

# Derby City Council – Audit Progress Report

Audit & Accounts Committee: 5<sup>th</sup> February 2020



Derby City Council



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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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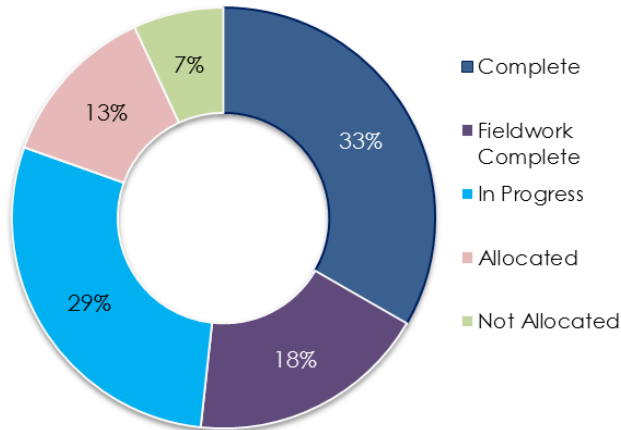
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# Derby City Council – Audit Progress Report

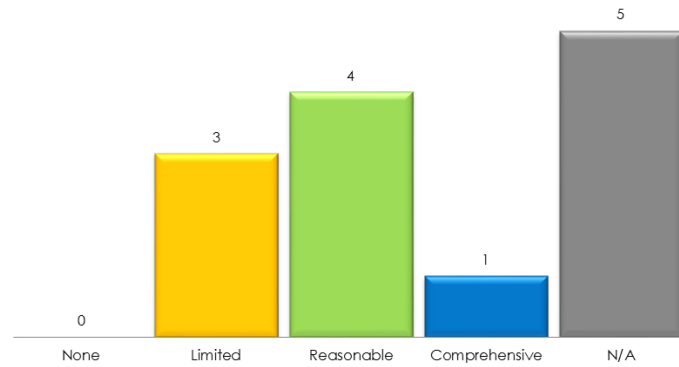
## AUDIT DASHBOARD

### Plan Progress



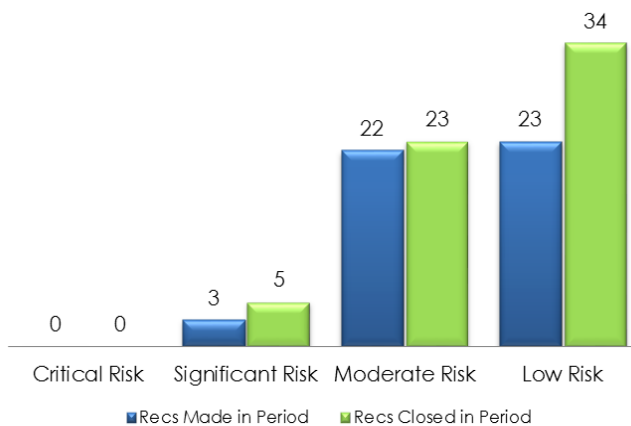
### Jobs Completed in Period

#### Control Assurance Ratings During Period



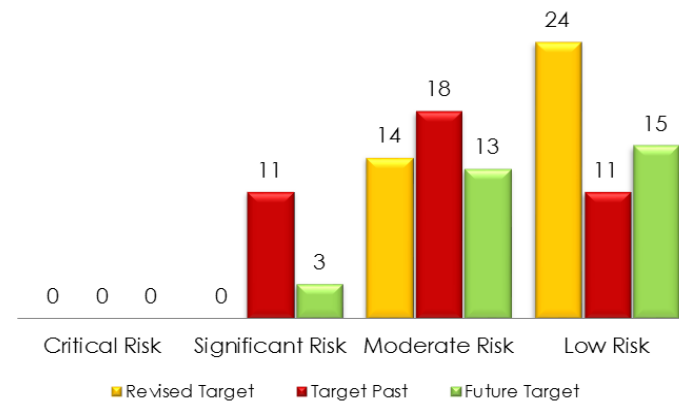
### Recommendations

#### Movement During Period



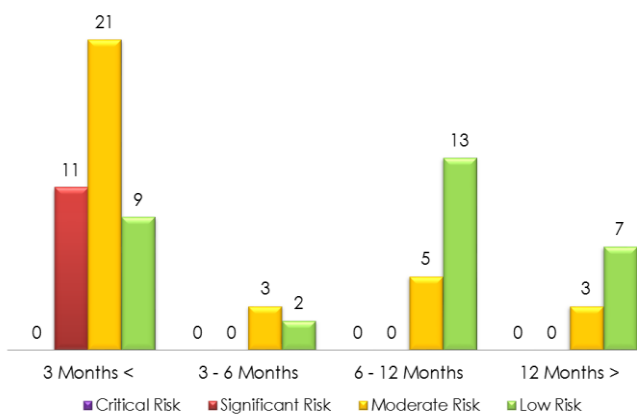
### Recommendations

#### Recommendations Currently Open



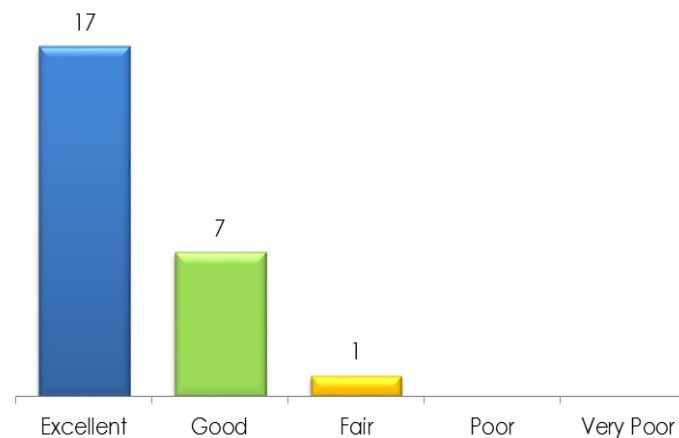
### Recommendations

#### Overdue Recommendations



### Customer Satisfaction

#### Customer Satisfaction Scores Jan 19 to Dec 19



## Derby City Council – Audit Progress Report

## AUDIT PLAN

## Progress on Audit Assignments

The following table provide Audit Sub-Committee with information on how ongoing audit assignments were progressing as at 31<sup>st</sup> December 2019.

