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Our Ref
Your Ref

Date: 12th July 2022

Dear Councillor,

Audit-Sub Committee

A Meeting of the **Audit-Sub Committee** will be held at **Council Chamber**, Civic Offices, Civic Way, Swadlincote on **Wednesday, 22 June 2022 at 16:00**. You are requested to attend.

Yours faithfully,

Chief Executive

Labour Group

Councillor Dunn (Chair) and Councillor Shepherd (Vice-Chair).

Conservative Group

Councillors Atkin and Bridgen

Non-Grouped

Councillor Wheelton



AGENDA

Open to Public and Press

- | | | |
|-----------|---|----------------|
| 1 | Apologies | |
| 2 | To note any declarations of interest arising from any items on the Agenda | |
| 3 | To receive any questions by members of the public pursuant to Council Procedure Rule No.10. | |
| 4 | To receive any questions by Members of the Council pursuant to Council procedure Rule No. 11. | |
| 5 | INTERNAL AUDIT PROGRESS REPORT | 4 - 33 |
| 6 | INTERNAL AUDIT ANNUAL REPORT 2021-22 | 34 - 52 |
| 7 | LOCAL CODE OF CORPORATE GOVERNANCE REVIEW | 53 - 64 |
| 8 | DRAFT ANNUAL GOVERNANCE STATEMENT 2021-22 | 65 - 77 |
| 9 | 2022-2023 ANTI FRAUD & CORRUPTION PLAN & COUNTER FRAUD PARTERSHIP PERFORMANCE UPDATE | 78 - 90 |
| 10 | COMMITTEE WORK PROGRAMME | 91 - 92 |

Exclusion of the Public and Press:

- 11** The Chairman may therefore move:-
That in accordance with Section 100 (A)(4) of the Local Government Act 1972 (as amended) the press and public be excluded from the remainder of the Meeting as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that there would be disclosed exempt information as defined in the paragraph of Part I of the Schedule 12A of the Act indicated in the header to each report on the Agenda.
- 12** To receive any Exempt questions by Members of the Council pursuant to Council procedure Rule No. 11.
Details

| | | |
|--------------------------------|---|--|
| REPORT TO: | AUDIT SUB COMMITTEE | AGENDA ITEM: 5 |
| DATE OF MEETING: | 22 JUNE 2022 | CATEGORY: RECOMMENDED |
| REPORT FROM: | AUDIT MANAGER | OPEN |
| MEMBERS' CONTACT POINT: | ADRIAN MANIFOLD (01332 643281) adrian.manifold@centralmidlandsaudit.co.uk | DOC: u/KS/audit/internal audit/quarterly reports/quarterly report cover |
| SUBJECT: | INTERNAL AUDIT PROGRESS REPORT | REF: |
| WARD(S) AFFECTED: | ALL | TERMS OF REFERENCE: AS 02 |

1.0 Recommendations

- 1.1 That the report of the Audit Manager (Appendix 1) is considered, and any issues identified are subject to a follow-up report as appropriate.

2.0 Purpose of Report

- 2.1 To provide an update on progress against the approved Internal Audit Plan. This details the performance and activity of Internal Audit as at 31 May 2022.

3.0 Detail

- 3.1 The detailed progress report is attached.

4.0 Financial Implications

- 4.1 None.

5.0 Corporate Implications

- 5.1 None directly.

6.0 Community Implications

- 6.1 None directly.

7.0 Background Papers

- 7.1 None

South Derbyshire District Council – Audit Progress Report

Audit Sub-Committee: 22nd June 2022



South Derbyshire
District Council



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| HIGHLIGHTED RECOMMENDATIONS | 12 |

Our Vision

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

Contacts

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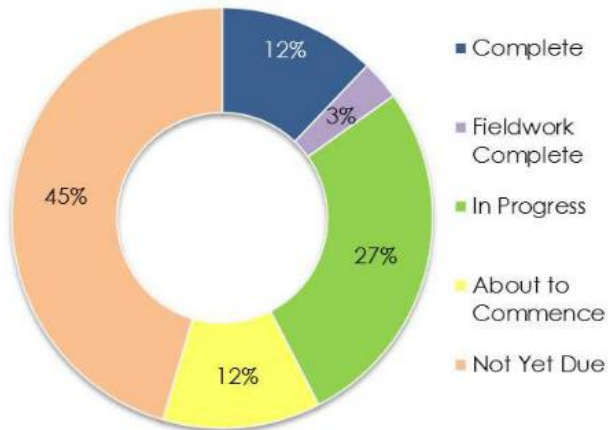
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South Derbyshire District Council – Audit Progress Report

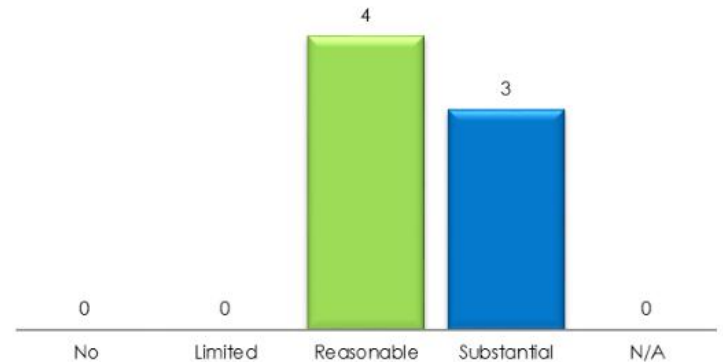
AUDIT DASHBOARD

Plan Progress



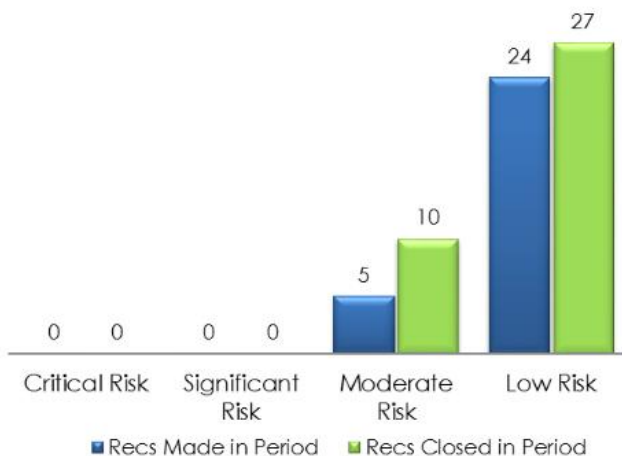
Jobs Completed in Period

Control Assurance Ratings During Period



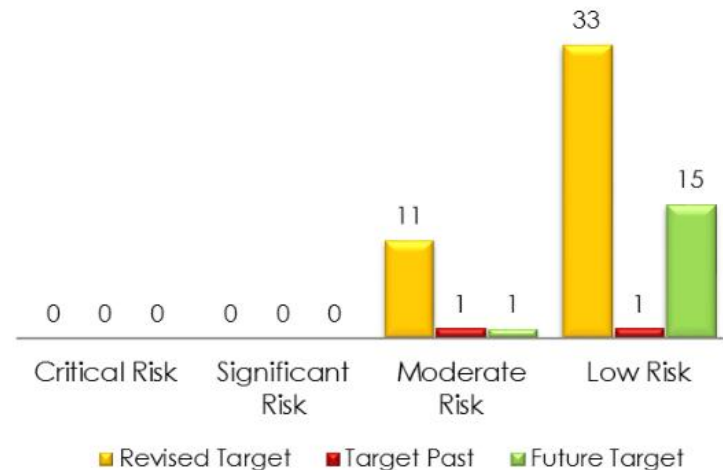
Recommendations

Movement During Period



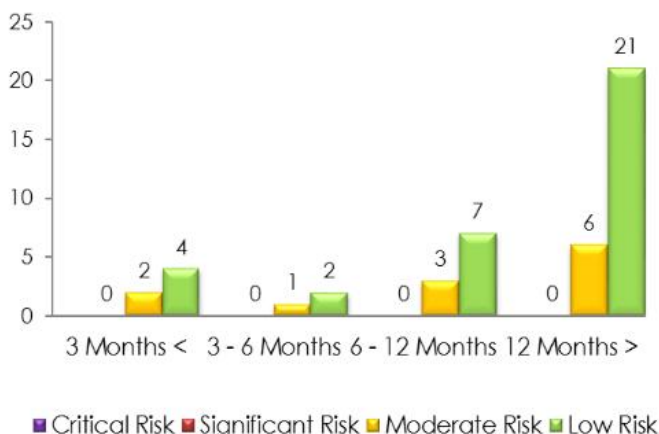
Recommendations

Recommendations Currently Open



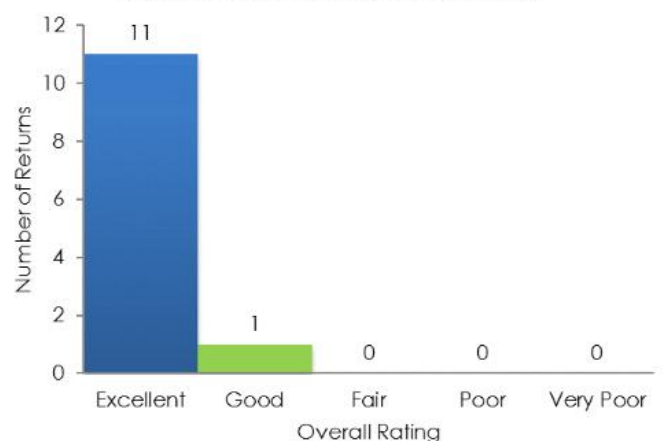
Recommendations

Overdue Recommendations



Customer Satisfaction

Returns Between May 21 & May 22



South Derbyshire District Council – Audit Progress Report

AUDIT PLAN

Progress on Audit Assignments

The following tables provide Audit Sub-Committee with information on how audit assignments were progressing as at 31st May 2022.

| 2022-23 Jobs | Status | % Complete | Assurance Rating |
|---|---------------|------------|------------------|
| Records Management 2022-23 | Allocated | 5% | |
| Risk Management 2022-23 | In Progress | 20% | |
| Procurement 2022-23 | Not Allocated | 0% | |
| Safeguarding 2022-23 | Not Allocated | 0% | |
| Main Accounting System 2022-23 | Not Allocated | 0% | |
| Treasury Management 2022-23 | Not Allocated | 0% | |
| Capital Programme 2022-23 | Not Allocated | 0% | |
| Banking Services 2022-23 | In Progress | 20% | |
| Officers Expenses & Allowances 2022-23 | In Progress | 25% | |
| Revenues Systems 2022-23 | Not Allocated | 0% | |
| IT Key Controls 2022-23 | Allocated | 0% | |
| Data Quality & Performance Management 22-23 | Allocated | 5% | |
| Grant Certification 2022-23 | In Progress | 20% | |
| Waste Management 2022-23 | Not Allocated | 0% | |
| Street Cleansing 2022-23 | Not Allocated | 0% | |
| Development Management 2022-23 | Not Allocated | 0% | |
| Parks & Open Spaces 2022-23 | Not Allocated | 0% | |
| Rosliston Forestry Centre 2022-23 | Not Allocated | 0% | |
| Housing Safety Inspections 2022-23 | Not Allocated | 0% | |
| Sheltered Housing / Careline 2022-23 | Allocated | 0% | |
| Land Charges 2022-23 | Not Allocated | 0% | |
| Organisational Culture & Ethics 2022-23 | Not Allocated | 0% | |
| Economic Development 2022-23 | Not Allocated | 0% | |
| B/Fwd Jobs | Status | % Complete | Assurance Rating |
| Procurement 2021-22 | Final Report | 100% | Reasonable |
| Income Streams 2021-22 | In Progress | 100% | Reasonable |
| Payroll Probity 2021-22 | In Progress | 75% | |
| Creditors 2021-22 | Final Report | 100% | Reasonable |
| Housing System IT Upgrades | In Progress | 100% | Substantial |
| People Management 2021-22 | In Progress | 70% | |
| Homelessness 2021-22 | In Progress | 70% | |
| Corporate Governance 2021-22 | Final Report | 100% | Reasonable |
| Leisure Centres 2020-21 | Final Report | 100% | Reasonable |
| Electoral Services 2020-21 | In Progress | 70% | |

Plan Changes

Since agreeing the Audit Plan for 2022-23, we have had to add a Grant Certification audit into the Plan. We were required to check that grant conditions for the Green Homes Grant were complied with before the Council could submit its claim for funding. We are now aware that further grant certification work is expected during the year.

South Derbyshire District Council – Audit Progress Report

AUDIT COVERAGE

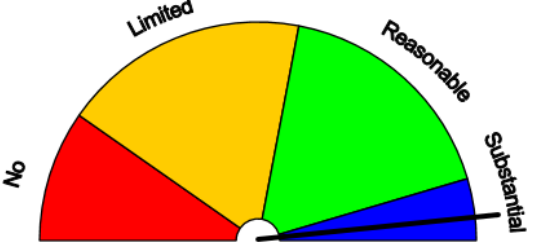
Completed Audit Assignments

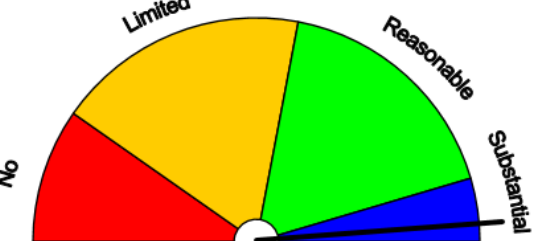
Between 5th March 2022 and 31st May 2022, the following audit assignments have been finalised.

| Audit Assignments Completed in Period | Assurance Rating | Recommendations Made | | | | % Recs Closed |
|---|------------------|----------------------|------------------|---------------|----------|---------------|
| | | Critical Risk | Significant Risk | Moderate Risk | Low Risk | |
| Revenues Systems 2021-22 | Substantial | | | | 3 | 33% |
| Housing Benefit & Council Tax Support 2020-21 | Substantial | | | | 1 | 0% |
| Creditors 2021-22 | Substantial | | | | 1 | 100% |
| Rent Accounting 2021-22 | Reasonable | | | 1 | 7 | 38% |
| Procurement 2021-22 | Reasonable | | | 1 | 2 | 100% |
| Corporate Governance 2021-22 | Reasonable | | | 2 | 3 | 20% |
| Leisure Centres | Reasonable | | | 1 | 7 | 63% |

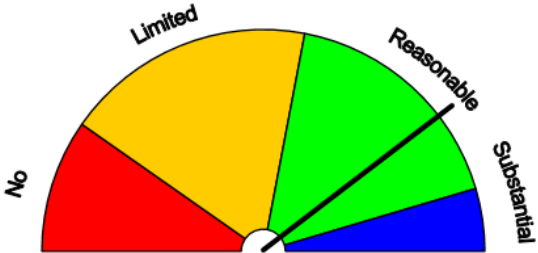
| Revenues Systems 2021-22 | | <p>Assurance Rating</p> | | | |
|--|--|-------------------------|-------------------|-----------------------------|---------------|
| Control Objectives Examined | | Controls Evaluated | Adequate Controls | Partial Controls | Weak Controls |
| To ensure that the Council Tax and National Non-Domestic Rates property databases are accurately maintained. | | 13 | 10 | 3 | 0 |
| TOTALS | | 13 | 10 | 3 | 0 |
| Summary of Weakness | | | Risk Rating | Agreed Action Date | |
| We found that VOA Amendment schedules for NDR properties were not being actioned in a timely manner, and that there was no cover for the leave of the officer actioning the Council Tax property amendments. | | | Low Risk | 31/03/2023 Future Action | |
| The number of the live properties on the Council's NDR database, for which the Council was charging NDR, did not match the number of hereditaments recorded by the VOA. | | | Low Risk | 31/03/2023 Future Action | |
| There was no evidence to confirm that reconciliations of the Council Tax and Non-Domestic Rates systems had been subject to independent review to ensure they were undertaken completely and in a timely manner. | | | Low Risk | Risk Accepted | |

South Derbyshire District Council – Audit Progress Report

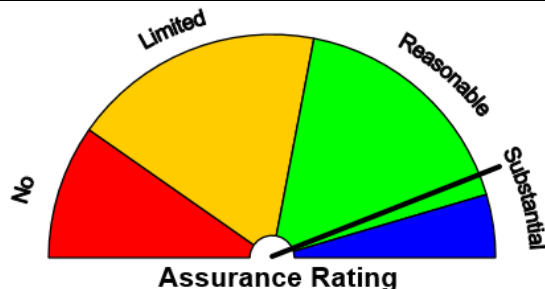
| Housing Benefit & Council Tax Support 2020-21 |  <p>Assurance Rating</p> | | | |
|---|---|--------------------|-----------------------------|---------------|
| Control Objectives Examined | Controls Evaluated | Adequate Controls | Partial Controls | Weak Controls |
| New benefit claims and changes of circumstances for housing of the homeless in Bed & Breakfast accommodation were being processed promptly and accurately. | 7 | 5 | 1 | 1 |
| Payments from the Covid-19 hardship fund had applied only where claimants met the defined criteria. | 4 | 3 | 1 | 0 |
| TOTALS | 11 | 8 | 2 | 1 |
| Summary of Weakness | | Risk Rating | Agreed Action Date | |
| The method for communication of rental costs to the Benefits Team from the Temporary Housing Team was not adequate enough to ensure that the rental figures input to the benefits system (Academy) were accurate. | | Low Risk | 31/08/2022 Future Action | |

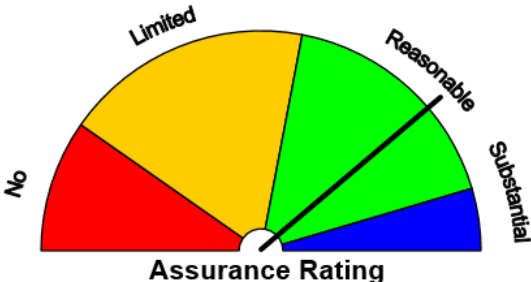
| Creditors 2021-22 |  <p>Assurance Rating</p> | | | |
|---|---|-------------------|---------------------------|---------------|
| Control Objectives Examined | Controls Evaluated | Adequate Controls | Partial Controls | Weak Controls |
| To ensure that policies and procedures exist and are up to date. | 3 | 3 | 0 | 0 |
| To ensure that access to the creditors systems is suitably controlled. | 4 | 4 | 0 | 0 |
| To ensure that controls for the registration and payment of invoices are operating effectively. | 6 | 4 | 2 | 0 |
| TOTALS | 13 | 11 | 2 | 0 |
| | | Low Risk | | |
| Order requisitions, to the same supplier, were being combined, to reduce the number of orders issued. However, authorisation was based on the value of each separate requisition, and not on the value of the resulting order. As a result, it was possible for the value of the resulting order to be above the authorisation limits of the officer(s) providing approval. | | | 30/09/2022 Implemented | |

South Derbyshire District Council – Audit Progress Report

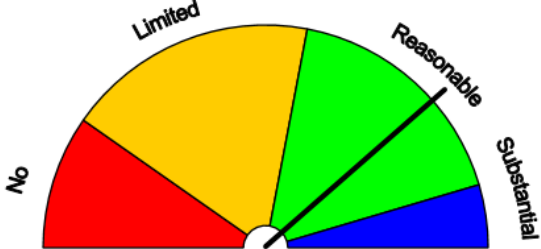
| Rent Accounting 2021-22 |  <p>Assurance Rating</p> | | | |
|--|---|-------------------|---|---------------|
| Control Objectives Examined | Controls Evaluated | Adequate Controls | Partial Controls | Weak Controls |
| Rent receipts are accurately and completely transferred to the rents system and allocated to the correct tenant accounts | 7 | 4 | 3 | 0 |
| Tenants are charged at the correct rental rates from the correct dates | 11 | 9 | 0 | 2 |
| Service charges are appropriately documented, and receipts are accurately and completely allocated to the correct accounts | 8 | 4 | 1 | 3 |
| TOTALS | 26 | 17 | 4 | 5 |
| Reconciliations were not always formally recorded, signed and dated by the preparer, or checked by a Senior Officer. | | Low Risk | 29/04/2022 Implemented | |
| Historical suspense account postings had not been investigated and appropriately cleared. | | Low Risk | 31/03/2022 Implemented | |
| The Council did not have a Rent Setting Policy in place. | | Low Risk | 31/03/2023 Future Action | |
| Manual adjustment reports were not produced and reviewed on a regular basis | | Low Risk | 31/03/2022 Being Implemented 31/10/2022 | |
| The Council did not have a Service Charges Policy in place. | | Low Risk | 31/03/2023 Future Action | |
| Service charges were not clearly documented in tenancy agreements and evidence to support their reasonableness was sometimes insufficient. | | Low Risk | 31/03/2022 Being Implemented 31/10/2022 | |
| Energy costs paid by the Council for individual properties were not consistently recharged to tenants and there was a large outstanding debt relating to this. | | Moderate Risk | 31/03/2022 Being Implemented 31/10/2022 | |
| Leaseholder service charge calculations were not checked by a second officer, and errors were identified in audit sample testing. | | Low Risk | 31/03/2022 Implemented | |

