Low Risk	31/03/2023 Future Action
The process setting out delegated authority for authorising expenditure was ambiguous as to the requirement for Panel approval for care packages in excess of the indicative amount.	Low Risk	31/03/2023 Future Action
Care and support plan planned review dates were not always met.	Low Risk	31/03/2023 Future Action
Although a quality assurance process had been developed to cover needs assessments and care and support plans, regular case file audits had not yet commenced.	Moderate Risk	31/03/2023 Future Action

Derby City Council – Audit Progress Report

Business Continuity - In Light of Covid 19

Assurance Rating

Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
Comprehensive business continuity arrangements are in place, and these are embedded throughout the Council.	10	5	3	2
A sampled team within Corporate Resources effectively used business continuity planning to maintain controls and workload during the COVID-19 global pandemic.	0	0	0	0
A sampled team within Communities & Place effectively used business continuity planning to maintain controls and workload during the COVID-19 global pandemic.	3	2	1	0
A sampled team within Peoples Services effectively used business continuity planning to maintain controls and workload during the COVID-19 global pandemic.	2	0	0	2
TOTALS	**15**	**7**	**4**	**4**

Summary of Weakness	Risk Rating	Agreed Action Date
The Community Risk Register, used to inform the Business Continuity plan, was out of date and not reflective of the most recent National Risk Register. The Community Risk Register had also not been referenced within the Business Continuity plan.	Low Risk	01/12/2022 Future Action
One of the emergency plans in the Business Continuity Plan was marked as *'to be developed'* and as such, included no further content.	Low Risk	01/12/2022 Future Action
The Future Development Required section in Appendix M of the Business Continuity Plan was being passed to the service area responsible and was not being monitored or recorded in an action plan to ensure implementation.	Low Risk	01/12/2022 Future Action
Staff did not have access to the Business Continuity Plan.	Low Risk	01/12/2022 Future Action
Service specific business continuity arrangements were not being actively monitored by Emergency Planning and, for a majority of service areas in the Council, these arrangements were not known to be in place.	Moderate Risk	01/10/2022 Future Action

Fostering Services

Assurance Rating

Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
There are adequate governance arrangements in place to process, manage and monitor the delivery of Fostering Services.	7	3	4	0

Derby City Council – Audit Progress Report

There are processes in place for sufficiency planning and market development to improve placement choice.	10	5	5	0
TOTALS	**17**	**8**	**9**	**0**

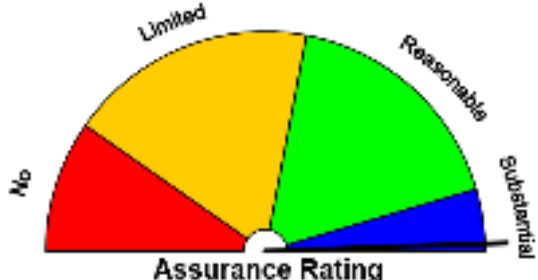| Summary of Weakness	Risk Rating	Agreed Action Date
The suggestions made following the lean review of the end-to-end process for placing a child or young person in foster care had not been formally accepted with an agreed plan of action.	Low Risk	31/03/2023 Future Action
The decision-making protocol was not properly and concisely illustrated within the online Children's Social Care Procedures.	Low Risk	31/10/2022 Future Action
The potential to further improve the essential sharing of information and cross departmental communications to deliver a more joined up, efficient and effective fostering service had not been fully explored.	Low Risk	Risk Accepted
The overarching Children in Care Placements Commissioning and Sufficiency Strategy 2020-2023 Action Summary document had not included the details on the arrangements in place for monitoring and reporting on the actions assigned to Fostering Services.	Moderate Risk	31/12/2022 Future Action
The foster care allowances stated on the Council's website had not been updated to the current rates for 2022-23.	Low Risk	01/09/2022 Implemented
The Fostering Marketing Strategy 2021-22 and the Fostering Recruitment Marketing Action Plan 2020-21 had not been properly reviewed and updated in a timely manner.	Low Risk	01/10/2022 Future Action
The Council's strategy and its implementation to build on a diverse group of foster carers was not formally recorded as part of the overall Fostering Marketing Strategy and action plan.	Low Risk	01/10/2022 Future Action

