

Audit Committee

29 February 2024

**Internal Audit Progress Update
Report Period Ended 31
December 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 undertaken by Internal Audit during the period 1 April 2023 to 31 December 2023, as part of the delivery of Internal Audit Plan for 2023/24 agreed by Audit Committee.

Executive Summary

- 2 The report provides an overview of performance against the Internal Audit Plan 2023/24, 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 Those marked with an asterisk are not for publication (Exempt information under Part 3 of Schedule 12a to the Local Government Act 1972, paragraph 3):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 2023/24;
 - (b) Appendix 3 – Final reports issued in the quarter ended 31 December 2023;
 - (c) Appendix 4 – The number of high and medium priority actions raised and implemented in 2023/24;
 - (d) Appendix 5 – Internal Audit performance indicators;
 - (e) Appendix 6* – Overdue Actions.
 - (f) Appendix 7* – Limited Assurance Reports and progress on follow up reviews.

Recommendations

- 4 Members of the Audit Committee are asked to note:
- (a) the amendments made to the Internal Audit Plan during quarter three;
 - (b) the work undertaken by Internal Audit during the period ending 31 December 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 2023/24, covering the period 1 April 2023 to 31 March 2024, was approved by the Audit Committee on 23 May 2023.

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 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)	5	6	2	0	12
Chief Executive (CE)	0	1	0	0	1
Children and Young People's Services (CYPS) *Excluding Schools	4	4	5	1	9
Neighbourhoods and Climate Change (NCC)	6	0	6	0	5
Regeneration, Economy and Growth (REG)	1	4	2	0	8
Resources (RES)	2	21	14	3	21
Schools	0	0	13	17	31
TOTAL	18	36	42	21	87

- 9 A summary of the final internal audit reports issued during quarter three is presented in Appendix 3.

- 10 The total number of productive days available during 2023/24 was originally estimated to be 3,152.
- 11 As at 31 December 2023, the service had delivered 2,135 productive days, representing 68% of the total planned productive days for the year. The profiled target delivery of productive days to the end of December was for 67.5% to have been delivered, performance at 31 December was therefore in line with the profiled target.
- 12 As at the end of December 2023, approximately 53% of the planned audit work had been completed. There has been significant progress made in the delivery of the audit plan during this quarter.
- 13 As the Committee is aware, the service has experienced recruitment and retention challenges over the last 18 months and although the service is now operating with a full complement of staff, there continues to be significant training and development requirements which need to be met, reducing the productive capacity within the team.
- 14 There has also been an increase in seasonal sickness during the period which has impacted on the delivery of the Internal Audit Plan.

Internal Audit activity in the quarter

Amendments to the Approved Internal Audit Plan

- 15 Ten reviews were removed from the approved Internal Audit Plan in the quarter and details of these are set out below:

Service Grouping	Audit	Audit Type	Reason
Adult and Health Services	Commissioning of Mental Health Services	Assurance	Deferred to 2024/25
Adult and Health Services	New CQC Inspection Regime	Assurance	Deferred to 2024/25
Adult and Health Services	CITO System Review	Assurance	Deferred to 2024/25
Children and Young Peoples Services	Disability Commissioning Arrangements (Short Breaks)	Assurance	Deferred to 2024/25
Regeneration, Economy and Growth Services	Surplus property process and procedures	Assurance	Service request to defer the assurance review to 2024/25 as the surplus policy is to be approved in January 2024 following

Service Grouping	Audit	Audit Type	Reason
			which a period of time to implement the revisions would be beneficial.
Regeneration, Economy and Growth Services	Financial Assistance Policy and Property re-purpose loans	Assurance	Service request to defer the review due to other priorities.
Resources	Budgetary Control and Financial Reporting	Assurance	Recent work carried out by CIPFA, and a planned staff consultation, will lead to action plans that will impact on the existing process.
Resources	Active Directory –	Advice & Consultancy	A planned assurance review is to be carried out in quarter four, so the advice and guidance work is no longer required.
Resources	Digital Strategy	Assurance	Service request to defer the review to 2024/25.
Resources	Procurement Cards	Assurance	Agreed deferral to allow for the implementation of additional directive controls to be embedded following the roll out of the revised P2P policies and procedures.

