

Audit Committee

30 September 2021

Internal Audit Progress Update Report Period Ended 30 June 2021



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

Electoral division(s) affected:

Countywide.

Purpose of the Report

- 1 To provide Members of the Audit Committee with an update on the work that has been carried out by Internal Audit during the period 1 April 2020 to 30 June 2021, as part of the 2021/22 Internal Audit Plan.

Executive Summary

- 2 The report provides an update on the progress that has been made in achieving the Internal Audit Plan for 2021/22, based on activity during the period up to 30 June 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 any issues where controls need to be improved in order to effectively or better manage risks;
 - (c) Advise of other types of audit work carried out such as grant certification or advice and consultancy reviews where an assurance opinion on the control environment may not be applicable;
 - (d) Advise of any amendments to the Internal Audit Plan previously agreed;
 - (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; and

- (g) Provide an update on performance against the key performance indicators agreed as part of the Audit Plan.
- 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 Those marked with an asterisk are not for publication (Exempt information under Part 3 of Schedule 12a to the Local Government Act 1972, paragraph 3):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 30 June 2021;
 - (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 and progress on follow up reviews.

Recommendations

- 4 Members are asked to note:
- (a) The amendments made to the annual Internal Audit Plan 2021/22;
 - (b) The work undertaken by Internal Audit during the period ending 30 June 2021;
 - (c) The performance of the Internal Audit Service during the period; and
 - (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 2021/22, covering the period 1 April 2021 to 31 March 2022, was approved by the Audit Committee on 30 June 2021.

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 30 June 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)	13	1	4	0	0
Children and Young People's Services (CYPS) *Excluding Schools	26	0	7	0	4
Neighbourhoods and Climate Change (NCC)	19	0	2	0	2
Regeneration, Economy and Growth (REG)	28	2	4	1	6
Resources (RES)	44	5	27	0	7
Schools	17	3	1	0	1
TOTAL	147	11	45	1	20

- 9 A summary of the final internal audit reports issued in this quarter is presented in Appendix 3.
- 10 The total number of productive days available to Internal Audit during 2021/22 is 3,262. As at 30 June 2021, the service had delivered 701 productive days, representing 21.5% of the total plan. The target at the

end of the quarter was for 22.5% to be delivered, therefore performance is just below the target.

- 11 Whilst the overall performance of the service in relation to productive days delivered remains strong, a long-term staff absence and ongoing need for remote working has continued to provide challenges in delivering reviews within the timescales originally planned. When considered alongside the continued assurance work directly related to COVID related payments, and in needing to direct resources in the first quarter to deliver outstanding external client reviews to support their annual opinions, this has had the effect of reducing the overall number of audits delivered. At 30 June approximately 10% of the audit plan has been delivered to date. The position is being managed with the intention to make a temporary appointment at Senior Auditor level for a period of up to 18 months to provide additional capacity within the team.

Internal Audit activity in the quarter

Amendments to the Approved Internal Audit Plan

- 12 The following three 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	Social Care Direct	Advice and Consultancy	This review has been cancelled at the request of the service
Adult and Health Services	Stop Smoking Service Contract	Assurance	This review has been deferred until 2022/23 at the request of the service
Resources	Medium Term Financial Plan (MTFP) Arrangements	Assurance	Service request for review to be cancelled as scope is to be covered as part of a peer review.

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

Service Grouping	Audit	Audit Type	Reason
Neighbourhoods and Climate Change	Identification and Disposal of Scrap Waste Metals	Advice and Consultancy	Service request to provide advice and consultancy on the update/development of policies and procedures.
Neighbourhoods and Climate Change	COVID-19 LA Compliance and Enforcement Grant	Grant	Service request for grant certification to be added.

Service Grouping	Audit	Audit Type	Reason
Regeneration, Economy and Growth	Local Growth Fund Durham City Incubator (Salvus House)	Grant	Service request for grant certification to be added.
Resources	Police and Crime Panel	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 30 June 2021.

Service Grouping	Surveys issued	Surveys returned	% returned	Av. score
Adult and Health Services (AHS)	0	0	N/A	N/A
Children and Young People's Services (CYPS) *Excluding Schools	3	2	67	5.0
Neighbourhoods and Climate Change (NCC)	2	2	100	4.9
Regeneration, Economy and Growth (REG)	1	1	100	4.7
Resources (RES)	3	3	100	5.0
Schools	1	1	100	5.0
TOTAL	10	9	90	4.9

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 30 June 2021, is given in the table overpage.

