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Our Ref
Your Ref

Date: 31st August 2021

Dear Councillor,

Audit-Sub Committee

A Meeting of the **Audit-Sub Committee** will be held at **Council Chamber**, on **Wednesday, 08 September 2021 at 16:00**. You are requested to attend.

Yours faithfully,

A handwritten signature in black ink that reads 'Frank McArdle'.

Chief Executive

Labour Group

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

Conservative Group

Councillors Atkin and Ford.

Independent

Councillor MacPherson.



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 **3 - 22**
- 6** 2021-22 ANTI-FRAUD & CORRUPTION PLAN & COUNTER FRAUD PARTNERSHIP PERFORMANCE UPDATE AND AGREEMENT **23 - 35**
- 7** COMMITTEE WORK PROGRAMME **36 - 38**

Exclusion of the Public and Press:

- 8** 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.
- 9** To receive any Exempt questions by Members of the Council pursuant to Council procedure Rule No. 11.

REPORT TO:	AUDIT SUB-COMMITTEE	AGENDA ITEM: 5
DATE OF MEETING:	8th SEPTEMBER 2021	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 is considered, and any issues identified are referred to the Finance and Management Committee or 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 July 2021.

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: 8th September 2021



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Our Vision

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

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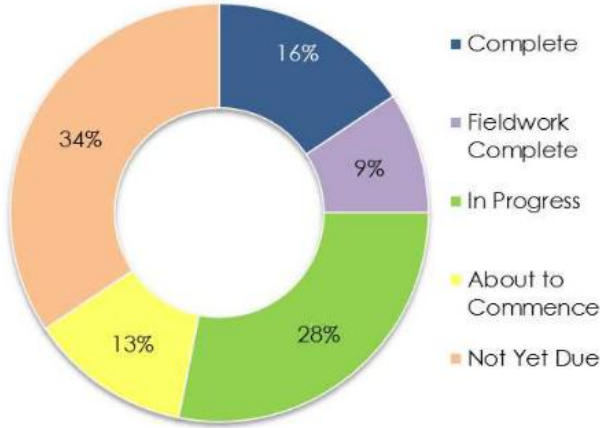


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Providing Excellent Audit Services in the Public Sector

