



central midlands audit partnership

# South Derbyshire District Council – Audit Progress Report

Audit Sub-Committee: 9<sup>th</sup> December 2020



South Derbyshire  
District 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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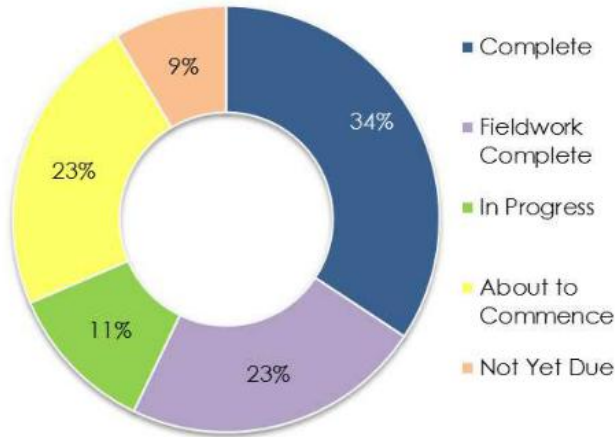
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# South Derbyshire District Council – Audit Progress Report

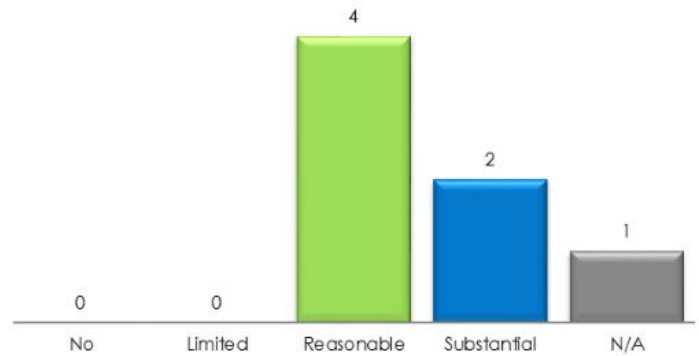
## AUDIT DASHBOARD

### Plan Progress



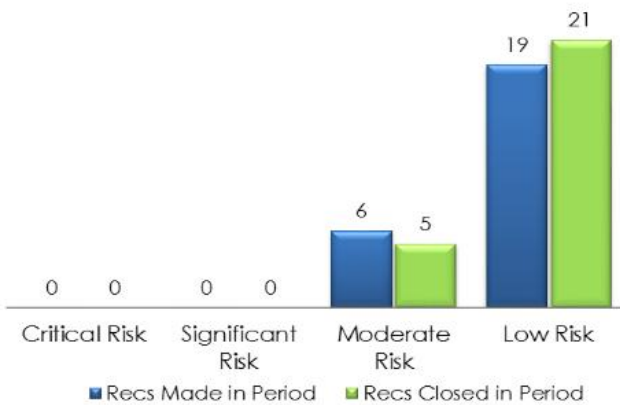
### Jobs Completed in Period

Control Assurance Ratings During Period



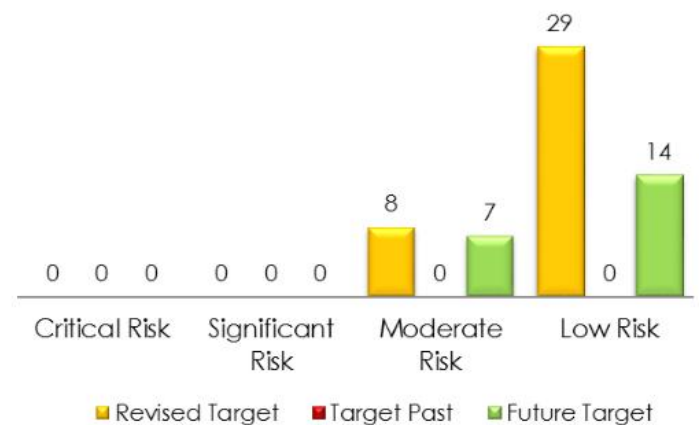
### Recommendations

Movement During Period



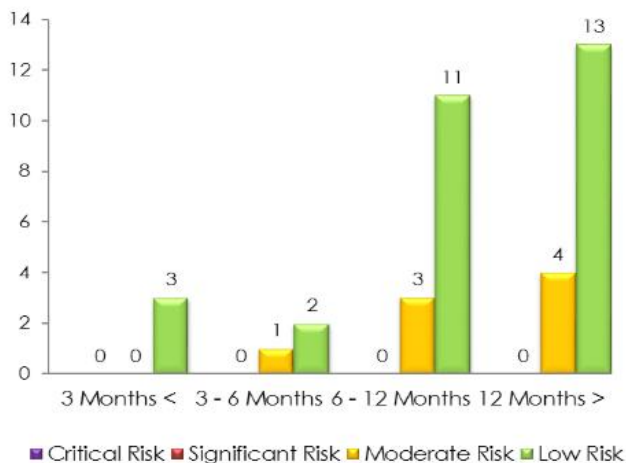
### Recommendations

Recommendations Currently Open



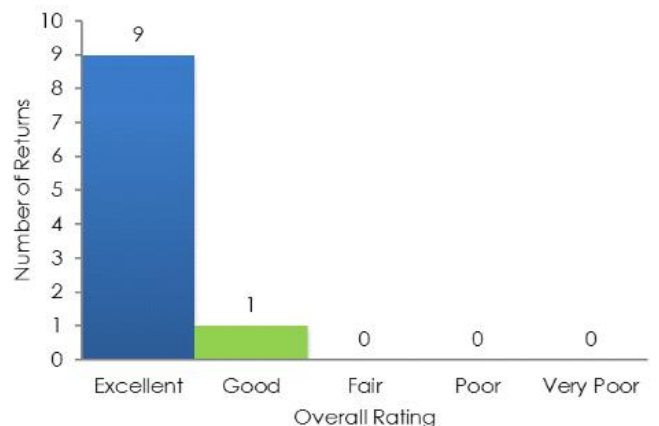
### Recommendations

Overdue Recommendations



### Customer Satisfaction

Returns Between Nov 19 & Nov 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 25<sup>th</sup> November 2020.

2020-21 Jobs	Status	% Complete	Assurance Rating
Risk Management 2020-21	Draft Report	95%	
Business Continuity & Emergency Planning	Allocated	15%	
Procurement 2020-21	In Progress	35%	
Income Streams	Not Allocated		
Safeguarding 2020-21	Draft Report	95%	
Debtors 2020-21	Final Report	100%	Reasonable
Revenues Systems 2020-21	Fieldwork Complete	90%	
Housing Benefit & Council Tax Support	Allocated		