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)	7	5	2 (29%)	2	0
Children and Young People's Services (CYPS) [Excluding Schools]	94	88	6 (6%)	6	0
Neighbourhoods and Climate Change (NCC)	35	34	1 (3%)	1	0
Regeneration, Economy and Growth (REG)	52	45	7 (13%)	7	0
Resources (RES)	289	271	18 (6%)	18	0
TOTAL	477	443*	34 (7%)	34	0

* Includes 8 high priority actions to be confirmed as implemented at follow up.

18 It is encouraging to note that, of the 477 actions due to be implemented, 443 (93%) have been implemented. The position at 31 March 2021 was that 91% of actions had been implemented at that point, so the current position is an improvement on the position at that time.

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 have been three audits, finalised in this quarter, which have been issued with a 'limited assurance' opinion. These are summarised in the table below. Further detail on these reviews is provided in Appendix 7.

Service Grouping	Service Area	Audit
Children and Young People's Services (CYPS)	Children's Social Care	Special Guardianship and Child Arrangement Orders
Children and Young People's Services (CYPS)	Education Services	One Primary School
Resources (RES)	Transactional Services	Procurement Cards - Projects

Performance Indicators

21 A summary of actual performance, as at the end of June 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

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 30 JUNE 2021

SERVICE GROUPING	SERVICE	AUDIT ACTIVITY	AUDIT TYPE	STATUS	OPINION
2020 / 2021 audits brought forward into plan					
Adult and Health Services	Adult Care	Azeus Business Readiness Review	Assurance	In Progress	N/A
Children and Young People's Services	Children's Social Care	Special Guardianship and Child Arrangement Orders	Assurance	Final	Limited
Children and Young People's Services	Children's Social Care	Contract Monitoring Arrangements - Independent Fostering Services	Assurance	Final	Moderate
Children and Young People's Services	Early Help, Inclusion and Vulnerable Children	Troubled Families Data Cleansing and Claim Return Administration Process	Advice and Consultancy	Final	N/A
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	
Neighbourhoods and Climate Change	Environment	InnovateUK	Grant	Not yet started	
Neighbourhoods and Climate Change	Environment	Fuel Stocks and Stores (Follow Up)	Follow Up	Final	N/A
Neighbourhoods and Climate Change	Environment	Atlantic Geoparks	Grant	In Progress	
Neighbourhoods and Climate Change	Technical Services	Plant Returns	Assurance	Final	Substantial
Neighbourhoods and Climate Change	Partnerships and Community Engagement	COVID-19 Area Budgets	Assurance	In Progress	
Regeneration, Economy and Growth	Corporate Property and Land	Asset Valuation - Valuation calculations	Assurance	Draft	
Regeneration, Economy and Growth	Corporate Property and Land	Assets of Community Value	Assurance	Final	Substantial
Regeneration, Economy and Growth	Development & Housing	Section 106 Agreement	Assurance	In Progress	
Regeneration, Economy and Growth	Transport and Contract Services	Durham Urban Traffic Management and Control (UTMC)	Grant	Final	N/A
Regeneration, Economy and Growth	Transport and Contract Services	Hornden Rail Station Link	Grant	In Progress	
Regeneration, Economy and Growth	Culture, Sport and Tourism	Stanley Bowls Club	Audit of Accounts	Final	N/A
Resources	Legal & Democratic Services	Fee Recovery	Advice and Consultancy	In Progress	
Resources	Corporate Finance and Commercial Services	Potentially Violent Persons Register	Assurance	In Progress	
Resources	Corporate Finance and Commercial Services	Capital Accounting	Assurance	In Progress	
Resources	Corporate Finance and Commercial Services	Finance Durham	Assurance	Not yet started	
