

## Audit Committee

28 February 2022

### Internal Audit Progress Update Report Period Ended 31 December 2021



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## Report of Tracy Henderson, 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 2021 to 31 December 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 31 December 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 Those marked with an asterisk are not for publication (Exempt information under Part 3 of Schedule 12a to the Local Government Act 1972, paragraph 3):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 31 December 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 31 December 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 31 December 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)	3	2	4	0	2
Children and Young People's Services (CYPS) *Excluding Schools	3	2	8	0	9
Neighbourhoods and Climate Change (NCC)	7	0	2	0	8
Regeneration, Economy and Growth (REG)	11	2	3	0	20
Resources (RES)	24	3	24	1	21
Schools	0	6	7	3	2
<b>TOTAL</b>	<b>48</b>	<b>15</b>	<b>48</b>	<b>4</b>	<b>62</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 was originally planned as 3,262. As at 31 December 2021, the service had delivered 2,150 productive days, representing 66% of the total plan. The target at the end of the quarter was for 67.5% 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, the staffing and operational challenges reported in our previous progress report to 30 September 2021 remain. Of particular concern is the position of Senior Auditor, where a current vacancy exists, and where adverts placed for the position on both a permanent basis and through the use of agency support have thus far not resulted in an appointment being made. The job description and person specification for the role has been revised with the intention of advertising again in the new year.
- 12 The position of Chief Internal Auditor and Corporate Fraud Manager has, however, been filled further to interview, with Tracy Henderson, Interim Audit Manager set to take up the position from 01 February 2022.
- 13 At 31 December approximately 37% 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 48%.

## 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 paragraphs 11 to 13, it has been necessary to reprioritise activities to be delivered within the 2021/22 plan. The following 25 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	Continuing Health Care and Free Nursing Care	Assurance	Deferred until 2022/23 at the request of the service.
Adult and Health Services	Review of Section 117 arrangements	Assurance	Deferred until 2022/23 at the request of the service.
Adult and Health Services	Direct Payments	Assurance	Deferred until 2022/23 at the request of the service.
Adult and Health Services	Commissioning of Domiciliary Care	Assurance	Deferred until 2022/23 at the request of the service.

<b>Service Grouping</b>	<b>Audit</b>	<b>Audit Type</b>	<b>Reason</b>
Adult and Health Services	Public Health Claims processed via Pharmoutcomes	Assurance	Deferred until 2022/23 at the request of the service.
Children and Young People's Services	Special Guardianship and Child Arrangements Orders	Follow Up	Agreed with service to defer review to 2022/23.
Children and Young People's Services	Adoption Payments	Assurance	Agreed with service to defer review to 2022/23.
Children and Young People's Services	Review of Placement Resource Panel arrangements	Assurance	Agreed with service to defer review to 2022/23.
Children and Young People's Services	Review of CYPS Petty Cash Arrangements	Assurance	Agreed with service to defer review to 2022/23.
Neighbourhoods and Climate Change	Utility Bills – Contract Management	Assurance	Agreed with service to defer review to 2023/24.
Neighbourhoods and Climate Change	Trade Waste	Assurance	Agreed with service to defer review to 2022/23.
Neighbourhoods and Climate Change	Charging Arrangements	Advice and Consultancy	Agreed with service to defer review to 2022/23.
Neighbourhoods and Climate Change	InnovateUK	Grant	Cancelled, as no requirement for further grant certification in 2021/22.
Regeneration, Economy and Growth	One Life Contract	Assurance	Review cancelled as service is now provided in-house.
Regeneration, Economy and Growth	Leisure Centre Procedures for Holidays and Toil	Assurance	Agreed with service to defer review to 2022/23.
Regeneration, Economy and Growth	On and Off Street Parking	Assurance	Agreed with service to defer review to 2023/24.
Regeneration, Economy and Growth	Gala Hospitality and Catering	Assurance	Agreed with service to defer review to 2023/24.
Regeneration, Economy and Growth	Theatre Assets and Inventory	Advice and Consultancy	Agreed with service to rename and defer review to 2022/23.
Regeneration, Economy and Growth	Theatre Assets and Inventory	Assurance	Agreed with service to rename and defer review to 2023/24.
Regeneration, Economy and Growth	Events Management	Assurance	Agreed with service to defer review to 2023/24.

Service Grouping	Audit	Audit Type	Reason
Resources	Business Rates – System Access	Key system	Agreed with service to defer review to 2023/24.
Resources	Housing Benefits – System Access	Key system	Agreed with service to defer review to 2023/24.
Resources	Council Tax – System Access	Key system	Agreed with service to defer review to 2023/24.
Resources	Coroner	Assurance	Agreed with service to cancel review, due to a reprioritisation of audits.
Resources	Data Quality	Assurance	Agreed with service to defer review to 2022/23.

