

## **Audit Committee**

**29 November 2021**

### **Internal Audit Progress Update Report Period Ended 30 September 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 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 to 30 September 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 September 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 Those marked with an asterisk are not for publication (Exempt information under Part 3 of Schedule 12a to the Local Government Act 1972, paragraph 3):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;

## **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 September 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 September 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	0	3	0	2
Children and Young People's Services (CYPS) *Excluding Schools	16	0	4	1	6
Neighbourhoods and Climate Change (NCC)	11	0	3	0	6
Regeneration, Economy and Growth (REG)	22	1	5	0	13
Resources (RES)	36	1	26	3	13
Schools	1	9	2	0	1
<b>TOTAL</b>	<b>99</b>	<b>11</b>	<b>43</b>	<b>4</b>	<b>41</b>

- 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 September 2021, the service had delivered 1,393 productive days, representing 42.7% of the total plan. The target

at the end of the quarter was for 45% 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 (now resolved), as well as a new staff vacancy following a promotion within the wider Resources Service Grouping, together with a recent success in being awarded a new tender for work with New College Durham and the ongoing need for remote working has continued to provide challenges in delivering reviews originally planned.
- 12 When considered alongside the continued assurance work directly related to COVID 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 September approximately 23% of the audit plan has been delivered to date, though there are a number of audits that are ongoing across the year which when these are factored into account the audit plan delivery is 30%.
- 13 The position is being proactively managed. Recruitment is difficult at this time, but the service is seeking to fill the vacancy and bring in additional resources through fixed term temporary appointments at Senior Auditor level to provide additional capacity within the team.

## Internal Audit activity in the quarter

### Amendments to the Approved Internal Audit Plan

- 14 As a result of resource issues within the team, as set out in paragraph 11, it was necessary to reprioritise activities within the 2021/22 plan as an interim measure. The following 21 reviews were therefore 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	Commissioning of Residential Care	Assurance	Service request to defer to 2022/23.
Children and Young People's Services	Kickstart	Assurance	This review has been cancelled
Children and Young People's Services	Durham Supported Employment Service	Advice & Consultancy	This review has been cancelled
Children and Young People's Services	Local Adoption Governance	Assurance	This review has been cancelled

<b>Service Grouping</b>	<b>Audit</b>	<b>Audit Type</b>	<b>Reason</b>
Children and Young People's Services	Disability Commissioning Arrangements (Short Breaks)	Assurance	Service request to defer to 2022/23.
Children and Young People's Services	Review of CYPS Locality Office Petty Cash	Assurance	Agreed with service to defer to 2022/23.
Children and Young People's Services	Family Centres	Assurance	Agreed with service to defer to 2022/23.
Children and Young People's Services	One Point Hubs	Assurance	Agreed with service to defer to 2022/23.
Children and Young People's Services	The Woodlands	Assurance	Agreed with service to defer to 2022/23.
Children and Young People's Services	Home to School Transport	Advice & Consultancy	Agreed with service to defer to 2022/23.
Children and Young People's Services	Home to School Transport	Assurance	Agreed with service to defer to 2022/23.
Neighbourhoods and Climate Change	Fees and Charges	Assurance	Agreed with service to defer to 2022/23.
Neighbourhoods and Climate Change	Civil Penalties	Assurance	Agreed with service to defer to 2022/23.
Neighbourhoods and Climate Change	Anti-Social Behaviour	Advice & Consultancy	Agreed with service to defer to 2022/23.
Regeneration, Economy and Growth	Integrated Passenger Transport	Assurance	Service request to defer to 2022/23.
Resources	Housing Benefits & Council Tax Reduction: Accuracy Award Indicator	Advice & Consultancy	Agreed with service to defer review to 2022/23.
Resources	Housing Benefits & Council Tax Reduction: Supported Accommodation	Key System	Agreed with service to defer review to 2022/23.
Resources	Council Tax: Quality Assurance and Appeals	Key System	Agreed with service to defer review to 2022/23.
Resources	Deputy and Appointees - Personal Allowance Payments	Assurance	Agreed with service to defer review to 2022/23.
Resources	Electoral Services (Election Payments)	Assurance	Service request to cancel audit as events have now superseded this.
Resources	Finance Durham	Assurance	The review was re-aligned to Business Durham. The service then requested the audit be deferred to 2022/23.

