

Audit Committee

23 May 2023

Internal Audit Progress Update Report Period Ended 31 March 2023



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 was carried out by Internal Audit during the period 1 April 2022 to 31 March 2023, as part of the Internal Audit Plan for 2022/23.

Executive Summary

- 2 The report provides an overview of performance against the Internal Audit Plan 2022/23, 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 Those marked with an asterisk are not for publication (Exempt information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 – Performance against the Internal Audit Plan 2022/23;
- (b) Appendix 3 – Final reports issued in the quarter ended 31 March 2023;
- (c) Appendix 4 – The number of high and medium priority actions raised and implemented in 2022/23;
- (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 during quarter 4;
- (b) The work undertaken by Internal Audit during the period ending 31 March 2023;
- (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 March 2023 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)	0	2	2	2	11
Chief Executive (CE)	0	0	0	0	2
Children and Young People's Services (CYPS) *Excluding Schools	0	0	2	1	17
Neighbourhoods and Climate Change (NCC)	0	0	0	0	13
Regeneration, Economy and Growth (REG)	0	1	2	0	20
Resources (RES)	0	9	6	0	42
Schools	0	4	10	4	27
TOTAL	0	16	22	7	132

- 9 A summary of the final internal audit reports issued quarter four 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 March 2023, the service had delivered 2,595 productive days, representing 80% of the total estimated planned days for the year. The target to the end of March was for 90% to have been delivered, therefore performance was below the profiled target.
- 11 As at 31 March, approximately 79% of the audits in the revised plan had been delivered.
- 12 Throughout the year the service faced ongoing staffing shortages and operational challenges, as outlined within previous progress reports, which have continued to impact on the delivery of the overall plan during the last quarter. These challenges have included vacant posts (resulting in only 88% of the planned staffing level being in post through the year). Over and above this, there has also been a long-term sickness absence, of a Senior Auditor, from late September 2022 to early March 2023.
- 13 The ongoing staffing recruitment and retention challenges resulted in changes being made to the service structure, which has involved removing one Principal Auditor post and 1.5 Senior Auditor posts from the staffing establishment and replacing these posts with one Graduate Trainee ICT Auditor post and two Audit Assistant posts. It is pleasing to report that all three of these posts have now been recruited to. This leaves one vacant Senior Auditor post on the staffing establishment and, following a recent recruitment exercise, five candidates were invited to attend interviews in early May 2023.
- 14 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.
- 15 Based on the work undertaken to date, and despite the resource challenges faced across the year, the Chief Internal Auditor will 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

- 16 Three reviews were removed from the approved Internal Audit Plan in the quarter.

Service Grouping	Audit	Audit Type	Reason
Regeneration, Economy and Growth (REG)	Stanley Bowls	Audit of Accounts	Agreed with service to cancel due to low value and risk.
Regeneration, Economy and Growth (REG)	Technical Assets and Inventory	Advice and Consultancy	Agreed with service to cancel review as it was no longer required.
Regeneration, Economy and Growth (REG)	Homes England	Assurance	Agreed with service to defer review to 2023/24.

- 17 One unplanned review was added to the Internal Audit Plan in the quarter.

Service Grouping	Audit	Audit Type	Reason
Regeneration, Economy and Growth (REG)	Community Renewal Fund	Grant	Service request for certification to be carried out.

Outstanding Management Responses to Draft Internal Audit Reports

- 18 There are no overdue management responses to draft reports.

Survey Response Rate

- 19 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 4.7 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
Chief Executive (CE)	2	2	100	4.5
Neighbourhoods and Climate Change (NCC)	5	5	100	4.8

Service Grouping	Surveys issued	Surveys returned	% returned	Av. score
Regeneration, Economy and Growth (REG)	9	9	100	4.6
Resources (RES)	24	24	100	4.6
Schools	27	15	52	4.9
TOTAL	78	65	83	4.7

Responses to Internal Audit Findings and Recommendations

20 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.

