

central midlands audit partnership

South Derbyshire District Council – Audit Progress Report

Audit Sub-Committee: 16th September 2020



South Derbyshire
District Council



Contents

Page

AUDIT DASHBOARD	3
AUDIT PLAN	4
AUDIT COVERAGE	6
RECOMMENDATION TRACKING	8
HIGHLIGHTED RECOMMENDATIONS	10

Our Vision

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

Contacts

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

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

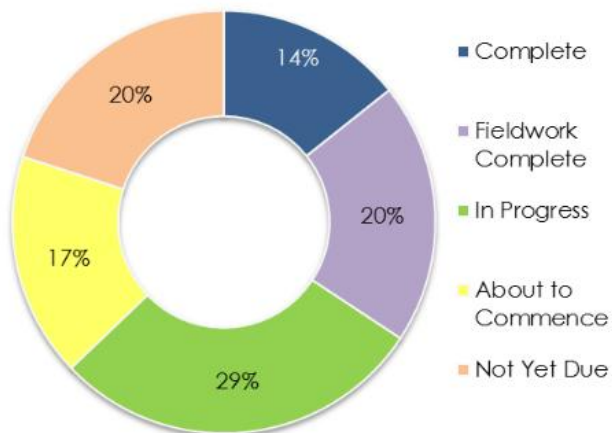
Mandy Marples CPFA, CCIP
Audit Manager
c/o Derby City Council
Council House
Corporation Street
Derby
DE1 2FS
Tel. 01332 643282
mandy.marples@centralmidlandsaudit.co.uk



