

## **Audit Committee**

**28 February 2023**

### **Internal Audit Progress Update Report Period Ended 31 December 2022**



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## **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 31 December 2022, as part of the Internal Audit Plan for 2022/23.

### **Executive Summary**

- 2 The report provides an update on the progress that has been made in achieving the Internal Audit Plan, based on activity during the period up to 31 December 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 Those marked with an asterisk are not for publication (Exempt information under Part 3 of Schedule 12a to the Local Government Act 1972, paragraph 3):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 31 December 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;
  - (b) The work undertaken by Internal Audit during the period ending 31 December 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, with the plan for the second six months, covering the period 1 October 2022 to 31 March 2023, being approved on 30 September 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 31 December 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)	4	4	2	0	7
Children and Young People's Services (CYPS) *Excluding Schools	0	2	6	0	12
Neighbourhoods and Climate Change (NCC)	2	2	1	0	8
Regeneration, Economy and Growth (REG)	3	2	4	0	16
Resources (RES)	0	16	18	1	24
Schools	0	7	10	6	14
<b>TOTAL</b>	<b>9</b>	<b>33</b>	<b>41</b>	<b>7</b>	<b>81</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 during 2022/23 was originally estimated to be 3,241. As at 31 December 2022, the service had delivered 1,901 productive days, representing 58.6% of the total estimated planned days for the year. The target to the end of December was for 67.5% to have been delivered, therefore performance was below the profiled target.
- 11 As at 31 December, approximately 51% of the audits in the plan had been delivered.
- 12 The service has continued to face staffing and operational challenges in the quarter, in line with the challenges outlined in previous progress reports, which continues to impact on the delivery of the overall plan. Following a restructure, one Principal Auditor post and 1.5 Senior Auditor posts have now been removed from the establishment, replaced with one Graduate Trainee ICT Auditor post and two Audit Assistant posts, for which interviews have been held recently. A further Senior Auditor post has been re-advertised due to the candidate who was previously selected for the post not taking up the appointment.
- 13 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 and high risk areas of activity are reviewed on an annual basis.
- 14 Based on the work undertaken to date and planned in quarter 4, the Chief Internal Auditor still expects to be able to issue an opinion on the adequacy of the internal control environment in place.

## Internal Audit activity in the quarter

### Amendments to the Approved Internal Audit Plan

- 15 39 reviews were removed from the approved Internal Audit Plan in the quarter.

Service Grouping	Audit	Audit Type	Reason
Adult and Health Services (AHS)	Transition Arrangements between Children's and Adult Services	Assurance	Agreed with service to defer review to 2023/24.
Adult and Health Services (AHS)	Integration of Health & Care Plan for County Durham	Assurance	Agreed with service to defer review to 2023/24.
Adult and Health Services (AHS)	Commissioning of Residential Care	Assurance	Agreed with service to defer review to 2023/24.
Adult and Health Services (AHS)	Commissioning of Domiciliary Care	Assurance	Agreed with service to defer review to 2023/24.

<b>Service Grouping</b>	<b>Audit</b>	<b>Audit Type</b>	<b>Reason</b>
Adult and Health Services (AHS)	Public Health Claims Processed Via Pharmoutcomes	Advice & Consultancy	Agreed with service to defer review to 2023/24.
Adult and Health Services (AHS)	Stop Smoking Service	Assurance	Agreed with service to defer review to 2023/24.
Adult and Health Services (AHS)	Pharmoutcomes – Data Matching	Advice & Consultancy	This review has been cancelled
Children and Young People’s Services (CYPS)	Special Guardianship and Child Arrangement Orders	Follow Up	Agreed with service to defer review to 2023/24.
Children and Young People’s Services (CYPS)	Placement Resource Panel (PRP) Arrangements	Assurance	Agreed with service to defer review to 2023/24.
Children and Young People’s Services (CYPS)	Supervised Spend - Leaving Care Service	Assurance	Agreed with service to defer review to 2023/24.
Children and Young People’s Services (CYPS)	Local Adoption Governance	Assurance	Agreed with service to defer review to 2023/24.
Children and Young People’s Services (CYPS)	Disability Commissioning Arrangements (Short Breaks)	Assurance	Agreed with service to defer review to 2023/24.
Children and Young People’s Services (CYPS)	High Needs Top Up Funding Arrangements in Schools	Assurance	Agreed with service to defer review to 2023/24.
Children and Young People’s Services (CYPS)	Home to School Transport Review	Advice & Consultancy	This review has been cancelled
Children and Young People’s Services (CYPS)	Review of swimming SLA	Assurance	This review has been cancelled
Neighbourhoods and Climate Change (NCC)	Fees and Charges - Licencing	Assurance	Agreed with service to defer review to 2023/24.
Neighbourhoods and Climate Change (NCC)	Intelligence Handling	Assurance	Agreed with service to defer review to 2023/24.
Neighbourhoods and Climate Change (NCC)	Carbon Emissions Performance	Assurance	Agreed with service to defer review to 2023/24.
Neighbourhoods and Climate Change (NCC)	Charging Arrangements	Assurance	Agreed with service to defer review to 2023/24.
Neighbourhoods and Climate Change (NCC)	SME Power (Claim 7)	Grant	Certification deferred as not required until 2023/24.