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

Service Grouping	Audit	Audit Type	Reason
Regeneration, Economy and Growth	Horden Rail Station	Grant	Service request for further certification work to be carried out.
Regeneration, Economy and Growth	Local Authority COVID 19 Bus Service Support Grant Restart	Grant	Service request for further certification work to be carried out.
Neighbourhoods and Climate Change	Business Energy Efficiency Project (BEEP)	Advice and Consultancy	Service request for review to be added.

## 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 31 December 2021.

Service Grouping	Surveys issued	Surveys returned	% returned	Av. score
Adult and Health Services (AHS)	2	2	100	4.3
Children and Young People's Services (CYPS) *Excluding Schools	5	4	80	4.9
Neighbourhoods and Climate Change (NCC)	2	2	100	4.9
Regeneration, Economy and Growth (REG)	6	4	67	4.8
Resources (RES)	11	11	100	4.9
Schools	2	1	50	5.0
<b>TOTAL</b>	<b>28</b>	<b>24</b>	<b>86</b>	<b>4.8</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 31 December 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	6	2 (25%)	2	0
Children and Young People's Services (CYPS) [Excluding Schools]	101	98	3 (3%)	3	0
Neighbourhoods and Climate Change (NCC)	41	37	4 (10%)	4	0
Regeneration, Economy and Growth (REG)	57	55	2 (4%)	2	0
Resources (RES)	308	302	6 (2%)	6	0
<b>TOTAL</b>	<b>515</b>	<b>498*</b>	<b>17 (3%)</b>	<b>17</b>	<b>0</b>

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

- 20 It is encouraging to note that, of the 515 actions due to be implemented, 498 (97%) have been implemented. The position at 30 September 2021 was that 94% of actions had been implemented at that point, 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 December 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 DECEMBER 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 and 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	Advice and 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	Final	N/A
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	Final	Substantial
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	Holden 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 and 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 and 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 and Consultancy	Final	N/A
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	Final	Substantial
Resources	Transactional Services	Housing Benefits and Council Tax Reduction - New Claims & Changes in Circumstances	Key System	Final	Substantial
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 and Consultancy	Complete	N/A
Resources	Transactional Services	COVID-19 Test and Trace Support Payment Scheme (Assurance)	Assurance	In Progress	
Resources	Transactional Services	Covid Winter Fund - Verification Process (February 2021.bf Return)	Assurance	Final	N/A
Resources	Transactional Services	Covid Winter Fund - Verification Process (April 2021 Return)	Assurance	Final	N/A
Resources	Transactional Services	Procurement Cards - Projects	Assurance	Final	Limited
Resources	Transactional Services	Debtors - Refunds	Key System	Planning and Preparation	
Resources	Transactional Services	Income Management	Key System	Final	Substantial
Resources	Digital and Customer Services	Vulnerability Management	Assurance	In Progress	
Resources	Digital and Customer Services	Backup Procedures	Assurance	Final	Moderate
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	
<b>2021/22 plan</b>					
Adult and Health Services	Adult Care	Hawthorn House	Assurance	Planning and Preparation	
Adult and Health Services	Adult Care	Direct Payments	Assurance	Defer to 2022/23	N/A
Adult and Health Services	Adult Care	Continuing Health Care and Free Nursing Care	Assurance	Defer to 2022/23	N/A
Adult and Health Services	Adult Care	Section 117 Process	Assurance	Defer to 2022/23	N/A
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	Defer to 2022/23	N/A
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	Planning and Preparation	
Adult and Health Services	Public Health	COVID-19 Test and Trace Service Support Grant	Grant	Defer to 2022/23	N/A
Adult and Health Services	Public Health	Suicide Early Alert	Assurance	In Progress	
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	Defer to 2022/23	N/A
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	Defer to 2022/23	N/A
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	Defer to 2022/23	
Children and Young People's Services	Children's Social Care	Adoption Payments	Assurance	Defer to 2022/23	
Children and Young People's Services	Children's Social Care	New Lea Children's Home	Assurance	In Progress	
Children and Young People's Services	Children's Social Care	Moorside Children's Home	Assurance	In Progress	
Children and Young People's Services	Children's Social Care	Hicksted Children's Home	Assurance	In Progress	
Children and Young People's Services	Children's Social Care	Coxhoe Children's Home	Assurance	In Progress	
Children and Young People's Services	Children's Social Care	Local Adoption Governance	Assurance	Defer to 2022/23	
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	Education and Skills	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 2023/24	
Children and Young People's Services	Education and Skills	Academy Transfer Arrangements	Assurance	Cancelled	
Children and Young People's Services	Education and Skills	Synergy - Audit of access to data arrangements	Assurance	Cancelled	N/A
Children and Young People's Services	Children's Social Care	Supporting Families Programme: Claim 01 - June 2021	Grant	Complete	N/A
Children and Young People's Services	Children's Social Care	Supporting Families Programme: Claim 02 - September 2021	Grant	Complete	N/A
Children and Young People's Services	Children's Social Care	Supporting Families Programme: Claim 03 - December 2021	Grant	Complete	N/A
Children and Young People's Services	Children's Social Care	Supporting Families Programme: Claim 04 - March 2022	Grant	Planning and Preparation	
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	
Children and Young People's Services	Commissioning	Home to School Transport Review	Advice and Consultancy	Defer to 2022/23	
Children and Young People's Services	Commissioning	Home to School Transport Review	Assurance	Defer to 2023/24	
Children and Young People's Services	Early Help, Inclusion and Vulnerable Children	High Needs Budget	Follow Up	Final	N/A
Children and Young People's Services	Education and Skills	Kickstart	Assurance	Cancelled	
Children and Young People's Services	Education and Skills	Governor Training	Advice and Consultancy	Planning and Preparation	
Children and Young People's Services	Education and Skills	Developing Financial Management Standards in Durham Schools	Advice and Consultancy	In Progress	
Children and Young People's Services	Education and Skills	Caldicott Compliance - Review of Youth Justice IT System	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	School Follow Up of previous Limited Assurance Opinion Reports	Assurance		
Children and Young People's Services	Education - Schools	Audit of School Voluntary Funds	Fund Certification	35 Complete	
Children and Young People's Services	Children's Social Care	Special Guardianship and Child Arrangement Orders	Follow Up	Defer to 2022/23	
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	
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	Defer to 2022/23	
Neighbourhoods and Climate Change	Environment	Utility Bills - Contract Management	Assurance	Defer to 2023/24	

