

## **Audit Committee**

**30 June 2021**

**Internal Audit Progress Report Period  
Ended 31 March 2021**



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## **Report of Stephen Carter, Interim Chief Internal Auditor and Corporate Fraud Manager**

### **Electoral division(s) affected:**

Countywide.

### **Purpose of the Report**

- 1 To inform Members of the work that has been carried out by Internal Audit during the period 1 April 2020 to 31 March 2021 as part of the 2020/21 Internal Audit Plan.

### **Executive Summary**

- 2 The report provides Members with the progress that has been made in achieving the Internal Audit Plan for 2020/21 for the period up to 31 March 2021 and aims to:
  - (a) Provide a high level of assurance, or otherwise, on internal controls operating across the Council that have been subject to an Internal Audit of systems and processes;
  - (b) Advise of issues where controls need to be improved in order to effectively manage risks;
  - (c) Advise of other types of audit work carried out such as grant certification or consultancy reviews where an assurance opinion on the control environment may not be applicable;
  - (d) Advise of amendments to the Internal Audit Plan;
  - (e) Track the progress of responses to Internal Audit reports and the implementation of agreed audit recommendations;
  - (f) Advise of any changes to the audit process;
  - (g) Provide an update on the performance indicators comparing actual performance against planned

- 3 The appendices attached to this report are summarised below. Those marked with an asterisk are not for publication (Exempt information under Part 3 of Schedule 12a to the Local Government Act 1972, paragraph 3).
- (a) Appendix 2 – Progress against the Internal Audit Plan;
  - (b) Appendix 3 – Final reports issued in the quarter ended 31 December 2020;
  - (c) Appendix 4 – The number of high and medium priority actions raised and implemented;
  - (d) Appendix 5 – Internal Audit performance indicators;
  - (e) Appendix 6\* – Overdue Actions;
  - (f) Appendix 7\* – Limited Assurance Reports.

### **Recommendations**

- 4 Members are asked to note:
- (a) The amendments made to the annual Internal Audit Plan;
  - (b) The work undertaken by Internal Audit during the period ending 31 March 2021;
  - (c) The performance of the Internal Audit Service during the period;
  - (d) The progress made by service managers in responding to the work of Internal Audit.

## Background

- 5 As an independent consultancy service, the Council's Internal Audit Team strives to continue to add value and improve the organisation's operations as well as providing objective assurance to service managers and the Council.
- 6 The Internal Audit Plan for 2020/21, covering the period 1 April 2020 to 31 March 2021, was approved by the Audit Committee, as two separate six-month plans, on 29 June 2020 and 26 November 2020.

## Progress against the Internal Audit Plan

- 7 A summary of the approved Internal Audit Plan for each Service Grouping, updated to include work in progress and any audits brought forward from last year's plan, is attached at Appendix 2. The appendix illustrates the status of each audit as at 31 March 2021 and, where applicable, also gives the resultant assurance opinion.
- 8 A summary of the status of audits is illustrated in the table below:

Service Grouping	Not Started	Planning and Preparation	In Progress	Draft Report	Final Report / Complete
Adult and Health Services (AHS)	0	1	0	0	9
Children and Young People's Services (CYPS) *Excluding Schools	0	2	3	2	14
Neighbourhoods and Climate Change (NCC)	0	1	4	0	14
Regeneration, Economy and Growth (REG)	1	2	3	0	12
Resources (RES)	15	3	12	0	52
Schools	1	0	0	0	8
<b>TOTAL</b>	<b>17</b>	<b>9</b>	<b>22</b>	<b>2</b>	<b>109</b>

- 9 A summary of the final internal audit reports issued in quarter four is presented in Appendix 3.
- 10 The total number of productive days available to Internal Audit during 2020/21 was 3,456. As at 31 March 2021, the service had delivered 3,286 productive days, representing 95% of the total plan. The target at the end of the year was for 90% to be delivered, therefore performance has exceeded the target.

- 11 Whilst the overall performance of the service in relation to productive days delivered is considered to be strong, remote working has provided challenges in delivering reviews within the timescales originally planned. When considered along with additional testing of core financial systems data and additional assurance work directly related to COVID related payments, this has had a cumulative effect in reducing the overall number of audits delivered than would normally be expected. Using the % of audit reviews delivered as an alternative indicator of performance would equate to a confirmed delivery of 70% of the audit plan as at 31 March 2021.

## Internal Audit activity in the quarter

### Amendments to the Approved Internal Audit Plan

- 12 The following 22 reviews were removed from the approved Internal Audit Plan in the quarter, following agreement between Corporate Directors and the Chief Internal Auditor and Corporate Fraud Manager.

Service Grouping	Audit	Audit Type	Reason
Adult and Health Services	COVID-19 Test and Trace Support Grant	Grant	This review has been deferred to 2021/22.
Adult and Health Services	Post Contract Arrangements	Assurance	This review has been cancelled.
Adult and Health Services	Personalisation – Alternative Commissioning Arrangements	Assurance	This review has been deferred until 2021/22.
Adult and Health Services	Commissioning of Residential Care	Advice and Consultancy	This review has been deferred until 2021/22.
Children and Young People's Services	Adoption Payments	Assurance	Service request to defer this review until October 2021 to allow the new policy to be approved and the changes embedded.
Children and Young People's Services	Caldicott Compliance	Assurance	This review has been cancelled.
Children and Young People's Services	Home to School Transport	Advice and Consultancy	This review has been deferred to 2021/22.
Neighbourhoods and Climate Change	Fees and Charges	Assurance	Agreed with service to defer review to 2021/22.
Neighbourhoods and Climate Change	Civil Penalties	Assurance	Agreed with service to defer review to 2021/22.
Neighbourhoods and Climate Change	Utility Bills – Contract Management	Assurance	Agreed with service to defer review to 2021/22.
Neighbourhoods and Climate Change	Charging Arrangements	Advice and Consultancy	Agreed with service to defer review to 2021/22.