IT Applications 2020-21	Allocated	35%	
IT Infrastructure 2020-21	Allocated	30%	
Data Quality & Performance Management	Not Allocated		
Business Support Grant	Draft Report	95%	
Homes England Grant Certification	Complete	100%	N/A
Financial Reporting - Impact of Covid19	Allocated	10%	
Waste Management (Trade Waste)	In Progress	70%	
Development Management	Not Allocated		
<del>Leisure Centres 2020-21*</del>	Removed for Plan	5%	
Housing Repairs (Voids)	In Progress	45%	
Housing Safety Inspections 2020-21	Fieldwork Complete	80%	
Tenancy Management (Interventions and Support)	Fieldwork Complete	80%	
Procurement of Waste Contract	Allocated		
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	Final Report	100%	Reasonable
Main Accounting System 2019-20	Final Report	100%	Substantial
Treasury Management 2019-20	Final Report	100%	Reasonable
Payroll 2019-20	Final Report	100%	Reasonable
Revenues Systems 2019-20	Draft Report	95%	
Housing Benefit & Council Tax Support 2019-20	Final Report	100%	Substantial
Anti-Fraud & Corruption 2019-20	Draft Report	95%	
ICT Key Controls	Final Report	100%	Reasonable
Business Change & Transformation	Final Report	100%	Substantial
Grounds Maintenance	Final Report	100%	Reasonable
Bereavement Services 2019-20	Final Report	100%	Reasonable

### Plan Changes

\* In consultation with management and the Council's Section 151 Officer, it has been decided to defer the audit of Leisure Centres until the 2021-22 Audit Plan.

