

Background Information for Audit and Governance Committee Members – Item 8 (Internal Audit Progress report)

At the meeting on 5th October 2022, Committee called in the following audits:

- Fixed Assets 2018/19 – 2 Moderate Risks that are 17 months overdue
- Neighbourhood Boards – All 5 recommendations made have passed their revised implementation dates – One is a significant risk, 2 are moderate risk and 2 are low risk.
- CCTV – One moderate risk and 4 low risk recommendations remain outstanding.

Fixed Assets:

This audit was part of the 2018/19 internal audit plan. Draft audit report was issued on 24 July 2019.

At its meeting on 29 July 2020, Committee was concerned at the non-response to the draft audit report and sought verbal update from the Head of Strategic Asset Management and Estates at the meeting on 30 September 2020.

The final version of the report was issued on 24 March 2021.

The two recommendations that Internal Audit have not received updates on whether or not they have been implemented are:

Recommendation 2	Summary Response
<p>Risk Rating: Moderate Risk</p> <p>Summary of Weakness: At the time of the audit there were no procedure notes in place that provided guidance on how the Council would identify, record and account for impairment.</p> <p>Suggested Actions: We recommend that SAM&E create a comprehensive set of procedure notes that covers all of the processes necessary to produce fully evidenced assessments of potential impairment capable of supporting the Statement of Accounts. As a minimum these notes should define who is responsible for the information, the frequency that information is produced and validated, the timetable for producing and distributing information, the minimum evidence required (how it is collected, from where, the format for recording and storage), authorisation of changes and a system for quality assurance. We also recommend that Finance are involved in creating the procedure notes to ensure that they are aligned with the Statement of Accounts Year End requirements.</p>	<p>Responsible Officer: Jayne Sowerby-Warrington</p> <p>Issue Accepted</p> <p>Agreed Actions: A suite of procedure Notes to be compiled. Timescale to be added into the Asset Valuation Delivery Plan. Finance to be consulted on the development of the documents.</p> <p>Implementation Date: 30/04/21</p>

Recommendation 3	Summary Response
<p>Risk Rating: Moderate Risk</p> <p>Summary of Weakness: The proposed notification system relies on Departments to identify and report on property events/changes with no oversight by SAM&E.</p>	<p>Responsible Officer: Jayne Sowerby-Warrington</p> <p>Issue Accepted</p>

Suggested Actions: We recommend that once the proposed notification system has been introduced, SAM&E periodically contact Departments and seek confirmation that they have been informed of any events/changes. This should be carried out at least annually as part of the year end process (and preferably quarterly). Procedure notes should be produced to support the new system and circulated to all users involved in the process.

Agreed Actions: Notification System now in place. Quarterly Procedure to be embedded to ensure departments have informed Property Services of changes.

Procedure Notes to be compiled.

SAM & E shall contact Departments in advance of the Quarter End to ensure the most up to date position is determined ahead of the Quarter Balance Sheet Review being prepared.

Implementation Date: 30/4/2021

Neighbourhood Boards

Audit was part of the 2020/21 internal audit plan. No recommendations implemented as yet.

The final report was issued 19 April 2021 and contained 5 recommendations. None have been implemented.

Recommendation 1	Summary Response
<p>Risk Rating: Low Risk</p> <p>Summary of Weakness: The Board and Forum Guidance Notes issued to Neighbourhood Boards are significantly out of date.</p> <p>Suggested Actions: We recommend that the Board and Forum Guidance notes are reviewed as soon as possible. They should be subject to periodic review going forward.</p>	<p>Responsible Officer:</p> <p>Sarah Dosunmu</p> <p>Issue Accepted</p> <p>Agreed Actions:</p> <p>The Board and Forum Guidance 2012 will be updated to include greater clarity on the decision-making process and how this is communicated to the community.</p> <p>The Neighbourhood Ward budget grant application form and accompanying guidance will be updated and implemented for 2021/22 financial year.</p> <p>A review process will be put in place to review these annually, in consultation with the Cabinet Member.</p> <p>Board and Forum guidance will be uploaded to the Neighbourhood Services Web Pages.</p> <p>Implementation Date:</p> <p>30/06/2021</p>