16 Two unplanned reviews were added to the Internal Audit Plan in the quarter, details as follows:

Service Grouping	Audit	Audit Type	Reason
Resources (RES)	P2P Performance and Improvement Project	Advice & Consultancy	The working group has recently been re-established and Internal Audit attendance was requested by service management to provide advice and guidance on any internal control issues raised and provide an update on audit

Service Grouping	Audit	Audit Type	Reason
			activity carried out during the year.
Resources (RES)	Equal Pay Risk	Assurance	Service request for advice and consultancy review to be added.

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 2023. The average score of 4.6 out of 5 (where 1= Very Poor and 5 = Very Good) is the same as the average score from 2022/23.

Service Grouping	Surveys issued	Surveys returned	% returned	Av. score
Adult and Health Services (AHS)	12	12	100	4.9
Children and Young People's Services (CYPS) *Excluding Schools	3	3	100	4.9
Chief Executive (CE)	0	0	N/A	N/A
Neighbourhoods and Climate Change (NCC)	1	1	100	5.0
Regeneration, Economy and Growth (REG)	2	2	100	4.7
Resources (RES)	19	18	95	4.7
Schools	31	20	65	4.1
TOTAL	68	56	82	4.6

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 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)	12	12	0 (0%)	0	0
Chief Executive (CE)	9	9	0 (0%)	0	0
Children and Young People's Services (CYPS) [Excluding Schools]	58	58	0 (0%)	0	0
Neighbourhoods and Climate Change (NCC)	33	33	0 (0%)	0	0
Regeneration, Economy and Growth (REG)	16	16	0 (0%)	0	0
Resources (RES)	222	220	2 (1%)	2	0
TOTAL	350	348	2 (1%)	2	0

21 It is encouraging to note that, of the 350 actions due to be implemented, 348 (99%) 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 and the reasons for delay in implementing in line with the original expected dates are noted in Appendix 6.

Limited Assurance Audit Opinions

22 There have been two 'limited assurance' opinion audits issued in the period. These are summarised in the table below. Further detail on these reviews is provided in Appendix 7.

Service Grouping	Service Area	Audit
Children and Young People's Services (CYPS)	Education Services	One Primary School and One Special School

Performance Indicators

23 A summary of actual performance, as at the end of December 2023, compared with our agreed targets, is detailed in Appendix 5.

Background papers

- Specific Internal Audit reports issued and working papers.

