

# South Derbyshire District Council – Audit Progress Report

Audit Sub-Committee: 11<sup>th</sup> December 2019



South Derbyshire  
District Council



## Contents

## Page

AUDIT DASHBOARD	3
AUDIT PLAN	4
AUDIT COVERAGE	5
RECOMMENDATION TRACKING	8

## 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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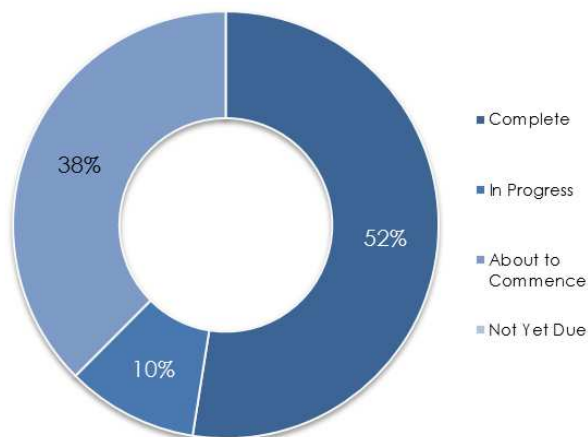


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## South Derbyshire District Council – Audit Progress Report

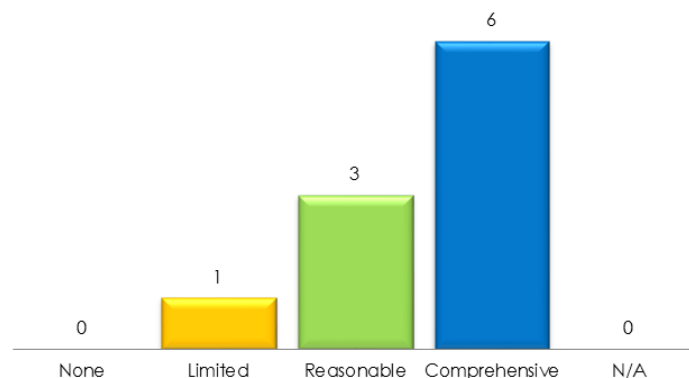
### AUDIT DASHBOARD

#### Plan Progress



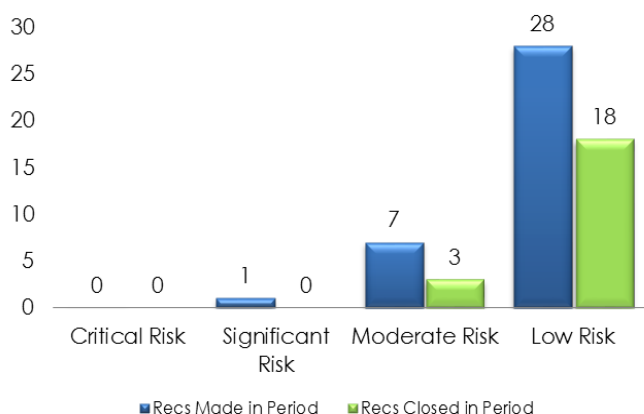
#### Jobs Completed in Period

##### Control Assurance Ratings During Period



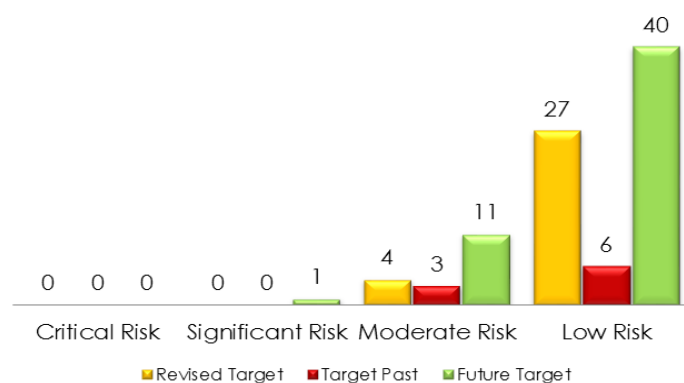
#### Recommendations

##### Movement During Period



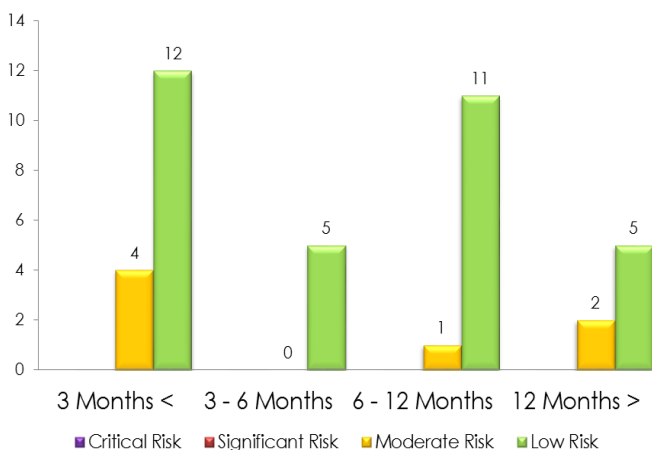
#### Recommendations

##### Recommendations Currently Open



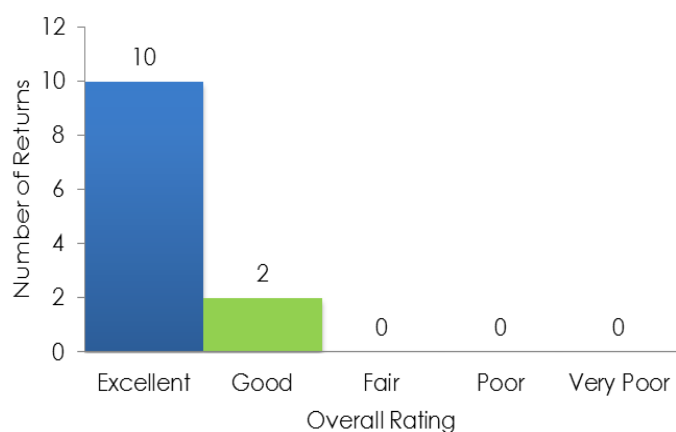
#### Recommendations

##### Overdue Recommendations



#### Customer Satisfaction

##### Returns Between Dec 18 & Nov 19



# 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 30<sup>th</sup> November 2019.

2019-20 Jobs	Status	% Complete	Assurance Rating