Resources	Corporate Finance and Commercial Services	Review of SLA Charging Arrangements	Advice and Consultancy	In Progress	
Resources	Corporate Finance and Commercial Services	Section 256 agreements	Grant	Final	N/A
Resources	Corporate Finance and Commercial Services	Section 75 Agreements - Better Care Fund	Grant	Final	N/A
Resources	Procurement, Sales and Business Services	COVID-19 Procurement Analysis	Assurance	Not yet started	
Resources	Transactional Services	Council Tax - Overarching Report	Key System	In Progress	
Resources	Transactional Services	COVID-19 Council Tax Reduction Hardship Scheme	Key System	In Progress	
Resources	Transactional Services	Business Rates - Overarching Report	Key System	In Progress	
Resources	Transactional Services	Business Rates - Liability	Key System	Preparation and Planning	
Resources	Transactional Services	COVID-19 Small Business Rates Relief	Key System	In Progress	
Resources	Transactional Services	COVID-19 Business Rates 5% Discretionary Scheme	Advice and Consultancy	In Progress	
Resources	Transactional Services	COVID-19 Retail, Hospitality and Leisure Grant Fund	Key System	In Progress	
Resources	Transactional Services	Housing Benefits and Council Tax Reduction - Overarching Report	Key System	In Progress	
Resources	Transactional Services	Housing and Council Tax Benefits: Assessment - New Claims & Change in Circumstances	Key System	In Progress	
Resources	Transactional Services	Welfare Rights	Follow Up	Final	N/A
Resources	Transactional Services	Creditors - Overarching Report	Key System	Preparation and Planning	
Resources	Transactional Services	Creditors - Processing of Payments through Controcc	Key System	Preparation and Planning	
Resources	Transactional Services	School Holidays Meal Voucher Scheme	Advice and Consultancy	In Progress	
Resources	Transactional Services	COVID-19 Test and Trace Support Payment Scheme	Assurance	Preparation and Planning	
Resources	Transactional Services	Covid Winter Fund - Verification Process (February 2021.bf	Assurance	Not yet started	
Resources	Transactional Services	Covid Winter Fund - Verification Process (April 2021	Assurance	Not yet started	
Resources	Transactional Services	Procurement Cards - Projects	Assurance	Final	Limited
Resources	Transactional Services	Debtors - Overarching Report	Key System	In Progress	
Resources	Transactional Services	Cash Management	Key System	In Progress	
Resources	Digital and Customer Services	Vulnerability Management	Assurance	In Progress	
Resources	Digital and Customer Services	Backup Procedures	Assurance	In Progress	
Resources	Digital and Customer Services	ICT Purchasing	Assurance	Not yet started	
Resources	Digital and Customer Services	Business Continuity for ICT	Advice and Consultancy	Not yet started	
2021/22 plan					
Adult and Health Services	Adult Care	Hawthorn House	Assurance	Preparation and Planning	
Adult and Health Services	Adult Care	Direct Payments	Assurance	Not Yet Started	
Adult and Health Services	Adult Care	Continuing Health Care and Free Nursing Care	Assurance	Not Yet Started	
Adult and Health Services	Adult Care	Section 117 Process	Assurance	Not Yet Started	
Adult and Health Services	Adult Care	Social Care Direct	Advice and Consultancy	Cancelled	N/A
Adult and Health Services	Commissioning	Commissioning of Learning Disability Services	Assurance	Not Yet Started	
Adult and Health Services	Commissioning	Commissioning of Domiciliary Care	Assurance	Not Yet Started	
Adult and Health Services	Commissioning	Commissioning of Mental Health Services	Assurance	Not Yet Started	
Adult and Health Services	Commissioning	Commissioning of Residential Care	Assurance	Not Yet Started	
