

Date: 30 August 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, 07 September 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 and to note any Substitutes appointed for the Meeting.
- 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 - 27**
- 6** COMMITTEE WORK PROGRAMME **28 - 29**

Exclusion of the Public and Press:

- 7** 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.
- 8** 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:	7 SEPTEMBER 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 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 July 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

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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.

Contacts

Richard Boneham CPFA
Head of Internal Audit (DCC) &
Head of Audit Partnership
c/o Derby City Council
Council House
Corporation Street
Derby, DE1 2FS
Tel. 01332 643280
richard.boneham@derby.gov.uk

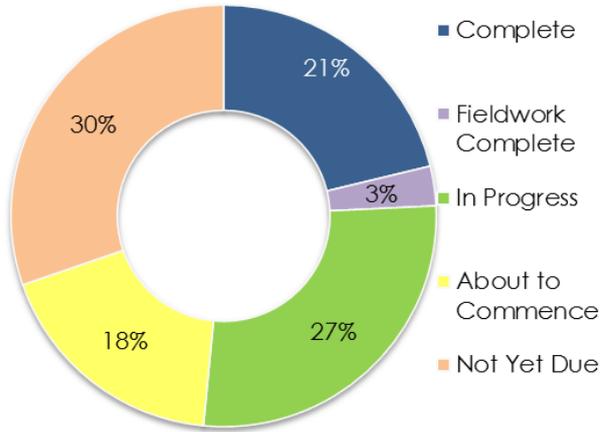
Adrian Manifold CMIIA
Audit Manager
c/o Derby City Council
Council House
Corporation Street
Derby
DE1 2FS
Tel. 01332 643281
adrian.manifold@centralmidlandsaudit.co.uk

Mandy Marples CPFA, CCIP
Audit Manager
c/o Derby City Council
Council House
Corporation Street
Derby
DE1 2FS
Tel. 01332 643282
mandy.marples@centralmidlandsaudit.co.uk