Contact: Tracy Henderson Tel: 03000 269668

Nicola Cooke Tel: 03000 269665

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 2023 TO 31 MARCH 2024

SERVICE GROUPING	SERVICE	AUDIT ACTIVITY	AUDIT TYPE	STATUS	OPINION
2022 / 2023 audits brought forward into plan					
Adult and Health Services	Adult Care	Azeus - Finance Process	Advice & Consultancy	Final Report	N/A
Adult and Health Services	Adult Care	Azeus - Panel Process	Advice & Consultancy	Final Report	N/A
Adult and Health Services	Adult Care	Azeus - System Upgrade Testing Methodology	Advice & Consultancy	Final Report	N/A
Adult and Health Services	Commissioning	Continuing Health Care and Funded Nursing Care	Assurance	Final Report	Moderate
Adult and Health Services	Adult Care	Section 117 payments	Assurance	Final Report	Moderate
Children and Young People's Services	Early Help, Inclusion and Vulnerable Children	Supporting Families Programme - Claim 4	Grant	Final Report	N/A
Children and Young People's Services	Early Help, Inclusion and Vulnerable Children	High Needs Budget	Follow Up	Final Report	N/A
Children and Young People's Services	Early Help, Inclusion and Vulnerable Children	Children in Need	Audit	Final Report	Substantial
Regeneration, Economy and Growth	Corporate Property and Land	Asset Valuation	Assurance	Final Report	Moderate
Regeneration, Economy and Growth	Culture, Sport and Tourism	CLUK Income Share Agreement	Assurance	Final Report	Substantial
Resources	Digital Services	Active Directory	Assurance	Planning and Preparation	
Resources	Digital Services	ICT Purchasing	Assurance	Final Report	Moderate
Resources	Digital Services	Incident Management	Assurance	Final Report	Moderate
Resources	Transactional and Customer Services	Council Tax: Valuation	Key System	Final Report	Substantial
Resources	Transactional and Customer Services	Business Rates - Valuation	Key System	Final Report	Substantial
Resources	Transactional and Customer Services	Housing Benefits and CTR - Overarching	Key System	Final Report	Substantial
Resources	Procurement, Sales and Business Services	Creditor Payments - Overarching	Key System	Final Report	Moderate
Resources	Procurement, Sales and Business Services	Creditors - Retrospective POs	Key System	Final Report	Moderate
Resources	Procurement, Sales and Business Services	Creditors - Receipting of goods	Key System	Final Report	Moderate
Resources	Transactional and Customer Services	Financial Assessments	Assurance	Final Report	Moderate
Resources	HR and Employee Services	Payroll - Preparation - Temporary input	Key System	Final Report	Substantial
Resources	Corporate Finance and Commercial Services	Short Term Investments	Assurance	Final Report	Substantial
Resources	Corporate Finance and Commercial Services	Section 256 agreements	Grant	Final Report	N/A
Resources	Legal & Democratic Services	External Legal Fees	Advice & Consultancy	Final Report	N/A
Internal Audit Plan for period from 1st April 2023 to 31 March 2024					
Adult and Health Services	Commissioning	Approval and Payment of Commissioned Services - Panel arrangements for pa	Assurance	Not Yet Started	
Adult and Health Services	Commissioning	Commissioning of Learning Disability Services	Assurance	Planning and Preparation	
Adult and Health Services	Commissioning	Commissioning of Mental Health Services	Assurance	Planning and Preparation	
Adult and Health Services	Adult Care	Azeus - Governance Board	Advice & Consultancy	In Progress	
Adult and Health Services	Adult Care	Workforce Development Fund	Grant	Final Report	N/A
Adult and Health Services	Adult Care	Pathways	Assurance	Final Report	Moderate
Adult and Health Services	Adult Care	Pathways - Durham	Assurance	Final Report	Substantial
Adult and Health Services	Adult Care	Pathways - Peterlee	Assurance	Final Report	Substantial
Adult and Health Services	Adult Care	Pathways - Spennymoor	Assurance	Final Report	Substantial
Adult and Health Services	Adult Care	Pathways - Newton Aycliffe	Assurance	Final Report	Substantial
Adult and Health Services	Adult Care	Pathways - Stanley	Assurance	Final Report	Substantial
Adult and Health Services	Adult Care	Joint Committee Development	Advice & Consultancy	In Progress	
Adult and Health Services	Adult Care	New CQC Inspection Regime	Assurance	Not Yet Started	
Adult and Health Services	Commissioning	Commissioning of Domiciliary Care	Assurance	Planning and Preparation	