Adult and Health Services	Commissioning	Personalisation - Virtual Budgets	Assurance	Not Yet Started	
Adult and Health Services	Public Health	COVID-19 Test and Trace Service Support Grant	Grant	Not Yet Started	
Adult and Health Services	Public Health	Suicide Early Alert	Assurance	Not Yet Started	
Adult and Health Services	Adult Care	AzeusCare Implementation - Project Board	Advice and Consultancy	In Progress	
Adult and Health Services	Adult Care	AzeusCare Implementation - Task Groups	Advice and Consultancy	Not Yet Started	
Adult and Health Services	Commissioning	Alliance Contracting Steering Group	Advice and Consultancy	In Progress	
Adult and Health Services	Commissioning	Integration of the Health and Care Plan County Durham	Advice and Consultancy	Not Yet Started	
Adult and Health Services	Public Health	Pharmoutcomes - Data Matching	Advice and Consultancy	In Progress	
Adult and Health Services	Public Health	Public Health Claims processed via Pharmoutcomes	Assurance	Not Yet Started	
Adult and Health Services	Public Health	Stop Service Service Contract	Assurance	Deferred to 2022/23	N/A
Children and Young People's Services	Children's Social Care	Placement Resource Panel Arrangements	Assurance	Not Yet Started	
Children and Young People's Services	Children's Social Care	Adoption Payments	Assurance	Not Yet Started	
Children and Young People's Services	Children's Social Care	New Lea Children's Home	Assurance	Not Yet Started	
Children and Young People's Services	Children's Social Care	Moorside Children's Home	Assurance	Not Yet Started	
Children and Young People's Services	Children's Social Care	Hicksted Children's Home	Assurance	Not Yet Started	
Children and Young People's Services	Children's Social Care	Coxhoe Children's Home	Assurance	Not Yet Started	
Children and Young People's Services	Children's Social Care	Local Adoption Governance	Assurance	Not Yet Started	
Children and Young People's Services	Commissioning	Disability Commissioning Arrangements (Short Breaks)	Assurance	Not Yet Started	
Children and Young People's Services	Early Help, Inclusion and Vulnerable	Review of CYPs Locality Office Petty Cash Arrangements	Assurance	Not Yet Started	
Children and Young People's Services	Early Help, Inclusion and Vulnerable	Family Centres	Assurance	Not Yet Started	
Children and Young People's Services	Early Help, Inclusion and Vulnerable	One Point Hubs	Assurance	Not Yet Started	
Children and Young People's Services	Early Help, Inclusion and Vulnerable	Adult Learning and Skills Service	Assurance	Not Yet Started	
Children and Young People's Services	Education and Skills	Durham Supported Employment Service	Assurance	Not Yet Started	
Children and Young People's Services	Education and Skills	Pupil Referral Unit	Assurance	Not Yet Started	
Children and Young People's Services	Education and Skills	Academy Transfer Arrangements	Assurance	Not Yet Started	
Children and Young People's Services	Education and Skills	Synergy - Audit of access to data arrangements	Assurance	Not Yet Started	
Children and Young People's Services		Supporting Families Programme: Claim 01 - June 2021	Grant	Final	N/A
Children and Young People's Services		Supporting Families Programme: Claim 02 - September	Grant	Not Yet Started	
Children and Young People's Services		Supporting Families Programme: Claim 03 - December 2021	Grant	Not Yet Started	
Children and Young People's Services		Supporting Families Programme: Claim 04 - March 2022	Grant	Not Yet Started	
Children and Young People's Services	Children's Social Care	Liquidlogic - Board Meetings	Advice and Consultancy	In Progress	
Children and Young People's Services	Children's Social Care	Liquidlogic Developments	Advice and Consultancy	Not Yet Started	