## South Derbyshire District Council – Audit Progress Report

### AUDIT COVERAGE

#### Completed Audit Assignments

Between 1<sup>st</sup> September 2020 and 25<sup>th</sup> November 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	
Procurement of Rosliston Contract 19-20	Reasonable			1	3	100%
Homes England Grant Certification	N/A					n/a
Grounds Maintenance 2019-20	Reasonable			2	8	10%
Housing Ben & Council Tax Support 19-20	Substantial					n/a
Business Change & Transformation	Substantial				2	50%
Debtors 2020-21	Reasonable				4	100%
Payroll 2019-20	Reasonable			3	2	0%

Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
	The Council's Standing Orders and relevant public contract regulations have been followed in the procurement of the contract for managing Rosliston Forestry Centre.	7	6	1
The procedures that are proposed for advertising the contract and assessing the bids will ensure a fair and transparent process.	9	6	3	0
<b>TOTALS</b>	<b>16</b>	<b>12</b>	<b>4</b>	<b>0</b>

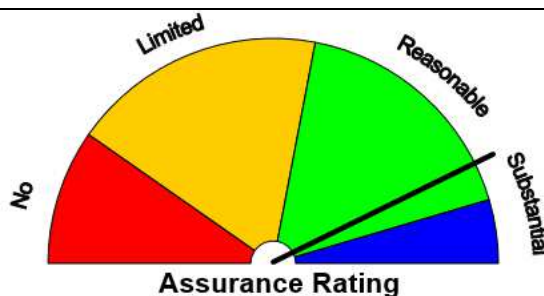
  

Summary of Weakness	Risk Rating	Agreed Action Date
There was no evidence of a scheduled formal review in the tender and contract letting process.	Low Risk	Superseded N/A
The Council and Forestry England planned to have five senior officers carry out the assessment of the tenders, which could lead to difficulties in coordinating diaries and consequent delays.	Low Risk	Superseded N/A
There was no recognition that officers involved in the assessment of bids should complete a Declaration of Interest statement to identify any relationships that could influence, or be perceived to influence, the outcome of the procurement process.	Low Risk	Superseded N/A
It was not clear how moderation of the tender evaluation process would be carried out and recorded.	Moderate Risk	Superseded N/A

Please note that all recommendations have been superseded as the Procurement of this contract has been suspended. These recommendations will be reinstated, when and if, the procurement exercise recommences.

### Procurement of Rosliston Contract

Please note - all recommendations have been superseded as the Procurement of this contract has been suspended. These recommendations will be reinstated if and when the procurement exercise recommences.



Assurance Rating

## South Derbyshire District Council – Audit Progress Report

### Homes England Grant Certification

As a requirement of Homes England, we undertook a compliance audit of the Lullington Road, Phase 2 Shared Ownership and Affordable Homes Programme, in accordance with the Terms of Engagement issued by the Homes and Communities Agency. The Homes and Communities Agency agreed to engage the Central Midlands Audit Partnership to perform agreed upon procedures and report our findings in connection with procedural compliance, in relation to the receipt of Social Housing Assistance and grants to facilitate the development and provision of affordable housing.