Service Grouping	Audit	Audit Type	Reason
Regeneration, Economy and Growth	New Headquarters – Contract Management	Assurance	Agreed with the service to defer review to 2021/22.
Regeneration, Economy and Growth	Milburngate Development Governance	Assurance	Agreed with the service to defer review to 2021/22.
Regeneration, Economy and Growth	One Life Contract	Assurance	Agreed with the service to defer review to 2021/22.
Regeneration, Economy and Growth	Leisure Centre Timesheets	Follow Up	Agreed with the service to defer review to 2021/22.
Regeneration, Economy and Growth	Compliance with Leisure Centre Procedures on holidays and toil	Assurance	Agreed with the service to defer review to 2021/22.
Regeneration, Economy and Growth	County Durham Growth Fund	Assurance	Agreed with the service to defer review to 2021/22.
Regeneration, Economy and Growth	Theatre Assets and Inventory	Advice and Consultancy	Agreed with the service to defer review to 2021/22.
Regeneration, Economy and Growth	On and Off Street Parking	Assurance	Agreed with the service to defer review to 2021/22.
Resources	Payroll – Preparation and Corrections	Assurance	Service request to defer review to 2021/22.
Resources	Recruitment and Selection: Identification Verification	Assurance	Agreed with service to defer review to 2021/22.
Resources	Review of Commercial Services	Assurance	Agreed with service to defer review to 2021/22.

13 Four unplanned reviews were added to the Internal Audit Plan in the quarter.

Service Grouping	Audit	Audit Type	Reason
Neighbourhoods and Climate Change	SME Power (Claim 2)	Grant	Service request to bring forward grant certification.
Regeneration, Economy and Growth	Selective Licensing Steering Group	Advice and Consultancy	Service request for Internal Audit to be part of the steering group.
Regeneration, Economy and Growth	Durham Urban Traffic Management Control (UTMC)	Grant	Service request for grant certification to be added.

Service Grouping	Audit	Audit Type	Reason
Regeneration, Economy and Growth	Hornden Rail Station Link	Grant	Service request for grant certification to be added.

## Outstanding Management Responses to Draft Internal Audit Reports

- 14 There are no responses to draft internal audit reports overdue at the time of writing.

## Survey Response Rate

- 15 The table below sets out the response rate and average score, by Service Grouping, for the customer satisfaction surveys issued during the period up to 31 March 2021.

Service Grouping	Surveys issued	Surveys returned	% returned	Av. score
Adult and Health Services (AHS)	3	3	100	4.9
Children and Young People's Services (CYPS) *Excluding Schools	3	2	67	5.0
Neighbourhoods and Climate Change (NCC)	4	4	100	4.5
Regeneration, Economy and Growth (REG)	4	4	100	4.6
Resources (RES)	33	30	91	4.8
Schools	8	3	38	4.1
<b>TOTAL</b>	<b>55</b>	<b>46</b>	<b>84</b>	<b>4.8</b>

## Responses to Internal Audit Findings and Recommendations

- 16 Details of the numbers of High and Medium priority ranked recommendations that have been raised and those that are overdue, by Service Grouping, are presented in Appendix 4.

- 17 A summary of progress on the actions due, implemented and overdue, as at 31 March 2021, is given in the table below.

Service Grouping	No. of Actions Due	No. of Actions Implemented	No. Overdue by Original Target Date	No. with Revised Target Date	No. Overdue by Revised Target Date
Adult and Health Services (AHS)	42	41	1 (2%)	1	0
Children and Young People's Services (CYPS) [Excluding Schools]	145	141	4 (3%)	4	0
Neighbourhoods and Climate Change (NCC)	50	49	1 (2%)	1	0
Regeneration, Economy and Growth (REG)	117	108	9 (8%)	9	0
Resources (RES)	276	237	39 (14%)	39	0
<b>TOTAL</b>	<b>630</b>	<b>576*</b>	<b>54 (9%)</b>	<b>54</b>	<b>0</b>

\* Includes six high priority actions to be confirmed as implemented at follow up.

- 18 It is encouraging to note that, of the 630 actions due to be implemented, 576 (91%) have been implemented.
- 19 Details of the actions that are overdue, following their agreed original target dates, are included at Appendix 6.

### Limited Assurance Audit Opinions

- 20 There has been one audit, finalised in this quarter, which has been issued with a 'limited assurance' opinion. This is summarised in the table below. Further detail on this review is provided in Appendix 7.

Service Grouping	Service Area	Audit
Joint Resources and Neighbourhoods and Climate Change	Finance and Transactional Services & Fleet Management	Fuel Cards

### Performance Indicators

- 21 A summary of actual performance, as at the end of March 2021, compared with our agreed targets, is detailed in Appendix 5.

## **Background papers**

- Specific Internal Audit reports issued and working papers.

## **Other useful documents**

- Previous Committee reports.

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## **Appendix 1: Implications**

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### **Legal Implications**

The Accounts and Audit Regulation 2015 (Part 2, Section 5) states a relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal audit standards or guidance.

Furthermore, Internal Audit assists the Corporate Director of Resources in fulfilling their duties under Section 151 of the Local Government Act 1972 which requires each Local Authority to make arrangements for the proper administration of their financial affairs.

### **Finance**

There are no direct financial implications associated with this report.

