

Derby City Council – Audit Progress Report

Audit & Accounts Committee: 27th March 2019



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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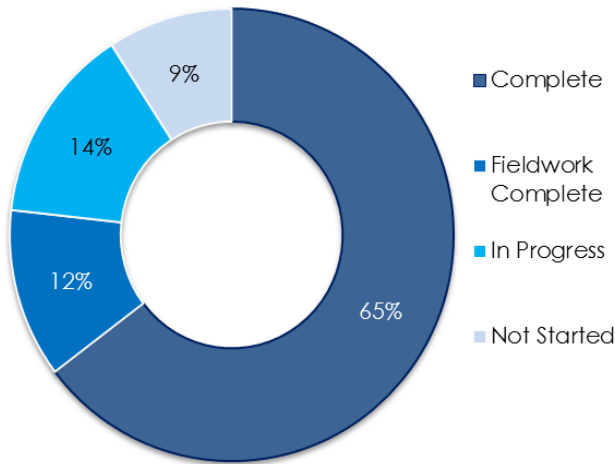
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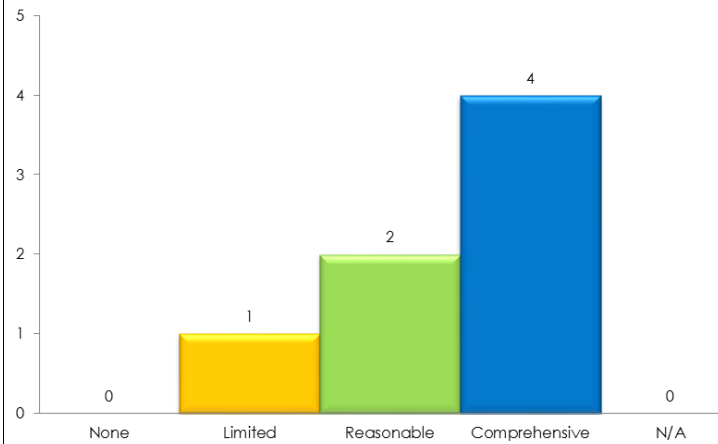
AUDIT DASHBOARD

Plan Progress



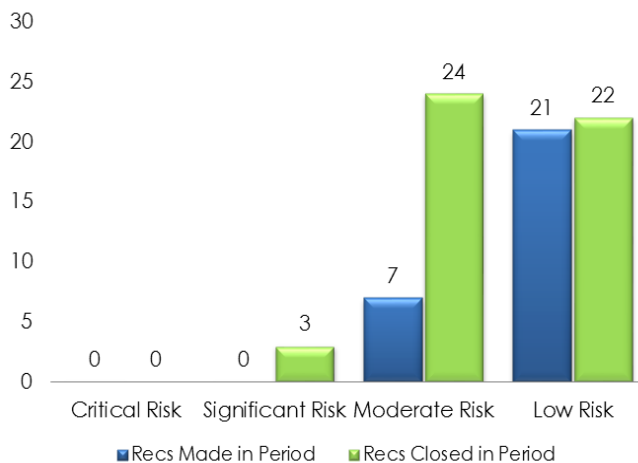
Jobs Completed in Period

Control Assurance Ratings During Period



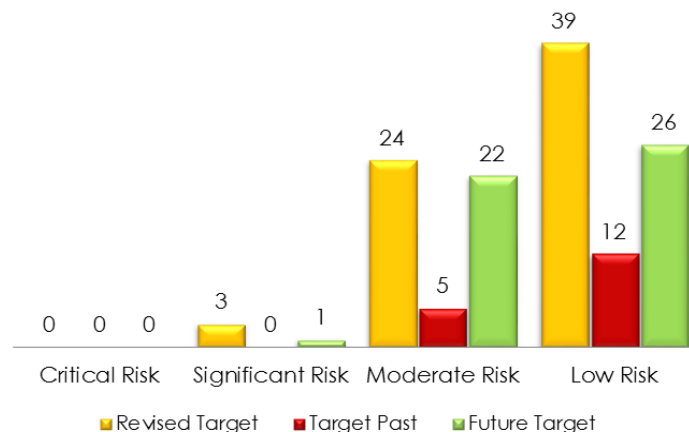
Recommendations

Movement During Period



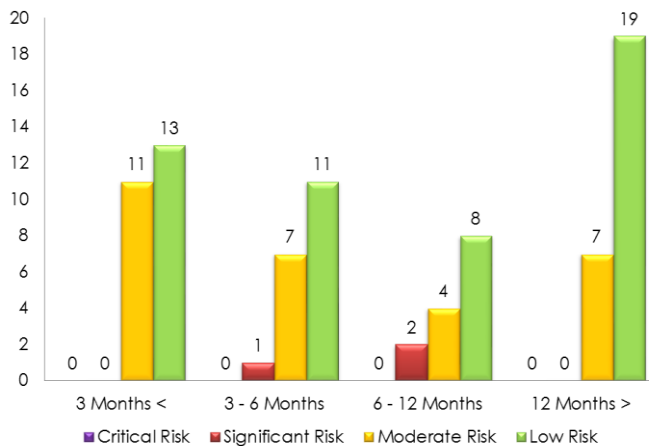
Recommendations

Recommendations Currently Open



Recommendations

Overdue Recommendations



Customer Satisfaction

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AUDIT PLAN

Progress on Audit Assignments

The following table provide Audit Sub-Committee with information on how audit assignments were progressing as at 28th February 2018.