Adult and Health Services	Public Health	Public Health Claims Processed Via Pharmoutcomes	Assurance	Planning and Preparation	
Adult and Health Services	Public Health	Stop Smoking Service	Assurance	Planning and Preparation	
Adult and Health Services	Public Health	Provider Selection Regime (Procurement)	Advice & Consultancy	Not Yet Started	
Adult and Health Services	Public Health	Healthy Start Vitamin Distribution	Assurance	Not Yet Started	
Adult and Health Services	Adult Care	Extra Care Housing	Assurance	Planning and Preparation	
Adult and Health Services	Adult Care	Azeus	Assurance	Not Yet Started	
Adult and Health Services	Commissioning	Review of Commissioning arrangements with Medequip	Assurance	Cancelled	
Chief Executive	Corporate Affairs	Changing Places Toilets	Grant	Final Report	N/A
Chief Executive	Corporate Affairs	Data Quality	Assurance	Planning and Preparation	
Neighbourhoods and Climate Change	Community Protection Services	Intelligence Handling	Assurance	Not Yet Started	
Neighbourhoods and Climate Change	Environment	Carbon Emissions Performance	Advice & Consultancy	In Progress	
Neighbourhoods and Climate Change	Environment	Carbon Connects	Grant	Final Report	
Neighbourhoods and Climate Change	Environment	Carbon Connects	Grant	Cancelled	
Neighbourhoods and Climate Change	Environment	SMEPower (Claim 7)	Grant	Cancelled	
Neighbourhoods and Climate Change	Environment	Nature for Climate Peatland (Claim 1)	Grant	Final Report	
Neighbourhoods and Climate Change	Environment	Nature for Climate Peatland (Claim 2)	Grant	Final Report	
Neighbourhoods and Climate Change	Environment	Durham Crematorium	Assurance	Not Yet Started	
Neighbourhoods and Climate Change	Environment	Mountsett Crematorium	Assurance	Not Yet Started	
Neighbourhoods and Climate Change	Environment	Fuel Stocks and Stores	Assurance	Final Report	Substantial
Neighbourhoods and Climate Change	Environment	Fleet Management - Hire Process	Assurance	Not Yet Started	
Neighbourhoods and Climate Change	Environment	Domestic Vehicle Charging Working Group	Advice & Consultancy	In Progress	
Neighbourhoods and Climate Change	Environment	Trade Waste	Assurance	In Progress	
Neighbourhoods and Climate Change	Environment	Replacement Processes for Business Energy Efficiency Project (BEEP)	Advice & Consultancy	Not Yet Started	
Neighbourhoods and Climate Change	Highways	Local Transport Capital Block Funding	Grant	Final Report	N/A
Neighbourhoods and Climate Change	Highways	Stores Management	Assurance	In Progress	
Neighbourhoods and Climate Change	Highways	Highways Permits	Advice & Consultancy	In Progress	
Neighbourhoods and Climate Change	Partnerships and Community Engagement	Community Grants - Review of Funding Processes	Advice & Consultancy	In Progress	
Neighbourhoods and Climate Change	All Services	Additional Audit Support - NCC	Advice & Consultancy	Not Yet Started	
Regeneration, Economy and Growth	Corporate Property and Land	Milburngate Development Governance	Assurance	Deferred	
Regeneration, Economy and Growth	Corporate Property and Land	Policies and Procedures for due diligence on new tenants	Advice & Consultancy	Deferred	
Regeneration, Economy and Growth	Economic Development	Finance Durham	Assurance	Planning and Preparation	
Regeneration, Economy and Growth	Planning and Housing	Financial Assistance Policy and Property Re-Purpose Loans	Assurance	Deferred	
Regeneration, Economy and Growth	Planning and Housing	Homes England	Assurance	Planning and Preparation	
Regeneration, Economy and Growth	Corporate Property and Land	Asset Valuation	Assurance	Planning and Preparation	
Regeneration, Economy and Growth	Corporate Property and Land	Surplus property process and procedures	Advice & Consultancy	Deferred	
Regeneration, Economy and Growth	Corporate Property and Land	Bishop Auckland Heritage Action Zone - Project Manager	Grant	Final Report	N/A
Regeneration, Economy and Growth	Corporate Property and Land	Bishop Auckland Heritage Action Zone - Heritage Skills	Grant	Final Report	N/A
Regeneration, Economy and Growth	Corporate Property and Land	Bishop Auckland Heritage Action Zone - Community Engagement	Grant	Final Report	N/A
Regeneration, Economy and Growth	Corporate Property and Land	Bishop Auckland Heritage Action Zone - Conservation Area Grant Scheme	Grant	Deferred	
Regeneration, Economy and Growth	Culture, Sport and Tourism	Gala Stage School	Assurance	In Progress	