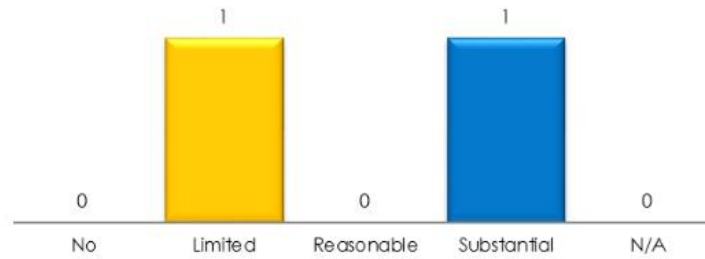
AUDIT DASHBOARD

Plan Progress



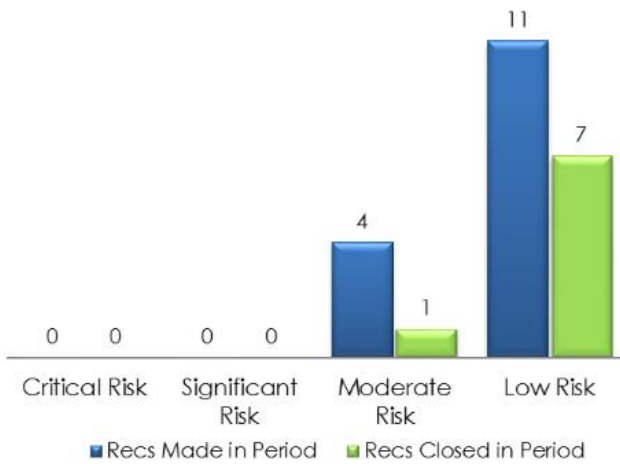
Jobs Completed in Period

Control Assurance Ratings During Period



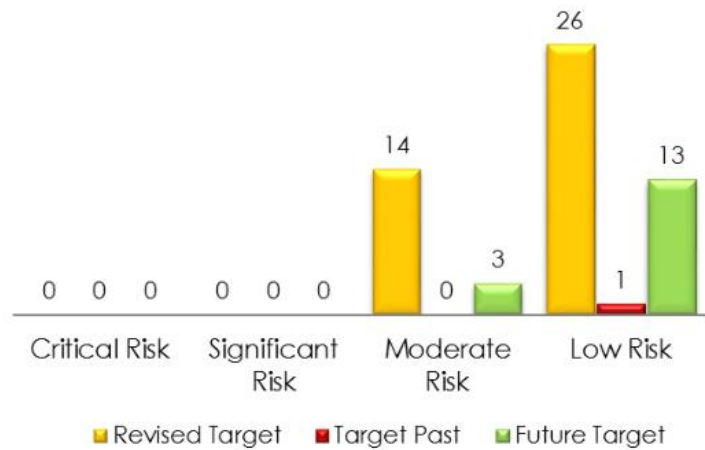
Recommendations

Movement During Period



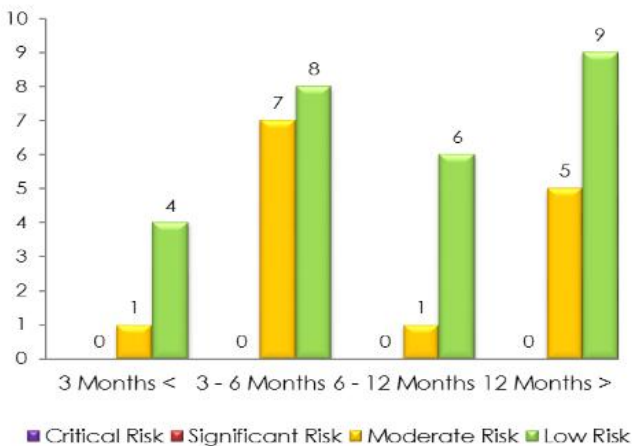
Recommendations

Recommendations Currently Open



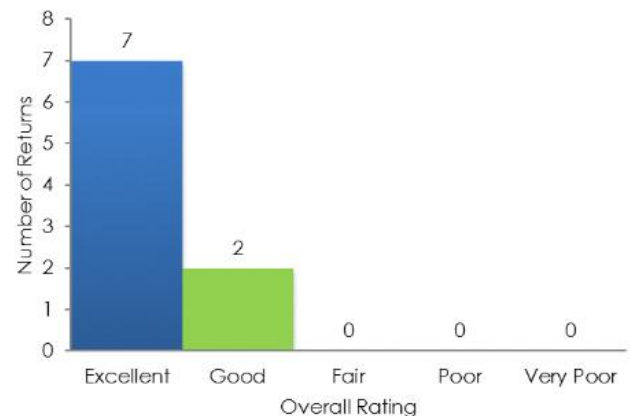
Recommendations

Overdue Recommendations



Customer Satisfaction

Returns Between Aug 20 & Aug 21



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 July 2021.

2021-22 Jobs	Status	% Complete	Assurance Rating
Data Protection & FOI 2021-22	Draft Report	95%	
Procurement 2021-22	Not Allocated		
Income Streams 2021-22	Not Allocated		
Financial Management Standards 2021-22	In Progress	50%	
Covid Related 2021-22	Not Allocated		
Insurance 2021-22	Draft Report	95%	
Taxation 2021-22	Allocated	10%	
Payroll Probity 2021-22	Not Allocated		
Creditors 2021-22	Not Allocated		
Asset Management 2021-22	Allocated		
Revenues Systems 2021-22	Not Allocated		
Cashiering 2021-22	In Progress	15%	
IT Applications 2021-22	Not Allocated		
IT Infrastructure 2021-22	Not Allocated		
Project Management 2021-22	In Progress	40%	
People Management 2021-22	Not Allocated		
Data Quality & Performance Management	In Progress	35%	
Development Management 2021-22	Not Allocated		
Climate Change 2021-22	Not Allocated		
Affordable Housing 2021-22	In Progress	20%	
Allocations & Homelessness 2021-22	Not Allocated		
Rent Accounting 2021-22	Not Allocated	5%	
Corporate Governance 2021-22	In Progress	65%	
B/Fwd Jobs	Status	% Complete	Assurance Rating
Business Continuity & Emergency Planning	Draft Report	95%	
Procurement 2020-21	Final Report	100%	Reasonable
Housing Benefit & Council Tax Support	In Progress	45%	
Microsoft 365 Platform	Final Report	100%	Reasonable
Financial Reporting - Impact of Covid19	Final Report	100%	Substantial
Leisure Centres 2020-21	Allocated	5%	
Housing Repairs 2020-21	Final Report	100%	Limited
Waste Contract - Pre-Procurement Stage	Final Report	100%	Reasonable
Electoral Services 2020-21	Allocated	20%	

Plan Changes

None.

South Derbyshire District Council – Audit Progress Report

AUDIT COVERAGE

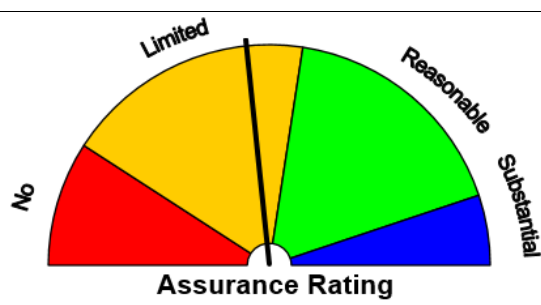
Completed Audit Assignments

Between 8th June 2021 and 24th August 2021, the following audit assignments have been finalised.