2018-19 Jobs	Status	% Complete	Assurance Rating
Peoples			
Shared Lives	Final Report	100%	Limited
Local Area Co-Ordination - Impacts & outcomes	Not Allocated	0%	
Schools Standards & Performance Monitoring	Not Allocated	0%	
Corporate Parenting - PEP monitoring	In Progress	65%	
Social Care Fieldwork	Allocated	5%	
Children Sexual Exploitation Prevention	In Progress	20%	
CIC petty Cash Imprest Investigation	Draft Report	95%	
Public Health - Commissioning	Removed from Plan	N/A	
Corporate Resources			
Delivering differently - projects monitoring	Final Report	100%	Reasonable
Treasury Management	Final Report	100%	Comprehensive
Payroll	In Progress	30%	
Key financial systems - GL interfaces	In Progress	70%	
Heritage Assets - Probity	Final Report	100%	Limited
Fixed Assets 2018-19	Not Allocated	0%	
Creditors Accounts Payable	In Progress	45%	
Discretionary Housing Payments - Probity	Final Report	100%	Reasonable
Council Tax	Final Report	100%	Comprehensive
Non Domestic Rates	Final Report	100%	Comprehensive
HB & Ctax support	Final Report	100%	Comprehensive
Cash Management	Not Allocated	0%	
Cash Management -CH Kiosk Payment	Final Report	100%	Comprehensive
Grant Certification Work	In Progress	70%	
Corporate Pledges	Allocated	5%	
Health & Safety - Contractors Policy	Final Report	100%	Reasonable
Document Management/Network printing	In Progress	75%	
Asset Management - Asset Portfolio management	Removed from Plan	N/A	
Translation Services - time from procurement)	Final Report	100%	Limited
FOI & Subject Access Requests	Final Report	100%	Comprehensive
Land Charges	Draft Report	95%	
Open Text Security	Final Report	100%	Reasonable
IT Asset Disposal	Final Report	100%	Reasonable
IKEN System Security	Final Report	100%	Limited
Confirm IT system Security	Not Allocated	0%	
Terminal 4 IT system security	Removed from Plan	N/A	
Liquid Logic IT f/up review	In Progress	10%	
Civica/Flare - IT system security	Draft Report	95%	
Communities & Place			
Planning and Development Control	In Progress	25%	
Car Parks 3rd Party Collections	Fieldwork Complete	80%	

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Waste Disposal & Processing	Removed from Plan	N/A	
Licensing- Taxi	Draft Report	95%	
Prevent Strategy - Modern Slavery	Removed from Plan	N/A	
CCTV	In Progress	10%	
Lone working Arrangement	Final Report	100%	Limited
Regeneration Grants/Loans - EPM Ltd	Removed from Plan	N/A	
Commercial Property -Leasehold management	Not Allocated	0%	
Empty Homes Strategy	Final Report	100%	Comprehensive
Public Utilities Management	Draft Report	95%	
Anti-Fraud & Corruption			
A52 - Project overspend Investigation	Final Report	100%	Limited
A52 - Project overspend - Systems Weaknesses	In Progress	20%	
High value contracts-monitoring delivery	In Progress	60%	
Schools			
Schools SFVS self Assessment 2018/19	In Progress	55%	
20 Schools SFVS	In Progress	85%	

B/Fwd Jobs	Status	% Complete	Assurance Rating
Peoples			
Adults Commissioning - Contract Management	Final Report	100%	Reasonable
Leaving Care Payments	Final Report	100%	Reasonable
Payment of Adoption Allowances	Final Report	100%	Reasonable
Out of Area Placements	Final Report	100%	Reasonable
EPM Contract Monitoring	Final Report	100%	Reasonable
DCC Public Health – PharmOutcomes	Final Report	100%	Comprehensive
Direct Payments - Mental Health	Final Report	100%	Reasonable
Corporate Resources			
Insurance Valuation	Draft Report	95%	
Social Media - Monitoring	Final Report	100%	Reasonable
People Management 2017-18	Fieldwork Complete	90%	
General Data Protection Regulation Review	Final Report	100%	Reasonable
Grant Certification Work 2017-18	Complete	100%	Comprehensive
Cash Policy Review Group	Complete	100%	N/A
Main Accounting Section 24 Reconciliations	Final Report	100%	Reasonable
Section 24 Year end Procedures	Complete	100%	Reasonable
Section 24 Provisions & Write offs	Complete	100%	Reasonable
Fixed Assets - Section 24 Capital Controls	Final Report	100%	Reasonable
Procurement Monitoring 2017-18	Final Report	100%	Reasonable
Payroll - Key Controls & IR35	Final Report	100%	Reasonable
Organisational Culture & Ethics	Final Report	100%	Reasonable
CCTV Management Arrangements	Final Report	100%	Reasonable
Severlec Synergy Data Quality Checks	Final Report	100%	Reasonable
File Share Management	Final Report	100%	Reasonable
Main Accounting 2016-17 - Reconciliations	Final Report	100%	Limited
Procurement Monitoring	Final Report	100%	Reasonable
Communities & Place			
Bus Station Recharges/Income	Final Report	100%	Reasonable
Metro Dynamics Governance Arrangements	Removed from Plan	N/A	

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Licensing -Alcohol	Final Report	100%	Reasonable
Markets	Final Report	100%	Limited
Connect Derby - Rents	Final Report	100%	Reasonable
Anti-Fraud & Corruption			
Customer Services Investigation	Final Report	100%	Limited
Investigation - Catering	Final Report	100%	Limited
Compliance - HR	Final Report	100%	Limited
Probity - MTFP(Agile)	Final Report	100%	Reasonable
Schools			
Schools SFVS Self Assessment 2017-18	Final Report	100%	Comprehensive

Audit Plan Changes

The continued work on the A52 Highways Project has resulted in further changes to the Audit Plan. The following reviews have been removed from the Plan to accommodate this significant work:

- Public Health – Commissioning
- Asset Management - Asset Portfolio management
- Terminal 4 IT system security
- Waste Disposal & Processing
- Prevent Strategy - Modern Slavery
- Regeneration Grants/Loans - EPM Ltd
- Metro Dynamics Governance Arrangements


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AUDIT COVERAGE

Completed Audit Assignments

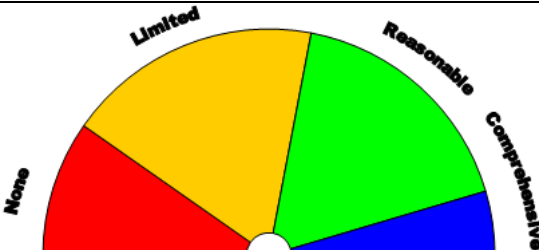
Between 24th January 2019 and 28th February 2019, the following audit assignments have been finalised since the last Progress Report was presented to this Sub-Committee.