Significant Contracts	Allocated	5%	
Main Accounting System 2019-20	Allocated		
Treasury Management 2019-20	Allocated		
Banking Services 2019-20	Final Report	100%	Comprehensive
Payroll 2019-20	Allocated		
Officers Expenses & Allowances 2019-20	Final Report	100%	Comprehensive
Creditors 2019-20	Allocated	10%	
Fixed Assets 2019-20	Final Report	100%	Comprehensive
Revenues Systems 2019-20	Allocated	5%	
Cashiering 2019-20	Final Report	100%	Comprehensive
Housing Benefit & Council Tax Support 2019-20	Allocated	5%	
Anti-Fraud & Corruption 2019-20	In Progress	30%	
Personal Data Checks	Allocated	10%	
IT Project Advice	Allocated		
Project Management	Allocated	5%	
Business Change & Transformation	Allocated	5%	
Data Quality & Perf. Mgmt 2019-20	Final Report	100%	Reasonable
Rent Accounting 2019-20	Final Report	100%	Reasonable
Former Tenants Arrears 2019-20	In Progress	75%	
Council House Sales - Right To Buy 2019-20	Final Report	100%	Limited
Grounds Maintenance	In Progress	50%	
Improvement Grants (DFG)	Allocated	10%	
Bereavement Services 2019-20	Allocated		
Electoral Services 2019-20	Allocated		
Economic Development 2019-20	Allocated	10%	