Internal Audit work has clear and direct effects, through recommendations made, to assist in improving value for money obtained, the probity and propriety of financial administration, and / or the management of operational risks.

### **Consultation**

All Corporate Directors and Heads of Service.

### **Equality and Diversity / Public Sector Equality Duty**

None.

### **Climate Change**

There are no direct implications on climate change as a result of this report, however the Internal Audit Service ensures that it considers climate change and sustainability in the recommendations that are made.

### **Human Rights**

None.

### **Crime and Disorder**

None.

### **Staffing**

None.

## **Accommodation**

None.

## **Risk**

The key risk is that actions agreed in audit reports to improve the control environment and assist the Council in achieving its objectives are not implemented. To mitigate this risk, a defined process exists within the Service to gain assurance that all actions agreed have been implemented on a timely basis. Such assurance is reflected in reports to the Audit Committee. Where progress has not been made, further action is agreed and overseen by the Audit Committee to ensure action is taken.

## **Procurement**

None.

INTERNAL AUDIT PLAN PROGRESS AS AT 31 MARCH 2021

SERVICE GROUPING	SERVICE	AUDIT ACTIVITY	AUDIT TYPE	STATUS	OPINION
<b>2019 / 2020 audits brought forward into plan</b>					
Adult and Health Services	Adult Care	Caldicott Compliance (Social Care Direct - Data Protection)	Assurance	Final	Moderate
Adult and Health Services	Commissioning	Commissioning of Learning Disability Services Follow Up	Follow Up	Final	N/A
Chief Executive	Communications and Marketing	Policy on Advertising and Sponsorship	Advice and Consultancy	Complete	N/A
Children and Young People's Services	Children's Social Care	Contract Monitoring Arrangements - Independent Fostering Services	Assurance	Draft	
Children and Young People's Services	Early Help, Inclusion and Vulnerable Children	Troubled Families Programme - Claim 05 (March 2020)	Grant Certification	Complete	N/A
Children and Young People's Services	Education - Schools	SFVS	Advice and Consultancy	Complete	N/A
Children and Young People's Services	Education - Schools	Arrangements for the allocation of Pupil Premium Funding and its application in schools	Advice and Consultancy	Complete	N/A
Neighbourhoods and Climate Change	Environment	Fuel Stocks and Stores	Assurance	Final	Limited
Neighbourhoods and Climate Change	Environment	Atlantic Geoparks 1	Grant	Final	N/A
Neighbourhoods and Climate Change	Environment	InnovateUK	Grant	Final	N/A
Neighbourhoods and Climate Change	Technical Services	Highways Maintenance - Capital Programme	Advice and Consultancy	Final	N/A
Neighbourhoods and Climate Change	Partnerships and Community Engagement	Community Grants Sample	Assurance	Final	Moderate
Regeneration, Economy and Growth	Corporate Property and Land	New Headquarters - Contract Management	Assurance	Deferred	
Regeneration, Economy and Growth	Corporate Property and Land	Assets of Community Value	Advice and Consultancy	In Progress	
Regeneration, Economy and Growth	Culture, Sport and Tourism	Management of Gym Memberships	Advice and Consultancy	Final	N/A
Resources	Legal & Democratic Services	Scheme of Delegation	Assurance	Final	Substantial
Resources	People and Talent Management	Disciplinary Policy	Assurance	Final	Moderate
Resources	Corporate Finance and Commercial Services	Capital Accounting	Assurance	In Progress	
Resources	Corporate Finance and Commercial Services	Review of Commercial Services	Assurance	Deferred	
Resources	Corporate Finance and Commercial Services	Contract Management	Assurance	Final	Moderate
Resources	Finance and Transactional Services	Creditor Payments - Overarching Report	Key System	Final	Substantial
Resources	Finance and Transactional Services	Creditors - Receipting of goods	Key System	Final	Moderate
Resources	Finance and Transactional Services	Creditors - Extended Testing (Exceptions)	Key System	Final	Substantial
Resources	Finance and Transactional Services	Creditors - Extended Testing (Manually scanned invoices paid late)	Key System	Final	Substantial
Resources	Finance and Transactional Services	Creditors - Extended Testing (Holds cleared but invoice not paid)	Key System	Final	Substantial
Resources	Finance and Transactional Services	Creditors - Extended Testing (Unpaid Invoices more than 30 days old)	Key System	Final	Substantial
Resources	Finance and Transactional Services	Payroll	Key System	Final	Substantial
Resources	Finance and Transactional Services	Payroll: Access to Data - Records	Key System	Final	Substantial
Resources	Finance and Transactional Services	Payroll - Mileage Expenses	Advice and Consultancy	Final	N/A
Resources	Finance and Transactional Services	Debtors - Overarching Report	Key System	Final	Moderate
Resources	Finance and Transactional Services	Debtors - Extended Testing (Credit Notes)	Key System	Final	Moderate
Resources	Finance and Transactional Services	Debtors - Extended Testing (Write Offs)	Key System	Final	Moderate
Resources	Finance and Transactional Services	Debtors - Extended Testing (VAT analysis)	Key System	Final	Moderate
Resources	Finance and Transactional Services	Debtors - Extended Testing (Outstanding Balances)	Key System	Deferred	
Resources	Finance and Transactional Services	Cash Management - Overarching Report	Key System	Final	Moderate
Resources	Finance and Transactional Services	Cash Management - Crook CAP	Key System	Deferred	
Resources	Finance and Transactional Services	Cash Management - Bishop Auckland Registrars	Key System	Final	Moderate
Resources	Finance and Transactional Services	Budgetary Control and Financial Reporting	Key System	Final	Moderate
Resources	Finance and Transactional Services	Deputy and Appointee Team - Compliance with Office of Public Guardianship Standards	Assurance	Final	Moderate
Resources	Finance and Transactional Services	Fuel Cards	Assurance	Final	Limited
Resources	Finance and Transactional Services	Agency System	Assurance	Final	Moderate
Resources	Digital and Customer Services	Vulnerability Management	Assurance	In Progress	
Resources	Digital and Customer Services	ICT Purchasing	Assurance	Preparation and Planning	
Resources	Digital and Customer Services	ICT Governance	Assurance	Final	Moderate
Resources	Transformation	GDPR Compliance - Data Breaches	Assurance	Final	Moderate
Resources	Transformation	Freedom of Information	Assurance	Final	Moderate