Land Drainage & Flood Control
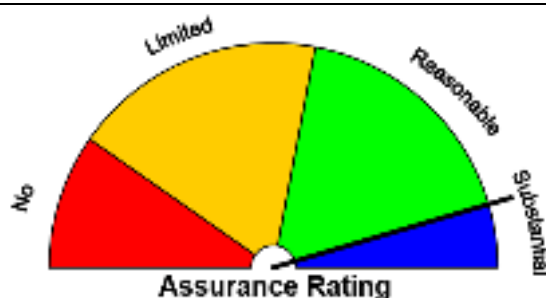
Assurance Rating

Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
That a Local Flood Risk Management Strategy is in place and complies with the necessary legislation and good practice.	5	3	2	0
That the flood risks are clearly identified and appropriately managed.	3	1	2	0
The Council is cooperating with agencies to ensure compliance with legislation.	3	2	1	0
Key information has been appropriately recorded.	2	1	1	0
TOTALS	**13**	**7**	**6**	**0**

Summary of Weakness	Risk Rating	Agreed Action Date
The Local Flood Risk Management Strategy was out of date	Low Risk	31/03/2023 Future Action
The Preliminary Flood Risk Assessment (PFRA) was not complete and not readily available through the Council's website.	Low Risk	31/12/2022 Future Action
The list of structural assets didn't include the flood defences	Low Risk	31/12/2022 Future Action

Derby City Council – Audit Progress Report

Safeguarding & Domestic Abuse

Assurance Rating

Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
The Council has effective systems and processes in place and in practice which are operating to mitigate the risk identified relating to the safeguarding of vulnerable people.	8	8	0	0
The Council has established robust arrangements in their duty to comply with the Domestic Abuse Act 2021.	8	7	1	0
TOTALS	**16**	**15**	**1**	**0**

Summary of Weakness	Risk Rating	Agreed Action Date
The Domestic Abuse Accommodation Sub-group had only met once with no output from the meeting being available.	Low Risk	01/12/2022 Future Action

Financial Management System Project

Assurance Rating

Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
Projects are selected with the appropriate documentation and governance in place from the start	4	4	0	0
Officers are appointed for the project to ensure adequate monitoring and management throughout	6	5	1	0
The gateway process is followed with appropriate approval at the relevant stages with documentation available	5	5	0	0
TOTALS	**15**	**14**	**1**	**0**

Summary of Weakness	Risk Rating	Agreed Action Date
Interests were not being declared by Council Officers, Members or Contractors when attending project meetings and there was not a register of Declarations of Interest for this project.	Low Risk	29/07/2022 Implemented

Derby City Council – Audit Progress Report

Unitary & Single Tier Authorities Risk - Fact Finding (Assurance Rating: N/A)

This was a horizon scanning piece of work to review Risk Registers from other unitary and single tier authorities, to determine whether these identify any generic risks that this Council needs to give regard to.

Planning Complaint - Pastures Hill (Assurance Rating: N/A)

The Chief Executive requested an independent review by Internal Audit into a complaint on a planning application.

Housing Framework for 16 & 17 Year Olds (Assurance Rating: N/A)

As part of the Council's contract savings strategy, Internal Audit undertook a consultancy review to assist the Contract Management Programme Team to investigate whether this topic offered an opportunity to make savings. We determined that there was a potential saving to be had from placing 16- & 17-year-olds, who met both the criteria to make a new claim for Housing Benefit, with Registered Social Landlords (RSL), as a Supported Exempt Accommodation (SEA) provider, (rather than a landlord who is a Community Interest Company). This would allow the Council to claim back the maximum amount it can from the DWP.

Derby City Council – Audit Progress Report

RECOMMENDATION TRACKING (as at 14th September 2022)