## INTERNAL AUDIT PLAN PROGRESS AS AT 31 DECEMBER 2021

SERVICE GROUPING	SERVICE	AUDIT ACTIVITY	AUDIT TYPE	STATUS	OPINION
Neighbourhoods and Climate Change	Environment	Trade Waste	Assurance	Defer to 2022/23	
Neighbourhoods and Climate Change	Technical Services	Charging Arrangements	Advice and Consultancy	Defer to 2022/23	
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	Cancelled	
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	Final	N/A
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	Complete	N/A
Neighbourhoods and Climate Change	Partnerships and Community Engagement	COVID-19 LA Compliance and Enforcement Grant	Grant	Final	N/A
Neighbourhoods and Climate Change	Environment	Business Energy Efficiency Project (BEEP)	Advice and Consultancy	In Progress	
Regeneration, Economy and Growth	Corporate Property and Land	New Headquarters	Assurance	Planning and Preparation	
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 & Housing	Local Lettings Agency Governance	Assurance	In Progress	
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	In Progress	
Regeneration, Economy and Growth	Transport and Contract Services	On Street and Off Street Parking	Assurance	Defer to 2023/24	
Regeneration, Economy and Growth	Culture, Sport and Tourism	Leisure Centre Timesheets	Follow Up	Final	N/A
Regeneration, Economy and Growth	Culture, Sport and Tourism	Leisure Centre Procedures for holidays and toil	Assurance	Defer to 2022/23	
Regeneration, Economy and Growth	Culture, Sport and Tourism	Events Management	Assurance	Defer to 2023/24	
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	Cancelled	
Regeneration, Economy and Growth	Culture, Sport and Tourism	Gala Hospitality and Catering	Assurance	Defer to 2023/24	
Regeneration, Economy and Growth	Culture, Sport and Tourism	Theatre Asset / Inventory Review	Advice and Consultancy	Defer to 2022/23	
Regeneration, Economy and Growth	Culture, Sport and Tourism	Theatre Asset / Inventory Review	Assurance	Defer to 2023/24	
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	Final	N/A
Regeneration, Economy and Growth	Business Durham	Stephanie	Grant	Final	N/A
Regeneration, Economy and Growth	Business Durham	Business Recovery Grants	Assurance	Final	Substantial
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	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	Final	Substantial
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	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
Regeneration, Economy and Growth	Transport and Contract Services	Hornden Rail Station	Grant	Planning and Preparation	
Regeneration, Economy and Growth	Transport and Contract Services	Local Authority COVID 19 Bus Service Support Grant Restart	Grant	Final	N/A
Resources	Legal & Democratic Services	Coroner	Assurance	Cancelled	
Resources	Legal & Democratic Services	Electional 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 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	Advice and Consultancy	In Progress	
Resources	Procurement, Sales and Business Services	Off Contract Spend	Assurance	Not yet started	
Resources	Transactional Services	Domiliary 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	Defer to 2023/24	
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	Defer to 2022/23	
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	Final	N/A
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	
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	In Progress	
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	Defer to 2023/24	
Resources	Transactional Services	Housing Benefits and Council Tax Reduction - Overarching Report	Key System	Cancelled	
Resources	Transactional Services	Housing Benefits and Council Tax Reduction - Accuracy Award Indicator	Advice and Consultancy	Defer to 2022/23	
Resources	Transactional Services	Housing Benefits and Council Tax Reduction - System Access	Key System	Defer to 2023/24	
Resources	Transactional Services	Housing Benefits and Council Tax Reduction - Supported Accommodation	Key System	Defer to 2023/24	
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	In Progress	
Resources	Transactional Services	Council Tax - System Access	Key System	Defer to 2023/24	
Resources	Transactional Services	Income Management	Key System	Not yet started	
Resources	Transactional Services	Debtors - Direct Debits	Key System	Planning and Preparation	
Resources	Digital and Customer Services	SharePoint	Assurance	Not yet started	
Resources	Digital and Customer Services	Digital Durham	Grant	Final	N/A
Resources	Transformation, Planning and Performance	Equality, Diversity and Community Cohesion	Assurance	Planning and Preparation	
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 31 DECEMBER 2021**