B/Fwd Jobs	Status	% Complete	Assurance Rating
Information Governance	Final Report	100%	Reasonable
Capital Programme	Final Report	100%	Comprehensive
Payroll 2018-19	Final Report	100%	Reasonable
Creditors 2018-19	Final Report	100%	Reasonable
Revenue Systems 2018-19	Final Report	100%	Comprehensive
Housing Benefit & Council Tax Support 2018-19	Final Report	100%	Comprehensive
File Server Security	Final Report	100%	Reasonable
Development Management	Final Report	100%	Reasonable
Food Safety 2018-19	Final Report	100%	Reasonable
Active Communities & Health	Fieldwork Complete	90%	
Rosliston Forestry Centre	Final Report	100%	Comprehensive
Maintenance of Public Buildings	Final Report	100%	Limited
Housing Safety Inspections	Final Report	100%	Limited
Community Safety Partnership 2018-19	Final Report	100%	Comprehensive
Corporate Governance 2018-19	Final Report	100%	Reasonable


## South Derbyshire District Council – Audit Progress Report

### AUDIT COVERAGE

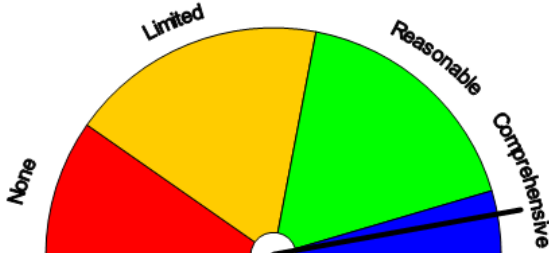
#### Completed Audit Assignments

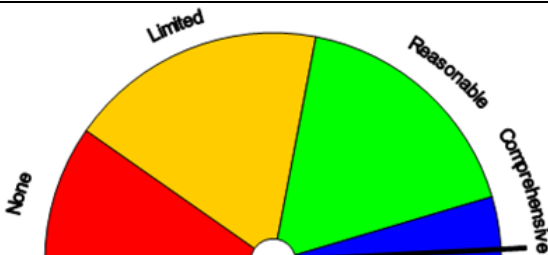
Between 7<sup>th</sup> September 2019 and 30<sup>th</sup> November 2019, the following audit assignments have been finalised since the last Progress Report was presented to this Sub-Committee.

Audit Assignments Completed in Period	Assurance Rating	Recommendations Made				% Recs Closed
		Critical Risk	Significant Risk	Moderate Risk	Low Risk	
Capital Programme	Comprehensive				1	100%
Officers Expenses & Allowances 2019-20	Comprehensive				2	0%
Cashiering 2019-20	Comprehensive					n/a
Data Quality & Perf. Mgmt 2019-20	Reasonable			1	6	0%
Community Safety Partnership 2018-19	Comprehensive				4	75%
Banking Services 2019-20	Comprehensive				1	100%
Development Management 2018-19	Reasonable				5	0%
Fixed Assets 2019-20	Comprehensive				1	0%
Information Governance	Reasonable			1	7	25%
Council House Sales - Right To Buy	Limited		1	5	1	29%

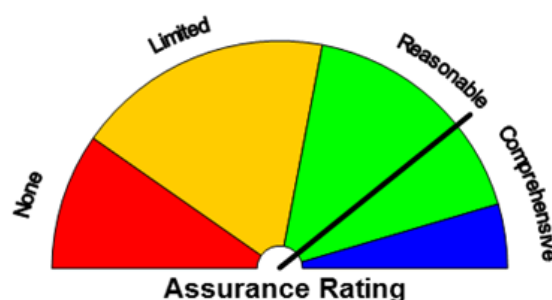
Capital Programme				
Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
All capital schemes have been approved for inclusion in the Capital Investment and Financing Programme.	5	5	0	0
Capital schemes have been prioritised in line with the Council's Medium Term Financial Plan and the Capital Investment and Financing Programme.	5	4	1	0
Progress against the Capital Investment and Financing Programme has been adequately monitored.	4	4	0	0
TOTALS	14	13	1	0
Summary of Weakness		Risk Rating	Agreed Action Date	
The Capital Strategy was only available to the public and staff through a search of the Council's Committee papers on their website.		Low Risk	Implemented	