<b>Service Grouping</b>	<b>Audit</b>	<b>Audit Type</b>	<b>Reason</b>
Neighbourhoods and Climate Change (NCC)	Anti-Social Behaviour	Advice & Consultancy	Review cancelled as no longer required.
Neighbourhoods and Climate Change (NCC)	Innovate UK	Grant	Project completed. Grant verification cancelled as no longer required.
Regeneration, Economy and Growth (REG)	Learn to Swim System	Advice & Consultancy	Cancelled as no longer required.
Regeneration, Economy and Growth (REG)	Consett Empire Theatre	Assurance	Agreed with service to defer review to 2023/24.
Regeneration, Economy and Growth (REG)	Finance Durham	Assurance	Agreed with service to defer review to 2023/24.
Regeneration, Economy and Growth (REG)	Milburngate Development Governance	Assurance	Agreed with service to defer review to 2023/24.
Regeneration, Economy and Growth (REG)	Policies and Procedures for Due Diligence on New Tenants	Assurance	Agreed with service to defer review to 2023/24.
Regeneration, Economy and Growth (REG)	Housing Solutions - Homelessness	Assurance	Agreed with service to defer review to 2023/24.
Regeneration, Economy and Growth (REG)	Financial Assistance Policy	Assurance	Agreed with service to defer review to 2023/24.
Regeneration, Economy and Growth (REG)	Choice Based Lettings Scheme	Assurance	Agreed with service to defer review to 2023/24.
Resources (RES)	Contract Management	Assurance	Service request to defer audit to 2023/24
Resources (RES)	Business Rates – Billing and Refunds	Key System	Agreed with service to defer review to 2023/24.
Resources (RES)	Housing Benefits and CTR – Overpayment Recovery	Key System	Agreed with service to defer review to 2023/24.
Resources (RES)	Deputy and Appointees – Personal Allowance Payments	Assurance	Agreed with service to defer review to 2023/24.
Resources (RES)	Budgetary Control and Financial Reporting	Key System	Agreed with service to defer review to 2023/24.
Resources (RES)	Direct Debit Payments	Key System	Agreed with service to defer review to 2023/24.
Resources (RES)	Payroll – Overarching Report	Key System	Report no longer required, as only one Payroll review

Service Grouping	Audit	Audit Type	Reason
			to be carried out for 2022/23.
Resources (RES)	Business Rates – Overarching Report	Key System	Report no longer required, as only one Business Rates review to be carried out for 2022/23.
Resources (RES)	Council Tax – Overarching Report	Key System	Report no longer required, as only one Council Tax review to be carried out for 2022/23.

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

Service Grouping	Audit	Audit Type	Reason
Neighbourhoods and Climate Change (NCC)	LoCarbo	Grant Certification	Service request to add to the plan
Regeneration, Economy and Growth (REG)	Stephanie	Grant Certification	Service request to add to the plan
Resources (RES)	Energy Bill Support Scheme Alternative Funding	Advice & Consultancy	Service request for advice on the implementation of the scheme

## Outstanding Management Responses to Draft Internal Audit Reports

17 There are no overdue management responses to draft reports.

## Survey Response Rate

18 The table below sets out the response rate and average score, by Service Grouping, for the customer satisfaction surveys issued during the period up to 31 December 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)	4	4	100	4.8
Children and Young People's Services (CYPS) *Excluding Schools	7	6	86	4.3

