

Audit Committee

28 November 2022

Internal Audit Progress Update Report Period Ended 30 September 2022



Report of Paul Darby, Corporate Director of Resources

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 2022 to 30 September 2022, as part of the Internal Audit Plan for the first six months of 2022/23.

Executive Summary

- 2 The report provides an update on the progress that has been made in achieving the Internal Audit Plan for the first six months of 2022/23, based on activity during the period up to 30 September 2022 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 Those marked with an asterisk are not for publication (Exempt information under Part 3 of Schedule 12a to the Local Government Act 1972, paragraph 3):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 2022;
 - (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 Internal Audit Plan for the first six months of 2022/23;
 - (b) The work undertaken by Internal Audit during the period ending 30 September 2022;
 - (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 the first six months of 2022/23, covering the period 1 April 2022 to 30 September 2022, was approved by the Audit Committee on 24 May 2022.

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 2022 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	Preparation and Planning	In Progress	Draft Report	Final Report / Complete
Adult and Health Services (AHS)	5	6	3	0	5
Children and Young People's Services (CYPS) *Excluding Schools	5	3	3	1	9
Neighbourhoods and Climate Change (NCC)	3	1	1	0	6
Regeneration, Economy and Growth (REG)	6	5	3	0	13
Resources (RES)	0	4	20	2	18
Schools	0	19	1	5	8
TOTAL	19	38	31	8	59

- 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 during 2022/23 was originally estimated to be 3,241. As at 30 September 2022, the service had delivered 1,317 productive days, representing 41% of the total estimated planned days for the year. The target to the end of September was for 45% to have been delivered, therefore performance was below the profiled target.
- 11 As at 30 September, excluding schools, approximately 44% of the audits in the six-month plan had been delivered. The service has continued to face staffing and operational challenges, as reported in previous progress reports, which continue to impact on the delivery of the overall plan. One Principal Auditor post remains vacant following an unsuccessful recruitment exercise and is currently being readvertised. Three and a half Senior Auditor posts were also vacant as at the end of the period, but two of these are now due to be filled; one during quarter three and the other at the start of quarter four.
- 12 As a result of the challenges facing the service, the service regularly reviews the content of the plan to ensure that the audits included in the plan are prioritised on a risk basis and to ensure that all key financial systems are reviewed on an annual basis.

Internal Audit activity in the quarter

Amendments to the Approved Internal Audit Plan

- 13 No reviews were removed from the approved Internal Audit Plan in the quarter.
- 14 Three unplanned reviews were added to the Internal Audit Plan in the quarter.

Service Grouping	Audit	Audit Type	Reason
Adult and Health Services (AHS)	Universal Grant – Drug and Alcohol	Grant	Service request for grant certification
Adult and Health Services (AHS)	In-Patient Detoxification Grant	Grant	Service request for grant certification
Children and Young People's Services (CYPS)	Durham Benevolent Fund	Advice and Consultancy	Service request for review of the accounting records.

Outstanding Management Responses to Draft Internal Audit Reports

15 There are no overdue management responses to draft reports.

Survey Response Rate

16 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 September 2022. The average score of 4.6 out of 5 (where 1= Very Poor and 5 = Very Good) is below the average score from 2021/22, which was 4.8.

Service Grouping	Surveys issued	Surveys returned	% returned	Av. score
Adult and Health Services (AHS)	2	2	100	4.9
Children and Young People's Services (CYPS) *Excluding Schools	6	4	67	4.1
Neighbourhoods and Climate Change (NCC)	3	3	100	4.7
Regeneration, Economy and Growth (REG)	6	4	67	4.7
Resources (RES)	18	17	94	4.7
Schools	8	4	50	3.9
TOTAL	43	34	79	4.6

Responses to Internal Audit Findings and Recommendations

17 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.

18 A summary of progress on the actions due, implemented and overdue, as at 30 September 2022, 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)	7	5	2 (29%)	2	0
Children and Young People's Services (CYPS) [Excluding Schools]	66	63	3 (4%)	3	0
Neighbourhoods and Climate Change (NCC)	60	58	2 (3%)	2	0
Regeneration, Economy and Growth (REG)	25	25	0 (0%)	0	0
Resources (RES)	204	201	3 (1%)	3	0
TOTAL	362	352	10 (3%)	10	0

19 It is encouraging to note that, of the 362 actions due to be implemented, 352 (97%) have been implemented. Details of the actions that are overdue, following their agreed original target dates, are included at Appendix 6. All of the overdue actions have revised dates for expected implementation.