Audit Assignments Completed in Period	Assurance Rating	Recommendations Made				% Recs Closed
		Critical Risk	Significant Risk	Moderate Risk	Low Risk	
Housing Repairs 2020-21	Limited			4	7	0%
Financial Reporting - Impact of Covid19	Substantial				4	25%

Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
	Robust systems are in place to respond to repairs identified, ensuring that they are completed timely and properly recorded.	17	4	5
Management information is utilised to monitor the repairs service and ensure that it is operating effectively.	10	3	1	6
TOTALS	27	7	6	14

Summary of Weakness	Risk Rating	Agreed Action Date
The Repairs Policy was dated 2013 and was found to be out-of-date. Operational procedural guidance for the repairs process had not been produced at all.	Low Risk	30/11/2021 Future Action
Tenant information had not been updated to reflect the new arrangements for reporting repairs, and previous phone numbers were still in use. Furthermore, the online repairs reporting form had not been sufficiently promoted and therefore had a low uptake.	Low Risk	01/04/2022 Future Action
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.	Moderate Risk	01/10/2021 Future Action
Jobs completed by the repairs & maintenance contractor were not always being promptly logged as completed on Orchard, the Council's Housing Management System.	Low Risk	01/10/2021 Future Action
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.	Moderate Risk	30/07/2021 Being Implemented 30/10/2021
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.	Moderate Risk	01/10/2021 Future Action
Although the Council had a contract in place for the supply of building materials, there was significant expenditure with an alternative supplier in contravention of Council rules and Procurement Regulations.	Low Risk	01/11/2021 Future Action
Management information requirements had not been set out for the repairs service and only minimal management information was being extracted and reviewed from Orchard, the Council's Housing Management System.	Moderate Risk	01/11/2021 Future Action
Post inspections were not being carried out on a sample of day-to-day repairs.	Low Risk	01/11/2021 Future Action



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There was no clear process by which work was allocated to the repairs & maintenance contractor, rather than the Direct Labour Organisation (DLO), and there was no formal monitoring of the distribution of work to the DLO in comparison to the contractor.	Low Risk	30/11/2021 Future Action
Customer satisfaction was not being routinely measured for day-to-day repairs carried out by the Direct Labour Organisation (DLO).	Low Risk	01/10/2021 Future Action

Financial Reporting - Impact of Covid-19	Assurance Rating			
	No	Limited	Reasonable	Substantial
Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
The Council has considered the impact of Covid-19 on its control environment, identifying critical controls to reduce the risk of fraud or error	6	4	1	1
The Council has considered the regularity of its spending to ensure it adheres to the principles set out in Managing Public Money	7	5	1	1
TOTALS	13	9	2	2
Summary of Weakness		Risk Rating	Agreed Action Date	
There was no retention process documented or implemented for authorisation emails.		Low Risk	31/10/2021 Future Action	
Risk Registers had not been fully updated to reflect new or increased risks resulting from the Covid-19 pandemic.		Low Risk	Implemented	
The procurement register of exemptions was incomplete.		Low Risk	31/08/2021 Future Action	
The potential fraud risks due to Covid-19 had not been acknowledged in the <i>Anti-Fraud and Corruption Action Plan 2020/21</i> , <i>Counter Fraud Partnership Performance Update</i> , or the accompanying Committee Report presented to the Audit Sub-Committee in September 2020.		Low Risk	08/09/2021 Future Action	

South Derbyshire District Council – Audit Progress Report

RECOMMENDATION TRACKING

Final Report Date	Audit Assignments with Open Recommendations	Assurance Rating	Recommendations Open		
			Action Due	Being Implemented	Future Action
17-Aug-21	Financial Reporting - Impact of Covid-19	Substantial			3
06-Jan-21	Tenancy Management	Substantial		1	
27-Jan-21	Housing Safety Inspections 2020-21	Reasonable		5	
03-Feb-21	Waste Management (Trade Waste)	Reasonable	1	1	1
16-Jun-21	Housing Repairs 2020-21	Limited		1	10
21-Dec-20	Safeguarding 2020-21	Reasonable		1	
26-Mar-21	Revenues Systems 2020-21	Substantial		3	
09-Jun-20	Treasury Management 2019-20	Reasonable		1	
25-Nov-20	Payroll 2019-20	Reasonable		1	
06-Aug-20	Bereavement Services 2019-20	Reasonable		4	
22-Oct-20	Grounds Maintenance 2019-20	Reasonable		5	2
03-Mar-20	Improvement Grants 2019-20	Reasonable		1	
19-Jan-21	Revenue Systems 2019-20	Substantial		1	
26-Nov-19	Council House Sales - Right To Buy 2019-20	Limited		1	
17-Dec-19	Active Communities & Health	Substantial		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	
13-Nov-17	Officers Expenses & Allowances	Reasonable		1	
07-Aug-17	Parks & Open Spaces	Reasonable		2	
		TOTALS	1	40	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
Tenancy Management						1
Housing Safety Inspections 2020-21					3	2
Waste Management (Trade Waste)			1		1	
Housing Repairs 2020-21					1	
Safeguarding 2020-21						1
Revenues Systems 2020-21						3
Treasury Management 2019-20					1	
Payroll 2019-20						1
Bereavement Services 2019-20					1	3
Grounds Maintenance 2019-20					2	3
Improvement Grants 2019-20					1	
Revenue Systems 2019-20						1
Council House Sales - Right To Buy 2019-20					1	
Active Communities & Health						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
Officers Expenses & Allowances					1	
Parks & Open Spaces						2
TOTALS			1		14	26