Service Grouping	Surveys issued	Surveys returned	% returned	Av. score
Neighbourhoods and Climate Change (NCC)	3	3	100	4.7
Regeneration, Economy and Growth (REG)	7	6	86	4.7
Resources (RES)	22	22	100	4.4
Schools	11	6	55	4.2
<b>TOTAL</b>	<b>54</b>	<b>47</b>	<b>87</b>	<b>4.6</b>

## Responses to Internal Audit Findings and Recommendations

- 19 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.
- 20 A summary of progress on the actions due, implemented and overdue, as at 31 December 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)	9	8	1 (11%)	1	0
Children and Young People's Services (CYPS) [Excluding Schools]	71	67	4 (7%)	4	0
Neighbourhoods and Climate Change (NCC)	54	54	0 (0%)	0	0
Regeneration, Economy and Growth (REG)	25	25	0 (0%)	0	0
Resources (RES)	212	208	4 (2%)	4	0
<b>TOTAL</b>	<b>371</b>	<b>362</b>	<b>9 (2%)</b>	<b>9</b>	<b>0</b>

- 21 It is encouraging to note that, of the 371 actions due to be implemented, 362 (98%) 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

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

## Performance Indicators

23 A summary of actual performance, as at the end of December 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**

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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 FOR PERIOD 1 APRIL 2022 TO 31 MARCH 2023: PROGRESS AS AT 31 DECEMBER 2022

SERVICE GROUPING	SERVICE	AUDIT ACTIVITY	AUDIT TYPE	STATUS	OPINION
<b>2021 / 2022 audits brought forward into plan</b>					
Adult and Health Services	Public Health	Real Time Data Suicide Early Alert	Assurance	Final	Substantial
Children and Young People's Services	Early Help, Inclusion and Vulnerable Children	High Needs Budget	Follow Up	In Progress	
Children and Young People's Services	Children's Social Care	Special Guardianship and Child Arrangement Orders	Follow Up	Defer to 2023/24	
Neighbourhoods and Climate Change	Community Protection Services	Online Licencing	Assurance	Final	Substantial
Neighbourhoods and Climate Change	Community Protection Services	Intelligence Handling	Assurance	Defer to 2023/24	
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	Defer to 2023/24	
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	Defer to 2023/24	
Regeneration, Economy and Growth	Planning and Housing	Financial Assistance Policy & Capital & External Schemes	Assurance	Defer to 2023/24	
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	Audit of Accounts	Final	N/A
Regeneration, Economy and Growth	Culture, Sport and Tourism	Beamish Museum - Grant Review	Assurance	In Progress	
Regeneration, Economy and Growth	Culture, Sport and Tourism	Bowes Museum - Grant Review	Assurance	In Progress	
Regeneration, Economy and Growth	Culture, Sport and Tourism	Learn to Swim	Advice and Consultancy	Cancelled	
Resources	Corporate Finance and Commercial Services	Banking Arrangements	Assurance	Preparation and Planning	
Resources	Corporate Finance and Commercial Services	Review of Commercial Services	Assurance	Cancelled	
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	Creditors - Overarching Report	Key System	Final	Substantial
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	Final	Moderate
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	Final	Moderate
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	Final	Moderate
<b>Internal Audit Plan for period from 1st April 2022 to 31 March 2023</b>					
Adult and Health Services	Commissioning	Commissioning of Learning Disability Services	Assurance	Preparation and Planning	
Adult and Health Services	Public Health	Personalisation - Virtual Budgets	Assurance	Final	Substantial