Recommendation 2	Summary Response
<p>Risk Rating: Significant Risk</p> <p>Summary of Weakness: There was no clear record of the decisions made by Members outside the normal Neighbourhood Board/Ward Committee meeting cycle.</p> <p>Suggested Actions: We recommend that where a decision by Members is taken outside the routine meeting cycle (ie by telephone or email) the Neighbourhood Manager should record the following and forward it to the Chair of the Neighbourhood Board for approval by email:</p> <ul style="list-style-type: none"> • Recipient of funding • Amount approved • Purpose of funding <p>Chair approval should be filed and retained for future audit.</p>	<p>Responsible Officer:</p> <p>Sarah Dosunmu</p> <p>Issue Accepted</p> <p>Agreed Actions:</p> <p>Guidance will be written outlining the process. This will be referenced in the Board and Forum guidance. Approval to award a Neighbourhood Ward Budget grant must be obtained by the majority of ward councillors in each ward. The chair of the Neighbourhood Board is not the decision maker, and this will be clarified in the guidance.</p> <p>For wards where there is a neighbourhood board an email will be sent to board members seeking their recommendations. The responses will be compiled and shared with wards Councillors prior to a decision being sought and obtained by the ward committee.</p> <p>Outside of the routine meeting cycle, an extraordinary meeting of the ward committee may be called, and a decision taken by the majority of ward councillors. Where not practical, email correspondence will confirm decisions made outside of the board/ward committee meeting cycle which will include recipient of funding, amount approved, purposed of funding and evidence majority committee approval. The decision will be confirmed in the notes of the extraordinary ward committee or next ward committee and will be subsequently posted on CMIS.</p> <p>Implementation Date: 30/06/2021</p>

Recommendation 3	Summary Response
<p>Risk Rating: Low Risk</p> <p>Summary of Weakness: Over a nineteen-month period only three sets of Neighbourhood Board Ward Committee minutes had been posted to the Councils Democracy Portal. Decisions made by the Committees were not visible to the public.</p> <p>Suggested Actions: We recommend that minutes of all Neighbourhood Board Ward Committees are added to the Democracy Portal as soon as possible after the meeting closes.</p>	<p>Responsible Officer:</p> <p>Sarah Dosunmu</p> <p>Issue Accepted</p> <p>Agreed Actions:</p> <p>All available historic ward committee minutes will be added to the democracy portal.</p> <p>The Neighbourhood Ward Budget guidance will include the following:</p> <p>Agenda for the ward committee meeting to be posted on CMIS 1 week prior to the meeting.</p>

Minutes of the ward committee meeting to be posted on CMIS within one week of the meeting being held.

Business Support Team will provide support with publishing minutes and agendas for the meeting on CMIS.

Implementation Date: 30/06/2021

Recommendation 4	Summary Response
<p>Risk Rating: Moderate Risk</p> <p>Summary of Weakness: There was no record of instances where Neighbourhood Managers had provided advice regarding a possible application and that application had not then been made.</p> <p>Suggested Actions: We recommend that all approaches to Neighbourhood Managers for advice regarding possible funding applications should be recorded even if the application does not actually proceed. This does not need to be an extensive record but should include the name of the body that made the approach, the date, the possible use of funding and the reason it did not proceed (where known).</p>	<p>Responsible Officer: Sarah Dosunmu</p> <p>Issue Accepted</p> <p>Agreed Actions: Accepted</p> <p>A template will be developed for the Neighbourhood Managers and Neighbourhood Partnership Offices to record all approaches and advice given regarding possible funding applications.</p> <p>The information will be included in reports to ward committees and neighbourhood boards.</p> <p>Implementation Date: 31/05/2021</p>

Recommendation 5	Summary Response
<p>Risk Rating: Moderate Risk</p> <p>Summary of Weakness: A flat allocation to all Wards regardless of need is not achieving the best result for the residents of Derby as a whole.</p> <p>Suggested Actions: We recommend that funding of Wards is amended to take account of the needs of the residents of Derby as a whole. This could take place when funds are allocated at the beginning of the year by taking account of, for example, deprivation data. Alternatively, the committed spend could be assessed at the mid-point of the financial year and any funding that is unlikely to be used could be recovered and offered for re-allocation to other Wards.</p>	<p>Responsible Officer: Lorraine Testro</p> <p>Issue Accepted</p> <p>Agreed Actions:</p> <p>This will require an early discussion with the Elected Cabinet Member following the elections in May 2021. Any recommendations would require cabinet and/or constitutional changes.</p> <p>We will commit to conducting a wider review of the flat funding of allocation to wards with elected members and council colleagues during 2021/22.</p> <p>Implementation Date: 31/03/2022</p>

CCTV:

This was part of the 2018/19 internal audit plan and focused on testing the systems in place to manage the Council's closed circuit television camera (CCTV) networks and assessed them against the 12 Principles for system operators found in the Home Office Surveillance Camera Code of Practice.

The audit covered the camera networks that fed into the Council House CCTV Room (public area and surface level car park cameras), Council House Porters Room (Council House cameras) and Bold Lane car park (the Assembly Rooms, Chapel Street and Bold Lane multi-storey car parks cameras). It did not include any other surveillance camera networks such as the bus station, leisure centres or libraries.

The final report was issued on 10 October 2019 and contained 17 recommendations - 5 were moderate risk and 12 were low risk. 12 recommendations (4 Moderate and 8 low risk) have been implemented.