2019-20 Jobs	Status	% Complete	Assurance Rating
<b>Corporate Core</b>			
Risk Management Strategy & Process	In Progress	15%	
Programme Management Office	Final Report	100%	Reasonable
A52 Corporate - Follow Up	In Progress	15%	
<b>Peoples</b>			
Billing for Home Care	In Progress	75%	
Adult Social Care - Budget Management	Not Allocated	0%	
Deprivation of Liberty	Final Report	100%	Limited
Adult Learning Service - Cultural Change	Fieldwork Complete	80%	
Payments for Children's Social Care	Draft Report	95%	
<del>Childrens Social Care – Budget Management</del>	Removed From Plan	0%	
Special Educational Needs - Action Plan	Allocated	0%	
Phase 2 of Controcc Implementation	Allocated	0%	
SEND Placement Contract Monitoring	Allocated	5%	
Translation Services - Follow Up	In Progress	45%	
NHS - IT Toolkit	In Progress	15%	
Peoples - Scheme of Delegation	Final Report	100%	Limited
<del>Peoples – Records Management</del>	Removed From Plan	0%	
Peoples - Risk Management	Allocated	10%	
Domiciliary Care Contract Monitoring	In Progress	60%	
Primary School Investigation	Complete	100%	N/A
<b>Corporate Resources</b>			
Grant Certification Work 2019-20	In Progress	80%	
Main Accounting	In Progress	60%	
<del>Commercialisation / Commercial Investments</del>	Removed From Plan	0%	
Treasury Management	Draft Report	95%	
Taxation	Draft Report	95%	
Housing Benefits & Council Tax Support	Allocated	0%	
Welfare Reform Reserve	Fieldwork Complete	90%	
<del>Cashless Council Initiative</del>	Removed From Plan	0%	
NNDR and Council Tax 2019-20	Fieldwork Complete	90%	
Debt Recovery	Draft Report	95%	
Creditors	Not Allocated	0%	
HR Strategy - Project	Allocated	5%	
Attendance Management-First Care	In Progress	5%	
Agency Spend and Contract Monitoring	In Progress	55%	
Procurement Cards	In Progress	20%	
Property Valuations	In Progress	15%	
<del>Data Security Process Testing</del>	Removed From Plan	0%	
Records Management Policy	Final Report	100%	N/A
SIRO / Caldicott Guardian	In Progress	20%	

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Digital Channels - Terminal4	Fieldwork Complete	90%	
Digital Channels - Firmstep	Fieldwork Complete	90%	
Database Servers	Complete	100%	N/A
Domain Accounts	Draft Report	95%	
Mailbox Security	Allocated	0%	
IKEN System Security - Follow Up	In Progress	75%	
Home Drive Security	Allocated	10%	
Backups	In Progress	10%	
Corporate Resources - Scheme of Delegation	Draft Report	95%	
Corporate Resources – Records Management	Removed From Plan	0%	
Corporate Resources - Risk Management	Allocated	15%	
Commercial & Industrial Products Contract Monitoring	Final Report	100%	Comprehensive
Coroner's Service	Final Report	100%	Limited
<b>Communities &amp; Place</b>			
New Swimming Pool Complex - Contract Mgmt	In Progress	75%	
BREXIT Planning	In Progress	30%	
Bereavement Services	Final Report	100%	Limited
Street Lighting PFI	Not Allocated	0%	
<del>Sinfin Waste Plant / Incinerator</del>	Removed From Plan		
s38 Agreements/s278 works - 1980 Highways Act	In Progress	5%	
Highways Code of Practice - Road Defects	Fieldwork Complete	90%	
Parking Services – Cashless Payments	Final Report	100%	N/A
Bus Station – Processes & Procedures	In Progress	15%	
A52 Scheme - Follow Up	In Progress	70%	
Planning Application Process	Allocated	60%	
Home to School Transport	In Progress	0%	
External Funding- Vetting prior to award of funds	Final Report	100%	Reasonable
Assembly Rooms - Contract Management	Fieldwork Complete	90%	
Market Hall Refurbishment	In Progress	65%	
Our City Our River - Contract Management	In Progress	25%	
Communities & Place - Scheme of Delegation	Draft Report	95%	
Communities & Place – Records Management	Removed From Plan		
Communities & Place - Risk Management	Allocated	10%	
Planning Application	Complete	100%	N/A
Catering 2019-20	Final Report	100%	Limited
Derby Arena Car Parks	Draft Report	95%	
<b>Schools</b>			
Schools SFVS	Allocated		

B/Fwd Jobs	Status	% Complete	Assurance Rating
<b>Peoples</b>			
Local Area Co-Ordination	Final Report	100%	Reasonable
Corporate Parenting - PEP monitoring	Final Report	100%	Reasonable
Social Care - Prevention & Early Intervention	In Progress	10%	
Children Sexual Exploitation Prevention Strategy	Final Report	100%	Reasonable
<b>Corporate Resources</b>			
Payroll	Final Report	100%	Reasonable
Key financial systems - GL interfaces	Complete	100%	N/A
Fixed Assets 2018-19	Draft Report	95%	