Limited Assurance Audit Opinions

20 There were no 'limited assurance' opinion audits issued in the period.

Performance Indicators

21 A summary of actual performance, as at the end of September 2022, 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 FOR PERIOD 1 APRIL 2022 TO 30 SEPTEMBER 2022: PROGRESS AS AT 30 SEPTEMBER 2022

SERVICE GROUPING	SERVICE	AUDIT ACTIVITY	AUDIT TYPE	STATUS	OPINION
2021 / 2022 audits brought forward into plan					
Adult and Health Services	Public Health	Real Time Data Suicide Early Alert	Assurance	Final	Substantial
Children and Young People's Services	Children's Social Care	Special Guardianship and Child Arrangement Orders	Follow Up	Not Yet Started	
Children and Young People's Services	Early Help, Inclusion and Vulnerable Children	High Needs Budget	Follow Up	Preparation and Planning	
Neighbourhoods and Climate Change	Community Protection Services	Online Licencing	Assurance	Final	Substantial
Neighbourhoods and Climate Change	Community Protection Services	Intelligence Handling	Assurance	Not yet started	
Neighbourhoods and Climate Change	Partnerships and Community Engagement	COVID-19 Area Budgets	Assurance	Final	Substantial
Regeneration, Economy and Growth	Corporate Property and Land	Asset Valuation	Assurance	Final	Substantial
Regeneration, Economy and Growth	Corporate Property and Land	Milburngate Development Governance	Assurance	Not yet started	
Regeneration, Economy and Growth	Corporate Property and Land	Potentially Violent Persons Register	Assurance	Final	Moderate
Regeneration, Economy and Growth	Corporate Property and Land	The Sands - Contract Management	Assurance	Final	Substantial
Regeneration, Economy and Growth	Planning and Housing	Protect and Vaccinate Grant	Grant	Final	N/A
Regeneration, Economy and Growth	Planning and Housing	Homelessness	Assurance	Preparation and Planning	
Regeneration, Economy and Growth	Planning and Housing	Financial Assistance Policy & Capital & External Schemes	Assurance	Not yet started	
Regeneration, Economy and Growth	Planning and Housing	Local Lettings Agency	Assurance	Final	Substantial
Regeneration, Economy and Growth	Culture, Sport and Tourism	Peterlee Leisure Centre	Assurance	Final	Substantial
Regeneration, Economy and Growth	Culture, Sport and Tourism	Seaham Leisure Centre	Assurance	Final	Substantial
Regeneration, Economy and Growth	Culture, Sport and Tourism	Stanley Bowls Club	Review of Accounts	Final	N/A
Regeneration, Economy and Growth	Culture, Sport and Tourism	Beamish Museum - Grant Review	Assurance	Preparation and Planning	
Regeneration, Economy and Growth	Culture, Sport and Tourism	Bowes Museum - Grant Review	Assurance	Preparation and Planning	
Regeneration, Economy and Growth	Culture, Sport and Tourism	Learn to Swim	Advice and Consultancy	Not yet started	
Resources	Corporate Finance and Commercial Services	Banking Arrangements	Assurance	Preparation and Planning	
Resources	Corporate Finance and Commercial Services	Review of Commercial Services	Assurance	Defer to 2023/24	
Resources	Corporate Finance and Commercial Services	Section 256 agreements	Grant	In Progress	
Resources	Corporate Finance and Commercial Services	Section 75 Agreements - Better Care Fund	Grant	Final	N/A
Resources	Procurement, Sales and Business Services	Creditors - Overarching Report	Key System	In Progress	
Resources	Procurement, Sales and Business Services	Fuel Cards (Follow Up)	Follow Up	Final	N/A
Resources	Procurement, Sales and Business Services	Creditor Payments	Key System	Draft	
Resources	Procurement, Sales and Business Services	Contract Procedure Rules (CPRs)	Assurance	Final	Moderate
