

Audit Committee

20 May 2024

Internal Audit Progress Update Report Period Ended 31 March 2024



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 2023 to 31 March 2024, as part of the Internal Audit Plan for 2023/24.

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 Those marked with an asterisk are not for publication (Exempt information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 March 2024;
- (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 Audits

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 2024;
- (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 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 March 2024 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	1	3	1	16
Chief Executive (CE)	0	1	0	0	1
Children and Young People's Services (CYPS) *Excluding Schools	0	0	2	0	18
Neighbourhoods and Climate Change (NCC)	2	0	3	0	11
Regeneration, Economy and Growth (REG)	0	2	1	1	11
Resources (RES)	1	10	12	1	40
Schools	0	0	2	4	56
TOTAL	3	14	23	7	153

- 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 2023/24 was originally estimated to be 3,152. As at 31 March 2024, the service had delivered 2,943 productive days, representing 93% 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 above the profiled target.
- 11 As at 31 March, approximately 80% of the audits in the revised plan had been successfully delivered, with significant progress made during this quarter.
- 12 As the Committee is aware, the service has experienced recruitment and retention challenges over the last two years 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, which has reduced the productive capacity within the team.
- 13 Based on the work undertaken to date, 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

- 14 Four reviews were removed from the approved Internal Audit Plan in the quarter.

Service Grouping	Audit	Audit Type	Reason
Neighbourhoods and Climate Change (NCC)	Fleet Management – Hire Process	Assurance	This review was deferred at the services request to the 24/25 audit plan due to ongoing staff recruitment within the hire desk team.
Resources	Contract Management	Assurance	Service request to defer the review to 2024/25.
Adult and Health Services (AHS)	Healthy Start Vitamin Distribution	Assurance	Deferred at the request of the Service.
Adult and Health Services (AHS)	Approval and Payment of Commissioned Services - Panel arrangements for payments to providers	Assurance	Deferred at the request of the Service.

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

Service Grouping	Audit	Audit Type	Reason
Resources	Creditor Payments - Supplier Masterfile	Assurance	Key financial system review focused specifically on the sub system of supplier Masterfile management.
Resources	Creditor Payments - Duplicate payment checking process	Assurance	Key financial system review focused specifically on the sub system of the duplicate payment checking process.
Resources	Debtors - Debt Referrals to services	Assurance	Key financial system review focused specifically on the sub system of debt referrals to services
Resources	Debtors - Knockdown Damage Process	Assurance & Consultancy	Key financial system review focused specifically on the sub system of the knockdown damage process
Resources	Credit Union	Advice	Service request for data matching / analysis of transactions relating to the Durham Credit Union's bank reconciliation process.

Outstanding Management Responses to Draft Internal Audit Reports

16 There are no overdue management responses to draft reports at the end of this reporting period.

Survey Response Rate

17 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 March 2024. The average score of 4.7 out of 5 (where 1= Very Poor and 5 = Very Good) is the same the average score from 2023/23.

Service Grouping	Surveys issued	Surveys returned	% returned	Av. score
Adult and Health Services (AHS)	15	14	93	4.8
Children and Young People's Services (CYPS) *Excluding Schools	4	4	100	4.9
Chief Executive (CE)	0	0	n/a	n/a
Neighbourhoods and Climate Change (NCC)	5	5	100	5
Regeneration, Economy and Growth (REG)	3	3	100	4.7
Resources (RES)	27	27	100	4.7
Schools	55	36	65	4.4
TOTAL	109	89	82	4.7

Responses to Internal Audit Findings and Recommendations

- 18 Details of the numbers of High and Medium priority ranked recommendations that have been raised and those that are overdue, by Service Grouping, are presented in Appendix 4.
- 19 A summary of progress on the actions due, implemented and overdue, as at 31 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)	13	11	2 (15%)	1	0
Chief Executive (CE)	9	9	0 (0%)	0	0
Children and Young People's Services (CYPS) [Excluding Schools]	71	70	1 (%)	1	0
Neighbourhoods and Climate Change (NCC)	35	35	0 (0%)	0	0
Regeneration, Economy and Growth (REG)	25	25	0 (0%)	0	0
Resources (RES)	222	220	2 (1%)	2	0
TOTAL	375	370	5 (1%)	4	0

20 It is encouraging to note that, of the 375 actions due to be implemented, 370 (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.