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

Service Grouping	Audit	Audit Type	Reason
Adult and Health Services	Workforce Development Fund	Assurance	To ensure that the terms of the Workforce Development Fund have been met.
Regeneration, Economy and Growth	Additional Dedicated Home to School and College Transport (2)	Grant	Service request for further certification of this area to be added.
Resources	COVID-19 Additional Restrictions Grant	Assurance	Following liaison with External Audit, the review was added to the plan.
Resources	COVID-19 Local Restrictions Support Grants	Assurance	Following liaison with External Audit, the review was added to the plan.

### Outstanding Management Responses to Draft Internal Audit Reports

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

### Survey Response Rate

- 17 The table overpage sets out the response rate and average score, by Service Grouping, for the customer satisfaction surveys issued during the period up to 30 September 2021.

Service Grouping	Surveys issued	Surveys returned	% returned	Av. score
Adult and Health Services (AHS)	2	1	50	4.9
Children and Young People's Services (CYPS) *Excluding Schools	4	4	100	4.9
Neighbourhoods and Climate Change (NCC)	2	2	100	4.9
Regeneration, Economy and Growth (REG)	2	2	100	4.5
Resources (RES)	8	8	100	4.9
Schools	1	1	100	5.0
<b>TOTAL</b>	<b>19</b>	<b>18</b>	<b>95</b>	<b>4.9</b>

## Responses to Internal Audit Findings and Recommendations

- 18 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.
- 19 A summary of progress on the actions due, implemented and overdue, as at 30 September 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)	8	5	3 (38%)	3	0
Children and Young People's Services (CYPS) [Excluding Schools]	105	102	3 (3%)	3	0
Neighbourhoods and Climate Change (NCC)	36	35	1 (3%)	1	0
Regeneration, Economy and Growth (REG)	56	50	6 (11%)	6	0
Resources (RES)	298	283	15 (5%)	15	0
<b>TOTAL</b>	<b>503</b>	<b>475*</b>	<b>28 (6%)</b>	<b>28</b>	<b>0</b>

\* Includes 10 high priority actions to be confirmed as implemented at follow up.

- 20 It is encouraging to note that, of the 503 actions due to be implemented, 475 (94%) have been implemented. The position at 30 June 2021 was that 93% of actions had been implemented, with 34 actions overdue by the original target date, so the current position is an improvement on the position at that time.
- 21 Details of the actions that are overdue, following their agreed original target dates, are included at Appendix 6.

## Limited Assurance Audit Opinions

- 22 There have been no 'limited assurance' opinion audits issued in the period.

## **Performance Indicators**

23 A summary of actual performance, as at the end of September 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 30 SEPTEMBER 2021