## South Derbyshire District Council – Audit Progress Report

Officers Expenses & Allowances 2019-20				
Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
Adequate systems and controls are in place to ensure mileage claims are processed and paid accurately.	13	10	1	2
Adequate systems and controls are in place to ensure officer expenses are processed and paid accurately.	10	9	1	0
<b>TOTALS</b>	<b>23</b>	<b>19</b>	<b>2</b>	<b>2</b>
Summary of Weakness		Risk Rating	Agreed Action Date	
There was no specific Green Travel Policy in place and there was insufficient detail in the Expenses Policy for to cover this subject matter. The bicycle scheme was also not mentioned in this policy.		Low Risk	30/01/2020 Future Action	
The system in place made it difficult for managers to identify duplicate expense forms being submitted.		Low Risk	30/04/2020 Future Action	

Cashiering 2019-20				
	Assurance Rating			
Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
Relevant policies and procedures are in place to ensure a robust cashiering service.	5	5	0	0
Adequate systems and controls are in place to ensure the security of kiosk transactions and that income is reconciled.	6	5	1	0
Cash received from external sources (e.g. post office) is collected securely and the allocation process is adequately controlled.	6	5	1	0
TOTALS	17	15	2	0
Summary of Weakness		Risk Rating	Agreed Action Date	
This report did not contain any recommendations, although 2 minor risk issues were highlighted for management's consideration.				

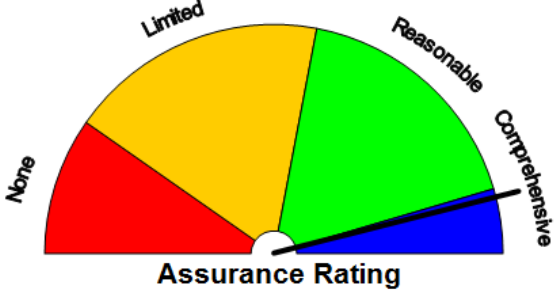
## South Derbyshire District Council – Audit Progress Report


Data Quality & Perf. Mgmt  
2019-20

Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
There are suitable governance arrangements in place for the successful management and monitoring of data quality throughout the authority.	7	3	2	2
There are robust processes for managing individual performance indicators and ensuring the accuracy of the reported performance figures.	6	1	4	1
There are adequate quality checks in place for ensuring the validity of the performance data and the resulting data trail.	5	4	0	1
<b>TOTALS</b>	<b>18</b>	<b>8</b>	<b>6</b>	<b>4</b>
Summary of Weakness		Risk Rating	Agreed Action Date	
Data quality had not been reported to the Finance & Management Committee for 2017/18 or 2018/19, as required by the Data Quality Strategy produced in 2016.		Low Risk	31/03/2020 Future Action	
Access to the MS Excel spreadsheet used to record performance data was not appropriately restricted.		Low Risk	31/12/2019 Future Action	
Targets set for project-based measures were not always sufficiently specific to allow performance to be accurately assessed.		Low Risk	31/03/2020 Future Action	
The risk of poor quality performance data was not included in the Strategic Risk Register, and an annual audit of data quality was not taking place.		Low Risk	31/03/2020 Future Action	
Methodology statements did not always fully capture the required information, and there were some discrepancies between the information in methodology statements and the 'Performance Board' spreadsheet.		Low Risk	31/01/2020 Future Action	
There was no separation of duties between collection and review of performance information for 6 of the Council's 46 corporate performance indicators, and roles were not always clearly or appropriately defined for the remaining indicators.		Moderate Risk	31/01/2020 Future Action	
Officers involved in the collection and review of performance data had not been provided with sufficient information to ensure they were fully aware of the benefits of monitoring service delivery and their role within this.		Low Risk	30/06/2020 Future Action	