INTERNAL AUDIT PLAN PROGRESS AS AT 31 MARCH 2021

SERVICE GROUPING	SERVICE	AUDIT ACTIVITY	AUDIT TYPE	STATUS	OPINION
<b>2020/21 plan</b>					
Adult and Health Services	Adult Care	Direct Payments	Assurance	Deferred	
Adult and Health Services	Adult Care	AzeusCare Implementation - Project Board	Advice & Consultancy	Complete	N/A
Adult and Health Services	Commissioning	Post Contract Arrangements (Deferred from 2019/20)	Assurance	Cancelled	
Adult and Health Services	Commissioning	Integration of Health and Care in County Durham	Advice & Consultancy	Complete	N/A
Adult and Health Services	Public Health	Pharmoutcomes - Data Matching	Advice & Consultancy	Complete	N/A
Adult and Health Services	Public Health	COVID-19 Test and Trace Service Support Grant	Grant Claim	Deferred	
Adult and Health Services	Public Health	Staff Flu Programme Project Planning Group	Advice & Consultancy	Complete	N/A
Adult and Health Services	Commissioning	Workforce Development Fund	Grant Claim	Complete	N/A
Adult and Health Services	Adult Care	AzeusCare Implementation - Task Groups	Advice & Consultancy	Complete	N/A
Adult and Health Services	Adult Care	AzeusCare Business Readiness Review	Assurance	Preparation and Planning	
Adult and Health Services	Commissioning	Alliance Contracting Steering Group	Advice & Consultancy	Complete	N/A
Adult and Health Services	Commissioning	Personalisation – Alternative Commissioning Arrangements (Deferred from 2019/20)	Assurance	Deferred	
Adult and Health Services	Commissioning	Commissioning of Residential Care	Advice & Consultancy	Deferred	
Children and Young People's Services	Children's Social Care	Adoption Payments	Assurance	Deferred	
Children and Young People's Services	Children's Social Care	Special Guardianship and Child Arrangement Orders (Deferred from 2019/20)	Assurance	Draft	
Children and Young People's Services	Children's Social Care	Placement Resource Panel (PRP) Arrangements	Advice & Consultancy	Final	N/A
Children and Young People's Services	Children's Social Care	Liquidlogic - Board Meetings	Advice & Consultancy	Complete	N/A
Children and Young People's Services	Children's Social Care	Liquidlogic Developments	Advice & Consultancy	Complete	N/A
Children and Young People's Services	Commissioning	Home to School Transport Review	Advice & Consultancy	Deferred	
Children and Young People's Services	Early Help, Inclusion and Vulnerable Children	Troubled Families Programme: Claim 01 - June 2020	Grant Certification	Complete	N/A
Children and Young People's Services	Early Help, Inclusion and Vulnerable Children	Troubled Families Programme: Claim 02 - September 2020	Grant Certification	Complete	N/A
Children and Young People's Services	Early Help, Inclusion and Vulnerable Children	Troubled Families Data Cleansing and Claim Return Administration Process	Advice & Consultancy	In Progress	
Children and Young People's Services	Education and Skills	Academy Transfer Arrangements	Assurance	Preparation and Planning	
Children and Young People's Services	Operational Support	Caldicott Group	Advice & Consultancy	Complete	N/A
Children and Young People's Services	Education - Schools	School Programme (governance and financial management)	Assurance	4 Substantial 3 Moderate 1 Limited 0 N/A	
Children and Young People's Services	Education - Schools	School Follow Up of previous Limited Assurance Opinion Reports			
Children and Young People's Services	Education - Schools	Audit of School Voluntary Funds	Fund Certification	55 Complete	
Children and Young People's Services	Early Help, Inclusion and Vulnerable Children	Aycliffe Secure Services - Physical Security	Assurance	Final	Substantial
Children and Young People's Services	Education - Schools	Troubled Families Programme: Claim 03 - November 2020	Grant Certification	Complete	N/A
Children and Young People's Services	Education - Schools	Troubled Families Programme: Claim 04 - February 2021	Grant Certification	Complete	N/A
Children and Young People's Services	Early Help, Inclusion and Vulnerable Children	High Needs Budget	Follow Up	Preparation and Planning	
Children and Young People's Services	Education and Skills	SFVS	Assurance	In Progress	
Children and Young People's Services	Education and Skills	School Attendance Enforcement (Deferred from 2019/20)	Assurance	In Progress	
Children and Young People's Services	Education and Skills	Governor Training	Advice & Consultancy	Complete	N/A
Children and Young People's Services	Education and Skills	Developing Financial Management Standards in Durham Schools	Advice & Consultancy	Complete	N/A
Children and Young People's Services	Operational Support	Caldicott Compliance	Assurance	Cancelled	
Neighbourhoods and Climate Change	Community Protection Services	Fees and Charges	Assurance	Deferred	
Neighbourhoods and Climate Change	Community Protection Services	Civil Penalties	Assurance	Deferred	
Neighbourhoods and Climate Change	Environment	Utility Bills - Contract Management	Assurance	Deferred	
Neighbourhoods and Climate Change	Environment	Rebus (Claim 1)	Grant	Final	N/A
Neighbourhoods and Climate Change	Environment	AONB Partnership - Atlantic Geoparks (Claim 1)	Grant	In Progress	
Neighbourhoods and Climate Change	Environment	Carbon Connects (Claim 1)	Grant	Final	N/A
Neighbourhoods and Climate Change	Environment	SME Power (Claim 1)	Grant	Final	N/A
Neighbourhoods and Climate Change	Environment	Trade Waste	Assurance	Deferred	
Neighbourhoods and Climate Change	Environment	Pest Control	Assurance	Deferred	
Neighbourhoods and Climate Change	Technical Services	Local Transport Capital Block funding for NECA	Grant	Final	N/A
Neighbourhoods and Climate Change	Technical Services	Plant Returns	Assurance	In Progress	
Neighbourhoods and Climate Change	Partnerships and Community Engagement	Community Grants Sample (COVID-19 Area Budgets)	Assurance	In Progress	
Neighbourhoods and Climate Change	Environment	Durham Heritage Coast	Advice and Consultancy	Final	N/A
Neighbourhoods and Climate Change	Environment	Fuel Stocks and Stores	Follow Up	In Progress	
Neighbourhoods and Climate Change	Technical Services	Charging Arrangements	Advice and Consultancy	Deferred	