Resources	HR and Employee Services	Payroll - MyView - Establishment Changes	Key System	Final	Substantial
Resources	HR and Employee Services	Payroll - Preparation - Corrections	Key System	Final	Substantial
Resources	Transactional and Customer Services	Business Rates - Overarching Report	Key System	Final	Moderate
Resources	Transactional and Customer Services	Business Rates - Liability	Key System	Final	Substantial
Resources	Transactional and Customer Services	COVID-19 Small Business Rates Relief	Assurance	Final	Moderate
Resources	Transactional and Customer Services	COVID-19 Retail, Hospitality and Leisure Grant Fund	Assurance	Final	Moderate
Resources	Transactional and Customer Services	Procurement Cards - Projects (Follow Up)	Follow Up	Final	N/A
Resources	Transactional and Customer Services	Creditors - Processing of Payments through ContrOCC	Key System	Final	Substantial
Resources	Transactional and Customer Services	Debtors (Refunds)	Assurance	Final	Substantial
Resources	Transactional and Customer Services	Debtors (Direct Debits)	Assurance	Final	Substantial
Resources	Transactional and Customer Services	Cash Management	Key System	Draft	
Resources	Transactional and Customer Services	Cash Management - Crook CAP	Assurance	Final	Substantial
Resources	Digital Services	ICT - Vulnerability Management	Advice and Consultancy	In Progress	
Resources	Digital Services	ICT - Mobile computing	Advice and Consultancy	In Progress	
Resources	Digital Services	ICT - SharePoint	Advice and Consultancy	In Progress	
Resources	Digital Services	ICT - Purchasing	Assurance	Preparation and Planning	
Resources	Digital Services	ICT - Business Continuity for ICT	Assurance	Final	Moderate
Resources	Corporate Policy, Planning and Performance	Equality, Diversity and Community Cohesion	Assurance	In Progress	
Internal Audit Plan for period from 1st April 2022 to 30 September 2022					
Adult and Health Services	Commissioning	Commissioning of Learning Disability Services	Assurance	Preparation and Planning	
Adult and Health Services	Commissioning	Commissioning of Domiciliary Care	Assurance	Preparation and Planning	
Adult and Health Services	Public Health	Personalisation - Virtual Budgets	Assurance	In Progress	
Adult and Health Services	Commissioning	Commissioning of Mental Health Services	Assurance	Preparation and Planning	
Adult and Health Services	Adult Care	Hawthorn House	Assurance	Final	Substantial
Adult and Health Services	Public Health	COVID-19 Test and Trace Service Support Grant	Grant Claim	Final	N/A
Adult and Health Services	Commissioning	Mental Health Alliance Project Board	Advice & Consultancy	In Progress	
Adult and Health Services	Commissioning	Integration of the Health and Care Plan for County Durham	Advice & Consultancy	Not Yet Started	
Adult and Health Services	Commissioning	Commissioning of Residential Care	Assurance	Preparation and Planning	
Adult and Health Services	Adult Care	Workforce Development Fund	Grant Claim	Preparation and Planning	
Adult and Health Services	Adult Care	Azeus - Governance Board	Advice & Consultancy	Not Yet Started	
Adult and Health Services	Adult Care	Azeus - Post Go Live	Assurance	In Progress	
Adult and Health Services	Adult Care	Azeus - Finance Process	Advice & Consultancy	Preparation and Planning	
Adult and Health Services	Adult Care	Azeus - Panel Process	Assurance	Not Yet Started	
Adult and Health Services	Adult Care	Azeus - System Upgrade testing Methodology	Assurance	Not Yet Started	
Adult and Health Services	Public Health	Pharmoutcomes - Data Matching	Advice & Consultancy	Not Yet Started	
Adult and Health Services	Commissioning	Universal Grant - Drug and Alcohol	Grant Claim	Complete	N/A