Grounds Maintenance 2019-20	Assurance Rating			
	No	Limited	Reasonable	Substantial
<b>Control Objectives Examined</b>	<b>Controls Evaluated</b>	<b>Adequate Controls</b>	<b>Partial Controls</b>	<b>Weak Controls</b>
A comprehensive programme of planned maintenance is in place	10	6	2	2
A robust system for allocating and recording planned and reactive jobs is in place	11	7	0	4
Effective monitoring takes place to ensure agreed service standards are adhered to	4	1	1	2
<b>TOTALS</b>	<b>25</b>	<b>14</b>	<b>3</b>	<b>8</b>
<b>Summary of Weakness</b>	<b>Risk Rating</b>	<b>Agreed Action Date</b>		
Arrangements for ensuring the updated GIS system remains accurate and up-to-date had not been confirmed.	Low Risk	01/01/2021 Future Action		
The specification and associated bills of quantities were out-of-date, having not been updated since 2011.	Moderate Risk	01/10/2021 Future Action		
The capacity of Operational Services for carrying out tree maintenance works was insufficient, limiting responsiveness.	Moderate Risk	01/03/2021 Future Action		
The planned maintenance schedules were not shared with Cultural Services and Housing, resulting in a lack of transparency.	Low Risk	01/04/2021 Future Action		
There was no formal process through which reactive works could be requested from Operational Services.	Low Risk	01/04/2021 Future Action		
Reactive work requested and performed was not consistently recorded.	Moderate Risk	01/04/2021 Future Action		
Reporting of progress against the planned maintenance schedules was insufficient to allow clear conclusions on performance to be drawn.	Low Risk	01/04/2023 Future Action		
Monitoring of quality of work performed did not take place or was not formally recorded.	Low Risk	01/04/2021 Future Action		
It was not clear that the skills and structure of the Grounds Maintenance team was sufficient to ensure the corporate aims of the Council could be achieved.	Low Risk	Risk Accepted		
Regular management meetings were not held between all stakeholders to the Grounds Maintenance service	Low Risk	01/04/2021 Future Action		



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Housing Benefit & Council Tax Support 2019-20					
Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls	
There are an approved debt recovery policy and associated procedural guidance documents in place.	2	1	1	0	
Processes to secure the recovery of overpayments of benefits have been implemented fully.	3	3	0	0	
<b>TOTALS</b>	<b>5</b>	<b>4</b>	<b>1</b>	<b>0</b>	
Summary of Weakness		Risk Rating	Agreed Action Date		
The report contained no formal recommendations; only one minor risk issue was highlighted for management's consideration.					

Business Change & Transformation					
Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls	
The Council has a centralised approach to business change & transformation.	13	12	1	0	
Business change & transformation is driven by priorities in the corporate plan, risk registers and known service issues.	5	5	0	0	
Business Cases are appropriately structured, and contain robust analysis and justification of benefits and financial implications.	15	12	2	1	
<b>TOTALS</b>	<b>33</b>	<b>29</b>	<b>3</b>	<b>1</b>	
Summary of Weakness		Risk Rating	Agreed Action Date		
Project risks and mitigating controls are not fully considered within Business Cases.		Low Risk	22/10/2020 Implemented		
There was no agreed framework in place to assess project risk and inform the level of detail required in the Business Case.		Low Risk	01/03/2021 Future Action		

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Debtors 2020-21					
Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls	
Up-to-date policy, procedures and guidance are in place for Debtors and access to the Debtors system is properly administered.	6	3	3	0	
Invoices required for goods and services supplied are accurate and correct and issued in a timely manner.	8	7	1	0	
Adequate credit control processes are in place to monitor debts and for the recovery of overdue payments.	6	4	1	1	
<b>TOTALS</b>	<b>20</b>	<b>14</b>	<b>5</b>	<b>1</b>	
Summary of Weakness		Risk Rating	Agreed Action Date		
The Financial Procedure Rules had not been updated to reflect the change of responsibility for sundry debtors from Customer Services to Finance, and, the Corporate Sundry Debt Management, Recovery and Write-off Policy had not been reviewed and updated following the restructure in Finance.		Low Risk	30/11/2020 Implemented		
There was a lack of independent approval for credit note request both for correcting errors in Finance and for cancellation requests regarding Lifeline service invoices.		Low Risk	Implemented 06/11/2020		
After the first and second reminder letters, had been issued, there was a lack of central records for any further actions taken to recover sundry debts. Also, the reasons for late issue of reminder letters were not being consistently recorded.		Low Risk	Implemented 06/11/2020		
The departmental information supplied by Finance for the monitoring of payment arrangements did not allow for the easy monitoring of instalments.		Low Risk	Implemented 06/11/2020		