Regeneration, Economy and Growth	Economic Development	UK Shared Prosperity Fund	Assurance	Planning and Preparation	
Regeneration, Economy and Growth	Planning and Housing	Disabled Facilities Grant	Grant	In Progress	
Regeneration, Economy and Growth	Transport and Contract Services	Local Transport Capital Block Funding	Grant	Final Report	N/A
Regeneration, Economy and Growth	Transport and Contract Services	Bus Subsidy Ring Fenced Grant	Grant	Final Report	N/A
Regeneration, Economy and Growth	Planning and Housing	Home Upgrade Grant (HUG) 2	Grant	Final Report	N/A
Regeneration, Economy and Growth	Transport and Contract Services	Active Travel Funding Project	Grant	Not yet started	
Resources	Corporate Finance and Commercial Services	Budgetary Control and Financial Reporting	Key System	Cancelled	
Resources	Procurement, Sales and Business Services	Contract Management	Assurance	Planning and Preparation	
Resources	Transactional and Customer Services	Business Rates - Billing & Refunds	Key System	Draft Report	
Resources	Transactional and Customer Services	Housing Benefits: Overpayment Recovery	Key System	Planning and Preparation	
Resources	Transactional and Customer Services	Deputy and Appointees - Personal Allowance Payments	Assurance	Planning and Preparation	
Resources	Corporate Finance and Commercial Services	Section 256 Agreements	Grant	In Progress	
Resources	Corporate Finance and Commercial Services	Better Care Fund (Section 75)	Grant	In Progress	
Resources	Corporate Finance and Commercial Services	Leases	Advice & Consultancy	In Progress	
Resources	Digital Services	Information Governance Group	Advice & Consultancy	In Progress	
Resources	Digital Services	Information Management:	Assurance	Not yet started	
Resources	Digital Services / Corporate Affairs	Information Management - BI Data Ingestion	Assurance	In Progress	
Resources	Digital Services	CRM - Internal Management and Governance	Assurance	Final Report	Moderate
Resources	Digital Services	Change Management	Assurance	Planning and Preparation	
Resources	Digital Services	Platform Security	Assurance	Planning and Preparation	
Resources	Digital Services	Vulnerability Management	Assurance	Draft Report	
Resources	Digital Services	Active Directory	Advice & Consultancy	Cancelled	
Resources	Digital Services	Digital Strategy	Assurance	Deferred	
Resources	Digital Services	Third Party Access	Assurance	Final Report	Moderate
Resources	Digital Services	Digital Durham	Grant	Final Report	N/A
Resources	Digital Services	IT Asset Management	Advice & Consultancy	In Progress	
Resources	HR and Employee Services	Payroll - Overarching	Key System	Planning and Preparation	
Resources	HR and Employee Services	ResourceLink Programme Board	Advice & Consultancy	In Progress	
Resources	HR and Employee Services	Payroll - Taxation/PAYE	Key System	Planning and Preparation	
Resources	HR and Employee Services	Payroll - Preparation - Permanent Input	Key System	In Progress	
Resources	HR and Employee Services	Payroll - Agency System	Key System	In Progress	
Resources	Legal & Democratic Services	Police and Crime Panel	Grant	Final Report	N/A
Resources	Legal & Democratic Services	RIPA Officers Group	Advice & Consultancy	In Progress	
Resources	Legal & Democratic Services	Company Governance Group	Advice & Consultancy	In Progress	
Resources	Legal & Democratic Services	RIPA Compliance	Assurance	Planning and Preparation	
Resources	Legal & Democratic Services	Tender Opening Arrangements	Assurance	Planning and Preparation	
Resources	Legal & Democratic Services	Public Interest Report - Culture and Governance	Advice & Consultancy	Planning and Preparation	
Resources	Procurement, Sales and Business Services	Support for standard process using HALO. SLA charging process.	Advice & Consultancy	Planning and Preparation	
Resources	Procurement, Sales and Business Services	Creditors	Key System	Planning and Preparation	
Resources	Procurement, Sales and Business Services	Petty Cash and Payment Cards workstream	Advice & Consultancy	In Progress	
Resources	Procurement, Sales and Business Services	Procurement Cards	Assurance	Deferred	
Resources	Procurement, Sales and Business Services	Business Support links to Payroll and Employee Services (PES)	Advice & Consultancy	Deferred	
Resources	Transactional and Customer Services	Business Rates - Overarching	Key System	Planning and Preparation	