SERVICE GROUPING	SERVICE	AUDIT ACTIVITY	AUDIT TYPE	STATUS	OPINION
<b>2020 / 2021 audits brought forward into plan</b>					
Adult and Health Services	Adult Care	Azeus Business Readiness Review	Advice & Consultancy	Final	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 & Consultancy	Final	N/A
Children and Young People's Services	Education and Skills	SFVS	Assurance	Complete	N/A
Children and Young People's Services	Education and Skills	School Attendance Enforcement (Deferred from 2019/20)	Assurance	Final	Substantial
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	Final	Substantial
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	Final	N/A
Regeneration, Economy and Growth	Culture, Sport and Tourism	Stanley Bowls Club	Audit of Accounts	Final	N/A
Resources	Legal & Democratic Services	Fee Recovery	Advice & Consultancy	Final	N/A
Resources	Corporate Finance and Commercial Services	Potentially Violent Persons Register	Assurance	In Progress	
Resources	Corporate Finance and Commercial Services	Capital Accounting	Assurance	Final	Substantial
Resources	Corporate Finance and Commercial Services	Finance Durham	Assurance	Cancelled	
Resources	Corporate Finance and Commercial Services	Review of SLA Charging Arrangements	Advice & Consultancy	Draft	
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	Final	Substantial
Resources	Transactional Services	COVID-19 Council Tax Reduction Hardship Scheme	Key System	Final	Substantial
Resources	Transactional Services	Business Rates - Overarching Report	Key System	In Progress	
Resources	Transactional Services	Business Rates - Liability	Key System	In Progress	
Resources	Transactional Services	COVID-19 Small Business Rates Relief	Key System	In Progress	
Resources	Transactional Services	COVID-19 Business Rates 5% Discretionary Scheme	Advice & Consultancy	Draft	
Resources	Transactional Services	COVID-19 Retail, Hospitality and Leisure Grant Fund	Key System	In Progress	
Resources	Transactional Services	Housing Benefits & 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	In Progress	
Resources	Transactional Services	Creditors - Processing of Payments through Controcc	Key System	In Progress	
Resources	Transactional Services	School Holidays Meal Voucher Scheme	Advice & Consultancy	Complete	N/A
Resources	Transactional Services	COVID-19 Test and Trace Support Payment Scheme	Assurance	In Progress	
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 Return)	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	Draft	
Resources	Digital and Customer Services	ICT Purchasing	Assurance	Not yet started	
Resources	Digital and Customer Services	Business Continuity for ICT	Advice and	Not yet started	
<b>2021/22 plan</b>					
Adult and Health Services	Adult Care	Hawthorn House	Assurance	Not yet started	
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 & 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	Defer to 2022/23	N/A
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 Claim	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 & Consultancy	In Progress	
Adult and Health Services	Adult Care	AzeusCare Implementation - Task Groups	Advice & Consultancy	Not Yet Started	
Adult and Health Services	Commissioning	Alliance Contracting Steering Group	Advice & Consultancy	In Progress	
Adult and Health Services	Commissioning	Integration of the Health and Care Plan County Durham	Advice & Consultancy	Not Yet Started	
Adult and Health Services	Public Health	Pharmoutcomes - Data Matching	Advice & 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	Defer to 2022/23	N/A
Adult and Health Services	Commissioning	Workforce Development Innovation Fund 20/21	Assurance	Final	Substantial
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	Cancelled	
Children and Young People's Services	Commissioning	Disability Commissioning Arrangements (Short Breaks)	Assurance	Defer to 2022/23	
Children and Young People's Services	Early Help, Inclusion and Vulnerable Children	Review of CYPs Locality Office Petty Cash Arrangements	Assurance	Defer to 2022/23	
Children and Young People's Services	Early Help, Inclusion and Vulnerable Children	Family Centres	Assurance	Defer to 2022/23	
Children and Young People's Services	Early Help, Inclusion and Vulnerable Children	One Point Hubs	Assurance	Defer to 2022/23	
Children and Young People's Services	Early Help, Inclusion and Vulnerable Children	Adult Learning and Skills Service	Assurance	Not Yet Started	
Children and Young People's Services	Education and Skills	Durham Supported Employment Service	Assurance	Cancelled	
Children and Young People's Services	Education and Skills	Pupil Referral Unit	Assurance	Defer to 2022/23	
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	Children's Social Care	Supporting Families Programme: Claim 01 - June 2021	Grant Certification	Complete	N/A
Children and Young People's Services	Children's Social Care	Supporting Families Programme: Claim 02 - September 2021	Grant Certification	Not yet Started	
Children and Young People's Services	Children's Social Care	Supporting Families Programme: Claim 03 - December 2021	Grant Certification	Not yet Started	
Children and Young People's Services	Children's Social Care	Supporting Families Programme: Claim 04 - March 2022	Grant Certification	Not yet Started	
Children and Young People's Services	Children's Social Care	Liquidlogic - Board Meetings	Advice & Consultancy	In Progress	
Children and Young People's Services	Children's Social Care	Liquidlogic Developments	Advice & Consultancy	Not Yet Started	
Children and Young People's Services	Commissioning	Home to School Transport Review	Advice & Consultancy	Defer to 2022/23	
Children and Young People's Services	Commissioning	Home to School Transport Review	Assurance	Defer to 2022/23	
Children and Young People's Services	Early Help, Inclusion and Vulnerable Children	High Needs Budget	Follow Up	Draft	
Children and Young People's Services	Education and Skills	Kickstart	Assurance	Cancelled	
Children and Young People's Services	Education and Skills	Governor Training	Advice & Consultancy	Not Yet Started	
Children and Young People's Services	Education and Skills	Developing Financial Management Standards in Durham Schools	Advice & 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 & 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	Follow Up of previous Limited Assurance Opinion Reports			
Children and Young People's Services	Education - Schools	Audit of School Voluntary Funds	Fund Certification	23 Complete	
Children and Young People's Services	Children's Social Care	Special Guardianship and Child Arrangement Orders	Follow Up Review	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	Defer to 2022/23	
Neighbourhoods and Climate Change	Community Protection Services	Civil Penalties	Assurance	Defer to 2022/23	