Audit Assignments Completed in Period	Assurance Rating	Recommendations Made				% Recs Closed
		Critical Risk	Significant Risk	Moderate Risk	Low Risk	
Procurement Monitoring 2017-18	Reasonable	0	0	1	7	13%
Housing Benefit & Council Tax support	Comprehensive	0	0	0	0	n/a
Heritage Assets	Limited	0	0	5	1	0%
Bus Station Recharges	Reasonable	0	0	1	10	0%
Treasury Management	Comprehensive	0	0	0	3	33%
Non Domestic Rates	Comprehensive	0	0	0	0	n/a
Council Tax	Comprehensive	0	0	0	0	n/a

Procurement Monitoring 2017-18					
Control Objectives Examined		Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
There are adequate governance arrangements in place that allow contractual obligations and expectations to be identified easily. <ul style="list-style-type: none"> TD1096: Domiciliary Care Planned & Un-planned additional schemes in Derby DN 16829, Organic Waste Processing TD 0469, Reprographics, Multi-Functional Devices and Desktop Printers 		4	3	1	0
		2	1	0	1
		4	2	0	2
Contract performance and delivery is monitored with any shortfalls in performance or delivery being identified and rectified. <ul style="list-style-type: none"> TD1096: Domiciliary Care Planned & Un-planned additional schemes in Derby DN 16829, Organic Waste Processing TD 0469, Reprographics, Multi-Functional Devices and Desktop Printers 		8	8	0	0
		5	1	1	3
		7	2	0	5
TOTALS		30	17	2	11
Summary of Weakness			Risk Rating	Agreed Action Date	
The monitoring group responsible for the Domiciliary care contract lacked confirmation of its authority to act. A terms of reference document had not been drawn up for the group that monitored the performance and delivery of the contracts for Domiciliary Care in additional schemes in Derby.			Low Risk	31/03/2019 Future Action	
The environment in which the delivery and performance of the Reprographics, Multi-Functional Devices and Desktop Printers contract was monitored was not defined and was without formal terms of reference.			Low Risk	01/09/2019 Future Action	

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Meetings where the delivery and performance of the Reprographics, Multi-Functional Devices and Desktop Printers contract was discussed were not formally noted or minuted. There were no action plans in evidence.	Low Risk	01/09/2019 Future Action
Meetings between the contractor for Organic Waste Processing and the Council were not minuted or noted.	Low Risk	30/04/2019 Future Action
The contract and quality of monitoring for the Organic Waste Processing contract was compromised by an absence of reporting by the contractor.	Low Risk	28/02/2019 Action Due
Checks were not being undertaken to ensure that the contractor for Organic Waste Processing had fulfilled its obligations with regard to insurances and licenses to operate.	Moderate Risk	01/06/2020 Future Action
The Council was unable to demonstrate that the contractor's performance for the Organic Waste Processing contract had been subjected to a full evaluation prior to the extension of the contract on three occasions in 2015, 2016 and 2017.	Low Risk	Implemented
For the reprographic contract, the Council has entered into an extension agreement that might be challenged by other providers, with a potential for adverse comment and compensation claims.	Low Risk	01/09/2019 Future Action

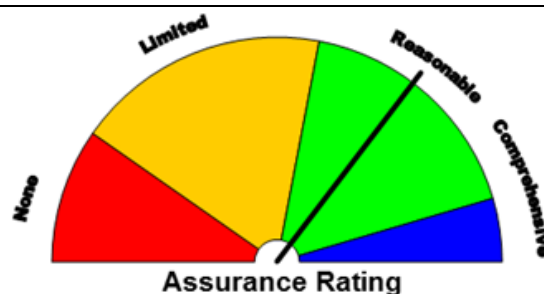
Housing Benefit & Council Tax Support				
Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
The arrangements in place promote prompt and accurate awards of Housing Benefit and Council Tax Support.	11	10	1	0
Claims for Housing Benefit and Council Tax Support are supported by an application and validated evidence in order to ensure benefit is awarded correctly.	11	11	0	0
TOTALS	22	21	1	0
Summary of Weakness		Risk Rating	Agreed Action Date	
This report contained no recommendations as no key control weaknesses were identified by the audit review. One minor risk issue was highlighted for management's consideration				

Heritage Assets		<p>Assurance Rating</p>		
Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
The Councils Heritage Assets are kept secure, fully recorded and adequately insured.	9	0	0	9

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TOTALS	9	0	0	9
Summary of Weakness	Risk Rating		Agreed Action Date	
The heritage asset register at the time of the audit was not a true and comprehensive record of heritage assets held, their locations and their values.	Moderate Risk		01/04/2019 Future Action	
Heritage assets were not being checked and valued regularly. The updated asset register was not signed or dated and contained additional items not noted as purchased and items that could not be located.	Low Risk		01/04/2019 Future Action	
The Insurance Team had not been provided with the most recent Heritage Asset Register for insurance renewal purposes and there was no arrangement for Insurance team to be promptly notified of changes.	Moderate Risk		01/04/2019 Future Action	
Some portable assets were held in areas within the Council House that were not secured at all times.	Moderate Risk		01/04/2019 Future Action	
There was no register of key holders and no record to evidence transfers and when cupboards were accessed.	Moderate Risk		01/04/2019 Future Action	
There was no formal record of heritage assets movements, to evidence authorisation for movements and officers who undertook the exercise.	Moderate Risk		01/04/2019 Future Action	