INTERNAL AUDIT PLAN PROGRESS AS AT 30 JUNE 2021

SERVICE GROUPING	SERVICE	AUDIT ACTIVITY	AUDIT TYPE	STATUS	OPINION
Children and Young People's Services	Commissioning	Home to School Transport Review	Advice and Consultancy	Not Yet Started	
Children and Young People's Services	Commissioning	Home to School Transport Review	Assurance	Not Yet Started	
Children and Young People's Services	Early Help, Inclusion and Vulnerable	High Needs Budget	Follow Up	In Progress	
Children and Young People's Services	Education and Skills	Kickstart	Assurance	Not Yet Started	
Children and Young People's Services	Education and Skills	Governor Training	Advice and Consultancy	Not Yet Started	
Children and Young People's Services	Education and Skills	Developing Financial Management Standards in Durham	Advice and Consultancy	In Progress	
Children and Young People's Services	Education and Skills	Caldicott Compliance	Assurance	Not Yet Started	
Children and Young People's Services	Operational Support	Caldicott Group	Advice and Consultancy	In Progress	N/A
Children and Young People's Services	Education and Skills	SFVS	Assurance	In Progress	
Children and Young People's Services	Education - Schools	School Programme (governance and financial management)	Assurance	1 Limited Assurance	
Children and Young People's Services	Education - Schools	Audit of School Voluntary Funds	Fund Certification	21 Complete	
Children and Young People's Services	Children's Social Care	Special Guardianship and Child Arrangement Orders	Follow Up	Not yet started	
Neighbourhoods and Climate Change	Community Protection Services	Online Licence Applications	Assurance	Not yet started	
Neighbourhoods and Climate Change	Community Protection Services	Fees and Charges	Assurance	Not yet started	
Neighbourhoods and Climate Change	Community Protection Services	Civil Penalties	Assurance	Not yet started	
Neighbourhoods and Climate Change	Community Protection Services	Intelligence Handling	Assurance	Not yet started	
Neighbourhoods and Climate Change	Community Protection Services	Anti Social Behaviour	Advice and Consultancy	Not yet started	
Neighbourhoods and Climate Change	Environment	Utility Bills - Contract Management	Assurance	Not yet started	
Neighbourhoods and Climate Change	Environment	Trade Waste	Assurance	Not yet started	
Neighbourhoods and Climate Change	Technical Services	Charging Arrangements	Advice and Consultancy	Not yet started	
Neighbourhoods and Climate Change	Environment	Rebus	Grant	Not yet started	
Neighbourhoods and Climate Change	Environment	Carbon Connects	Grant	Not yet started	
Neighbourhoods and Climate Change	Environment	SME Power (Claim 3)	Grant	Not yet started	
Neighbourhoods and Climate Change	Environment	InnovateUK	Grant	Not yet started	
Neighbourhoods and Climate Change	Environment	Durham Crematorium	Assurance	Not yet started	
Neighbourhoods and Climate Change	Environment	Mountsett Crematorium	Assurance	Not yet started	
Neighbourhoods and Climate Change	Technical Services	Local Transport Capital Block Funding for NECA	Grant	Not yet started	
Neighbourhoods and Climate Change	Partnerships and Community Engagement	Community Grants	Assurance	Not yet started	
Neighbourhoods and Climate Change	Environment	Identification and Disposal of Scrap Waste Metals	Advice and Consultancy	Not yet started	
Neighbourhoods and Climate Change	Partnerships and Community Engagement	COVID-19 LA Compliance and Enforcement Grant	Grant	Not yet started	
Regeneration, Economy and Growth	Corporate Property and Land	New Headquarters	Assurance	Not yet started	
Regeneration, Economy and Growth	Corporate Property and Land	Milburngate Development Governance	Assurance	Not yet started	
Regeneration, Economy and Growth	Development and Housing	Financial Assistance Policy	Assurance	Not yet started	
Regeneration, Economy and Growth	Development and Housing	Housing Solutions	Assurance	Not yet started	
Regeneration, Economy and Growth	Development and Housing	Local Lettings Agency Governance	Assurance	Not yet started	
Regeneration, Economy and Growth	Business Durham	Local Growth Fund - Grow On Space (Explorer)	Grant	Not yet started	
Regeneration, Economy and Growth	Business Durham	County Durham Growth Fund	Assurance	Not yet started	
Regeneration, Economy and Growth	Transport and Contract Services	On Street and Off Street Parking	Assurance	Not yet started	
Regeneration, Economy and Growth	Culture, Sport and Tourism	Leisure Centre Timesheets	Follow Up	Not yet started	
Regeneration, Economy and Growth	Culture, Sport and Tourism	Leisure Centre Procedures for holidays and toil	Assurance	Not yet started	
Regeneration, Economy and Growth	Culture, Sport and Tourism	Events Management	Assurance	Not yet started	
Regeneration, Economy and Growth	Culture, Sport and Tourism	Learn to Swim	Advice and Consultancy	Not yet started	
Regeneration, Economy and Growth	Culture, Sport and Tourism	One Life Contract	Assurance	Not yet started	
Regeneration, Economy and Growth	Culture, Sport and Tourism	Gala Hospitality and Catering	Assurance	Not yet started	
Regeneration, Economy and Growth	Culture, Sport and Tourism	Theatre Asset / Inventory Review	Advice and Consultancy	Not yet started	
Regeneration, Economy and Growth	Culture, Sport and Tourism	Theatre Asset / Inventory Review	Assurance	Not yet started	
Regeneration, Economy and Growth	Corporate Property and Land	Asset Valuation	Assurance	Not yet started	