South Derbyshire District Council – Audit Progress Report

| | | | | |
|---|--|-------------------|-------------------------|---------------|
| Procurement 2021-22 |  | | | |
| Control Objectives Examined | Controls Evaluated | Adequate Controls | Partial Controls | Weak Controls |
| To assess if the actions agreed following the 2020/21 audit have been put in place and are being applied. | 6 | 6 | 0 | 0 |
| To confirm that there is an up-to-date Contracts Register in place and that it is subject to proper governance and record keeping. | 3 | 3 | 0 | 0 |
| That there is proper governance and record keeping regarding contract extensions and exemptions. | 3 | 1 | 1 | 1 |
| TOTALS | 12 | 10 | 1 | 1 |
| Consultation with Procurement Services and Legal Services before arranging a contract extension was inconsistent across the Council. There was also a lack of evidence to demonstrate that value for money was considered before arranging contract extensions. | | Moderate Risk | 31 May 2022 Implemented | |
| The Contract Procedure Rules required consultation with Procurement Services before approving a contract extension, but there was no such requirement regarding contract exemptions. | | Low Risk | 31 May 2022 Implemented | |
| There was no central and complete record of approved contract exemptions which was in contravention of Contract Procedure Rules 7.1. | | Low Risk | 31 May 2022 Implemented | |

| | | | | |
|--|--|-------------------|-----------------------------|---------------|
| Corporate Governance 2021-22 |  | | | |
| Control Objectives Examined | Controls Evaluated | Adequate Controls | Partial Controls | Weak Controls |
| The Annual Governance Statement is fit for purpose | 8 | 6 | 2 | 0 |
| The Council's governance structure is effective and operating in line with the Constitution. | 16 | 13 | 2 | 1 |
| TOTALS | 24 | 19 | 4 | 1 |
| The Council had not adequately reflected its partnership and joint working arrangements within the AGS or its assessment against the national framework. | | | | |
| | | Low Risk | 30/06/2022 Future Action | |
| The AGS had not been signed off in accordance with CIPFA's Delivering Good Governance Framework 2016. | | | | |
| | | Low Risk | 30/06/2022 Future Action | |
| Committee meeting minutes were not being reviewed for accuracy in a timely manner. | | | | |
| | | Moderate Risk | Implemented | |
| There was limited attendance by Members at the training events provided for them during 2019. | | | | |
| | | Moderate Risk | 13/05/2022 Action Due | |
| Members were not required to complete a skills matrix when considering the appointment of Members to the Council's decision-making committees. | | | | |
| | | Low Risk | 13/05/2022 Action Due | |

South Derbyshire District Council – Audit Progress Report

| Leisure Centres |  <p>Assurance Rating</p> | | | |
|---|---|-------------------|-----------------------------|---------------|
| Control Objectives Examined | Controls Evaluated | Adequate Controls | Partial Controls | Weak Controls |
| There are adequate arrangements in place to allow contractual obligations and expectations to be identified and monitored effectively. | 9 | 4 | 5 | 0 |
| There are appropriate arrangements in place for planned and responsive maintenance at the Leisure Centres | 10 | 5 | 3 | 2 |
| TOTALS | 19 | 9 | 8 | 2 |
| The Etwell Leisure Centre Joint Management Committee had not met with the frequency prescribed by the Joint Management Agreement, nor had arrangements for chairing the Committee been complied with. | Low Risk | | Implemented | |
| Contract management documentation was not always being filed in a clearly structured manner and version control was not always robust. | Low Risk | | Implemented | |
| The Council did not have a good understanding of the processes used by Active Nation to extract or collate the management information being provided and had not undertaken specific checks to validate the accuracy of some types of data. | Low Risk | | 30/11/2022 Future Action | |
| Active Nation's annual Statement of Accounts was not obtained and reviewed to provide assurance over ongoing viability. | Low Risk | | 31/08/2022 Future Action | |
| A corresponding Contractor Response Notice could not be located for four of the seven Employee Change Notices sampled. | Low Risk | | 30/06/2022 Future Action | |
| A number of weaknesses were identified in the arrangements in place for ensuring compliance with building and equipment health & safety legislation, as recorded in the report issued by the independent consultant Top Lodge Leisure Ltd. | Moderate Risk | | Implemented | |
| Repairs and maintenance issues for the leisure centres were being recorded in different locations, with no central register for coordinating the issues collectively. | Low Risk | | 23/05/2022 Implemented | |
| The Asset Register was not up-to-date and there was no redecoration schedule in place, as required by the contract. | Low Risk | | 20/05/2022 Implemented | |

South Derbyshire District Council – Audit Progress Report

RECOMMENDATION TRACKING

| Final Report Date | Audit Assignments with Open Recommendations | Assurance Rating | Recommendations Open | | |
|-------------------|---|------------------|----------------------|-------------------|---------------|
| | | | Action Due | Being Implemented | Future Action |
| 23-Feb-22 | Climate Change | Substantial | | | 2 |
| 31-Mar-22 | Revenues Systems 2021-22 | Substantial | | | 2 |
| 10-Mar-22 | Rent Accounting 2021-22 | Reasonable | | 3 | 2 |
| 17-Jan-22 | Asset Management 2021-22 | Reasonable | | 1 | 2 |
| 28-Apr-22 | Corporate Governance 2021-22 | Reasonable | 2 | | 2 |
| 06-Sep-21 | Data Protection & Freedom of Information | Reasonable | | 3 | |
| 15-Sep-21 | Insurance | Substantial | | | 1 |
| 30-Mar-22 | Housing Benefit & Council Tax Support 20-21 | Substantial | | | 1 |
| 06-Jan-21 | Tenancy Management | Substantial | | 1 | |
| 19-May-22 | Leisure Centres 2020-21 | Reasonable | | | 3 |
| 03-Feb-21 | Waste Management (Trade Waste) | Reasonable | | 3 | |
| 16-Jun-21 | Housing Repairs 2020-21 | Limited | | 7 | |
| 21-Dec-20 | Safeguarding 2020-21 | Reasonable | | 1 | |
| 26-Mar-21 | Revenues Systems 2020-21 | Substantial | | 3 | |
| 25-Nov-20 | Payroll 2019-20 | Reasonable | | 1 | |
| 06-Aug-20 | Bereavement Services 2019-20 | Reasonable | | 3 | |
| 22-Oct-20 | Grounds Maintenance 2019-20 | Reasonable | | 5 | 1 |
| 03-Mar-20 | Improvement Grants 2019-20 | Reasonable | | 1 | |
| 26-Mar-19 | Fleet Management | Reasonable | | 2 | |
| 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 | | 1 | |
| 07-Aug-17 | Parks & Open Spaces | Reasonable | | 2 | |
| | | TOTALS | 2 | 44 | 16 |

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

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

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

South Derbyshire District Council – Audit Progress Report

| Audit Assignments with Recommendations Due | Action Due | | | Being Implemented | | |
|--|------------------|---------------|----------|-------------------|---------------|-----------|
| | Significant Risk | Moderate Risk | Low Risk | Significant Risk | Moderate Risk | Low Risk |
| Rent Accounting 2021-22 | | | | | 1 | 2 |
| Asset Management 2021-22 | | | | | | 1 |
| Corporate Governance 2021-22 | | 1 | 1 | | | |
| Data Protection & Freedom of Information | | | | | 1 | 2 |
| Tenancy Management | | | | | | 1 |
| Waste Management (Trade Waste) | | | | | 1 | 2 |
| Housing Repairs 2020-21 | | | | | 3 | 4 |
| Safeguarding 2020-21 | | | | | | 1 |
| Revenues Systems 2020-21 | | | | | | 3 |
| Payroll 2019-20 | | | | | | 1 |
| Bereavement Services 2019-20 | | | | | 1 | 2 |
| Grounds Maintenance 2019-20 | | | | | 1 | 4 |
| Improvement Grants 2019-20 | | | | | 1 | |
| Fleet Management | | | | | | 2 |
| 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 | | | | | | 1 |
| Parks & Open Spaces | | | | | | 2 |
| TOTALS | | 1 | 1 | | 11 | 33 |

South Derbyshire District Council – Audit Progress Report

HIGHLIGHTED RECOMMENDATIONS

Being Implemented – Significant or Moderate Risk Recommendations

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

| PCI Compliance 2018-19 | Rec No. 8 |
|---|-----------------------------|
| Summary of Weakness / Recommendation | Risk Rating |
| <p>The Council was not PCI Compliant and was paying non-compliance fees to a third party. Further management fees were being paid to the financial system provider for PCI and they were also charging the Council for a verbal assessment that no-one at the Council knew anything about.</p> <p>We recommend that the Council establishes a PCI Compliance Action Plan which should take account of the non-compliance fees being paid and should look to work with the third party to ensure that they are able to provide compliance to them and remove the non-compliance fee. The Council should also determine what benefits the Council receives for the PCI DSS Management Fee and verbal assessment.</p> | Moderate Risk |
| Management Response/Action Details | Action Date |
| This matter has been raised with Capita360 and there are several issues that have been raised previously about responsibility for the various elements of PCI DSS compliance and which appear to affect compliance. Following the meeting with Capita on 15 th February 2019 a compliance action plan will be drafted for agreement by each team. | 01/04/2019 |
| Status Update Comments | Revised Date |
| The Council has 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 two key policies and submission of the council's PCI accreditation. These projects and spend were approved by Finance & Management Committee in March 2021. Call Secure Plus project is ready to go, but is dependent on the delivery of SIP which is now being progressed (due to be in place by end of June/early July 2022), after which the Call Secure Project will be progressed (before the end of 2022). P2PE is dependent on the supplier (Capita) and is in the final stages of testing and delivery - this will not however be implemented at SDDC until the face-to-face trial is complete and a decision on the location of the payment kiosk is made. The PCI questionnaires /accreditation have been put on hold due to new government initiatives the team has been required to deliver (extended Test and Trace, Omicron Grants, ARG, CARF and the energy rebate payments). The team is hoping to submit the PCI compliance documentation by late summer 2022, but will be dependent on ongoing demands on the team. | 01/10/2022 Future Action |

South Derbyshire District Council – Audit Progress Report

| Payroll 2018-19 | Rec No. 1 |
|---|-----------------------------|
| Summary of Weakness / Recommendation | Risk Rating |
| <p>There was no process in place to check that all changes made on the Resource Link Payroll system were valid and supported by appropriate documentation.</p> <p>We recommend that a standard report should be setup on the Resource Link system that produces a listing of all changes made to Payroll records by all users within the period. This should then be used to ensure that appropriate documentation is held to support all changes made, and that they have been accurately input. Furthermore, the Checked by column in the HR spreadsheet should be regularly completed to evidence each item listed has been checked.</p> | Moderate Risk |
| Management Response/Action Details | Action Date |
| A number of options are being explored to address this issue with the software provider and will subsequently eradicate the level of risk. There is already a report developed that can be used to run reports on all users from Resource Link. The process of running reports was agreed in the previous audit 2017/18. Subject to the implementation of a new reporting tool, reports will be run on all users to identify any new starters and changes made to the system. In addition, the previously agreed arrangements will continue and this will include the exchange of information between HR and payroll to clarify any other changes that impact on an employee's salary. This will include the completion of the checked by column. | 01/10/2019 |
| Status Update Comments | Revised Date |
| Initially, to address this weakness, actions were progressed to replace or outsource the payroll system, but these did not come to fruition, resulting in the Council recently re-signing with the existing system provider for another 3 years. Internal Audit are re-examining the payroll controls, and an update (and restatement if required) for this weakness will be included as part of the resulting report. | 31/07/2022 Future Action |

| 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 |
| Initial KPI's reviewed. To be implemented as part of the new Foundations software. Currently in test mode. | 31/05/2022 Action Due |

South Derbyshire District Council – Audit Progress Report

| 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 |
| Action date has been revised to the Autumn when the new Head of Cultural and Community Services will be in post. | 30/11/2022 |
| | Future Action |

| Grounds Maintenance 2019-20 | Rec No. 6 |
|--|---------------|
| Summary of Weakness / Recommendation | Risk Rating |
| <p>Reactive work requested and performed was not consistently recorded.</p> <p>We recommend that reactive work requests should be logged and the outcome recorded. This should include, as a minimum, the following details:</p> <ul style="list-style-type: none"> • Date and time issue was reported. • Location of work. • Details of issue. • Urgency. • Customer details. • Work completed date. • Time spent on work. • Operative name. • Outcome. <p>This information should be monitored to draw out the following:</p> <ul style="list-style-type: none"> • Time spent on reactive work vs planned work, to inform workforce planning. • Responsiveness to requests, to allow effectiveness to be determined. • Trends in the types of work requested, to inform planned maintenance. | Moderate Risk |
| Management Response/Action Details | Action Date |
| Operational Services is currently undertaking a management restructure, a formal process will be developed and implemented following this restructure. | 01/04/2021 |
| Status Update Comments | Revised Date |
| Action date has been revised to the Autumn when the new Heads of Cultural and Community Services and Operational Services will be in post | 30/11/2022 |
| | Future Action |

South Derbyshire District Council – Audit Progress Report

| Waste Management (Trade Waste) | Rec No.6 |
|--|-----------------------------|
| Summary of Weakness / Recommendation | Risk Rating |
| <p>Mandatory Health & Safety training had not been refreshed in line with the required 3-year timescale.</p> <p>We recommend that, whilst being mindful of the current Covid-19 restrictions, the delivery of mandatory Health & Safety training is pursued and delivered as a priority, when safe to do so. To bring the required training up-to-date, this should incorporate all members of the team and include all those Health & Safety training courses which are mandatory. Whilst training delivery continues to be problematic due to the Covid-19 pandemic, toolbox talks should continue in an effort to keep Health & Safety awareness at the forefront of everyone's mind.</p> | Moderate Risk |
| Management Response/Action Details | Action Date |
| Mandatory training, including but not limited to Health & Safety, for all Operational Services employees, without access to Myview, has now been organised. The training will be delivered over the following dates to ensure Covid safety measures are followed during delivery of the training. 3rd February, 23rd February, 10th March, 11th March, 23rd March, 25th March and 1st April | 01/04/2021 |
| Status Update Comments | Revised Date |
| Due to capacity within the Trade Waste and Fleet Management service and the absence of a permanent Head of Service, this recommendation will be held-over until September 2022, to allow time for this position to have been filled and for action to have either been taken or at least commenced | 01/09/2022 Future Action |

| Data Protection & Freedom of Information 2021-22 | Rec No. 3 |
|---|--------------------------|
| Summary of Weakness / Recommendation | Risk Rating |
| <p>Not all staff had completed the annual mandatory GDPR refresher training and not all Members had attended and completed GDPR training.</p> <p>We recommend that training on GDPR is included as annual refresher training for Members as well as it being included as part of their induction training when newly elected to the Council. The progressive completion of mandatory GDPR refresher training for staff should be monitored on a regular basis to ensure that there is a high percentage rate of completion. Non-compliance with mandatory training should be identified and appropriate action to address non-compliance should be considered and acted on as a priority.</p> | Moderate Risk |
| Management Response/Action Details | Action Date |
| GDPR training is mandatory part of induction, and an annual refresh is required. Non-compliance will be escalated to the relevant Strategic Directors. | 31/12/2021 |
| Status Update Comments | Revised Date |
| Reports will be escalated to Heads of Service. | 31/03/2022 Action Due |

South Derbyshire District Council – Audit Progress Report

| Housing Repairs 2020-21 | Rec No. 3 |
|---|-----------------------------|
| Summary of Weakness / Recommendation | Risk Rating |
| <p>There was a high degree of manual input in scheduling repair jobs and the system in place to record repairs was heavily reliant on paper job tickets, resulting in inefficiencies and possible inaccuracies. We were unable to locate a job ticket for 10 of the 19 completed repair jobs selected for testing.</p> <p>We recommend that the Council considers the procurement of dynamic scheduling software. In the interim we recommend that:</p> <ul style="list-style-type: none"> Clear guidelines are provided to operatives on the information required to be completed on job tickets and timesheets, to improve the quality of data subsequently entered into Orchard, the Council's Housing Management System. The possibility of sending job tickets directly from Orchard to operative's smartphones (or scanning and emailing them) is investigated. The capability of the smartphones issued is reviewed to establish whether job tickets can be viewed and edited or whether other hardware /software is required to do this. Training requirements for operatives are considered to allow implementation of the above and further training be undertaken, where required. | Moderate Risk |
| Management Response/Action Details | Action Date |
| As part of the Council's Transformation Project, the renewed Orchard Contract package includes the option for the future purchase of dynamic scheduling/mobile working software. Written instruction for the completion of job tickets will be provided for operatives by the Interim Team Leader (by 30/07/2021). A possible interim solution for the electronic transmission of job tickets has been identified and is being tested. This will require new devices to be provided to operatives. The use of smartphone for this process has been tested and found to be not viable. Once testing of the process and new devices is complete this will be implemented across the team with the appropriate training. | 01/10/2021 |
| Status Update Comments | Revised Date |
| Electronic job ticket process in trial with DLO. Full implementation may rely on the upgrade of the Orchard system. The need for a comprehensive dynamic scheduling system for repairs remains. | 01/09/2022 Future Action |

| Housing Repairs 2020-21 | Rec No. 5 |
|---|-----------------------------|
| Summary of Weakness / Recommendation | Risk Rating |
| <p>Orchard, the Council's Housing Management System, did not contain a full record of materials used on a job and there was consequently no tracking of materials purchased over the counter to confirm their usage.</p> <p>We recommend that all materials used on a job should be recorded on the job ticket used to populate Orchard. This will ensure full data is available for the purposes of costing and post inspections. Operatives should be provided with clear instruction and</p> | Moderate Risk |
| Management Response/Action Details | Action Date |
| Written instruction for the completion of job tickets will be provided for operatives by the Interim Team Leader. | 30/07/2021 |
| Status Update Comments | Revised Date |
| An APP to control stock purchase is in implementation. The comprehensive management of this will require additional Dynamic Scheduling Software. | 31/10/2022 Future Action |

South Derbyshire District Council – Audit Progress Report

| Housing Repairs 2020-21 | | Rec No. 6 |
|--|--|--|
| Summary of Weakness / Recommendation | | Risk Rating |
| <p>Van stocks were not being tightly controlled, as annual audits only consisted of a count and valuation and did not track the usage of materials.</p> <p>The Council should consider how the van stock audit regime might be strengthened to prevent the possible theft of materials. This should include an annual audit based on an inventory of van materials, taking into account materials purchased and materials used over the period to identify possible discrepancies, along with in-year spot checks.</p> | | Moderate Risk |
| Management Response/Action Details | | Action Date |
| <p>A quarterly audit of van stock will be implemented by the new Repair Manager once appointed.</p> <p>An electronic method of managing materials and van stocks is being investigated with the current materials provider.</p> | | 01/10/2021 |
| Status Update Comments | | Revised Date |
| <p>Until mobile dynamic work scheduling system is in place a manual system is being introduced that records van stocks, replenishment alerts and purchasing history. There will also be a recording of material usage against schedule of rates provisioned work tickets to enable true and accurate costing of work items and manage stock control. Awaiting implementation of an app from the materials supplier to enable stock availability, receipt and use of stock to be recorded. Each will be bespoke to each operative/van stock, the app will enable operatives to order materials to van stock and correlate material usage to individual works order numbers This will allow to account for materials that are van stock or used within a particular works order.</p> | | <p>30/06/2022</p> <p>Future Action</p> |

South Derbyshire District Council – Audit Progress Report

| Rent Accounting 2021-22 | Rec No. 7 |
|--|---------------|
| Summary of Weakness / Recommendation | Risk Rating |
| <p>Energy costs paid by the Council for individual properties were not consistently recharged to tenants and there was a large outstanding debt relating to this.</p> <p>We recommend that the Council writes off outstanding ground source heating debts where there is insufficient legal basis to pursue recovery. Furthermore, for existing tenants, appropriate action should be taken to obtain agreement to future energy cost charges, which should be invoiced as soon as possible to prevent further financial loss to the Council.</p> | Moderate Risk |
| Management Response/Action Details | Action Date |
| <p>Agreed, the Former Tenant Arrears Officer will prepare the documentation for write off where recovery cannot be pursued against former / current tenants for ground source heating charges at Brook Street, Hartshorne.</p> <p>A third party agent is currently being procured to take meter readings and prepare figures for consumption costs to the responsible tenant for payment. At this point it is the Councils intention for the third party agent to read meters and invoice tenants, however this may change in so far as Business Support may invoice tenants and collect the payments which are due.</p> <ul style="list-style-type: none"> Once procured, all existing tenants will be required to re-sign a contract indicating their agreement to be responsible for and pay their ground source heating charges to the Council. All new tenants will sign a separate contract/letter when they sign their new Tenancy Agreement indicating their agreement to be responsible for and pay their ground source heating charges. The Former Tenant Arrears Officer and the Tenancy Services Manager will have operational responsibility for implementing this recommendation. | 31/03/2022 |
| Status Update Comments | Revised Date |
| <p>Brook Street Ground Source Heating is now with legal for final approved after an external supplier has been sourced.</p> <p>Carnegie House has required multiple investigations to find a resolution. Working group in place to agree and write process acceptable to all.</p> | 31/10/2022 |

| Corporate Governance 2021-22 | Rec No. 4 |
|---|---------------|
| Summary of Weakness / Recommendation | Risk Rating |
| <p>There was limited attendance by Members at the training events provided for them during 2019.</p> <p>We recommend that Members are formally required and encouraged to attend the training events provided for them, especially in relation to key governance topics such as the Code of Conduct and Equalities and Diversity training. Training is provided to support Members in carrying out their roles effectively, so it is imperative that they have some level of general understanding on topics in which they will be expected to contribute when determining Council policy, as well as topics relating to governance issues that Members also need to be aware of.</p> | Moderate Risk |
| Management Response/Action Details | Action Date |
| <p>Already in place with the recent training programme.</p> <p>This matter will be raised by the Chief Executive in his announcements at the meeting of Annual Council.</p> | 13/05/2022 |
| Status Update Comments | Revised Date |
| No update information received. | |