Bus Station Recharges



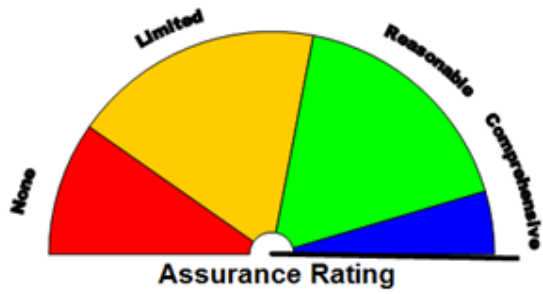
Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
Legal agreements are in place between all parties.	2	0	2	0
Ticket sales data from the Bus Station is appropriately recorded.	3	2	0	1
Journey data and top-up data from Bus Operators is appropriately recorded and securely relayed to the Council, within a suitable timeframe.	2	1	1	0
The Council have undertaken accurate and timely apportionment calculations.	6	2	2	2
Suitable payment processes are in place for the distribution of income between Partners.	4	1	0	3
TOTALS	17	6	5	6
Summary of Weakness	Risk Rating		Agreed Action Date	
Only one of the five Bus Operators participating in the Spectrum scheme had signed and returned the Deeds of Variation.	Low Risk		31/05/2019 Future Action	
Minutes were not available for each management committee held. The minutes that were provided lacked content considering the committees strategic remit.	Low Risk		31/05/2019 Future Action	
The worksheet containing ticket sales data was not password protected and was located on the departmental network drive so was accessible by other officers within the Communities and Place Directorate.	Low Risk		31/03/2019 Future Action	
Spectrum ticket data provided by the Bus Operators was in differing layouts with the information provided differing from one Bus Operator to another.	Low Risk		30/04/2019 Future Action	
Procedures to provide guidance on the calculation of the distribution of revenue had not	Moderate Risk		31/03/2019	

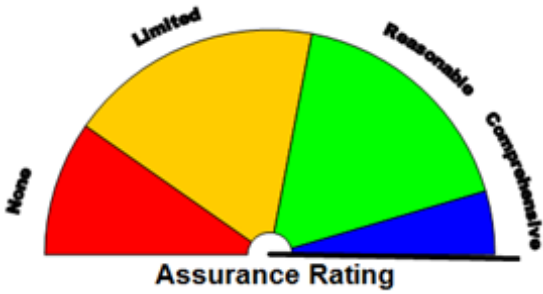
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been formally documented.		Future Action
Whilst checks on the bus ticket sales information supplied by the external company were being undertaken, records were not being annotated to formally evidence that the checks were being performed.	Low Risk	30/04/2019 Future Action
The Applied Card Technologies (ACT) reports which showed the calculated apportionment of revenue to be distributed to the Bus Operators did not contain accurate information.	Low Risk	31/03/2019 Future Action
The process to calculate and reconcile the monthly distribution of revenue to Bus Operators was not subject to review by an independent Senior Officer.	Low Risk	31/03/2019 Future Action
Bus Operators had not been notified of their share of the distribution of revenue from the Spectrum Ticketing Scheme in a timely manner.	Low Risk	31/03/2019 Future Action
There was no evidence to confirm that a final check was being performed on the amounts invoiced by the Bus Operators.	Low Risk	28/02/2019 Action Due
An annual reconciliation to confirm that amounts due under the Spectrum Ticketing Scheme had not been performed.	Low Risk	31/03/2019 Future Action

Treasury Management				
Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
A TM Strategy, Policy and Procedures documentation are in place	6	5	1	0
TM transactions are documented, approved and comply with the Councils agreed Investment Strategy. Interest and capital is received/recovered or paid/repaid in a timely manner.	6	5	1	0
Members and staff are suitably trained/qualified or are in receipt of advice from external sources.	4	3	1	0
TOTALS	16	13	3	0
Summary of Weakness		Risk Rating	Agreed Action Date	
The Council's Fidelity Guarantee insurance did not name provide cover for those posts at a suitably high level i.e. Head of Service and Group Accountant who had permissions to approve the movement of funds to and from the Council's bank account.		Low Risk	30/09/2019 Future Action	
The quarterly reconciliation for interest payable for Treasury borrowing was not being signed and dated by the officers performing and checking the reconciliation.		Low Risk	Implemented	
Members that had been assigned Treasury Management within their portfolio after the local election in May 2018 had not received appropriate training to help them to fulfil their role.		Low Risk	31/07/2019 Future Action	

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Non Domestic Rates				
Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
All Non-Domestic Rates collected are complete, accurate and recorded on the relevant systems	6	6	0	0
The recovery process is robust and correctly applied to the relevant accounts	9	9	0	0
TOTALS	15	15	0	0
Summary of Weakness		Risk Rating	Agreed Action Date	
This report contains no recommendations, as no key control weaknesses were identified by the audit review.				

Council Tax				
Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
To ensure all Council Tax collected is complete, accurate and recorded on the relevant systems.	7	7	0	0
To ensure the recovery process is robust and correctly applied to the relevant accounts	10	10	0	0
To ensure there is an adequate appeals process in place.	4	4	0	0
TOTALS	21	21	0	0
Summary of Weakness		Risk Rating	Agreed Action Date	
This report contains no recommendations, as no key control weaknesses were identified by the audit review.				