INTERNAL AUDIT PLAN PROGRESS AS AT 31 MARCH 2021

SERVICE GROUPING	SERVICE	AUDIT ACTIVITY	AUDIT TYPE	STATUS	OPINION
Neighbourhoods and Climate Change	Environment	LoCarbo (Claim 1)	Grant	Final	N/A
Neighbourhoods and Climate Change	Environment	LoCarbo (Claim 2)	Grant	Cancelled	
Neighbourhoods and Climate Change	Environment	Rebus (Claim 2)	Grant	Final	N/A
Neighbourhoods and Climate Change	Environment	AONB Partnership - Atlantic Geoparks (Claim 2)	Grant	Cancelled	
Neighbourhoods and Climate Change	Environment	Carbon Connects (Claim 2)	Grant	Final	N/A
Neighbourhoods and Climate Change	Environment	InnovateUK	Grant	Preparation and Planning	
Neighbourhoods and Climate Change	Environment	SME Power (Claim 2)	Grant	Final	N/A
Regeneration, Economy and Growth	Corporate Property and Land	Asset Valuation - Pre Valuation Data Quality Checks	Assurance	Final	Substantial
Regeneration, Economy and Growth	Development & Housing	Section 106	Assurance	In Progress	
Regeneration, Economy and Growth	Development & Housing	Bishop Auckland Heritage Action Zone	Grant	Final	N/A
Regeneration, Economy and Growth	Development & Housing	Disabled Facilities Grant	Grant	Final	N/A
Regeneration, Economy and Growth	Business Durham	County Durham Growth Fund	Assurance	Deferred	
Regeneration, Economy and Growth	Business Durham	Local Growth Fund - Durham City Incubator (Salvus House)	Grant	Final	N/A
Regeneration, Economy and Growth	Business Durham	Stephanie (Claim 1)	Grant	Final	N/A
Regeneration, Economy and Growth	Transport and Contract Services	Local Transport Capital Block Funding	Grant	Final	N/A
Regeneration, Economy and Growth	Transport and Contract Services	Bus Subsidy Ring Fenced Grant	Grant	Final	N/A
Regeneration, Economy and Growth	Transport and Contract Services	On Street and Off Street Parking	Assurance	Deferred	
Regeneration, Economy and Growth	Culture, Sport and Tourism	CLUK Income Share Agreement	Assurance	Final	Substantial
Regeneration, Economy and Growth	Development & Housing	Property Re-Purpose Loans	Advice and Consultancy	Final	N/A
Regeneration, Economy and Growth	Culture, Sport and Tourism	Leisure Centre Timesheets (Follow Up)	Follow Up	Deferred	
Regeneration, Economy and Growth	Corporate Property and Land	Asset Valuation - Valuation Calculations	Assurance	In Progress	
Regeneration, Economy and Growth	Corporate Property and Land	Milburngate Development Governance	Assurance	Deferred	
Regeneration, Economy and Growth	Business Durham	Business Recovery Grants	Advice and Consultancy	Complete	N/A
Regeneration, Economy and Growth	Culture, Sport and Tourism	Compliance with Leisure Centre procedures on holidays and TOIL (Deferred from	Assurance	Deferred	
Regeneration, Economy and Growth	Culture, Sport and Tourism	Stanley Bowls	Advice and Consultancy	Not yet started	
Regeneration, Economy and Growth	Culture, Sport and Tourism	One Life Contract	Assurance	Deferred	
Regeneration, Economy and Growth	Culture, Sport and Tourism	Theatre Asset / Inventory Review	Advice and Consultancy	Deferred	
Regeneration, Economy and Growth	Development & Housing	Selective Licensing Steering Group	Advice and Consultancy	Complete	N/A
Regeneration, Economy and Growth	Transport and Contract Services	Durham UTMC	Grant	Preparation and Planning	
Regeneration, Economy and Growth	Transport and Contract Services	Hornden Rail Station Link	Grant	Preparation and Planning	
Resources	Legal & Democratic Services	Fee Recovery	Advice and Consultancy	In Progress	
Resources	Corporate Finance and Commercial Services	MTFP Arrangements	Assurance	Deferred	
Resources	Corporate Finance and Commercial Services	Journal Transfers	Key System	Final	Substantial
Resources	Corporate Finance and Commercial Services	Bank Reconciliation	Key System	Final	Substantial
Resources	Corporate Finance and Commercial Services	Short Term Investments	Key System	Final	Substantial
Resources	Corporate Finance and Commercial Services	Finance Durham	Assurance	Not yet started	
Resources	Corporate Finance and Commercial Services	Leases	Assurance	Deferred	
Resources	Finance and Transactional Services	Section 256 Agreements	Grant	Not yet started	
Resources	Finance and Transactional Services	Revenues and Benefits Reconciliations	Assurance	Final	Substantial
Resources	Finance and Transactional Services	Enforcement Programme Board	Advice and Consultancy	Complete	N/A
Resources	Finance and Transactional Services	Better Care Fund and Improved BCF	Grant	In Progress	
Resources	Finance and Transactional Services	Creditors - Supplier Masterfile (Deferred from 2019/20)	Key System	Final	Substantial
Resources	Finance and Transactional Services	Creditors - Processing of Payments through Controcc	Assurance	Not yet started	
Resources	Finance and Transactional Services	Procurement Cards - Projects	Assurance	In Progress	
Resources	Finance and Transactional Services	Payroll - Recruitment and Selection: Identification Verification	Key System	Deferred	
Resources	Finance and Transactional Services	Welfare Rights	Follow Up	Preparation and Planning	
Resources	Finance and Transactional Services	Cash Management	Key System	Preparation and Planning	
Resources	Digital and Customer Services	IT Asset Management	Advice and Consultancy	Complete	N/A
Resources	Digital and Customer Services	Backup Procedures	Assurance	In Progress	
Resources	Digital and Customer Services	Software Licences	Advice and Consultancy	Complete	N/A
Resources	Digital and Customer Services	Digital Durham	Grant	Final	N/A
Resources	Strategy	Police and Crime Panel	Grant	Final	N/A
Resources	Transformation	Local Transport Revenue Block Funding (Blue Badge New Criteria Implementation)	Grant	Final	N/A
Resources	Corporate Finance and Commercial Services	COVID-19 Procurement Analysis	Assurance	Not yet started	
Resources	Finance and Transactional Services	COVID-19 Expenditure Analysis	Assurance	Final	Substantial