Final Report Date	Audit Assignments with Open Recommendations	Assurance Rating	Recommendations Open		
			Action Due	Being Implemented	Future Action
Peoples					
07-Jul-22	Special Educational Needs and/or Disabilities	Limited	5		7
20-Oct-21	Carelink	Limited		3	
27-Nov-19	Deprivation of Liberty	Limited		1	
16-Aug-22	Fostering Services	Reasonable			5
18-Jan-22	Payments for Children's Social Care 2021-22	Reasonable		4	1
07-Jul-22	Care Act 2014	Reasonable			13
27-Apr-21	Pre-Paid Cards	Reasonable		2	
14-May-20	Billing for Home Care	Reasonable		1	
17-Aug-22	Safeguarding & Domestic Abuse	Substantial			1
28-Oct-21	Direct Payments 2021-22	Substantial		2	
Corporate Resources					
16-Aug-22	Digital By Default Project - Household Support Fund	Limited	1		11
24-Mar-21	Fixed Assets 2018/19	Limited	2		
15-Apr-19	Public Utilities Management	Limited		1	
17-Jan-22	Digital Workforce - Windows 10 Build	Reasonable		1	1
09-Nov-21	Budget Management	Reasonable			1
30-Nov-21	Financial Reporting - Impact of Covid 19	Reasonable		1	
30-Mar-21	Controlled Use of Administrative Privileges	Reasonable		5	
31-Mar-22	Boundary Defence	Reasonable		6	2
22-Apr-21	Microsoft 365 Security	Reasonable		3	
31-Mar-21	People Management	Reasonable		2	
20-Feb-20	Domain Accounts	Reasonable		1	
21-Nov-19	Digital Channels - Firmstep	Reasonable		1	
04-Oct-21	Corporate Resources - Risk Management	Reasonable		2	4
24-Apr-19	Document Management & Network Printing	Reasonable		1	
30-Jul-18	File Share Management	Reasonable		3	
18-Jan-19	MTFP(Agile)	Reasonable		1	
12-Feb-19	Fixed Assets- S24 Capital Controls	Reasonable		1	
09-Mar-20	Welfare Reform Reserve	Substantial	2		
05-Apr-22	SIRO/Information Governance	Substantial	1		
27-Sep-21	Health & Wellbeing	Substantial		1	
04-Nov-21	Insurance 2020-21	Substantial		1	
07-Feb-22	Payment Systems - In Light of Covid 19	Substantial			1
22-Sep-20	Creditors - Follow Up	Substantial		1	
10-Dec-20	Attendance Management - First Care	Substantial		3	
09-Apr-20	Taxation	Substantial	1		
19-May-22	IT Key Controls 2022-23			1	3
16-Aug-21	Domain Password Security 2021-22	N/A		1	
29-Oct-21	Leaver Data Matching	N/A		1	
27-Oct-21	Accounts on Deposit	N/A	1		
30-Mar-21	Domain Password Security	N/A		1	
Communities & Place					
09-Mar-22	Catering - Cash & Bank Process	Limited	1	1	
13-Jul-20	Bus Station - Processes & Procedures	Limited		4	
16-Jan-20	Bereavement Services	Limited		1	
14-Jun-21	Derby Arena Car Parks	Limited		5	
06-May-22	Parking Permits 2021-22	Reasonable	1	4	

Derby City Council – Audit Progress Report

Final Report Date	Audit Assignments with Open Recommendations	Assurance Rating	Recommendations Open		
			Action Due	Being Implemented	Future Action
08-Sep-22	Land Drainage & Flood Control	Reasonable			3
10-Mar-22	SmartParc Project	Reasonable	1		
20-Oct-21	Former Aida Bliss Site Project	Reasonable		1	
13-Jul-22	Business Continuity - In Light of Covid 19	Reasonable			5
19-Apr-21	Neighbourhood Boards	Reasonable	1	4	
30-Sep-20	Strategic Housing - Disabled Facilities Grants	Reasonable		3	
13-Feb-19	Bus Station Recharges	Reasonable		2	
29-Nov-21	Strategic Housing	Substantial		1	
10-Oct-19	CCTV - Access Control - Parking	N/A		4	
10-Oct-19	CCTV - Access Control - Public Protection	N/A		1	
		Totals	**17**	**83**	**58**