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RECOMMENDATION TRACKING

Final Report Date	Audit Assignments with Open Recommendations	Assurance Rating	Recommendations Open		
			Action Due	Being Implemented	Future Action
19-Nov-13	Markets 2013-14	Reasonable	-	1	-
03-Mar-15	Asset Management & Estates	Limited	-	1	-
05-Aug-16	Creditors 2015-16	Limited	-	1	-
22-Nov-16	Licensing	Reasonable	-	1	-
08-Feb-17	Derby Arena	Limited	-	1	-
02-Mar-17	Commercial Rents	Reasonable	-	1	-
30-May-17	Business Intelligence	Reasonable	-	1	-
04-Jul-17	Payroll - Tax on Mileage	N/A	-	1	-
12-Jul-17	Health & Safety	Limited	-	8	-
31-Aug-17	Creditors 2017-18 (Agile Audit)	Reasonable	-	6	-
28-Sep-17	Highways & Engineering	Reasonable	1	1	-
18-Oct-17	Servelec Synergy System	Limited	-	2	-
20-Dec-17	Vulnerable Adults' GASH Accounts	Limited	-	1	-
31-Jan-18	Cash Count - Tourist Centre	Reasonable	-	3	-
31-Jan-18	Procurement Control	Reasonable	-	1	-
02-Feb-18	Corporate Parenting Pledges	Comprehensive	-	1	-
02-Feb-18	Revenues Contracts	Limited	1	1	-
20-Feb-18	Residents Funds - Virtual Accounts	Reasonable	-	1	-
17-Apr-18	Direct Payments - Mental Health	Reasonable	-	2	-
17-May-18	CCTV Management Arrangements	Reasonable	-	1	1
18-May-18	Social Media -Monitoring	Reasonable	-	1	-
18-May-18	Customer Services Investigation	Limited	-	1	-
25-May-18	Payment of Adoption Allowances	Reasonable	-	1	-
29-May-18	Markets	Limited	1	3	-
01-Jun-18	Adults Commissioning	Reasonable	1	2	-
06-Jun-18	Organisational Risk Culture & Ethics	Reasonable	1	0	1
02-Jul-18	Leaving Care Payments	Reasonable	1	3	-
18-Jul-18	Payroll - Key controls & IR35	Reasonable	-	1	-
30-Jul-18	File Share Management	Reasonable	-	-	4
06-Sep-18	IT Asset Disposal	Reasonable	-	-	-
19-Sep-18	EPM Contract Monitoring	Reasonable	-	-	1
19-Sep-18	General Data Protection Regulations (GDPR)	Reasonable	-	1	-
02-Oct-18	Out of Area Placements	Reasonable	-	1	-
14-Nov-18	Investigation - Catering	Limited	-	9	4
11-Dec-18	Translation Services	Limited	1	1	5
18-Dec-18	Alcohol Licensing	Reasonable	1	-	-
20-Dec-18	Delivering differently Project Management	Reasonable	-	-	3
20-Dec-18	Shared Lives	Limited	2	6	-
18-Jan-19	MTFP(Agile)	Reasonable	-	-	1
21-Jan-19	Probity - Lone working Arrangements	Limited	-	-	3
01-Feb-19	Contract Monitoring 2017-18	Reasonable	1	-	6
12-Feb-19	Fixed Assets- S24 Capital Controls	Reasonable	2	-	2
12-Feb-19	Main Accounting - S24 Reconciliations	Reasonable	3	-	-
13-Feb-19	Probity - Heritage Assets	Limited	-	-	6
13-Feb-19	Bus Station Recharges	Reasonable	1	-	10
26-Feb-19	Treasury Management	Comprehensive	-	-	2
		Totals	17	66	49

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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.

Audit Assignments with Recommendations Due	Action Due			Being Implemented		
	Significant Risk	Moderate Risk	Low Risk	Significant Risk	Moderate Risk	Low Risk
Markets 2013-14					1	
Asset Management & Estates						1
Creditors 2015-16					1	
Licensing						1
Derby Arena						1
Commercial Rents					1	
Business Intelligence						1
Payroll - Tax on Mileage						1
Health & Safety					4	4
Creditors 2017-18 (Agile Audit)						6
Highways & Engineering			1			1
Servelec Synergy System					1	1
Vulnerable Adults' GASH Accounts				1		
Cash Count - Tourist Centre						3
Procurement Control					1	
Corporate Parenting Pledges						1
Revenues Contracts			1	1		-
Residents Funds - Virtual Accounts						1
Direct Payments - Mental Health					2	-
CCTV Management Arrangements				1		-
Social Media -Monitoring						1
Customer Services Investigation					1	-
Payment of Adoption Allowances						1
Markets			1		1	2
Adults Commissioning - Contract Management			1		1	1
Organisational Risk Culture & Ethics			1			
Leaving Care Payments			1		1	2
Payroll - Key controls & IR35						1
General Data Protection Regulations (GDPR)					1	
Out of Area Placements						1
Investigation - Catering					6	3
Translation Services		1			1	
Alcohol Licensing		1				
Shared Lives		2			1	5
Contract Monitoring 2017-18			1			
Fixed Assets- S24 Capital Controls			2			
Main Accounting - S24 Reconciliations		1	2			
Bus Station Recharges			1			
	-	5	12	3	24	39

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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 3 significant risk recommendations that are overdue for implementation. All 3 of these exceed 3 months, and in all 3 cases Internal Audit has agreed a revised implementation date. All 3 of these significant risk recommendations are detailed for Committee's scrutiny.

There are currently 29 moderate risk recommendations that are overdue for implementation. Of these 29, 11 of these exceed 6 months, and in all 11 cases Internal Audit has agreed a revised implementation date. These 11 moderate risk recommendations are also detailed for Committee's scrutiny.