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	Adult Care	Workforce Development Fund	Grant Claim	Final	N/A
Adult and Health Services	Adult Care	Azeus - Governance Board	Advice & Consultancy	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	Adult Care	Continuing Health Care and Free Nursing Care	Assurance	Preparation and Planning	
Adult and Health Services	Adult Care	Section 117 Payments	Assurance	Not Yet Started	
Adult and Health Services	Commissioning	Approval and Payment of Commissioned Services - Panel arrangements for	Assurance	Not Yet Started	
Adult and Health Services	Commissioning	Universal Grant - Drug and Alcohol	Grant Claim	Final	N/A
Adult and Health Services	Commissioning	In Patient Detoxification Grant	Grant Claim	Final	N/A
Adult and Health Services	Adult Care	Transition Arrangements between Childrens and Adult Services	Assurance	Defer to 2023/24	
Adult and Health Services	Commissioning	Integration of Health & Care Plan for County Durham	Assurance	Defer to 2023/24	
Adult and Health Services	Commissioning	Commissioning of Residential Care	Assurance	Defer to 2023/24	
Adult and Health Services	Commissioning	Commissioning of Domiciliary Care	Assurance	Defer to 2023/24	
Adult and Health Services	Public Health	Public Health Claims Processed via Pharmoutcomes	Advice & Consultancy	Defer to 2023/24	
Adult and Health Services	Public Health	Stop Smoking Service	Assurance	Defer to 2023/24	
Adult and Health Services	Public Health	Pharmoutcomes - Data Matching	Advice & Consultancy	Cancelled	
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	Hickstead 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	Final	Moderate
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	Final	N/A
Children and Young People's Services	Early Help, Inclusion and Vulnerable Children	Supporting Families Programme: Claim 02 - September 2022	Grant Certification	Final	N/A
Children and Young People's Services	Early Help, Inclusion and Vulnerable Children	Supporting Families Programme: Claim 03 - December 2022	Grant Certification	Final	N/A
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	Liquidlogic - Board Meetings	Advice & Consultancy	In Progress	
Children and Young People's Services	Children's Social Care	Liquidlogic - Financial Process Meetings	Advice & Consultancy	In Progress	
Children and Young People's Services	Children's Social Care	Children in Need	Assurance	Preparation and Planning	
Children and Young People's Services	Education and Skills	Governor Training	Advice & Consultancy	In Progress	
Children and Young People's Services	Education and Skills	SFVS	Assurance	In Progress	
Children and Young People's Services	Education and Skills	Durham Benevolent Fund	Grant Certification	Final	N/A
Children and Young People's Services	Operational Support	Caldicott Group	Advice & Consultancy	In Progress	
Children and Young People's Services	Education & Skills	Greenfield Community College - One Vision Grant	Grant Certification	Final	N/A
Children and Young People's Services	Education - Schools	School Programme (governance and financial management)	Assurance	In Progress	14 Final Reports (8 Substantial and 6 Moderate assurance opinions)
Children and Young People's Services	Education - Schools	Audit of School Voluntary Funds	Fund Certification	33 Complete	N/A
Children and Young People's Services	Children's Social Care	Placement Resource Panel (PRP) Arrangements	Assurance	Defer to 2023/24	
Children and Young People's Services	Children's Social Care	Supervised Spend - Leaving Care Service	Assurance	Defer to 2023/24	
Children and Young People's Services	Children's Social Care	Local Adoption Governance	Assurance	Defer to 2023/24	