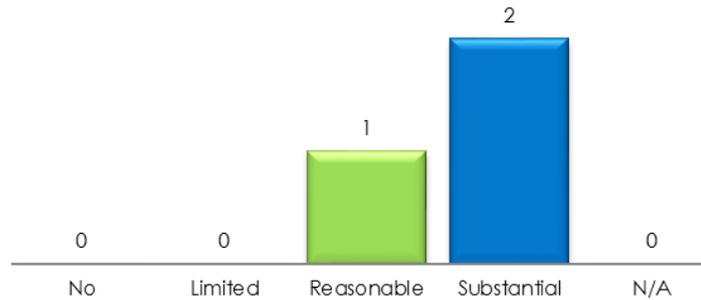
AUDIT DASHBOARD

Plan Progress



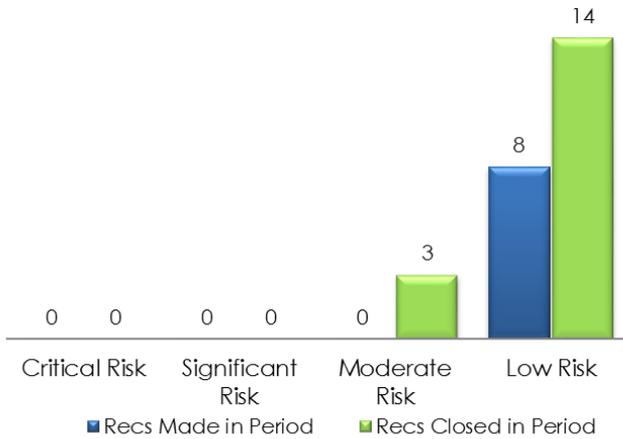
Jobs Completed in Period

Control Assurance Ratings During Period



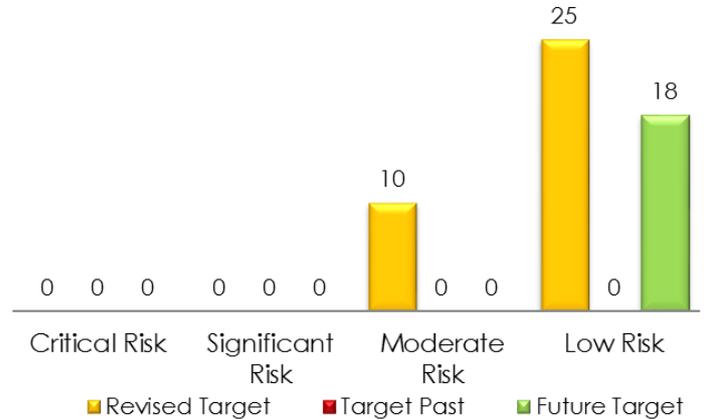
Recommendations

Movement During Period



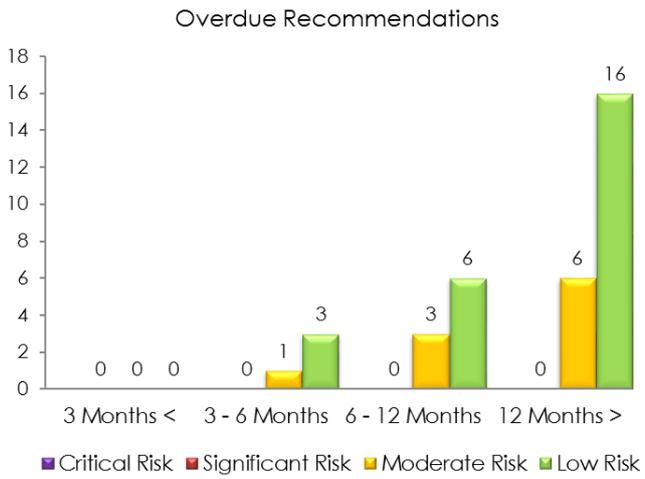
Recommendations

Recommendations Currently Open

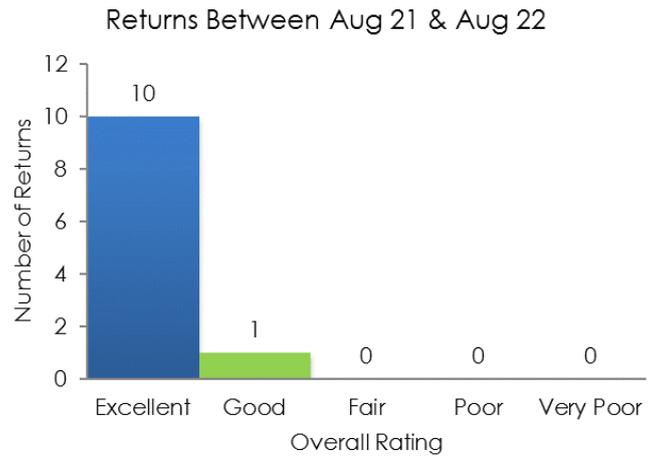


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Recommendations



Customer Satisfaction



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AUDIT PLAN

Progress on Audit Assignments

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

2022-23 Jobs	Status	% Complete	Assurance Rating
Records Management 2022-23	In Progress	15%	
Risk Management 2022-23	In Progress	60%	
Procurement 2022-23	Not Allocated	0%	
Safeguarding 2022-23	Not Allocated	0%	
Main Accounting System 2022-23	Not Allocated	0%	
Treasury Management 2022-23	Allocated	5%	
Capital Programme 2022-23	Not Allocated	0%	
Banking Services 2022-23	In Progress	60%	
Officers Expenses & Allowances 2022-23	Fieldwork Complete	90%	
Revenues Systems 2022-23	Not Allocated	0%	
IT Key Controls 2022-23	Allocated	0%	
Data Quality & Performance Management 22-23	In Progress	60%	
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	Allocated	0%	
Parks & Open Spaces 2022-23	Allocated	0%	
Rosliston Forestry Centre 2022-23	In Progress	25%	
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	Allocated	0%	
B/Fwd Jobs	Status	% Complete	Assurance Rating
Procurement 2021-22	Final Report	100%	Reasonable
Income Streams 2021-22	Final Report	100%	Reasonable
Payroll Probity 2021-22	In Progress	55%	
Creditors 2021-22	Final Report	100%	Reasonable
Housing System IT Upgrades	In Progress	65%	
People Management 2021-22	Final Report	100%	Substantial
Homelessness 2021-22	Final Report	100%	Substantial
Corporate Governance 2021-22	Final Report	100%	Reasonable
Leisure Centres 2020-21	Final Report	100%	Reasonable
Electoral Services 2020-21	In Progress	75%	

Plan Changes

None.