INTERNAL AUDIT PLAN PROGRESS AS AT 31 MARCH 2021

SERVICE GROUPING	SERVICE	AUDIT ACTIVITY	AUDIT TYPE	STATUS	OPINION
Resources	Finance and Transactional Services	COVID-19 Small Business Rates Relief	Assurance	In Progress	
Resources	Finance and Transactional Services	COVID-19 Business Rates 5% Discretionary Scheme	Advice and Consultancy	In Progress	
Resources	Finance and Transactional Services	COVID-19 Retail, Hospitality and Leisure Grant Fund	Assurance	In Progress	
Resources	Finance and Transactional Services	COVID-19 Council Tax Reduction Hardship Scheme	Assurance	Not yet started	
Resources	Corporate Finance and Commercial Services	Developing School Financial Arrangements	Advice and Consultancy	Complete	N/A
Resources	Digital and Customer Services	Accessibility Working Group	Advice and Consultancy	Complete	N/A
Resources	Legal & Democratic Services	Company Governance Group	Advice and Consultancy	Complete	N/A
Resources	Finance and Transactional Services	COVID-19 Test and Trace Support Payment Scheme	Advice and Consultancy	Complete	N/A
Resources	Finance and Transactional Services	COVID-19 Test and Trace Support Payment Scheme	Assurance	Not yet started	
Resources	Corporate Finance and Commercial Services	Income Guarantee Return	Advice and Consultancy	Final	N/A
Resources	Legal & Democratic Services	RIPA Officers group	Advice and Consultancy	Complete	N/A
Resources	Corporate Finance and Commercial Services	Potentially Violent Persons Register	Assurance	In Progress	
Resources	Finance and Transactional Services	Service Level Agreement Board (SLAB)	Advice and Consultancy	Complete	N/A
Resources	Finance and Transactional Services	Review of SLA Charging Arrangements	Advice and Consultancy	Not yet started	
Resources	Finance and Transactional Services	Creditors - Overarching Report	Key System	In Progress	
Resources	Finance and Transactional Services	Integrated Payments Project Team	Advice and Consultancy	Complete	N/A
Resources	Finance and Transactional Services	Petty Cash and Payment Card Workstream	Advice and Consultancy	Complete	N/A
Resources	Finance and Transactional Services	ResourceLink Programme Board	Advice and Consultancy	Complete	N/A
Resources	Finance and Transactional Services	Payroll - Preparation and Corrections ( <i>Deferred from 2019/20</i> )	Key System	Deferred	
Resources	Finance and Transactional Services	Business Rates - Overarching Report	Key System	Not yet started	
Resources	Finance and Transactional Services	Business rates - Liability	Key System	Not yet started	
Resources	Finance and Transactional Services	Housing Benefit and Council Tax Reduction - Overarching Report	Key System	Not yet started	
Resources	Finance and Transactional Services	Housing Benefit and Council Tax Reduction - New Claims and Change in Circumstances	Key System	Not yet started	
Resources	Finance and Transactional Services	Enforcement Programme Workstreams	Advice and Consultancy	Complete	N/A
Resources	Finance and Transactional Services	Council Tax - Overarching Report	Key System	Not yet started	
Resources	Finance and Transactional Services	Council Tax - Billing and Refunds	Key System	Deferred	
Resources	Finance and Transactional Services	Debtors - Overarching Report	Key System	Not yet started	
Resources	Finance and Transactional Services	Miscellaneous Income Working Group	Advice and Consultancy	Complete	N/A
Resources	Digital and Customer Services	Business Continuity for ICT	Advice and Consultancy	Not yet started	
Resources	Digital and Customer Services	Digital Programme Project Management Framework	Advice and Consultancy	Complete	N/A
Resources	Transformation	Information Governance Group	Advice and Consultancy	Complete	N/A
Resources	Finance and Transactional Services	School Holidays Meal Voucher Scheme	Assurance	In Progress	
Resources	Finance and Transactional Services	Covid Winter Fund - CYPS support for families in need	Advice and Consultancy	Complete	N/A
Resources	Finance and Transactional Services	Covid Winter Fund - Verification Process (February 2021 Return)	Assurance	Not yet started	
Resources	Finance and Transactional Services	Covid Winter Fund - Verification Process (April 2021 Return)	Assurance	Not yet started	