## INTERNAL AUDIT PLAN PROGRESS AS AT 30 SEPTEMBER 2021

SERVICE GROUPING	SERVICE	AUDIT ACTIVITY	AUDIT TYPE	STATUS	OPINION
Neighbourhoods and Climate Change	Community Protection Services	Intelligence Handling	Assurance	Not yet started	
Neighbourhoods and Climate Change	Community Protection Services	Anti Social Behaviour	Advice & Consultancy	Defer to 2022/23	
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 & Consultancy	Not yet started	
Neighbourhoods and Climate Change	Environment	Rebus	Grant	Not yet started	
Neighbourhoods and Climate Change	Environment	Carbon Connects	Grant	Final	N/A
Neighbourhoods and Climate Change	Environment	SME Power (Claim 3)	Grant	Final	N/A
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	In Progress	
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 & Consultancy	Complete	N/A
Neighbourhoods and Climate Change	Partnerships and Community Engagement	COVID-19 LA Compliance and Enforcement Grant	Grant	Final	N/A
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	Terms of Reference	
Regeneration, Economy and Growth	Business Durham	Local Growth Fund - Grow On Space (Explorer)	Grant	Final	N/A
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 & 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 & 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 & Consultancy	In Progress	
Regeneration, Economy and Growth	Development and Housing	Choice Based Letting Scheme	Advice & Consultancy	Not yet started	
Regeneration, Economy and Growth	Development and Housing	Disabled Facilities Grant	Grant	Final	N/A
Regeneration, Economy and Growth	Business Durham	Stephanie	Grant	Not yet started	
Regeneration, Economy and Growth	Business Durham	Business Recovery Grants	Assurance	In Progress	
Regeneration, Economy and Growth	Transport and Contract Services	Local Transport Capital Block Funding	Grant	In Progress	
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	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	Defer to 2022/23	
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	In Progress	
Regeneration, Economy and Growth	Culture, Sport and Tourism	Stanley Bowls	Audit of Accounts	Not yet started	
Regeneration, Economy and Growth	Culture, Sport and Tourism	Bearish 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	NETPark Incubator Support for SMEs	Grant	Final	N/A
Regeneration, Economy and Growth	Transport and Contract Services	Additional Dedicated Home to School and College Transport (2)	Grant	Final	N/A
Resources	Legal & Democratic Services	Coroner	Assurance	Not yet started	
Resources	Legal & Democratic Services	Electoral Services (Election Payments)	Assurance	Cancelled	
Resources	Legal & Democratic Services	Data Protection	Assurance	Not yet started	
Resources	Corporate Finance and Commercial Services	CIPFA Financial Management Code	Advice & 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 & 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	Defer to 2022/23	
Resources	Transactional Services	Cash Management - Crook CAP	Key System	Not yet started	
Resources	Transactional Services	Deputies and Appointees - Personal Allowance Payments	Assurance	Defer to 2022/23	
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 & Consultancy	In Progress	
Resources	Legal and Democratic Services	Election Postal Votes	Advice & Consultancy	Final	N/A
Resources	Legal and Democratic Services	RIPA Officers Group	Advice & Consultancy	In Progress	
Resources	Legal & Democratic Services	Company Governance Group	Advice & Consultancy	In Progress	
Resources	Legal & Democratic Services	Information Governance Group	Advice & Consultancy	In Progress	
Resources	Corporate Finance and Commercial Services	Developing School Financial Arrangements	Advice & 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 & Consultancy	Final	N/A
Resources	Corporate Finance and Commercial Services	SLA Board	Advice & 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	
Resources	Transactional Services	Procurement Cards (Projects)	Follow Up	Not yet started	
Resources	Transactional Services	Petty Cash and Payment Card Workstream	Advice & 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 & 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 & Consultancy	Defer to 2022/23	
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	Defer to 2022/23	
Resources	Transactional Services	Enforcement Programme Board	Advice & Consultancy	In Progress	
Resources	Transactional Services	Enforcement Programme Workstreams	Advice & Consultancy	Not yet started	
Resources	Transactional Services	Council Tax - Overarching Report	Key System	Not yet started	
Resources	Transactional Services	Council Tax - Liability (including Billing and Refunds)	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	In Progress	
Resources	Transformation, Planning and Performance	Equality, Diversity and Community Cohesion	Assurance	Terms of Reference	
Resources	Transformation, Planning and Performance	Police and Crime Panel	Grant	Final	N/A
Resources	Transactional Services	COVID-19 Additional Restrictions Grant (ARG)	Assurance	In Progress	
Resources	Transactional Services	COVID-19 Local Restrictions Support Grants	Assurance	In Progress	

