



central midlands audit partnership

South Derbyshire District Council – Audit Progress Report

Audit Sub-Committee: 24th March 2021



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Our Vision

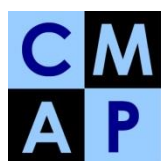
To bring about improvements in the control, governance and risk management arrangements of our Partners by providing cost effective, high quality internal audit services.

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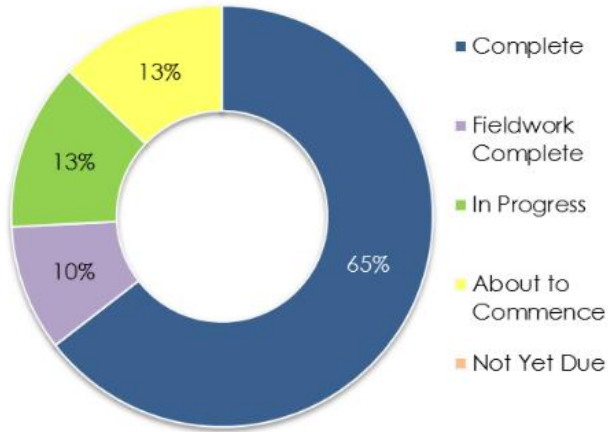
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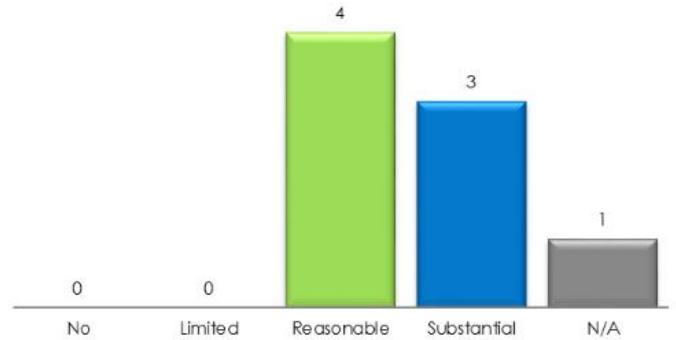
AUDIT DASHBOARD