## South Derbyshire District Council – Audit Progress Report

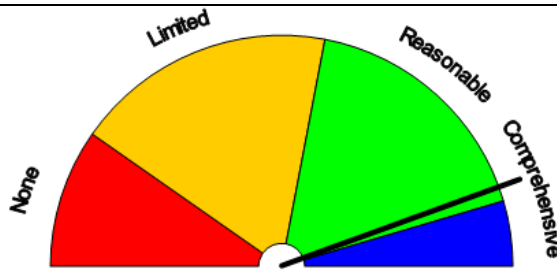
<h3>Community Safety Partnership 2018-19</h3>	 <p><b>Assurance Rating</b></p>			
Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
There are robust financial management controls in place to ensure that partnership monies are appropriately spent.	10	5	4	1
Projects are well managed and fit the objectives of the partnership as well as the priorities of the Council.	5	5	0	0
There are adequate arrangements in place for sharing information between the partnering organisations.	3	3	0	0
<b>TOTALS</b>	<b>18</b>	<b>13</b>	<b>4</b>	<b>1</b>
Summary of Weakness		Risk Rating	Agreed Action Date	
Evidence of checking that the grant application met the Partnership's requirements for funding was not available for one of the grant applications tested.		Low Risk	Implemented	
Evidence of obtaining three quotes to support the grant application was not on file for all the grant applications received.		Low Risk	Implemented	
One of the acceptance slips received was not signed by the applicant to formally accept the grant offered. On the same slip, the value of grant was overstated, leading to a £20 overpayment.		Low Risk	Implemented	
Checks were not being undertaken to ensure that funds granted had been spent for the intended purpose, and where applicable, the correct amount of match funding had been received.		Low Risk	30/04/2020 Future Action	

<h3>Banking Services 2019-20</h3>	 <p><b>Assurance Rating</b></p>			
Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
To ensure that the Council only has appropriateness and necessary of bank accounts in operation.	5	4	1	0
To ensure that there adequate controls around checking the validity of bank transactions.	10	9	1	0

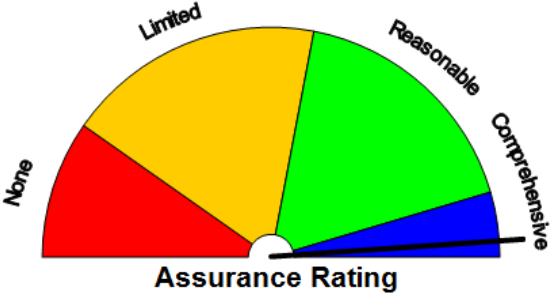


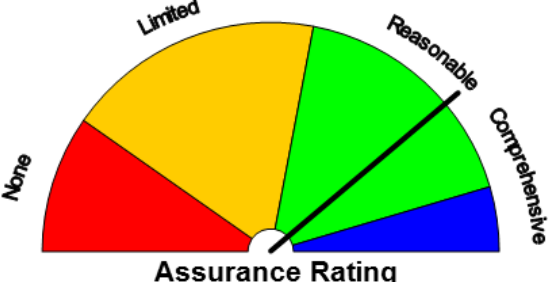
## South Derbyshire District Council – Audit Progress Report

To ensure there are adequate controls around the Paypoint contract.	2	2	0	0
<b>TOTALS</b>	<b>17</b>	<b>15</b>	<b>2</b>	<b>0</b>
<b>Summary of Weakness</b>		<b>Risk Rating</b>	<b>Agreed Action Date</b>	
A copy of the current bank mandate was not available in Finance.		Low Risk	Implemented	

<h3>Development Management 2018-19</h3>		 <p><b>Assurance Rating</b></p>		
<b>Control Objectives Examined</b>	<b>Controls Evaluated</b>	<b>Adequate Controls</b>	<b>Partial Controls</b>	<b>Weak Controls</b>
Planning applications are processed appropriately within prescribed timescales, and decisions are supported by evidence and made in accordance with delegated responsibilities.	21	17	4	0
Planning application fees are collected and adequately processed, with a clear structure of fees and charges in operation.	7	4	2	1
<b>TOTALS</b>	<b>28</b>	<b>21</b>	<b>6</b>	<b>1</b>
<b>Summary of Weakness</b>		<b>Risk Rating</b>	<b>Agreed Action Date</b>	
Extensions to planning deadlines were frequently granted and no analysis had taken place to understand the reasons for this and identify potential process improvements.		Low Risk	01/01/2020 Future Action	
Responses to consultations and notifications were not always effectively recorded in the planning software.		Low Risk	01/09/2020 Future Action	
An application had been called in by Committee, however it was decided under delegated powers, but there was no evidence retained on file to support this.		Low Risk	01/03/2020 Future Action	
The fee for one of the 20 planning applications tested had not been calculated correctly, resulting in an overcharge of £366.		Low Risk	01/03/2020 Future Action	
Regular reconciliations between the planning system and Agresso were not being performed.		Low Risk	01/03/2020 Future Action	