Adult and Health Services	Commissioning	In Patient Detoxification Grant	Grant Claim	Complete	N/A
Children and Young People's Services	Children's Social Care	New Lea Children's Home	Assurance	Final	Substantial
Children and Young People's Services	Children's Social Care	Moorside Children's Home	Assurance	Final	Substantial
Children and Young People's Services	Children's Social Care	Hicksted Children's Home	Assurance	Final	Substantial
Children and Young People's Services	Children's Social Care	Coxhoe Children's Home	Assurance	Final	Moderate
Children and Young People's Services	Children's Social Care	Youth Justice Information System (Childview)	Assurance	Final	Substantial
Children and Young People's Services	Education and Skills	Durham Learn	Assurance	Draft	
Children and Young People's Services	Education and Skills	SFVS	Assurance	Final	N/A
Children and Young People's Services	Early Help, Inclusion and Vulnerable Children	Supporting Families Programme: Claim 01 - June 2022	Grant Certification	Complete	N/A
Children and Young People's Services	Early Help, Inclusion and Vulnerable Children	Supporting Families Programme: Claim 02 - September 2022	Grant Certification	Complete	N/A
Children and Young People's Services	Early Help, Inclusion and Vulnerable Children	Supporting Families Programme: Claim 03 - December 2022	Grant Certification	Preparation and Planning	
Children and Young People's Services	Early Help, Inclusion and Vulnerable Children	Supporting Families Programme: Claim 04 -March 2023	Grant Certification	Preparation and Planning	
Children and Young People's Services	Children's Social Care	Placement Resource Panel (PRP) Arrangements	Assurance	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	Local Adoption Governance	Assurance	Not Yet Started	
Children and Young People's Services	Children's Social Care	Liquidlogic - Financial Process Meetings	Advice & Consultancy	In Progress	
Children and Young People's Services	Commissioning	Home to School Transport Review	Advice & Consultancy	Not Yet Started	
Children and Young People's Services	Education and Skills	Governor Training	Advice & Consultancy	Not Yet Started	
Children and Young People's Services	Operational Support	Caldcott Group	Advice & Consultancy	In Progress	
Children and Young People's Services	Education - Schools	School Programme (governance and financial management)	Assurance		8 Final Reports (3 Substantial and 5 Moderate assurance opinions)
Children and Young People's Services	Education - Schools	Audit of School Voluntary Funds	Fund Certification	20 Complete	N/A
Children and Young People's Services	Corporate Finance and Commercial Services	Durham Benevolent Fund	Advice and Consultancy	Final	N/A
Neighbourhoods and Climate Change	Environment	Review of arrangements for reporting on carbon emissions performance	Assurance	Not yet started	
Neighbourhoods and Climate Change	Environment	Carbon Connects	Grant	Final	N/A
Neighbourhoods and Climate Change	Environment	SMEPower (Claim 6)	Grant	Preparation and Planning	
Neighbourhoods and Climate Change	Environment	InnovateUK	Grant	Not yet started	
Neighbourhoods and Climate Change	Environment	Domestic Vehicle Charging Working Group	Advice and Consultancy	In Progress	
Neighbourhoods and Climate Change	Highway Services	Local Transport Capital Block Funding for NECA	Grant	Final	N/A
Neighbourhoods and Climate Change	Environment	REV UP (Regional Electric Vehicle Unified Plan)	Grant	Final	N/A
Neighbourhoods and Climate Change	Environment	Business Energy Efficiency Project (BEEP)	Advice and Consultancy	Final	N/A
Regeneration, Economy and Growth	Culture, Sport and Tourism	Technical Assets and Inventory	Advice and Consultancy	Not yet started	