21 A summary of progress on the actions due, implemented and overdue, as at 31 March 2023, 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
Chief Executive (CE)	1	1	0 (0%)	0	0
Children and Young People's Services (CYPS) [Excluding Schools]	71	69	2 (3%)	2	0
Neighbourhoods and Climate Change (NCC)	56	56	0 (0%)	0	0
Regeneration, Economy and Growth (REG)	27	27	0 (0%)	0	0
Resources (RES)	213	209	4 (2%)	4	0
TOTAL	377	370	7 (2%)	7	0

22 It is encouraging to note that, of the 377 actions due to be implemented, 370 (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

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

Performance Indicators

24 A summary of actual performance, as at the end of March 2023, 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 31 MARCH 2023

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	Early Help, Inclusion and Vulnerable Children	Early Help, Inclusion and Vulnerable Children	Follow Up	Draft	N/A
Neighbourhoods and Climate Change	Community Protection Services	Online Licencing	Assurance	Final	Substantial
Neighbourhoods and Climate Change	Community Protection Services	Intelligence Handling	Assurance	Deferred	
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	Deferred	
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	Complete	N/A
Regeneration, Economy and Growth	Planning and Housing	Homelessness	Assurance	Deferred	
Regeneration, Economy and Growth	Planning and Housing	Financial Assistance Policy & Capital & External Schemes	Assurance	Deferred	
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	Complete	N/A
Regeneration, Economy and Growth	Culture, Sport and Tourism	Beamish Museum - Grant Review	Assurance	Final	Substantial
Regeneration, Economy and Growth	Culture, Sport and Tourism	Bowes Museum - Grant Review	Assurance	Final	Substantial
Regeneration, Economy and Growth	Culture, Sport and Tourism	Learn to Swim	Advice and Consultancy	Cancelled	
Resources	Corporate Finance and Commercial Services	Banking Arrangements	Assurance	Final	Substantial
Resources	Corporate Finance and Commercial Services	Review of Commercial Services	Assurance	Cancelled	
Resources	Corporate Finance and Commercial Services	Section 296 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	Complete	N/A
Resources	Digital Services	ICT - Mobile computing	Advice and Consultancy	Complete	N/A
Resources	Digital Services	ICT - SharePoint	Advice and Consultancy	Complete	N/A
Resources	Digital Services	ICT - Purchasing	Assurance	Preparation and Planning	
Resources	Digital Services	ICT - Business Continuity for ICT	Assurance	Final	Moderate
Internal Audit Plan for period from 1st April 2022 to 31 March 2023					
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	Complete	N/A
Adult and Health Services	Commissioning	Mental Health Alliance Project Board	Advice & Consultancy	Complete	N/A
Adult and Health Services	Adult Care	Workforce Development Fund	Grant	Final	N/A
Adult and Health Services	Adult Care	Azeus - Governance Board	Advice & Consultancy	Complete	N/A
Adult and Health Services	Adult Care	Azeus - Finance Process	Advice & Consultancy	Complete	N/A
Adult and Health Services	Adult Care	Azeus - Panel Process	Assurance	Draft	
Adult and Health Services	Adult Care	Azeus - System Upgrade testing Methodology	Assurance	Draft	
Adult and Health Services	Adult Care	Continuing Health Care and Free Nursing Care	Assurance	In Progress	
Adult and Health Services	Adult Care	Section 117 Payments	Assurance	In Progress	
Adult and Health Services	Commissioning	Universal Grant - Drug and Alcohol	Grant	Complete	N/A
Adult and Health Services	Commissioning	In Patient Detoxification Grant	Grant	Complete	N/A
Adult and Health Services	Public Health	Adult Weight Management Contract	Grant	Complete	N/A
Adult and Health Services	Adult Care	Transition Arrangements between Childrens and Adult Services	Assurance	Deferred	
Adult and Health Services	Commissioning	Integration of Health & Care Plan for County Durham	Assurance	Deferred	