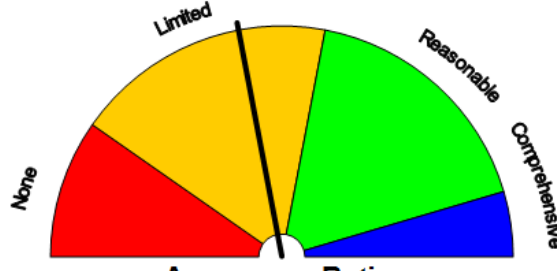
## South Derbyshire District Council – Audit Progress Report

Fixed Assets 2019-20	 <p>Assurance Rating</p>			
Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
Policies and procedures are in place detailing the management of fixed assets.	4	2	1	1
Maintenance of the Fixed Asset Register.	9	9	0	0
The valuation and depreciation of capital assets.	3	3	0	0
Physical verification of assets.	2	2	0	0
Reconciliation of the Fixed Asset Register to the financial system.	1	1	0	0
<b>TOTALS</b>	<b>19</b>	<b>17</b>	<b>1</b>	<b>1</b>
Summary of Weakness		Risk Rating	Agreed Action Date	
We found that Asset Management Policy referred to in the Financial Procedure Rules was not in place, and the Council's policies for the management of fixed assets were not clearly and concisely defined.		Low Risk	31/03/2020 Future Action	

Information Governance	 <p>Assurance Rating</p>			
Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
The Council has taken sufficient action to be able to demonstrate compliance with the General Data Protection Regulations.	14	11	2	1
Appropriate policies and procedures are in place to ensure records are effectively managed and organised.	12	3	7	2
<b>TOTALS</b>	<b>26</b>	<b>14</b>	<b>9</b>	<b>3</b>
Summary of Weakness		Risk Rating	Agreed Action Date	
Not all policies relating to the Council's Information Governance practices had been: <ul style="list-style-type: none"> <li>Updated to incorporate the changes brought about by GDPR.</li> <li>Approved by the relevant Committee.</li> <li>Appropriately version controlled.</li> </ul>		Low Risk	01/08/2020 Future Action	
The monthly meetings held and attended by senior officers to discuss the Council's GDPR compliance were not being minuted, so there was no documentation available to evidence		Low Risk	Implemented	

## South Derbyshire District Council – Audit Progress Report

the nature of the discussions taking place.		
The Council had not developed a formal Data Breach Response Plan.	Low Risk	31/12/2019 Future Action
Service areas were not complying with the Council's Records Management and Document Retention Policies in respect of some of the policies basic requirements. Furthermore, information contained in the Record Retention Schedule was found to be ambiguous.	Low Risk	31/12/2019 Future Action
Not all personal data collected by the Council was being stored securely, in locked facilities. This rendered this data accessible by parties who did not have a genuine business need to view the information. There was also a limited regime of checking in place to ensure the data remained safe and secure.	Moderate Risk	31/12/2019 Future Action
Council officers, in their roles as information owners or authors, were not categorising all information assets in accordance with the Information Security Classification Policy.	Low Risk	29/02/2020 Future Action
Checks with customers, to ensure that the information held about them was accurate and up-to-date, were not being undertaken on a periodic basis, nor were they being undertaken consistently between Council service areas.	Low Risk	31/12/2019 Future Action
There was no regular, established timeframe for service areas to review the information it held in respect of personal sensitive information.	Low Risk	Risk Accepted

Council House Sales - Right To Buy		 <p>Assurance Rating</p>		
Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
Applications are processed promptly and in accordance with Right To Buy legislation	17	13	2	2
Properties are only sold to those eligible to purchase under Right to Buy	9	6	1	2
Valuations and discounts are applied correctly	8	5	1	2
Right to Buy transactions are correctly reflected in council records	7	7	0	0
<b>TOTALS</b>	<b>41</b>	<b>31</b>	<b>4</b>	<b>6</b>
Summary of Weakness		Risk Rating	Agreed Action Date	
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.		Moderate Risk	01/02/2020 Future Action	
Section 125 offer notices issued by the Council did not include all the required information.		Low Risk	01/02/2020 Future Action	