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

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

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

Audit Assignments with Recommendations Due	Action Due			Being Implemented		
	Significant Risk	Moderate Risk	Low Risk	Significant Risk	Moderate Risk	Low Risk
Peoples						
Special Educational Needs and/or Disabilities		1	4			
Carelink					1	2
Deprivation of Liberty					1	
Payments for Children's Social Care 2021-22					2	2
Pre-Paid Cards						2
Billing for Home Care					1	
Direct Payments 2021-22						2
Corporate Resources						
Digital By Default Project - Household Support			1			
Fixed Assets 2018/19	2					
Public Utilities Management						1
Digital Workforce - Windows 10 Build						1
Financial Reporting - Impact of Covid 19						1
Controlled Use of Administrative Privileges					2	3
Boundary Defence					2	4
Microsoft 365 Security					2	1
People Management					2	
Domain Accounts						1
Digital Channels - Firmstep						1
Corporate Resources - Risk Management						2
Document Management & Network Printing						1
File Share Management						3
MTFP(Agile)					1	
Fixed Assets- S24 Capital Controls						1
Welfare Reform Reserve		2				
SIRO/Information Governance		1				
Health & Wellbeing						1
Insurance 2020-21						1
Creditors - Follow Up						1

Derby City Council – Audit Progress Report

Audit Assignments with Recommendations Due	Action Due			Being Implemented		
	Significant Risk	Moderate Risk	Low Risk	Significant Risk	Moderate Risk	Low Risk
Attendance Management - First Care						3
Taxation			1			
IT Key Controls 2022-23					1	
Domain Password Security 2021-22					1	
Leaver Data Matching					1	
Accounts on Deposit			1			
Domain Password Security					1	
Communities & Place						
Catering - Cash & Bank Process		1			1	
Bus Station - Processes & Procedures				2	2	
Bereavement Services				1		
Derby Arena Car Parks					3	2
Parking Permits 2021-22			1		3	1
Land Drainage & Flood Control						
SmartParc Project		1				
Former Aida Bliss Site Project						1
Neighbourhood Boards		1		1	1	2
Strategic Housing - Disabled Facilities Grants					1	2
Bus Station Recharges						2
Strategic Housing						1
CCTV - Access Control - Parking						4
CCTV - Access Control - Public Protection					1	
		6	**11**	**4**	**30**	**49**

It is the responsibility of the Head of Internal Audit to bring to this Committee's attention any recommendations where management actions have not been effectively implemented within a reasonable timeframe. It is suggested that the following timescales are introduced.

- Critical Risk and Significant Risk recommendations – where management's original action date is exceeded by over 3 months.

- Moderate Risk recommendations – where management's original action date is exceeded by over 6 months.

- Low Risk recommendations – where management's original action date is exceeded by over 12 months.

Recommendations To Highlight to Committee	Moderate Risk				Significant Risk			
	3 Months <	3 - 6 Months	6 - 12 Months	12 Months >	3 Months <	3 - 6 Months	6 - 12 Months	12 Months >
Peoples								
Special Educational Needs and/or Disabilities	1							
Carelink		1						
Deprivation of Liberty			1					
Payments for Children's Social Care 2021-22	1	1						
Billing for Home Care			1					
Corporate Resources								
Fixed Assets 2018/19			2					
Controlled Use of Administrative Privileges			2					
Boundary Defence	2							
Microsoft 365 Security		1	1					
People Management		1	1					
MTFP(Agile)			1					
IT Key Controls 2022-23	1							

Derby City Council – Audit Progress Report

Recommendations To Highlight to Committee	Moderate Risk				Significant Risk			
	3 Months <	3 - 6 Months	6 - 12 Months	12 Months >	3 Months <	3 - 6 Months	6 - 12 Months	12 Months >
Domain Password Security 2021-22		1						
Leaver Data Matching			1					
Domain Password Security			1					
Community & Place								
Catering - Cash & Bank Process		2						
Bus Station - Processes & Procedures				2				2
Bereavement Services								1
Derby Arena Car Parks	3							
Parking Permits 2021-22	3							
SmartParc Project		1						
Neighbourhood Boards		1	1					1
Strategic Housing - Disabled Facilities Grants			1					
CCTV - Access Control - Public Protection			1					
	11	**6**	**6**	**13**				**4**

Highlighted Recommendations

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

Significant Risk Recommendations (> 3 Months Overdue)

There are five significant risk recommendations greater than 3 months overdue for implementation. Four of these recommendations have been reported to previous meetings of the Committee. One of the two significant recommendations from the Bereavement Services Audit Report (procurement for the provision of maintenance services to the cremators) has now been implemented. The latest positions on the four recommendations notified previously are:

- Bus Station – Processes & Procedures audit – 2 significant recommendations.