There are currently 51 low risk recommendations that are overdue for implementation. Of these 51, 19 of these exceed 12 months, and in all 19 cases Internal Audit has agreed a revised 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 >
Translation Services	2							
Shared Lives	3							
IT Asset Disposal								
Investigation - Catering	5	1						
Leaving Care Payments		1						
Adults Commissioning		1						
Customer Services Investigation			1					
Vulnerable Adults' GASH Accounts							1	
General Data Protection Regulations		1						
Main Accounting - S24 Reconciliations		1						
Out of Area Placements								
CCTV Management Arrangements						1		
Markets			1					
Alcohol Licensing	1							
Servelec Synergy System			1					
Procurement Control			1					
Direct Payments - Mental Health		2						
Health & Safety				4				
Commercial Rents				1				
Revenues Contracts							1	
Creditors 2015-16				1				
Markets 2013-14				1				
Totals	11	7	4	7		1	2	

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Highlighted Recommendations

The following recommendations are detailed for Committee's scrutiny.

Significant Risk Recommendations (> 3 Months Overdue)

Vulnerable Adults' GASH Accounts	Rec No. 5
Summary of Weakness / Recommendation	Risk Rating
<p>The procedure for preparing, issuing and accounting for payments made to the service users for whom the Council is the appointee was convoluted, inefficient and at risk of error.</p> <p>We recommend as a matter of priority the process for administering cash payments to service users is streamlined to reduce the large paper trail extending across a number of teams and the movements of cash from one safe to another.</p>	Significant Risk
Management Response/Action Details	Action Date
Work is currently on-going with delivering differently to find a solution that is stream lined; person centred, meets the needs of the individual and is safe and secure. Corporately the Council is committed to reducing the number of cash payments by 2020	30/06/2018
Status Update Comments	Revised Date
Tender is about to go out with a planned implementation date of November 2018. Contract has not been signed as yet. Implementation is planned for late April/early May 2019.	31/05/2019

CCTV Management Arrangements	Rec No. 5
Summary of Weakness / Recommendation	Risk Rating
<p>The footage produced by some of the cameras in use in the Council House vicinity were found to be of a poor quality and the CCTV equipment in use across surface area car parks in the City did not produce a picture of a satisfactory quality and was therefore deemed not fit for purpose.</p> <p>We recommend that the Council:</p> <ul style="list-style-type: none"> undertakes a cost/benefit analysis for ensuring that footage from all CCTV that is in use in and around the Council House is of an adequate quality to fulfil its purpose and consider appropriate action to improve the picture quality of the CCTV equipment in use in the surface area car parks around the city 	Significant Risk
Management Response/Action Details	Action Date
Regarding Council House CCTV, this issue has been logged on the Property Maintenance Portal. Property Maintenance are responsible for the maintenance, upkeep and replacement of cameras. A request has been sent to PM to undertake a cost benefit analysis re	30/09/2018
Status Update Comments	Revised Date
<p>We met with Civil Enforcement and Parking Services Team Manager who confirmed that all CCTV cameras on Surface Area Car Parks were providing adequate footage (standard definition) and that it was not financially feasible for HD CCTV cameras to be implemented. Action complete for Car Park aspect.</p> <p>Council House CCTV: We intend to undertake a feasibility study on the Council House CCTV and we have put an item for consideration on the capital programme for 2019/20.</p>	01/04/2019

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Revenues Contracts	Rec No. 2
Summary of Weakness / Recommendation	Risk Rating
Debt recovery action for domiciliary care services had lapsed and there was no reporting from the available systems to facilitate this. We recommend that as part of the planned system upgrade, a review should be undertaken of the debt recovery routines and robust debt recovery procedures implemented. Additionally, all debt recovery actions taken should be recorded within the systems so that a full history is maintained.	Significant Risk
Management Response/Action Details	Action Date
A robust debt recovery process and procedures are already in place. Since 1 Dec 2017, the team have been generating their own manual debt reports. Open and closed debt is being reviewed by all four Finance Officers in the team. Good progress has already been made. All debt recovery action is recorded using a 'conversation' note in ContrOCC which keeps a history. Once the planned upgrade to the Business Objects reporting tool is complete, the debt reports will be commissioned as automated reports.	01/08/2018
Status Update Comments	Revised Date
There has been some slippage due to staffing issues. Arrangements have been put in place as of Sept 2018 and staff will work on the collection of debts when capacity allows. Business apps have been requested to develop a reporting tool to support regular reports being run. Team have been chased again.	30/04/2019

Moderate Risk Recommendations (> 6 Months Overdue)

Servelec Synergy System	Rec No. 5
Summary of Weakness / Recommendation	Risk Rating
Schools access to the public facing Schools Access module of the Servelec suite of applications, did not require 2-factor authentication. We recommend that management reviews the practicalities of enforcing 2-factor authentication for staff access to the public facing Schools Access module.	Moderate Risk
Management Response/Action Details	Action Date
Logged with 3rd party and this has been raised as a development task which should be available in version 18.2 which will be released next year (June/July 2018)	31/08/2018
Status Update Comments	Revised Date
The next major release for the Synergy application is not until Nov/Dec 2018 and DCC still don't know if the fixes will be delivered as part of it.	31/07/2019

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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
No reconciliation process is yet in place. The permit service is moving to an app based system in March which will have its own robust reconciliation process which will be demonstrated to Audit when available. Agreed that it would not make sense to implement a new reconciliation process for just 1 month.	30/04/2019