South Derbyshire District Council – Audit Progress Report

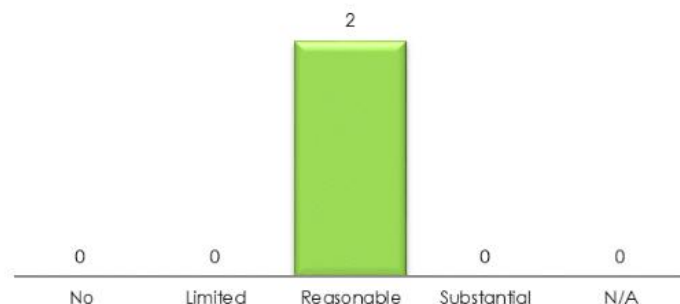
AUDIT DASHBOARD

Plan Progress



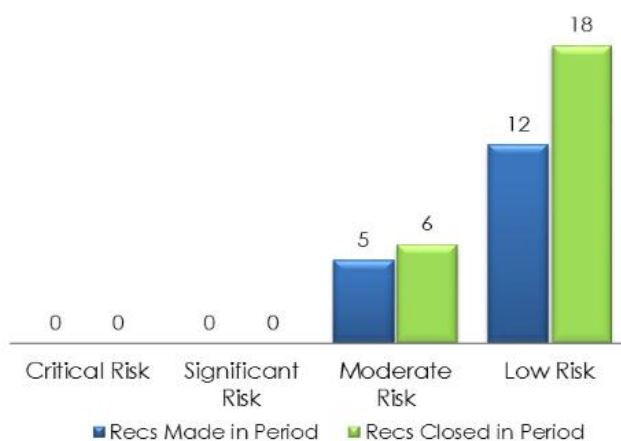
Jobs Completed in Period

Control Assurance Ratings During Period



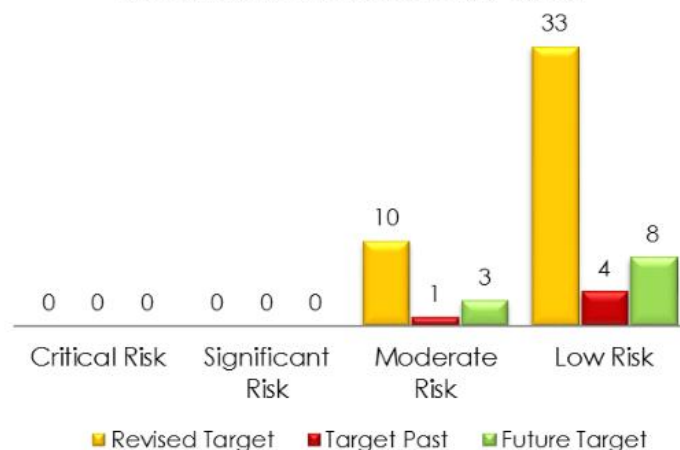
Recommendations

Movement During Period



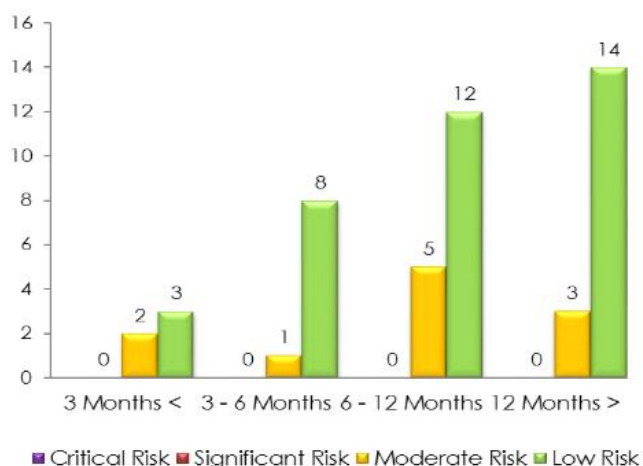
Recommendations

Recommendations Currently Open



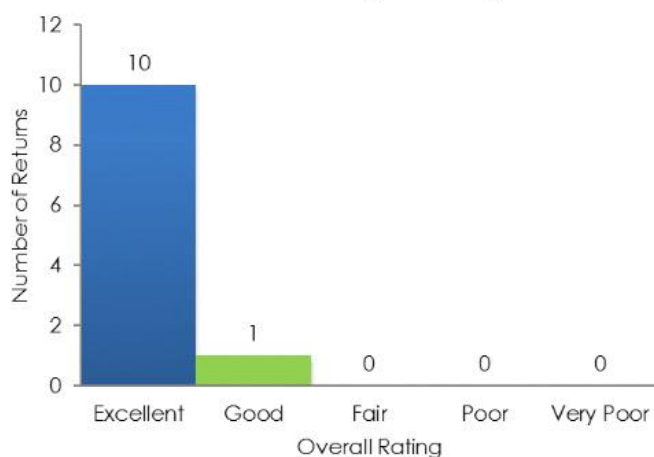
Recommendations

Overdue Recommendations



Customer Satisfaction

Returns Between Aug 19 & Aug 20



South Derbyshire District Council – Audit Progress Report

AUDIT PLAN

Progress on Audit Assignments

The following tables provide Audit Sub-Committee with information on how audit assignments were progressing as at 31st August 2020.

2020-21 Jobs	Status	% Complete	Assurance Rating
Risk Management 2020-21	In Progress	45%	
Business Continuity & Emergency Planning	Not Allocated		
Procurement 2020-21	In Progress	10%	
Income Streams	Not Allocated		
Safeguarding 2020-21	In Progress	65%	
Treasury Management 2020-21*	Removed from Plan		
Taxation 2020-21*	Removed from Plan		
Debtors 2020-21	In Progress	75%	
Revenues Systems 2020-21	Allocated	10%	
Housing Benefit & Council Tax Support	Not Allocated		
IT Applications 2020-21	Allocated	15%	
IT Infrastructure 2020-21	Allocated	30%	
People Management	Removed from Plan		
Data Quality & Performance Management	Not Allocated		
Business Support Grant	In Progress	45%	
Homes England Grant Certification*	Allocated	0%	
Financial Reporting - Impact of Covid19*	Not Allocated		
Waste Management (Trade Waste)	In Progress	60%	
Development Management	Not Allocated		
Leisure Centres 2020-21	Allocated	5%	
Housing Repairs (Voids)	Allocated	20%	
Housing Safety Inspections 2020-21	In Progress	60%	
Tenancy Management (Interventions and Support)	In Progress	45%	
Procurement of Waste Contract	Allocated	0%	
Electoral Services 2020-21	In Progress	20%	
Overview & Scrutiny Function	In Progress	55%	
B/Fwd Jobs	Status	% Complete	Assurance Rating
Management of Novus Contract	Final Report	100%	Substantial
Procurement of Rosliston Contract 2019-20	Draft Report †	95%	
Main Accounting System 2019-20	Final Report	100%	Substantial
Treasury Management 2019-20	Final Report	100%	Reasonable
Payroll 2019-20	Fieldwork Complete	90%	
Revenues Systems 2019-20	Fieldwork Complete	80%	
Housing Benefit & Council Tax Support 2019-20	Fieldwork Complete	80%	
Anti-Fraud & Corruption 2019-20	Fieldwork Complete	80%	
ICT Key Controls	Final Report	100%	Reasonable
Business Change & Transformation	Fieldwork Complete	90%	
Grounds Maintenance	Draft Report †	95%	
Bereavement Services 2019-20	Final Report	100%	Reasonable

† We are disappointed to report that we have been unable to finalise these 2 audits despite the draft reports having been issued in March 2020. We have been unable to obtain responses from management to the draft recommendations and therefore cannot produce the final reports and

South Derbyshire District Council – Audit Progress Report

bring any agreed issues raised to the Committee's attention. This increases the chance that issues identified may become stale or opportunities to mitigate the risks identified may be delayed unnecessarily.

Plan Changes

* In consultation with the Council's Section 151 Officer, it has been decided to divert time planned to undertake audits of Treasury Management and Taxation to instead examine the Impact of Covid19 on the Council's Financial Reporting and to undertake work, specifically requested by the Council's Section 151 Officer, in relation to Homes England Grant Certification.

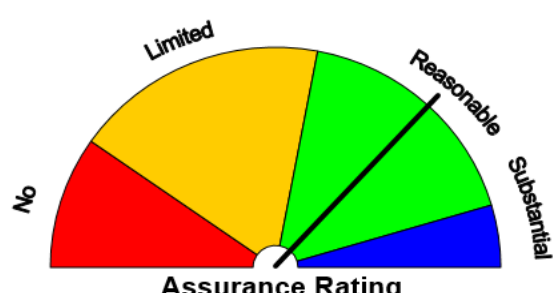
South Derbyshire District Council – Audit Progress Report

AUDIT COVERAGE

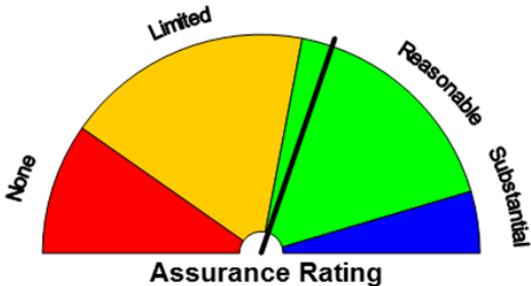
Completed Audit Assignments

Between 26th June 2020 and 31st August 2020, the following audit assignments have been finalised.