South Derbyshire District Council – Audit Progress Report

Being Implemented - Low Risk Recommendations Over 12 Months

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

| Parks & Open Spaces | Rec No. 5 |
|---|-----------------------------|
| Summary of Weakness / Recommendation | Risk Rating |
| Files and documentation confirming compliance with safety standards was not held centrally, but rather in separate project files in the Cultural Services Department. We recommend that the documentation held by the Council in respect of play equipment and playground surfacing which demonstrates compliance with the relevant safety standards, should be held centrally. Ideally, the relevant documents confirming compliance for each play area should be scanned and stored on separate electronic files, headed up for each play area. Access to the files should be allowed for both the Open Space and Facilities Development Manager and the Street Scene Manager. This would allow all officers involved in the process to access the information as necessary (i.e. for ordering parts) and would serve to ensure that the information was complete and easily accessible. | Low Risk |
| Management Response/Action Details | Action Date |
| Central folder to be set up for all Play Equipment paperwork on S Drive. Scan in all relevant documents. | 31/03/2018 |
| Status Update Comments | Revised Date |
| The process of writing a business case is currently underway for business transformation to procure a play inspection app which complies with this recommendation and would also include hosting all the scan copies of previous inspections for the mandatory 21 yrs. It is hoped to have this in place in the summer. | 01/09/2022 Future Action |

| Parks & Open Spaces | Rec No. 7 |
|---|-----------------------------|
| Summary of Weakness / Recommendation | Risk Rating |
| Signs at play areas did not clearly identify the site operator, relying instead on a display of the Councils emblem, not necessarily identifiable with all users of the play areas. In addition, out of hours contact details differed on one sign compared to the other three we viewed. 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. | 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 |
| Designer chosen to create "brand" for new signage. | 30/06/2022 Future Action |

South Derbyshire District Council – Audit Progress Report

| 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 |
| 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 | 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 two key policies and submission of the council's PCI accreditation. These projects and spend were approved by Finance & Management Committee in March 2021. Call Secure Plus project is ready to go, but is dependent on the delivery of SIP which is now being progressed (due to be in place by end of June/early July 2022), after which the Call Secure Project will be progressed (before the end of 2022). P2PE is dependent on the supplier (Capita) and is in the final stages of testing and delivery - this will not however be implemented at SDDC until the face-to-face trial is complete and a decision on the location of the payment kiosk is made. The PCI questionnaires /accreditation have been put on hold due to new government initiatives the team has been required to deliver (extended Test and Trace, Omicron Grants, ARG, CARF and the energy rebate payments). The team is hoping to submit the PCI compliance documentation by late summer 2022, but will be dependent on ongoing demands on the team.</p> | 01/10/2022 Future Action |

| PCI Compliance 2018-19 | Rec. No. 6 |
|--|-----------------------------|
| Summary of Weakness / Recommendation | Risk Rating |
| <p>The document which outlined duties and responsibilities in terms of PCI Standards contained out-of-date references.</p> <p>We recommend that the document outlining duties and responsibilities in terms of PCI Standards is updated to reflect the Council's current structure.</p> | Low Risk |
| Management Response/Action Details | Action Date |
| Procedural polices updates including communication and training to staff will be updated by Customer Services. | 01/04/2019 |
| Status Update Comments | Revised Date |
| <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 two key policies and submission of the council's PCI accreditation. These projects and spend were approved by Finance & Management Committee in March 2021. Call Secure Plus project is ready to go, but is dependent on the delivery of SIP which is now being progressed (due to be in place by end of June/early July 2022), after which the Call Secure Project will be progressed (before the end of 2022). P2PE is dependent on the supplier (Capita) and is in the final stages of testing and delivery - this will not however be implemented at SDDC until the face-</p> | 01/10/2022 Future Action |

South Derbyshire District Council – Audit Progress Report

to-face trial is complete and a decision on the location of the payment kiosk is made. The PCI questionnaires /accreditation have been put on hold due to new government initiatives the team has been required to deliver (extended Test and Trace, Omicron Grants, ARG, CARF and the energy rebate payments). The team is hoping to submit the PCI compliance documentation by late summer 2022, but will be dependent on ongoing demands on the team.

| Section 106 Agreements 2018-19 | Rec. No. 1 |
|--|--------------|
| Summary of Weakness / Recommendation | Risk Rating |
| The Section 106 Agreements version 8 - A guide for Developers document had not been reviewed since April 2010 and contained out-of-date information. 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. | 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 |
| This is included as a target in the Service Delivery Plan for 2021-22. | 31/03/2022 |
| | Action Due |

| Allocations & Homelessness 2018-19 | Rec. No. 1 |
|---|---------------|
| Summary of Weakness / Recommendation | Risk Rating |
| There were no formal procedure notes detailing the allocation process We recommend that, once a revised Allocations Policy is in place, a formal procedure note is produced detailing the allocations process. | 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 |
| Procedure notes in draft. | 01/08/2022 |
| | Future Action |

South Derbyshire District Council – Audit Progress Report

| Fleet Management | Rec. No. 2 |
|--|-----------------------------|
| Summary of Weakness / Recommendation | Risk Rating |
| <p>A number of policies and procedures related to vehicle management and driving were inconsistent with the current regulations, out-of-date or drafted but not formally approved.</p> <p>We recommend that the set of policies / procedures supporting the Vehicle Management Strategy are reviewed and updated to provide staff with clear instructions on the latest working practices.</p> | Low Risk |
| Management Response/Action Details | Action Date |
| All Direct Services employees have had a driving licence check and signed a declaration of fitness to drive. A briefing will be submitted to the Leadership Team to establish the preferred option for checking all employees' driving licences. | 31/03/2020 |
| Status Update Comments | Revised Date |
| Due to capacity within the Trade Waste and Fleet Management service and the absence of a permanent Head of Service, this recommendation will be held-over until September 2022, to allow time for this position to have been filled and for action to have either been taken or at least commenced | 01/09/2022 Future Action |

| Fleet Management | Rec. No. 6 |
|---|-----------------------------|
| Summary of Weakness / Recommendation | Risk Rating |
| <p>There was no centralised record of the drivers employed by the Council, and no centralised checks were undertaken for validity of driving licences.</p> <p>We recommend that a centralised record of all drivers operating the Council's vehicles should be maintained. This record should evidence regular checks for drivers licence information and other relevant details.</p> | Low Risk |
| Management Response/Action Details | Action Date |
| All Direct Services employees have had a driving licence check and signed a declaration of fitness to drive. A briefing will be submitted to the Leadership Team to establish the preferred option for checking all employees' driving licences. | 30/06/2019 |
| Status Update Comments | Revised Date |
| This is now being dealt with by the Human Resources Manager, following agreement that it is a corporate responsibility and the Head of Operational Services does not have the required access to all drivers personal details. A provider has been identified and contract arrangements agreed. Work has progressed and data collected to upload on to the system. This should enable roll out by 17 June 2022. | 17/06/2022 Future Action |

South Derbyshire District Council – Audit Progress Report

| Development Management 2018-19 | Rec. No. 2 |
|--|--------------|
| Summary of Weakness / Recommendation | Risk Rating |
| Responses to consultations and notifications were not always effectively recorded in the planning software. We recommend that the use of tags within the document management facility in the new planning software, to allow consultation responses to be automatically linked to consultations sent, is implemented and tested to ensure a full audit trail is maintained. | Low Risk |
| Management Response/Action Details | Action Date |
| Agree that this is an ideal remedy but implementation rests on further development of software to allow for consultees, etc. to upload responses directly to the system. Training and dialogue with third parties also necessary in advance of implementation. | 01/09/2020 |
| Status Update Comments | Revised Date |
| This requires upgrade to the software and testing. | 01/11/2021 |
| | Action Due |

| Bereavement Services 2019-20 | Rec. No. 5 |
|---|---------------|
| Summary of Weakness / Recommendation | Risk Rating |
| Historic graves and burials information had not been fully digitised. The Council should consider making resource available to digitise historic graves and burials information to minimise the risk of data loss. | Low Risk |
| Management Response/Action Details | Action Date |
| Report being drafted to Leadership Team and Housing and Communities Committee. | 30/11/2020 |
| Status Update Comments | Revised Date |
| Action date has been revised to the Autumn when the new Head of Cultural and Community Services will be in post. | 30/11/2022 |
| | Future Action |

| Bereavement Services 2019-20 | Rec. No. 9 |
|---|---------------|
| Summary of Weakness / Recommendation | Risk Rating |
| Memorials inspections due in 2019 had not yet taken place. We recommend that the procurement of memorial safety inspections is expedited and outstanding inspections are completed promptly. | Low Risk |
| Management Response/Action Details | Action Date |
| Memorial Inspection Policy being updated, and programme put in place for inspections following Covid-19 pandemic and risk assessments. Draft policy April 2020. To Committee September 2020. | 01/10/2020 |
| Status Update Comments | Revised Date |
| Quotations being sought and hope to commence testing in March /April 2022. | 30/06/2022 |
| | Future Action |

South Derbyshire District Council – Audit Progress Report

| Grounds Maintenance 2019-20 | Rec. No. 1 |
|--|---------------|
| Summary of Weakness / Recommendation | Risk Rating |
| <p>Arrangements for ensuring the updated GIS system remains accurate and up-to-date had not been confirmed.</p> <p>We recommend that a corporate decision is secured on where the responsibility lies for ensuring the GIS system is accurately maintained and up-to-date, and that this decision is effectively communicated and resourced.</p> | Low Risk |
| Management Response/Action Details | Action Date |
| A project to map all environmental assets on the Corporate GIS system has been concluded. A report to E&DS and F&M Committees has allocated resources to Operational Services to maintain the data on GIS. A further process is being developed to ensure all departments provide the required data to Operational Services in order to accurately maintain the Environmental Assets layer on GIS. | 01/01/2021 |
| Status Update Comments | Revised Date |
| New Head of Service to be appointed and date extended to Dec 2022. | 31/12/2022 |
| | Future Action |

| Grounds Maintenance 2019-20 | Rec. No. 5 |
|---|--------------|
| Summary of Weakness / Recommendation | Risk Rating |
| <p>There was no formal process through which reactive works could be requested from Operational Services.</p> <p>The Council should develop a formal process through which requests for grounds maintenance works should be made. This would help to ensure that all requests are properly authorised, allocated and tracked. One option could be to introduce a standard Job Request Form and a dedicated email address to receive requests.</p> | Low Risk |
| Management Response/Action Details | Action Date |
| A dedicated email already exists to receive requests GroundsDistList@southderbyshire.gov.uk. Operational Services is currently undertaking a management restructure, a formal process will be developed and implemented following this restructure. | 01/04/2021 |
| Status Update Comments | Revised Date |
| Action date has been revised to the Autumn when the new Heads of Cultural and Community Services and Operational Services will be in post. | 30/11/2022 |

South Derbyshire District Council – Audit Progress Report

| Grounds Maintenance 2019-20 | | Rec. No. 8 |
|---|--|--------------|
| Summary of Weakness / Recommendation | | Risk Rating |
| Monitoring of quality of work performed did not take place or was not formally recorded. | | Low Risk |
| We recommend that regular quality monitoring is undertaken to ensure that quality of work meets the standards set within a revised specifications, and any performance issues are addressed. | | |
| Management Response/Action Details | | Action Date |
| Quality Monitoring Schedule derived from annual plan/programme for Housing Land and Cultural and Community Services land to be implemented. Officers with operational responsibility are the Parks and Green Space Manager and the Housing Improvement and Asset Manager. | | 01/04/2021 |
| Status Update Comments | | Revised Date |
| Action date has been revised to the Autumn when the new Heads of Cultural and Community Services and Operational Services will be in post. | | 30/11/2022 |

| Corporate Governance 2018-19 | | Rec. No. 2 |
|--|--|-----------------------------|
| Summary of Weakness / Recommendation | | Risk Rating |
| The Members' Code of Conduct had not been reviewed since 2014, and was found to be out-of-date. | | Low Risk |
| We recommend that the Council review and update the Members' Code of Conduct as soon as practically possible. A review schedule and version control should also be incorporated into the code to ensure that future reviews are conducted on a timely basis. | | |
| Management Response/Action Details | | Action Date |
| The Members' Code of Conduct is compliant with current standards legislation. A review of the Code will be carried out in due course. | | 31/12/2020 |
| Status Update Comments | | Revised Date |
| The LGA has issued a revised Code of Conduct. Their next step is to prepare a number of guidance documents to assist with the Code. Once these have been received, now expected in Autumn 2021, an amended Code of Conduct will be put before Members to determine. In the meantime, the Derbyshire Monitoring Officers have been meeting and are keen to have an agreed Code for Derbyshire. This will be finalised at the meeting of Annual Council in May 2022. | | 01/06/2022 Future Action |

South Derbyshire District Council – Audit Progress Report

| Tenancy Management (Interventions and Support) | | Rec. No. 1 |
|---|--|-----------------------------|
| Summary of Weakness / Recommendation | | Risk Rating |
| <p>Tenants on Universal Credit (UC) did not have independent access to their details and rental account, specifically rent due dates and any accrued arrears.</p> <p>We recommend that Housing Services consider adding the self-service module to Orchard Housing System, to allow tenants on UC to access their details and manage their rental account remotely. This would ensure that tenants are fully in control of their funds.</p> | | Low Risk |
| Management Response/Action Details | | Action Date |
| SDDC are considering the purchase and implementation of this module as part of the wider procurement of the Housing Management Software. A decision will be made by the end of February 2021 | | 28/02/2021 |
| Status Update Comments | | Revised Date |
| Orchard Digital (customer portal) has been procured which will allow tenants to sign in and review their tenancy account. The implementation of the portal will follow the migration of the HMS to SaaS and is expected to complete by the end Q2 2022/3. | | 01/09/2022 Future Action |

| Safeguarding 2020-21 | | Rec. No. 1 |
|--|--|-----------------------------|
| Summary of Weakness / Recommendation | | Risk Rating |
| <p>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.</p> <p>We recommend that, using the template being discussed at Safeguarding Group meetings, the Safeguarding Children, Young People & Adults at Risk Policy be reviewed annually, and that the version log is updated to reflect this. The safeguarding section of the Council's website should also be updated to include the Safeguarding Children, Young People & Adults at Risk Policy and checks should be made to ensure that all links and information on this site are up-to-date and accurate.</p> | | Low Risk |
| Management Response/Action Details | | Action Date |
| Review and revise Corporate Safeguarding Children, Young People & Adults at Risk Policy. Review and revise Corporate Safeguarding web pages. | | 31/03/2021 |
| Status Update Comments | | Revised Date |
| <p>Part of the action is still outstanding as we are still awaiting the County template for Safeguarding Policies which is being developed through the County Safeguarding Leads Group.</p> <p>Changes have been sent to Comms to update the Safeguarding website and add the existing Policy to it to make it available to the public, but this hasn't been actioned yet.</p> | | 31/10/2022 Future Action |

South Derbyshire District Council – Audit Progress Report

| Payroll 2019-20 | Rec. No. 4 |
|--|-----------------------------|
| Summary of Weakness / Recommendation | Risk Rating |
| <p>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.</p> <p>We recommend that the current practices, including notification by e-mail of actual start dates, are written into the Recruitment Policy and Procedure and duly ratified so that the procedure aligns with actual protocol. Furthermore, the e-mails generated to notify the payroll and HR departments of the actual start date of employment should be retained on the document retention system, to evidence the actual start date and to enable verification of the first salary payments.</p> | Low Risk |
| Management Response/Action Details | Action Date |
| Review of the recruitment and selection procedure to be completed to address the delay in confirming start dates due to the need to complete pre-employment checks. Confirmation of the start date to be then held on the documentation retention system on the employees' personal file. | 01/04/2021 |
| Status Update Comments | Revised Date |
| We are advised by the Head of Organisational Development and Performance that a revised Recruitment and Selection Procedure is to be approved and will be in place by December 2022. | 31/12/2022 Future Action |

| Revenues Systems 2020-21 | Rec. No. 1 |
|---|--------------------------|
| Summary of Weakness / Recommendation | Risk Rating |
| <p>We found that there are generic user accounts on the Council Tax and NDR systems that were not assigned to individual officers.</p> <p>We recommend that management, with aid from the software supplier where necessary, review the purpose for each of the generic user accounts and where possible reassign responsibility for those purposes to existing individual users and deactivate generic accounts. For generic accounts that cannot be deactivated, management should:</p> <ul style="list-style-type: none"> Document the purpose for any generic user accounts remaining active and restrict interactive access to these accounts to the fewest persons possible. Develop and implement a method to monitor and log the use of any generic user account. | Low Risk |
| Management Response/Action Details | Action Date |
| <p>We will create a log of generic user accounts that have to be maintained and ensure any unrequired ones are made dormant. We do not remove accounts as it affects activity logs of past actions. This will be added to a regular six-monthly process.</p> <p>We will assign the generic accounts to the email address of the responsible manager, so they can monitor use/control password resets etc.</p> | 31/05/2021 |
| Status Update Comments | Revised Date |
| This is being addressed as part of the work to implement the Government's Baseline Personnel Security Standard (BPSS) process, which will be finalised by April 2022 and reported to the F&M Committee. | 30/04/2022 Action Due |

South Derbyshire District Council – Audit Progress Report

| Revenues Systems 2020-21 | | Rec. No. 2 |
|--|--|-------------------------------------|
| Summary of Weakness / Recommendation | | Risk Rating |
| <p>Controls in place for the management of users access to the Council Tax and NDR systems were not robust enough to ensure that only current officers had access, and that this access was appropriate to their role.</p> <p>We recommend that the following actions are taken to address this issue:</p> <ul style="list-style-type: none"> A review of users is undertaken, to ensure that only users currently employed are active on the system (with only one username), and that access provided to users is appropriate to their role. User accounts for software supplier staff should be controlled by the Council, enabling and disabling access rights as specific jobs require it. Periodic reviews (3 or 6 monthly) should be undertaken to ensure that access rights for all staff leaving the Council have been disabled / removed from all systems. | | Low Risk |
| Management Response/Action Details | | Action Date |
| <p>We undertake a review and ensure accounts for staff who have left are made dormant. We do not remove accounts as it affects activity logs of past actions. This will be added to a regular six-monthly process.</p> <ul style="list-style-type: none"> We will also revoke passwords for any outside staff (supplier, etc.) to ensure any access requires a new password request that is then deactivated after use. Exceptions to this include an officer who delivers works throughout the year on behalf of benefits and our contracted E&Y benefits audit team lead. It is worth noting that even though an account may exist for a staff member who has left, they cannot access the system from outside the building/council IT and their passwords are revoked on leaving, so the removal of these accounts is a housekeeping function, vs a security risk. | | 31/05/2021 |
| Status Update Comments | | Revised Date |
| <p>This is being addressed as part of the work to implement the Government's Baseline Personnel Security Standard (BPSS) process, which will be finalised by April 2022 and reported to the F&M Committee.</p> | | <p>30/04/2022</p> <p>Action Due</p> |

South Derbyshire District Council – Audit Progress Report

| Revenues Systems 2020-21 | | Rec. No. 3 |
|---|--|--------------|
| Summary of Weakness / Recommendation | | Risk Rating |
| <p>Staff did not have to formally declare any conflicts of interest with regards family and close friends who were liable for council tax or non-domestic rates in the District.</p> <p>We recommend that all staff with access to the revenues system are required to formally declare any conflicts of interest they have, or do not have, with regards family and close friends liable for council tax or non-domestic rates in the District. Users access to amend the accounts associated with those named in their declaration should then be restricted accordingly. Furthermore, declarations should be subject to annual review to ensure they remain current.</p> | | Low Risk |
| Management Response/Action Details | | Action Date |
| All staff will be required to complete a declaration form in spring 2021 and their ability to update the accounts they have an interest in will be restricted. This will be managed in an ongoing capacity by the Compliance Team. | | 31/05/2021 |
| Status Update Comments | | Revised Date |
| Staff declarations have been obtained, work to restrict access to accounts needs to be delivered. | | 31/03/2022 |
| | | Action Due |

| | | |
|--------------------------------|--|---|
| REPORT TO: | AUDIT SUB-COMMITTEE | AGENDA ITEM: 6 |
| DATE OF MEETING: | 22 JUNE 2022 | CATEGORY: RECOMMENDED |
| REPORT FROM: | AUDIT MANAGER | |
| MEMBERS' CONTACT POINT: | ADRIAN MANIFOLD Adrian.manifold@centralmidlandsaudit.gov.uk (01332 643281) | DOC: u/ks/audit/internal audit/annual reports/summary |
| SUBJECT: | INTERNAL AUDIT ANNUAL REPORT 2021/22 | REF: |
| WARD(S) AFFECTED: | ALL | TERMS OF REFERENCE: AS 02 |

1.0 Recommendations

- 1.1 To consider and note the Annual Internal Audit Opinion for 2021/22 (Appendix 1).