Regeneration, Economy and Growth	Development and Housing	Bishop Auckland Heritage Action Zone	Grant	Final	N/A
Regeneration, Economy and Growth	Development and Housing	Selective Licensing Steering Group	Advice and Consultancy	In Progress	
Regeneration, Economy and Growth	Development and Housing	Choice Based Letting Scheme	Advice and Consultancy	Not yet started	
Regeneration, Economy and Growth	Development and Housing	Disabled Facilities Grant	Grant	Preparation and Planning	
Regeneration, Economy and Growth	Business Durham	Stephanie	Grant	Not yet started	
Regeneration, Economy and Growth	Business Durham	Business Recovery Grants	Assurance	Not yet started	
Regeneration, Economy and Growth	Transport and Contract Services	Local Transport Capital Block Funding	Grant	Not yet started	
Regeneration, Economy and Growth	Transport and Contract Services	Bus Subsidy Ring Fenced Grant	Grant	Preparation and Planning	
Regeneration, Economy and Growth	Transport and Contract Services	Additional Dedicated Home to School and College Transport	Grant	Final	N/A
Regeneration, Economy and Growth	Transport and Contract Services	Travel Demand Management	Grant	Final	N/A
Regeneration, Economy and Growth	Transport and Contract Services	Integrated Passenger Transport - Contracts	Assurance	Not yet started	
Regeneration, Economy and Growth	Culture, Sport and Tourism	Rolling Programme of Leisure Centres - Peterlee	Assurance	Not yet started	
Regeneration, Economy and Growth	Culture, Sport and Tourism	Rolling Programme of Leisure Centres - Seaham	Assurance	Not yet started	
Regeneration, Economy and Growth	Culture, Sport and Tourism	CLUK Income Share Agreement	Assurance	Not yet started	
Regeneration, Economy and Growth	Culture, Sport and Tourism	Stanley Bowls	Audit of Accounts	Not yet started	
Regeneration, Economy and Growth	Culture, Sport and Tourism	Beamish Museum - Grant Review	Assurance	Not yet started	
Regeneration, Economy and Growth	Culture, Sport and Tourism	Bowes Museum - Grant Review	Assurance	Not yet started	
Regeneration, Economy and Growth	Business Durham	Local Growth Fund - Durham City Incubator	Grant	In Progress	
Resources	Legal & Democratic Services	Coroner	Assurance	Not yet started	
Resources	Legal & Democratic Services	Electoral Services (Election Payments)	Assurance	Not yet started	
Resources	Legal & Democratic Services	Data Protection	Assurance	Not yet started	
Resources	Corporate Finance and Commercial Services	CIPFA Financial Management Code	Advice and Consultancy	Final	N/A
Resources	Corporate Finance and Commercial Services	MTFP Arrangements	Assurance	Cancelled	
Resources	Corporate Finance and Commercial Services	Review of Commercial Services	Assurance	Not yet started	
Resources	Procurement, Sales and Business Services	Contract Management	Assurance	Not yet started	
Resources	Procurement, Sales and Business Services	Off Contract Spend	Assurance	Not yet started	
Resources	Transactional Services	Domiciliary Care Working Party	Advice and Consultancy	In Progress	
Resources	Transactional Services	Payroll - Preparation - Corrections	Key System	Not yet started	
Resources	Transactional Services	Recruitment and Selection: ID Verification	Assurance	Not yet started	
Resources	Transactional Services	Council Tax - Quality Assurance and Appeals	Key System	Not yet started	
Resources	Transactional Services	Cash Management - Crook CAP	Key System	Not yet started	
Resources	Transactional Services	Deputies and Appointees - Personal Allowance Payments (Deferred from 2019/20)	Assurance	Not yet started	
Resources	Digital and Customer Services	Change Management	Assurance	Not yet started	
Resources	Digital and Customer Services	Unix - Linux Security	Assurance	Not yet started	
Resources	Digital and Customer Services	Mobile Device Security	Assurance	Not yet started	
Resources	Transformation, Planning and Performance	Data Quality	Assurance	Not yet started	
Resources	Transformation, Planning and Performance	Transformation	Advice and Consultancy	In Progress	
Resources	Legal and Democratic Services	Election Postal Votes	Advice and Consultancy	Final	N/A
Resources	Legal and Democratic Services	RIPA Officers Group	Advice and Consultancy	In Progress	
Resources	Legal & Democratic Services	Company Governance Group	Advice and Consultancy	In Progress	
Resources	Legal & Democratic Services	Information Governance Group	Advice and Consultancy	In Progress	
Resources	Corporate Finance and Commercial Services	Developing School Financial Arrangements	Advice and Consultancy	In Progress	
Resources	Corporate Finance and Commercial Services	Banking Arrangements	Assurance	Not yet started	
Resources	Corporate Finance and Commercial Services	Chapter Homes - SLA Arrangements	Advice and Consultancy	Preparation and Planning	
Resources	Corporate Finance and Commercial Services	SLA Board	Advice and Consultancy	In Progress	
Resources	Corporate Finance and Commercial Services	Section 256 Agreements	Grant	Not yet started	
Resources	Corporate Finance and Commercial Services	Financial Assessments	Assurance	Not yet started	
Resources	Corporate Finance and Commercial Services	Better Care Fund	Grant	Not yet started	
Resources	Procurement, Sales and Business Services	Contract Procedure Rules	Assurance	Not yet started	
Resources	Transactional Services	Creditors	Key System	Not yet started	