Audit Assignments Completed in Period	Assurance Rating	Recommendations Made				% Recs Closed
		Critical Risk	Significant Risk	Moderate Risk	Low Risk	
Bereavement Services	Reasonable			1	9	40%
ICT Key Controls	Reasonable			4	3	71%

Bereavement Services		 <p>Assurance Rating</p>			
Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls	
Policies and procedures are in place to ensure the function is properly managed in accordance with statutory requirements	5	3	2	0	
Official records are maintained to ensure all burials are properly documented and authorised.	13	9	2	2	
There are clearly defined fees and charges for the function, and all income is properly receipted and accounted for	4	1	1	2	
Memorial safety inspections take place according to a defined programme, are properly recorded, and appropriate remedial action is taken where necessary	9	7	2	0	
TOTALS	31	20	7	4	
Summary of Weakness		Risk Rating	Agreed Action Date		
Funeral checklists and grave checklists were not always fully completed		Low Risk	Implemented		
Contract opportunities for the provision of a grave digging service had not been advertised on the Contracts Finder website, in line with the requirements of the Public Contract Regulations 2015, and there was no current contract in place.		Moderate Risk	01/01/2021 Future Action		
The check of the coffin nameplate to the official documentation was not formally recorded.		Low Risk	Implemented		
Registers of graves and burials were not always stored in a secure fire-proof location.		Low Risk	01/04/2021 Future Action		
Historic graves and burials information had not been fully digitised.		Low Risk	31/11/2020 Future Action		
In audit testing, payment could not be identified for 1 out of 21 burials and 2 out of 21 memorial permit applications.		Low Risk	Implemented		
Invoices raised to funeral directors were not adequately monitored to ensure payment was received.		Low Risk	Implemented		
Reconciliations were not performed between BACAS and Agresso.		Low Risk	01/09/2020 Action Due		
Memorials inspections, due in 2019, had not yet taken place.		Low Risk	01/10/2020 Future Action		
The Council's Memorial Inspection Policy required review and update.		Low Risk	01/10/2020 Future Action		

South Derbyshire District Council – Audit Progress Report

ICT Key Controls	 <p>The Assurance Rating pie chart shows the following distribution: Adequate Controls (13) in yellow, Weak Controls (15) in red, and Partial Controls (0) in blue. The 'Reasonable' and 'Substantial' categories are not represented in the chart. A line is drawn across the chart, separating the Adequate and Weak categories.</p> <p>Assurance Rating</p>			
Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
We expected that the Council would be adhering to or enforcing technical aspects of the Information Security Policy.	28	13	0	15
TOTALS	28	13	0	15
Summary of Weakness		Risk Rating	Agreed Action Date	
Access to personal and sensitive records in a number of department's directories on the file server had not been appropriately restricted.		Moderate Risk	31/10/2020 Future Action	
Accounts relating to leavers were not being disabled in a timely manner, and the process for identifying and resolving stale accounts was not comprehensive.		Moderate Risk	Implemented	
Sophos Anti-Virus and Sophos AutoUpdate was not installed on all systems joined to the Council's SDDC domain.		Moderate Risk	Implemented	
The latest Microsoft security updates had not been applied to a number of production servers.		Low Risk	31/10/2020 Future Action	
Upgrade and migration plans were not effective as servers and end user devices had not been upgraded to supported versions of Windows Server/Windows prior to a lapse in support, forming a security risk.		Low Risk	Implemented	
Membership of the domain admins, enterprise admins, and schema admins groups had not been appropriately restricted in the SDDC.local domain.		Low Risk	Implemented	
Sensitive documents were found to be openly accessible to all employees due to access control settings on the root of the Council's S:\ drive.		Moderate Risk	Implemented	

South Derbyshire District Council – Audit Progress Report

RECOMMENDATION TRACKING

Final Report Date	Audit Assignments with Open Recommendations	Assurance Rating	Recommendations Open		
			Action Due	Being Implemented	Future Action
09-Jun-20	Treasury Management 2019-20	Reasonable			2
06-Aug-20	Bereavement Services 2019-20	Reasonable	1		5
03-Mar-20	Improvement Grants 2019-20	Reasonable		2	
25-Feb-20	Mobile Phones	Limited	1	1	
11-Sep-19	Data Quality & Perf. Mgmt 2019-20	Reasonable		3	
17-Aug-20	ICT Key Controls	Reasonable			2
30-Jan-20	Former Tenants Arrears 2019-20	Reasonable			1
20-Nov-19	Fixed Assets 2019-20	Substantial		1	
26-Nov-19	Council House Sales - Right To Buy 2019-20	Limited		2	
24-Jul-19	Rent Accounting 2019-20	Reasonable		2	
16-Sep-19	Officers Expenses & Allowances 2019-20	Substantial		1	
17-Dec-19	Active Communities & Health	Substantial		1	
31-Mar-19	Orchard IT Application	Limited		2	
26-Mar-19	Fleet Management	Reasonable	2	1	
23-Jul-19	Payroll 2018-19	Reasonable		1	
16-Apr-19	Revenue Systems 2018-19	Substantial		3	
29-Aug-19	Corporate Governance 2018-19	Reasonable			1
13-Nov-19	Development Management 2018-19	Reasonable	1	1	
08-May-19	Creditors 2018-19	Reasonable		1	
03-Jul-19	Housing Safety Inspections	Limited		3	
12-Feb-19	PCI Compliance 2018-19	Reasonable		6	
14-Feb-19	Allocations & Homelessness 2018-19	Reasonable		3	
25-Jan-19	Section 106 Agreements 2018-19	Reasonable		2	
25-Apr-18	Organisational Culture & Ethics	Reasonable		1	
10-Jan-19	Health & Safety	Reasonable		1	
06-Mar-18	Tenants Arrears 2017-18	Reasonable		1	
19-Jan-18	Rent Accounting 2017-18	Reasonable		1	
13-Nov-17	Officers Expenses & Allowances	Reasonable		1	
07-Aug-17	Parks & Open Spaces	Reasonable		2	
		TOTALS	5	43	11

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.