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AUDIT COVERAGE

Completed Audit Assignments

Between 1st June 2022 and 23rd August 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	
People Management 2021-22	Substantial				1	0%
Income Streams	Reasonable				6	0%
Homelessness 2021-22	Substantial				1	0%

People Management 2021-22	Assurance Rating			
	No	Limited	Reasonable	Substantial
Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
Staff welfare was appropriately managed throughout the global pandemic and that the appropriate processes were in place to support teams in maintaining service levels whilst also adhering to government guidelines.	10	10	0	0
Staff are kept up-to-date with all mandatory training courses and that completion of these is monitored and escalated as appropriate.	8	5	2	1
TOTALS	18	15	2	1
Summary of Weakness		Risk Rating	Agreed Action Date	
As of December 2021, mandatory training courses had only been completed by 72% of staff on average.		Low Risk	31/07/2023 Future Action	

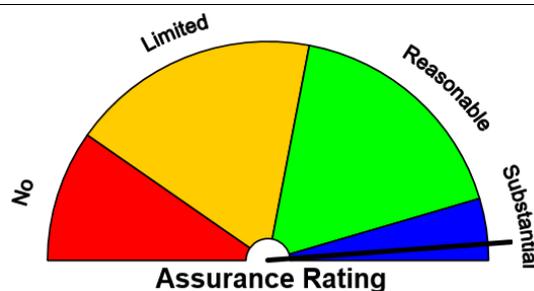
Income Streams	Assurance Rating			
	No	Limited	Reasonable	Substantial
Control Objectives Examined	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
Income is collected, receipted, stored, recorded accurately and banked intact.	6	1	4	1
TOTALS	6	1	4	1

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Summary of Weakness	Risk Rating	Agreed Action Date
The booking records for the Community Lounges had been lost during a change from one system to another.	Low Risk	28/02/2023 Future Action
There were differences in the hire charges for Community Lounges recorded in different documents.	Low Risk	30/11/2022 Future Action
There had been no use of the guest bedrooms located at the Council's supported housing sites for several years, but the charge continued to remain within the approved Fees and Charges schedule.	Low Risk	28/02/2023 Future Action
Invoices for the hire of sports pitches were not being raised in a timely manner.	Low Risk	28/02/2023 Future Action
Invoices for the hire of rooms at the Council's Town Hall and Community Centres were not being raised in a timely manner with the process to administer bookings being resource intensive.	Low Risk	28/02/2023 Future Action
Housing Standards Enforcement costs were not being applied in all cases.	Low Risk	30/11/2022 Future Action

Control Objectives Examined	Assurance Rating			
	Controls Evaluated	Adequate Controls	Partial Controls	Weak Controls
The Homelessness Service was operating effectively and in compliance with relevant legislation.	9	8	0	1
The Council has adapted the Homelessness Service and adequately planned in order to effectively manage issues that have arisen as a result of the global pandemic.	7	7	0	0
TOTALS	16	15	0	1

The Homelessness and Rough Sleeping Strategy 2020-2025 had not been formally published on the Council's website in its final version and the current draft did not have a version control log or a record of responsible officers for actions detailed in the action plan.	Low Risk	31/12/2022 Future Action
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South Derbyshire District Council – Audit Progress Report

RECOMMENDATION TRACKING

Final Report Date	Audit Assignments with Open Recommendations	Assurance Rating	Recommendations Open		
			Action Due	Being Implemented	Future Action
22-Aug-22	Homelessness 2021-22	Substantial			1
02-Aug-22	Income Streams	Reasonable			6
29-Jul-22	People Management 2021-22	Substantial			1
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	
06-Sep-21	Data Protection & Freedom of Information	Reasonable		2	
15-Sep-21	Insurance	Substantial			1
30-Mar-22	Housing Benefit & Council Tax Support	Substantial			1
06-Jan-21	Tenancy Management	Substantial		1	
19-May-22	Leisure Centres 2020-21	Reasonable			1
03-Feb-21	Waste Management (Trade Waste)	Reasonable		3	
16-Jun-21	Housing Repairs 2020-21	Limited		6	
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		2	
22-Oct-20	Grounds Maintenance 2019-20	Reasonable		5	1
26-Mar-19	Fleet Management	Reasonable		1	
23-Jul-19	Payroll 2018-19	Reasonable		1	
29-Aug-19	Corporate Governance 2018-19	Reasonable		1	
12-Feb-19	PCI Compliance 2018-19	Reasonable		3	
07-Aug-17	Parks & Open Spaces	Reasonable		2	
		TOTALS		35	18