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Creditors Accounts Payable	Final Report	100%	Reasonable
Grant Certification Work	Final Report	100%	Comprehensive
Document Management/Network printing	Final Report	100%	Reasonable
Liquid Logic/Servlec Follow-up	Final Report	100%	Reasonable
People Management 2017-18	Final Report	100%	Reasonable
CCTV - Access Control	Final Report	100%	Limited
Public Utilities Management	Final Report	100%	Limited
<b>Communities &amp; Place</b>			
Planning and Development Control	Final Report	100%	Comprehensive
Taxi Licensing	Final Report	100%	Comprehensive
A52 - Project overspend - Systems Weaknesses	Final Report	100%	None
<b>Schools</b>			
Schools SFVS self Assessment 2018/19	Final Report	100%	N/A

### Audit Plan Changes

A number of changes have been made to the plan since the last update report:

People Services:

- Children's Social Care – Budget Management – Budget management was picked up in the Payments for Children's Social Care audit.
- Records Management – Given that Policy was only approved by CLT/Cabinet Member in October 2019 the Directorate audits have been postponed for 12 months to allow time for the policy to embed. Therefore our audit work focused purely on a review of the policy document.

Corporate Resources:

- Commercialisation/Commercial Investments – insufficiently developed to review.
- Cashless Council Initiative – Phase 2 of the project was cancelled.
- Data Security Process Testing – Data security/storage/access issues have been addressed as part of other IT audit work.
- Records Management - as for People Services Record Management.

Communities & Place:

- Sinfon Waste Plant – Postponed until 2020/21
- s38 Agreements/s278 works - 1980 Highways Act – audit added to review arrangements between Council and developers around adoption of roads
- Highways Code of Practice - Road Defects – audit added to review implementation of the Highways Code of Practice in October 2018.
- Records Management - as for People Services Record Management.

## Derby City Council – Audit Progress Report

## AUDIT COVERAGE

## Completed Audit Assignments

Between 17<sup>th</sup> October 2019 and 28<sup>th</sup> January 2020, the following audit assignments have been finalised since the last Progress Report was presented to this Committee.

Audit Assignments Completed in Period	Assurance Rating	Recommendations Made				% Recs Closed
		Critical Risk	Significant Risk	Moderate Risk	Low Risk	
Schemes of Delegation	Limited		1	3		25%
Deprivation of Liberty	Limited			6	2	38%
Bereavement Services	Limited		2		4	17%
Creditors (Accounts Payable)	Reasonable			2	2	100%
Local Area Co-ordination	Reasonable			1	1	100%
External Funding	Reasonable			1	3	0%
Programme Management Office	Reasonable			1		0%
Commercial & Industrial Products Contract	Comprehensive				1	0%
Database Servers	N/A			2		100%
Primary School Investigation	N/A					n/a
Records Management Policy	N/A			1	3	0%
Digital Channels - Firmstep	N/A			3	7	60%
IKEN System Security - Follow Up	N/A			2		0%

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 has 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.

## Schemes of Delegation

This audit review was undertaken on a Directorate basis to provide assurance on the individual sub-delegation schemes in operation. The individual schemes should set out who can carry out the functions of the Strategic Director and Service Directors in their absence and who can carry out functions on a day to day basis. All sub-delegation schemes need to be reviewed at the start of the municipal year and should be amended as and when required during the year.

The reviews highlighted a lack of consistency in approach to producing the Schemes of Delegation across the Directorates. All were also well overdue for review, compounded by there being no designated officer responsible for coordinating them corporately or within directorates. There was limited awareness of the schemes within directorates. The schemes also did not fully incorporate the responsibilities of all delegations within the individual Directorate and in the main, only reflected the financial delegations. The documents were also not formally published on iDerby.

The underlying risk is that decisions and actions could be taken by officers who do not have the required or relevant delegated authority.

The individual reviews have been completed. Overall we can only provide limited assurance on the Schemes of Delegation. We are looking for a corporate approach going forward.

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Schemes of Delegation	<p>Assurance Rating</p>			
Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
The Council has in place appropriate Directorate Schemes of Delegation, providing a framework of responsibility for managing the Council's affairs.	5	0	3	2
<b>TOTALS</b>	<b>5</b>	<b>0</b>	<b>3</b>	<b>2</b>

Deprivation of Liberty	<p>Assurance Rating</p>			
Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
The application process was effective and efficient and clear to members of the public.	9	3	4	2
Applications were assessed efficiently and followed the required process when determining if there was a Deprivation of Liberty.	10	5	3	2
Successful and expired applications were reviewed when required with the relevant information stored and communicated as needed.	6	4	1	1
<b>TOTALS</b>	<b>25</b>	<b>12</b>	<b>8</b>	<b>5</b>
Summary of Weakness		Risk Rating	Agreed Action Date	
There was no policy that detailed the roles and responsibilities of the Council and other relevant parties during the deprivation of liberty process.		Moderate Risk	01/10/2020	
There was a lack of guidance and clarity for storing documents. There was no clear indication of how long documents should be kept for each type of circumstance.		Moderate Risk	01/07/2020	
The priority tool being used by the Council had been altered from the official one created by ADASS, and had not been approved by a senior member of staff.		Low Risk	Implemented	
Applications were not being moved up in priority as they got older, leading to some applications being several months to almost a year old.		Moderate Risk	01/12/2019	
The performance reports were lacking in details and not providing management information that could assist the service in the future.		Low Risk	01/04/2020	
There was no requirement for officers involved in the Deprivation of Liberty assessment process to declare they had no conflicts of interest.		Moderate Risk	01/12/2019	
The statutory timescales were not being adhered to, with applications not being assessed within the relevant timescales.		Moderate Risk	Risk Accepted	

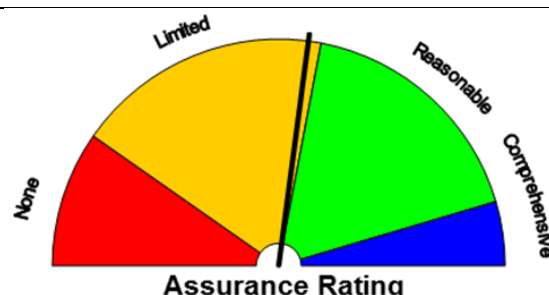
## Derby City Council – Audit Progress Report

Renewals were not being processed and completed in time which led to a lapse in the Deprivation of Liberty order.