Limited Assurance Audit Opinions

21 There was one 'limited assurance' opinion audits issued in the period. This is summarised in the table below. Further detail on this review is provided in Appendix 7.

Service Grouping	Service Area	Audit
Children and Young People's Services (CYPS)	Early Help, Inclusion and Vulnerable Children	Fun and Food

Performance Indicators

22 A summary of actual performance, as at the end of March 2024, 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 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	Grants & Claims	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	Grants & Claims	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	Cancelled	
Resources	Procurement, Sales and Business Services	Creditor Payments - Supplier Masterfile	Assurance	In progress	
Resources	Procurement, Sales and Business Services	Creditor Payments - Duplicate payment checking process	Assurance	In progress	
Resources	Transactional and Customer Services	Debtors - Debt Referrals to services	Assurance	In progress	
Resources	Transactional and Customer Services	Debtors - Knockdown Damage Process	Assurance	In progress	
Resources	Corporate Finance and Commercial Services	Credit Union	Advice and Consultancy	In progress	
Adult and Health Services	Commissioning	Commissioning of Learning Disability Services	Advice & Consultancy	Final Report	N/A
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	Grants & Claims	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	Draft Report	
Adult and Health Services	Adult Care	New CQC Inspection Regime	Assurance	Deferred	
Adult and Health Services	Commissioning	Commissioning of Domiciliary Care	Assurance	Final Report	Substantial
Adult and Health Services	Public Health	Public Health Claims Processed Via Pharmoutcomes	Assurance	Final Report	Substantial
Adult and Health Services	Public Health	Stop Smoking Service	Assurance	In Progress	
Adult and Health Services	Public Health	Provider Selection Regime (Procurement)	Advice & Consultancy	Final Report	N/A
Adult and Health Services	Public Health	Healthy Start Vitamin Distribution	Assurance	Deferred	
Adult and Health Services	Adult Care	Extra Care Housing	Assurance	In Progress	
Adult and Health Services	Adult Care	Azeus	Assurance	Deferred	
Adult and Health Services	Commissioning	Review of Commissioning arrangements with Medequip	Assurance	Cancelled	
Chief Executive	Corporate Affairs	Changing Places Toilets	Grants & Claims	Final Report	N/A
Chief Executive	Corporate Affairs	Data Quality	Assurance	Planning and Preparation	
Neighbourhoods and Climate Change	Community Protection Services	Intelligence Handling	Assurance	In Progress	
Neighbourhoods and Climate Change	Environment	Carbon Emissions Performance	Advice & Consultancy	Final Report	N/A
Neighbourhoods and Climate Change	Environment	Carbon Connects	Grants & Claims	Final Report	N/A
Neighbourhoods and Climate Change	Environment	Carbon Connects	Grants & Claims	Cancelled	
Neighbourhoods and Climate Change	Environment	SMEPower (Claim 7)	Grants & Claims	Cancelled	
Neighbourhoods and Climate Change	Environment	Nature for Climate Peatland (Claim 1)	Grants & Claims	Final Report	N/A
Neighbourhoods and Climate Change	Environment	Nature for Climate Peatland (Claim 2)	Grants & Claims	Final Report	N/A
Neighbourhoods and Climate Change	Environment	Durham Crematorium	Assurance	Final Report	Substantial
Neighbourhoods and Climate Change	Environment	Mountsett Crematorium	Assurance	Final Report	Substantial
Neighbourhoods and Climate Change	Environment	Fuel Stocks and Stores	Assurance	Final Report	Substantial
Neighbourhoods and Climate Change	Environment	Fleet Management - Hire Process	Assurance	Deferred	
Neighbourhoods and Climate Change	Environment	Domestic Vehicle Charging Working Group	Advice & Consultancy	In Progress	
Neighbourhoods and Climate Change	Environment	Trade Waste	Assurance	Final Report	Substantial
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	Grants & Claims	Final Report	N/A
Neighbourhoods and Climate Change	Highways	Stores Management	Assurance	Final Report	Substantial
Neighbourhoods and Climate Change	Highways	Highways Permits	Advice & Consultancy	Final Report	N/A
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	In Progress	
Regeneration, Economy and Growth	Corporate Property and Land	Asset Valuation	Assurance	Draft Report	