South Derbyshire District Council – Audit Progress Report

Audit Assignments with Recommendations Due	Action Due			Being Implemented		
	Significant Risk	Moderate Risk	Low Risk	Significant Risk	Moderate Risk	Low Risk
Bereavement Services 2019-20			1			
Improvement Grants 2019-20					1	1
Mobile Phones		1			1	
Data Quality & Perf. Mgmt 2019-20						3
Fixed Assets 2019-20						1
Council House Sales - Right To Buy 2019-20					2	
Rent Accounting 2019-20					1	1
Officers Expenses & Allowances 2019-20						1
Active Communities & Health						1
Orchard IT Application						2
Fleet Management			2			1
Payroll 2018-19					1	
Revenue Systems 2018-19						3
Development Management 2018-19			1			1
Creditors 2018-19						1
Housing Safety Inspections					1	2
PCI Compliance 2018-19					1	5
Allocations & Homelessness 2018-19						3
Section 106 Agreements 2018-19						2
Organisational Culture & Ethics					1	
Health & Safety						1
Tenants Arrears 2017-18						1
Rent Accounting 2017-18						1
Officers Expenses & Allowances					1	
Parks & Open Spaces						2
TOTALS		1	4		10	33

South Derbyshire District Council – Audit Progress Report

HIGHLIGHTED RECOMMENDATIONS

Being Implemented – Significant or Moderate Risk Recommendations

The following significant or moderate risk rated recommendations, that have not yet been implemented, are detailed for Committee's scrutiny.

PCI Compliance 2018-19	Rec No. 8
Summary of Weakness / Recommendation	Risk Rating
<p>The Council was not PCI Compliant and was paying non-compliance fees to a third party. Further management fees were being paid to the financial system provider for PCI and they were also charging the Council for a verbal assessment that no-one at the Council knew anything about.</p> <p>We recommend that the Council establishes a PCI Compliance Action Plan which should take account of the non-compliance fees being paid and should look to work with the third party to ensure that they are able to provide compliance to them and remove the non-compliance fee. The Council should also determine what benefits the Council receives for the PCI DSS Management Fee and verbal assessment.</p>	Moderate Risk
Management Response/Action Details	Action Date
This matter has been raised with Capita360 and there are several issues that have been raised previously about responsibility for the various elements of PCI DSS compliance and which appear to affect compliance. Following the meeting with Capita on 15 th February 2019 a compliance action plan will be drafted for agreement by each team.	01/04/2019
Status Update Comments	Revised Date
The Council has kicked off a project to ensure PCI compliance which should be in place by mid-late 2020. The project is set to incorporate a PCI audit, new policies and procedures, the completion of the PCI self-assessment and the introduction of new solutions to remove card data from the authority.	01/10/2020

Organisational Culture & Ethics	Rec No. 3
Summary of Weakness / Recommendation	Risk Rating
<p>The Council had not undertaken a staff survey which was specifically geared towards the Council's culture, ethics and values.</p> <p>We recommend that the Council consider undertaking a specific Cultural Survey aimed at assessing officer opinions on the Council's culture, ethics and values. The results of the survey could then be used to make improvements where necessary should any common specific themes or patterns result.</p>	Moderate Risk
Management Response/Action Details	Action Date
A survey will be undertaken following research with the Council's Communications section.	31/10/2018
Status Update Comments	Revised Date
As part of our work to embed the Corporate Plan and our Values throughout the Council, several Staff Briefings took place in January 2020. Each briefing was led by a representative from Leadership Team with support provided by the Organisational Development and Performance Team. Following the briefing sessions, the Leadership Team and the Heads of Services reviewed the feedback from staff. An action plan has been developed to further embed our values, improve culture and team working across the council. Staff will receive an update on the actions every quarter through our existing communication channels. Further staff briefings will be held throughout	31/10/2020

South Derbyshire District Council – Audit Progress Report

2020. An employee engagement survey will also be launched in Autumn 2020. The themes and questions in the survey will be based on the information collected from the Staff Briefing sessions.

Officers Expenses & Allowances	Rec No. 2
Summary of Weakness / Recommendation	Risk Rating
<p>The review of essential user allowances process, which was due to be carried out annually, had not been carried out.</p> <p>We recommend that the Council considers a root and branch review of its approach to the payment of travel expenses, with a view to reducing the number of uneconomic payments made through the essential user scheme.</p>	Moderate Risk
Management Response/Action Details	Action Date
<p>The payments are contractual for employees and therefore formal consultation will need to be undertaken. The Council is completing a job evaluation project and it is planned to commence discussions with the Trade Unions as part of a wider review of employment conditions and to fit in line with negotiations being completed on a national basis. Position to be reviewed 30th September 2019.</p>	30/09/2018
Status Update Comments	Revised Date
<p>This will be subject to the Head of the Paid Service agreeing the terms of reference with the Council and the Trades Unions.</p>	31/03/2021