Payroll 2019-20					
Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls	
There are robust governance arrangements in place that are defined by policies, procedures and guidance that are reviewed and reaffirmed regularly.	4	3	1	0	
System access is granted to officers on a needs basis so that integrity of payments is assured and separation of duties is maintained.	4	3	0	1	
There are controls in place to ensure that only bona fide new employees are added to the payroll and that salary payments made are accurate and are from the correct date.	6	3	0	3	



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There are controls in place to ensure that variations to pay (honoraria, overtime payments, re-grading and changes to hours) are appropriate and applied accurately.	2	1	0	1
Deductions from pay are authorised and are applied accurately.	1	0	1	0
<b>TOTALS</b>	<b>17</b>	<b>10</b>	<b>2</b>	<b>5</b>
<b>Summary of Weakness</b>		<b>Risk Rating</b>	<b>Agreed Action Date</b>	
Controls over access to the Council's Payroll & Human Resources system had lapsed or were ineffective.		Moderate Risk	01/12/2020	
Management has not implemented the agreed controls that were intended to alleviate the risks of fraud and/or error associated with an inadequate separation of duties, as identified by Internal Audit in July 2019.		Moderate Risk	01/04/2021	
Adequate documentation was not held on the document retention system to confirm that the required eligibility checks had been completed before an offer of employment was made and/or suitable references secured before appointment.		Moderate Risk	01/04/2021	
The processes relating to employment start dates were not implemented as described in the Recruitment Policy and Procedure, which was considered by HR Management to be out-of-date. Employee Authorisation Forms were no longer used for this purpose. Instead, start dates were notified by e-mail to the Payroll department, but none were available at the time of the audit. We were therefore unable to verify beyond doubt that payment of new starters' salaries had commenced from the correct date.		Low Risk	01/04/2021	
The Council was unable to categorically demonstrate from the records kept that changes to officers' remuneration had been properly approved, prior to the change being implemented, and evidence was not available to authorise increments following successful completion of probationary periods.		Low Risk	01/04/2021	

## 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
25-Nov-20	Payroll 2019-20	Reasonable			5
09-Jun-20	Treasury Management 2019-20	Reasonable			2
06-Mar-20	Creditors 2019-20	Substantial		1	
06-Aug-20	Bereavement Services 2019-20	Reasonable		2	3
22-Oct-20	Grounds Maintenance 2019-20	Reasonable			9
03-Mar-20	Improvement Grants 2019-20	Reasonable		2	
03-Nov-20	Business Change & Transformation	Substantial			1
25-Feb-20	Mobile Phones	Limited		1	
11-Sep-19	Data Quality & Perf. Mgmt 2019-20	Reasonable		3	
26-Nov-19	Council House Sales - Right To Buy 2019-20	Limited		1	
24-Jul-19	Rent Accounting 2019-20	Reasonable		1	
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		3	
23-Jul-19	Payroll 2018-19	Reasonable		1	
16-Apr-19	Revenue Systems 2018-19	Substantial		1	
29-Aug-19	Corporate Governance 2018-19	Reasonable			1
13-Nov-19	Development Management 2018-19	Reasonable		1	
08-May-19	Creditors 2018-19	Reasonable		1	
03-Jul-19	Housing Safety Inspections	Limited		1	
12-Feb-19	PCI Compliance 2018-19	Reasonable		3	
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	
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>37</b>	<b>21</b>