**FINAL REPORTS ISSUED IN PERIOD ENDING 30 SEPTEMBER 2021**

AUDIT AREA	BRIEF DESCRIPTION OF SCOPE OF THE AUDIT	FINAL OPINION
<b>ADULT AND HEALTH SERVICES (AHS)</b>		
Workforce Development Fund	Assurance review of the arrangements in place to mitigate against the risk of non compliance with the terms and conditions of the fund.	Substantial
Azeus Business Readiness Review	Advice and consultancy review carried out prior to the project go-live date.	N/A
<b>CHILDREN AND YOUNG PEOPLE'S SERVICES (CYPS)</b>		
School Attendance Enforcement	Assurance review of the arrangements in place to mitigate against the risks of; <ul style="list-style-type: none"> <li>- Damage to Children's educational outcomes that could have a long-term effect on the pupil's chances in life;</li> <li>- Pupils do not maximise their education opportunities and could have a long-term effect on their chances in life;</li> <li>- Enforcement action is not taken in accordance with legislative requirements or inconsistent / disproportionate action is taken.</li> </ul>	Substantial
<b>NEIGHBOURHOODS AND CLIMATE CHANGE (NCC)</b>		
SME Power (Claim 3)	Grant certification	N/A
COVID-19 LA Compliance and Enforcement Grant	Grant certification	N/A
Carbon Connects	Grant certification	N/A
<b>REGENERATION, ECONOMY AND GROWTH (REG)</b>		
Asset Valuation - Valuation calculations	Assurance review of the arrangements in place to mitigate against the risk of material misstatement of the value of assets in the statement of accounts.	Substantial
NETPark Incubator Support for SMEs	Grant certification	N/A
Horden Rail Station Link	Grant certification	N/A

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

<b>REGENERATION, ECONOMY AND GROWTH (REG) Contd.</b>		
Bus Subsidy Ring Fenced Grant	Grant certification	N/A
Additional Dedicated Home to School and College Transport (2)	Grant certification	N/A
Local Growth Fund – Grow On Space (Explorer)	Grant certification	N/A
Disabled Facilities Grant	Grant certification	N/A