Adult and Health Services	Commissioning	Commissioning of Residential Care	Assurance	Deferred	
Adult and Health Services	Commissioning	Commissioning of Domiciliary Care	Assurance	Deferred	
Adult and Health Services	Public Health	Public Health Claims Processed via Pharmoutcomes	Advice & Consultancy	Deferred	
Adult and Health Services	Public Health	Stop Smoking Service	Assurance	Deferred	
Adult and Health Services	Commissioning	Approval and Payment of Commissioned Services - Panel arrangements for payments to providers	Assurance	Deferred	
Adult and Health Services	Public Health	Pharmoutcomes - Data Matching	Advice & Consultancy	Cancelled	
Chief Executive	Corporate Affairs	Equality, Diversity and Community Cohesion	Assurance	Final	Moderate
Chief Executive	Corporate Affairs	Data Quality	Assurance	Final	Moderate
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	Final	Moderate
Children and Young People's Services	Education and Skills	SFVS	Advice & Consultancy	Final	N/A
Children and Young People's Services	Early Help, Inclusion and Vulnerable Children	Supporting Families Programme: Claim 01 - June 2022			
			Grant	Final	N/A
Children and Young People's Services	Early Help, Inclusion and Vulnerable Children	Supporting Families Programme: Claim 02 - September 2022			
			Grant	Final	N/A
Children and Young People's Services	Early Help, Inclusion and Vulnerable Children	Supporting Families Programme: Claim 03 - December 2022			
			Grant	Final	N/A
Children and Young People's Services	Early Help, Inclusion and Vulnerable Children	Supporting Families Programme: Claim 04 - March 2023			
			Grant	Final	N/A
Children and Young People's Services	Children's Social Care	Liquidlogic - Board Meetings	Advice & Consultancy	Complete	N/A
Children and Young People's Services	Children's Social Care	Liquidlogic - Financial Process Meetings	Advice & Consultancy	Complete	N/A
Children and Young People's Services	Children's Social Care	Children in Need	Assurance	In Progress	
Children and Young People's Services	Education and Skills	Governor Training	Advice & Consultancy	Complete	N/A
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	Final	N/A
Children and Young People's Services	Operational Support	Caldicott Group	Advice & Consultancy	Complete	N/A
Children and Young People's Services	Education & Skills	Greenfield Community College - One Vision Grant	Grant	Final	N/A
Children and Young People's Services	Education - Schools	School Programme (governance and financial management)	Assurance	In Progress	27 Final Reports (18 Substantial, 8 Moderate and 1 limited assurance opinions)
Children and Young People's Services	Education - Schools	Audit of School Voluntary Funds	Fund Certification	39 Complete	N/A
Children and Young People's Services	Children's Social Care	Special Guardianship and Child Arrangement Orders	Follow Up	Deferred	
Children and Young People's Services	Children's Social Care	Placement Resource Panel (PRP) Arrangements	Assurance	Deferred	
Children and Young People's Services	Children's Social Care	Supervised Spend - Leaving Care Service	Assurance	Deferred	
Children and Young People's Services	Children's Social Care	Local Adoption Governance	Assurance	Deferred	
Children and Young People's Services	Children's Social Care	Disability Commissioning Arrangements (Short Breaks)	Assurance	Deferred	
Children and Young People's Services	Education and Skills	High Needs Top Up Funding Arrangements in Schools	Assurance	Deferred	
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	Deferred	
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	Complete	N/A
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	Deferred	
Neighbourhoods and Climate Change	Community Protection Services	Anti Social Behaviour	Advice and Consultancy	Cancelled	
Neighbourhoods and Climate Change	Environment	Durham Crematorium	Assurance	Final	Substantial
Neighbourhoods and Climate Change	Environment	Mountsett Crematorium	Assurance	Final	Substantial