## INTERNAL AUDIT PLAN FOR PERIOD 1 APRIL 2022 TO 31 MARCH 2023: PROGRESS AS AT 31 DECEMBER 2022

SERVICE GROUPING	SERVICE	AUDIT ACTIVITY	AUDIT TYPE	STATUS	OPINION
Children and Young People's Services	Children's Social Care	Disability Commissioning Arrangements (Short Breaks)	Assurance	Defer to 2023/24	
Children and Young People's Services	Education and Skills	High Needs Top Up Funding Arrangements in Schools	Assurance	Defer to 2023/24	
Children and Young People's Services	Commissioning	Home to School Transport Review	Advice & Consultancy	Cancelled	
Children and Young People's Services	Education & Skills	Review of Swimming SLA	Assurance	Cancelled	
Neighbourhoods and Climate Change	Environment	Review of arrangements for reporting on carbon emissions performance	Assurance	Defer to 2023/24	
Neighbourhoods and Climate Change	Environment	Carbon Connects	Grant	Final	N/A
Neighbourhoods and Climate Change	Environment	SMEPower (Claim 6)	Grant	Final	N/A
Neighbourhoods and Climate Change	Environment	InnovateUK	Grant	Cancelled	
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
Neighbourhoods and Climate Change	Community Protection Services	Fees and Charges	Assurance	Defer to 2023/24	
Neighbourhoods and Climate Change	Community Protection Services	Anti Social Behaviour	Advice and Consultancy	Cancelled	
Neighbourhoods and Climate Change	Environment	Durham Crematorium	Assurance	Preparation and Planning	
Neighbourhoods and Climate Change	Environment	Mountsett Crematorium	Assurance	Preparation and Planning	
Neighbourhoods and Climate Change	Highway Services	Charging Arrangements	Assurance	Defer to 2023/24	
Neighbourhoods and Climate Change	Environment	Rebus	Grant	Not yet started	
Neighbourhoods and Climate Change	Environment	Carbon Connects (2)	Grant	Not yet started	
Neighbourhoods and Climate Change	Environment	SMEPower (Claim 7)	Grant	Defer to 2023/24	
Neighbourhoods and Climate Change	Environment	LoCarbo	Grant	Final	N/A
Regeneration, Economy and Growth	Culture, Sport and Tourism	Technical Assets and Inventory	Advice and Consultancy	Not yet started	
Regeneration, Economy and Growth	Corporate Property and Land	Policies and procedures for due diligence on new tenants	Advice and Consultancy	Defer to 2023/24	
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	Final	N/A
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	Final	Substantial
Regeneration, Economy and Growth	Planning and Housing	Green Homes Grant - Phase 1b	Grant	Final	N/A
Regeneration, Economy and Growth	Business Durham	Stephanie	Grant	Final	N/A
Regeneration, Economy and Growth	Corporate Property and Land	Asset Valuation	Assurance	Preparation and Planning	
Regeneration, Economy and Growth	Planning and Housing	Choice Based Letting Scheme	Assurance	Defer to 2023/24	
Regeneration, Economy and Growth	Economic Development	Finance Durham	Assurance	Defer to 2023/24	
Regeneration, Economy and Growth	Culture, Sport and Tourism	Stanley Bowls	Audit of Accounts	Not yet started	
Regeneration, Economy and Growth	Culture, Sport and Tourism	Conssett Empire Theatre	Assurance	Defer to 2023/24	
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	Draft	
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	Final	N/A
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	
Resources	Transactional Services	Deputies and Appointees - Personal Allowance Payments	Assurance	Defer to 2023/24	
Resources	Corporate Finance and Commercial Services	Bank Reconciliation	Key System	In Progress	
Resources	Corporate Finance and Commercial Services	Direct Debit Payments	Key System	Defer to 2023/24	
Resources	Corporate Finance and Commercial Services	Short Term Investments	Key System	Preparation and Planning	
Resources	Corporate Finance and Commercial Services	Leases - IFRS16	Advice and Consultancy	Preparation and Planning	
Resources	Corporate Finance and Commercial Services	Budgetary Control and Financial Reporting	Key System	Defer to 2023/24	
Resources	Corporate Finance and Commercial Services	Section 256 Agreements	Grant	Preparation and Planning	
Resources	Corporate Finance and Commercial Services	Better Care Fund and Improved BCF (Sn 75)	Grant	In Progress	
Resources	Procurement, Sales and Business Services	Contract Management	Assurance	Cancelled	
Resources	Procurement, Sales and Business Services	Creditors - Overarching	Key System	In Progress	
Resources	Procurement, Sales and Business Services	Creditors - Receipting of Goods	Key System	Preparation and Planning	
Resources	HR and Employee Services	Payroll - Overarching	Key System	Cancelled	
Resources	HR and Employee Services	Payroll - Preparation: Temporary Input	Key System	Preparation and Planning	
Resources	Transactional and Customer Services	Business Rates - Overarching	Key System	Cancelled	
Resources	Transactional and Customer Services	Business Rates - Valuation	Key System	Preparation and Planning	
Resources	Transactional and Customer Services	Business Rates - Billing and refunds	Key System	Defer to 2023/24	
Resources	Transactional and Customer Services	Housing Benefit and CTR - Overarching	Key System	Preparation and Planning	
Resources	Transactional and Customer Services	Housing Benefit and CTR - Overpayment Recovery	Key System	Defer to 2023/24	
Resources	Transactional and Customer Services	Housing Benefits and Council Tax Reduction - Supported Accommodation	Advice and Consultancy	Preparation and Planning	
Resources	Transactional and Customer Services	Council Tax - Overarching	Key System	Cancelled	
Resources	Transactional and Customer Services	Council Tax - Valuation	Key System	Preparation and Planning	
Resources	Digital Services	Active Directory	Assurance	Preparation and Planning	
Resources	Digital Services	IT Asset Management	Assurance	Preparation and Planning	
Resources	Transactional and Customer Services	Energy Bill Support Scheme Alternative Funding	Advice and Consultancy	Preparation and Planning	