INTERNAL AUDIT PLAN FOR PERIOD 1 APRIL 2023 TO 31 MARCH 2024

SERVICE GROUPING	SERVICE	AUDIT ACTIVITY	AUDIT TYPE	STATUS	OPINION
Resources	Transactional and Customer Services	Business Rates - Recovery	Key System	Final Report	Substantial
Resources	Transactional and Customer Services	Housing Benefits and Council Tax Reduction - Overarching	Key System	Planning and Preparation	
Resources	Transactional and Customer Services	Housing Benefits and Council Tax Reduction - Supported Accommodation	Advice & Consultancy	Planning and Preparation	
Resources	Transactional and Customer Services	Council Tax - Overarching	Key System	Planning and Preparation	
Resources	Transactional and Customer Services	Council Tax - Recovery	Key System	Final Report	Substantial
Resources	Transactional and Customer Services	Council Tax - QA and Appeals	Key System	Planning and Preparation	
Resources	Transactional and Customer Services	Cash Management	Key System	In Progress	
Resources	Transactional and Customer Services	Cash Management - Community Coaches	Key System	Draft Report	
Resources	Transactional and Customer Services	Cash Management - Spennymoor Education Centre	Key System	Final Report	Moderate
Resources	Transactional and Customer Services	Debtors	Key System	Planning and Preparation	
Resources	Transactional and Customer Services	BACS Submissions	Assurance	Final Report	Substantial
Resources	Transactional and Customer Services	Customer Services process review	Advice & Consultancy	Planning and Preparation	
Resources	Transactional and Customer Services	Household Support Fund	Advice & Consultancy	Planning and Preparation	
Resources	All Services	Additional Audit Support	Advice & Consultancy	Not yet started	
Resources	Legal & Democratic Services	Gifts and Hospitality	Assurance	In Progress	
Children and Young People's Services	Early Help, Inclusion and Vulnerable Children	Supporting Families Programme - Q1	Grant	Final Report	N/A
Children and Young People's Services	Early Help, Inclusion and Vulnerable Children	Family Hubs and Start for Life	Grant	Final Report	N/A
Children and Young People's Services	Early Help, Inclusion and Vulnerable Children	Supporting Families Programme - Q2	Grant	Cancelled	
Children and Young People's Services	Early Help, Inclusion and Vulnerable Children	Supporting Families Programme - Q3	Grant	Final Report	N/A
Children and Young People's Services	Early Help, Inclusion and Vulnerable Children	Supporting Families Programme - Q4	Grant	Planning and Preparation	
Children and Young People's Services	Early Help, Inclusion and Vulnerable Children	Special Guardianship and Child Arrangement Orders	Follow Up	Planning and Preparation	
Children and Young People's Services	Children's Social Care	Placement Resource Panel (PRP) Arrangements	Audit	Planning and Preparation	
Children and Young People's Services	Children's Social Care	Local Adoption Governance	Audit	Cancelled	
Children and Young People's Services	Early Help, Inclusion and Vulnerable Children	Children's Homes Review of Financial Procedures	Advice & Consultancy	In Progress	
Children and Young People's Services	Early Help, Inclusion and Vulnerable Children	Supervised Spend - Leaving Care Service	Audit	Not yet started	
Children and Young People's Services	Early Help, Inclusion and Vulnerable Children	One Point Hubs and Family Centres	Audit	Deferred	
Children and Young People's Services	Children's Social Care	Children's Homes - Procurement Cards	Advice & Consultancy	Deferred	
Children and Young People's Services	Early Help, Inclusion and Vulnerable Children	Fun and Food	Audit	Draft Report	
Children and Young People's Services	Early Help, Inclusion and Vulnerable Children	Aycliffe Secure Services	Audit	Final Report	Substantial
Children and Young People's Services	Early Help, Inclusion and Vulnerable Children	Disability Commissioning Arrangements (Short Breaks)	Audit	Deferred	
Children and Young People's Services	All Services	Caldicott Compliance	Audit	Not yet started	
Children and Young People's Services	All Services	Caldicott Group	Advice & Consultancy	In Progress	
Children and Young People's Services	Children's Social Care	Liquidlogic - ContrOCC - Manual Payments	Audit	Not yet started	
Children and Young People's Services	Education and Skills	Schools Financial Value Standard (SFVS)	Audit	In Progress	
Children and Young People's Services	Early Help, Inclusion and Vulnerable Children	High Needs Top Up Funding Arrangements in Schools	Audit	Not yet started	
Children and Young People's Services	Early Help, Inclusion and Vulnerable Children	Home to School Transport - Procurement Workstream	Advice & Consultancy	In Progress	
Children and Young People's Services	Early Help, Inclusion and Vulnerable Children	Home to School Transport - Procurement Bid Analysis	Advice & Consultancy	Final Report	N/A
Children and Young People's Services	Education and Skills	Governor Training	Advice & Consultancy	In Progress	
Children and Young People's Services	Early Help, Inclusion and Vulnerable Children	Supporting Families Programme	Grant	Planning and Preparation	
Children and Young People's Services	Early Help, Inclusion and Vulnerable Children	Turnaround Programme (Youth Justice)	Grant	Cancelled	
Children and Young People's Services	Education and Skills	Multiply (UKSPF) Funding	Grant	Final Report	N/A