Moderate Risk

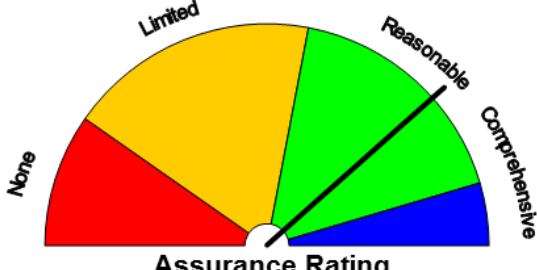
Risk Accepted

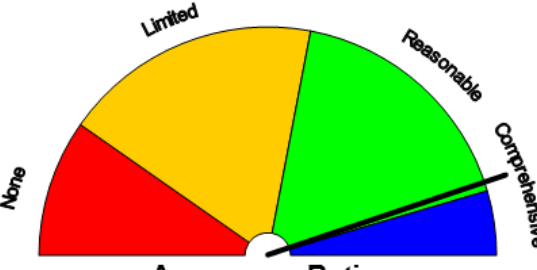
## Bereavement Services



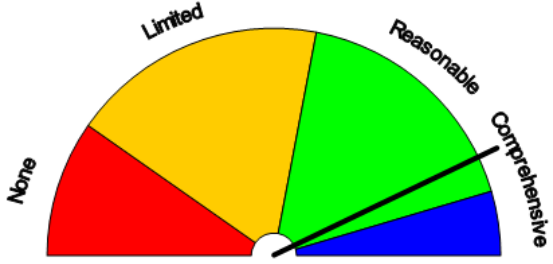
Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
There are adequate maintenance & service contracts in place to ensure the continuity of key services and compliance with legislative requirements.	6	1	1	4
All maintenance and service contracts managed by Bereavement Services are regularly monitored to ensure compliance with performance standards and the schedule of costs.	4	2	0	2
The maintenance contracts for the crematorium provide value for money with regular reviews of the contracts taking place to identify where savings can be made.	3	1	1	1
<b>TOTALS</b>	<b>13</b>	<b>4</b>	<b>2</b>	<b>7</b>
Summary of Weakness	Risk Rating		Agreed Action Date	
Maintenance services had not been appropriately subjected to competitive tender and were being supplied and paid for without a contract in place. There was no provision to ensure that the cremators adhered to legal and local requirements and also no provision for emergency maintenance. No performance review meetings took place with the maintenance service provider.	Significant Risk		01/04/2020	
There was no planned maintenance programme in place.	Low Risk		28/02/2020	
There was no replacement programme in place for the cremators at Markeaton Crematorium. These cremators had therefore not been replaced when appropriate to do so. The current business case was not complete or approved and there was no business continuity plan outside of this.	Significant Risk		31/03/2020	
There was no critical incident plan in place.	Low Risk		31/03/2020	
There were no formal review meetings with the service contractor for provision of Muslim Burial Chambers and Mausolea.	Low Risk		01/04/2020	
Senior Management was not always fully informed about the ongoing maintenance costs of the service.	Low Risk		15/01/2020	

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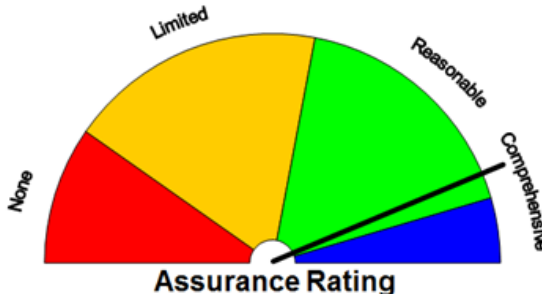
Creditors (Accounts Payable)				
Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
The process to input new supplier details is adequately controlled.	6	4	1	1
The supplier database contains accurate information and is adequately maintained.	6	4	1	1
Refunds and cancellation of cheques are adequately administered.	5	3	2	0
<b>TOTALS</b>				
Summary of Weakness		Risk Rating	Agreed Action Date	
All officers at the Council were able to request a new supplier to be created on Oracle. There was no authorisation needed to make the request if the value was under £10,000.		Moderate Risk	01/11/2019	
Officers within Accounts Payable were able to create and amend supplier details and also able to create and pay invoices.		Moderate Risk	Risk Accepted	
There were no plans to perform future cleanses of Oracles supplier database, with no determination made on how frequent they should occur.		Low Risk	01/11/2019	
The capacity of the supplier database was not being monitored.		Low Risk	01/11/2019	