**FINAL REPORTS ISSUED IN PERIOD ENDING 31 DECEMBER 2022**

AUDIT AREA	BRIEF DESCRIPTION OF SCOPE OF THE AUDIT	FINAL OPINION
<b>ADULT AND HEALTH SERVICES (AHS)</b>		
Workforce Development Fund	Grant Certification	N/A
Personalisation – Virtual Budgets	The scope of this audit was to provide assurance on the management of the risk that the Council engages with unsuitable service providers and/or service provision does not offer something over or above a commissioned service.	Substantial
<b>CHILDREN AND YOUNG PEOPLE’S SERVICES (CYPS)</b>		
DurhamLearn	Assurance review of the arrangements in place to mitigate against the risks of; <ul style="list-style-type: none"> <li>- Ineffective decision making</li> <li>- Non-compliance with Contract Procedure Rules</li> <li>- Sub-contracted providers are unaware of their roles and responsibilities</li> <li>- Non-compliance with ESFA funding requirements</li> <li>- Unauthorised payments are processed</li> <li>- Employees do not have the skills to carry out their budget monitoring responsibilities / do not utilise the system as expected</li> <li>- Misuse or abuse of information held about individuals</li> </ul>	Moderate
<b>NEIGHBOURHOODS AND CLIMATE CHANGE (NCC)</b>		
LoCarbo	Grant Certification	N/A
SME Power 6	Grant Certification	N/A

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

<b>REGENERATION, ECONOMY AND GROWTH (REG)</b>		
Planning Applications	Assurance review of the arrangements in place to mitigate against the risks of; <ul style="list-style-type: none"> <li>- Employees unaware of planning legislation and the authority's local plans.</li> <li>- Statutory timescales are not adhered to.</li> <li>- Inconsistent/impartial processing of planning applications.</li> <li>- Stakeholders are unaware of the application</li> <li>- Comments and objections are inadequately recorded and considered.</li> <li>- Insufficient information is received/recorded to support an application and decision</li> <li>- Decisions are inadequately authorised.</li> </ul>	Substantial
Disabled Facilities Grant	Grant Certification	N/A
Stephanie	Grant Certification	N/A

<b>RESOURCES (Res)</b>		
Equality, Diversity and Community Cohesion	Assurance review of the arrangements in place to mitigate against the risk of a breach of the Equality Act 2010 and Public Sector Equality Duty (PSED) from failure to consider implications on those with protected characteristics.	Moderate
Cash Management – Morrison Busty and Chilton Depots	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>- Loss / theft of card data</li> <li>- Payments are not made, or are not made promptly, due to the inability to access an appropriate payment channel</li> </ul>	Moderate
Creditors - Overarching Report	Overarching assurance review combining the outcomes from individual creditors reviews carried out through the year.	Substantial
Creditor Payments – Invoice Testing	Assurance review of the arrangements in place to mitigate against the risks of: <ul style="list-style-type: none"> <li>- Policies and procedures being inadequate or not followed</li> <li>- Unauthorised or inappropriate procurement of goods / services</li> <li>- Incorrect payments being made or payments not being made in time</li> <li>- Non-compliance with BACS service terms and conditions</li> </ul>	Moderate
Section 256 Grant	Grant Certification	Not Applicable