INTERNAL AUDIT PLAN FOR PERIOD 1 APRIL 2022 TO 30 SEPTEMBER 2022: PROGRESS AS AT 30 SEPTEMBER 2022

SERVICE GROUPING	SERVICE	AUDIT ACTIVITY	AUDIT TYPE	STATUS	OPINION
Regeneration, Economy and Growth	Corporate Property and Land	Policies and procedures for due diligence on new tenants	Advice and Consultancy	Not yet started	
Regeneration, Economy and Growth	Corporate Property and Land	Bishop Auckland Heritage Action Zone	Grant	Final	N/A
Regeneration, Economy and Growth	Planning and Housing	Disabled Facilities Grant	Grant	In Progress	
Regeneration, Economy and Growth	Planning and Housing	Green Homes Grant - Phase 2	Grant	Not yet started	
Regeneration, Economy and Growth	Planning and Housing	Selective Licensing Group	Advice and Consultancy	In Progress	
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	Culture, Sport and Tourism	CLUK Income Share Agreement	Assurance	In Progress	
Regeneration, Economy and Growth	Corporate Property and Land	Bishop Auckland Heritage Action Zone - Community Engagement	Grant	Final	N/A
Regeneration, Economy and Growth	Planning and Housing	Homes England	Assurance	Preparation and Planning	
Regeneration, Economy and Growth	Planning and Housing	Planning Applications	Assurance	Preparation and Planning	
Regeneration, Economy and Growth	Planning and Housing	Green Homes Grant - Phase 1b	Grant	Final	N/A
Resources	Transactional and Customer Services	Housing Benefits and Council Tax Reduction - Accuracy Award Indicator	Assurance	Final	Substantial
Resources	Transactional and Customer Services	Financial Assessments	Assurance	Preparation and Planning	
Resources	Corporate Policy, Planning and Performance	Data Quality	Assurance	In Progress	
Resources	Legal & Democratic Services	Police and Crime Panel	Grant	Final	N/A
Resources	Legal & Democratic Services	RIPA Officers Group	Advice and Consultancy	In Progress	
Resources	Legal & Democratic Services	External Legal Fees	Advice and Consultancy	In Progress	
Resources	Legal & Democratic Services	Company Governance Group	Advice and Consultancy	In Progress	
Resources	Procurement, Sales and Business Services	SLA Board	Advice and Consultancy	In Progress	
Resources	Procurement, Sales and Business Services	Tendering System - System Implementation	Advice and Consultancy	In Progress	
Resources	Procurement, Sales and Business Services	Rapid Improvement Workshops	Advice and Consultancy	In Progress	
Resources	Procurement, Sales and Business Services	Business Support links to Payroll and Employee Services (PES)	Advice and Consultancy	In Progress	
Resources	Procurement, Sales and Business Services	Creditors - Invoice and PO Authorisation (PO Hierarchy)	Key System	Cancelled	
Resources	Procurement, Sales and Business Services	Petty Cash and Payment Cards Workstream	Advice and Consultancy	In Progress	
Resources	Transactional and Customer Services	ResourceLink Programme Board	Advice and Consultancy	In Progress	
Resources	Transactional and Customer Services	Business, Energy and Industrial Strategy (BEIS) Grant Evidence	Advice and Consultancy	In Progress	
Resources	Transactional and Customer Services	Enforcement Arrangements	Advice and Consultancy	In Progress	
Resources	Digital Services	ICT - Incident Management	Assurance	Preparation and Planning	
Resources	Digital Services	Digital Durham	Grant	Final	N/A
Resources	Digital Services	Information Governance Group	Advice and Consultancy	In Progress	
Resources	Procurement, Sales and Business Services	Creditors - Retrospective POs	Key System	In Progress	

FINAL REPORTS ISSUED IN PERIOD ENDING 30 SEPTEMBER 2022

AUDIT AREA	BRIEF DESCRIPTION OF SCOPE OF THE AUDIT	FINAL OPINION
ADULT AND HEALTH SERVICES (AHS)		
Hawthorn House	Assurance review of the arrangements in place to mitigate against the risks of; <ul style="list-style-type: none"> - Income is not accounted for / is misappropriated; - Invoices are not efficiently or correctly processed; - Unauthorised Procurement Card transactions are made; - Unauthorised Fuel Card Transactions are made; - Cash is not held securely; - Loss of service user property; - Loss/mis-use of service user monies (RP2 Cards); - Amenity Fund Income is not accounted for / is misappropriated; - Loss of Assets; - Failure to carry out DBS checks on relevant employees; - Ineffective budgetary control; - Non-compliance with the General Data Protection Regulations. - Staff are unaware of their roles and responsibilities. 	Substantial
Real Time Data Surveillance System (Suicide Early Alerts)	Assurance review of the arrangements in place to mitigate against the risks of; <ul style="list-style-type: none"> - Access to system/data is not secure and is not managed appropriately; - Unauthorised system changes having a direct security or operational impact; - Potential suicides not recorded and / or deaths not referred for review and action; - Appropriate support not identified and provided; - Trends and social factors not identified and assessed leading to further deaths. 	Substantial
Universal Grant – Drug and Alcohol	Grant Certification	N/A
In-Patient Detoxification Grant	Grant Certification	N/A