**FINAL REPORTS ISSUED IN PERIOD ENDING 31 MARCH 2021**

AUDIT AREA	BRIEF DESCRIPTION OF SCOPE OF THE AUDIT	FINAL OPINION
<b>ADULT AND HEALTH SERVICES (AHS)</b>		
Workforce Development Fund	To provide assurance that the terms of the Workforce Development Grant 2020/21 have been met.	Substantial
Pharmoutcomes Data Matching	Advice and consultancy provided in matching Pharmoutcomes data.	N/A
<b>CHILDREN AND YOUNG PEOPLE'S SERVICES (CYPS)</b>		
Arrangements for the allocation of Pupil Premium Funding and its application in schools	Review of school compliance with DfE 'Pupil premium: conditions of grant 2018/19 and 2019/20' and 'Pupil premium: effective use and accountability' guidance and provide feedback to Senior Leadership Advisers who would address issues identified with schools	N/A
Troubled Families Programme	Verification of grant claim for the period December 2020 to February 2021	N/A
<b>NEIGHBOURHOODS AND CLIMATE CHANGE (NCC)</b>		
Durham Heritage Coast	Advice and consultancy on causes of potential unrealised grant income and on improvements to procedures and controls.	N/A
LoCarbo (Claim 1)	Grant Certification	N/A
Carbon Connects (Claim 2)	Grant Certification	N/A
Rebus - Renovation for Energy efficient Buildings (Claim 2)	Grant Certification	N/A
SME Power (Claim 2)	Grant Certification	N/A
<b>REGENERATION, ECONOMY AND GROWTH (REG)</b>		
Competition Line UK (CLUK) Income Share Agreement	Assurance review of the arrangements in place to mitigate against the risk of incorrect payments being made.	Substantial
Stephanie 6 (Space technology with photonics for market and societal challenges)	Grant Certification	N/A

<b>RESOURCES (Res)</b>		
Payroll – Overarching Report	Overarching assurance review combining the outcomes from individual payroll reviews carried out through the year.	Substantial
IT Governance	<p>Assurance review of the arrangements in place to mitigate against the risks of:</p> <ul style="list-style-type: none"> <li>- ICT provision failing to meet organisational needs and is unable to support changing business requirements;</li> <li>- Senior management not being appropriately involved in the ICT decision making process;</li> <li>- Organisational improvements via ICT resources are not being evaluated;</li> <li>- The confidentiality, availability, and integrity of assets not being protected from threats and vulnerabilities;</li> <li>- Risks not being promptly identified, recorded and addressed.</li> </ul>	Moderate
Fuel Cards (Joint with Neighbourhoods and Climate Change)	<p>Assurance review of the arrangements in place to mitigate against the risks of:</p> <ul style="list-style-type: none"> <li>- Fuel cards are misused;</li> <li>- Fuel cards are issued where there is no business benefit;</li> <li>- Fuel card purchases costs are incorrectly or inaccurately coded to services and vehicles.</li> </ul>	Limited
Income Guarantee Return	Advice and consultancy review to ensure that the 'lost' income figures provided in government returns are based on approved budgets, are accurate, complete and supported by appropriate evidence.	N/A