INTERNAL AUDIT PLAN PROGRESS AS AT 30 JUNE 2021

SERVICE GROUPING	SERVICE	AUDIT ACTIVITY	AUDIT TYPE	STATUS	OPINION
Resources	Transactional Services	Procurement Cards (Projects)	Follow Up	Not yet started	
Resources	Transactional Services	Petty Cash and Payment Card Workstream	Advice and Consultancy	In Progress	
Resources	Transactional Services	Fuel Cards	Follow Up	Not yet started	
Resources	Transactional Services	Payroll	Key System	Not yet started	
Resources	Transactional Services	ResourceLink Programme Board	Advice and Consultancy	In Progress	
Resources	Transactional Services	Business Rates - System Access	Key System	Not yet started	
Resources	Transactional Services	Housing Benefits and Council Tax Reduction - Overarching Report	Key System	Not yet started	
Resources	Transactional Services	Housing Benefits and Council Tax Reduction - Accuracy Award Indicator	Advice and Consultancy	Not yet started	
Resources	Transactional Services	Housing Benefits and Council Tax Reduction - System Access	Key System	Not yet started	
Resources	Transactional Services	Housing Benefits and Council Tax Reduction - Supported Accommodation	Key System	Not yet started	
Resources	Transactional Services	Enforcement Programme Board	Advice and Consultancy	In Progress	
Resources	Transactional Services	Enforcement Programme Workstreams	Advice and Consultancy	Not yet started	
Resources	Transactional Services	Council Tax - Overarching Report	Key System	Not yet started	
Resources	Transactional Services	Council Tax - Liability (include Billing and Refunds in scope)	Key System	Not yet started	
Resources	Transactional Services	Council Tax - System Access	Key System	Not yet started	
Resources	Transactional Services	Cash Management	Key System	Not yet started	
Resources	Transactional Services	Debtors	Key System	Not yet started	
Resources	Digital and Customer Services	SharePoint	Assurance	Not yet started	
Resources	Digital and Customer Services	Digital Durham	Grant	Not yet started	
Resources	Transformation, Planning and Performance	Equality, Diversity and Community Cohesion	Assurance	Not yet started	
Resources	Transformation, Planning and Performance	Police and Crime Panel	Grant	Final	N/A

FINAL REPORTS ISSUED IN PERIOD ENDING 30 JUNE 2021

AUDIT AREA	BRIEF DESCRIPTION OF SCOPE OF THE AUDIT	FINAL OPINION
CHILDREN AND YOUNG PEOPLE'S SERVICES (CYPS)		
Independent Fostering Services	Assurance review of the arrangements in place to mitigate against the risks of; <ul style="list-style-type: none"> - Referrals/requests are not acted upon within a timely manner; - Incorrect payments are made / payments are not made in time; - Budget overspend; - Commissioned services do not achieve desired outcomes. 	Moderate
Troubled Families End of Year Summary Report 2020/21	A summary report of the work carried out during the financial year 2020/21 to verify the grant claims and data cleansing review process.	N/A
Special Guardianship and Child Arrangement Orders	Assurance review of the arrangements in place to mitigate against the risks of; <ul style="list-style-type: none"> - Referrals/requests are not acted upon within a timely manner; - Incomplete / out of date records are held; - The guardian is not supported to meet the needs of the child / young person; - Assessments for financial support are not undertaken, or are not undertaken in a timely manner; - The placement is unsafe for the child / young person; - Financial support as per the Support Plan is not provided; - The Panels in place for SGOs / CAOs are ineffective; - Ineffective decision making; - Unauthorised payments are made; - Costs associated with SGOs and CAOs are not known; - Employees do not have the skills to carry out their budget monitoring responsibilities / do not utilise the system as expected; - Users have access to, and the ability to amend, data which they do not require; - Misuse or abuse of information held about individuals; - Systems and data are unavailable; - Business critical data is lost, or cannot be restored, in the event of a disaster; - Non compliance with the requirements of the Adoption and Special Guardianship Leadership Board. 	Limited

AUDIT AREA	BRIEF DESCRIPTION OF SCOPE OF THE AUDIT	FINAL OPINION
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NEIGHBOURHOODS AND CLIMATE CHANGE (NCC)		
Plant Returns	Assurance review of the arrangements in place to mitigate against the risks of; <ul style="list-style-type: none"> - Projects overspending due to mismanagement of plant returns; - Vehicles not being allocated to appropriate services in a timely manner; - Costs not being appropriately charged to projects utilising plant returns to ensure there is no under or over recovery. 	Substantial
Fuel Stocks and Stores	A follow up review of the original audit, completed in July 2020, which had been given a limited level of assurance.	N/A

REGENERATION, ECONOMY AND GROWTH (REG)		
Assets of Community Value	Assurance review of the arrangements in place to mitigate against the risk of failure to adhere to legislative requirements.	Substantial
Additional Dedicated Home to School and College Transport	Grant Certification	N/A
Travel Demand Management	Grant Certification	N/A
Durham Urban Traffic Management and Control	Grant Certification	N/A
Bishop Auckland Heritage Action Zone	Grant Certification	N/A
Stanley Indoor Bowling Centre	Review of Accounts	N/A

RESOURCES (Res)		
Procurement Cards - Projects	Assurance review of the arrangements in place to mitigate against the risks of; <ul style="list-style-type: none"> - the inappropriate or unauthorised use of project cards; - transactions not being reflected correctly in the finance system. 	Limited