Plan Progress



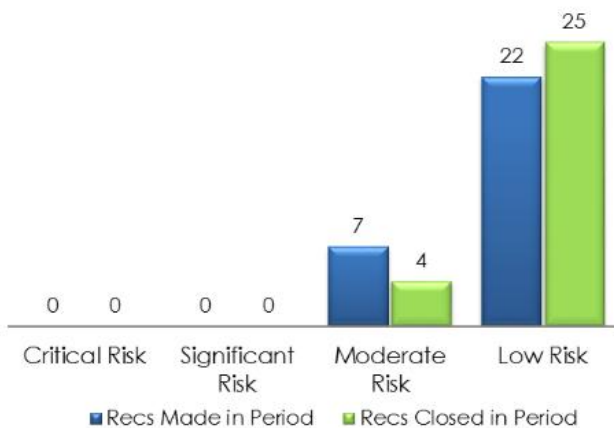
Jobs Completed in Period

Control Assurance Ratings During Period



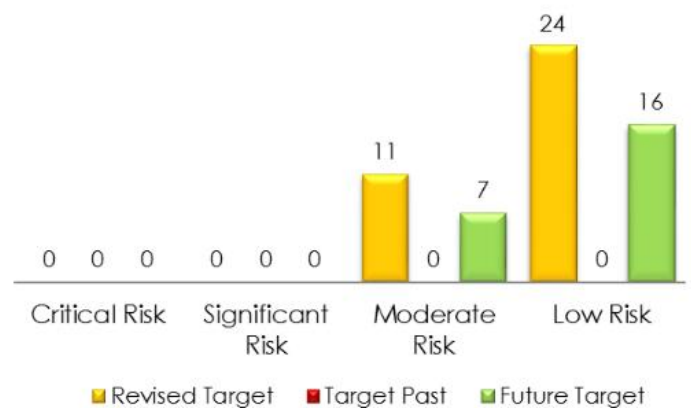
Recommendations

Movement During Period



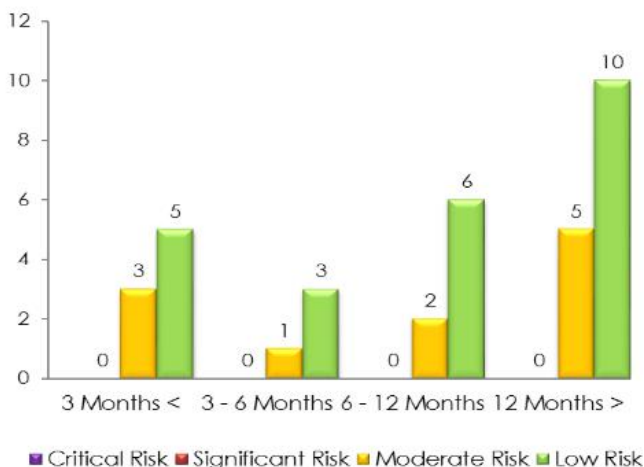
Recommendations

Recommendations Currently Open



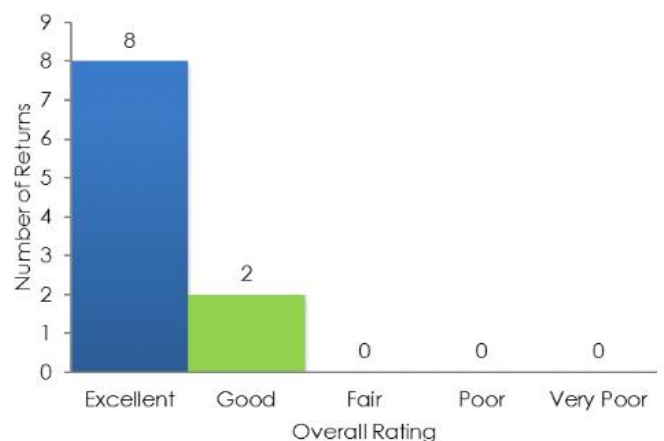
Recommendations

Overdue Recommendations



Customer Satisfaction

Returns Between Mar 20 & Mar 21



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AUDIT PLAN

Progress on Audit Assignments

The following tables provide Audit Sub-Committee with information on how audit assignments were progressing as at 28th February 2021.

2020-21 Jobs	Status	% Complete	Assurance Rating
Risk Management 2020-21	Final Report	100%	Reasonable
Business Continuity & Emergency Planning	In Progress	65%	
Procurement 2020-21	Draft Report	95%	
Income Streams*	Deferred		
Safeguarding 2020-21	Final Report	100%	Reasonable
Debtors 2020-21	Final Report	100%	Reasonable
Revenues Systems 2020-21	Draft Report	95%	
Housing Benefit & Council Tax Support	Allocated	15%	
IT Applications 2020-21*	Removed From Plan		
Microsoft 365 Platform	In Progress	60%	
Data Quality & Performance Management*	Deferred		
Business Support Grant	Final Report	100%	Substantial
Homes England Grant Certification	Complete	100%	N/A
Financial Reporting - Impact of Covid19	In Progress	60%	
Waste Management (Trade Waste)	Final Report	100%	Reasonable
Development Management*	Deferred		
Leisure Centres 2020-21*	Deferred	5%	
Housing Repairs (Voids)	In Progress	60%	
Housing Safety Inspections 2020-21	Final Report	100%	Reasonable
Tenancy Management (Interventions and Support)	Final Report	100%	Substantial
Procurement of Waste Contract	Allocated	10%	
Electoral Services 2020-21	Deferred	20%	
Overview & Scrutiny Function	Final Report	100%	N/A
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	Final Report	100%	Substantial
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 audits of Income Streams, Data Quality & Performance Management, Development Management, Leisure Centres and Electoral Services until the 2021-22 Audit Plan. Also, the decision has been taken to remove the IT Applications audit from the 2020-21 Audit Plan.