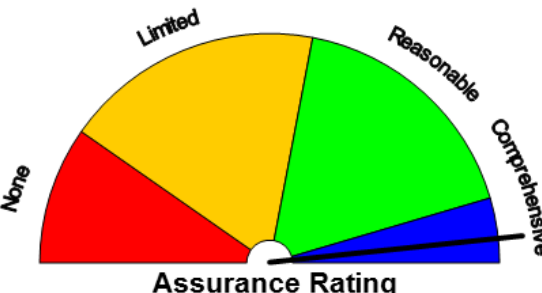
Local Area Co-ordination				
Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
To ensure the recommendations from the Social Value report in 2016 have been embedded into the service.	9	7	1	1
<b>TOTALS</b>	<b>9</b>	<b>7</b>	<b>1</b>	<b>1</b>
Summary of Weakness		Risk Rating	Agreed Action Date	
Individuals that had previously used the Local Area Coordination service were not re-engaged with.		Moderate Risk	Implemented	
Meetings with Derby Homes were ad-hoc and were not regular or consistent.		Low Risk	Implemented	

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External Funding	 <p style="text-align: center;"><b>Assurance Rating</b></p>			
Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
<p>There are sound governance arrangements in place for processing the grants and loans managed by the Derby Enterprise Growth Fund (DEGF) team awarded under the following schemes, Derby Enterprise Growth Fund (DEGF), Derbyshire Business Support Grant Scheme (DBSGS) and D2 Enterprise Growth Fund (D2EGF).</p> <p>There is an adequate level of management information and detail provided to members to ensure scrutiny and an effective decision making.</p>	10	7	3	0
<b>TOTALS</b>	<b>12</b>	<b>8</b>	<b>4</b>	<b>0</b>
Although there were standard processes in place the procedural documents were fragmented and not made available as a single point of reference.	Low Risk		01/02/2020	
There was not a formally documented local scheme of financial delegation made widely available to clearly show the limits and tiers of approval required for approving grants and loans awarded from the programme of funds managed by the Derby Enterprise Growth Fund team.	Low Risk		01/02/2020	
The format of the document presented to the Investment Panel for a decision did not clearly show the risk assessments and the criteria that had been used to complete the officers' appraisal process.	Moderate Risk		01/02/2020	
The minutes and the information provided to seek approval at the Regeneration and Public Protection Cabinet Member meetings lacked a focus on the outcome of the due diligence process and the assessment of the business risks and the potential implications on the Council.	Low Risk		01/02/2020	

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<h3>Programme Management Office</h3>	 <p>The pie chart shows the Assurance Rating for the Programme Management Office. The segments are: None (red, 0%), Limited (yellow, 11%), Adequate (green, 9%), Partial (blue, 2%), and Comprehensive (dark blue, 0%). A line points to the Adequate segment.</p>			
Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
The Councils Programme Management Office is operating effectively and efficiently and providing a consistent, strategic and robust approach to project decision making and management across the Council.	11	9	2	0
Robust processes are in place for monitoring the progress of the Councils capital projects, including providing regular reports and updates to the Corporate Leadership Team / PMO Board.	7	5	2	0
<b>TOTALS</b>	<b>18</b>	<b>14</b>	<b>4</b>	<b>0</b>
Summary of Weakness		Risk Rating	Agreed Action Date	
Notes from the PMO Board meetings were brief in their content and format and did not demonstrate effective discussion, challenge and scrutiny of Council projects.		Moderate Risk	Implemented with further work to be undertaken by 31/05/2020	

<h3>Commercial &amp; Industrial Products Contract</h3>	 <p>The pie chart shows the Assurance Rating for the Commercial &amp; Industrial Products Contract. The segments are: None (red, 0%), Limited (yellow, 9%), Adequate (green, 6%), Partial (blue, 3%), and Comprehensive (dark blue, 0%). A line points to the Adequate segment.</p>			
Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
There are adequate arrangements in place that allow contractual obligations and expectations to be identified and monitored effectively.	9	6	3	0
<b>TOTALS</b>	<b>9</b>	<b>6</b>	<b>3</b>	<b>0</b>
Summary of Weakness		Risk Rating	Agreed Action Date	
Electronic records were not being maintained for contract management meetings to evidence the review and evaluation of contractual performance.		Low Risk	31/01/2020	

## Database Servers

## Derby City Council – Audit Progress Report

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During the preliminary testing for the proposed Database Servers review, we identified a serious data protection risk relating to the ControCC and Liquid Logic databases. Backups of the ContrOCC database were accessible to all users of the network, exposing thousands of records containing personal and sensitive information. Also, database backup files relating to the social care system (Liquid Logic), and finance system (ControCC) were accessible to all users of the network. We issued an interim memo to management highlighting these control weaknesses and made 2 moderate risk rated recommendations; both of which have already been addressed to our satisfaction by management. This audit is still ongoing.

### Primary School Investigation

Advice and assistance was provided to the Chair of Governors of a Primary School in connection with the investigation of allegations concerning the conduct of a member of staff.

### Records Management Policy

The Council had only recently approved a Records Management Policy which was anticipated to be publicised this as part of the Digital Workforce rollout. Accordingly, it was inappropriate to review the Council's Records Management arrangements as originally planned. Instead, we have undertaken a review of the contents of the Records Management Policy. We issued a memo to management highlighting 4 control weaknesses; 3 of which were considered to present a low risk and 1 a moderate risk. The moderate risk being that: The Records Management Policy did not direct officers to undertake regular reviews to remove any personal data or records that were out of date or no longer relevant. Management resolved to address each issue by 31st July 2021 in the next update of the Records Management Policy.

### Digital Channels - Firmstep

Whilst waiting for responses from Firmstep to conclude the full audit, we took the decision to issue interim audit memos after each phase of testing so that the information in the final report didn't become too stale. Our initial audit testing included a review of systems administration, access control within the application and relevant integrations, and the security of the internal Firmstep servers, including DCC-FIRMSTEP02 which hosted a complete copy of the data captured by the live Firmstep processes. We have already reported to this Committee about an interim memo to management highlighting 2 moderate risk rated recommendations. Since then we have made an additional 8 recommendations (1 moderate risk and 7 low risk). Four of the low risk issues have now been addressed to our satisfaction; the remaining 4 recommendations have future action dates. This audit is still ongoing.