<b>RESOURCES (Res)</b>		
Council Tax - Overarching Report	Overarching assurance review combining the outcomes from individual Council Tax reviews carried out through the year.	Substantial
COVID-19 Council Tax Reduction Hardship Scheme	Assurance review of the arrangements in place to mitigate against the risks of; <ul style="list-style-type: none"> <li>- Payment reduction not being made in line with the agreed policy and government guidance/legislation;</li> <li>- Performance not being effectively managed.</li> </ul>	Substantial
Capital Accounting	Assurance review of the arrangements in place to mitigate against the risks of; <ul style="list-style-type: none"> <li>- The capital budget does not support objectives, is unrealistic and/or is not accurately recorded;</li> <li>- Capital budgets are not effectively managed.</li> </ul>	Substantial
Chapter Homes - SLA Arrangements	Advice and consultancy review of the SLAs in place between Durham County Council (DCC) and Chapter Homes Durham Limited in order to ascertain if the current rates being charged for DCC services are correct.	N/A
Fee Recovery	Advice and consultancy review of the process for identifying, recovering and allocating legal fees.	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
<b>ADULT AND HEALTH SERVICES (AHS)</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	4	1	3	3	0
<b>Total</b>	<b>4</b>	<b>1</b>	<b>3</b>	<b>3</b>	<b>0</b>
<b>2021/22</b>					
High	0	0	0	0	0
Medium	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Overall Total</b>	<b>8</b>	<b>5</b>	<b>3</b>	<b>3</b>	<b>0</b>
<b>CHILDREN AND YOUNG PEOPLE'S SERVICES (CYPS)</b>					
<b>2019/20</b>					
High	0	0	0	0	0
Medium	61	58	3	3	0
<b>Total</b>	<b>61</b>	<b>58</b>	<b>3</b>	<b>3</b>	<b>0</b>
<b>2020/21</b>					
High	0	0	0	0	0
Medium	14	14	0	0	0
<b>Total</b>	<b>14</b>	<b>14</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2021/22</b>					
High	0	0	0	0	0
Medium	30	30	0	0	0
<b>Total</b>	<b>30</b>	<b>30</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Overall Total</b>	<b>105</b>	<b>102</b>	<b>3</b>	<b>3</b>	<b>0</b>
<b>NEIGHBOURHOODS AND CLIMATE CHANGE (NCC)</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	3	3	0	0	0
Medium	21	21	0	0	0
<b>Total</b>	<b>24</b>	<b>24</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2021/22</b>					
High	0	0	0	0	0
Medium	1	1	0	0	0
<b>Total</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Overall Total</b>	<b>36</b>	<b>35</b>	<b>1</b>	<b>1</b>	<b>0</b>
<b>REGENERATION, ECONOMY AND GROWTH (REG)</b>					
<b>2019/20</b>					
High	2	2	0	0	0
Medium	37	37	0	0	0
<b>Total</b>	<b>39</b>	<b>39</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2020/21</b>					
High	2	2	0	0	0
Medium	12	6	6	6	0
<b>Total</b>	<b>14</b>	<b>8</b>	<b>6</b>	<b>6</b>	<b>0</b>
<b>2021/22</b>					
High	0	0	0	0	0
Medium	3	3	0	0	0
<b>Total</b>	<b>3</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Overall Total</b>	<b>56</b>	<b>50</b>	<b>6</b>	<b>6</b>	<b>0</b>
<b>RESOURCES (RES)</b>					
<b>2018/19</b>					
High	3	3	0	0	0
Medium	108	107	1	1	0
<b>Total</b>	<b>111</b>	<b>110</b>	<b>1</b>	<b>1</b>	<b>0</b>
<b>2019/20</b>					
High	0	0	0	0	0
Medium	115	108	7	7	0
<b>Total</b>	<b>115</b>	<b>108</b>	<b>7</b>	<b>7</b>	<b>0</b>
<b>2020/21</b>					
High	0	0	0	0	0
Medium	64	58	6	6	0
<b>Total</b>	<b>64</b>	<b>58</b>	<b>6</b>	<b>6</b>	<b>0</b>
<b>2021/22</b>					
High	0	0	0	0	0
Medium	8	7	1	1	0
<b>Total</b>	<b>8</b>	<b>7</b>	<b>1</b>	<b>1</b>	<b>0</b>
<b>Overall Total</b>	<b>298</b>	<b>283</b>	<b>15</b>	<b>15</b>	<b>0</b>
<b>TOTAL COUNCIL</b>					
<b>2018/19</b>					
High	3	3	0	0	0
Medium	108	107	1	1	0
<b>Total</b>	<b>111</b>	<b>110</b>	<b>1</b>	<b>1</b>	<b>0</b>
<b>2019/20</b>					
High	2	2	0	0	0
Medium	228	217	11	11	0
<b>Total</b>	<b>230</b>	<b>219</b>	<b>11</b>	<b>11</b>	<b>0</b>
<b>2020/21</b>					
High	5	5	0	0	0
Medium	115	100	15	15	0
<b>Total</b>	<b>120</b>	<b>105</b>	<b>15</b>	<b>15</b>	<b>0</b>
<b>2021/22</b>					
High	0	0	0	0	0
Medium	42	41	1	1	0
<b>Total</b>	<b>42</b>	<b>41</b>	<b>1</b>	<b>1</b>	<b>0</b>
<b>OVERALL TOTAL</b>	<b>503</b>	<b>475</b>	<b>28</b>	<b>28</b>	<b>0</b>

## Performance Indicators as at 30 September 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>
Productive audit time achieved	% of planned productive time from original approved plan completed.	90% (Annually)	42.7% as at 30 September 2021
Timeliness of Draft Reports	% of draft reports issued within 20 working days of end of fieldwork/closure interview	100% (Quarterly)	90% (19 out of 21)
Timeliness of Final Reports	% of final reports issued within 10 working days of receipt of management response	100% (Quarterly)	100% (18 out of 18)
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>	<b>Actual</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)	100% - Av. score of 4.9
Customers providing feedback Response	% of customers returning satisfaction returns	70% (Quarterly)	95%