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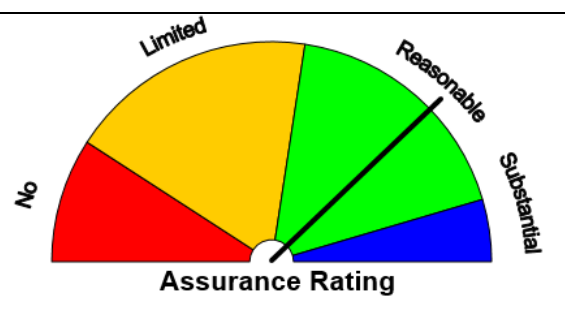
AUDIT COVERAGE

Completed Audit Assignments

Between 26th November 2020 and 28th February 2021, 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	
Risk Management 2020-21	Reasonable			2	2	100%
Safeguarding 2020-21	Reasonable				5	40%
Business Support Grants	Substantial				1	100%
Tenancy Management	Substantial				1	
Revenue Systems 2019-20	Substantial				3	67%
Housing Safety Inspections 2020-21	Reasonable			4	5	44%
Waste Management (Trade Waste)	Reasonable			1	5	50%
Overview & Scrutiny Function	N/A					n/a

Control Objectives Examined	Assurance Rating			
	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
An appropriate structure and accountability framework for risk management had been implemented.	10	4	3	3
There was appropriate means of identifying, categorising and prioritising risks.	5	1	3	1
Risk mitigation processes had been considered, adopted and implemented.	2	1	0	1
There was appropriate monitoring, reporting and management arrangements in place.	4	0	2	2
Risk management was embedded throughout the Council and a sound approach to risk management was adopted.	8	3	2	3
TOTALS	29	9	10	10
Summary of Weakness		Risk Rating	Agreed Action Date	
The risk appetite wording in the Risk Management Overview, December 2020, is ambiguous and could be interpreted as limiting the risk control options available.		Low Risk	20/11/2020 Implemented	
Key information was not being included on the risk template, such as inherent and residual risk scores, likelihood and impact scores or even the risk owner.		Moderate Risk	26/02/2021 Implemented	
Risks linked to the strategic objectives had not been recorded on the Strategic Risk Register.		Low Risk	20/11/2020 Implemented	
Risk controls were being identified, however their effectiveness to mitigate the risks was not being checked.		Moderate Risk	26/02/2021 Implemented	



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Safeguarding 2020-21					
Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls	
An up-to-date safeguarding policy is in place which sets out the procedure for key organisational controls relating to the highlighting of safeguarding concerns.	6	3	2	1	
A comprehensive safeguarding action plan is in place that is regularly reviewed and actioned by key officers within the Council.	5	3	2	0	
All staff within the Council are fully aware of their responsibility in relation to safeguarding and adequate training is available to reinforce this.	3	0	1	2	
TOTALS	14	6	5	3	
Summary of Weakness		Risk Rating	Agreed Action Date		
The Safeguarding Children, Young People & Adults at Risk Policy had not been reviewed /updated since 2018. This policy had also not been made available to the public and the safeguarding section on the Council's website was out-of-date.		Low Risk	31/03/2021 Future Action		
Cause for Concern (CFC) forms were being collated and stored by the Strategic Director (Corporate Resources), who was the only employee with access to this information.		Low Risk	Implemented		
Safeguarding did not feature in any risk register at the Council and the Safeguarding Action Plan did not contain all the relevant information.		Low Risk	31/03/2021 Future Action		
The staff intranet had not been updated with pertinent safeguarding information. The role of Link Officers was not widely promoted to staff within the Council.		Low Risk	31/12/2020 Implemented		
There was no Council-wide training scheme for both new and existing employees relating to safeguarding. Members had also not received recent training on Safeguarding and the Council's Link Officers had not received specialised training at the time of audit.		Low Risk	28/02/2021 Being Implemented 31/05/2021		

Business Support Grants					
Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls	
Covid-19 Non-Discretionary Business Support Grants have been processed appropriately in line with government guidance and with adequate consideration of the risk of fraud.	21	18	2	1	
Covid-19 Discretionary Business Support Grants have been processed appropriately in line with government guidance and with adequate consideration of the risk of fraud.	13	12	0	1	
TOTALS	34	30	2	2	

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Summary of Weakness	Risk Rating	Agreed Action Date
A formal risk assessment had not been undertaken to identify and examine the risks involved in the administration of the Business Grant Schemes.	Low Risk	Implemented