AUDIT AREA	BRIEF DESCRIPTION OF SCOPE OF THE AUDIT	FINAL OPINION
<b>CHILDREN AND YOUNG PEOPLE'S SERVICES (CYPS)</b>		
High Needs Budget	A follow up review to determine whether the recommendations made in the previous Limited Assurance audit report had been implemented.	N/A
<b>NEIGHBOURHOODS AND CLIMATE CHANGE (NCC)</b>		
Atlantic Geoparks	Grant Certification	N/A
<b>REGENERATION, ECONOMY AND GROWTH (REG)</b>		
Section 106 Agreement	<p>Assurance review of the arrangements in place to mitigate against the risks of;</p> <ul style="list-style-type: none"> <li>- Current policies and practices do not conform to government guidance on the use of planning obligations;</li> <li>- Inconsistent or unclear calculation of amounts due under planning obligations;</li> <li>- Obligations are not adequately recorded or monitored to ensure compliance;</li> <li>- Section 106 monies are not spent in accordance with legislation, the contract with the builder or on appropriate projects;</li> <li>- The Infrastructure Funding Statement is inaccurate.</li> </ul>	Substantial
Business Recovery Grants	<p>Assurance review of the arrangements in place to mitigate against the risks of;</p> <ul style="list-style-type: none"> <li>- Grant offers are made to businesses that are ineligible;</li> <li>- Grant payments are made where ineligible;</li> <li>- Fraudulent claims made for purchased goods and / or services;</li> <li>- Clear criteria not set out leading to complaints where businesses come forward who are not eligible;</li> <li>- Ineffective budget monitoring processes in place;</li> <li>- Business supported could cease trading within a short time following receipt of the grant;</li> <li>- Grant funding paid where other grants are available or have already been paid.</li> </ul>	Substantial

<b>REGENERATION, ECONOMY AND GROWTH (REG) Contd.</b>		
Competition Line UK Income Share Agreement	Assurance review of the arrangements in place to mitigate against the risk of non compliance of the requirements of the income share agreement.	Substantial
Leisure Centre Timesheets	Follow up review to the previous audit which provided a limited level of assurance.	N/A
Local Transport Capital Block Funding	Grant Certification	N/A
Stephanie	Grant Certification	N/A
Local Authority COVID 19 Bus Service Support Grant Restart	Grant Certification	N/A