Regeneration, Economy and Growth	Corporate Property and Land	Surplus property process and procedures	Advice & Consultancy	Cancelled	
Regeneration, Economy and Growth	Corporate Property and Land	Bishop Auckland Heritage Action Zone - Project Manager	Grants & Claims	Final Report	N/A
Regeneration, Economy and Growth	Corporate Property and Land	Bishop Auckland Heritage Action Zone - Heritage Skills	Grants & Claims	Final Report	N/A
Regeneration, Economy and Growth	Corporate Property and Land	Bishop Auckland Heritage Action Zone - Community Engagement	Grants & Claims	Final Report	N/A
Regeneration, Economy and Growth	Corporate Property and Land	Bishop Auckland Heritage Action Zone - Conservation Area Grant Scheme	Grants & Claims	Cancelled	
Regeneration, Economy and Growth	Culture, Sport and Tourism	Gala Stage School	Assurance	Final Report	Substantial
Regeneration, Economy and Growth	Economic Development	UK Shared Prosperity Fund	Assurance	Planning and Preparation	
Regeneration, Economy and Growth	Planning and Housing	Disabled Facilities Grant	Grants & Claims	Final Report	N/A
Regeneration, Economy and Growth	Transport and Contract Services	Local Transport Capital Block Funding	Grants & Claims	Final Report	N/A
Regeneration, Economy and Growth	Transport and Contract Services	Bus Subsidy Ring Fenced Grant	Grants & Claims	Final Report	N/A
Regeneration, Economy and Growth	Planning and Housing	Home Upgrade Grant (HUG) 2	Grants & Claims	Final Report	N/A
Regeneration, Economy and Growth	Transport and Contract Services	Active Travel Funding Project	Grants & Claims	Final Report	N/A
Resources	Corporate Finance and Commercial Services	Budgetary Control and Financial Reporting	Key System	Cancelled	
Resources	Procurement, Sales and Business Services	Contract Management	Assurance	Cancelled	
Resources	Transactional and Customer Services	Business Rates - Billing & Refunds	Key System	Final Report	Substantial
Resources	Transactional and Customer Services	Housing Benefits: Overpayment Recovery	Key System	Final Report	Substantial
Resources	Transactional and Customer Services	Deputy and Appointees - Personal Allowance Payments	Assurance	In Progress	
Resources	Corporate Finance and Commercial Services	Section 256 Agreements	Grants & Claims	Draft Report	
Resources	Corporate Finance and Commercial Services	Better Care Fund (Section 75)	Grants & Claims	Final Report	N/A
Resources	Corporate Finance and Commercial Services	Leases	Advice & Consultancy	In Progress	
Resources	Digital Services	Information Governance Group	Advice & Consultancy	Final Report	N/A
Resources	Digital Services	Information Management:	Assurance	Not yet started	
Resources	Digital Services / Corporate Affairs	Information Management - BI Data Ingestion	Assurance	Final Report	N/A
Resources	Digital Services	CRM - Internal Management and Governance	Assurance	Final Report	Moderate
Resources	Digital Services	Change Management	Assurance	In Progress	
Resources	Digital Services	Platform Security	Assurance	In Progress	
Resources	Digital Services	Vulnerability Management	Assurance	Final Report	Substantial
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	Grants & Claims	Final Report	N/A
Resources	Digital Services	IT Asset Management	Advice & Consultancy	Final Report	N/A
Resources	HR and Employee Services	Payroll - Overarching	Key System	Planning and Preparation	
Resources	HR and Employee Services	ResourceLink Programme Board	Advice & Consultancy	Final Report	N/A
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	Draft Report	
Resources	Legal & Democratic Services	Police and Crime Panel	Grants & Claims	Final Report	N/A
Resources	Legal & Democratic Services	RIPA Officers Group	Advice & Consultancy	Final Report	N/A
Resources	Legal & Democratic Services	Company Governance Group	Advice & Consultancy	Final Report	N/A
Resources	Legal & Democratic Services	RIPA Compliance	Assurance	Final Report	N/A
Resources	Legal & Democratic Services	Tender Opening Arrangements	Assurance	Planning and Preparation	
Resources	Legal & Democratic Services	Public Interest Report - Culture and Governance	Advice & Consultancy	Final Report	N/A
Resources	Procurement, Sales and Business Services	Support for standard process using HALO. SLA charging process.	Advice & Consultancy	Final Report	N/A