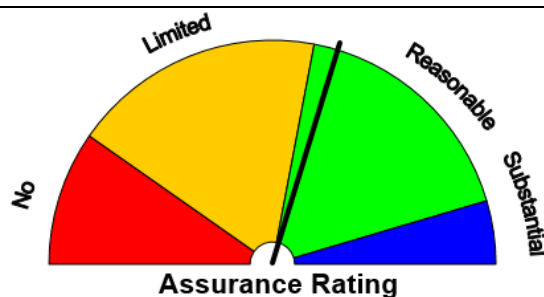
Tenancy Management	Assurance Rating			
Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
The relevant policies and procedures within the Housing Team have been updated to reflect the implementation of Universal Credit and that these changes have been adequately communicated to staff.	7	5	1	1
Tenants at risk of going into, or currently in, arrears are supported to clear their arrears and that, where this fails, appropriate action is taken to recover these arrears.	3	3	0	0
All tenants in receipt, or due to be in receipt, of Universal Credit payments are adequately supported too ensure they are able to manage their finances and pay their rent.	4	4	0	0
TOTALS	14	12	1	1
Summary of Weakness	Risk Rating	Agreed Action Date		
Tenants on Universal Credit did not have independent access to their details and rental account, specifically rent due dates and any accrued arrears.	Low Risk	28/02/2021 Being Implemented 01/10/2021		

Revenue Systems 2019-20	Assurance Rating			
Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
Council Tax income not allocated to an account immediately on receipt are investigated and cleared in a timely fashion.	1	0	0	1
Awards of Business Rates relief and any refunds of payments made are controlled appropriately.	3	2	0	1
Revenues are maximised by reconciliation of properties to records kept by the Valuation Office Agency.	1	0	1	0
Controls are in place to maximise the recovery of Council Tax and Business Rates debts.	4	1	0	3

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TOTALS	9	3	1	5
Summary of Weakness	Risk Rating		Agreed Action Date	
The procedure for notifying the Accounts department of large refunds, greater than £100k, had not been implemented.	Low Risk		Implemented	
Quarterly reviews to ensure that arrangements agreed with taxpayers in arrears complied with Council Policy for collection of Council Tax and Business Rates debts were not in evidence.	Low Risk		Implemented	
Documentation to support the decisions made when agreeing payment arrangements struck with Taxpayers and Ratepayers were not available to view. Arrangements struck with Business Rates payers were not checked by a second, more senior officer before issue.	Low Risk		31/03/2021 Future Action	

Control Objectives Examined	Assurance Rating			
	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
Electrical: A robust recording system is in place for safety inspection information, and safety inspections are carried out according to a clear and comprehensive schedule	8	5	1	2
Fire: A robust recording system is in place for safety inspection information, and safety inspections are carried out according to a clear and comprehensive schedule	8	6	0	2
Asbestos: A robust recording system is in place for safety inspection information, and safety inspections are carried out according to a clear and comprehensive schedule	7	5	1	1
Legionella: A robust recording system is in place for safety inspection information, and safety inspections are carried out according to a clear and comprehensive schedule	7	6	0	1
Gas: A robust recording system is in place for safety inspection information, and safety inspections are carried out according to a clear and comprehensive schedule	9	4	4	1
TOTALS	39	26	6	7
Summary of Weakness	Risk Rating		Agreed Action Date	
Safety inspection certificates and the information contained within them were generally stored on the Council's shared V drive and a series of Excel spreadsheets rather than against individual properties on a central database, and this did not allow efficient retrieval of up-to-date information on a property.	Moderate Risk		30/04/2021 Future Action	
While asbestos surveys and legionella risk assessments, test reports and compliance certificates had been uploaded to Lifespan, they were not in a viewable format. Furthermore, there were no defined processes for the use of Lifespan and there was a general lack of expertise in the use of this software.	Low Risk		30/04/2021 Future Action	
Electrical inspections were consistently not being completed in line with their due date and there were a significant number of outstanding inspections remaining from 2019-20.	Moderate Risk		Implemented	
The Electrical Inspection Condition Report (EICR) post-inspection regime, to ensure that contractor performance was satisfactory, was not being documented by the Council.	Low Risk		Implemented	
Fire Risk Assessments had not been reviewed at the required frequency for all relevant	Moderate Risk		31/03/2021	