CHILDREN AND YOUNG PEOPLE'S SERVICES (CYPS)		
New Lea Children's Home	Assurance review of the arrangements in place to mitigate against the risks of; <ul style="list-style-type: none"> - Invoices are not efficiently or correctly processed; - Procurement cards are used fraudulently or inappropriately; - Pre-Paid cards are used fraudulently or inappropriately; - Petty Cash is used fraudulently or inappropriately; - Fuel cards are used fraudulently or inappropriately; - Cash or valuables are lost / stolen / misappropriated; - Young Peoples allowances, savings and property are lost / stolen / misappropriated; - Assets are lost, stolen or misappropriated; - Employees are unsuitable for working with young people; - Budgets are not effectively managed by the budget holder with significantly under/over-spent and variances not reported or acted upon; - The authority does not comply with the General Data Protection Regulations; - Staff are unaware of their roles and responsibilities. 	Substantial
Moorside Children's Home	As above	Substantial
Hicksted Children's Home	As above	Substantial
Coxhoe Children's Home	As above	Moderate
Youth Justice Information System (Childview)	Assurance review of the arrangements in place to mitigate against the risks of; <ul style="list-style-type: none"> - Access to system/data is not secure and is not managed appropriately; - Unauthorised system changes having a direct security or operational impact. 	Substantial
Supporting Families – Claim 2	Grant Certification	N/A
Durham Benevolent Fund	Advice and consultancy review of the appropriateness of the accounting records.	N/A

NEIGHBOURHOODS AND CLIMATE CHANGE (NCC)		
Online Licence Applications	Assurance review of the arrangements in place to mitigate against the risks of; <ul style="list-style-type: none"> - Online application process is not user friendly and difficult to access/navigate; - Incorrect payments received; - Licences are not issued in line with legislation (Licencing Act 2003); - IT failure prevents completion of application or delays the process; - Licences are not issued in a timely manner; - Access to personal data is not protected in line with GDPR and Data Protection Act 2018. 	Substantial

NEIGHBOURHOODS AND CLIMATE CHANGE (NCC) Contd.		
Business Energy Efficiency Project (BEEP)	Advice and consultancy review of the whether evidence provided for claims satisfied the funder's requirements.	N/A
Carbon Connects	Grant Certification	N/A
Local Transport Capital Block Funding for NECA	Grant Certification	N/A

REGENERATION, ECONOMY AND GROWTH (REG)		
Local Lettings Agency Governance	<p>Assurance review of the arrangements in place to mitigate against the risks of;</p> <ul style="list-style-type: none"> - Insufficient number of landlords identified willing to lease or sell - Higher than anticipated level of repairs; - High than anticipated level of voids; - Failure to meet key performance indicators; - Income fails to meet operational costs. 	Substantial
Asset Valuation	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
The Sands - Contract Management	<p>Assurance review of the arrangements in place to mitigate against the risks of;</p> <ul style="list-style-type: none"> - The contractor not fulfilling the contract to the required standard; - The Council paying for works that are not completed; - Risk management arrangements not being in place; - Lack of contingency arrangements. 	Substantial
Protect and Vaccinate Grant	Grant Certification	N/A
Bus Subsidy Ring Fenced Grant	Grant Certification	N/A
Local Transport Capital Block Funding	Grant Certification	N/A

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

RESOURCES (Res)		
Payroll - MyView – Establishment Changes	Assurance review of the arrangements in place to mitigate against the risk of inaccurate or invalid establishment changes being submitted and processed.	Substantial
Payroll - Preparation - Corrections	Assurance review of the arrangements in place to mitigate against the risk of pay errors not being identified or appropriately corrected.	Substantial
Debtors (Refunds)	Assurance review of the arrangements in place to mitigate against the risk of the customer being incorrectly refunded requiring further action to settle the debt.	Substantial
Debtors (Direct Debits)	Assurance review of the arrangements in place to mitigate against the risk of financial penalties due to breach of direct debit regulations.	Substantial
Cash Management – Crook CAP	Assurance review of the arrangements in place to mitigate against the risks of; <ul style="list-style-type: none"> - Non-compliance with financial regulations; - Theft or misappropriation; - Inappropriate recovery action taken; - Loss / theft of card data; - Payments are not made, or are not made promptly, due to the inability to access an appropriate payment channel. 	Substantial
Business Rates - Liability	Assurance review of the arrangements in place to mitigate against the risks of; <ul style="list-style-type: none"> - Loss of income due to inaccurate or untimely identification or recording of a new liability or amendment; - Reliefs / exemptions are incorrectly awarded. 	Substantial
Housing Benefit Award Accuracy Initiative	Assurance review of the arrangements in place to mitigate against the risks of; <ul style="list-style-type: none"> - The Council not completing its Full Case Review allocation of work; - Review outputs are inaccurate. 	Substantial
Business Rates – Overarching Report	Overarching assurance review combining the outcomes from individual Council Tax reviews carried out through the year.	Moderate
COVID-19 Small Business Rates Relief	Assurance review of the arrangements in place to mitigate against the risk of payments not being in line with government guidance.	Moderate
COVID-19 Retail, Hospitality and Leisure Grant Fund	Assurance review of the arrangements in place to mitigate against the risk of payments not being in line with government guidance.	Moderate
Contract Procedure Rules (CPRs)	Assurance review of the arrangements in place to mitigate against the risk of not achieving or being seen to achieve value for money, transparency, fairness, or compliance with legislation.	Moderate