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

SERVICE GROUPING	SERVICE	AUDIT ACTIVITY	AUDIT TYPE	STATUS	OPINION
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	Final Report	N/A
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	Final Report	Substantial
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	In Progress	
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	Final Report	Substantial
Resources	Transactional and Customer Services	Cash Management - Community Coaches	Key System	Final Report	Substantial
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	In Progress	
Resources	Transactional and Customer Services	Household Support Fund	Advice & Consultancy	Planning and Preparation	
Resources	All Services	Additional Audit Support	Advice & Consultancy	Final Report	N/A
Resources	Legal & Democratic Services	Gifts and Hospitality	Assurance	Final Report	Substantial
Children and Young People's Services	Early Help, Inclusion and Vulnerable Children	Supporting Families Programme - Q1	Grants & Claims	Final Report	N/A
Children and Young People's Services	Early Help, Inclusion and Vulnerable Children	Family Hubs and Start for Life	Grants & Claims	Final Report	N/A
Children and Young People's Services	Early Help, Inclusion and Vulnerable Children	Supporting Families Programme - Q2	Grants & Claims	Cancelled	
Children and Young People's Services	Early Help, Inclusion and Vulnerable Children	Supporting Families Programme - Q3	Grants & Claims	Final Report	N/A
Children and Young People's Services	Early Help, Inclusion and Vulnerable Children	Supporting Families Programme - Q4	Grants & Claims	Final Report	N/A
Children and Young People's Services	Early Help, Inclusion and Vulnerable Children	Special Guardianship and Child Arrangement Orders	Follow Up	Final Report	N/A
Children and Young People's Services	Children's Social Care	Placement Resource Panel (PRP) Arrangements	Audit	Cancelled	
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	Final Report	N/A
Children and Young People's Services	Early Help, Inclusion and Vulnerable Children	Supervised Spend - Leaving Care Service	Audit	In Progress	
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	Final Report	Limited
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	Deferred	
Children and Young People's Services	All Services	Caldicott Group	Advice & Consultancy	Final Report	N/A
Children and Young People's Services	Children's Social Care	Liquidlogic - ContrOCC - Manual Payments	Audit	Deferred	
Children and Young People's Services	Education and Skills	Schools Financial Value Standard (SFVS)	Audit	Final Report	N/A
Children and Young People's Services	Early Help, Inclusion and Vulnerable Children	High Needs Top Up Funding Arrangements in Schools	Audit	In Progress	
Children and Young People's Services	Early Help, Inclusion and Vulnerable Children	Home to School Transport - Procurement Workstream	Advice & Consultancy	Final Report	N/A
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	Final Report	N/A
Children and Young People's Services	Early Help, Inclusion and Vulnerable Children	Supporting Families Programme	Grants & Claims	Final Report	N/A
Children and Young People's Services	Early Help, Inclusion and Vulnerable Children	Turnaround Programme (Youth Justice)	Grants & Claims	Cancelled	
Children and Young People's Services	Education and Skills	Multiply (UKSPF) Funding	Grants & Claims	Final Report	N/A

FINAL REPORTS ISSUED IN PERIOD ENDING 31 MARCH 2024

AUDIT AREA	BRIEF DESCRIPTION OF SCOPE OF THE AUDIT	FINAL OPINION
ADULT AND HEALTH SERVICES (AHS)		
Commissioning of Domiciliary Care	Review of the use of commissioned domiciliary care providers (Framework and Provider Panel Agreements), the process for sourcing providers for individual care packages via RFQs and the supporting arrangements for contracting with providers.	Substantial
Public Health Claims Processed Via PharmOutcomes	Review of the PharmOutcomes system controls that support the claims process for the Supervised Consumption Service. Review of supervised consumption data to identify whether data quality issues (such as duplicate claims) are prevalent within system data.	Substantial
Implementation of Local PSR Framework	Review of PSR processes, document templates and policies and procedures developed by DCC to provide feedback on the efficiency of the process, adequacy of internal controls and compliance with the NHS PSR statutory guidance.	N/A
CHILDREN AND YOUNG PEOPLE'S SERVICES (CYPS)		
Fun and Food	Review of the Fun and Food programme to provide assurance that controls are in place to ensure; <ul style="list-style-type: none"> •Funding is appropriately awarded to eligible organisations and activities. •The programme is monitored and performance managed. •Payments to providers are not made in compliance with established policies, procedures and guidance. •The programme attracts suitable applicants. 	Limited
Supporting Families Programme	Verification of grant claim	N/A
Supporting Families Programme - Q4	Verification of grant claim	N/A