Payroll 2018-19	Rec No. 1
Summary of Weakness / Recommendation	Risk Rating
<p>There was no process in place to check that all changes made on the Resource Link Payroll system were valid and supported by appropriate documentation.</p> <p>We recommend that a standard report should be setup on the Resource Link system that produces a listing of all changes made to Payroll records by all users within the period. This should then be used to ensure that appropriate documentation is held to support all changes made, and that they have been accurately input. Furthermore, the Checked by column in the HR spreadsheet should be regularly completed to evidence each item listed has been checked.</p>	Moderate Risk
Management Response/Action Details	Action Date
<p>A number of options are being explored to address this issue with the software provider and will subsequently eradicate the level of risk. There is already a report developed that can be used to run reports on all users from Resource Link. The process of running reports was agreed in the previous audit 2017/18. Subject to the implementation of a new reporting tool, reports will be run on all users to identify any new starters and changes made to the system. In addition, the previously agreed arrangements will continue and this will include the exchange of information between HR and payroll to clarify any other changes that impact on an employee's salary. This will include the completion of the checked by column.</p>	01/10/2019
Status Update Comments	Revised Date
<p>The Council has made a decision to move its Payroll Service to a shared service arrangement, which was planned to be implemented on 1 April 2020. This has not come to fruition and the implementation date has been put back to April 2021. This will avoid a mid-year implementation and allow greater time for preparation. In the meantime, it is proposed to continue with the interim solution to mitigate the risk until a new system is in place as part of the shared service arrangement.</p>	01/04/2021

South Derbyshire District Council – Audit Progress Report

Council House Sales: Right To Buy	Rec No. 1
Summary of Weakness / Recommendation	Risk Rating
<p>There was no overall process map to ensure that officers were fully aware of their responsibilities, and the procedure notes followed by Business Support did not fully reflect current practice or government guidance.</p> <p>We recommend that senior management determine responsibilities, and a process map covering the whole Right To Buy process should be developed to provide clarity. Furthermore, we recommend that the Business Support procedure notes are reviewed and updated to ensure that they fully encompass current practice, government guidance, and any recommendations made within this report.</p>	Moderate Risk
Management Response/Action Details	Action Date
To be implemented as per recommendation	01/02/2020
Status Update Comments	Revised Date
Procedure and flowcharts prepared, the final version of process just needs to be implemented.	01/10/2020

Council House Sales: Right To Buy	Rec No. 6
Summary of Weakness / Recommendation	Risk Rating
<p>Only one Right To Buy valuer had been utilised for over 10 years during which time there had been no procurement exercise, and the valuer did not hold the expected professional qualification.</p> <p>We recommend that a procurement exercise is undertaken to engage an appropriately qualified valuer(s). Consideration should be given to obtaining more than one independent valuation for Right to Buy property sales.</p>	Moderate Risk
Management Response/Action Details	Action Date
To be implemented as per recommendation	01/02/2020
Status Update Comments	Revised Date
Specification has been drafted and potential providers identified. Procurement process to be completed and current arrangements ceased by 01/11/2020.	01/11/2020

South Derbyshire District Council – Audit Progress Report

Mobile Phones	Rec No. 3
Summary of Weakness / Recommendation	Risk Rating
<p>The budget monitoring process had failed to appropriately resolve an identified spike in expenditure against the cost centre and account code that was used for payment of the O2 mobile phone bills.</p> <p>We recommend that the budget monitoring process is reviewed to ensure significant variances in spend are investigated and resolved.</p>	Moderate Risk
Management Response/Action Details	Action Date
<p>To a certain extent, the Accountants are reliant on Budget Managers supplying information to explain budget variances. In this instance, the variance was highlighted by the Accountant but not fully investigated by the Budget Manager.</p> <p>Training all Agresso users on the importance of the Financial Regulations is to be given prior to the end of March and the Accountants have been asked to minute budget monitoring meetings to provide an audit trail and ensure any outstanding actions are escalated and followed up.</p>	31/03/2020
Status Update Comments	Revised Date
The Head of Finance informed that the training was scheduled to take place in the last 2 weeks of March. With the national lockdown this was clearly impractical, and a revised action date of 30th September was provided.	30/09/2020

Mobile Phones	Rec No. 5
Summary of Weakness / Recommendation	Risk Rating
<p>Asset management procedures for controlling the ownership, movement and usage of mobile devices were not effective.</p> <p>We recommend that management defines documents and implements a comprehensive asset management process for mobile devices, comprising of specific procedures for the procurement process, asset tracking, inventory, and move and disposal stages.</p>	Moderate Risk
Management Response/Action Details	Action Date
<p>As part of the new smartphone rollout an updated asset database has already been created in Hornbill which logs the IEMI Number, phone number and asset tag of the smartphone to an employee. The Council will be decommissioning its current MDM (Airwatch) between March and August 2020. Every smartphone user will need attend a workshop to have their device reconfigured. At this point each user will sign a mobile device agreement form.</p>	31/08/2020
Status Update Comments	Revised Date
No update status yet	

South Derbyshire District Council – Audit Progress Report

Housing Safety Inspections	Rec No. 11
Summary of Weakness / Recommendation	Risk Rating
<p>Where an asbestos survey report had recommended the removal of asbestos but this had not been performed, there was no programme of re-inspection to ensure asbestos was being actively monitored.</p> <p>We recommend that once the asbestos survey data is extracted from the secure portal and uploaded to Lifespan (see recommendation 9) that timescales for re-inspection should be defined in Lifespan. This will enable properties requiring regular re-inspection to be identified and programmed in for inspection. Further to this, we recommend that those officers responsible for managing asbestos inspections are provided with appropriate training on Lifespan.</p>	Moderate Risk
Management Response/Action Details	Action Date
<p>A surveyor is being trained as the responsible persons for the asbestos, additionally a number of surveyors are being trained regarding the duty to manage.</p> <p>Only 3 team members have had limited training on Lifespan.</p> <p>We are currently in procurement for a new system. If life span are successful part of their quotation includes full training.</p>	29/02/2020
Status Update Comments	Revised Date
<p>Asbestos containing materials will be re-inspected at a period determined by their risk. Because of the increased traffic in communal areas annual testing is appropriate. However, in private domestic dwellings risk is substantially lower and mitigation is by staff training to recognise ACM's and intervention by exception is deemed sufficient to fulfil the Council's duty to manage. The action plan appended to the Asbestos Policy will be amended to reflect this approach.</p>	31/07/2020