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

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

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

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Audit Assignments with Recommendations Due	Action Due			Being Implemented		
	Significant Risk	Moderate Risk	Low Risk	Significant Risk	Moderate Risk	Low Risk
Rent Accounting 2021-22					1	2
Asset Management 2021-22						1
Data Protection & Freedom of Information					1	1
Tenancy Management						1
Waste Management (Trade Waste)					1	2
Housing Repairs 2020-21					3	3
Revenues Systems 2020-21						3
Payroll 2019-20						1
Bereavement Services 2019-20					1	1
Grounds Maintenance 2019-20					1	4
Fleet Management						1
Payroll 2018-19					1	
Corporate Governance 2018-19						1
PCI Compliance 2018-19					1	2
Parks & Open Spaces						2
TOTALS					10	25

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HIGHLIGHTED RECOMMENDATIONS

Being Implemented – Significant or Moderate Risk Recommendations

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

PCI Compliance 2018-19	Rec No. 8
Summary of Weakness / Recommendation	Risk Rating
<p>The Council was not PCI Compliant and was paying non-compliance fees to a third party. Further management fees were being paid to the financial system provider for PCI and they were also charging the Council for a verbal assessment that no-one at the Council knew anything about.</p> <p>We recommend that the Council establishes a PCI Compliance Action Plan which should take account of the non-compliance fees being paid and should look to work with the third party to ensure that they are able to provide compliance to them and remove the non-compliance fee. The Council should also determine what benefits the Council receives for the PCI DSS Management Fee and verbal assessment.</p>	Moderate Risk
Management Response/Action Details	Action Date
<p>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 15th February 2019 a compliance action plan will be drafted for agreement by each team.</p>	01/04/2019
Status Update Comments	Revised Date
<p>The Council has undertaken a comprehensive PCI audit with a specialist consultancy. Two key recommendations were made, namely the delivery of Call Secure Plus and P2PE, as well as the update of a 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>	<p>01/10/2022 Future Action</p>

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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.	30/09/2022 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
We will look to do an options appraisal to identify future service delivery, this could be either in-house or to go out to formal tender. This appraisal should be concluded by February 2023 and subsequent action will then be taken thereafter.	01/03/2023 Future Action

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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

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

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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"> o 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. o The possibility of sending job tickets directly from Orchard to operative's smartphones (or scanning and emailing them) is investigated. o 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. o 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 will rely on the upgrade of the Orchard system and the commencement of new Repairs Manager in Post. An outline timetable for the implementation of dynamic scheduling/mobile working has been agreed with Orchard MRI for completion by December 2023.	01/03/2023 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 this should be monitored by management until embedded.</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
The implementation of an App to control stock purchase is in implementation with the major supplier and in discussion with the secondary supplier. This will not progress further until the commencement in post of the New Repairs Manager. The	01/03/2023 Future Action

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comprehensive management of this will be delivered through the implementation of additional Dynamic Scheduling Software which has a prospective completion date of December 2023.

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>New controls are in place with regard to the purchase of materials and a new secondary materials supplier has been appointed. Both providers have electronic solutions for the management of materials which will be progressed further once the new Repairs Manager is in place in November 2022.</p>	<p>01/03/2023</p> <p>Future Action</p>

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
<p>GDPR training is mandatory part of induction, and an annual refresh is required. Non-compliance will be escalated to the relevant Strategic Directors.</p>	31/12/2021
Status Update Comments	Revised Date
<p>This relates to a rolling 12 months and not all employees have completed the training but the fact that they haven't has been escalated and a new process whereby a monthly snapshot is emailed to Heads of Service. Member training is being arranged and currently proposed for September.</p>	<p>30/09/2022</p> <p>Future Action</p>

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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>	<p>31/10/2022</p> <p>Future Action</p>

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 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. 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
We have completed the design of the new signage and have created a South Derbyshire Parks and Green Spaces "brand" as the backdrop for all the new signage. The 2019 Play audit that was produced by an external party contains a number of inaccuracies / assumptions of ownership and responsibilities for play areas across the district so we are currently going through this site by site to confirm ownership. This will	30/09/2022 Future Action

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give us an accurate list of play areas where SDDC signage will be erected. The hope is that the first 25 will be erected in the summer months.

