

FINAL REPORTS ISSUED IN PERIOD ENDING 30 JUNE 2016

AUDIT AREA	BRIEF DESCRIPTION OF SCOPE OF THE AUDIT	FINAL OPINION
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ASSISTANT CHIEF EXECUTIVE (ACE)		
Freedom of Information	Assurance review of the arrangements in place to mitigate against the risk of non-compliance with statutory or other regulatory requirements Review of Performance Indicator ACE006	Moderate
Partnership Governance Framework	Assurance review of the arrangements in place to mitigate against the risk of the Partnership Governance Framework being ineffective.	Moderate

CHILDREN AND ADULT SERVICES (CAS)		
Children Services Supervised Expenditure (Leaving Care)	An assurance review that considered the following risks: <ul style="list-style-type: none"> • Staff are unaware of their roles and responsibilities. • There is an inadequate assessment process in place. • There is an inadequate approval process in place. • Monies are awarded which are not in accordance with the approved allowances. • Purchases are made which are not in accordance with the approved guidance. • There are ineffective monitoring arrangements in place 	Limited
Drug and Alcohol Treatment Services - Contract Management Arrangements	An assurance review that considered the following risks: <ul style="list-style-type: none"> • Contract management arrangements are not in place for the end of a contract and the transition to a new provider • The contractor does not fulfil the contract to the required standard or level of performance. • Risk management arrangements are not in place. • The Council pays for goods, services or works that are not provided or not completed. • The contract manager is not sufficiently objective in their relationship with the supplier. • No arrangements to provide for continuing services needs after the termination or expiry of the contract are put in place. • The written contract does not cover all pertinent areas and issues leaving the council unduly exposed to risks associated with the activity. 	Moderate

CHILDREN AND ADULT SERVICES (CAS) contd.		
Review of Lifeline Contract	<p>Assurance review that considered the following risks:</p> <ul style="list-style-type: none"> • The people the scheme is aimed at helping are not aware of how to access the service. • Partnership working breaks down. • The service is not delivered in the manner set out in the contract in regard to locations, numbers and levels of employees and volunteers and the patient programme. • Skills and knowledge of the delivery employees and volunteers is not of the standard required by the contract 	Moderate
County Durham Well Being for Life Service - DCRS	<p>Assurance review that considered the following risk linked to the Information Sharing Agreement that is in place:</p> <ul style="list-style-type: none"> • Information / data is lost, stolen or accessed by unauthorised / inappropriate individuals 	Moderate
SSID System Review	<p>Assurance review that considered the following risk:</p> <ul style="list-style-type: none"> • Access to system/data is not secure and is not managed appropriately 	Substantial
POPPIE Systems Review	<p>Assurance review that considered the following risk:</p> <ul style="list-style-type: none"> • Data is lost or stolen. • Data is retained for longer than necessary. • Data is not disposed of securely 	Substantial
Pathways Closure Audits: Chester Le Street Bishop Auckland Consett	<p>Assurance review that considered the following risks:</p> <ul style="list-style-type: none"> • Income is not accounted for/is misappropriated • Unauthorised payments are made • Loss/misuse of service user monies • Loss of assets 	Substantial Substantial Substantial
Extra Care Housing - Prepaid Card Roll Out	Advice and consultancy review to support the introduction of Pre Paid cards within the Extra Care Service following a change in the Council's banking provider and closure of cheque encashment bank accounts which had historically been used as a means of providing encashment facilities for tenants.	N/A
Reablement Car Mileages	Advice and consultancy review that considered arrangements within the Reablement Service for submission and authorisation of car mileage. The outcomes of the review have been fed into the testing schedule of an assurance based review of the service that is to be undertaken.	N/A