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properties.		Future Action
While action had been taken to address many of the action points identified in Fire Risk Assessments dating back to 2016 and 2017, issues had not yet been fully addressed.	Moderate Risk	25/03/2021 Future Action
Communal areas and common parts of sheltered accommodation had not all been subject to an asbestos survey.	Low Risk	Implemented
The Council had not performed period checks over the completeness of inspections or sought assurance that the list of properties held by the gas contractor, which formed the basis of their inspection regime, was in fact complete.	Low Risk	Implemented
There were no on-site quality assurance checks taking place on gas safe certificates.	Low Risk	31/03/2021 Future Action

Waste Management (Trade Waste)					
		No	Limited	Adequate	Partial
Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls	
The finance function relating to Trade Waste is robust and maximises income.	7	3	1	3	
Operational activity is managed in a logical, cost effective and efficient manner	8	6	1	1	
TOTALS	15	9	2	4	
Summary of Weakness	Risk Rating	Agreed Action Date			
Invoices were often not raised promptly for customers new to the Council's Trade Waste service.	Low Risk	Implemented			
Prices charged to new customers, which had to be calculated on a pro-rata basis, were not being checked to ensure they had been calculated correctly.	Low Risk	Implemented			
Trade Waste collections were not being suspended where customers had failed to pay the charges due to the Council.	Low Risk	Implemented			
Recovery action on outstanding Trade Waste debts had not progressed beyond the 2 nd reminder stage.	Low Risk	30/06/2021 Future Action			
No performance measures were in place for the Trade Waste collection service.	Low Risk	30/09/2021 Future Action			
Mandatory Health & Safety training had not been refreshed in line with the required 3-year timescale.	Moderate Risk	01/04/2021 Future Action			

Overview & Scrutiny Function

This audit focused on the function and work of the Council's Overview & Scrutiny Committee and sought to provide assurance that its function and work reflected the principles set out in "The Good Scrutiny Guide" published by the Centre for Public Scrutiny in June 2019.

On the basis of our review of Overview & Scrutiny Committee minutes and other relevant documents from 2018/19 and 2019/20, we are of the opinion that the Council's Overview & Scrutiny Committee is not providing an effective mechanism for scrutiny when considering the four principles set out by the Good Scrutiny Guide. In the two years examined, the Overview & Scrutiny Committee:

- Has not "Called-in" any decisions made by any of the Council's Policy Committees.

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- Has not made any recommendations of any substance. Topics that were subject to review only resulted in the Committee “noting” the outcome.
- Has undertaken limited scrutiny and review of external agencies. Where this has happened to some degree, the result has been the Committee “noting” the outcome.
- Has not subjected the South Derbyshire CSP to an annual review, despite the powers afforded to the Committee to do this and this being specifically recorded in Section 4 of the Overview & Scrutiny Procedure Rules.
- Has demonstrated little evidence of being the voice of the public. Duplicate topics for work programmes have been requested year on year with outcomes simply being “noted”. There has also been limited monitoring of topic areas identified as being a key function of the committee.
- Has received little training to allow members to fully understand their role and that of the committee.
- Has not clearly set aside the influence of party politics. This was evidenced when appointing a temporary chair for a meeting in the absence of the Chair and Vice-Chair.
- Has not utilised the various methods of scrutiny to their full potential. Methods have been limited to reports to committee and verbal updates/presentations.
- Has not established an Action Plan to address the series of challenges listed in the Annual Reports for both 2018/19 and 2019/20.

We suggest that the Council considers undertaking a review into the work and function of its Overview & Scrutiny Committee. The review should involve an honest appraisal of the committee's work against the four principles of effective scrutiny set out by the Centre for Public Scrutiny's The Good Scrutiny Guide, June 2019 (written to complement the Government's Statutory scrutiny guidance published in May 2019 by the MHCLG).