Overarching Recommendation:

Recommendation 15	Summary Response
<p>Risk Rating: Moderate Risk</p> <p>Summary of Weakness: Ownership of and responsibility for the servers used to store CCTV images is not clearly defined.</p> <p>Suggested Actions: We recommend that the Council review the status of the servers used to store CCTV images, ensure that responsibility for the servers is clearly defined and provide them with the same level of support and protection as all other Council hardware.</p>	<p>Responsible Officer: Andy.thomas@derby.gov.uk</p> <p>Issue Accepted</p> <p>Agreed Actions: Agree. I understand the practical problems we have been facing are due to budget cuts made in 2015/16 which has left the Service with a capacity issue.</p> <p>That said, given the significance of a risk such as this, it needs to be mitigated and given some priority.</p> <p>Implementation Date: 31/10/19</p>

Multi-Storey and Surface Level Car Parks specific:

Recommendation 2	Summary Response
<p>Risk Rating: Low Risk</p> <p>Summary of Weakness: Surveillance cameras installed at the multi-story car parks were used primarily by the car park operator to monitor the equipment used to manage the site. This had led to a lack of clarity over their purpose and the processes required in order to control their use.</p> <p>Suggested Actions: We recommend that the Civil Enforcement and Parking Services Team Manager confirm the reason for operating surveillance cameras at the multi-storey car parks and ensure that all practices and documentation (for example Privacy Impact Assessments) are aligned.</p> <p>Officer Anticipated will Respond: Civil Enforcement and Parking Services Team Manager</p>	<p>Responsible Officer: Robert.shoebridge@derby.gov.uk</p> <p>Issue Accepted</p> <p>Agreed Actions: The contract with the multi surface carpark operator defines the purpose of the CCTV cameras as "to enable Disabled Blue Badge holders to enjoy their discounted parking and to assist with dealing with customer queries."</p> <p>Discussions will be held with the relevant Cabinet Member with the recommendation that the actual purpose of multi-story car park CCTV cameras should be aligned with the contract.</p>

Recommendation 6	Summary Response
<p>Risk Rating: Low Risk</p> <p>Summary of Weakness: There were no procedures in place to cover the management of the public place and car park CCTV systems and processes.</p> <p>Suggested Actions: We recommend that procedure notes are produced for the public place and surface car park and multi-storey car parks CCTV camera systems and processes.</p>	<p>Multi-Storey & Surface Level Car Parks</p> <p>Responsible Officer: Robert.shoebridge@derby.gov.uk</p> <p>Issue Accepted</p> <p>Agreed Actions: The contract with the multi surface carpark operator defines the purpose of the CCTV cameras as "to enable Disabled Blue Badge holders to enjoy their discounted parking and to assist with dealing with customer queries."</p> <p>The proposal is to align actual practice with the contract after approval is received from the relevant Cabinet Member. If this is approved the cameras will only be used to view those areas necessary to operate the car park and no footage or images will be retained. In this case, procedure notes will not be necessary.</p> <p>Implementation Date: 30/11/19</p>

Recommendation 7	Summary Response
<p>Risk Rating: Low Risk</p> <p>Summary of Weakness: There were no clear and consistent statements of data retention periods for the areas covered by CCTV cameras.</p> <p>Suggested Actions: We recommend that the CCTV Privacy Impact Assessments and any new or revised procedure notes are reviewed to ensure that the data retention period for camera images and footage are defined and in line with the Surveillance Policy (or an extended period agreed with Information Governance).</p>	<p>Multi-Storey and Surface Level Car Parks</p> <p>Responsible Officer: Robert.shoebridge@derby.gov.uk</p> <p>Issue Accepted</p> <p>Agreed Actions: The contract with the multi surface carpark operator defines the purpose of the CCTV cameras as "to enable Disabled Blue Badge holders to enjoy their discounted parking and to assist with dealing with customer queries."</p> <p>The proposal is to align actual practice with the contract after approval is received from the relevant Cabinet Member. If this is approved the cameras will only be used to view those areas necessary to operate the car park and no footage or images will be retained.</p> <p>Implementation Date:30/11/19</p>

Recommendation 8	Summary Response
<p>Risk Rating: Low Risk</p> <p>Summary of Weakness: The retention period used for multi-storey car parks is inappropriate. If the primary</p>	<p>Responsible Officer: Robert.shoebridge@derby.gov.uk</p> <p>Issue Accepted</p>

purpose of operating the cameras was the prevention of disorder or crime the retention period is too short. If the purpose is the management and monitoring of car park equipment it is too long.

Suggested Actions: We recommend that the purpose of the surveillance cameras installed at the multi-storey car parks should be clearly defined and the retention period for camera footage should be set appropriately

Officer Anticipated will Respond: Civil Enforcement and Parking Services Team Manager

Agreed Actions: The contract with the multi surface carpark operator defines the purpose of the CCTV cameras as "to enable Disabled Blue Badge holders to enjoy their discounted parking and to assist with dealing with customer queries."

The proposal is to align actual practice with the contract after approval is received from the relevant Cabinet Member. If this is approved the cameras will only be used to view those areas necessary to operate the car park and no footage or images will be retained.

Implementation Date: 30/11/19