FINAL REPORTS ISSUED IN PERIOD ENDING 31 DECEMBER 2023

AUDIT AREA	BRIEF DESCRIPTION OF SCOPE OF THE AUDIT	FINAL OPINION
ADULT AND HEALTH SERVICES (AHS)		
Pathways	Review of the overarching service wide arrangements in place at pathways.	Moderate
CHILDREN AND YOUNG PEOPLE'S SERVICES (CYPS)		
Supporting Families Programme - Q3	Verification of grant claim	Not Applicable
Aycliffe Secure Services	Review of the arrangements in place at Aycliffe Secure Services including; <ul style="list-style-type: none"> •Safe arrangements and the administration of petty cash •Young People's allowances •Procurement card purchases •Cash banking's 	Substantial
Home to School Transport - Procurement Bid Analysis	Review of Home to School Transport Procurement Bids	Not Applicable
NEIGHBOURHOODS AND CLIMATE CHANGE (NCC)		
Carbon Connects	Grant Certification	Not Applicable
Nature for Climate Peatland (Claim 1)	Grant Certification	Not Applicable
Nature for Climate Peatland (Claim 2)	Grant Certification	Not Applicable

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

REGENERATION, ECONOMY AND GROWTH (REG)		
Disabled Facilities Grant	Grant Certification	N/A
Active Travel Funding Project	Grant Certification	N/A

RESOURCES (Res)		
ICT Purchasing	<p>Assurance review of the arrangements in place to mitigate against the risks of:</p> <ul style="list-style-type: none"> • ICT purchases being inconsistent with ICT Strategy and business requirements, including securing value for money. • Nonalignment of planned vs actual spending in relation to department and IT budget. • Data loss on expired software if license renewal is unable to be funded. 	Moderate
Incident Management	Assurance review of the arrangements in place to mitigate against the risk of ICT being unable to respond to incidents efficiently, effectively and on a timely basis.	Moderate
Creditor Payments – Overarching	Overarching assurance review combining the outcomes from individual Creditors reviews carried out.	Moderate
Creditors- Retrospective POs	Assurance review of the arrangements in place to manage the risk of unauthorised or inappropriate procurement of goods / services.	Moderate
Creditors - Receipting of goods	Assurance review of the arrangements in place to manage the risk of unauthorised or inappropriate procurement of goods / services.	Moderate

AUDIT AREA

BRIEF DESCRIPTION OF SCOPE OF THE AUDIT

**FINAL
OPINION**

RESOURCES (Res)		
Financial Assessments	Assurance review of the arrangements in place to manage the risk that financial assessments are not undertaken promptly or are not accurate.	Moderate
Payroll Preparation Temporary input	Assurance review of the arrangements in place to manage the risk that incorrect payments are made, salary payments are not made or deductions are made incorrectly.	Substantial
CRM - Internal Management and Governance	<p>Assurance review of the arrangements in place to mitigate against the risks of:</p> <ul style="list-style-type: none"> • Contract and length of terms are not effectively managed or monitored. • Lack of prioritisation and governance from resources when performing roles and responsibilities. • Licenses and user access controls are not effectively managed. • Access to system data is not securely managed. • Customer data is not effectively managed due to vulnerabilities in the system. • System is not compliant with security risk standards. • Operating environments are not developed & maintained via live testing, patch fixing and monitoring. • Resources are not managed effectively and appropriately. • CRM systems do not interact or communicate with other third-party software. • Customer issues that arise are not dealt with accordingly. • Duplicate accounts are not managed effectively. <p>Customer satisfaction is impacted through mismanagement of overall service experience.</p>	Moderate
Third Party Access	Assurance review of the arrangements in place to manage the risk that third party access to the system/data is not secure and is not managed appropriately.	Moderate
Business Rates - Recovery	<p>Assurance review of the arrangements in place to mitigate against the risks of:</p> <ul style="list-style-type: none"> • Failure to adhere to legislation, best practice, and/or procedures. • Recovery action is not initiated promptly and relevant records and accounts are not updated to record the recovery action. • Records are not updated to record recovery action and securely held. <p>Performance is not adequately managed / reported.</p>	Substantial