As the Localism Act 2011 removed the obligation for Council's using the committee system to have an Overview & Scrutiny Committee at all, the Council should consider its options and assess whether the Overview & Scrutiny Committee, in its current format, is truly having a positive impact on “improving public services and quality of life for local residents”. If the Council reaches an opinion that there is adequate scrutiny in place with its existing committee system and the political balance within those committees, it should consider taking advantage of the Localism Act 2011 and disband the Overview & Scrutiny Committee.

Should the Council opt to continue with the existence of an Overview & Scrutiny Committee, the Council should consider whether its focus and methods of scrutiny need to change, perhaps with the emphasis being more on where it can add value through the robust scrutiny of external partners and agencies in the community. These organisations, sometimes working alongside the Council to deliver services to local residents and making decisions which impact on public services, potentially lacks the challenge and scrutiny that a politically balanced, effective scrutiny committee can and should bring. Also, should the Overview & Scrutiny Committee continue, an Action Plan should be developed to address the series of challenges listed in the last two Annual Reports.

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RECOMMENDATION TRACKING

Final Report Date	Audit Assignments with Open Recommendations	Assurance Rating	Recommendations Open		
			Action Due	Being Implemented	Future Action
06-Jan-21	Tenancy Management	Substantial		1	
27-Jan-21	Housing Safety Inspections 2020-21	Reasonable			5
03-Feb-21	Waste Management (Trade Waste)	Reasonable			3
21-Dec-20	Safeguarding 2020-21	Reasonable		1	2
09-Jun-20	Treasury Management 2019-20	Reasonable		1	
25-Nov-20	Payroll 2019-20	Reasonable		1	4
06-Mar-20	Creditors 2019-20	Substantial		1	
06-Aug-20	Bereavement Services 2019-20	Reasonable		4	1
22-Oct-20	Grounds Maintenance 2019-20	Reasonable		2	7
03-Mar-20	Improvement Grants 2019-20	Reasonable		2	
19-Jan-21	Revenue Systems 2019-20	Substantial			1
03-Nov-20	Business Change & Transformation	Substantial		1	
25-Feb-20	Mobile Phones	Limited		1	
26-Nov-19	Council House Sales - Right To Buy 2019-20	Limited		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		1	
26-Mar-19	Fleet Management	Reasonable		3	
23-Jul-19	Payroll 2018-19	Reasonable		1	
29-Aug-19	Corporate Governance 2018-19	Reasonable		1	
13-Nov-19	Development Management 2018-19	Reasonable		1	
12-Feb-19	PCI Compliance 2018-19	Reasonable		3	
14-Feb-19	Allocations & Homelessness 2018-19	Reasonable		1	
25-Jan-19	Section 106 Agreements 2018-19	Reasonable		2	
25-Apr-18	Organisational Culture & Ethics	Reasonable		1	
13-Nov-17	Officers Expenses & Allowances	Reasonable		1	
07-Aug-17	Parks & Open Spaces	Reasonable		2	
		TOTALS		35	23

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
Tenancy Management						1
Safeguarding 2020-21						1
Treasury Management 2019-20					1	
Payroll 2019-20					1	
Creditors 2019-20						1
Bereavement Services 2019-20					1	3
Grounds Maintenance 2019-20					1	1
Improvement Grants 2019-20					1	1
Business Change & Transformation						1
Mobile Phones					1	
Council House Sales - Right To Buy 2019-20					1	
Officers Expenses & Allowances 2019-20						1
Active Communities & Health						1
Orchard IT Application						1
Fleet Management						3
Payroll 2018-19					1	
Corporate Governance 2018-19						1
Development Management 2018-19						1
PCI Compliance 2018-19					1	2
Allocations & Homelessness 2018-19						1
Section 106 Agreements 2018-19						2
Organisational Culture & Ethics					1	
Officers Expenses & Allowances					1	
Parks & Open Spaces						2
TOTALS					11	24

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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 undertaken a comprehensive PCI audit with a specialist consultancy. Two key recommendations were made, namely the delivery of Call Secure Plus and P2PE, as well as the update of a few key policies. These projects and spend were approved by Finance & Management Committee in March 2021, and the PCI questionnaire will be submitted by end of March 2021, with a commitment to deliver these projects in the short-term. The projects are currently underway and will be delivered in quarter 1/2 of 2021, dependent on technical requirements.	01/10/2021

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	30/04/2021

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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 briefing paper, with the proposed survey questions, communication plan and action plan to deliver the survey will be presented to the Leadership Team on 11th 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>	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>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</p>	01/04/2021

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environment on the Council's network.