  The Head of Traffic and Transportation attended the Committee Meeting on 26th January 2022 to provide members of the Committee with an update on implementation and provisional target dates based around a refurbishment of the bus station which would address the issues raised but that this had been delayed and was scheduled to be completed in the summer of 2023. Updates will be brought to future Committee meetings on the progress with implementation of the agreed actions.

- Bereavement Services audit

  This significant recommendation relates to the cremators at Markeaton Crematorium. Further to the update in the internal audit progress report to the July Committee meeting, the "Review of Crematoria and burial provision in Derby" is moving forward, led by the Director of Public Protection and Streetpride, with support from the Head of Service and the Council's Commercial Manager. A target date in October 2022 has been set for the review to be considered by Cabinet.

- Neighbourhood Boards audit

  This significant recommendation concerns the absence of a clear record of the decisions made by Members outside the normal Neighbourhood Board/Ward Committee meeting cycle. Committee is aware that the responsibility for the action was passed to Derby Homes,

Derby City Council – Audit Progress Report

but is now back with the Council. A revised target date for implementation of September 2022 has been agreed, however staffing shortages/changes are impacting on implementation.

Moderate Risk Recommendations (> 6 Months Overdue)

There are currently 30 moderate risk recommendations that are overdue for implementation. Nineteen of these exceed the original action date by 6 months. The table below outlines the current state on these 22 recommendations. The Chair and the Head of Internal Audit will advise the Committee at the meeting on any actions that need to be taken in respect of these recommendations.

Audit Review	No of Recs overdue	Original Action Date	Revised Date	Reason for Delay
Deprivation of Liberty	1	01/10/2020	31/03/2023	This audit recommendation was concerned with there being no policy that detailed the roles and responsibilities of the Council and other relevant parties during the deprivation of liberty process. The progress in implementing the required actions has been slower than anticipated due to staff shortages, COVID pandemic responses and delays in the publication of the Liberty Protection Safeguards (LPS) Code of Practice by the DHSC. Until the full code of practice is published it will not be possible to release an updated Mental Care Act and LPS policy. The consultation on the draft Code ended in June 2022. In the meantime, it is proposed that some light touch amendments will be made to existing documentation. This will not be a policy though, it will be practice guidance.
Billing for Home Care	1	31/12/2020	30/12/2022	The audit found that there were a number of errors in the way that information was interpreted or transferred between the financial assessments and their corresponding Contribution Letters. Random sample checks of assessments have been introduced and work continues on the on-line financial assessment tool. Work on this was impacted by the pandemic. A revised action date of 31 December 2022 has been agreed.
Fixed Assets 2018/19	2	30/04/2021		The two recommendations relate to the following findings: • At the time of the audit there were no

Derby City Council – Audit Progress Report

Audit Review	No of Recs overdue	Original Action Date	Revised Date	Reason for Delay
				procedure notes in place that provided guidance on how the Council would identify, record and account for impairment. • The proposed notification system relies on Departments to identify and report on property events/changes with no oversight by Strategic Asset Management & Estates. No updates have been received.
MTFP	1	30/06/2019	01/04/2022	The recommendation aimed to address the Council not having a Commercial Strategy, although there was an outstanding action in the Corporate Improvement Plan to implement a commercial approach. There was also no clear indication on how a commercial approach would support the Medium-Term Financial Plan. Commercialism is included as a theme in the MFTP for 2020/21- 2022/23 and Change Derby programme. A Commercial Manager is now in place (based within Streetpride but working corporately). The Governance Framework for the Commercialisation Programme has now been established along with a Terms of Reference document. The framework also includes a Commercial Development Board and a Portfolio Board. We expect to have closed this recommendation as completed by the time of the next Audit and Governance Committee meeting.
Bus Station - Processes & Procedures	2	31/08/2020 & 31/08/2020	Summer 2023	See comments on page 16 in relation to the update on the Bus Station Audit.
Neighbourhood Boards	1	31/05/2021	September 2022	A moderate risk recommendation was made to address the finding that there was no record of instances where Neighbourhood Managers had provided advice regarding a possible application and that application had not then been made. See also the comments on page 16 in relation to the update on the