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 few key policies. These projects and spend were approved by Finance & Management Committee in March 2021, and the PCI questionnaire will be submitted by end of March 2021, with a commitment to deliver these projects in the short-term. The projects are currently underway and will be delivered in quarter 1/2 of 2021, dependent on technical requirements.	01/10/2021 Future Action

Council House Sales: Right To Buy	Rec No. 6
Summary of Weakness / Recommendation	Risk Rating
<p>Only one Right To Buy valuer had been utilised for over 10 years during which time there had been no procurement exercise, and the valuer did not hold the expected professional qualification.</p> <p>We recommend that a procurement exercise is undertaken to engage an appropriately qualified valuer(s). Consideration should be given to obtaining more than one independent valuation for Right to Buy property sales.</p>	Moderate Risk
Management Response/Action Details	Action Date
To be implemented as per recommendation	01/02/2020
Status Update Comments	Revised Date
First attempt to procure service did not attract any RICS qualified providers. Formal tender process now being followed.	01/11/2021 Future Action

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Officers Expenses & Allowances	Rec No. 2
Summary of Weakness / Recommendation	Risk Rating
<p>The review of essential user allowances process, which was due to be carried out annually, had not been carried out.</p> <p>We recommend that the Council considers a root and branch review of its approach to the payment of travel expenses, with a view to reducing the number of uneconomic payments made through the essential user scheme.</p>	Moderate Risk
Management Response/Action Details	Action Date
<p>The payments are contractual for employees and therefore formal consultation will need to be undertaken. The Council is completing a job evaluation project and it is planned to commence discussions with the Trade Unions as part of a wider review of employment conditions and to fit in line with negotiations being completed on a national basis. Position to be reviewed 30th September 2019.</p>	30/09/2018
Status Update Comments	Revised Date
<p>The payments are contractual for employees and therefore formal consultation will need to be undertaken. A wider review of employment terms and conditions is to be completed as part of the post-Covid actions and this will be considered further as part of this work.</p>	31/03/2022 Action Due

Payroll 2018-19	Rec No. 1
Summary of Weakness / Recommendation	Risk Rating
<p>There was no process in place to check that all changes made on the Resource Link Payroll system were valid and supported by appropriate documentation.</p> <p>We recommend that a standard report should be setup on the Resource Link system that produces a listing of all changes made to Payroll records by all users within the period. This should then be used to ensure that appropriate documentation is held to support all changes made, and that they have been accurately input. Furthermore, the Checked by column in the HR spreadsheet should be regularly completed to evidence each item listed has been checked.</p>	Moderate Risk
Management Response/Action Details	Action Date
<p>A number of options are being explored to address this issue with the software provider and will subsequently eradicate the level of risk. There is already a report developed that can be used to run reports on all users from Resource Link. The process of running reports was agreed in the previous audit 2017/18. Subject to the implementation of a new reporting tool, reports will be run on all users to identify any new starters and changes made to the system. In addition, the previously agreed arrangements will continue and this will include the exchange of information between HR and payroll to clarify any other changes that impact on an employee's salary. This will include the completion of the checked by column.</p>	01/10/2019
Status Update Comments	Revised Date
<p>Work has been completed to ensure that adequate separation of duties is in place and documented evidence provided.</p> <p>The monthly spreadsheet detailing changes will continue to be produced and exchanged by HR and Payroll.</p> <p>Work is to be progressed during 2021/22 in relation to the ongoing provision of the Payroll service and this will include the establishment of ongoing controls on this area.</p>	01/04/2022 Future Action

South Derbyshire District Council – Audit Progress Report

Improvement Grants 2019-20	Rec No. 5
Summary of Weakness / Recommendation	Risk Rating
<p>No performance targets had been set for the key stages of the DFG process, and there was no regular monitoring or reporting of performance to management.</p> <p>We recommend that appropriate targets are identified for the standard types of adaptation. Performance against these targets should be monitored and reported regularly to management.</p>	Moderate Risk
Management Response/Action Details	Action Date
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
Provisional performance targets have been set and agreed, and will be implemented in September 2021.	30/09/2021
	Future Action