### IKEN System Security - Follow Up

Specific to the IKEN System Security follow up testing, we identified some data protection risks regarding sensitive legal records that required management's attention. File permissions on the IKEN database server had not been appropriately configured, exposing highly sensitive documents to all users of the network. Also, SYSADMIN accounts on the SQL Server which hosted test versions of the IKEN database had been assigned easily guessable and weak corresponding passwords. We issued an interim memo to management highlighting these control weaknesses and management resolved to fully address these weaknesses by 31<sup>st</sup> March 2020. This audit is still ongoing.

## Derby City Council – Audit Progress Report

RECOMMENDATION TRACKING (as at 17<sup>th</sup> January 2020)

Final Report Date	Audit Assignments with Open Recommendations	Assurance Rating	Recommendations Open		
			Action Due	Being Implemented	Future Action
17-Jan-20	Programme Management Office	Reasonable			1
16-Jan-20	Bereavement Services	Limited			5
08-Jan-20	IKEN System Security - Follow Up	N/A			
29-Nov-19	Records Management Policy	N/A			4
20-Dec-19	Commercial & Industrial Products Contract Monitoring	Comprehensive			1
10-Oct-19	CCTV - Access Control - Parking	N/A	4		
10-Oct-19	CCTV - Access Control - Public Protection	N/A	4		
21-Nov-19	Digital Channels - Firmstep	N/A			4
19-Dec-19	External Funding	Reasonable			4
22-Aug-19	Coroner's Service	Limited	3		
25-Oct-19	People Services - Scheme of Delegation	Limited	2		1
24-Sep-19	Catering 2019-20	Limited			3
27-Nov-19	Deprivation of Liberty	Limited	2		3
15-Apr-19	Liquid Logic/Servelec Follow-up	Reasonable		1	
06-Jun-19	A52 - Project Overspend - Systems Weaknesses	None	20		
22-Mar-19	Land Charges Income	Reasonable	1	1	
26-Jul-19	Payroll	Reasonable		2	
15-Apr-19	Public Utilities Management	Limited	2	1	1
10-Oct-19	CCTV Access Control - Corporate Resources	Limited	1		
20-Dec-18	Delivering differently Project Management	Reasonable		2	
24-Apr-19	Document Management & Network Printing	Reasonable		1	1
21-Jan-19	Probity - Lone working Arrangements	Limited		1	
11-Dec-18	Translation Services	Limited		3	
20-Dec-18	Shared Lives	Limited		3	
25-Mar-19	Insurance Valuation	Reasonable	1		
24-Sep-19	Children Sexual Exploitation Prevention Strategy	Reasonable		3	
30-Jul-18	File Share Management	Reasonable		4	
02-Jul-18	Leaving Care Payments	Reasonable		1	
04-Jul-17	Payroll - Tax on Mileage	N/A		1	
25-May-18	Payment of Adoption Allowances	Reasonable		1	
01-Feb-19	Contract Monitoring 2017-18	Reasonable		1	1
13-Feb-19	Bus Station Recharges	Reasonable		6	
18-May-18	Customer Services Investigation	Limited		1	
18-Jan-19	MTFP(Agile)	Reasonable		1	
12-Feb-19	Fixed Assets- S24 Capital Controls	Reasonable		1	
29-May-18	Markets	Limited		1	
12-Jul-17	Health & Safety	Limited		1	
30-May-17	Business Intelligence	Reasonable		1	
		<b>Totals</b>	<b>40</b>	<b>38</b>	<b>31</b>

**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 has not followed the matter up.

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Audit Assignments with Recommendations Due	Action Due			Being Implemented		
	Significant Risk	Moderate Risk	Low Risk	Significant Risk	Moderate Risk	Low Risk
CCTV - Access Control - Parking			4			
CCTV - Access Control - Public Protection		4				
Coroner's Service	3					
People Services - Scheme of Delegation		2				
Deprivation of Liberty		2				
Liquid Logic/Servelec Follow-up					1	
A52 - Project Overspend - Systems Weaknesses	8	10	2			
Land Charges Income			1			1
Payroll					1	1
Public Utilities Management			2			1
CCTV Access Control - Corporate Resources			1			
Delivering differently Project Management						2
Document Management & Network Printing					1	
Probity - Lone working Arrangements					1	
Translation Services					3	
Shared Lives					1	2
Insurance Valuation			1			
Children Sexual Exploitation Prevention Strategy					3	
File Share Management						4
Leaving Care Payments						1
Payroll - Tax on Mileage						1
Payment of Adoption Allowances						1
Contract Monitoring 2017-18						1
Bus Station Recharges						6
Customer Services Investigation					1	
MTFP(Agile)					1	
Fixed Assets- S24 Capital Controls						1
Markets						1
Health & Safety					1	
Business Intelligence						1
<b>Totals</b>	<b>11</b>	<b>18</b>	<b>11</b>		<b>14</b>	<b>24</b>

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.

There are currently 11 significant risk recommendations that are overdue for implementation; none of these currently exceed 3 months. Accordingly, there are no significant risk recommendations detailed for Committee's scrutiny.

There are currently 32 moderate risk recommendations that are overdue for implementation. Of these 32, 8 of these exceed 6 months, and in all 8 cases Internal Audit has agreed a revised implementation date. These 8 moderate risk recommendations are detailed for Committee's scrutiny.