2.0 Purpose of Report

- 2.1 The Public Sector Internal Audit Standards (PSIAS) sets out the requirements for the Chief Audit Executive to provide an annual internal audit opinion based on an objective assessment of the framework of governance, risk management and control.

3.0 Detail

- 3.1 The report of the Audit Manager is detailed in a report which is attached.

4.0 Financial Implications

- 4.1 None

5.0 Corporate Implications

- 5.1 None directly

6.0 Community Implications

- 6.1 None directly

7.0 Background Papers

- 7.1 The Accounts and Audit Regulation 2015 Public Sector Internal Auditing Standards.



South Derbyshire DC – Internal Audit Annual Report 2021-22

Audit Sub-Committee: 22nd June 2022



South Derbyshire
District Council



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Our Vision

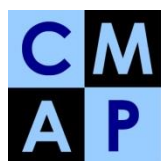
To bring about improvements in the control, governance and risk management arrangements of our Partners by providing cost effective, high quality internal audit services.

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central midlands audit partnership

Providing Excellent Audit Services in the Public Sector

Introduction

Why an Audit Opinion is required

The Public Sector Internal Audit Standards (PSIAS) states:

Public sector requirement

The chief audit executive must deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement.

The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

The annual report must also include a statement on conformance with the Public Sector Internal Audit Standards and the results of the quality assurance and improvement programme.

Extracted from Public Sector Internal Audit Standards Updated March 2017 - 2450 Overall Opinions

In this instance, the Chief Audit Executive is Adrian Manifold, Audit Manager.

With regard to overall opinions, CIPFA's Local Government Application Note for the United Kingdom Public Sector Internal Audit Standards 2019 Edition (issued February 2019) also states:

"The Public Sector Requirement in PSIAS 2450 requires that the Chief Audit Executive must provide an annual report to the board timed to support the annual governance statement. This must include:

- *an annual Internal audit opinion on the overall adequacy and effectiveness of the organisation's governance, risk and control framework – i.e. the control environment*
- *a summary of the audit work from which the opinion is derived (including reliance placed on work by other assurance providers)*
- *a statement on conformance with the PSIAS and the results of the Quality Assurance and Improvement Programme.*

In local government, the annual opinion should be guided by the CIPFA Framework Delivering Good Governance in Local Government.

The annual report should also include:

- *disclosure of any qualifications to that opinion, together with the reasons for the qualification*
- *disclosure of any impairments ('in fact or appearance') or restriction in scope*
- *a comparison of the work actually undertaken with the work that was planned and a summary of the performance of the Internal audit function against its performance measures and targets*
- *any issues the Chief Audit Executive judges particularly relevant to the preparation of the annual governance statement*
- *progress against any improvement plans resulting from QAIP external assessment.*

In the context of the PSIAS, 'opinion' means that Internal audit will have done sufficient, evidenced work to form a supportable conclusion about the activity that it has examined. Internal audit will word its opinion appropriately if it cannot give reasonable assurance (e.g. because of limitations to the scope of, or adverse findings arising from, its work)."

How an Audit Opinion is Formed

Internal Audit's risk-based plan must take into account the requirement to produce an annual internal audit opinion. Accordingly, the Audit Plan must incorporate sufficient work to enable the Audit Manager to give an opinion on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control. Internal Audit must therefore have sufficient resources to deliver the Audit Plan.



Possible Overall Opinions

The Audit Manager's opinion relative to the organisation as a whole could fall into one of the following 3 categories:

- **Inadequate System of Governance, Risk, Internal Control** – Findings indicate significant weaknesses and the need for urgent remedial action. Where corrective action has not yet started, the current remedial action is not, at the time of the audit, sufficient or sufficiently progressing to address the severity of the control weaknesses identified.
- **Adequate System of Governance, Risk, Internal Control Subject to Reservations** – A number of findings, some of which are significant, have been raised. Where action is in progress to address these findings and other issues known to management, these actions will be at too early a stage to allow a satisfactory audit opinion to be given.
- **Satisfactory System of Governance, Risk, Internal Control** - Findings indicate that on the whole, arrangements are satisfactory, although some enhancements may have been recommended.

Quality Assurance and Improvement Programme

A quality assurance and improvement programme is designed to enable an evaluation of the Internal Audit activity's conformance with the Definition of Internal Auditing and the Standards and an evaluation of whether internal auditors apply the Code of Ethics. The programme also assesses the efficiency and effectiveness of the Internal Audit activity and identifies opportunities for improvement.

Public Sector Internal Audit Standards state:

Public sector requirement

The results of the quality and assurance programme and progress against any improvement plans must be reported in the annual report.

Extracted from Public Sector Internal Audit Standards Updated March 2017 - 1320 Reporting on the Quality Assurance and Improvement Programme

Public Sector Internal Audit Standard 1312 also requires that:

"External assessments must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organisation."

Assessments are based on the following 3 ratings:

- **Generally Conforms** - means that an internal audit activity has a charter, policies, and processes that are judged to be in conformance with the Standards.
- **Partially Conforms** - means deficiencies in practice are noted that are judged to deviate from the Standards, but these deficiencies did not preclude the internal audit activity from performing its responsibilities in an acceptable manner.
- **Does Not Conform** - means deficiencies in practice are judged to be so significant as to seriously impair or preclude the internal audit activity from performing adequately in all or in significant areas of its responsibilities.

Our last external quality assessment on our overall conformance with the Standards was undertaken in 2017 and it was determined that we generally conformed with each standard. Accordingly, another external quality assessment is due in 2022 and CMAP management is currently in the process of procuring a firm to undertake the review.

In November 2021, the CMAP management team undertook a self-assessment against the Standards and produced a revised QAIP – Improvement Plan which is appended to the rear of this report. Following consultation with all members of the Audit Team, this QAIP was reported to the Partnership Board on 2nd March 2022 for approval. We are committed to undertaking another self-assessment against the Standards in preparation for the forthcoming External Quality Assessment.

We have determined that CMAP **Generally Conforms** 'to the Standards. 'Generally Conforms' means the evaluator has concluded that the relevant structures, policies, and procedures of the activity, as well as the processes by which they are applied,

comply with the requirements of the individual *Standard* or element of the Code of Ethics in all material respects. For the sections and major categories, this means that there is general conformance to a majority of the individual *Standards* or elements of the Code of Ethics, and at least partial conformance to the others, within the section/category. There may be significant opportunities for improvement, but these must not represent situations where the activity has not implemented the *Standards* or the Code of Ethics, has not applied them effectively, or has not achieved their stated objectives. As indicated above, general conformance does not require complete/perfect conformance, the ideal situation, successful practice, etc.

Audit Opinion 2021-22

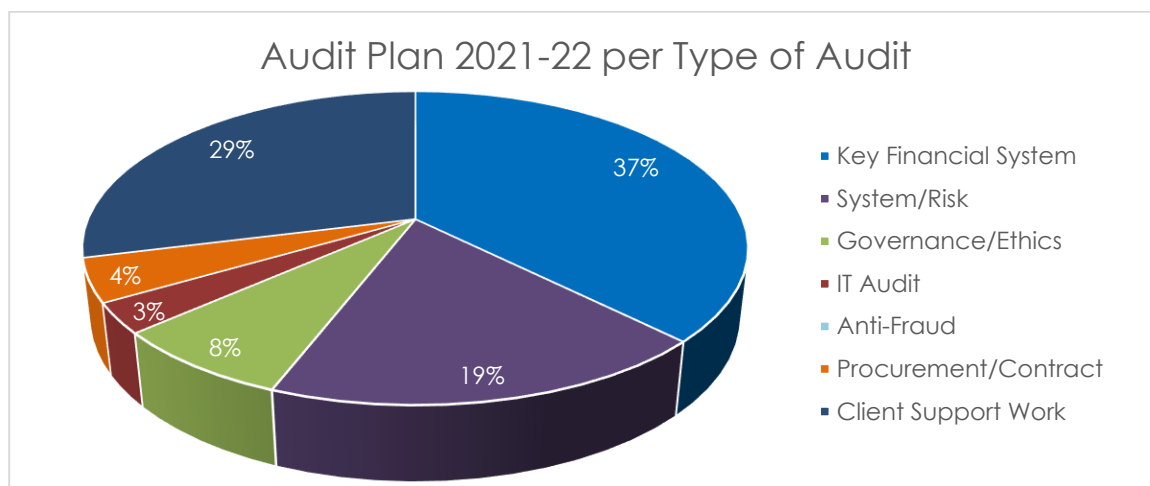
Based on the work undertaken during the year, I have reached the overall opinion that there is a **Satisfactory System of Governance, Risk, Internal Control** - Findings indicate that on the whole, arrangements are satisfactory, although some enhancements may have been recommended.

In forming this opinion, I am satisfied that no conflicts of interest have occurred which would have any bearing on my independence or objectivity. Also, my organisational independence and objectivity has not been subject to any impairment in fact or appearance; nor has the scope of our work been restricted in any way.

I have arrived at this opinion having regard to the following:

- The level of coverage provided by Internal Audit was considered adequate.
- Work has been planned and performed so as to obtain sufficient information and explanation considered necessary in order to provide evidence to give reasonable assurance that the organisation's control environment is operating effectively.
- The changing risk environment within the Council has been taken into account during the 2021-22 financial year.
- Our insight gained from our interactions with Senior Management and the Audit Sub-Committee.
- The only issue that we considered had adverse implications for the Authority's Annual Governance Statement related to a significant issue regarding the approval of the Council's budget. This matter has since been addressed to our satisfaction.
- It was brought to our attention that a couple of significant budget overspends have occurred during 2021-22 in respect of Housing Repairs and Land Charges. Internal Audit will be monitoring the Council's actions to address the issues that have led to these overspends.
- The 2021-22 Internal audit plan, approved by the Audit Sub-Committee, 24th March 2021, was informed by internal audit's own assessment of risk and materiality in addition to consultation with Senior Management to ensure it aligned to the organisation's key risks and objectives. Changes to this Audit Plan have been reported to the Audit Sub-Committee throughout the year.
- The following tables summarise the 2021-22 Audit Plan assignments and their outcomes as well as those assignments from the 2020-21 Audit Plan which were still ongoing in 2021-22.

South Derbyshire DC – Internal Audit Annual Report 2021-22

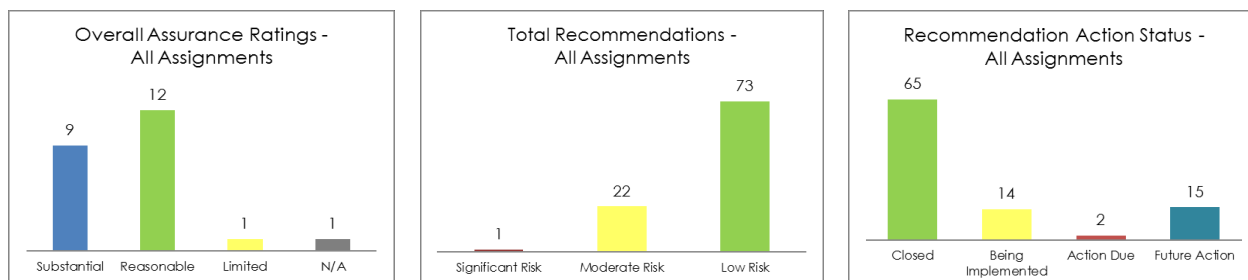


| 2021-22 Jobs | Status | % Complete | Assurance Rating |
|--|--------------------|------------|------------------|
| Data Protection & Freedom of Information 21-22 | Final Report | 100% | Reasonable |
| Procurement 2021-22 | Final Report | 100% | Reasonable |
| Income Streams 2021-22 | Fieldwork Complete | 90% | |
| Financial Management Standards 2021-22 | Final Report | 100% | Reasonable |
| Insurance 2021-22 | Final Report | 100% | Substantial |
| Taxation 2021-22 | Final Report | 100% | Substantial |
| Payroll Probity 2021-22 | In Progress | 50% | |
| Creditors 2021-22 | Final Report | 100% | Substantial |
| Asset Management 2021-22 | Final Report | 100% | Reasonable |
| Revenues Systems 2021-22 | Final Report | 100% | Substantial |
| Cashiering 2021-22 | Final Report | 100% | Substantial |
| Housing System IT Upgrades | In Progress | 55% | |
| Project Management 2021-22 | Final Report | 100% | Reasonable |
| People Management 2021-22 | In Progress | 70% | |
| Data Quality & Performance Management 21-22 | Final Report | 100% | Substantial |
| Climate Change 2021-22 | Final Report | 100% | Substantial |
| Affordable Housing 2021-22 | Final Report | 100% | N/A |
| Homelessness 2021-22 | In Progress | 70% | |
| Rent Accounting 2021-22 | Final Report | 100% | Reasonable |
| Corporate Governance 2021-22 | Final Report | 100% | Reasonable |

| 2020-21 Jobs B/fwd | Status | % Complete | Assurance Rating |
|--|--------------|------------|------------------|
| Business Continuity & Emergency Planning | Final Report | 100% | Reasonable |
| Procurement 2020-21 | Final Report | 100% | Reasonable |
| Housing Benefit & Council Tax Support | Final Report | 100% | Substantial |
| Microsoft 365 Platform | Final Report | 100% | Reasonable |
| Financial Reporting - Impact of Covid19 | Final Report | 100% | Substantial |
| Leisure Centres 2020-21 | Final Report | 100% | Reasonable |
| Housing Repairs 2020-21 | Final Report | 100% | Limited |
| Waste Contract - Pre-Procurement Stage | Final Report | 100% | Reasonable |
| Electoral Services 2020-21 | In Progress | 70% | |

- Of the 23 completed assignments, 21 attracted either a 'Substantial' or 'Reasonable' assurance rating: 1 has attracted a 'Limited' assurance rating and 1 assignment was given a 'N/A' assurance rating. From the completed

assignments a total of 96 recommendations were made; 73 of these were considered to present a low risk; 22 were considered to present a moderate risk; 1 was a significant risk recommendation and no critical risk recommendations were made.



- Of the 12 **Key Financial System** audits undertaken in 2021-22, 10 were completed and attracted either a Substantial or Reasonable overall assurance rating. The 2 remaining were not yet sufficiently complete to determine an overall assurance rating. The finalised audit assignments identified 32 recommendations, 27 of which were classified as low risk and 4 were a moderate risk and 1 a significant risk.

The significant risk recommendation came from the Financial Management Standards audit. We concluded that:

- "The annual General Fund, Housing Revenue Account and Capital budgets were not formally received and approved by Full Council, as required by the Council's Constitution and to meet the requirements of the Local Government Act 2000."

Management did not accept our finding and responded:

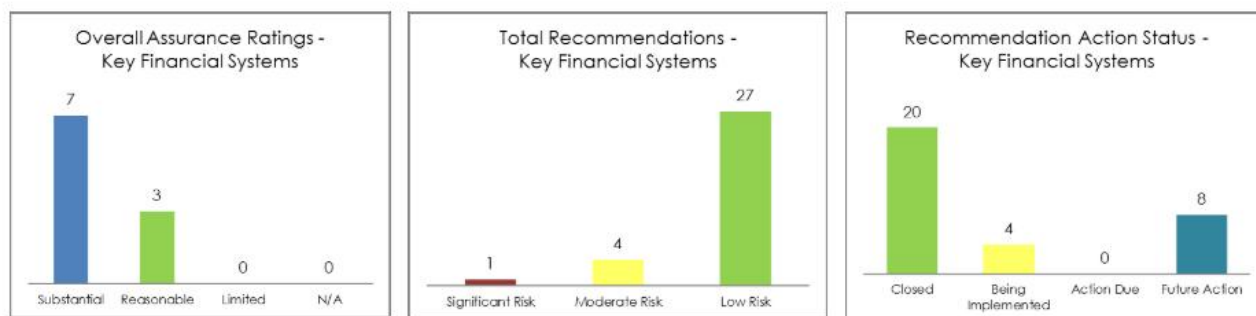
- "In line with the Council's Constitution and Committee System, the Council does not receive full budget details. Following an open and transparent process through the Committee system, Finance and Management Committee recommend the level of income and expenditure to Full Council as part of Council Tax setting. This is backed up by the report of the Section 151 Officer and the Budget Statement delivered by the Leader. At the Full Council meeting, members have the opportunity to challenge and ask questions regarding the Budget and have prior access to all reports considered by the Policy Committees. Many members would also have the opportunity to scrutinise proposals at these Committees. When the Council Tax is set, this also effectively approves the Budget as recommended by Finance and Management Committee, subject to any changes made at the Full Council meeting."

That aside, the Section 151 Officer's Budget and Council Tax Setting 2022/23 report to Full Council on 23rd February 2022 was enhanced to include greater detail of the General Fund budget and a specific recommendation that the Council's Budget for 2022/23 was approved.

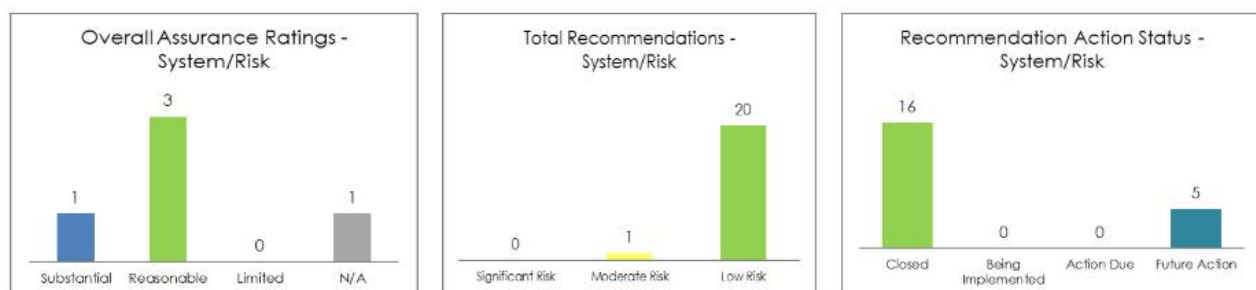
Three of the 4 moderate risks came from the Asset Management audit and 2 have been implemented and the other has a future action date. The remaining moderate risk recommendation came from the Rent Accounting

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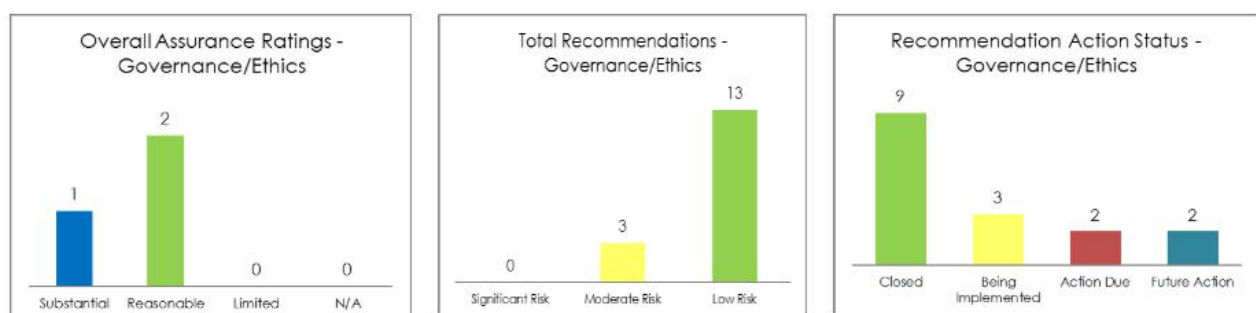
audit and has passed its original action date and management has provided a revised action date in the future.



- Of the 8 **System/Risk** audits undertaken in 2021-22, 5 were finalised; 1 attracted a Substantial assurance rating; 3 a Reasonable assurance rating and the Affordable Housing assignment was a piece of consultation work which did not warrant an assurance rating. From the 5 audits finalised, a total of 20 low risk recommendations were made. One moderate risk recommendation arose from the Leisure Centres audit and this has already been implemented.