AUDIT AREA**BRIEF DESCRIPTION OF SCOPE OF THE AUDIT****FINAL
OPINION**

RESOURCES (Res) Contd.		
Welfare Rights	A follow up review of the original audit, completed in October 2019, and which had been given a limited level of assurance.	N/A
CIPFA Financial Management Code	Advice and consultancy review of the authority's compliance with the Code.	N/A
Election Postal Votes	Advice and consultancy provided on the election postal vote system.	N/A
Police and Crime Panel	Grant Certification	N/A
Section 256 Agreements	Grant Certification	N/A
Section 75 Agreements - Better Care Fund	Grant Certification	N/A

Progress on the Implementation of Audit Recommendations

Appendix 4

	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
ADULT AND HEALTH SERVICES (AHS)					
2019/20					
High	0	0	0	0	0
Medium	4	4	0	0	0
Total	4	4	0	0	0
2020/21					
High	3	1	2	2	0
Medium	0	0	0	0	0
Total	3	1	2	2	0
2021/22					
High	0	0	0	0	0
Medium	0	0	0	0	0
Total	0	0	0	0	0
Overall Total	7	5	2	2	0
CHILDREN AND YOUNG PEOPLE'S SERVICES (CYPS)					
2019/20					
High	0	0	0	0	0
Medium	60	56	4	4	0
Total	60	56	4	4	0
2020/21					
High	0	0	0	0	0
Medium	14	14	0	0	0
Total	14	14	0	0	0
2021/22					
High	0	0	0	0	0
Medium	20	18	2	2	0
Total	20	18	2	2	0
Overall Total	94	88	6	6	0
NEIGHBOURHOODS AND CLIMATE CHANGE (NCC)					
2019/20					
High	0	0	0	0	0
Medium	11	10	1	1	0
Total	11	10	1	1	0
2020/21					
High	2	2	0	0	0
Medium	22	22	0	0	0
Total	24	24	0	0	0
2021/22					
High	0	0	0	0	0
Medium	0	0	0	0	0
Total	0	0	0	0	0
Overall Total	35	34	1	1	0
REGENERATION, ECONOMY AND GROWTH (REG)					
2019/20					
High	2	2	0	0	0
Medium	37	36	1	1	0
Total	39	38	1	1	0
2020/21					
High	2	1	1	1	0
Medium	9	4	5	5	0
Total	11	5	6	6	0
2021/22					
High	0	0	0	0	0
Medium	2	2	0	0	0
Total	2	2	0	0	0
Overall Total	52	45	7	7	0
RESOURCES (RES)					
2018/19					
High	3	3	0	0	0
Medium	108	107	1	1	0
Total	111	110	1	1	0
2019/20					
High	0	0	0	0	0
Medium	115	106	9	9	0
Total	115	106	9	9	0
2020/21					
High	0	0	0	0	0
Medium	60	52	8	8	0
Total	60	52	8	8	0
2021/22					
High	0	0	0	0	0
Medium	3	3	0	0	0
Total	3	3	0	0	0
Overall Total	289	271	18	18	0
TOTAL COUNCIL					
Total	0	0	0	0	0
2018/19					
High	3	3	0	0	0
Medium	108	107	1	1	0
Total	111	110	1	1	0
2019/20					
High	2	2	0	0	0
Medium	227	212	15	15	0
Total	229	214	15	15	0
2020/21					
High	7	4	3	3	0
Medium	105	92	13	13	0
Total	112	96	16	16	0
2021/22					
High	0	0	0	0	0
Medium	25	23	2	2	0
Total	25	23	2	2	0
OVERALL TOTAL	477	443	34	34	0

Performance Indicators as at 30 June 2021

Efficiency			
Objective: To provide maximum assurance to inform the annual audit opinion			
KPI	Measure of Assessment	Target & (Frequency of Measurement)	Actual
Productive audit time achieved	% of planned productive time from original approved plan completed.	90% (Annually)	21.5% at 30 June 2021
Timeliness of Draft Reports	% of draft reports issued within 20 working days of end of fieldwork/closure interview	100% (Quarterly)	78% (7 out of 9)
Timeliness of Final Reports	% of final reports issued within 10 working days of receipt of management response	100% (Quarterly)	100% (9 out of 9)
Quarterly Progress Reports	Quarterly progress reports issued to Corporate Directors within one month of end of period	100% (Quarterly)	100%
Quality			
Objective: To ensure that the service is effective and adding value			
KPI	Measure of Assessment	Target & (Frequency of Measurement)	Actual
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)	100% - Av. score of 4.9
Customers providing feedback Response	% of customers returning satisfaction returns	70% (Quarterly)	90%