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

RESOURCES (Res)		
Council Tax – Recovery	<p>Assurance review of the arrangements in place to mitigate against the risks of:</p> <ul style="list-style-type: none"> • Failure to adhere to legislation, best practice, and/or procedures. • Recovery action is not initiated promptly and relevant records and accounts are not updated to record the recovery action. • Records are not updated to record recovery action and securely held. • Performance is not adequately managed / reported. 	Substantial
Cash Management - Spennymoor Education Centre	<p>Assurance review of the arrangements in place to mitigate against the risks of:</p> <ul style="list-style-type: none"> • Non-compliance with financial regulations. • Theft or misappropriation. • Inappropriate recovery action taken against a customer who has paid. • Information and data are not protected from loss, damage or unauthorised disclosure. • Loss / theft of card data. <p>Payments are not made, or are not made promptly, due to the inability to access an appropriate payment channel.</p>	Moderate
BACS Submissions	<p>Assurance review of the arrangements in place to mitigate against the risks of:</p> <ul style="list-style-type: none"> • Payments are made to incorrect accounts, or they are paid late. • Payments are inefficiently monitored. • Poor management of BACS Submission Files. • Reconciliations are not regularly performed on accounts. • Refunds are not issued within timescales or are incorrect. 	Substantial
Section 256 agreements	Grant certification	N/A

	Actions Due	Actions Implemented	Overdue Actions by original target date	Number of Actions where the original target has been revised	Overdue Actions following a revised target date
ADULT AND HEALTH SERVICES (AHS)					
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
2023/24					
High	0	0	0	0	0
Medium	3	3	0	0	0
Total	3	3	0	0	0
Overall Total	8	8	0	0	0
CHIEF EXECUTIVE					
2022/23					
High	0	0	0	0	0
Medium	9	9	0	0	0
Total	9	9	0	0	0
2023/24					
High	0	0	0	0	0
Medium	0	0	0	0	0
Total	0	0	0	0	0
Overall Total	9	9	0	0	0
CHILDREN AND YOUNG PEOPLE'S SERVICES (CYPS)					
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	19	0	0	0
Total	19	19	0	0	0
2023/24					
High	0	0	0	0	0
Medium	1	1	0	0	0
Total	1	1	0	0	0
Overall Total	58	58	0	0	0
NEIGHBOURHOODS AND CLIMATE CHANGE (NCC)					
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
2023/24					
High	0	0	0	0	0
Medium	0	0	0	0	0
Total	0	0	0	0	0
Overall Total	33	33	0	0	0
REGENERATION, ECONOMY AND GROWTH (REG)					
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
2023/24					
High	0	0	0	0	0
Medium	4	4	0	0	0
Total	4	4	0	0	0
Overall Total	16	16	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	18	0	0	0
Total	19	19	0	0	0
2022/23					
High	0	0	0	0	0
Medium	17	17	0	0	0
Total	17	17	0	0	0
2023/24					
High	0	0	0	0	0
Medium	9	8	1	1	0
Total	9	8	1	1	0
Overall Total	222	220	2	2	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	0	0	0	0	0
Medium	61	61	0	0	0
Total	61	61	0	0	0
2021/22					
High	3	3	0	0	0
Medium	69	69	0	0	0
Total	72	72	0	0	0
2022/23					
High	9	9	0	0	0
Medium	71	71	0	0	0
Total	80	80	0	0	0
2023/24					
High	0	0	0	0	0
Medium	17	16	1	1	0
Total	17	16	1	1	0
OVERALL TOTAL	346	344	2	2	0

Performance Indicators as at 31 December 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)	68% as at 31 December 2023
Timeliness of Draft Reports	% of draft reports issued within 20 working days of end of fieldwork/closure interview	100% (Quarterly)	100% (88 out of 88)
Timeliness of Final Reports	% of final reports issued within 10 working days of receipt of management response	100% (Quarterly)	100% (71 out of 71)
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% (55 out of 55) Av. score of 4.6
Customers providing feedback response	% of customers returning satisfaction returns	70% (Quarterly)	81%