Rent Accounting 2019-20	Rec No. 3
Summary of Weakness / Recommendation	Risk Rating
<p>The interface file between the Housing Benefits system (Academy) and the Housing system (Orchard) was being manually manipulated to ensure the data transferred was as accurate as practicably possible.</p> <p>Since there is now a standard interface available between Academy and Orchard, we consider this to be the best solution to ensure that data transferred to Orchard is accurate and complete. We recommend that management conducts a cost benefit analysis to determine whether the purchase of this interface would be appropriate. In the interim, we recommend that the Benefits, Subsidy & Compliance Manager provides Business Support with clear instruction on the manual amendments required on a weekly basis. These amendments should be made directly to Orchard, rather than to the Academy-Orchard interface file, and an appropriate audit trail should be retained.</p>	Moderate Risk
Management Response/Action Details	Action Date
<p>Enquiries have been made in regard to implementing a new interface between Orchard & Academy which should take approximately 1 month to implement. Project Team to be set up to manage the implementation. The Business Support Team Leader is now applying any amendments manually to Orchard as instructed by the Benefits Manager.</p>	31/12/2019
Status Update Comments	Revised Date
<p>This work will be completed in conjunction with the upgrade to Academy which is scheduled for later this calendar year.</p>	01/12/2020

South Derbyshire District Council – Audit Progress Report

Improvement Grants 2019-20		Rec No. 5
Summary of Weakness / Recommendation		Risk Rating
<p>No performance targets had been set for the key stages of the DFG process, and there was no regular monitoring or reporting of performance to management.</p> <p>We recommend that appropriate targets are identified for the standard types of adaptation. Performance against these targets should be monitored and reported regularly to management.</p>		Moderate Risk
Management Response/Action Details		Action Date
<p>This will need to be developed in collaboration with other local authorities within the Derbyshire county council area. To enable comparison and benchmarking</p>		30/06/2020
Status Update Comments		Revised Date
<p>Preliminary process map has been drawn up. Identified that the biggest delay in the service is from approval of the grant to the contractor getting on site. In the process of agreeing timescales with contractors for service delivery, these can then be monitored to manage delivery times.</p>		01/09/2020

South Derbyshire District Council – Audit Progress Report

Being Implemented - Low Risk Recommendations Over 12 Months

The following low risk rated recommendations, that have not yet been implemented and have exceeded their original action date by more than 12 months, are also detailed for Committee's scrutiny.

Tenants Arrears 2017-18	Rec No. 1
Summary of Weakness / Recommendation	Risk Rating
<p>The Income Management Policy had not been reviewed in line with criteria laid down in the policy itself.</p> <p>We recommend that the Income Management Policy be reviewed as soon as is practically possible to ensure that it reflects current legislation and best practice. Future reviews should be scheduled every 2 years in line with the policy or sooner in the event of significant legislative changes.</p>	Low Risk
Management Response/Action Details	Action Date
The policy and associated procedures will be reviewed in preparation for the implementation of Universal Credit in South Derbyshire.	30/09/2018
Status Update Comments	Revised Date
Once the review of all workflows is complete, it will be 'practically possible' to review the Policy and to also incorporate information on the impact of Universal Credits (UC) in our District. In respect to the later, due to unprecedented demand revisions concerning UC may take longer than initially expected. Best Practice processes are still being obtained from other providers, but this may take us till the end of the Calendar year to now implement.	01/01/2021

Rent Accounting 2017-18	Rec No. 3
Summary of Weakness / Recommendation	Risk Rating
<p>Control totals from housing benefit files imported into the Orchard Housing system, on a weekly basis, were not being matched to those from the system, following import.</p> <p>We recommend that, as part of the weekly reconciliation, the Business Support Team Leader source the batch file totals from the Senior Benefit Officer, who produces the housing benefit files for import. The expected total value of postings, and the number of transactions being posted, can then be checked to the import report from the Orchard Housing system to confirm that the information has been successfully transferred.</p>	Low Risk
Management Response/Action Details	Action Date
Housing has requested the batch files totals from Housing Benefit. They have advised that they cannot provide us these totals at the moment without incurring significant expense in terms of an interface/reporting solution between the Orchard and Academy.	31/08/2018
Status Update Comments	Revised Date
The reconciliation of the Academy housing benefit import files to the Orchard Housing system, will now be picked up as part of the wider interface issues identified in the 2019-20 Rent Accounting audit. To be completed as part of the Academy Upgrade which will take place in October 2020.	30/10/2020