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

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

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

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Audit Assignments with Recommendations Due	Action Due			Being Implemented		
	Significant Risk	Moderate Risk	Low Risk	Significant Risk	Moderate Risk	Low Risk
Creditors 2019-20						1
Bereavement Services 2019-20						2
Improvement Grants 2019-20					1	1
Mobile Phones					1	
Data Quality & Perf. Mgmt 2019-20						3
Council House Sales - Right To Buy 2019-20					1	
Rent Accounting 2019-20					1	
Officers Expenses & Allowances 2019-20						1
Active Communities & Health						1
Orchard IT Application						2
Fleet Management						3
Payroll 2018-19					1	
Revenue Systems 2018-19						1
Development Management 2018-19						1
Creditors 2018-19						1
Housing Safety Inspections						1
PCI Compliance 2018-19					1	2
Allocations & Homelessness 2018-19						3
Section 106 Agreements 2018-19						2
Organisational Culture & Ethics					1	
Health & Safety						1
Rent Accounting 2017-18						1
Officers Expenses & Allowances					1	
Parks & Open Spaces						2
<b>TOTALS</b>					<b>8</b>	<b>29</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 has worked to deliver a new PCI compliance audit which is due for completion and submission in December 2020. Further work to remove spoken card data from the authority and ensure kiosk payments are P2PE compliant will be required. The submission will contain a letter of intent to support the delivery of these later improvements due in 2021.	31/01/2021

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
Work is underway to develop, design and deliver the employee survey. The survey questions are currently being developed. Microsoft Forms, an internal software is being tested for staff to complete the survey. The survey will also be available on all work phones to make it easier for employees to complete. A paper version will also be available, particularly for front line workers. A communication and engagement plan are being developed, which will include engaging with Trade Unions, Leadership Team and Employee Forum on the approach and how we engage with staff. A	30/04/2021

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briefing paper, with the proposed survey questions, communication plan and action plan to deliver the survey will be presented to the Leadership Team on 11<sup>th</sup> November. The paper will propose that the survey is launched in February 2021.

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>	<b>Moderate Risk</b>
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 30<sup>th</sup> 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>	<b>Moderate Risk</b>
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>Work has been completed to ensure that adequate separation of duties is in place and documented evidence provided.</p> <p>The monthly spreadsheet detailing changes will continue to be produced and exchanged by HR and Payroll. These will be electronically signed and held in a secure environment on the Council's network.</p> <p>Work has commenced on the production of a separate audit report that remains the</p>	01/02/2021

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only outstanding action. This will be progressed with the support of Zellis if required.

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.	21/01/2021

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 had yet to be delivered due to lockdown, and also due to the fact the Financial Management System was being upgraded, and therefore the training would be better delivered alongside the new system early in the New Year.	31/01/2021



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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 &amp; 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 &amp; 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>New interfaces being implemented as part of the Academy upgrade in Oct/Nov</p>		31/01/2021

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>New Software procured to assist in managing the DFG Process. This will allow for the total re-engineering of existing process and practices. This would include the ability to develop and efficiently manage overall and specific performance indicators for distinct areas of operation.</p>		01/04/2021

## 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.

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. The housing benefit interface project starts in Oct / Nov and will be going hand in hand with the upgrade to Academy. This issue will be resolved during the course of this work.	31/01/2021

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
Revenue budget increase request to fund digitising of records and inspections not supported. New request to be made for 21/22.	31/03/2021

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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 Council's 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. 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>Revenue budget increase request to fund new signage not supported. New request to be made for 21/22. Interim small scale programme can commence post Communities and Cultural Services restructure when new capacity allows.</p>		31/03/2021

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
<p>Procedural policies updates including communication and training to staff will be updated by Customer Services.</p>		01/04/2019
Status Update Comments		Revised Date
<p>The Council has kicked off a project to ensure PCI compliance which should be in place by 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. The council has worked to deliver a new PCI compliance audit which is due for completion and submission in December 2020.</p>		31/01/2021

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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
A review of the Planning Service is to be considered at EDS committee on 12 November 2020. To include recruiting to roles to support the S106 process and the review of the guide for developers document which should be undertaken by April 2021.	01/04/2021

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
The Planning Services review will look to release capacity and this can be undertaken by 1st April 2021.	01/04/2021

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
New Allocations Policy approved by Housing Committee for implementation. Restructure of team underway to be followed by re-procurement of Choice Based Lettings Software and process review.	01/07/2021