Markets	Rec No. 1
Summary of Weakness / Recommendation	Risk Rating
<p>The Council did not have a clearly defined and approved charging policy for the markets it operates, and fees and charges for markets had not been subject to annual review and approval.</p> <p>We recommend that, in compliance with Financial Procedure Rules, the fees and charges applicable and discounts available to all the markets operated by the Council should be clearly defined and documented in a charging policy, and this should be subject to documented annual review and approval as part of the budget setting process. In addition, any deviance from the charging policy should require written approval from the Director of Finance.</p>	Moderate Risk
Management Response/Action Details	Action Date
The Markets Service will commit to undertake a review of all charges and draft an appropriate charging policy and clear process for both the Council and traders to follow. Annual reviews will take place and any revisions will follow the appropriate process as recommended.	27/07/2018
Status Update Comments	Revised Date
<p>The Markets Service has developed a draft Markets Charging Policy and after some delay, it is anticipated that this policy will be approved at a Cabinet Member meeting in early December 2018. Action Date Revised to 31 December 2018.</p> <p>05 February 2019: The Markets Service has developed a draft Markets Charging Policy which includes a trader incentive scheme and flexible stall rentals such as pop up agreements. It is expected that this policy will be approved at a Cabinet Member meeting in early February 2019. Action Date revised to 31 March 2019.</p> <p>Update on 15th March 2019 – Cabinet Member meeting arranged for 26th March to approve the markets charging policy.</p>	31/03/2019

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Procurement Control	Rec No. 1
Summary of Weakness / Recommendation	Risk Rating
<p>The Council did not have a documented Corporate Procurement Strategy, as recommended by the Local Government Association, and its Procurement Code had not been updated.</p> <p>We recommend that a Corporate Procurement Strategy be documented, reflecting the recommendations in the National Procurement Strategy for Local Government in England 2014 by the Local Government Association, and that the Procurement Code be reviewed and updated as required.</p>	Moderate Risk
Management Response/Action Details	Action Date
<p>A procurement strategy will be written and documented followed by a review of the procurement code which will be simplified and updated. As it is out of date, the procurement code has been removed from iDerby</p>	30/04/2018
Status Update Comments	Revised Date
<p>The Council's Contract Procedure Rules are updated as and when required and are now up to date with current legislation. The Council has not yet developed a Corporate Procurement Strategy; this action was put on hold until a new Director of Legal, Procurement and Democratic Services was in post. This post has now been filled on an interim basis and work on defining the Corporate Strategy is scheduled to start at the beginning of the new financial year.</p>	28/06/2019

Commercial Rents	Rec No. 1
Summary of Weakness / Recommendation	Risk Rating
<p>There was no documented process or procedural guidance available for the valuation of properties and subsequent calculation of rents.</p> <p>We recommend that process notes or procedural guidance for the valuation of properties and subsequent calculation of rents are documented.</p>	Moderate Risk
Management Response/Action Details	Action Date
<p>Standard Operating Procedures required to be implemented by Estates Manager. This will ensure consistency and continuity across the team.</p>	30/04/2017
Status Update Comments	Revised Date
<p>Appointment of new Estates Manager fell through and the post was being re-advertised with a planned interview date of 11/12 May 2017.</p> <p>Estates section in collaboration with Delivering Differently recreate a suite of procedure documents to cover all generic tasks within the section. New revised action date.</p>	30/06/2019

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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
<p>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.</p>		31/10/2017
Status Update Comments		Revised Date
<p>Following on from the audit of Corporate Health and Safety it was confirmed that work was in progress to implement the IT system. The system was expected to be in place by the end of March 2018.</p> <p>An update in November 2017 from the Head of Service said that they were in the process of implementing the IT system but this had been delayed. One of the H&S team was lined up ready to work with IT, to implement it as soon as possible once approval had been sent through. Implementation date was changed to 31 March 2018.</p> <p>In June 2018 a further update from the Head of Service stated that there had been a number of changes and resource issues within the Corporate H&S team over the last year which had impacted on the service. The team had carried out a review of systems to determine if they were fit for purpose, and were in the process of planning procurement of the system or a similar system to ensure it fulfilled the Council's procurement process.</p> <p>In March 2019, an update from the Senior Health and Safety Adviser identified that the accident and incident recording process has been reviewed and several processes put in place. The process has been streamlined reducing duplication, more information can now be recorded on MiPeople, CLT will receive updates on trends across the Council and Health and Safety advisers have been allocated specific service areas and are sent the accident and incident forms to review. Any issues or concerns are flagged and taken to management with actions of managers required.</p> <p>The Health and Safety team are exploring various Health and Safety management software systems that would further imbed the work already taken.</p>		31/03/2019

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Health & Safety	Rec No. 2
Summary of Weakness / Recommendation	Risk Rating
<p>Risk assessments were completed and maintained in isolation by departmental managers. There was no automated facility to serve as a reminder when an assessment was due for review or no central system which allowed generic risk assessment information to be shared across the Council.</p> <p>We recommend that management consider the use of a central system which allows risk assessments to be shared from across the Council, especially where generic information would avoid duplication. Consideration should also be given to an automated facility which flags and sends reminders to officers of risk assessment review dates, in order that reviews can be undertaken in a timely manner.</p>	Moderate Risk
Management Response/Action Details	Action Date
See response to Health & Safety Rec 1 above	31/10/2017
Status Update Comments	Revised Date
<p>In March 2019, an update from the Senior Health and Safety Adviser identified that the Management of Health and Safety at Work Regulations 1999 require managers to manage Health and Safety requirements. From April 2019, Service Directors and Heads of Service will be required to complete a Strategic Risk Assessment annually. This will be sent by the Health and Safety team each April and require completion and submission back to the team one month later. The Health and Safety team will monitor the submissions and report back to CLT any trends or concerns identified.</p> <p>The Health and Safety team are exploring various Health and Safety management software systems that would further imbed the work already taken.</p>	31/03/2019