South Derbyshire District Council – Audit Progress Report

Parks & Open Spaces		Rec No. 5
Summary of Weakness / Recommendation		Risk Rating
<p>Files and documentation confirming compliance with safety standards was not held centrally, but rather in separate project files in the Cultural Services Department.</p> <p>We recommend that the documentation held by the Council in respect of play equipment and playground surfacing which demonstrates compliance with the relevant safety standards, should be held centrally. Ideally, the relevant documents confirming compliance for each play area should be scanned and stored on separate electronic files, headed up for each play area. Access to the files should be allowed for both the Open Space and Facilities Development Manager and the Street Scene Manager. This would allow all officers involved in the process to access the information as necessary (i.e. for ordering parts) and would serve to ensure that the information was complete and easily accessible.</p>		Low Risk
Management Response/Action Details		Action Date
Central folder to be set up for all Play Equipment paperwork on S Drive. Scan in all relevant documents.		31/03/2018
Status Update Comments		Revised Date
<p>Our internal capacity to progress is temporarily limited but we are undertaking a district wide play audit of our own which will help to address the outstanding recommendations. We are currently engaged in a procurement exercise to secure external expertise to undertake the audit. To allow for the procurement, the audit and then remedial action suggest a revised date for implementing the outstanding recommendations of end September. Play audit nearing completion. To allow for digesting and acting upon recommendations suggest a revised date for implementing the outstanding recommendation of end March 2019.</p> <p>Open Space and Facility development team still suffering from significant capacity issues due to recruitment delays and long-term sickness which means follow up on play audit has had to be delayed. Suggest further 4 months extension.</p> <p>We have been advised the Grounds team has no paper records as they were disposed of in the move to the new depot. The Cultural Services unit and Open Space and Facility Development team are keeping central records but are still suffering from significant capacity issues, there is no one at present to retro scan old documents. September 2020 is a reasonable estimate of when staffing resources may be available to undertake the scanning and filing.</p>		30/09/2020

South Derbyshire District Council – Audit Progress Report

Parks & Open Spaces		Rec No. 7
Summary of Weakness / Recommendation		Risk Rating
<p>Signs at play areas did not clearly identify the site operator, relying instead on a display of the Councils emblem, not necessarily identifiable with all users of the play areas. In addition, out of hours contact details differed on one sign compared to the other three we viewed.</p> <p>We recommend that the signs displayed at the children's play areas across the district clearly display, the name of the site operator, i.e. the district council or parish council as appropriate. This would allow users of the play areas to clearly identify the site operators in the event of accident or equipment failure. In addition, all the signs situated in the play areas should display the correct contact numbers, both in and out of office hours.</p>		Low Risk
Management Response/Action Details		Action Date
<p>Review of signage to be undertaken. New signage to be designed and approved.</p> <p>New signs to be installed on all Council operated play areas – NOTE: subject to budget/cost constraints</p>		31/03/2018
Status Update Comments		Revised Date
<p>Our internal capacity to progress is temporarily limited but we are undertaking a district wide play audit of our own which will help to address the outstanding recommendations. We are currently engaged in a procurement exercise to secure external expertise to undertake the audit. To allow for the procurement, the audit and then remedial action suggest a revised date for implementing the outstanding recommendations of end September 2018.</p> <p>Play audit nearing completion. To allow for digesting and acting upon recommendations suggest a revised date for implementing the outstanding recommendation of end March 2019.</p> <p>Open Space and Facility development team still suffering from significant capacity issues due to recruitment delays and long term sickness which means follow up on play audit has had to be delayed. Suggest further 4 month extension.</p> <p>The play audit has been completed and a follow up report went to Overview and Scrutiny Committee on October 16th. The report contained an action to update, improve and standardise signage at play areas. September 2020 is the targeted date for initiating the improvement programme but is dependent on the outcome of the budget setting and restructure report.</p>		30/09/2020

South Derbyshire District Council – Audit Progress Report

PCI Compliance 2018-19	Rec. No. 1
Summary of Weakness / Recommendation	Risk Rating
<p>The ICT Security, Electronic Communications and Security and the Credit Card Procedure and Policies and Security Policy documents were out of date and contained dated references with respect to PCI (DSS).</p> <p>We recommend that out of date references are removed and these policies and procedures are subject to regular review. Review periods should be built into the version control history.</p>	Low Risk
Management Response/Action Details	Action Date
<p>Polices to be updated as recommended. ICT Security and Electronic Communications policy will be updated by ICT. Procedural polices updates including communication and training to staff will be updated by Customer Services</p>	01/06/2019
Status Update Comments	Revised Date
<p>The Council has kicked off a project to ensure PCI compliance which should be in place by mid-late 2020. The project is set to incorporate a PCI audit, new policies and procedures, the completion of the PCI self-assessment and the introduction of new solutions to remove card data from the authority.</p>	01/10/2020

PCI Compliance 2018-19	Rec. No. 2
Summary of Weakness / Recommendation	Risk Rating
<p>Officers taking card payments outside of the Contact Centre were not aware of the PCI Standard. Staff taking payments over the phone, did not have written guidance on how to keep the card payer's details secure.</p> <p>We recommend that ICT Security Policy and relevant documents are updated to include a section of PCI compliance where applicable to educate staff on the standard and potential consequences if these are breached. We recommend that procedural guidance is produced which explicitly prevents Contact Centre staff from reading back the full card details to a customer over the phone.</p>	Low Risk
Management Response/Action Details	Action Date
<p>Polices to be updated as recommended. ICT Security and Electronic Communications policy will be updated by ICT. Procedural polices updates including communication and training to staff will be updated by Customer Services</p>	01/06/2019
Status Update Comments	Revised Date
<p>The Council has kicked off a project to ensure PCI compliance which should be in place by mid-late 2020. The project is set to incorporate a PCI audit, new policies and procedures, the completion of the PCI self-assessment and the introduction of new solutions to remove card data from the authority.</p>	01/10/2020

South Derbyshire District Council – Audit Progress Report

PCI Compliance 2018-19	Rec. No. 3
Summary of Weakness / Recommendation	Risk Rating
<p>There was a general lack of awareness of PCI compliance risks amongst staff using the Paye.net system outside of the Contact Centre.</p> <p>We recommend that refresher training is developed for staff responsible for taking card payments over the phone using the Paye.net system are trained on PCI compliance.</p>	Low Risk
Management Response/Action Details	Action Date
Procedural polices updates including communication and training to staff will be updated by Customer Services.	01/06/2019
Status Update Comments	Revised Date
The Council has kicked off a project to ensure PCI compliance which should be in place by mid-late 2020. The project is set to incorporate a PCI audit, new policies and procedures, the completion of the PCI self-assessment and the introduction of new solutions to remove card data from the authority.	31/10/2020