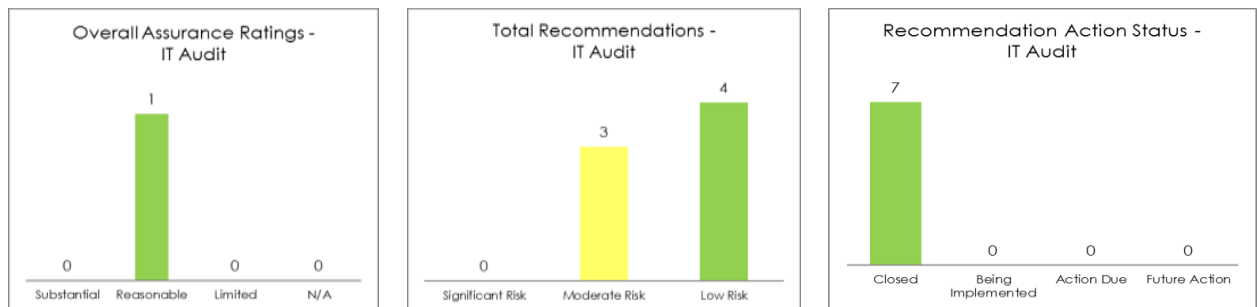


- All 3 **Governance/Ethics** audits undertaken during 2021-22 have been finalised and 2 attracted an overall assurance rating of Reasonable, and 1 a substantial assurance rating. The 3 audits produced 16 recommendations; 3 of which were considered to represent a moderate risk, the rest being a low risk. One moderate risk recommendation from the Corporate Governance audit has now been implemented, whereas another has passed its action date and management has yet to provide any update information. The remaining moderate risk recommendation from the Data Protection & Freedom of Information audit has passed its original action date and management has provided a revised action date which has also passed.

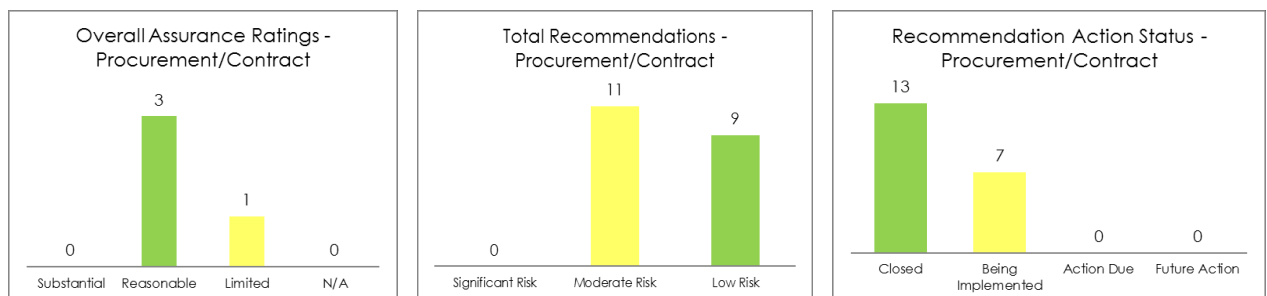


- Of the 2 **IT Audits**, one was completed during 2021-22 and attracted a Reasonable assurance rating. The Microsoft 365 Platform audit raised 7

recommendations; 3 were considered a moderate risk and the remaining 4 were considered to represent a low risk. All 7 recommendations have now been addressed to our satisfaction. The remaining IT audit was not yet sufficiently complete to determine an overall assurance rating.



- All 4 **Procurement/Contract** audits were finalised and 3 attracted overall assurance ratings of Reasonable and the Housing Repairs assignment attracted a Limited assurance rating. The 4 finalised audits resulted in 20 recommendations, 11 of which were considered to present a moderate risk, the remaining 9 a low risk. Of the 11 moderate risk recommendations, 8 have been implemented, the remaining 3 have passed their original action date and Management has provided revised action dates in the future.



This opinion is provided with the following caveats:

- The opinion does not imply that Internal Audit has reviewed all risks, controls and governance arrangements relating to the Council. The opinion is substantially derived from the conduct of risk-based audit work and as such, it is only one component that is taken into account when producing the Council's Annual Governance Statement.
- No system of control can provide absolute assurance against material misstatement or loss, nor can Internal Audit give absolute assurance.
- Full implementation of all agreed actions is essential if the benefits of the control improvements detailed in each individual audit report are to be realised.

Audit Coverage

Assurances Provided

The following table seeks to summarise the extent of audit coverage provided to South Derbyshire District Council during 2021-22 and the assurance ratings associated with each audit assignment.

| Summary of Audit Plan 2021-22 Results (incl. Jobs B/Fwd) | Type of Review | | | | | | Totals |
|--|----------------------------|-----------------|-----------------------|----------|----------------|--------------------------|--------|
| | Key Financial System | System/ Risk | Governance /Ethics | IT Audit | Anti- Fraud | Procurement /Contract | |
| Not Yet Complete | 2 | 3 | | 1 | | | 6 |
| Substantial | 7 | 1 | 1 | | | | 9 |
| Reasonable | 3 | 3 | 2 | 1 | | 3 | 12 |
| Limited | | | | | | 1 | 1 |
| No | | | | | | | |
| N/A | | 1 | | | | | 1 |
| | 12 | 8 | 3 | 2 | | 4 | 29 |

Assurance Ratings Explained

Substantial - A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

Reasonable - There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.

Limited - Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.

No - Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

N/A – The type of work undertaken did not allow us to reach a conclusion on the adequacy of the overall level of internal control.

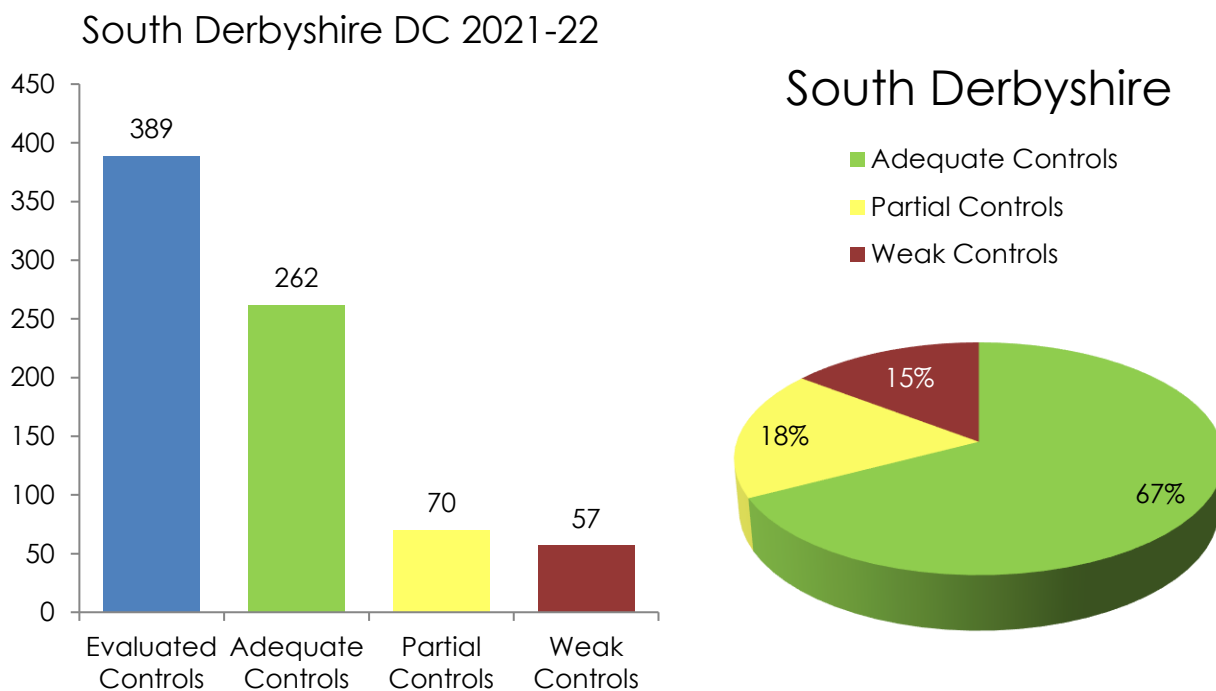
These assurance ratings are determined using our bespoke modelling technique which takes into account the number of control weaknesses identified in relation to those examined, weighted by the significance of the risks.

Audit Plan Assignments 2021-22

| Audit Assignments Completed in Period | Assurance Rating | Recommendations Made | | | | % Recs Closed |
|--|------------------|----------------------|------------------|---------------|-----------|---------------|
| | | Critical Risk | Significant Risk | Moderate Risk | Low Risk | |
| Income Streams 2021-22 | | | | | | n/a |
| Financial Management Standards | Reasonable | | 1 | | 1 | 100% |
| Insurance | Substantial | | | | 2 | 50% |
| Taxation 2021-22 | Substantial | | | | | n/a |
| Payroll Probity 2021-22 | | | | | | n/a |
| Creditors 2021-22 | Substantial | | | | 1 | 100% |
| Asset Management 2021-22 | Reasonable | | | 3 | 8 | 73% |
| Revenues Systems 2021-22 | Substantial | | | | 3 | 33% |
| Cashiering 2021-22 | Substantial | | | | | n/a |
| Rent Accounting 2021-22 | Reasonable | | | 1 | 7 | 38% |
| Housing Benefit & Council Tax Support 2020-21 | Substantial | | | | 1 | 0% |
| Financial Reporting - Impact of Covid19 | Substantial | | | | 4 | 100% |
| Project Management 2021-22 | Reasonable | | | | 6 | 100% |
| People Management 2021-22 | | | | | | n/a |
| Climate Change | Substantial | | | | 4 | 50% |
| Affordable Housing 2021-22 | N/A | | | | | n/a |
| Homelessness 2021-22 | | | | | | n/a |
| Business Continuity & Emergency Planning 2020-21 | Reasonable | | | | 3 | 100% |
| Leisure Centres 2020-21 | Reasonable | | | 1 | 7 | 63% |
| Electoral Services 2020-21 | | | | | | n/a |
| Data Protection & Freedom of Information 2021-22 | Reasonable | | | 1 | 10 | 73% |
| Data Quality & Performance Management 21-22 | Substantial | | | | | n/a |
| Corporate Governance 2021-22 | Reasonable | | | 2 | 3 | 20% |
| Housing System IT Upgrades | | | | | | n/a |
| Microsoft 365 Platform | Reasonable | | | 3 | 4 | 100% |
| Procurement 2021-22 | Reasonable | | | 1 | 2 | 100% |
| Procurement 2020-21 | Reasonable | | | 3 | | 100% |
| Housing Repairs 2020-21 | Limited | | | 4 | 7 | 36% |
| Waste Contract - Pre-Procurement Stage | Reasonable | | | 3 | | 100% |
| TOTALS | | | 1 | 22 | 73 | 68% |

Internal Controls Examined

For those audits finalised during 2021-22, we established the following information about the controls examined:



South Derbyshire DC – Internal Audit Annual Report 2021-22

Recommendations Made

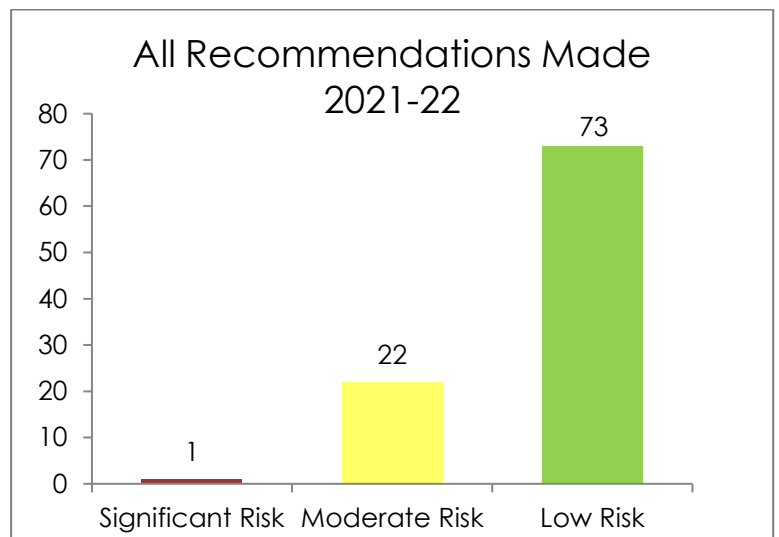
The control weaknesses identified above resulted in 96 recommendations which suggested actions for control improvements. The following table and charts show where the recommendations came from, how the recommendations were risk rated and the current status of all recommendations made relating to 2021-22:

| Audit Assignments | Type of Review | Recommendations Status | | | |
|--|----------------------|------------------------|------------|-------------------|---------------|
| | | Total Closed | Action Due | Being Implemented | Future Action |
| Income Streams 2021-22 | Key Financial System | | | | |
| Financial Management Standards | Key Financial System | 2 | | | |
| Insurance | Key Financial System | 1 | | | 1 |
| Taxation 2021-22 | Key Financial System | | | | |
| Payroll Probity 2021-22 | Key Financial System | | | | |
| Creditors 2021-22 | Key Financial System | 1 | | | |
| Asset Management 2021-22 | Key Financial System | 8 | | 1 | 2 |
| Revenues Systems 2021-22 | Key Financial System | 1 | | | 2 |
| Cashiering 2021-22 | Key Financial System | | | | |
| Rent Accounting 2021-22 | Key Financial System | 3 | | 3 | 2 |
| Housing Benefit & Council Tax Support 2020-21 | Key Financial System | | | | 1 |
| Financial Reporting - Impact of Covid19 | Key Financial System | 4 | | | |
| Project Management 2021-22 | System/Risk | 6 | | | |
| People Management 2021-22 | System/Risk | | | | |
| Climate Change | System/Risk | 2 | | | 2 |
| Affordable Housing 2021-22 | System/Risk | | | | |
| Homelessness 2021-22 | System/Risk | | | | |
| Business Continuity & Emergency Planning 2020-21 | System/Risk | 3 | | | |
| Leisure Centres 2020-21 | System/Risk | 5 | | | 3 |
| Electoral Services 2020-21 | System/Risk | | | | |
| Data Protection & Freedom of Information 2021-22 | Governance/Ethics | 8 | | 3 | |
| Data Quality & Performance Management 21-22 | Governance/Ethics | | | | |
| Corporate Governance 2021-22 | Governance/Ethics | 1 | 2 | | 2 |
| Housing System IT Upgrades | IT Audit | | | | |
| Microsoft 365 Platform | IT Audit | 7 | | | |
| Procurement 2021-22 | Procurement/Contract | 3 | | | |
| Procurement 2020-21 | Procurement/Contract | 3 | | | |
| Housing Repairs 2020-21 | Procurement/Contract | 4 | | 7 | |
| Waste Contract - Pre-Procurement Stage | Procurement/Contract | 3 | | | |
| TOTALS | | 65 | 2 | 14 | 15 |

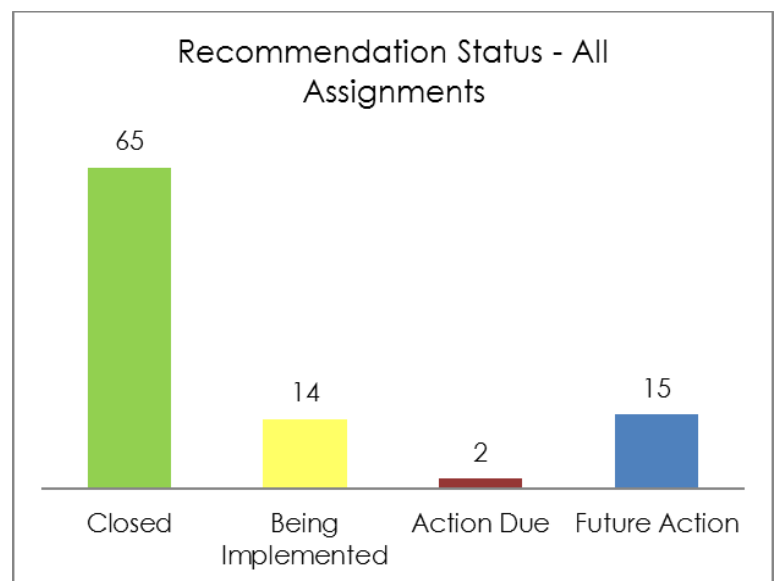
Recommendations Summary

These 96 recommendations have resulted from the 23 audit assignments finalised either during 2021-22 or finalised in the time following the year-end.

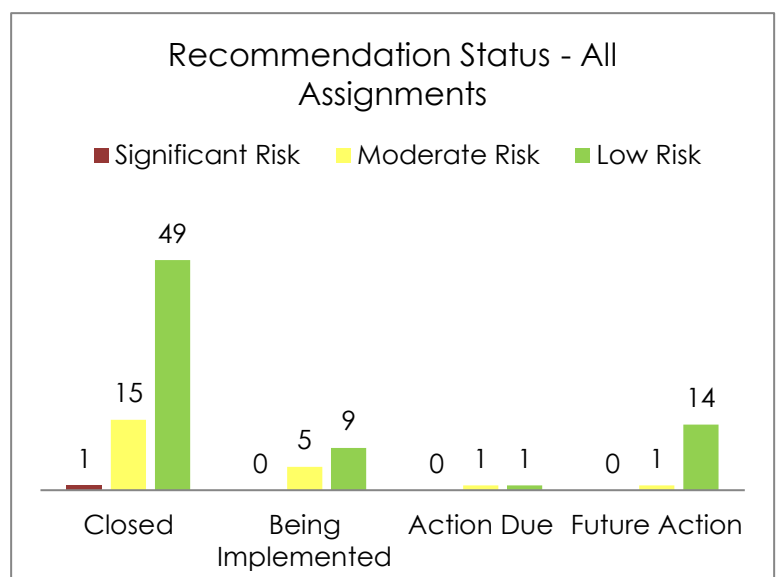
Approximately 76% of all recommendations made were considered to present a low risk, 23% a moderate risk and 1% a significant risk.



Of the 96 recommendations made, 67% have been closed, 15% have passed their original action date and a revised target has been set, 2% have passed their original action date but we have not yet received information regarding the status of management's action. The remaining 16% have an agreed original action date set in the future.



The 1 significant risk recommendation has now been addressed to our satisfaction. It is pleasing to note that 15 of the moderate risk recommendations raised have been addressed to our satisfaction, as have 49 of the low risk recommendations. We will continue to monitor all recommendations not yet addressed and will bring those moderate risk recommendations that remain outstanding to the attention of the Audit Sub-Committee throughout the coming year.

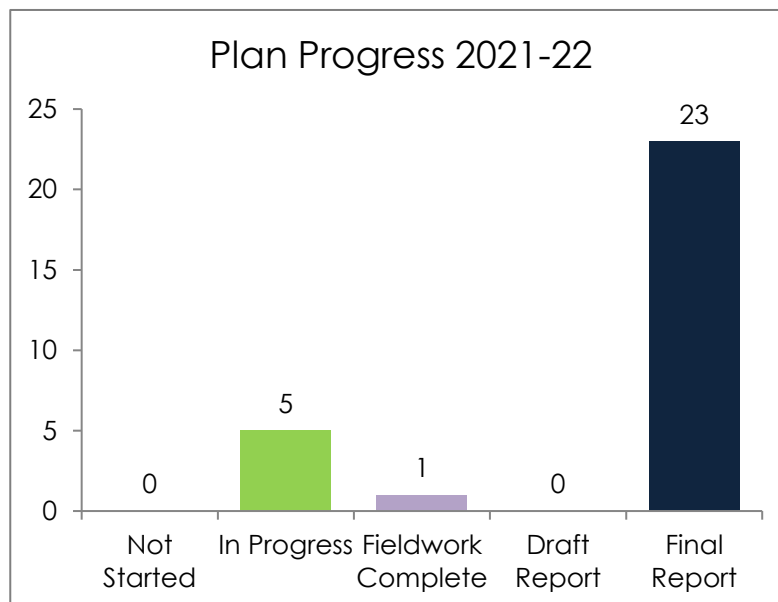


Performance Measures

Of the 24 customer satisfaction surveys sent, only 50% have been returned. Surveys contain 11 questions regarding the audit service provided and asked managers to score each on a scale of 1-5 (1=Very Poor, 2=Poor, 3=Fair, 4=Good, 5=Excellent). From the 12 customer satisfaction returns received, the overall average score out of 55 was 51.1.



By the end of the 2021-22 we estimate that we had completed 86.2% of the revised Audit Plan against a target of 90%. Our progress with certain audit assignments has been impacted by the Covid-19 situation.