Work has commenced on the production of a separate audit report that remains the 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
Initial testing of the market has not identified any interest from RICS qualified providers. Further procurement advice is being sought from Chesterfield NHS.	01/05/2021

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 Minute taking at each monitoring meeting has been actioned but the training on the Financial Regulations has been delayed due to Covid and is now in line with training on the upgraded FMS.	31/03/2021

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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
This will need to be developed in collaboration with other local authorities within the Derbyshire county council area. To enable comparison and benchmarking	30/06/2020
Status Update Comments	Revised Date
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.	01/04/2021

Payroll 2019-20	Rec No. 1
Summary of Weakness / Recommendation	Risk Rating
<p>Controls over access to the Council's Payroll & Human Resources system had lapsed or were ineffective.</p> <p>We recommend that a pro-forma for requesting and authorising issue of usernames and an appropriate level of access to the Payroll and HR system should be developed for immediate and retrospective use. This form should incorporate the following:</p> <ul style="list-style-type: none"> • Formal guidance on granting access to the Payroll and HR system should be devised and included as an introduction on the request form (in the absence of a policy on this matter). • Details of the levels of access to the system afforded by the various user profiles should be ascertained and recorded on the form. <p>Furthermore, periodic checks should be introduced that ensure that officers continue to need access to the system and that the level of access granted remains relevant to their job.</p>	Moderate Risk
Management Response/Action Details	Action Date
A form has been devised and all current users will be requested to complete and return. These forms will then be held centrally by HR. The form provides details on different access levels with an annual check completed to ensure relevant access is given to authorised users.	01/12/2020
Status Update Comments	Revised Date
<p>A revised form has been devised and implemented.</p> <p>We await evidence of completion by existing users and annual reaffirmations of users' needs and access levels.</p>	01/08/2021

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Bereavement Services 2019-20	Rec No. 2
Summary of Weakness / Recommendation	Risk Rating
<p>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.</p> <p>We recommend that the Council pursues one of the following actions: A corporate contract may be required for the area of spend and as such a formal tender exercise should be undertaken. Engage the Council's DSO to provide the service at the rural cemeteries as well as the urban cemeteries. The area of spend may be relevant to an existing or new framework agreement/contract which should be used to formalise the process. If no competitive market is available this should be demonstrated and a formal exemption from the Contract Procedure Rule should be put in place.</p>	Moderate Risk
Management Response/Action Details	Action Date
All options will be assessed and taken forward after the Covid-19 pandemic is over as the risk of any changes to the service are too great at the present time.	01/01/2021
Status Update Comments	Revised Date
Delay in procurement due to Covid management requirements.	31/03/2021

Treasury Management 2019-20	Rec No. 1
Summary of Weakness / Recommendation	Risk Rating
<p>Officers could not locate a contract or similar agreement between the Council and its appointed financial advisor. A letter of appointment had been provided by the advisors that suggested that the current arrangement had been in place for eight years, seemingly without review or reaffirmation. Accordingly, Contract Procedure Rules could have been breached and the procurement could be non-compliant with Procurement Regulations.</p> <p>It is recommended that the Contract Procedure Rules are invoked for the procurement of investment advice, following which the arrangements between the Council and its chosen advisors are made the subject of a formal contract or SLA in which the service expectations for both parties are clearly identified.</p>	Moderate Risk
Management Response/Action Details	Action Date
A review of potential procurement frameworks alongside a market test of providers and discussions with other Local Authorities across Derbyshire regarding their advisors will be undertaken prior to the renewal date.	28/02/2021
Status Update Comments	Revised Date
Market testing is underway; priorities associated with the Covid-19 pandemic have delayed full implementation. A revised implementation date of 30th September 2021 has been identified.	30/09/2021