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>	<p>01/10/2022</p> <p>Future Action</p>

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</p>	<p>01/10/2022</p> <p>Future Action</p>

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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.

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

Bereavement Services 2019-20	Rec. No. 5
Summary of Weakness / Recommendation	Risk Rating
<p>Historic graves and burials information had not been fully digitised.</p> <p>The Council should consider making resource available to digitise historic graves and burials information to minimise the risk of data loss.</p>	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
Additional resources and commencement of a Database Project will be required to address this matter. A further update will be provided in January 2023.	01/02/2023 Future Action

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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
<p>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.</p>		01/01/2021
Status Update Comments		Revised Date
<p>New Head of Service to be appointed and date extended to Dec 2022.</p>		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
<p>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.</p>		01/04/2021
Status Update Comments		Revised Date
<p>Action date has been revised to the Autumn when the new Heads of Cultural and Community Services and Operational Services will be in post.</p>		30/11/2022

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Grounds Maintenance 2019-20		Rec. No. 8
Summary of Weakness / Recommendation		Risk Rating
<p>Monitoring of quality of work performed did not take place or was not formally recorded.</p> <p>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.</p>		Low Risk
Management Response/Action Details		Action Date
<p>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.</p>		01/04/2021
Status Update Comments		Revised Date
<p>Action date has been revised to the Autumn when the new Heads of Cultural and Community Services and Operational Services will be in post.</p>		30/11/2022

Corporate Governance 2018-19		Rec. No. 2
Summary of Weakness / Recommendation		Risk Rating
<p>The Members' Code of Conduct had not been reviewed since 2014, and was found to be out-of-date.</p> <p>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.</p>		Low Risk
Management Response/Action Details		Action Date
<p>The Members' Code of Conduct is compliant with current standards legislation. A review of the Code will be carried out in due course.</p>		31/12/2020
Status Update Comments		Revised Date
<p>The LGA has issued a revised Code of Conduct, along with guidance documents to assist with the Code. It has been decided by Full Council for the Code to be adopted in May 2023, following the next election. In the meantime, Members have had a copy of the draft for information and comment.</p>		01/06/2023 Future Action

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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
<p>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.</p> <p>This relies on the implementation of the tenants portal with MRI/Orchard which has been postponed.</p>	<p>01/04/2023</p> <p>Future Action</p>

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.	<p>31/12/2022</p> <p>Future Action</p>

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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. 	<p>Low Risk</p>
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. 	<p>31/05/2021</p>
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 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

Waste Management (Trade Waste)	Rec. No. 4
Summary of Weakness / Recommendation	Risk Rating
<p>Recovery action on outstanding Trade Waste debts had not progressed beyond the 2nd reminder stage.</p> <p>We recommend that the Trade Waste service ensure that they continue to receive regular reports on the debt status of their customers. Where necessary, recovery action should be taken against non-payers. Such action should be actively progressed and pursued in accordance with the stages of recovery, set out in the Council's Corporate Sundry Debt Management, Recovery and Write-off Policy.</p>	Low Risk
Management Response/Action Details	Action Date
This was covered in the Sundry Debt audit report and monthly reports are sent to all Heads of Service. After the restructure of Operational Services is implemented, it is intended to meet with the officer dedicated to Trade Waste to review debt recovery processes.	31/05/2021
Status Update Comments	Revised Date
The debt reports are still going to Operational Services but the restructure has been delayed again due to the Head of Service post being vacant. As soon as it is implemented contact will be made with the Officer dedicated to Trade Waste to review debt recovery processes. In line with appointment to post, action date revised to August 2022.	01/09/2022 Future Action

REPORT TO:	AUDIT SUB-COMMITTEE	AGENDA ITEM: 6
DATE OF MEETING:	7 SEPTEMBER 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