	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>2020/21</b>					
High	0	0	0	0	0
Medium	4	3	1	1	0
<b>Total</b>	<b>4</b>	<b>3</b>	<b>1</b>	<b>1</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>2022/23</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>9</b>	<b>8</b>	<b>1</b>	<b>1</b>	<b>0</b>
<b>CHILDREN AND YOUNG PEOPLE'S SERVICES (CYPS)</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	38	38	0	0	0
<b>Total</b>	<b>40</b>	<b>40</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2022/23</b>					
High	0	0	0	0	0
Medium	17	13	4	4	0
<b>Total</b>	<b>17</b>	<b>13</b>	<b>4</b>	<b>4</b>	<b>0</b>
<b>Overall Total</b>	<b>71</b>	<b>67</b>	<b>4</b>	<b>4</b>	<b>0</b>
<b>NEIGHBOURHOODS AND CLIMATE CHANGE (NCC)</b>					
<b>2020/21</b>					
High	3	3	0	0	0
Medium	20	20	0	0	0
<b>Total</b>	<b>23</b>	<b>23</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2021/22</b>					
High	0	0	0	0	0
Medium	9	9	0	0	0
<b>Total</b>	<b>9</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2022/23</b>					
High	9	9	0	0	0
Medium	13	13	0	0	0
<b>Total</b>	<b>22</b>	<b>22</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Overall Total</b>	<b>54</b>	<b>54</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>REGENERATION, ECONOMY AND GROWTH (REG)</b>					
<b>2020/21</b>					
High	2	2	0	0	0
Medium	13	13	0	0	0
<b>Total</b>	<b>15</b>	<b>15</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2021/22</b>					
High	0	0	0	0	0
Medium	5	5	0	0	0
<b>Total</b>	<b>5</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>2022/23</b>					
High	0	0	0	0	0
Medium	5	5	0	0	0
<b>Total</b>	<b>5</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Overall Total</b>	<b>25</b>	<b>25</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>RESOURCES (RES)</b>					
<b>2019/20</b>					
High	0	0	0	0	0
Medium	116	115	1	1	0
<b>Total</b>	<b>116</b>	<b>115</b>	<b>1</b>	<b>1</b>	<b>0</b>
<b>2020/21</b>					
High	0	0	0	0	0
Medium	61	60	1	1	0
<b>Total</b>	<b>61</b>	<b>60</b>	<b>1</b>	<b>1</b>	<b>0</b>
<b>2021/22</b>					
High	1	1	0	0	0
Medium	18	17	1	1	0
<b>Total</b>	<b>19</b>	<b>18</b>	<b>1</b>	<b>1</b>	<b>0</b>
<b>2022/23</b>					
High	0	0	0	0	0
Medium	16	15	1	1	0
<b>Total</b>	<b>16</b>	<b>15</b>	<b>1</b>	<b>1</b>	<b>0</b>
<b>Overall Total</b>	<b>212</b>	<b>208</b>	<b>4</b>	<b>4</b>	<b>0</b>
<b>TOTAL COUNCIL</b>					
<b>2019/20</b>					
High	0	0	0	0	0
Medium	116	115	1	1	0
<b>Total</b>	<b>116</b>	<b>115</b>	<b>1</b>	<b>1</b>	<b>0</b>
<b>2020/21</b>					
High	5	5	0	0	0
Medium	112	110	2	2	0
<b>Total</b>	<b>117</b>	<b>115</b>	<b>2</b>	<b>2</b>	<b>0</b>
<b>2021/22</b>					
High	3	3	0	0	0
Medium	71	70	1	1	0
<b>Total</b>	<b>74</b>	<b>73</b>	<b>1</b>	<b>1</b>	<b>0</b>
<b>2022/23</b>					
High	9	9	0	0	0
Medium	55	50	5	5	0
<b>Total</b>	<b>64</b>	<b>59</b>	<b>5</b>	<b>5</b>	<b>0</b>
<b>OVERALL TOTAL</b>	<b>371</b>	<b>362</b>	<b>9</b>	<b>9</b>	<b>0</b>



## Performance Indicators as at 31 December 2022

<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)	59% as at 31 December 2022
Timeliness of Draft Reports	% of draft reports issued within 20 working days of end of fieldwork/closure interview	100% (Quarterly)	100% (57 out of 57)
Timeliness of Final Reports	% of final reports issued within 10 working days of receipt of management response	100% (Quarterly)	96% (54 out of 56)
Quarterly Progress Reports	Quarterly progress reports issued to Corporate Directors within one month of end of period	100% (Quarterly)	100%
<b>Quality</b> <b>Objective: To ensure that the service is effective and adding value</b>			
<b>KPI</b>	<b>Measure of Assessment</b>	<b>Target &amp; (Frequency of Measurement)</b>	
Recommendations agreed	% of recommendations made compared with recommendations accepted	95% (Annually)	100%
Post Audit Customer Satisfaction Survey Feedback	% of customers scoring audit service satisfactory or above (3 out of 5) where 1 is poor and 5 is very good	100% (Quarterly)	100% - Av. score of 4.6
Customers providing feedback Response	% of customers returning satisfaction returns	70% (Quarterly)	87%