## South Derbyshire District Council – Audit Progress Report

Specified court orders were not being reviewed as part of the eligibility checking process.	Moderate Risk	Implemented
The Council did not carry out identity checks, confirm residence, or perform its own anti-money laundering checks on Right To Buy applications.	Moderate Risk	Implemented
There was insufficient consideration of the potential for fraud throughout the Right To Buy process.	Significant Risk	01/02/2020 Future Action
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.	Moderate Risk	01/02/2020 Future Action
The cost floor figure was not calculated correctly, because adequate processes and training were not in place.	Moderate Risk	01/02/2020 Future Action

## 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
22-Nov-19	Council House Sales - Right To Buy 2019-20	Limited			5
20-Nov-19	Information Governance	Reasonable			6
20-Nov-19	Fixed Assets 2019-20	Comprehensive			1
13-Nov-19	Development Management 2018-19	Reasonable			5
15-Oct-19	Community Safety Partnership 2018-19	Comprehensive			1
11-Sep-19	Data Quality & Perf. Mgmt 2019-20	Reasonable			7
24-Jul-19	Rent Accounting 2019-20	Reasonable		1	2
16-Sep-19	Officers Expenses & Allowances 2019-20	Comprehensive			2
16-May-19	Housing Benefit & Council Tax Support 2018-19	Comprehensive		1	1
31-Mar-19	Orchard IT Application	Limited	4	3	3
26-Mar-19	Fleet Management	Reasonable	2		2
23-Jul-19	Payroll 2018-19	Reasonable	1	1	
16-Apr-19	Revenue Systems 2018-19	Comprehensive		3	
29-Aug-19	Corporate Governance 2018-19	Reasonable			1
08-May-19	Creditors 2018-19	Reasonable		1	
08-Apr-19	File Server Security	Reasonable			2
03-Jul-19	Housing Safety Inspections	Limited	1	1	5
21-Aug-19	Maintenance of Public Buildings	Limited			7
12-Feb-19	PCI Compliance 2018-19	Reasonable		5	1
19-Dec-18	Sheltered Housing / Careline	Reasonable		2	1
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		3	
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	
		<b>TOTALS</b>	<b>9</b>	<b>31</b>	<b>52</b>

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

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

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

## 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
Rent Accounting 2019-20						1
Housing Benefit & Council Tax Support 2018-19						1
Orchard IT Application		2	2			3
Fleet Management			2			
Payroll 2018-19			1		1	
Revenue Systems 2018-19						3
Creditors 2018-19						1
Housing Safety Inspections		1				1
PCI Compliance 2018-19					1	4
Sheltered Housing / Careline						2
Allocations & Homelessness 2018-19						3
Section 106 Agreements 2018-19						2
Organisational Culture & Ethics					1	
Health & Safety			1			
Tenants Arrears 2017-18						3
Rent Accounting 2017-18						1
Officers Expenses & Allowances					1	
Parks & Open Spaces						2
<b>TOTALS</b>		<b>3</b>	<b>6</b>		<b>4</b>	<b>27</b>

## 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 <sup>th</sup> February 2019 a compliance action plan will be drafted for agreement by each team.	01/04/2019
Status Update Comments	Revised Date
The Council are looking to implement 'call secure' which will ensure telephone payments taken via paye.net are handled securely. Following the appointment of a new Head of Customer Services in October 2019, this is currently underway. This will be completed by next audit review date.	31/12/2019

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
There is some work planned that will lead up to the survey which is to be explained to the Committee in December.	30/04/2020



## South Derbyshire District Council – Audit Progress Report

Orchard IT Application	Rec No. 1
Summary of Weakness / Recommendation	Risk Rating
<p>A number of issues were identified with share and directory access control lists on both the live and test servers, which may expose sensitive or critical information to unauthorised access or amendment.</p> <p>We recommend that management ensures share permissions do not grant unauthorised or elevated access to everyone groups, in line with the consultant's report.</p>	Moderate Risk
Management Response/Action Details	Action Date
Housing to review role definitions to ensure that the systems share permissions does not grant unauthorised or elevated access to everyone groups, in line with the consultant's report. IT to then carry out the implementation on those drives for Housing.	30/09/2019
Status Update Comments	Revised Date
No Update Received	