Bereavement Services 2019-20	Rec No. 2
Summary of Weakness / Recommendation	Risk Rating
<p>Contract opportunities for the provision of a grave digging service had not been advertised on the Contracts Finder website, in line with the requirements of the Public Contract Regulations 2015, and there was no current contract in place.</p> <p>We recommend that the Council pursues one of the following actions: A corporate contract may be required for the area of spend and as such a formal tender exercise should be undertaken. Engage the Council's DSO to provide the service at the rural cemeteries as well as the urban cemeteries. The area of spend may be relevant to an existing or new framework agreement/contract which should be used to formalise the process. If no competitive market is available this should be demonstrated and a formal exemption from the Contract Procedure Rule should be put in place.</p>	Moderate Risk
Management Response/Action Details	Action Date
All options will be assessed and taken forward after the Covid-19 pandemic is over as the risk of any changes to the service are too great at the present time.	01/01/2021
Status Update Comments	Revised Date
Delay in procurement due to COVID management requirements. Desire to minimise any potential risk to service continuity.	01/04/2022
	Future Action

South Derbyshire District Council – Audit Progress Report

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

Grounds Maintenance 2019-20	Rec No. 3
Summary of Weakness / Recommendation	Risk Rating
<p>The capacity of Operational Services for carrying out tree maintenance works was insufficient, limiting responsiveness.</p> <p>We recommend that appropriate funds are identified to ensure that the new Tree Strategy and Tree Policy can be adequately resourced and implemented.</p>	Moderate Risk
Management Response/Action Details	Action Date
Tree Strategy and Policy is planned to go to Committee February 2021	01/03/2021
Status Update Comments	Revised Date
The Tree Strategy is undergoing consideration by the Council's insurers to ascertain level of risk and inform any financial commitment. It is intended that the Strategy will be presented to Housing and Community Services committee in the Autumn.	11/10/2021 Future Action

South Derbyshire District Council – Audit Progress Report

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
The database system currently being developed by Operational Services and the Business Transformation team, has not been completed due to conflicting priorities and annual leave, the basic principles and design have been progressed however a go live date hasn't yet been agreed and implementation is unlikely to take place before 01/11/21.	30/11/2021 Future Action

Housing Safety Inspections 2020-21	Rec No. 1
Summary of Weakness / Recommendation	Risk Rating
<p>Safety inspection certificates and the information contained within them were generally stored on the Council's shared V drive and a series of Excel spreadsheets rather than against individual properties on a central database, and this did not allow efficient retrieval of up-to-date information on a property.</p> <p>We recommend that an asset management software solution is identified and implemented as a matter of priority, to facilitate the appropriate storage of certification and associated information. It is noted that this could present a number of additional benefits, including greater accuracy and efficiency in creating and monitoring inspection cycles, easier tracking of remedial works, and improved management information, which would assist in the achievement of other recommendations within this report.</p>	Moderate Risk
Management Response/Action Details	Action Date
LifeSpan is to be re launched at least as an interim measure. USO uploading rewires from Jan 2020 and EICR certificates. Gas certs from Jan 2021 being uploaded. Operational responsibility is assigned to Repairs and Improvements Team Leader	30/04/2021
Status Update Comments	Revised Date
Original date was 30/4/21 for decision to be made - this has now been met and agreed to continue with LifeSpan.	31/12/2021 Future Action

South Derbyshire District Council – Audit Progress Report

Work progressing to establish architecture to LifeSpan to enable efficient use. New certification being uploaded and a process for uploading and registering historic records being created.

Housing Safety Inspections 2020-21	Rec No.5
Summary of Weakness / Recommendation	Risk Rating
<p>Fire Risk Assessments had not been reviewed at the required frequency for all relevant properties.</p> <p>We recommend that the intended procurement of a Fire Risk Assessment provider be prioritised and that all overdue Fire Risk Assessments are undertaken and documented as soon as practically possible.</p>	Moderate Risk
Management Response/Action Details	Action Date
Short term – requested to be completed by SDDC H&S and some urgent properties undertaken by MAGG. Operational responsibility is assigned to Repairs and Improvements Team Leader.	31/03/2021
Status Update Comments	Revised Date
FRA timetable in place with external consultants.	30/08/2021
	Future Action

Housing Safety Inspections 2020-21	Rec No. 6
Summary of Weakness / Recommendation	Risk Rating
<p>While action had been taken to address many of the action points identified in Fire Risk Assessments dating back to 2016 and 2017, issues had not yet been fully addressed.</p> <p>We recommend that the Council ensures the completion of all outstanding points from Fire Risk Assessments as soon as practically possible. A plan should also be put in place to ensure that there is sufficient capacity to address any further fire safety risks identified once FRAs are refreshed following completion of the works.</p>	Moderate Risk
Management Response/Action Details	Action Date
From the compartmentalisation surveys commissioned via Aquilum (Ventro/OmniZone) a contract was generated. £235k of firestopping works were carried out. Overall number of tasks allocated: 888 tasks completed, 420 Fire doors to be complete. Fire doors to install by Novus. Unfortunately, initial contractor consistently underperformed and have had to source alternative provision for renewal of fire doors. Fitting of these has now commenced. Operational responsibility is assigned to Repairs and Improvements Team Leader.	25/03/2021
Status Update Comments	Revised Date
Fire stopping items complete. Fire doors to be complete by new contractor. New actions will be identified through the FRA programme	30/08/2021
	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 the limited availability of training staff and limited times when training can be delivered to the refuse workforce it continues to be problematic to deliver mandatory training to 100% of the refuse workforce. Despite numerous attempts to resolve the current approach is not working. Operational Services and Human resources have now agreed on a new approach to resolve the issue. A number of training films are being developed which will give greater flexibility for delivery of mandatory training. Whilst in development employees will continue to receive regular toolbox talks, delivered by management and covering the essential Health & Safety topics, particularly manual handling and vehicle reversing.	01/04/2022 Future Action