QAIP – Improvement Plan

| ACTIONS |
|---|
| 1. We should continue to heighten our profile by building on the relationship management already established with each partner organisation. i.e. Regular meetings with Senior Management combined with a regular on-site presence. Note under the current circumstances (Covid pandemic) this needs to be through regular contact via virtual meetings. |
| 2. We should map competency levels of staff over the various audit disciplines (e.g. contract, IT, probity, investigations etc.) that we can link to audit engagements to demonstrate that the staff assigned are appropriate. We should continue to promote a culture of continuous improvement which considers the needs of individuals by: <ul style="list-style-type: none"> • staff completing the AMS in respect of any training received, • undertaking GPCs in accordance with the hosts requirements and • producing a Training & Development Plan. |
| 3. We should ask staff to complete a Personal Development Plan and then produce a Training & Development Plan for the Team. |
| 4. We should aim to increase our knowledge around the use of data analytics and other CAATs and identify the benefits it could bring to the audit processes. <ul style="list-style-type: none"> • To ensure that audit engagements are supported by appropriate tools, we need to develop a strategy for the use of data analytics. |
| 5. To demonstrate stakeholder engagement with the process, we should ensure that the QAIP Action Plan is a standard agenda item on both the CMAP Operational Group and at Audit Section meetings. |
| 6. To demonstrate each work programme has been appropriately approved, we should seek earlier formal sign off of the control evaluation so we can better demonstrate scrutiny and approval of coverage by audit management. |
| 7. CMAP needs to explore potential external assessors that can deliver the appropriate level of validation required and that understand the partnership ethos/approach. |
| 8. We should continue to develop the process for incorporating other assurance information into our overall risk assessment process and our overall opinion and how the other assurance provider information we gather can be used to demonstrate an audit assurance framework for each organisation. |
| 9. We should ensure that our Audit Manual is complete, up-to-date, readily available and used by all audit staff. |
| 10. To support the improvement of the organisation's governance framework, we should undertake consultancy work to facilitate the self-assessment of the effectiveness of the Audit Committee at all partner organisations. |
| 11. We should consider how we could systematically evaluate the potential for the occurrence of fraud at each partner organisation and how each organisation manages fraud risk. |
| 12. To review all CMAP reports to assess compliance with the Web Content Accessibility Guidelines (WCAG). |

| | | |
|--------------------------------|--|--|
| REPORT TO: | AUDIT SUB-COMMITTEE | AGENDA ITEM: 7 |
| DATE OF MEETING: | 22 JUNE 2022 | CATEGORY: DELEGATED |
| REPORT FROM: | HEAD OF LEGAL and DEMOCRATIC SERVICES | OPEN |
| MEMBERS' CONTACT POINT: | ARDIP KAUR (01283 595715) Ardip.kaur@southderbyshire.gov.uk | DOC: h/KS/governance/local code/update report June 2022 |
| SUBJECT: | LOCAL CODE OF CORPORATE GOVERNANCE REVIEW | |
| WARD (S) AFFECTED: | ALL | TERMS OF REFERENCE: AS 04 |

1.0 Recommendation

- 1.1 That the updated Local Code of Corporate Governance as detailed in **Appendix 1** is approved.
- 1.2 That progress regarding on-going work to maintain sound governance as detailed in the report is approved.

2.0 Purpose of the Report

- 2.1 To review the Council's governance arrangements against the National Framework which the Council has adopted. The National Framework was published by the Chartered Institute of Public Finance (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) to ensure proper and robust governance in local authorities. The Framework was published and adopted by the Council in 2016.

3.0 Detail

Background

- 3.1 Corporate Governance relates to having a system by which a local authority directs and controls its functions and relates to its local community.
- 3.2 Good corporate governance is essential in demonstrating that there is credibility and confidence in public services. Sound arrangements should be founded on openness, integrity, accountability, together with the overarching concept of leadership.

The National Framework

- 3.3 The Framework is based on a set of core principles and is intended to assist local authorities individually in reviewing and accounting for their own approach.
- 3.4 The overall aim of a governance framework is to ensure that resources are directed in accordance with agreed priorities, that there is sound and inclusive decision making, together with clear accountability for the use of resources to achieve intended outcomes for local communities.

- 3.5 Within the Framework, focus is also placed upon demonstrating economic, social and environment sustainability over a longer-term, together with the principles of social value.

The Core Principles

- 3.6 There are seven principles as follows:

- Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
- Ensuring openness and comprehensive stakeholder engagement.
- Defining outcomes in terms of sustainable economic, social and environmental benefits.
- Determining the interventions necessary to optimise the achievement of the intended outcomes.
- Developing the entity's capacity, including the capability of its leadership and the individuals within it.
- Managing risks and performance through robust internal control and strong public financial management.
- Implementing good practice in transparency, reporting and audit to deliver effective accountability.

- 3.7 Within each principle there are a series of sub-principles. Guidance with the Framework advocates a self-assessment against each of the sub-principles.

The Council's Assessment against the Framework

- 3.8 **Appendix 1** details the Council's updated assessment.

- 3.9 The assessment itself does not necessarily measure the effectiveness of the Council's Governance arrangements. The effectiveness is assessed on an on-going basis and reported annually in the Annual Governance Statement, with the Local Code ensuring sound and robust arrangements (the core elements) are in place.

- 3.10 However, areas for improvement and work-in-progress reported in the Local Code generally arise from an on-going review of the effectiveness of the core elements of the Council's governance system.

On-going Review

- 3.11 Although core elements to demonstrate good governance may be in place, they will always be subject to review and update. This may be due to changing circumstances, stakeholder expectations and external influences, together with learning and development arising from audits and service reviews, etc.

- 3.12 In addition, an assessment of the governance framework and ultimately its effectiveness should be made considering the main risks and challenges facing the Council. Currently, these are:

[Page 54 of 92](#)

- Continuing growth of the district and its increasing population.

- The general uncertainty regarding national funding for local authorities.
- Delivering aspirations in the Corporate Plan (2020 to 2024).
- Adapting service delivery and working arrangements post Covid-19.

Improvements and On-Going Work

- 3.13 **Appendix 1** also details work completed, improvements identified, together with on-going work to ensure that the Council's governance arrangements remain sound and robust.
- 3.14 The main actions approved for 2021/22 included in the Council's Governance Statement from 2020/21 were as follows:

| Action | Progress |
|--|---|
| To review and update the Member's Code of Conduct. Principle 1 | <p>A new Model Councillor Code of Conduct, produced by the Local Government Association, was considered by Annual Council on 12 May 2022. Council agreed to implement the new Code on 11 May 2023. Prior to this date, the Monitoring Officer will review the Code and associated guidance and recommend the final Code. In the meantime, Members agreed to provide any comments to the Monitoring Officer by 30 September 2022.</p> |
| To review outcomes from a staff survey. Principle 1 | <p>Work has progressed to undertake an employee survey, to obtain feedback on ethics, values, and culture, together with obtaining a check on communications, morale, health, and well-being of staff. It had been planned to undertake this survey in 2020/21 but was postponed until a decision had been made on working arrangements post Covid-19.</p> <p>New working arrangements are currently being implemented following approval of a Flexible Working Policy by Finance and Management Committee in March 2022.</p> <p>It is now planned that the survey will be undertaken in 2022/23.</p> |
| An Audit review of compliance with the Financial Management Code. Principle 4 | <p>The Council complies with a national Financial Management Code which contains a range of professional standards designed to ensure financial capacity and resilience.</p> <p>Following an assessment against the Code in July 2020, an Internal Audit review of compliance was reported in December 2021.</p> |

| | |
|--|--|
| | <p>The Audit confirmed that of 17 individual standards, the Council substantially complied with 16; only one, regarding consultation with stakeholders on longer-term financial planning, is not currently undertaken. This is not a statutory requirement but is considered good practice.</p> <p>The Audit also highlighted a significant risk with reporting and approving the Annual Budget. The Audit raised a potential issue as to whether the existing process gave proper sign-off by the Council. This risk was addressed in the Budget Round for 2022/23.</p> |
|--|--|

4.0 Financial Implications

4.1 None

5.0 Corporate Implications

Employment Implications

5.1 None

Legal Implications

5.2 None

Corporate Plan Implications

5.3 There are no direct priorities identified in the Corporate Plan (2020 to 2024). However, “good governance” underpins everything that the Council carries out and ensuring a robust system of corporate governance is a key corporate indicator which demonstrates that the Council is operating on a sound basis.

Risk Impact

5.4 None directly from the assessment itself.

6.0 Community Implications

Consultation

6.1 None required.

Equality and Diversity Impact

6.2 None

Social Value Impact

6.3 Not applicable

Environmental Sustainability

6.4 Not applicable

7.0 Background Papers

7.1 Delivering Good Governance in Local Government; Framework and Guidance Notes 2016 Edition. (*Published by CIPFA and SOLACE*).

APPENDIX 1: LOCAL CODE OF CORPORATE GOVERNANCE: ASSESSMENT AGAINST THE NATIONAL FRAMEWORK

| The Principles and the Council's systems and processes which comprise the Government Framework. | Improvements identified, future developments, on-going work and actions completed in 2021/22. |
|--|---|
| <p>1. <u>Behaving with integrity, upholding ethical values and respecting the rule of law</u></p> <p><i>Behaving with integrity</i></p> <ul style="list-style-type: none"> • Codes of Conduct for Members and Officers. • Separate Standards Committee with Independent Persons. • Register of Interests for Gifts and Hospitality. • Process for declaration of personal interests. • Protocol on Member and Officer Relationships. • Member Codes of Practice for the Planning process, the use of ICT, Licensing Committee, and representation on outside bodies. <p><i>Demonstrating a strong commitment to ethical values</i></p> <ul style="list-style-type: none"> • Ethics Statement setting out Ethical Standards for Officers. • 3 Key Values contained in the Corporate Plan – <i>Pride, Respect and Excellence</i>. <p><i>Respecting the rule of law</i></p> <ul style="list-style-type: none"> • An overall Constitution which governs the Council • Regulatory Committees for Planning and Licensing. • Health and Safety Committee. • Statutory Section 151 (Finance) and Monitoring Officers (Legal) appointed to ensure compliance with the law, regulations, and procedures. • The Council complies with the Statement on the Role of the Section 151 Officer in Local Government, evidence of which is periodically reported to the Audit Sub Committee. | <p>To demonstrate compliance with this Principle, the Council should work towards implementing the 15 best practice standards contained in the “Nolan” principles, as recommended by the Government Committee on Standards in Public Life.</p> <p>Although many of these principles are embedded in the Council's Governance arrangements, the Code recommends that this is subject to a separate review.</p> <p>A new Councillor Code of Code based on a national model, is due to be implemented in May 2023.</p> <p>Work has progressed to undertake an employee survey, to obtain feedback on ethics, values, and culture, together with obtaining a check on communications, morale, health, and well-being of staff. It had been planned to undertake this survey in 2020/21 but was postponed until a decision has been made on working arrangements post Covid-19.</p> <p>New working arrangements are currently being implemented following approval of a Flexible Working Policy by Finance and Management Committee in March 2022.</p> <p>It is now planned that the survey will be undertaken in 2022/23.</p> |

2. Ensuring openness and comprehensive stakeholder engagement

Openness

- Published and transparent decision-making process through a committee system accessible to the Public.
- Communications Plan which uses media campaigns to inform the Public.
- Equality, Diversity, and Inclusion Strategy (2020 to 2024) with a work programme which is being monitored by an Equalities Steering Group, consisting of people from outside bodies and representative groups.

Engaging with institutional stakeholders

- Consultation Framework which includes Citizens Advice and CVS to undertake consultations and provide feedback.
- Representative groups established for major services such as Housing and Leisure.
- Parish Liaison Forum with Parish Council representatives.

Engaging with individuals and service users effectively

- Area Forums to provide the public with direct access to Members, Officers, and other agencies in the district.
- A publicised Comments, Compliments and Complaints Procedure which allows stakeholders to report feedback and raise issues. Details of complaints, etc. received are publicised on the Council's web site and reviewed by Finance and Management Committee every six months.

Communication: In the Corporate Plan (2020 to 2024) two priorities were approved under the theme “*Our People*”. These priorities relate to ensuring consistency in approach using a customer service standard, together with making greater use of technology to engage with residents. Indicators have been agreed to measure outcomes against these priorities and they are being monitored in performance reports to the Finance and Management Committee on a quarterly basis.

Following a review by the Housing Ombudsman, the Complaints Policy and Procedure was updated and approved by Finance and Management Committee in June 2021.

3. Defining outcomes in terms of sustainable economic, social and environmental benefits

Defining outcomes

- Sustainable Community Strategy for South Derbyshire coordinated by the Council and overseen by the South Derbyshire Partnership.
- Medium-term Corporate Plan setting out the Council's vision, values, and priorities.
- Medium Term Financial Plan (MTFP) to ensure resources are aligned to priorities and that the financial position remains sustainable.

Sustainable economic, social, and environmental benefits

- Capital Investment Strategy to guide long term investment.
- Procurement Strategy to drive value for money in purchasing, together with securing environmental, economic, and social benefits where possible.
- Environmental Sustainability Group which is taking forward a range of initiatives to meet an aspiration to make the Council carbon neutral by 2030.

An update to the Contract Procedure Rules was approved by the Council in April 2021. This reflected the Council's commitment to Climate Change, providing guidance to ensure that environmental benefits are included in tender evaluation and contract management.

4. Determining the interventions (courses of action) necessary to optimise the achievement of the intended outcomes

Determining interventions

- Terms of Reference and work programs set for Council Committees.
- Corporate and Service Planning Framework to set targets and intended outcomes.
- Financial Regulations and Procedural Rules govern how public money is controlled and to ensure financial resources are deployed efficiently and effectively.

Planning interventions

- Change Management process to guide Organisational and structural change.
- Service and Financial Planning Working Group to evaluate new spending proposals.
- Business Change Framework to assess major process changes and system developments.

Optimising achievement of intended outcomes

- Annual Budget Round to review and focus resources.
- Transformation plan to prioritise major changes.
- VFM Statement is in place which sets out the principles of VFM and how it applies to the specific aims of the Council and the District. This acts as guidance to enable Officers to demonstrate how they deliver VFM in service proposals.
- This is enhanced by the requirement for an explicit demonstration of VFM to be an integral part of proposals for service development and restructures, etc.
- A VFM test is included in the Capital Evaluation process.

Financial Management Code

The Council complies with a national Financial Management Code which contains a range of professional standards designed to ensure financial capacity and resilience.

Following an assessment against the Code in July 2020, an Internal Audit review of compliance was reported in December 2021.

The Audit confirmed that of 17 individual standards, the Council substantially complied with 16; only one, regarding consultation with stakeholders on longer-term financial planning, is not currently undertaken. This is not a statutory requirement but is considered good practice.

The Audit also highlighted a significant risk with reporting and approving the Annual Budget. The Audit raised a potential issue as to whether the existing process gave proper sign-off by the Council. This risk was addressed in the Budget Round for 2022/23.

| | |
|---|--|
| <p>5. <u>Developing the entity's capacity, including the capability of its leadership and the individuals within it</u></p> <p><i>Developing Organisational capacity</i></p> <ul style="list-style-type: none"> • An Organisational Development and Performance (ODP) Unit in place led by a Head of Service which focuses on Organisational and individual capacity, together with employee engagement. • Use of external organisations such as the LGA and the Housing Quality Network to review resources and make recommendations for improvement. • Peer Review undertaken in October 2019. <p><i>Developing leadership and individual performance</i></p> <ul style="list-style-type: none"> • Workforce Development Strategy in place. • A Personal Development process with annual reviews of training needs for all Officers. • Training and Development programs for Members and Officers which includes mandatory training courses, together with job specific, softer skills and wider management training as appropriate. | <p>Workforce Development Strategy to be reviewed in 2022/23.</p> <p>Focus continues on increasing opportunities for Modern Apprentices in line with Government targets. Progress is reported to the Finance and Management Committee on a quarterly basis.</p> |
| <p>6. <u>Managing risks and performance through robust internal control and strong public financial management</u></p> <p><i>Managing risk</i></p> <ul style="list-style-type: none"> • Risk Management Policy and Framework in place. This guides the identification and assessment of risk, together with the process for monitoring, updating, and reporting. • Business Continuity arrangements in place in accordance with the Civil Contingencies Act. This is delivered in partnership with Derbyshire County Council. | <p>Updated Policy approved by the Audit Sub-Committee in June 2021.</p> <p>A trial to undertake a new Out of Hours and Emergency Contact Service using an external provider, was undertaken for 3-month period in 2020/21. Post Covid, a further trial until January 2023, is currently on-going to assess the effectiveness of a new system. It</p> |

| | |
|---|--|
| <ul style="list-style-type: none"> • Fraud Service delivered through a Shared Service Agreement with a neighboring council. • Counter-fraud and Corruption Policy with an annual action plan. <p><i>Managing performance</i></p> <ul style="list-style-type: none"> • Performance management process with key performance indicators to measure outcomes and identify corrective action where needed. • An Overview and Scrutiny Committee which reviews service delivery, policy and has powers to “call-in” decisions. <p><i>Robust internal control</i></p> <ul style="list-style-type: none"> • An established Audit Committee. • Independent Internal Audit function provided through partnership arrangements. • Publicised Whistleblowing Policy <p><i>Managing data (and ensuring compliance with the Data Protection Act 2018)</i></p> <ul style="list-style-type: none"> • Appointed Data Protection Officer independent of senior management. • Records Management and Document Retention Policies. • Data Quality framework which sets out how data is collected, recorded, and reported. • Compliance with the Public Services Network Standard for ICT data security. | <p>is expected that proposals for a long-term solution will be considered after January 2023.</p> <p>Internal Audit undertook a review of the Council’s Anti-Fraud and Corruption procedures and reported the outcomes to the Audit-Sub Committee in June 2021.</p> <p>The report made three recommendations to strengthen procedures which have been implemented. Subsequently, an updated Anti-Fraud and Corruption Policy was approved by the Audit Sub-Committee in June 2021.</p> |
|---|--|

APPENDIX 1: LOCAL CODE OF CORPORATE GOVERNANCE: ASSESSMENT AGAINST THE NATIONAL FRAMEWORK

| | |
|---|---|
| <p><i>Strong financial management</i></p> <ul style="list-style-type: none"> • Financial Strategy in place which sets out the management of financial resources and sets the overall financial target for the Council. • Financial monitoring and reporting process to review in year budget performance. | |
| <p><u>7. Implementing good practice in transparency, reporting and audit to deliver effective accountability</u></p> <p><i>Implementing good practice in transparency</i></p> <ul style="list-style-type: none"> • Open Data reporting under the Government's Transparency Code. • Freedom of Information Publication Scheme. <p><i>Implementing good practice in reporting</i></p> <ul style="list-style-type: none"> • Annual Report produced and publicised. • Annual Statement of Accounts detailing how public funds have been utilised. • Annual Pay Policy Statement published. • Equality and Diversity Annual Report. <p><i>Assurance and effective accountability</i></p> <ul style="list-style-type: none"> • Scheme of Delegation in place from Full Council, down to Policy Committees and through to Officers. • Senior Leadership Team and Heads of Service accountable to Members through the Committee system. • Service planning process in place which assigns responsibilities at an individual level. • All service-related action plans and recommendations from Audit have a designated responsible officer. | <p>Updated Freedom of Information Policy and Publication Scheme approved by the Finance and Management Committee in October 2021.</p> |

| | | |
|--------------------------------|--|--|
| REPORT TO: | AUDIT SUB-COMMITTEE | AGENDA ITEM: 8 |
| DATE OF MEETING: | 22 JUNE 2022 | CATEGORY: RECOMMENDED |
| REPORT FROM: | HEAD OF LEGAL and DEMOCRATIC SERVICES | OPEN |
| MEMBERS' CONTACT POINT: | ARDIP KAUR (01283 595715) ardip.kaur@southderbyshire.gov.uk | DOC: h/KS/governance/AGS/2022/AGS committee report |
| SUBJECT: | DRAFT ANNUAL GOVERNANCE STATEMENT 2021-22 | REF: |
| WARD(S) AFFECTED: | ALL | TERMS OF REFERENCE: AS 04 |

1.0 Recommendations

- 1.1 That the Draft Annual Governance Statement for 2021/22 (Appendix 1) is approved for Audit.

2.0 Purpose of Report

- 2.1 To submit the Council's Annual Governance Statement (AGS) for 2021/22 in accordance with the Accounts and Audit Regulations 2003 (as amended).
- 2.2 This version is currently in Draft and will be subject to updates before and during its review by External Audit. It should also be noted that due to the delay in auditing the Council's Accounts and Financial Statements for 2021/21, the AGS has still to be signed off by External Audit for 2020/21.

3.0 Detail

Background

- 3.1 Governance is about how South Derbyshire District Council ensures that it does the right things, in the right way, for the right people in a timely, inclusive, open and accountable manner. As such, it comprises the systems, processes, culture and values by which the Council is directed and controlled and through which it accounts to, engages and leads its local community.

Annual Governance Statement (AGS)

- 3.2 The AGS is the formal statement that records and publishes a council's governance arrangements; it is a statutory requirement to publish an AGS on an annual basis.
- 3.3 Guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) states that the production and publication of the AGS, are the final stages of an on-going review of governance and not activities that can be planned and viewed in isolation. Compilation of the AGS involves the Council in:

- reviewing the adequacy of its governance arrangements
- knowing where it needs to improve these arrangements
- communicating to stakeholders how better governance leads to best quality public services

3.4 The proposed AGS as it currently stands for 2021/22 is presented alongside this report. The Statement is overseen by the Council's Monitoring Officer in consultation with the Council's Leadership Team. The AGS has been produced in accordance with the CIPFA guidelines and includes commentary on:

- the governance environment and how this is reviewed to determine its effectiveness; and
- issues of significance that require addressing as part of the review of effectiveness.

Compiling the AGS

3.5 The aim of the AGS is to set out established processes and to reflect on any matters arising during the year. Much of the content of the AGS will already be known and may have been reported and noted elsewhere in other Council report and forums.

3.6 As the governance framework at the Council is relatively well established, the existing AGS is used as the basis of the annual review. The lead officers in compiling and reviewing the AGS are the Council's statutory offices, i.e. the Monitoring and Chief Finance Officers.

3.7 In monitoring the AGS, these officers review policy committee reports and decisions, together with Leadership Team minutes to ensure that any relevant matters are included in the AGS. Any implications arising from internal and external audits are also reviewed.

3.8 Work in other forums such as the Health and Safety Committee, Licensing and Appeals Committee and the Joint Negotiating Group, where potential matters affecting the AGS are reported, are also reviewed. These committees and forums are usually attended by the Monitoring and Chief Finance Officers.