	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)					
2020/21					
High	0	0	0	0	0
Medium	4	3	1	1	0
Total	4	3	1	1	0
2021/22					
High	0	0	0	0	0
Medium	1	0	1	1	0
Total	1	0	1	1	0
2022/23					
High	0	0	0	0	0
Medium	2	2	0	0	0
Total	2	2	0	0	0
Overall Total	7	5	2	2	0
CHILDREN AND YOUNG PEOPLE'S SERVICES (CYPS)					
2020/21					
High	0	0	0	0	0
Medium	14	14	0	0	0
Total	14	14	0	0	0
2021/22					
High	2	2	0	0	0
Medium	39	38	1	1	0
Total	41	40	1	1	0
2022/23					
High	0	0	0	0	0
Medium	11	9	2	2	0
Total	11	9	2	2	0
Overall Total	66	63	3	3	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	3	3	0	0	0
Medium	20	20	0	0	0
Total	23	23	0	0	0
2021/22					
High	0	0	0	0	0
Medium	9	9	0	0	0
Total	9	9	0	0	0
2022/23					
High	6	6	0	0	0
Medium	11	10	1	1	0
Total	17	16	1	1	0
Overall Total	60	58	2	2	0
REGENERATION, ECONOMY AND GROWTH (REG)					
2020/21					
High	2	2	0	0	0
Medium	13	13	0	0	0
Total	15	15	0	0	0
2021/22					
High	0	0	0	0	0
Medium	5	5	0	0	0
Total	5	5	0	0	0
2022/23					
High	0	0	0	0	0
Medium	5	5	0	0	0
Total	5	5	0	0	0
Overall Total	25	25	0	0	0
RESOURCES (RES)					
2019/20					
High	0	0	0	0	0
Medium	116	114	2	2	0
Total	116	114	2	2	0
2020/21					
High	0	0	0	0	0
Medium	61	60	1	1	0
Total	61	60	1	1	0
2021/22					
High	1	1	0	0	0
Medium	16	16	0	0	0
Total	17	17	0	0	0
2022/23					
High	0	0	0	0	0
Medium	10	10	0	0	0
Total	10	10	0	0	0
Overall Total	204	201	3	3	0
TOTAL COUNCIL					
2019/20					
High	0	0	0	0	0
Medium	127	124	3	3	0
Total	127	124	3	3	0
2020/21					
High	5	5	0	0	0
Medium	112	110	2	2	0
Total	117	115	2	2	0
2021/22					
High	3	3	0	0	0
Medium	70	68	2	2	0
Total	73	71	2	2	0
2022/23					
High	6	6	0	0	0
Medium	39	36	3	3	0
Total	45	42	3	3	0
OVERALL TOTAL	362	352	10	10	0

Performance Indicators as at 30 September 2022

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)	41% as at 30 September 2022
Timeliness of Draft Reports	% of draft reports issued within 20 working days of end of fieldwork/closure interview	100% (Quarterly)	100% (48 out of 48)
Timeliness of Final Reports	% of final reports issued within 10 working days of receipt of management response	100% (Quarterly)	100% (44 out of 44)
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)	
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 4.6
Customers providing feedback Response	% of customers returning satisfaction returns	70% (Quarterly)	79%