<b>RESOURCES (Res)</b>		
Housing Benefits and Council Tax Reduction - Overarching Report	Overarching assurance review combining the outcomes from individual assurance reviews carried out over the last year.	Substantial
Housing Benefits and Council Tax Reduction – New claims and changes in circumstances	Assurance review of the arrangements in place to mitigate against the risks of; <ul style="list-style-type: none"> <li>- Housing Benefit new claims and changes in circumstances are not processed promptly or are incorrect;</li> <li>- Council Tax Reduction new claims and changes in circumstances are not processed promptly or are incorrect.</li> </ul>	Substantial
Income Management	Assurance review of the arrangements in place to mitigate against the risks of; <ul style="list-style-type: none"> <li>- Non-compliance with financial regulations;</li> <li>- Theft or misappropriation;</li> <li>- Inappropriate recovery action taken against a customer who has paid;</li> <li>- Payments are not made, or are not made promptly, due to the inability to access an appropriate payment channel.</li> </ul>	Substantial
IT Backup Procedures	Assurance review of the arrangements in place to mitigate against the risk of systems and data being unavailable.	Moderate
Covid-19 Business Rates 5% Discretionary Scheme	Advice and consultancy review of the controls for both pre and post payment arrangements of the grant.	N/A
Covid 19 Winter Fund Verification	Advice and consultancy review of arrangements in place to ensure that expenditure was in accordance with the terms and conditions of the grant.	N/A
Digital Durham	Grant Certification	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>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	2	2	2	0
<b>Total</b>	<b>4</b>	<b>2</b>	<b>2</b>	<b>2</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>6</b>	<b>2</b>	<b>2</b>	<b>0</b>
<b>CHILDREN AND YOUNG PEOPLE'S SERVICES (CYPS)</b>					
<b>2019/20</b>					
High	0	0	0	0	0
Medium	52	50	2	2	0
<b>Total</b>	<b>52</b>	<b>50</b>	<b>2</b>	<b>2</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	2	2	0	0	0
Medium	33	32	1	1	0
<b>Total</b>	<b>35</b>	<b>34</b>	<b>1</b>	<b>1</b>	<b>0</b>
<b>Overall Total</b>	<b>101</b>	<b>98</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	6	3	3	3	0
<b>Total</b>	<b>6</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>0</b>
<b>Overall Total</b>	<b>41</b>	<b>37</b>	<b>4</b>	<b>4</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	10	2	2	0
<b>Total</b>	<b>14</b>	<b>12</b>	<b>2</b>	<b>2</b>	<b>0</b>
<b>2021/22</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>Overall Total</b>	<b>57</b>	<b>55</b>	<b>2</b>	<b>2</b>	<b>0</b>
<b>RESOURCES (RES)</b>					
<b>2018/19</b>					
High	3	3	0	0	0
Medium	108	108	0	0	0
<b>Total</b>	<b>111</b>	<b>111</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2019/20</b>					
High	0	0	0	0	0
Medium	116	113	3	3	0
<b>Total</b>	<b>116</b>	<b>113</b>	<b>3</b>	<b>3</b>	<b>0</b>
<b>2020/21</b>					
High	0	0	0	0	0
Medium	65	64	1	1	0
<b>Total</b>	<b>65</b>	<b>64</b>	<b>1</b>	<b>1</b>	<b>0</b>
<b>2021/22</b>					
High	1	1	0	0	0
Medium	15	13	2	2	0
<b>Total</b>	<b>16</b>	<b>14</b>	<b>2</b>	<b>2</b>	<b>0</b>
<b>Overall Total</b>	<b>308</b>	<b>302</b>	<b>6</b>	<b>6</b>	<b>0</b>
<b>TOTAL COUNCIL</b>					
<b>2018/19</b>					
High	3	3	0	0	0
Medium	108	108	0	0	0
<b>Total</b>	<b>111</b>	<b>111</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2019/20</b>					
High	2	2	0	0	0
Medium	220	214	6	6	0
<b>Total</b>	<b>222</b>	<b>216</b>	<b>6</b>	<b>6</b>	<b>0</b>
<b>2020/21</b>					
High	5	5	0	0	0
Medium	116	111	5	5	0
<b>Total</b>	<b>121</b>	<b>116</b>	<b>5</b>	<b>5</b>	<b>0</b>
<b>2021/22</b>					
High	3	3	0	0	0
Medium	58	52	6	6	0
<b>Total</b>	<b>61</b>	<b>55</b>	<b>6</b>	<b>6</b>	<b>0</b>
<b>OVERALL TOTAL</b>	<b>515</b>	<b>498</b>	<b>17</b>	<b>17</b>	<b>0</b>

## Performance Indicators as at 31 December 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)	66% as at 31 December 2021
Timeliness of Draft Reports	% of draft reports issued within 20 working days of end of fieldwork/closure interview	100% (Quarterly)	94% (33 out of 35)
Timeliness of Final Reports	% of final reports issued within 10 working days of receipt of management response	100% (Quarterly)	100% (32 out of 32)
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 4.8
Customers providing feedback Response	% of customers returning satisfaction returns	70% (Quarterly)	86%