## South Derbyshire District Council – Audit Progress Report

Allocations & Homelessness 2018-19	Rec. No. 5
Summary of Weakness / Recommendation	Risk Rating
The Homelessness Prevention Strategy had not been updated to ensure that it met the requirements of new legislation. We recommend that the Homelessness Prevention Strategy is reviewed and updated.	Low Risk
Management Response/Action Details	Action Date
Review to be completed and updated strategy implemented.	01/06/2019
Status Update Comments	Revised Date
Strategy Review underway. Draft strategy for Housing and Community Services Committee 28/1/2021	28/01/2021

Allocations & Homelessness 2018-19	Rec. No. 6
Summary of Weakness / Recommendation	Risk Rating
The Temporary Accommodation Policy was in draft form and had not been updated since 2015. We recommend that the Temporary Accommodation Policy should be updated and finalised.	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
Strategy Review underway. Draft strategy for Housing and Community Services Committee 28/1/2021	28/01/2021

Fleet Management	Rec. No. 6
Summary of Weakness / Recommendation	Risk Rating
There was no centralised record of the drivers employed by the Council, and no centralised checks were undertaken for validity of driving licences. 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.	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. Progress has been delayed due to other priorities and consultation with the Trade Unions will commence in October 2020, with a revised implementation date scheduled for April 2021.	01/05/2021

## South Derbyshire District Council – Audit Progress Report

Orchard IT Application	Rec. No. 17
Summary of Weakness / Recommendation	Risk Rating
<p>The IMS system was being run using a high privilege local service account, rather than the best practice of a lower privilege read-only account.</p> <p>We recommend that management ensures the IMS system is run under the context of a lower privilege read only account, in line with the consultant's report.</p>	Low Risk
Management Response/Action Details	Action Date
IT to investigate the IMS system and decide whether to move to a lower privilege read only account, although IMS server not currently being used due to SQL install being required.	30/09/2019
Status Update Comments	Revised Date
An update was provided by the Head of Housing Services requesting a revised action date whilst the technicalities of implementing the recommendation could be reviewed with colleagues in ICT.	30/11/2020

Revenue Systems 2018-19	Rec. No. 3
Summary of Weakness / Recommendation	Risk Rating
<p>Information on which debts were with Enforcement Agents was available from the Academy system, but there was no periodic management information prepared on the number of debts with each Enforcement Agent, and no analysis of performance was undertaken.</p> <p>We recommend that performance criteria for monitoring Enforcement Agents activity and effectiveness should be defined, and monthly reports should be prepared that allow management to keep an informed overview of the use of Enforcement Agents.</p>	Low Risk
Management Response/Action Details	Action Date
This is accepted. Due to the recent restructure within the Revenues team and the new positions created only recently been filled there is still some work to be done to create an adequate performance review of Enforcement Agents.	01/10/2019
Status Update Comments	Revised Date
A new process has been agreed for monitoring debts with enforcement agents. This will be reported quarterly to Finance & Management Committee as part fo the Debt Management report. New performance processes will be established ongoing in any new contracts. First performance information to be reported to Finance and Management Committee on 26 November 2020.	01/12/2020



## South Derbyshire District Council – Audit Progress Report

Creditors 2018-19	Rec. No. 6
Summary of Weakness / Recommendation	Risk Rating
<p>The Purchasing Code of Practice did not specify the procedures to be followed in relation to the payment of invoices or that payment must only be made on receipt of a proper, valid invoice.</p> <p>We recommend that the Council's Purchasing Code of Practice Certification of Invoices is amended to specify clearly the different elements of the invoice certification process. Responsibilities for undertaking each element of the process should be clearly recorded along with direct instructions to only make payments on proper, valid invoices received.</p>	<p>Low Risk</p>
Management Response/Action Details	Action Date
<p>This is to be updated after implementation of the Senior Management Restructure alongside other elements of the Constitution.</p>	<p>31/10/2019</p>
Status Update Comments	Revised Date
<p>This has been completed. The Head of Legal and Democratic Services is planning to get the update written into the Constitution at Full Council on 5 November 2020.</p>	<p>30/11/2020</p>