Derby City Council – Audit Progress Report

Audit Review	No of Recs overdue	Original Action Date	Revised Date	Reason for Delay
				Neighbourhood Boards Audit
CCTV - Access Control - Public Protection	1	31/10/2019	31/12/2020	This recommendation covers the responsibility for the back-up of servers on which the CCTV images are being stored on. We are still requiring further information on the actions taken to implement it.
Controlled Use of Administrative Privileges	2	30/06/2021 & 31/08/2021	31/01/2023	One recommendation concerned the lack of dedicated administrative accounts within ICT. The second recommendation concerned the ineffective process for inventorying and verifying all administrative accounts and privileges across the Council's network Both recommendations are being addressed as part of an overarching cyber security improvement project, which will address a number of Internal Audit and PSN audit flagged issues. This project is expected to be delivered by the end of 2022 and should be in place by January 2023.
Microsoft 365 Security	2	30/06/2021 & 30/06/2021	30/09/2022	The two recommendations relate to the following findings: • 657 users were not registered for multi-factor authentication, increasing the risk of unauthorised access to the Council's network. • A total of 17 unique accounts had one or more legacy protocols enabled on their mailbox account, increasing the risk of unauthorised access to Council email accounts. As reported previously, a number of technical challenges were identified in addressing this issue which are being worked on in 3 individual stages over a 12 month period, forecast to be completed by the end of September 2022.
People Management	2	30/06/2021 & 31/10/2021	30/09/2022 & 31/03/2023	The two findings were: • Council policies and procedural guidelines for dealing with disciplinaries, dismissals and grievances required clarification to be fully compliant with the ACAS Code of Practice

Derby City Council – Audit Progress Report

Audit Review	No of Recs overdue	Original Action Date	Revised Date	Reason for Delay
				• It was not routine for the Council's HR policies and procedures to have been regularly reviewed and updated within a maximum of a three-year period, in line with best practice.
				There has been delay due to reduced resource capacity and other priorities, such as COVID response.
				The reference to Trade Union Representation is covered within the new Draft Facilities Time Agreement which is currently out for consultation with the Trade Unions. This policy covers all aspects of Trade Union Duties and facilities. It is best placed in this policy as we only have a small number of internal TU Reps that this would apply to, rather than it being included in the Disciplinary Policy.
				A set companion definition has been agreed as part of the main DCC Policy Template, reasonable time is already granted within the timescales of the meetings.
				The current Disciplinary Guidance covers the role of the companion, the right to change a hearing within 5 days and provides a link to the Disciplinary Hearing plan that states the role of the companion. This is completed.
				As the Grievance Policy and guidance is currently being reviewed, we will review to determine if the recommended actions are required.
				All policies will be on a plan of review, and the relevant timelines for each review will be identified in the plan.
				Commitment is in place that all new/reviewed policies will have a version control table, and this can already be seen in action in the Attendance Management Policy.
Domain Password Security	1	31/10/2021	30/09/2022	A number of misconfigurations were noted with the overall management of service accounts within the domain.

Derby City Council – Audit Progress Report

Audit Review	No of Recs overdue	Original Action Date	Revised Date	Reason for Delay
Strategic Housing - Disabled Facilities Grants	1	01/11/2021	01/04/2024	There was an inadequate system in place for generating management information which had also resulted in maintaining a duplicate record in the format of a Microsoft Excel spreadsheet.
Leaver Data Matching	1	31/12/2021	31/03/2023	The two findings were: • User accounts were not disabled when officers left employment with the Council. Implementation of the actions to meet both recommendations was expected to have been completed by the end of June 2022. However, the go live of the process which will also address these recommendations has been put on hold whilst issues raised by Information Governance are decided on.
Carelink	1	31/12/2021	30/11/2022	The two findings were: • There was no formally documented action plan to help the Carelink service area implement the recommendations made by the external assessor, which in turn would help prepare for the Council's reassessment against the quality standards framework. The TSA Accreditation Gap Analysis and working to meet standards is being led by the Business Development Officer in PICT, BSSI. Work cannot progress at present due to staff resource issues.

Low Risk Recommendations

There are currently 60 low risk recommendations that are overdue for implementation. Of these 60, 26 exceed 12 months, and in 23 of these cases Internal Audit has agreed a revised implementation date. Of the remaining three, one relates to the Taxation audit where Debtor invoices were being written-off too late to be eligible for VAT bad debt relief and two relate to the Welfare Reform Reserve where again we are waiting on an update. None of these low-risk recommendations are currently considered worthy of Committee's attention.