There are currently 35 low risk recommendations that are overdue for implementation. Of these 35, 7 of these exceed 12 months, and in all 7 cases Internal Audit has agreed a revised

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implementation date. None of these low risk recommendations are currently considered worthy of Committee's attention.

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 >
CCTV - Access Control - Public Protection	4							
Coroner's Service					3			
People Services - Scheme of Delegation	2							
Deprivation of Liberty	2							
Liquid Logic/Servelec Follow-up			1					
A52 - Project Overspend - Systems Weaknesses	10				8			
Land Charges Income								
Payroll	1							
Document Management & Network Printing		1						
Probity - Lone working Arrangements		1						
Translation Services			3					
Shared Lives				1				
Insurance Valuation								
Children Sexual Exploitation Prevention Strategy	2	1						
Customer Services Investigation				1				
MTFP (Agile)			1					
Health & Safety				1				
<b>Totals</b>	<b>21</b>	<b>3</b>	<b>5</b>	<b>3</b>	<b>11</b>			

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### Highlighted Recommendations

The following recommendations are detailed for Committee's scrutiny.

### Moderate Risk Recommendations (> 6 Months Overdue)

Customer Services Investigation	Rec No. 7
Summary of Weakness / Recommendation	Risk Rating
<p>The income received from issuing of parking permits was not being reconciled to the number of actual visitor parking permits produced on the Chipside system on a regular basis.</p> <p>We recommend that a process for reconciling income received and visitor parking permits produced be established and undertaken on a regular basis.</p>	Moderate Risk
Management Response/Action Details	Action Date
Monthly checks will include income reconciliation.	01/06/2018
Status Update Comments	Revised Date
A new permit system was implemented in October 2019. An implementation target date of December 2019 was agreed to allow for reconciliations to be put in place.	31/12/2019

Health & Safety	Rec No. 1
Summary of Weakness / Recommendation	Risk Rating
<p>The recording of accidents and incidents involved the use of the Human Resources MiPeople system. Further reliance was also placed on the HR Data Management Team to process any amendments. The system did not provide a facility to automatically pursue officers to ensure action had been taken to mitigate further risks of an accident occurring again.</p> <p>We recommend management consider use of a system which allows the Health and Safety Team full management and review of accidents and incidents occurring across the Council, also incorporating an automated facility for officers to be pursued when action was required to be taken to prevent a similar occurrence happening again. Consideration of options available should include use of existing resources currently available at the Council's disposal.</p>	Moderate Risk
Management Response/Action Details	Action Date
Most of the issues raised are directly related to the absence of an adequate IT recording system. This is in-hand (we have the software) but now need to transfer our records and operations on to the system. This we hope to have completed by October; the delays are due solely to staff absences (illness, retirement, etc.) and the current absence of a Team Leader. All of these issues are being addressed as quickly as resources will allow.	31/10/2017
Status Update Comments	Revised Date
The Health and Safety team has continued to streamline recording and storing processes. The Council's Health and Safety Policy was signed off at Corporate Health and Safety Committee on 23rd July 2019, which also included approval of the Strategic Service Risk Assessment. These will be sent to Service Directors week beginning 14th October for their Heads of Service to complete within a month and return to Corporate Health and Safety Committee for review and rating. The 2019-20 Corporate Health and Safety Training brochure, Training matrix and Training policy have all been approved and are now on iDerby. The booking process has been streamlined, so to book training courses colleagues can now use the self service system on MiPeople. The Health and Safety Audit plan and audit results have now all been combined into one spreadsheet to avoid duplication and the "lauditor app" will be used to make audits more	31/03/2020

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efficient and results instant.

The Corporate Health and Safety Team Manager has organised at demo of the SHE Health & Safety management system software for 22 January 2020. This system is used by a number of neighbouring authorities.

Liquid Logic/Servelec Follow-up	Rec No. 4
Summary of Weakness / Recommendation	Risk Rating
<p>Membership of the DERBYAD\EDU-FSSL security group which granted access to personal and security sensitive information on live Servelec Synergy application server (containing 666'359 files/folders), was not representative of only current users of the system or technical support, by a difference of over 60 enabled accounts.</p> <p>We recommend that management ensures access to the Tribal file share is appropriately restricted in line with data protection principles. Consideration should also be given to restricting full control on sensitive file shares to only authorised administrators.</p>	Moderate Risk
Management Response/Action Details	Action Date
This security group is used to control access to multiple areas. Another security group needs creating and then appropriate users moved into it. To achieve this, we will need to liaise with the service areas to ensure the right users are moved.	24/05/2019
Status Update Comments	Revised Date
Although work has already been done to make it more secure and significantly reduce the risk, the remainder of the work cannot be completed until we have the release which includes the 2FA functionality. This is not due until early next year, and once implemented will require some further work to be done.	31/03/2020

Translation Services	Rec No. 4
Summary of Weakness / Recommendation	Risk Rating
<p>The charges for translation and interpretation services were not all being accounted for against the core budget code to enable levels of spend to be properly monitored/identified and ensure that the Council was adhering to procurement regulations.</p> <p>We recommend that a clear instruction is issued on how the costs for translation and interpretation services should be accounted for in Oracle, the Council's financial management system. This will ensure all relevant costs are properly accounted for and captured for the purposes of budget monitoring and providing accurate and reliable management information.</p>	Moderate Risk
Management Response/Action Details	Action Date
Business support to flag any invoices that are not matched to the call off orders and to notify the Head of Integrated Commissioning, Lisa Melrose, lead officer for managing the centralised budget for translation services used across the Council. To report at working group and escalate to Corporate Resources DMT and CLT if necessary (No purchase order No pay)	01/03/2019
Status Update Comments	Revised Date
Whilst it was recognised that a central process needed to be developed and owned, it was determined at the working group that a centralised budget would not resolve ownership issues. Due to high number/low value, approvals would not be efficient at HOS level and scrutiny would likely get lost. This also did not link back quality to order to payment where current issues were arising. It was recognised that a full end to end efficient process which minimised impact on workers, Accounts Payable but linked order to approval to quality	01/03/2020

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would need to be designed and implemented, and noted as a workstrand.  
The Accessible Communications protocol is being review and updated.