NEIGHBOURHOOD SERVICES (NS)		
Trading Standards Grant	Grant review that verified compliance with terms and conditions of the grant for the submission covering the period 01-04-2015 to 31-03-2016.	N/A
Works in Default	<p>Assurance review that considered the management of the following risks associated with Works in Default:</p> <ul style="list-style-type: none"> • Charge is not properly or correctly calculated, • Works are not completed within appropriate timescales, • Unable to identify the property owner/responsible person, • Invoices are not sent promptly, • Invoices are not enforceable, • All appropriate avenues of recovery are not explored, • Non adherence to Contract Procedure Rules, • Costs are not justified and / or reasonable, • Insufficient evidence to support claims, • Lack of consistency, • Failure to achieve value for money, • Budget set aside for WID is used for other means. 	Substantial
Leisure Centre	Counter Fraud review undertaken in support of a service led investigation into concerns raised about cash collection and timesheet completion / authorisation arrangements.	Limited
Accumulations	Assurance review that sought to evaluate whether the Accumulations Joint Working Protocol between the Public Health and Neighbourhood Protection Services was working as planned by ensuring processes were being followed, there was no duplication of effort, responsibilities were clear, and services were not overburdened with handling requests. The review produced an interim report in recognising that the Wardens Service and Environmental Health databases which currently operate on different systems, were to be interfaced. The activity will be reviewed afresh once the new system and procedures have had time to embed.	N/A
Contract Audit - Direct Services	<p>Assurance review that considered the management of the following risks associated with Contract Audit in Direct Services:</p> <ul style="list-style-type: none"> • Build does not meet specification and cost increases through unauthorised or poorly managed variations to contract • Delays and cost increases through unauthorised or poorly managed extensions of time • Over payments are made due to interim and final accounts not being verified before payment. • Appropriate insurance cover is not in place to mitigate losses that the Council may face. 	Moderate

NEIGHBOURHOOD SERVICES (NS) contd.		
Licensing Enforcement - Safeguarding Complaints	<p>An Assurance review that considered the management of the following risks associated with Licensing Enforcement:</p> <ul style="list-style-type: none"> • Complaints are not effectively communicated between Licensing and Sustainable Transport Group (STG) • Complaints are not properly investigated. • Insufficient records of Taxi Licence incidents, complaints and investigations. 	Substantial
Inspection of Licensing - Body Art Licences	<p>An Assurance review that considered the management of the following risks associated with Body Art Licences:</p> <ul style="list-style-type: none"> • Unregistered business premises and/or operators operating within the county. • Registered businesses/operators fail to maintain compliance with hygiene standards. • Enforcement is not carried out in line with legislation. • Standard Operating Procedure not embedded into registration process, resulting in poor quality operational and management information. • Registration fees have not been collected, documented, and paid into the appropriate cost centre. • Registration fees are not realistic in terms of cost recovery 	Substantial
Capital Projects	<p>An Assurance review that considered the management of the following risks associated with construction contracts with external suppliers:</p> <ul style="list-style-type: none"> • Build does not meet specification and cost increases through unauthorised or poorly managed variations to contract • Delays and cost increases through unauthorised or poorly managed extensions of time • Over payments are made due to interim and final accounts not being verified before payment. • Appropriate insurance cover is not in place to mitigate losses that the Council may face. 	Moderate

REGENERATION AND ECONOMIC DEVELOPMENT (RED)		
Supported Housing - CCTV	<p>Assurance review of the arrangements in place to mitigate against the risks of;</p> <ul style="list-style-type: none"> • CCTV images being accessed or used inappropriately • Non-compliance with legislation and regulations • Poor quality or unusable footage • Incidents caught on camera are not reported or not shared appropriately 	Substantial
Durham Employment and Skills	<p>Assurance review of the arrangements in place to mitigate against the risk of data required by each funder being inaccurate and of poor quality leading to incorrect decisions being made, inaccurate information being reported and funding being missed or refused.</p>	Substantial