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Grounds Maintenance 2019-20	Rec No. 3
Summary of Weakness / Recommendation	Risk Rating
<p>The capacity of Operational Services for carrying out tree maintenance works was insufficient, limiting responsiveness.</p> <p>We recommend that appropriate funds are identified to ensure that the new Tree Strategy and Tree Policy can be adequately resourced and implemented.</p>	Moderate Risk
Management Response/Action Details	Action Date
Tree Strategy and Policy is planned to go to Committee February 2021	01/03/2021
Status Update Comments	Revised Date
The Tree Strategy is undergoing internal consultation with key officers and the intention will be to present it to Housing and Community Services Committee in April/May 2021.	01/06/2021

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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.

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
Cultural Services have a project to bring these together electronically. Staff not visiting the office so project will resume when the Covid 19 risk has reduced.	31/12/2021

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
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	31/03/2018
Status Update Comments	Revised Date
This is being actioned as part of the play project programme.	31/12/2022

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PCI Compliance 2018-19	Rec. No. 4
Summary of Weakness / Recommendation	Risk Rating
<p>The Council had not maintained an inventory of hardware and software components relating to equipment used to take card payments.</p> <p>We recommend that the Council either introduces an inventory of hardware and software components relating to equipment used to take card payments or these devices are removed in favour of alternative methods the Council uses to receive card payments.</p>	Low Risk
Management Response/Action Details	Action Date
<p>We are in the process of removing the android chip and pin devices and replacing with a single digit device. The kiosks will be replaced by December 2019 as not PCI DSS compliant beyond that date Our understanding is that firmware is incorporated with the machines</p>	01/01/2020
Status Update Comments	Revised Date
<p>The Council has undertaken a comprehensive PCI audit with a specialist consultancy. Two key recommendations were made, namely the delivery of Call Secure Plus and P2PE, as well as the update of a few key policies. These projects and spend were approved by Finance & Management Committee in March 2021, and the PCI questionnaire will be submitted by end of March 2021, with a commitment to deliver these projects in the short-term. The projects are currently underway and will be delivered in quarter 1/2 of 2021, dependent on technical requirements.</p>	01/10/2021

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 polices 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 undertaken a comprehensive PCI audit with a specialist consultancy. Two key recommendations were made, namely the delivery of Call Secure Plus and P2PE, as well as the update of a few key policies. These projects and spend were approved by Finance & Management Committee in March 2021, and the PCI questionnaire will be submitted by end of March 2021, with a commitment to deliver these projects in the short-term. The projects are currently underway and will be delivered in quarter 1/2 of 2021, dependent on technical requirements.</p>	01/10/2021

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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

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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
<p>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.</p>	30/06/2019
Status Update Comments	Revised Date
<p>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.</p>	01/05/2021

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
<p>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.</p>	30/09/2019
Status Update Comments	Revised Date
<p>An update was provided by the Head of Housing Services suggesting the IMS system in itself needs reviewing and they will include this long running technical recommendation regarding the service account as part of that.</p>	30/04/2021

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Active Communities & Health	Rec. No. 1
<p style="text-align: center;">Summary of Weakness / Recommendation</p>	<p style="text-align: center;">Risk Rating</p>
<p>Community consultations were not considered to be appropriately inclusive of all members of the disabled community.</p> <p>We recommend that when conducting community consultations intended to include disabled people, the Active Communities & Health team should contact a local equalities team, such as Access Derbyshire (Derbyshire County Council), for them to assess the appropriateness of the consultation document for the disabled community.</p>	<p style="text-align: center; color: green;">Low Risk</p>
<p style="text-align: center;">Management Response/Action Details</p>	<p style="text-align: center;">Action Date</p>
<p>The 50+ survey is still in draft stage and all information has not been included yet. We will ensure that these are picked up for this consultation which will be launched in January 2020 all being well.</p>	<p style="text-align: center;">31/01/2020</p>
<p style="text-align: center;">Status Update Comments</p>	<p style="text-align: center;">Revised Date</p>
<p>Action complete but unable to supply evidence due to involved staff currently being redeployed.</p>	<p style="text-align: center;">30/04/2021</p>