3.9 In addition, investigations that may have been undertaken by the Information Commissioner, Data Protection Registrar and Local Government Ombudsman are also reviewed. Any legal action brought against the Council is also reviewed to determine its impact on the Council's governance arrangements.

3.10 When the draft statement is complete, the Chief Executive, other corporate directors and Heads of Service are consulted and asked to highlight any other matters or to provide additional feedback.

Style and Format

3.11 The current format was redesigned in 2019/20 to make it more streamlined and less technical. This format has been continued for 2020/21 and 2021/22. It is explicitly aligned to the Council's Local Code of Corporate Governance which is based on 7 key principles as detailed in the AGS.

- 3.12 The final Statement will be published as a stand-alone document alongside the Council's Annual Accounts and Financial Statements for 2021/22. There is currently no timeframe for when this will be achieved due to on-going resource issues being experienced by the Council's External Auditors.

Work Plans

- 3.13 A work plan, considered and approved by the Committee in June 2021, was progressed during 2021/22 to address matters identified to maintain and strengthen the governance environment. These are detailed within the AGS.
- 3.14 The proposed work plan for 2022/23 is also detailed in the AGS. These actions have been identified to maintain robust governance and to ensure arrangements keep abreast of a changing environment. The work programme is summarised in the following table.

| Principle | Action |
|--|---|
| Behaving with Integrity (P1) | A new Model Councillor Code of Conduct, produced by the Local Government Association, was considered by Annual Council on 12 May 2022. Council agreed to implement the new Code on 11 May 2023. Prior to this date, the Monitoring Officer will review the Code and associated guidance and recommend the final Code. In the meantime, Members agreed to provide any comments to the Monitoring Officer by 30 September 2022. |
| Demonstrating Ethical Values (P1) | <p>Work has progressed to undertake an employee survey, to obtain feedback on ethics, values, and culture, together with obtaining a check on communications, morale, health, and well-being of staff. It had been planned to undertake this survey in 2020/21 but was postponed until a decision had been made on working arrangements post Covid-19.</p> <p>New working arrangements are currently being implemented following approval of a Flexible Working Policy by Finance and Management Committee in March 2022.</p> <p>It is now planned that the survey will be undertaken in 2022/23.</p> |
| Workforce Development Strategy (P5) | The Strategy is due to be reviewed in 2022/23. |

4.0 Financial Implications

- 4.1 None

5.0 Corporate Implications

- 5.1 Corporate governance affects the whole authority and as part of the process, all members of senior management have been consulted and made aware of its

contents. Generally, senior managers are briefed at corporate meetings in respect of governance generally, together with the AGS.

- 5.2 Maintaining good governance underpins delivery of the priorities contained in the Corporate Plan.

6.0 Community Implications

- 6.1 The AGS is designed to act as a public assurance statement that the Council has a sound system of corporate governance, designed to help deliver services in a proper, inclusive, open and accountable manner.

GOVERNANCE STATEMENT 2021/2022

Good Governance

Ethics and Values

Engagement

Development

Decision Making

Leadership

Risk Management

Reporting



Our Environment | Our People | Our Future
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INTRODUCTION

Welcome to the Council's Annual Governance Statement for 2021/2022.

As a public authority, the Council is responsible for ensuring that its business:

- ✓ Is conducted in accordance with the law.
- ✓ Operates to the highest standards in public life.
- ✓ Accounts for public resources in an open and transparent manner.

The Council also has a duty to secure continuous improvement in the way in which its functions and services are delivered and to achieve value for money for the Taxpayer.

To meet these objectives, the Council is expected to have the highest possible governance arrangements in place.

Governance is about how the Council runs its business and it underpins everything that the Council undertakes. Without robust arrangements, there is a greater risk that failures will occur.

Good corporate governance is essential in demonstrating that there is credibility and confidence in public services. Sound arrangements should be founded on:

- Openness
- Integrity
- Accountability
- Leadership

The Council's Governance Framework

The Council adopts a Local Code of Corporate Governance. This sets out the System, which details the associated policies, processes and regulations, etc. which make up the Governance Framework at the Council.

The Governance System is based on established national guidance and is formed on **seven principles**.

| The Principles | What this means |
|---|--|
| Principle 1: Behaving with integrity | Elected Members and Council Officers acting in accordance with national standards regarding Public Office. |
| Principle 2: Engaging with stakeholders | Keeping residents, businesses and other interested parties, etc. informed and seeking feedback through consultation. |
| Principle 3: Setting clear objectives | Having medium term business and financial plans in place that provide for the sustainability and development of services. |
| Principle 4: Having positive interventions | The detailed policies and procedures, such as terms of reference for decision-making, a change management process and an annual budget, etc. which ensure that objectives are met. |
| Principle 5: Leadership and capacity | Clear direction from senior management and that adequate, trained and empowered staff are in place to deliver services. |
| Principle 6: Managing risks and performance | Having robust internal control and strong financial management to ensure that risk is mitigated, data is secure, and performance is regularly monitored. |
| Principle 7: Good reporting and transparency | Assigning clear accountability and reporting lines, allowing access to information and reporting performance on a regular basis. |



Update and Review

The detailed System which demonstrates compliance with these principles, is reported to and reviewed by the Council's Audit Sub Committee half yearly. The reports for 2020/21 [June 2021](#) [Dec 2021](#) provided a regular update on changes and on-going work, which ensured the Council's Governance Framework remains fit for purpose.

The detailed Framework and how the Council complies is detailed in [Appendix 1 \(the Local Code will be inserted\)](#)

This Framework was in place from 1 April 2021 and up to and including when this Statement was published, following a review by External Audit in (tbc)

A Changing Environment

Although the seven basic principles generally remain unchanged, ensuring compliance always requires regular review. The Council operates in a changing environment where external factors can affect how it operates. In turn, this can affect its Governance System.

Risks and Challenges

Governance must also be reviewed in the light of strategic risks and challenges facing the Council. The following key risks have been identified which could have an impact on the Council's Governance Framework.

| Risk | Challenge | Effect on Governance |
|---|--|---|
| Continuing growth of the District and an increasing population | The Council is a designated growth area with a Local Plan target of 13,000 new homes between 2010 and 2028. This is increasing the local population and changing the demographics of the District. | Principle 2 As more people contact the Council, it is providing opportunities for developing more efficient interaction with customers through digital channels, where this is preferred. |
| Government Funding | The continuing uncertainty of the Local Government Funding System beyond 2022. The Council is at risk, in particular from the ending of the New Homes Bonus. | Principle 3 The Council will need to maintain a sustainable financial position through its Medium-Term Financial Plan (MTFP) if it is to deliver the priorities in the Corporate Plan. |
| Delivery of the Corporate Plan (2020 to 2024) | An ambitious plan to achieve targets regarding the Climate, Environment, Transformation and the local economy. The Council has approved detailed Transformation and Climate Action Plans to deliver its ambitions in these areas. | Principle 4 This has brought the Transformation Agenda to the fore to enable change to be delivered. Principle 5 It has also focused the Council towards Organisational Development to ensure sufficient capacity, together with a skilled and informed workforce is available. |
| Working Arrangements and Service Delivery (post Covid) | The Council is implementing a new Flexible Working Policy and reviewing its interaction with customers following the lifting of restrictions in March 2022. | Principle 2 The ways in which people are contacting the Council has changed. This is providing both opportunities and challenges to ensure Council services remain accessible. Principle 4 Organisational change is being processed through the Council's Business Transformation Process. |



Developments in the Year

The risks identified above brought about a series of developments during 2021/22, in addition to other matters that arose. Resulting actions and on-going work are all designed to strengthen the Council's Governance System.

Principle 1: Ethical Values

Contained in the Council's Corporate Plan (2020 to 2024) are 3 key values to support its delivery - **Pride, Respect and Excellence.**

Work has progressed to undertake an employee survey, to obtain feedback on ethics, values, and culture, together with obtaining a check on communications, morale, health, and well-being of staff.

It had been planned to initially undertake this survey back in 2020/21 but was postponed until a decision has been made on working arrangements post Covid-19.

New working arrangements are currently being implemented following approval of a Flexible Working Policy in March 2022.

It is now planned that the survey will be undertaken in 2022/23.

Principle 2: Engagement

The Corporate Plan contains two priorities to ensure consistency in approach in dealing with people who contact the Council using a Customer Service Standard, together with making greater use of technology to engage with residents. Progress against these priorities are monitored on a quarterly basis.

Post Covid, people are contacting the Council in different ways to that previously, with a shift away from face-to-face contact. During 2021/22, the Customer Service Standard was updated and a new Customer Access Point, to deal with face-to-face queries, is being trialled.

Principle 3: Sustainable Outcomes

To support outcomes in the Corporate Plan, the Council's Contract Procedural Rules were updated and approved in April 2021.

This reflected the Council's commitment to Climate Change, providing guidance to ensure that environmental benefits are included in tender evaluation and contract management.

Principle 4: Interventions

The Council complies with a national Financial Management Code which contains a range of professional standards designed to ensure financial capacity and resilience. Following an assessment against the Code in July 2020, an Internal Audit review of compliance was reported in December 2021.

The Audit confirmed that of 17 individual standards, the Council substantially complied with 16; only one, regarding consultation with stakeholders on longer-term financial planning, is not currently undertaken. This is not a statutory requirement but is considered good practice.

The Audit also highlighted a significant risk with reporting and approving the Annual Budget. The Audit raised a potential issue as to whether the existing process gave proper sign-off by the Council. This risk was addressed in the Budget Round for 2022/23.



Principle 6: Risk Management

Work during the year focused on the Risk Management System itself, together with a review of Anti-fraud and Corruption processes.

Audit work was undertaken to review the effectiveness of the Council's Risk Management arrangements. Four recommendations to improve the Council's process were implemented and an updated Policy Document was approved in June 2021.

A trial to undertake a new Out of Hours and Emergency Contact Service using an external provider, was undertaken for 3-month period in 2020/21.

Post Covid, a further trial until January 2023, is currently on-going to assess the effectiveness of a new system. It is expected that proposals for a long-term solution will be considered after January 2023.

Post Covid 19

The Governance Statements for 2019/20 and 2020/21, provided details of how the Pandemic affected the Governance Framework and in particular, how the Council addressed the issues that the Pandemic raised for service delivery and working arrangements.

During 2021/22, the Council consulted on introducing a new Flexible Working Policy to enable the benefits of home and remote working to continue, whilst ensuring that services and staff remained accessible.

The new Flexible Working Policy was approved in March 2022 and is planned to be fully operational by July 2022.

As part of this, the type and use of office accommodation, together with customer access are being reviewed at a service-by-service level.

Anti-Fraud and Corruption

Internal Audit also undertook a review during the year of the Council's Anti-Fraud and Corruption procedures.

Their report made two recommendations to strengthen procedures, and an updated Anti-Fraud and Corruption Policy was approved in June 2021.

Customer Access

A key component of Governance for a local authority, is engagement with its residents and customers.

Due to the various national restrictions imposed by the Government between March 2020 and July 2021, face-to-face contact became extremely limited.

Consequently, there was greater contact with people by telephone, e-mail and over the Internet to deal with queries, make enquiries and payments, etc. This has continued.



Face to Face Contact

Although other forms of customer contact present new challenges for the Council to be efficient and effective, the Council also appreciates that there will always be a requirement for some face-to-face contact.

Given the experience of post Covid the number of people visiting the main administrative offices is low.

Consequently, it is not considered cost-effective to return to a fully resourced reception service given the current demand.

Therefore, the Council is currently undertaking a trial of a new Customer Access Point.

During the trial, the Council is consulting with residents and other stakeholders to gather feedback on the longer-term arrangements. It is expected that the trial will report back later in 2022.

- ✓ Providing financial support to local community and charitable groups who were not eligible for other funding.
- ✓ Supporting local business with safe ways of operating during Covid.
- ✓ Taking enforcement action where necessary.
- ✓ The dissemination of general public health messages and being a contact point for concerned residents and businesses.

Following the easing and then lifting of all restrictions in 2021/22, the Council continued much of this support, albeit at a much lower rate as a recovery took place.

The Council has since turned its focus to supporting this recovery locally by encouraging people back into town centres through various activities and by fully reopening its cultural and leisure activities.

The Council's Wider Role Post Covid

During the Pandemic, Covid brought to the fore the Council's wider Leadership role in the local community, for example:

- ✓ Supporting voluntary groups with food parcels and distributing supplies to local residents.
- ✓ Providing buildings for NHS test centres.
- ✓ Administering and paying out various grants to local businesses and individuals from funding provided by the Government.

The Financial Implications of Covid-19.

This was reported in detail in the previous Governance Statement for 2020/21.

Additional expenditure and loss of income **totalling approximately £1.3 million** has been reimbursed by the Government. Any longer-term impact on Council finances continues to be monitored as part of Financial Planning.

During 2020/21 and 2021/22, the Council distributed Government funding of **approximately £31.5 million** to support local businesses and residents financially affected by the various lockdowns and restrictions.



Propriety in the Conduct of Council Business

An indication of how well the Council is performing, is to review any propriety matters that arose in the year, i.e., how well does the Council, its Members and Officers behave compared to accepted standards, values and the rule of law.

An overview for 2021/22 is provided below.

- ✓ **Codes of Conduct:** no reported breaches (**may be subject to change/update**)
- ✓ **Register of Interests:** no issues raised
- ✓ **Whistleblowing:** no matters arose
- ✓ **ICT Security:** No major incidents reported.
- ✓ **Litigation:** none and no issues pending
- ✓ **Fraud and Corruption:** there were no reported incidents in the year, either internally or from external sources, against the Council.

Reportable Incidents

| | |
|---|--|
| <p>Complaints to the Local Government and Social Care Ombudsman</p> <p>The Ombudsman's most recent Report highlighted four complaints about the Council in 2020/21, of which none were upheld.</p> | <p>The Ombudsman's Office made decisions on 4 complaints about the Council in 2020/21. Of these complaints, 2 were closed after initial enquiries, 1 complaint was referred back for local resolution, and advice was given for 1 complaint.</p> |
|---|--|

| | |
|---|---|
| <p>Health and Safety (H&S)</p> <p>There were five reportable incidents under H&S Regulations in the year. However, none of them required any further investigation by the HSE.</p> | <p>However, the Council undertook its own investigation in each case and updated procedures and training where this was necessary.</p> |
| <p>Data Protection</p> <p>In February 2022, the Data Protection Officer reported an incident to the Information Commissioner's Office (ICO) regarding a data breach which occurred from the Customer Service team whilst processing Hardship Grants. The breach emanated from an Agency person employed on a temporary contract.</p> <p>The breach effected three people over an eight-week period and involved a full and completed application form including personal details and narrative of special circumstances being sent to incorrect customers.</p> | <p>Upon notification of the incident the Council suspended the user account details and terminated the contract of the agency staff member responsible.</p> <p>Customers were contacted and all parties involved confirmed the appropriate deletion of any personal data sent in error along with a brief outline of how the Council was responding to the incident.</p> <p>The team processing applications have been made aware of the details of the case and have also had a refreshed briefing and training session on data protection and operating procedures.</p> <p>On the 5 March 2022, the ICO wrote to the Data Protection Officer. Based on the action taken in immediate response to the incident and the information contained in the DPO report, no further action was taken.</p> |



Business Continuity

Being able to maintain public services is vital in an emergency.

Under the Civil Contingencies Act 2004, the Council is required to have updated plans in place and to regularly review and test these plans alongside other agencies.

Besides to adhering on-going Covid restrictions for much of the year, there were no major incidents which invoked business continuity arrangements.

Internal Audit did review the Council's arrangements and provided a satisfactory assurance rating, highlighting three low risk recommendations for future action.

Internal Audit

From its work, Internal Audit provide a form of assurance regarding the Council's internal control environment.

During the year, Internal Audit completed 23 audit assignments.

21 of these audits reported either a **"Reasonable or Substantial"** assurance rating, and one audit did not attract a rating as the work was of a consultancy nature.

The other audit, relating to Housing Repairs, reported a **"Limited"** assurance rating.

The outcome of these audits, together with the implementation and tracking of recommended actions, are monitored by the Audit Sub-Committee.

Opinion of Internal Audit

The Chief Audit Executive reported to the [Audit Sub-Committee on 22 June 2022](#)

"Based on the work undertaken during the year, I have reached the overall opinion that there is a **Satisfactory System of Governance, Risk, Internal Control** - Findings indicate that on the whole, arrangements are satisfactory, although some enhancements may have been recommended."

External Audit Opinion

To be inserted following Audit

Is Current Governance Effective

The Council considers that its System is effective and fit for purpose but is not complacent and continues to face challenges as highlighted in this Statement.

Test of Effectiveness

| | |
|-----------------------------|--|
| The Local Code | ✓ Up-to-date and regularly reviewed. |
| Work Plan | ✓ Completed during the year to strengthen Governance in response to risks and challenges. |
| Financial Management | ✓ In all material aspects, the Council complied with CIPFA's Financial Management Code. |
| Internal Audit | ✓ The Chief Audit Executive reached an overall opinion in 2021/2022, that there is a satisfactory system of Governance, Risk and Internal Control. ✓ The Internal Audit Service generally conformed to the Public Sector Internal Auditing Standards. |



| | |
|----------------------------------|---|
| External Audit (Opinions) | ✓ The Accounts and Financial Statements Tbc. ✓ VFM and Governance Tbc. |
| On-going Development | ✓ An approved plan for 2022/23 to maintain good Governance. |
| Propriety | ✓ No major issues and recommended actions arising from external reviews were implemented. |

Action Plan 2022/23

The Council operates within a changing environment with constant development in ICT, together with demand on its services due to the significant growth of the District. In addition, the impact of Covid-19 has itself brought about change.

Consequently, besides on-going work already being progressed, the following reviews and action will be undertaken in 2022/23.

The Action Plan

| Principle | Action |
|--|---|
| Behaving with Integrity (P1) | A new Councillor Code of Conduct based on a national model, is due to be implemented in May 2023. |
| Demonstrating Ethical Values (P1) | To undertake and review outcomes from a staff survey. |
| Workforce Development Strategy (P5) | The existing Strategy is due for review in 2022/23. |

And Finally, Council Sign-off

On behalf of the Council, we are satisfied that our current Governance arrangements remain effective and fit for purpose and that appropriate actions are in place to maintain good Governance at the Council.

We commend the good practice highlighted in this Statement but do not remain complacent given risks and challenges also highlighted. Based on the information reported to us, we therefore commend the Governance Statement for 2021/22 for approval.

Frank McArdle (Chief Executive)

Councillor Kevin Richards (Leader of the Council)



| | | |
|--------------------------------|---|----------------------------------|
| REPORT TO: | AUDIT SUB COMMITTEE | AGENDA ITEM: 9 |
| DATE OF MEETING: | 22 JUNE 2022 | CATEGORY: DELEGATED |
| REPORT FROM: | STRATEGIC DIRECTOR (CORPORATE RESOURCES) | OPEN |
| MEMBERS' CONTACT POINT: | ELIZABETH BARTON, HEAD OF CUSTOMER SERVICES elizabeth.barton@southderbyshire.gov.uk | DOC: |
| SUBJECT: | 2022-2023 ANTI FRAUD & CORRUPTION PLAN & COUNTER FRAUD PARTERSHIP PERFORMANCE UPDATE | |
| WARD(S) AFFECTED: | ALL | TERMS OF REFERENCE: AS 04 |

1.0 Recommendations

- 1.1 That the Committee notes the performance of the Counter Fraud Partnership with Derby City Council (see Appendix 1) and the cashable and value for money savings that have been delivered in 2021-2022.
- 1.2 That the Committee approves that the Counter Fraud Partnership be continued for 2022-2023 and approves the Council's proposed Anti-Fraud and Corruption Action Plan (see Appendix 2) that directs the work of the partnership.

2.0 Purpose of the Report

- 2.1 The purpose of the report is to provide an update on the performance of the Council's Counter Fraud Partnership with Derby City Council and to consider the 2022-2023 Anti-Fraud and Corruption Plan. This plan sets out how the Council aims to prevent and detect fraud, together with action the Council will take when dealing with identified cases of fraudulent activity.

3.0 Detail

Counter Fraud Partnership

- 3.1 The Council has worked in partnership with Derby City Council since 2017 to deliver counter fraud services and support to internal teams. The team works very closely revenues, benefits and housing in particular and has very strong and supportive working relationships with these teams.
- 3.2 The partnership works to deliver on four key areas:
 - Detecting and investigating fraud
 - Preventing fraud
 - Understanding emerging fraud risks
 - Raising fraud awareness

- 3.3 In 2021-2022 the partnership cost the Council £44,125 and delivered total savings of £379,949. The recent work of the partnership and savings is outlined in detail in the 2021-2022 Counter Fraud Partnership Performance Update at Appendix 1.
- 3.4 In terms of value for money, the Council is obliged to carry out counter fraud work, and considers the partnership provides a more robust and resilient service than a single member of in-house staff. It also delivers a wider range of skills and resources to the Council.
- 3.5 During 2021-2022, the partnership team delivered eight training sessions to council staff. Feedback from the training remains very positive.
- 3.6 Also in 2021-2022, the team continued to support the Council's revenues, finance and economic development teams and helped to investigate suspected cases of COVID-19 business grant fraud which continued until April 2022. They also advised on enhanced checking procedures and post payment assurance checking for these schemes.