Housing Repairs 2020-21	Rec No. 5
Summary of Weakness / Recommendation	Risk Rating
<p>Orchard, the Councils 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
For resolution by newly appointed Repairs Manager who start in post 09/09/2021	30/10/2021 Future Action

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
<p>Files and documentation confirming compliance with safety standards was not held centrally, but rather in separate project files in the Cultural Services Department.</p> <p>We recommend that the documentation held by the Council in respect of play equipment and playground surfacing which demonstrates compliance with the relevant safety standards, should be held centrally. Ideally, the relevant documents confirming compliance for each play area should be scanned and stored on separate electronic files, headed up for each play area. Access to the files should be allowed for both the Open Space and Facilities Development Manager and the Street Scene Manager. This would allow all officers involved in the process to access the information as necessary (i.e. for ordering parts) and would serve to ensure that the information was complete and easily accessible.</p>	Low Risk
Management Response/Action Details	Action Date
Central folder to be set up for all Play Equipment paperwork on S Drive. Scan in all relevant documents.	31/03/2018
Status Update Comments	Revised Date
Cultural Services have a project to bring these together electronically. Staff not visiting the office so project will resume when the Covid 19 risk has reduced.	31/12/2021 Future Action

Parks & Open Spaces	Rec No. 7
Summary of Weakness / Recommendation	Risk Rating
<p>Signs at play areas did not clearly identify the site operator, relying instead on a display of the Council's emblem, not necessarily identifiable with all users of the play areas. In addition, out of hours contact details differed on one sign compared to the other three we viewed.</p> <p>We recommend that the signs displayed at the children's play areas across the district clearly display, the name of the site operator, i.e. the district council or parish council as appropriate. This would allow users of the play areas to clearly identify the site operators in the event of accident or equipment failure. In addition, all the signs situated in the play areas should display the correct contact numbers, both in and out of office hours.</p>	Low Risk
Management Response/Action Details	Action Date
Review of signage to be undertaken. New signage to be designed and approved. New signs to be installed on all Council operated play areas – NOTE: subject to budget/cost constraints	31/03/2018
Status Update Comments	Revised Date
This is being actioned as part of the play project programme.	31/12/2022 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
The Council has undertaken a comprehensive PCI audit with a specialist consultancy. Two key recommendations were made, namely the delivery of Call Secure Plus and P2PE, as well as the update of a few key policies. These projects and spend were approved by Finance & Management Committee in March 2021, and the PCI questionnaire will be submitted by end of March 2021, with a commitment to deliver these projects in the short-term. The projects are currently underway and will be delivered in quarter 1/2 of 2021, dependent on technical requirements.	01/10/2021 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
The Council has undertaken a comprehensive PCI audit with a specialist consultancy. Two key recommendations were made, namely the delivery of Call Secure Plus and P2PE, as well as the update of a few key policies. These projects and spend were approved by Finance & Management Committee in March 2021, and the PCI questionnaire will be submitted by end of March 2021, with a commitment to deliver these projects in the short-term. The projects are currently underway and will be delivered in quarter 1/2 of 2021, dependent on technical requirements.	01/10/2021 Future Action

South Derbyshire District Council – Audit Progress Report

Section 106 Agreements 2018-19	Rec. No. 1
Summary of Weakness / Recommendation	Risk Rating
<p>The Section 106 Agreements version 8 - A guide for Developers document had not been reviewed since April 2010 and contained out-of-date information.</p> <p>We recommend that the Section 106 Agreements version 8 - A guide for Developers document should be subject to a full review and update. Going forward, this document should be subject to regular review and update.</p>	Low Risk
Management Response/Action Details	Action Date
Review to be undertaken in 2019/2020 - to produce formal supplementary planning document (statutory process) - then reviewed as part of the Local Plan process.	01/04/2019
Status Update Comments	Revised Date
This is included as a target in the Service Delivery Plan for 2021-22.	31/03/2022
	Future Action

Allocations & Homelessness 2018-19	Rec. No. 1
Summary of Weakness / Recommendation	Risk Rating
<p>There were no formal procedure notes detailing the allocation process</p> <p>We recommend that, once a revised Allocations Policy is in place, a formal procedure note is produced detailing the allocations process.</p>	Low Risk
Management Response/Action Details	Action Date
Procedure notes to be completed after the implementation of new Housing Allocations Policy.	30/07/2019
Status Update Comments	Revised Date
Choice Based Lettings Project now underway - new system to be implemented by end of December 2021.	21/12/2021
	Future Action