PCI Compliance 2018-19	Rec. No. 6
Summary of Weakness / Recommendation	Risk Rating
<p>The document which outlined duties and responsibilities in terms of PCI Standards contained out-of-date references.</p> <p>We recommend that the document outlining duties and responsibilities in terms of PCI Standards is updated to reflect the Council's current structure.</p>	Low Risk
Management Response/Action Details	Action Date
Procedural polices updates including communication and training to staff will be updated by Customer Services.	01/04/2019
Status Update Comments	Revised Date
The Council has kicked off a project to ensure PCI compliance which should be in place by mid-late 2020. The project is set to incorporate a PCI audit, new policies and procedures, the completion of the PCI self-assessment and the introduction of new solutions to remove card data from the authority.	01/10/2020

Section 106 Agreements 2018-19	Rec. No. 1
Summary of Weakness / Recommendation	Risk Rating
<p>The Section 106 Agreements version 8 - A guide for Developers document had not been reviewed since April 2010, and contained out-of-date information.</p> <p>We recommend that the Section 106 Agreements version 8 - A guide for Developers document should be subject to a full review and update. Going forward, this document should be subject to regular review and update.</p>	Low Risk
Management Response/Action Details	Action Date
Review to be undertaken in 2019/2020 - to produce formal supplementary planning document (statutory process) - then reviewed as part of the Local Plan process.	01/04/2019
Status Update Comments	Revised Date
Currently in first draft phase of a new version of the guidance document. Third parties need to be involved in the drafting. It is now unlikely that it will be ready for submission to Committee until June 2020.	01/07/2020

South Derbyshire District Council – Audit Progress Report

Section 106 Agreements 2018-19	Rec. No. 4
Summary of Weakness / Recommendation	Risk Rating
<p>Variances identified as part of the reconciliation between Planning records and Accountancy records for the Section 106 Reserve Account have not been fully investigated and resolved.</p> <p>We recommend that all variances identified as part of the reconciliation between the Planning records and Accountancy records for the Section 106 Reserve Account should be fully investigated and action be taken to ensure that if Section 106 money has not been spent as intended, that it is reflected in the Section 106 Records maintained by the Planning Department.</p>	Low Risk
Management Response/Action Details	Action Date
The team has been alerted to this - will meet with Accounts to discuss further.	31/03/2019
Status Update Comments	Revised Date
These balances will be cleared from the S106 accounts as apart of the year end review.	30/06/2020

Allocations & Homelessness 2018-19	Rec. No. 1
Summary of Weakness / Recommendation	Risk Rating
<p>There were no formal procedure notes detailing the allocation process</p> <p>We recommend that, once a revised Allocations Policy is in place, a formal procedure note is produced detailing the allocations process.</p>	Low Risk
Management Response/Action Details	Action Date
Procedure notes to be completed after the implementation of new Housing Allocations Policy.	30/07/2019
Status Update Comments	Revised Date
External legal advice has had to be sought regarding the allocations policy. The final policy will be presented to Housing & Community Services Committee in October 2020. Procedures for operating this policy within the current software are in development.	01/11/2020

Allocations & Homelessness 2018-19	Rec. No. 5
Summary of Weakness / Recommendation	Risk Rating
<p>The Homelessness Prevention Strategy had not been updated to ensure that it met the requirements of new legislation.</p> <p>We recommend that the Homelessness Prevention Strategy is reviewed and updated.</p>	Low Risk
Management Response/Action Details	Action Date
Review to be completed and updated strategy implemented.	01/06/2019
Status Update Comments	Revised Date
Homeless Link were appointed to carry out a review of the strategy. This work is underway. A draft strategy is expected to be presented to Housing & Community Services Committee in January 2021.	21/01/2021

South Derbyshire District Council – Audit Progress Report

Allocations & Homelessness 2018-19	Rec. No. 6
Summary of Weakness / Recommendation	Risk Rating
<p>The Temporary Accommodation Policy was in draft form and had not been updated since 2015.</p> <p>We recommend that the Temporary Accommodation Policy should be updated and finalised.</p>	Low Risk
Management Response/Action Details	Action Date
Policy to be updated and presented to Housing and Community Safety Committee.	01/06/2019
Status Update Comments	Revised Date
Homeless Link were appointed to carry out a review of the strategy. This work is underway. A draft strategy is expected to be presented to Housing & Community Services Committee in January 2021.	21/01/2021

Fleet Management	Rec. No. 6
Summary of Weakness / Recommendation	Risk Rating
<p>There was no centralised record of the drivers employed by the Council, and no centralised checks were undertaken for validity of driving licences.</p> <p>We recommend that a centralised record of all drivers operating the Council's vehicles should be maintained. This record should evidence regular checks for drivers licence information and other relevant details.</p>	Low Risk
Management Response/Action Details	Action Date
All Direct Services employees have had a driving licence check and signed a declaration of fitness to drive. A briefing will be submitted to the Leadership Team to establish the preferred option for checking all employees' driving licences.	30/06/2019
Status Update Comments	Revised Date
A briefing note was submitted to Leadership Team in July 2019 and agreed subject to HR having the capacity to deliver. There have been informal discussions with HR, who have agreed to implement this in principle, but need to first consult the relevant Trade Unions.	01/05/2020