Orchard IT Application	Rec No. 4
Summary of Weakness / Recommendation	Risk Rating
<p>A significant number of stale accounts existed in in both the live and test systems.</p> <p>We recommend that management ensures stale accounts are reviewed and where appropriate removed or disabled, in line with the consultant's report.</p>	Moderate Risk
Management Response/Action Details	Action Date
Housing will review all stale accounts from the Orchard live and test systems and work with IT to be given permission to remove all unnecessary accounts from the Orchard live and test systems.	30/09/2019
Status Update Comments	Revised Date
No Update Received	

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
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 30 <sup>th</sup> September 2019.	30/09/2018
Status Update Comments	Revised Date
The Head of Organisational Development advised that the date for this has action has now been moved to 31/03/2020 as part of a wider corporate approach being considered by the Council.	31/03/2020

## South Derbyshire District Council – Audit Progress Report

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>	<b>Moderate Risk</b>
Management Response/Action Details	Action Date
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.	01/10/2019
Status Update Comments	Revised Date
The existing arrangements are to remain in place as the Council has now started a formal process of changing its software provider. The requirements of this recommendation will be configured and implemented as part of the new audit reporting tools.	01/07/2020

Housing Safety Inspections	Rec No. 14
Summary of Weakness / Recommendation	Risk Rating
<p>Contract opportunities for the inspection and maintenance of water systems 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.</p> <p>We recommend that the Council pursues one of the following actions:</p> <ul style="list-style-type: none"> <li>• A corporate contract may be required for the area of spend and as such a formal tender exercise should be undertaken.</li> <li>• The area of spend may be relevant to an existing or new framework agreement/contract which should be used to formalise the process.</li> <li>• The organisation may be required to undertake limited work where a tender exercise would not be beneficial to the Council or where the particular organisation is required for a specific reason, should this be the case then a formal exemption from the Contract Procedure Rule should be put in place.</li> </ul>	<b>Moderate Risk</b>
Management Response/Action Details	Action Date
We have identified the frame work efficiency east midlands Framework ref EEM0007 (Water services management).	30/11/2019
Status Update Comments	Revised Date
No Update Received	

## 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 Procedures and to also incorporate information on the impact of Universal Credits in our District. The section plan to submit a draft policy to Committee by November 2019 with implementation by the end of January 2020.	01/04/2020

Tenants Arrears 2017-18	Rec No. 2
Summary of Weakness / Recommendation	Risk Rating
<p>A number of procedure manuals were identified and there was confusion as to which procedures were current for the service.</p> <p>We recommend that management review the various procedures and processes available to determine which manuals reflect the current processes, legislation and best practice concerning the recovery of rent arrears. Outdated procedures should be archived and clearly marked as such or removed from the system to ensure there is no confusion over which procedures to use.</p>	Low Risk
Management Response/Action Details	Action Date
Current procedure and process documents will be clearly identified for team members. Obsolete documents will be removed from common folders. This action is included as part of a corporate review of Policies & Procedures.	01/06/2018
Status Update Comments	Revised Date
Once the review of all workflows is complete, it will be 'practically possible' to review the Procedures and to also incorporate information on the impact of Universal Credits in our District. The section plan to submit a draft policy to Committee by November 2019 with implementation by the end of January 2020.	01/04/2020

## South Derbyshire District Council – Audit Progress Report

Rent Accounting 2017-18	Rec No. 3
Summary of Weakness / Recommendation	Risk Rating
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.  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.	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. A decision concerning the implementation of the interface by March 2020 will be taken shortly, so that the Council is able to address both matters together.	01/04/2020

Parks & Open Spaces	Rec No. 5
Summary of Weakness / Recommendation	Risk Rating
Files and documentation confirming compliance with safety standards was not held centrally, but rather in separate project files in the Cultural Services Department.  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.	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
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.  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.	31/07/2019

## 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>		31/07/2019