INTERNAL AUDIT PLAN FOR PERIOD 1 APRIL 2022 TO 31 MARCH 2023

SERVICE GROUPING	SERVICE	AUDIT ACTIVITY	AUDIT TYPE	STATUS	OPINION
Neighbourhoods and Climate Change	Highway Services	Charging Arrangements	Assurance	Deferred	
Neighbourhoods and Climate Change	Environment	Rebus	Grant	Final	N/A
Neighbourhoods and Climate Change	Environment	Carbon Connects 9	Grant	Final	N/A
Neighbourhoods and Climate Change	Environment	SMEPower (Claim 7)	Grant	Deferred	
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	Cancelled	
Regeneration, Economy and Growth	Corporate Property and Land	Policies and procedures for due diligence on new tenants	Advice and Consultancy	Deferred	
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	Preparation and Planning	
Regeneration, Economy and Growth	Planning and Housing	Selective Licensing Group	Advice and Consultancy	Complete	N/A
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	Deferred	
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	NA
Regeneration, Economy and Growth	Corporate Property and Land	Asset Valuation	Assurance	In Progress	
Regeneration, Economy and Growth	Planning and Housing	Choice Based Letting Scheme	Assurance	Deferred	
Regeneration, Economy and Growth	Economic Development	Finance Durham	Assurance	Deferred	
Regeneration, Economy and Growth	Culture, Sport and Tourism	Stanley Bowls	Audit of Accounts	Cancelled	
Regeneration, Economy and Growth	Culture, Sport and Tourism	Consett Empire Theatre	Assurance	Deferred	
Regeneration, Economy and Growth	Economic Development	Community Renewal Fund	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	Legal & Democratic Services	Police and Crime Panel	Grant	Final	N/A
Resources	Legal & Democratic Services	RIPA Officers Group	Advice and Consultancy	Complete	N/A
Resources	Legal & Democratic Services	External Legal Fees	Advice and Consultancy	In Progress	
Resources	Legal & Democratic Services	Company Governance Group	Advice and Consultancy	Complete	N/A
Resources	Procurement, Sales and Business Services	SLA Board	Advice and Consultancy	Complete	N/A
Resources	Procurement, Sales and Business Services	Tendering System - System Implementation	Advice and Consultancy	Complete	N/A
Resources	Procurement, Sales and Business Services	Rapid Improvement Workshops	Advice and Consultancy	Complete	N/A
Resources	Procurement, Sales and Business Services	Business Support links to Payroll and Employee Services (PES)	Advice and Consultancy	Complete	N/A
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	Complete	N/A
Resources	Transactional and Customer Services	ResourceLink Programme Board	Advice and Consultancy	Complete	N/A
Resources	Transactional and Customer Services	Business, Energy and Industrial Strategy (BEIS) Grant Evidence	Advice and Consultancy	Complete	N/A
Resources	Transactional and Customer Services	Enforcement Arrangements	Advice and Consultancy	Complete	N/A
Resources	Digital Services	ICT - Incident Management	Assurance	In Progress	
Resources	Digital Services	Digital Durham	Grant	Final	N/A
Resources	Digital Services	Information Governance Group	Advice and Consultancy	Complete	N/A
Resources	Procurement, Sales and Business Services	Creditors - Retrospective POs	Key System	In Progress	
Resources	Transactional Services	Deputies and Appointees - Personal Allowance Payments	Assurance	Deferred	
Resources	Corporate Finance and Commercial Services	Bank Reconciliation	Key System	Final	Substantial
Resources	Corporate Finance and Commercial Services	Direct Debit Payments	Key System	Deferred	
Resources	Corporate Finance and Commercial Services	Short Term Investments	Key System	In Progress	
Resources	Corporate Finance and Commercial Services	Leases - IFRS16	Advice and Consultancy	Complete	N/A
Resources	Corporate Finance and Commercial Services	Budgetary Control and Financial Reporting	Key System	Deferred	
Resources	Corporate Finance and Commercial Services	Section 256 Agreements	Grant	In Progress	
Resources	Corporate Finance and Commercial Services	Better Care Fund and Improved BCF (Sn 75)	Grant	Final	N/A
Resources	Procurement, Sales and Business Services	Contract Management	Assurance	Deferred	
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	Deferred	
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	Deferred	
Resources	Transactional and Customer Services	Housing Benefits and Council Tax Reduction - Supported Accommodation	Advice and Consultancy	Complete	N/A
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	Advice and Consultancy	Complete	N/A
Resources	Transactional and Customer Services	Energy Bill Support Scheme Alternative Funding	Advice and Consultancy	Preparation and Planning	

FINAL REPORTS ISSUED IN PERIOD ENDING 31 MARCH 2023

AUDIT AREA	BRIEF DESCRIPTION OF SCOPE OF THE AUDIT	FINAL OPINION
ADULT AND HEALTH SERVICES (AHS)		
Adult Weight Management Contract	Grant Certification	N/A
CHIEF EXECUTIVE (CE)		
Data Quality	Assurance review of the arrangements in place to mitigate against the risk failure to report accurate and relevant performance data.	Moderate
NEIGHBOURHOODS AND CLIMATE CHANGE (NCC)		
Durham Crematorium	Assurance review of the arrangements in place to mitigate against the risks of: <ul style="list-style-type: none"> - Income is not accounted for/misappropriated. - Significant risks are not being managed and the objectives are not being achieved. - Ineffective budget monitoring processes are in place. - Unauthorised payments are made. - Employees are incorrectly paid. - Equipment failure. - Non-compliance with the Cremation Regulations 2008 and with the Federation of British Cremation Authorities Code of Cremation Practice. - Lack of experienced staff. - Insufficient capacity to meet demand in the event of an epidemic, pandemic or major disaster. - Stock / Assets are not accounted for / misappropriated. - Damage / theft of equipment. - Ashes are disposed of incorrectly. 	Substantial
Mountsett Crematorium	As above.	Substantial
Rebus	Grant Certification	N/A
Carbon Connects 9	Grant Certification	N/A