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
Resource issues have delayed some of the progress, all policies are currently being reviewed and updated by the interim Waste and Transport Manager. A drivers handbook /procedures has been completed and will be issued shortly.	30/09/2021
	Future Action

South Derbyshire District Council – Audit Progress Report

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 driver's personal details. The Head of Operational Services is providing support. However, the Human Resources Manager is delivering the project. Progress has been made on the introduction of a specialist third party system and will need consultation with employees.	30/09/2021 Future Action

Active Communities & Health	Rec. No. 1
Summary of Weakness / Recommendation	Risk Rating
<p>Community consultations were not considered to be appropriately inclusive of all members of the disabled community.</p> <p>We recommend that when conducting community consultations intended to include disabled people, the Active Communities & Health team should contact a local equalities team, such as Access Derbyshire (Derbyshire County Council), for them to assess the appropriateness of the consultation document for the disabled community.</p>	Low Risk
Management Response/Action Details	Action Date
The 50+ survey is still in draft stage and all information has not been included yet. We will ensure that these are picked up for this consultation which will be launched in January 2020 all being well.	31/01/2020
Status Update Comments	Revised Date
Requested to postpone until end of June- as due to Covid situation not deemed appropriate to releases such a survey at this moment in time due to lockdown three. Hoping to release in Q1 or Q2 of 2021-22	31/08/2021 Future Action

REPORT TO:	AUDIT SUB-COMMITTEE	AGENDA ITEM: 6
DATE OF MEETING:	8th SEPTEMBER 2021	CATEGORY: DELEGATED
REPORT FROM:	STRATEGIC DIRECTOR (CORPORATE RESOURCES)	OPEN
MEMBERS' CONTACT POINT:	ELIZABETH BARTON, HEAD OF CUSTOMER SERVICES elizabeth.barton@southderbyshire.gov.uk or 01283 595779	DOC:
SUBJECT:	2021-2022 ANTI FRAUD & CORRUPTION PLAN & COUNTER FRAUD PARTERSHIP PERFORMANCE UPDATE & AGREEMENT	
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 2020-2021.
- 1.2 That the Committee approves that the Counter Fraud Partnership be continued for 2021-2022 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 2021-2022 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.
- 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 2020-2021 the partnership cost the Council £42,564 and delivered total savings of £152,292.41. The recent work of the partnership and savings is outlined in detail in the 2020-2021 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, together with the Council's Training and Development Officer, the partnership worked to embed the annual fraud training programme into the Council's corporate training schedule and has so far trained 42% of the workforce. Feedback from the training remains very positive.
- 3.6 Also in 2021-2022, the team supported the Council's revenues, finance and economic development teams and helped to investigate suspected cases of COVID-19 business grant fraud, as well as advised on enhanced checking procedures and post payment assurance checking.
- 3.7 The team also undertook a review of emerging fraud risk areas, and incorporated COVID-19 business grant claims into the work programme as a result.

Anti-Fraud and Corruption Plan

- 3.8 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.
- 3.9 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.
- 3.10 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.
- 3.11 The plan for 2021 – 2022 is set out at Appendix 2. Ordinarily this would have been reported in readiness for April 2021, however due to the ongoing impact of COVID-19, the plan now covers a reduced period (September 2021 – April 2022).

4.0 Financial implications

4.1 The Council's Counter Fraud Service is delivered in partnership with Derby City Council.

4.2 The partnership delivered £152,292.41 total savings in 2020-2021. This was comprised of:

- **£83,429.16 in cashable savings/income**, which are funds that can be recovered from customers - for example discounts being awarded for Council Tax, the value will represent the amount of cash recovered which has been over claimed due to fraud, as well as housing benefit overpayments.
- **£68,863.25 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.

4.3 Each year the levels of savings can fluctuate significantly, depending on the volume of high value fraudulent activity that is identified/stopped – for example each time tenancy fraud is identified its value for money saving is recorded at £46,500 per property.

4.4 Each year, the partnership aims to recover the cost of the partnership itself in cashable and value for money savings.

4.5 The cost of the partnership are as follows:

	2018-19	2019-2020	2020-2021	Proposed costs for 2021-2022
Cost of Partnership	£40,764	£42,564	£42,564	£42,564

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.

4.7 The partnership aims to deliver costs in line with previous years, allowing for the incorporation of cost-of-living etc increases.

5.0 Corporate Implications

Employment Implications

5.1 None

Legal Implications

3.12 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

5.2 None directly.

Risk Impact

5.3 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 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 2020-2021

Appendix 2 –Anti-Fraud & Corruption Plan 2021-2022



Counter Fraud Partnership Performance Update

1 April 2020 – 3 March 2021

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 2020, the partnership has delivered in excess of £152,000 cashable and value for money savings though preventing and detecting fraud, including providing additional support in relation to emerging COVID-19 fraud risks.