NEIGHBOURHOODS AND CLIMATE CHANGE (NCC)		
Stores Management	<p>Assurance review of the arrangements in place to mitigate against the risks of;</p> <ul style="list-style-type: none"> • Misappropriation or loss of stock. • Stock holding is excessive or does not meet operational needs • Obsolete/spoiled stock. • Cost of providing stores exceeds the benefits. • Unsafe practices within the stores. • Stock valuation is inaccurate. 	Substantial
Trade Waste	<p>Assurance review of the arrangements in place to mitigate against the risks of;</p> <ul style="list-style-type: none"> • Bins are not emptied through crew error, irregular routes/times, or adverse weather • Customers lost to private sector • Failure to meet income target • Extra Waste is collected but not charged • Bills are incorrect, not issued in a timely manner or remain unpaid • Trade Waste information is not properly recorded, managed and maintained • Operatives encounter dangerous situations or waste • Business unaware of proper disposal methods for waste or of services available • Service objectives are not achieved • Trade Waste collected has not been correctly disposed of • Waste is not correctly recorded or reported to the relevant organisations / bodies 	Substantial
Highways Permits	An Advice & Consultancy review to ensure that the charges made to utility companies in relation to highways permits for road and street works are appropriate and will not generate a surplus.	N/A
Carbon Emissions Performance	An Advice & Consultancy review to ensure that the methods employed to calculate the authority's operational carbon footprint, and performance, comply with relevant guidelines, includes all fuels, includes all data from relevant operations, and provides accurately calculated figures which are appropriately reported against carbon reduction targets	N/A

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

REGENERATION, ECONOMY AND GROWTH (REG)		
Gala Youth Theatre	<p>Assurance review of the arrangements in place to mitigate against the risks of:</p> <ul style="list-style-type: none"> • Courses do not meet service/student expectations • Availability of facilities not as expected • Database registration data is lost • Fees are unpaid • Cost of providing the Youth Theatre outweighs agreed budget • Injury/abuse of students • Data Protection breach 	Substantial

RESOURCES (Res)		
Business Rates - Refunds	Assurance review of the arrangements in place to mitigate against the risk that income is inappropriately returned to a customer who has an outstanding debt with the Council.	Substantial
Housing Benefits: Overpayment 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 HB legislation, best practice, policies and/or procedures. • Performance is not adequately managed or reported. • Recovery action is inappropriate, not initiated or not initiated promptly and/or appropriately monitored. • Non-Compliance with Data protection Act 2018. 	Substantial
Information Management - BI Data Ingestion	Consultancy work to review the processes that have been used to ingest data into the data lake to date.	N/A
Vulnerability Management	Assurance review of the arrangements in place to manage the risk of Security weaknesses in IT Systems being exploited.	Substantial
Business Rates – Overarching	A report to pull together the audit work on Business Rates to provide an overall assurance opinion	Substantial

RESOURCES (Res)		
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
Cash Management	Overarching assurance review combining the outcomes from individual Cash Management reviews carried out.	Substantial
Gifts and Hospitality	Assurance review of the arrangements in place to mitigate against the risk that decisions made by DCC employees are inappropriately influenced by the receipt of gifts or hospitality.	Substantial

	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	8	6	2	2	0
Total	8	6	2	2	0
Overall Total	13	11	2	2	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	14	13	1	0	1
Total	14	13	1	1	1
Overall Total	71	70	1	1	1
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	2	2	0	0	0
Total	2	2	0	0	0
Overall Total	35	35	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	13	13	0	0	0
Total	13	13	0	0	0
Overall Total	25	25	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	46	42	4	3	1
Total	46	42	4	3	1
OVERALL TOTAL	375	370	5	4	1

Performance Indicators as at 31 March 2024

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)	93% as at 31 March 2024
Timeliness of Draft Reports	% of draft reports issued within 20 working days of end of fieldwork/closure interview	100% (Quarterly)	100% (118 out of 118)
Timeliness of Final Reports	% of final reports issued within 10 working days of receipt of management response	100% (Quarterly)	100% (115 out of 115)
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% (89 out of 89) Av. score of 4.7
Customers providing feedback response	% of customers returning satisfaction returns	70% (Quarterly)	82%