REGENERATION AND ECONOMIC DEVELOPMENT (RED) contd.		
Financial Assistance Programme (FAP)	<p>Assurance review of the arrangements in place to mitigate against the risks of;</p> <ul style="list-style-type: none"> • FAP loan requirements are not known or not applied correctly • Loans and grants are approved which are not in line with the objectives of the FAP • Non-compliance with loan conditions • Unauthorised payments are made • Amounts of loans outstanding are not known • The customer is unaware of the debt due to DCC • Loans are not recovered • Non-compliance with the Data Protection Act 1998 	Moderate
Transport – Contractual arrangements	<p>Assurance review of the arrangements in place to mitigate against the risks of;</p> <ul style="list-style-type: none"> • Contracts are awarded to unsuitable operators • Breach to safety of children and adult passengers • The operator does not fulfil the contract to the required standard or level of performance • Variations to contract are not communicated to relevant parties • The written contract does not cover all pertinent areas, leaving the Council unduly exposed to risks associated with the activity • The Council pays for services that are not provided or not completed 	Limited
Durham Villages Regeneration Company	Advice & consultancy review of the governance structure in place, determining whether the current information flow and communication is effective, and measuring actual benefits received across the whole of County Durham.	N/A
Telecare Incident	Investigation into compliance with policies and procedures following an incident.	N/A

RESOURCES		
Better Care Fund	Assurance review of the arrangements in place to mitigate against the risk of poor decisions as a result of insufficient, incomplete or inaccurate pooled budget accounting information.	Substantial
Recruitment and Selection	<p>Assurance review of the arrangements in place to mitigate against the risks of;</p> <ul style="list-style-type: none"> • Breach of employment legislation / corporate policies • Inconsistencies in the recruitment process • Skills for those appointed do not match the skills required for the post • Unauthorised / illegal appointments 	Substantial

RESOURCES contd.		
Journals	<p>Assurance review of the arrangements in place to mitigate against the risks of;</p> <ul style="list-style-type: none"> • Journals being entered incorrectly • Journals containing insufficient information or evidence for users to identify their purpose • Journals are duplicated • Journals are created by unauthorised users 	Substantial
Land Charges	<p>Assurance review of the arrangements in place to mitigate against the risks of;</p> <ul style="list-style-type: none"> • Inconsistent, inefficient and ineffective processes and procedures • Non-compliance with The Local Authorities (England) (Charges for Property Searches) Regulation 2008 – Regulation 9 – Transparency in relation to setting of charges • Inaccurate / incorrect search results are produced and issued to the customer • Search results are not completed within statutory timescales • Failure to implement effective financial management • Land charge information transferred to HM Land Registry under the Infrastructure Act 2015 is inaccurate causing the provision of poor LLC1 search results to customers 	Moderate
Procurement – Off Contract Spend	<p>Assurance review of the arrangements in place to mitigate against the risk of not achieving or being seen to achieve value for money, transparency, fairness, or compliance with legislation.</p>	Moderate
Creditors – invoices with no PO	<p>Assurance review of the arrangements in place to mitigate against the risks of;</p> <ul style="list-style-type: none"> • Unauthorised payments being made • Non-compliance with procedures 	Moderate
Creditors - Masterfile	<p>Assurance review of the arrangements in place to mitigate against the risks of;</p> <ul style="list-style-type: none"> • Unauthorised payments being made • Inefficiencies in the process 	Moderate
Appraisals	<p>Assurance review of the arrangements in place to mitigate against the risks of;</p> <ul style="list-style-type: none"> • The individual performance management framework not being embedded across the Council due to inconsistent application of the performance appraisal process • Non Compliance with Data Protection requirements 	Moderate

RESOURCES contd.		
Design and Print	<p>Assurance review of the arrangements in place to mitigate against the risks of;</p> <ul style="list-style-type: none"> • Council services are not fully utilised • Council services provided are not of adequate quality or value for money 	Moderate
Teaching Assistants – Data Accuracy	Advice & consultancy review of the formulae used in the Teaching Assistants spreadsheet.	N/A