	Actions Due	Actions Implemented	Overdue Actions by original target date	Number of Actions where the original target has been revised	Overdue Actions following a revised target date
<b>ADULT AND HEALTH SERVICES (AHS)</b>					
<b>2018/19</b>					
High	0	0	0	0	0
Medium	36	36	0	0	0
<b>Total</b>	<b>36</b>	<b>36</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2019/20</b>					
High	0	0	0	0	0
Medium	4	4	0	0	0
<b>Total</b>	<b>4</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2020/21</b>					
High	0	0	0	0	0
Medium	2	1	1	1	0
<b>Total</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>
<b>Overall Total</b>	<b>42</b>	<b>41</b>	<b>1</b>	<b>1</b>	<b>0</b>
<b>CHILDREN AND YOUNG PEOPLE'S SERVICES (CYPS)</b>					
<b>2018/19</b>					
High	1	1	0	0	0
Medium	72	72	0	0	0
<b>Total</b>	<b>73</b>	<b>73</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2019/20</b>					
High	0	0	0	0	0
Medium	59	55	4	4	0
<b>Total</b>	<b>59</b>	<b>55</b>	<b>4</b>	<b>4</b>	<b>0</b>
<b>2020/21</b>					
High	0	0	0	0	0
Medium	13	13	0	0	0
<b>Total</b>	<b>13</b>	<b>13</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Overall Total</b>	<b>145</b>	<b>141</b>	<b>4</b>	<b>4</b>	<b>0</b>
<b>NEIGHBOURHOODS AND CLIMATE CHANGE (NCC)</b>					
<b>2018/19</b>					
High	0	0	0	0	0
Medium	17	17	0	0	0
<b>Total</b>	<b>17</b>	<b>17</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2019/20</b>					
High	0	0	0	0	0
Medium	11	10	1	1	0
<b>Total</b>	<b>11</b>	<b>10</b>	<b>1</b>	<b>1</b>	<b>0</b>
<b>2020/21</b>					
High	1	1	0	0	0
Medium	21	21	0	0	0
<b>Total</b>	<b>22</b>	<b>22</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Overall Total</b>	<b>50</b>	<b>49</b>	<b>1</b>	<b>1</b>	<b>0</b>
<b>REGENERATION, ECONOMY AND GROWTH (REG)</b>					
<b>2017/18</b>					
High	0	0	0	0	0
Medium	35	33	2	2	0
<b>Total</b>	<b>35</b>	<b>33</b>	<b>2</b>	<b>2</b>	<b>0</b>
<b>2018/19</b>					
High	0	0	0	0	0
Medium	33	33	0	0	0
<b>Total</b>	<b>33</b>	<b>33</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2019/20</b>					
High	2	2	0	0	0
Medium	37	36	1	1	0
<b>Total</b>	<b>39</b>	<b>38</b>	<b>1</b>	<b>1</b>	<b>0</b>
<b>2020/21</b>					
High	2	1	1	1	0
Medium	8	3	5	5	0
<b>Total</b>	<b>10</b>	<b>4</b>	<b>6</b>	<b>6</b>	<b>0</b>
<b>Overall Total</b>	<b>117</b>	<b>108</b>	<b>9</b>	<b>9</b>	<b>0</b>
<b>RESOURCES (RES)</b>					
<b>2018/19</b>					
High	3	3	0	0	0
Medium	108	104	4	4	0
<b>Total</b>	<b>111</b>	<b>107</b>	<b>4</b>	<b>4</b>	<b>0</b>
<b>2019/20</b>					
High	0	0	0	0	0
Medium	115	102	13	13	0
<b>Total</b>	<b>115</b>	<b>102</b>	<b>13</b>	<b>13</b>	<b>0</b>
<b>2020/21</b>					
High	0	0	0	0	0
Medium	50	28	22	22	0
<b>Total</b>	<b>50</b>	<b>28</b>	<b>22</b>	<b>22</b>	<b>0</b>
<b>Overall Total</b>	<b>276</b>	<b>237</b>	<b>39</b>	<b>39</b>	<b>0</b>
<b>TOTAL COUNCIL</b>					
<b>2017/18</b>					
High	0	0	0	0	0
Medium	35	33	2	2	0
<b>Total</b>	<b>35</b>	<b>33</b>	<b>2</b>	<b>2</b>	<b>0</b>
<b>2018/19</b>					
High	4	4	0	0	0
Medium	266	262	4	4	0
<b>Total</b>	<b>270</b>	<b>266</b>	<b>4</b>	<b>4</b>	<b>0</b>
<b>2019/20</b>					
High	2	2	0	0	0
Medium	226	207	19	19	0
<b>Total</b>	<b>228</b>	<b>209</b>	<b>19</b>	<b>19</b>	<b>0</b>
<b>2020/21</b>					
High	3	2	1	1	0
Medium	94	66	28	28	0
<b>Total</b>	<b>97</b>	<b>68</b>	<b>29</b>	<b>29</b>	<b>0</b>
<b>OVERALL TOTAL</b>	<b>630</b>	<b>576</b>	<b>54</b>	<b>54</b>	<b>0</b>

## Performance Indicators as at 31 March 2021

<b>Efficiency</b>			
<b>Objective: To provide maximum assurance to inform the annual audit opinion</b>			
<b>KPI</b>	<b>Measure of Assessment</b>	<b>Target &amp; (Frequency of Measurement)</b>	<b>Actual</b>
Planned audits completed	% of planned assurance work from original approved plan complete to draft report stage	90% (Annually)	95% at 31 March 2021
Timeliness of Draft Reports	% of draft reports issued within 30 calendar days of end of fieldwork/closure interview	90% (Quarterly)	98% (51 out of 52)
Timeliness of Final Reports	% of final reports issued within 14 calendar days of receipt of management response	95% (Quarterly)	100% (60 out of 60)
Quarterly Progress Reports	Quarterly progress reports issued to Corporate Directors within one month of end of period	100% (Quarterly)	100%
<b>Quality</b>			
<b>Objective: To ensure that the service is effective and adding value</b>			
<b>KPI</b>	<b>Measure of Assessment</b>	<b>Target &amp; (Frequency of Measurement)</b>	
Recommendations agreed	% of recommendations made compared with recommendations accepted	95% (Annually)	100%
Post Audit Customer Satisfaction Survey Feedback	% of customers scoring audit service satisfactory or above (3 out of 5) where 1 is poor and 5 is very good	100% (Quarterly)	84% - Av score of 4.8
Customers providing feedback Response	% of customers returning satisfaction returns	70% (Quarterly)	100%
<b>Cost</b>			
<b>Objective: To ensure that the service is cost effective</b>			
<b>KPI</b>	<b>Measure of Assessment</b>	<b>Target &amp; (Frequency of Measurement)</b>	
Cost per chargeable audit day	CIPFA Benchmarking Club – Comparator Group (Unitary)	Lower than average (Annually)	Yes (2015/16 exercise) £226 cost per chargeable audit day