Health & Safety	Rec No. 7
Summary of Weakness / Recommendation	Risk Rating
<p>The current process of administering, recording and managing training is a labour intensive, manual process utilising systems (MiPeople and Lagan) outside the control of the Health and Safety Team, with the completion of manual booking forms, information having to be transferred from one system to another and no automated reminder facility for mandatory refresher training.</p> <p>We recommend that management consider the use of one system for managing Health and Safety training which incorporates the use of electronic information flows as much as possible i.e. training course schedule, booking forms, automatic reminders, employee training history etc. In particular, the facility to issue automatic email reminders for those officers whose mandatory training is due to expire should also be considered as part of any new approach.</p>	Moderate Risk
Management Response/Action Details	Action Date
See response to Health & Safety Rec 1 above	31/10/2017
Status Update Comments	Revised Date
<p>In March 2019, an update from the Senior Health and Safety Adviser identified that training courses will be advertised via Keeping in Touch, iDerby and MiPeople. Course participants will book via MiPeople directly reducing duplication and use of labour. The training offer and training matrix have been reviewed and revised which will go live via 16th April. Managers are required via MIPs to identify officers that need the training and they must maintain records of any training require or completed.</p>	31/03/2019

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The Health and Safety team are exploring various Health and Safety management software systems that would further imbed the work already taken.

Health & Safety	Rec No. 8
Summary of Weakness / Recommendation	Risk Rating
<p>Health and Safety workplace inspections were undertaken, but there was no current facility to automatically flag when an audit or inspection was due, assign corrective actions to responsible officers on the feedback reports or follow-up on corrective action to be taken, where weaknesses had been identified.</p> <p>We recommend that management should consider the use of an automated facility for the audit programme, automatically flagging up when an audit falls due. The system should allow for any corrective actions to be properly assigned to responsible officers so that email reminders can be sent when the action date falls due. The system should also facilitate documentary evidence to be uploaded and automatically track non-conformance in order that any issues can be reported to Strategic and/or Service Directors for further action to be taken.</p>	Moderate Risk
Management Response/Action Details	Action Date
See response to Health & Safety Rec 1 above	31/10/2017
Status Update Comments	Revised Date
<p>In March 2019, an update from the Senior Health and Safety Adviser stated that key areas for the 2019-2020 Health and Safety plan have been identified. The team agreed a rating system for the audits to be undertaken which identifies how adequate the area is. The rating identifies the return period which is entered onto the Health and Safety audit and inspection spreadsheet and the Adviser's electronic diary. Audit outcomes are reported to CLT.</p> <p>The Health and Safety team are exploring various Health and Safety management software systems that would further imbed the work already taken.</p>	31/03/2019

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Creditors 2015-16	Rec No. 1
Summary of Weakness / Recommendation	Risk Rating
<p>Accounts Payable Section was no longer able to undertake regular checks to highlight duplicate payments. Reliance was being placed on the budget monitoring work of Accountancy to highlight potential duplicate payments.</p> <p>We recommend that a more formal structured approach is taken to the identification and investigation of potential duplicate payments. The report currently produced by Oracle Admin should be examined by Accounts Payable and each line should be examined and investigated and action taken where necessary to recover the payment. All investigations should be evidenced and retained by Accounts Payable.</p>	Moderate Risk
Management Response/Action Details	Action Date
The Oracle Admin report has not been received for some time. □ We have asked that the running of the report be reinstated to be run at the end of each financial period or if A/P can run the report themselves. □ Investigations will be evidenced and retained.	01/09/2016
Status Update Comments	Revised Date
<p>The duplicates report was not being run as of 8/12/17 but was planned to be reinstated from 1/4/18 when a restructure of the team was due to take place and this task would be reallocated in the team.</p> <p>Business Support has since requested an audit review of the Supplier set up process and accountabilities and want to use the outcomes of this audit to improve the process.</p> <p>This audit work commenced in June 2018, however there have been delays in trying to progress the audit as new procedures and guidance notes were being developed.</p> <p>The duplicates report is now being run as business as usual and reviewed and the appropriate actions taken. Duplicate payments will form part of the new dashboard reporting of the AP service from 01/04/2019. More stringent requirements on the invoices accepted for payment will assist with minimising the risks here.</p>	01/04/2019

Markets 2013-14	Rec No. 4
Summary of Weakness / Recommendation	Risk Rating
<p>There was no approved Council policy in place for offering concessions on rental charges to market stall traders in the Council's three markets.</p> <p>We recommend that an approved Council policy is established which details the concessions that can be offered to market stall traders and which determines the criteria that traders must meet in order to obtain the concession. This would ensure that a fair, transparent and consistent approach is undertaken in awarding concessions to traders.</p>	Moderate Risk
Management Response/Action Details	Action Date
Issue accepted – Yes.	01/01/2014
Fundamental review of concessionary arrangements being carried out	
Status Update Comments	Revised Date
The Head of Service attended A&A Committee on 20th March 2018. She informed Committee that it would be unlikely that a policy will be established anytime soon due to ongoing works at the Market Hall. Responsibility for Markets due to be moved to Regeneration May 2018. The action date was	31/03/2019

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revised to 31 May 2018.

Further correspondence from the Head of Service saw the action date revised to 28 Sept 2018 as the service had drafted a charging policy which included a new trader incentive scheme.

The Markets Charging policy was in the process of being checked before being scheduled for approval at a Cabinet Member meeting. The completion date was amended to 30 November

The Markets Officer updated Internal Audit that there had been a delay, and it was anticipated that this policy would be approved at a Cabinet Member meeting in early December 2018.

The Markets Service has developed a draft Markets Charging Policy which includes a trader incentive scheme and flexible stall rentals such as pop up agreements. It is expected that this policy will be approved at a Cabinet Member meeting in early February 2019.

Update on 15th March 2019 – Cabinet Member meeting arranged for 26th March to approve the markets charging policy.