Translation Services	Rec No. 5
Summary of Weakness / Recommendation	Risk Rating
<p>Departments were not channelling requests for translation and interpretation services through the designated Lead officer and budget holder. They were bypassing the Councils procedures for generating orders using the Oracle IPROC ordering system, resulting in levels of spend that exceeded the threshold where a tender exercise would be required and spending that had no budget commitment.</p> <p>We recommend that:</p> <ul style="list-style-type: none"> <li>The procedure for engaging translation and interpretation services is improved to ensure that it is managed centrally and that all requests for using an interpreter and translations services are properly assessed and approved.</li> <li>All members of staff and all heads of service should be reminded of the standard protocol to ensure their respective management teams are compliant with the corporately approved process.</li> <li>Official orders are generated using IPROC, the Councils ordering system and any exception must be approved by the appropriate Director in accordance with the Councils Financial Procedure Rules.</li> </ul> <p>This will allow the demand for the service to be properly regulated and produce more accurate and complete management information.</p>	Moderate Risk
Management Response/Action Details	Action Date
<p>Heads of service will be responsible for assessing and approving requests for using an interpreter and translations services. □ A call off order for each head of service will be generated in IPROC. This will be a commitment that will be funded by the centralised budget. Each order will be assigned to a named Head of Service who will be responsible for managing the spend against that order. The Accessible Communication Protocol to be updated and communicated corporately.</p>	01/04/2019
Status Update Comments	Revised Date
<p>A centralised cost centre has been implemented for telephone interpretation and written transactions.</p> <p>Face to face will be charged to individual cost centres. For People services this is directed through locality budgets and signed off at manager level.</p> <p>A tender process is underway to determine providers of a translation and interpretation framework. The start date for this framework was 1 December 2019. A work strand has been identified within the working group to ensure a streamlined end to end process is incorporated into the new contract.</p>	01/03/2020

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Translation Services	Rec No. 7
Summary of Weakness / Recommendation	Risk Rating
<p>Contrary to the requirements of Contract Procedure Rules, the existing relevant Corporate Contract for translation and interpretation services had not been used, with significant levels of spend with various suppliers outside of the Corporate Contract.</p> <p>We recommend that the Councils Contract Procedure Rules are enforced and orders for translation and interpretation services should be with the approved supplier.</p>	<b>Moderate Risk</b>
Management Response/Action Details	Action Date
Will be addressed as part of rec 5, Heads of service will be responsible assessing and approving requests for using an interpreter and translations services and ensuring the call off orders with the approved suppliers are used. Accounts payable to flag any off contract spend Rec 4.	01/04/2019
Status Update Comments	Revised Date
<p>Off contract spend has been scrutinised, and the current contracted provider is unable to meet the requirements. Social Care have been advised to contact the contract lead in these cases and note the reasons for off-contract spend.</p> <p>A tender process is underway to determine providers of a translation and interpretation framework. The start date for this framework was 1 December 2019.</p> <p>Updated Social Care Procedures are now live on iDerby.</p> <p>A review of high cost spend is being finalised and recommendations for effective purchasing post the new contract start date are being compiled to be proposed to the working group in November.</p>	01/03/2020

Shared Lives	Rec No. 6
Summary of Weakness / Recommendation	Risk Rating
<p>Mandatory training had not been completed by all carers on the scheme, as indicated by gaps in the shared Lives Team central training record and training records on Carers files.</p> <p>We recommend that the central record of training for carers is updated with courses booked, due to be booked (refresher required) and those completed. Where courses are complete, evidence should be retained e.g. certificates, and possibly hyperlinked to the carer's personal file. Carers not having completed training should be reminded and suitable date/venue/method of training options provided.</p>	<b>Moderate Risk</b>
Management Response/Action Details	Action Date
Certificates are not provided on a regular basis when people attend training. A discussion will be held with Training Section to see if a record of attendance on courses can be provided for Shared Lives Carers	30/12/2018
Status Update Comments	Revised Date
No update received on progress since October 2019.	01/10/2019

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MTFP		Rec No. 2
Summary of Weakness / Recommendation		Risk Rating
<p>The Council does not have a Commercial Strategy, although there is an outstanding action in the Corporate Improvement Plan to implement a commercial approach. There is currently no clear indication on how a commercial approach will support the Medium Term Financial Plan.</p> <p>We recommend that the Council explores the possibility of developing a Commercial Strategy which outlines steps to generate more income for the Council to help fund the services it provides.</p>		Moderate Risk
Management Response/Action Details		Action Date
<p>Accepted. A commercial strategy is being worked up lead by the Director for Policy, Insight, and Communications. An initial outline paper was well received by Corporate Leadership Team in December and a clear terms of reference and focus was the outcome. Implementation of an effective commercialisation strategy has the potential to deliver reduced costs and cashable savings which will benefit the our MTFP in future years.</p>		30/06/2019
Status Update Comments		Revised Date
<p>Commercialism is included as a theme in the MTFP for 2020/21- 2022/23. A dedicated resource within the Corporate Core's Change Derby organisational structure is to be provided to work on the commercial strategy and the other MTFP themes. This work will set out what we can expect to deliver from having a commercial strategy and action plan.</p>		30/11/2019