Anti-Fraud and Corruption Plan

- 3.7 Each year the Council approves an annual Anti-Fraud and Corruption Plan that directs the work of the Counter Fraud Partnership and wider work across the Council.
- 3.8 The plan sets out how the Council aims to prevent and detect fraud, together with action the Council will take when dealing with cases of fraudulent activity.
- 3.9 The plan is aimed at directing the partnership to achieve its targets which are to:
- Maximise the recovery of fraudulent payments and value for money savings to exceed in value the in-year budgeted costs of the Counter Fraud Partnership to the Council.
 - Instil routine fraud checking as part of the Council's operational processes in revenues and benefits, housing and wider service areas.
 - Report the results of team activities on a quarterly basis to the Head of Customer Services and the Strategic Director (Corporate Services).
 - Embed fraud awareness as part of the competency framework for employees.
 - Continue joint working arrangements with the Department for Work and Pensions.
 - Minimise the potential for misuse of supported accommodation claim arrangements and funding by providers and related financial organisations.
- 3.10 The plan for 2022–2023 is set out at Appendix 2. Ordinarily this would have been reported in readiness for the start of the new financial year, however due to the ongoing impact of COVID-19 and the energy rebate on the customer services, revenues and benefits team, the plan now covers a reduced period (June 2022 – April 2023).

- 3.11 The plan mirrors the plan for 2021-2022 and contains no significant changes. During 2021-2022 a refocus on joint working with the DWP will take place and an increased activity on training of SDDC staff and issuing fraud information will also be delivered. No new emerging risk factors have been identified however this will be monitored ongoing in line with the economic climate and any new government initiatives that are launched in response.

4.0 **Financial implications**

- 4.1 The Council's Counter Fraud Partnership with Derby City Council delivered £379,949 total savings in 2021-2022. This was comprised of:

- **£38,577.63 in cashable savings/income**, which are funds that can be recovered from customers - for example discounts being awarded for Council Tax. The value represents the amount of cash recovered which has been over claimed due to fraud, as well as housing benefit overpayments.

This figure is down on 2020-2021 (£38,577.63 vs £83,429.16). This is primarily due to the fact that during COVID, the DWP fraud team were redirected onto processing Universal Credit claims, which vastly reduced the partnership's joint working with the DWP on potential fraud cases. This had a knock-on effect on identifying cases of council tax and housing benefit fraud. DWP resource has since been refocused on fraud, and cases are starting to come through. The team expects cases to increase again in 2022-2023 to pre-COVID levels.

- **£341,371.44 in value for money savings**, which are a calculation of expenditure/loss that would have been incurred had the fraud not been identified and are based on Cabinet Office/NFI guidelines and multipliers - for example additional discount being awarded in a fraudulent Right to Buy application.

This figure is significantly higher than 2020-2021 (£68,863.25). This is primarily due to the team identifying a greater number of housing cases such as illegal successions and breaches of tenancy.

- 4.2 Each year the levels of savings can fluctuate significantly, depending on the volume of high value fraudulent activity that is identified/stopped. The team is confident the cashable savings figure will rise in 2022-2023 to pre-COVID levels now that the fraud team is refocused at the DWP.
- 4.3 Each year, the partnership aims to recover the cost of the partnership itself in cashable and value for money savings.
- 4.4 The cost of the partnership are as follows:

| | 2018-19 | 2019-2020 | 2020-2021 | 2021-2022 | Proposed 2022-2023 |
|----------------------------|---------|-----------|-----------|-----------|--|
| Cost of Partnership | £40,764 | £42,564 | £42,564 | £44,125* | £45,135 (may be subject to slight change to allow for cost-of-living etc increases) |

- 4.5 The costs of the partnership were slightly higher than reported in the 2021 committee report (*£1,561 increase) to allow for the incorporation of cost-of-living etc increases. Any minor increases to the 2022-2023 proposed costs will be approved by the Council's Section 151 Officer.

- 4.6 In return for the annual payment, the Council receives the equivalent of one full time Counter Fraud Investigator, and a percentage of a management post, spread across a wider pool of investigators/expertise.

5.0 Corporate Implications

Employment Implications

- 5.1 None

Legal Implications

- 5.2 Interauthority partnerships such as this are permitted without wider procurement activity, under Teckal and Hamburg exemptions under the Public Contract Regulations 2015 (PCRs 2015).

Corporate Plan Implications

- 5.3 None directly.

Risk Impact

- 5.4 Fraudulent activity is a key risk for the Council. The adoption of an Anti-Fraud and Corruption Plan is designed to mitigate the risk through the prevention and detection of fraud.

6.0 Community Impact

Consultation

- 6.1 None required

Equality and Diversity Impact

- 6.2 It is considered that the Anti-Fraud and Corruption Plan does not discriminate against any of the protected characteristics in the Equality Act 2010. The focus is on whether a fraud is or has been committed rather than the type of person or the group of individuals that may be committing fraud.

Social Value Impact

- 6.3 The prevention and detection of fraud helps to safeguard the public purse.

Environmental Sustainability

- 6.4 Not applicable in the context of the report

7.0 Background Papers

Appendix 1 – Counter Fraud Partnership Performance Update 2021 - 2022

Appendix 2 – Anti-Fraud & Corruption Plan 2022 - 2023



Derby City Council



South
Derbyshire
District Council

Counter Fraud Partnership Performance Update

1 April 2021 – 31 March 2022

This report highlights the work undertaken by Derby City Council Counter Fraud Team under a partnership agreement with South Derbyshire District Council to detect, investigate, prevent, and raise general awareness of fraud across the Council. Since April 2021, the partnership has delivered nearly £380,000 cashable and value for money savings through preventing and detecting fraud.

1. Background

The partnership has been in place since January 2017 and has a very positive working relationship with internal teams. The partnership is managed by the Customer Services, Revenues & Benefits team, with close working links to the housing and right to buy teams. The main work themes undertaken by the team to date include:

- Detecting and investigating fraud
- Preventing fraud
- Understanding emerging fraud risks
- Raising fraud awareness

2. Partnership highlights

Work delivered in 2021 - 2022 includes:

Detecting and investigating fraud

Highlights include:

- £379,949 savings delivered, consisting of £38,577 cashable savings and £341,371 value for money savings.
- Seven properties recovered (e.g., illegal sub-letting, breach of tenancy) and one housing applications withdrawn.
- Continuing to provide intelligence to support investigation into Modern Slavery and Organised Crime Groups.
- Undertaking National Fraud Initiative (NFI) checks and data matching.
- Undertaking pro-active work re council tax discounts and exemptions.
- Working with housing team to provide intelligence to assist with potential tenancy breaches/fraud.



During COVID, the DWP fraud team were moved to process Universal Credit claims, which vastly reduced the **joint working with the DWP on potential fraud cases**. This had a knock-on effect on identifying cases of council tax and housing benefit fraud (as shown in the table at 4 – overleaf). DWP resource has been refocused on fraud and cases are starting to come through. The team expects cases to increase again in 2022-2023 to pre-COVID levels.

Preventing fraud

Highlights include:

- Providing additional checks for Right to Buy cases when required.
- Working with the benefits team to prevent fraud in supported accommodation.
- Working with housing to undertake pro-active checks to prevent and detect fraud.
- Hosting the East Midlands Fraud Group with local partners and agencies to share best practice and identify emerging fraud risks.
- Working with Derbyshire Police and providing responses to information requests.
- Providing additional checks as required to support delivery of COVID-19 business grants.



Understanding emerging fraud risks

In addition to investigating fraud, the team is working with the following service areas to minimise their exposure to fraud risks:



- Benefits service re Supported Exempt Accommodation.
- Allocations team.
- Revenues team.
- Right to Buy team.
- Supporting COVID-19 business grant award process.

Examples of work carried out includes pro-active review of Council Tax exemptions, carrying out visits, undertaking checks and investigating individual cases – for example charges levied by Supporting Exempt Providers to ensure services provided match costs charged.

Raising fraud awareness



Highlights include:

- Fraud awareness training for SDDC staff.
- Provision of online referral for reporting of fraud.
- Provision of fraud telephone hotline.

3. How much does the partnership cost?

Every year, South Derbyshire District Council funds the equivalent of one Counter Fraud Investigator post and a percentage of the manager salary. Annual costs are as follows:

| | 2020/2021 | 2021/2022 | 2022/2023 |
|----------------------------|-----------|-----------|-----------|
| Cost of partnership | £42,564 | £44,125 | £ 45,135 |

In return for this, South Derbyshire District Council receives the appropriate number of FTE (full time equivalent) hours service spread across a wider pool of investigators/expertise and the team manager.

4. Does the partnership offer value for money?

The below table summarises the cashable savings/income generated through the work of the partnership in 2021-2022 which are funds that can be recovered from customers. It also summarises the value for money savings, which are a calculation of expenditure/loss that would have been incurred to the public purse had the fraud not been identified and are based on Cabinet Office/NFI guidelines and multipliers. **The savings total £379,949 in 2021-2022.**

| Description of activity | Cashable saving/income | Value for money saving |
|---|------------------------|------------------------------------|
| Council tax | | |
| Removal of single person council tax discounts (NFI and non NFI). | £1,435.69 | £4,535 |
| Removal of Local Council Tax Support. | £103.52 | £1,134.42 |
| General change in liability (e.g., removing Class F Exemption following probate). | £36,827.07 | N/A |
| Housing benefits | | |
| Housing benefit cancelled / reduced. | £211.35 | £6,922.02 |
| Housing | | |
| Illegal succession, sublet, breach of tenancy. | N/A | £325,500 (7 properties at £46,500) |
| Housing application stopped. | N/A | £3,280 (1 application at £3,280) |
| Total | £38,577.63 | £341,371.44 |

The 2021-2022 performance has higher value for money savings was because of seven properties being recovered. The comparatively lower level of cashable savings (£38,577 in 2021-2022 compared to £83,429 in 2020-2021 is linked to the reduction in DWP joint working, as highlighted in section 2).

* The Cabinet Office calculates tenancy fraud at £93,000 per property recovered based on a four-year average fraud indicated by previous results. Results indicate the average length of fraud to be two years, therefore we have used a prudent value of £46,500 per property recovered.

Anti-Fraud and Corruption Plan 2022-2023

Customer services, revenues and benefits
June 2022

1.0 Introduction

Ordinarily this document would have been presented for sign-off in April in readiness for the new contract term, however due to the ongoing impact of the COVID-19 pandemic, this plan now reflects the work the partnership has delivered from 1 April 2022, and that will continue to be delivered until 31 March 2023.

This document sets out the Council's Anti-Fraud and Corruption Plan for the 2022 - 2023 financial year.

South Derbyshire District Council works in partnership with Derby City Council to provide a team of dedicated counter fraud professionals to the Council.

The team works to prevent fraud from entering the system by advising on new and revised procedures to help prevent fraud and embedding fraud awareness across the Council.

Where potential fraud is identified, it also carries out fraud investigation work across corporate, benefit and tenancy related fraud, including right to buy. It also works to identify losses to be recovered either directly or in accordance with the Proceeds of Crime Act.

The team also carries out the annual regulatory data matching checks as required by the National Fraud Initiative (NFI) that results from information uploaded for the following areas of work by officers of South Derbyshire Council.

- Payroll
- Creditors
- Housing waiting list
- Right to buy
- Licences
- Electoral registration/council tax
- Single persons discount - council tax
- COVID-19 Business Support Grant

The work of the team is supported by the work of teams across the organisation who also deliver anti-fraud activities in their service areas – for example housing.

2.0 Objectives and targets

The main objectives are to:

- Instil routine fraud checking as part of the Council's operational processes for revenues and benefits, housing, Right to Buy and wider service areas.
- Embed fraud awareness as part of the competency framework for employees.
- Continue joint working arrangements with the Department for Work and Pensions (DWP).
- Minimise the potential for misuse of supported accommodation claim arrangements and funding by providers and related financial organisations.
- Maximise the recovery of fraudulent payments and value for money savings, and work to ensure their value exceeds the in-year budgeted costs of the Counter Fraud Partnership to the Council.
- Report performance on a six-monthly basis to the Head of Customer Services and the Strategic Director (Corporate Services).

3.0 Work programme



The Anti-Fraud and Corruption Plan follows a four-strand approach, which has direct links to the Internal Audit Plan.

Detecting and investigating fraud

This strand is about detecting fraud, both before and after it has taken place. Major focuses include housing rentals, benefits, council tax and business rates discounts and exemptions, particularly where cross boundary eligibility may occur. It also includes use of technology and information including external data and data matching.

Preventing fraud

This strand is about developing better controls and procedures and creating an improved anti-fraud culture across key risk areas, such as Right to Buy and supported accommodation.

Understanding emerging fraud risks

This strand is about working with teams to better understand and minimise their exposure to fraud risks, as well as working in partnership to ensure emerging risks are well understood and planned for.

Raising fraud awareness

This strand is about preventing fraud through creating a fraud aware culture, through a programme of training and awareness raising within the staff body and wider district. As appropriate this strand also focuses on raising the awareness of successfully prosecuted fraud to highlight the consequences of fraudulent activity and provide a deterrent.

Detecting and investigating

| Activity | What the team will deliver in 2022-2023 |
|---|---|
| Council tax & business rates fraud investigation | <ul style="list-style-type: none"> Investigate fraudulent claims of council tax discounts, exemptions and reliefs. Give assurance current processes are sufficiently robust to mitigate fraud risks and conduct periodic validation exercises. Carry out random property inspections in partnership with the Council's Property Inspector. Continue to work with NFI, Call Credit and the Derbyshire Partnership. Work with tracing facilities (LOCTA) for validation purposes, particularly in cross boundary cases. Apply penalties where required. |
| Housing benefit and council tax reduction support investigation | <ul style="list-style-type: none"> Develop Housing Benefit Matching Service (HBMS) processes and routines within the Integrity and Compliance Team. Identify cases from HBMS for investigation by trained investigation staff. Continue to work with NFI. Identify fraud and apply sanctions. Give assurance that processes are mitigating risks. |
| Right to buy investigation | <ul style="list-style-type: none"> Further develop checks into applications from tenants to buy their homes. Routinely assess all new applications for veracity of deposit and application. Identify instances of fraud and apply sanctions. Give assurance that processes are mitigating risks. |
| Social housing investigation | <ul style="list-style-type: none"> Further develop arrangements to identify tenants no longer living in rented SDDC accommodation and subletting or leaving empty for lengthy periods. Work with housing team to provide intelligence and assist with potential tenancy breaches/fraud. |
| Homelessness and housing register investigation | <ul style="list-style-type: none"> Investigation of new homelessness and housing applications to identify Housing Register Fraud where suspicions raised. Spot check of applications. |
| Joint DWP investigations | <ul style="list-style-type: none"> Carry out joint investigations with the DWP as appropriate. |
| Government initiatives (Household Support Fund, Energy Rebate etc) | <ul style="list-style-type: none"> Investigate fraudulent cases. Action NFI matches and liaise with other LA's where appropriate. Liaise with NAFN/NATIS on any fraudulent cases identified. Undertake post payment checks where required. |

Preventing fraud

| Activity | What the team will deliver in 2022-2023 |
|---|--|
| Improve internal processes to ensure fraud prevention is embedded in operating procedures. | Support teams to review processes and promote improved controls and highlight any new emerging key risk areas. |
| Supported accommodation extra checks | <p>When a Housing Benefit claimant moves into supported housing, they are exempt from the benefits cap and under occupation rules, as supported housing is considered exempt accommodation. The Council normally receives 100% subsidy from central government for correctly paid Housing Benefit. But in exempt accommodation the rate is sometimes reduced to 60%, or even zero in some circumstances. There is an emerging concern across Derbyshire that legal loopholes in legislation are allowing less scrupulous landlords to develop supported housing, set high housing/rent costs that are way above market rate, and then receive significant levels of Housing Benefit in excess of the costs needed to run the housing/provide additional support. To respond to this, and in partnership with Derby City Fraud Team, the team at South Derbyshire District Council are putting in place the following measures:</p> <ul style="list-style-type: none"> • Making the supported housing application process more robust to ensure all support charges are realistic, verifiable and comparable to other similar organisations. • Checking the legitimacy of some lease agreements with the Council's legal department. • Joining a countywide discussion with neighbouring Derbyshire authorities, to learn from each other, to consider/adopt best practice and to gain representation in discussions with DWP. • Attending training led by top practitioners in this field to adopt best practice and ensure the Council maximises the subsidy it receives. • Raising the importance of the subsidy implications of non-social housing supported exempt accommodation. |
| Provide additional checks for right to buy cases | Deliver additional checks to ensure right to buy cases are valid and can progress to full application. |

Understanding emerging fraud risks

| Activity | What the team will deliver in 2022-2023 |
|---|--|
| Working in partnership | Work with the local partners and agencies, including Derbyshire Police, through the East Midlands Fraud Group to share best practice and identify emerging fraud risks. |
| Work with teams across the Council | <p>Work with the following teams to minimise their exposure to new and emerging fraud risks:</p> <ul style="list-style-type: none"> • Benefits service re supported accommodation • Allocations team • Revenues team • Right to buy team <p>Examples of work carried out include introducing new processes and procedures, carrying out visits, undertaking checks and investigating individual cases – for example charges levied by supported accommodation to ensure services provided match costs charged.</p> |

Raising fraud awareness

| Activity | What the team will deliver in 2022-2023 |
|---|--|
| Raise awareness of fraud to build a fraud aware culture | Roll out messages around fraud awareness/risks in corporate comms channels – for example Key Messages – to boost staff awareness of fraud and channels for reporting fraud. Use real life examples. |
| Continue to develop fraud awareness training for all staff. | Embed fraud awareness training into the Council's new training and development plan, and ensure it includes bribery and money laundering. Deliver both basic and enhanced training virtually and face to face (if/when allowed). A refreshed focus on training will take place in 2022-2023. |
| Raise awareness of fraud to build a fraud aware culture. | Roll out messages around fraud awareness/risks in corporate comms channels – for example Key Messages – to boost staff awareness of fraud and channels for reporting fraud. Use real life examples. Where appropriate promote successful prosecutions to highlight the consequences of fraudulent activity and provide a deterrent. This has been identified as an area of priority for 2022-2023 and quarterly bulletins will be issued. |
| Make it easy for staff, members and customers to report suspected fraud. | Deliver an online portal that allows staff, members and customers to easily report suspected fraud. |

ENDS

| | | |
|--------------------------------|---|------------------------------|
| REPORT TO: | AUDIT SUB-COMMITTEE | AGENDA ITEM: 10 |
| DATE OF MEETING: | 22 JUNE 2022 | CATEGORY: DELEGATED |
| REPORT FROM: | STRATEGIC DIRECTOR (CORPORATE RESOURCES) | OPEN |
| MEMBERS' CONTACT POINT: | KEVIN STACKHOUSE (01283 595811) Kevin.Stackhouse@southderbyshire.gov.uk | DOC: |
| SUBJECT: | COMMITTEE WORK PROGRAMME | REF: |
| WARD(S) AFFECTED: | ALL | TERMS OF REFERENCE: G |

1.0 Recommendations

1.1 That the Committee considers and approves the updated work programme.

2.0 Purpose of Report

2.1 The Committee is asked to consider the updated work programme.

3.0 Detail

3.1 Attached at Annexe 'A' is an updated work programme document. The Committee is asked to consider and review the content of this document.

4.0 Financial Implications

4.1 None arising directly from this report.

5.0 Background Papers

5.1 Work Programme.

**Audit Sub-Committee
Work Programme for the Municipal Year 2022/23**

| Work Programme Area | Date of Committee Meeting | Contact Officer (Contact details) |
|---|----------------------------------|--|
| Internal Audit Progress Report | 22 June 2022 | Adrian.manifold@centralmidlandsaudit.co.uk |
| Internal Audit Annual Report 2021/22 | 22 June 2022 | Adrian.manifold@centralmidlandsaudit.co.uk |
| Local Code of Corporate Governance Review | 22 June 2022 | Ardip.sandhu@southderbyshire.gov.uk |
| Draft Annual Governance Statement 2021/22 | 22 June 2022 | Ardip.kaur@southderbyshire.gov.uk |
| Anti-Fraud and Corruption: Performance and Plan 2022/23 | 22 June 2022 | Elizabeth.barton@southderbyshire.gov.uk |
| Internal Audit Progress Report | 7 September 2022 | Adrian.manifold@centralmidlandsaudit.co.uk |
| Internal Audit Progress Report | 7 December 2022 | Adrian.manifold@centralmidlandsaudit.co.uk |
| Local Code of Corporate Governance Review | 7 December 2022 | Ardip.sandhu@southderbyshire.gov.uk |
| Internal Audit Progress Report | 15 March 2023 | Adrian.manifold@centralmidlandsaudit.co.uk |
| Internal Audit Plan and Charter 2023/24 | 15 March 2023 | Adrian.manifold@centralmidlandsaudit.co.uk |

TBC: Reports from External Audit