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 2020 - 2021 includes:

Detecting and investigating fraud

Highlights include:

- One property recovered (e.g., illegal sub-letting, breach of tenancy) and three housing applications withdrawn.
- £152,292.41 savings delivered, consisting of £83,429.16 cashable savings and £68,863.25 value for money savings.
- Continuing to provide intelligence to support investigation into Modern Slavery and Organised Crime Groups.
- Undertaking National Fraud Initiative (NFI) checks and data matching.
- Undertaking joint investigations with DWP.
- Undertaking pro-active work re council tax discounts and exemptions.
- Working with housing team to provide intelligence to assist with potential tenancy breaches/fraud.



Preventing fraud

Highlights include:

- Providing additional checks for Right to Buy cases.
- Working with the benefits team to prevent fraud in supported accommodation.
- Working with the housing teams 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 attending tasking meetings to identify emerging fraud.
- Providing a single point of contact (SPOC) for DWP cases.
- Providing additional checks where 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 introducing new processes and procedures, 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 – over 42% of the workforce trained so far.
- 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:

	2019/2020	2020/2021
Cost of partnership	£42,564.00	£42,564.00

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 since April 2020, 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 £152,292.41 in 2020-21.**

Description of activity	Cashable saving/income	Value for money saving
Council tax		
Removal of single person council tax discounts (NFI and non NFI)	£1,299.01	£4,772.36
Removal of Local Council Tax Support	£5,570.51	£1,847.16
General change in liability (e.g. removing Class F Exemption following probate)	£34,795.87	N/A
Housing benefits		
Housing benefit cancelled / reduced	£22,303.62	£5,903.73
Other DWP benefit overpayment recovery (cashable savings for DWP)	£19,460.15	N/A
Housing		
Illegal succession, sublet, breach of tenancy	N/A	£46,500 (1 property)
Housing application stopped	N/A	£9,840 (3 applications at £3,280)
Total	£83,429.16	£68,863.25

The performance compares favourably with the previous year's performance (2019-20) where the team delivered £50,138.70 cashable savings/income, and £322,600.66 value for money savings. The higher value for money savings was as a result of three properties being recovered and two right to buy cases being stopped with a combined value of £151,050.

Anti-Fraud and Corruption Plan 2021-2022

Corporate Resources
September 2021

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 2021, and that will continue to be delivered until 31 March 2021.

This document sets out the Council's Anti-Fraud and Corruption Plan for the 2021-2022 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 2021-2022
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.
Covid-19 Business Support Grants (BSG)	<ul style="list-style-type: none"> • Investigate fraudulent cases of COVID-19 awards. • Action NFI matches arising from COVID-19 and liaise with other LA's where appropriate. • Liaise with NAFN/NATIS on any fraudulent cases identified. • Undertake post payment checks 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.
Joint DWP investigations	<ul style="list-style-type: none"> • Carry out joint investigations with the DWP as appropriate.

Preventing fraud

Activity	What the team will deliver in 2021-2022
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 2021-2022
Work with teams and internal audit	Work with heads of service and internal audit to identify new areas of potential weakness/work.
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 2021-2022
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).
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
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: 7
DATE OF MEETING:	8th SEPTEMBER 2021	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 2021/22**

Work Programme Area	Date of Committee Meeting	Contact Officer (Contact details)
External Audit Plan 2020/21	28 June 2021	Hhenshaw@uk.ey.co
Internal Audit Progress Report	28 June 2021	Adrian.manifold@centralmidlandsaudit.co.uk
Internal Audit Annual Report 2020/21	28 June 2021	Adrian.manifold@centralmidlandsaudit.co.uk
Local Code of Corporate Governance Review	28 June 2021	Ardip.kaur@southderbyshire.gov.uk
Draft Annual Governance Statement 2020/21	28 June 2021	Ardip.kaur@southderbyshire.gov.uk
Anti-Fraud and Corruption Policy	28 June 2021	Kevin.stackhouse@southderbyshire.gov.uk
Risk Management Framework	28 June 2021	Kevin.stackhouse@southderbyshire.gov.uk
Internal Audit Progress Report	8 September 2021	Adrian.manifold@centralmidlandsaudit.co.uk
Anti-Fraud and Corruption Performance and Annual Plan	8 September 2021	Elizabeth.barton@southderbyshire.gov.uk
Audit Results Report for the Year Ending 31 March 2021	8 December 2021	Hhenshaw@uk.ey.co
Internal Audit Progress Report	8 December 2021	Adrian.manifold@centralmidlandsaudit.co.uk
Local Code of Corporate Governance Review	8 December 2021	Ardip.kaur@southderbyshire.gov.uk
Internal Audit Progress Report	16 March 2022	Adrian.manifold@centralmidlandsaudit.co.uk

Internal Audit Plan and Charter 2022/23	16 March 2022	Adrian.manifold@centralmidlandsaudit.co.uk
External Audit Plan 2021/22	16 March 2022	Hhenshaw@uk.ey.co