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

REGENERATION, ECONOMY AND GROWTH (REG)		
Beamish Museum Grant Review	Assurance review of the arrangements in place to mitigate against the risks of: <ul style="list-style-type: none"> - Grant awards are inappropriate. - Grant usage by the cultural/leisure provider is not in line with aims. - Cultural/leisure provider fails to achieve agreed performance/goals. - Provider ceases to operate. 	Substantial
Bowes Museum Grant Review	Assurance review of the arrangements in place to mitigate against the risks of: <ul style="list-style-type: none"> - Grant awards are inappropriate. - Grant usage by the cultural/leisure provider is not in line with aims. - Cultural/leisure provider fails to achieve agreed performance/goals. - Provider ceases to operate. 	Substantial
Community Renewal Fund	Grant Certification	N/A

RESOURCES (Res)		
Banking Arrangements	Assurance review of the arrangements in place to mitigate against the risk of inadequate governance arrangements being in place for banking	Substantial
Bank Reconciliation	Assurance review of the arrangements in place to mitigate against the risks of; <ul style="list-style-type: none"> - Material errors / fraudulent activities within bank accounts and / or the General Ledger are not identified and corrected in a timely manner - Theft or misuse of Council funds and/or bank accounts. - Transaction errors made by the bank go unnoticed. - Inaccurate or misleading financial information. - Performance is not properly managed or monitored. 	Substantial
Better Care Fund and Improved BCF (Sn 75)	Grant Certification	Not Applicable

Progress on the Implementation of Audit Recommendations Appendix 4

	Actions Due	Actions Implemented	Overdue Actions by original target date	Number of Actions where the original target has been revised	Overdue Actions following a revised target date
ADULT AND HEALTH SERVICES (AHS)					
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	1	0	0	0
Total	1	1	0	0	0
2022/23					
High	0	0	0	0	0
Medium	4	4	0	0	0
Total	4	4	0	0	0
Overall Total	9	8	1	1	0
CHIEF EXECUTIVE					
2022/23					
High	0	0	0	0	0
Medium	1	1	0	0	0
Total	1	1	0	0	0
Overall Total	1	1	0	0	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	36	36	0	0	0
Total	38	38	0	0	0
2022/23					
High	0	0	0	0	0
Medium	19	17	2	2	0
Total	19	17	2	2	0
Overall Total	71	69	2	2	0
NEIGHBOURHOODS AND CLIMATE CHANGE (NCC)					
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	9	9	0	0	0
Medium	15	15	0	0	0
Total	24	24	0	0	0
Overall Total	56	56	0	0	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	7	7	0	0	0
Total	7	7	0	0	0
Overall Total	27	27	0	0	0
RESOURCES (RES)					
2019/20					
High	0	0	0	0	0
Medium	116	115	1	1	0
Total	116	115	1	1	0
2020/21					
High	0	0	0	0	0
Medium	61	61	0	0	0
Total	61	61	0	0	0
2021/22					
High	1	1	0	0	0
Medium	18	17	1	1	0
Total	19	18	1	1	0
2022/23					
High	0	0	0	0	0
Medium	17	15	2	2	0
Total	17	15	2	2	0
Overall Total	213	209	4	4	0
TOTAL COUNCIL					
2019/20					
High	0	0	0	0	0
Medium	116	115	1	1	0
Total	116	115	1	1	0
2020/21					
High	5	5	0	0	0
Medium	112	111	1	1	0
Total	117	116	1	1	0
2021/22					
High	3	3	0	0	0
Medium	69	68	1	1	0
Total	72	71	1	1	0
2022/23					
High	9	9	0	0	0
Medium	63	59	4	4	0
Total	72	68	4	4	0
OVERALL TOTAL	377	370	7	7	0

Performance Indicators as at 31 March 2023

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)	80% as at 31 March 2023
Timeliness of Draft Reports	% of draft reports issued within 20 working days of end of fieldwork/closure interview	100% (Quarterly)	96% (72 out of 75)
Timeliness of Final Reports	% of final reports issued within 10 working days of receipt of management response	100% (Quarterly)	96% (73 out of 76)
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)	98% (64 out of 65) Av. score of 4.7
Customers providing feedback response	% of customers returning satisfaction returns	70% (Quarterly)	83%