

## Audit Committee

29 November 2024

Internal Audit Progress Update  
Report Period Ended 30  
September 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 2024 to 31 March 2025, as part of the Internal Audit Plan for 2024/25.

### Executive Summary

- 2 The report provides an overview of performance against the Internal Audit Plan 2024/25, 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 Those marked with an asterisk are not for publication (Exempt information under Part 3 of Schedule 12a to the Local Government Act 1972, paragraph 3):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 2024/25;
  - (b) Appendix 3 – Final reports issued in the quarter ended 30 September 2024;
  - (c) Appendix 4 – The number of high and medium priority actions raised and implemented in 2024/25;
  - (d) Appendix 5 – Internal Audit performance indicators;
  - (e) Appendix 6\* – Overdue Actions;
  - (f) Appendix 7\* - Limited Assurance Audit.

## **Recommendations**

- 4 Members are asked to note:
- (a) the amendments made to the Internal Audit Plan during quarter one;
  - (b) the work undertaken by Internal Audit during the period ending 30 September 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 It is a statutory requirement for the council to have an internal audit service, which provides assurance on the council's internal control environment, risk management and governance arrangements.
- 6 The Internal Audit Plan for 2024/25, covering the period 1 April 2024 to 31 March 2025, was approved by the Audit Committee on 20 May 2024.

## Progress against the Internal Audit Plan

- 7 A summary of the approved Internal Audit Plan for each Service Grouping, updated to include work in progress and any audits brought forward from last year's plan, is attached at Appendix 2. The appendix illustrates the status of each audit as at 30 September 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)	7	0	7	2	6
Chief Executive (CE)	3	2	3	0	3
Children and Young People's Services (CYPS) *Excluding Schools	12	3	4	1	7
Neighbourhoods and Climate Change (NCC)	9	4	1	0	3
Regeneration, Economy and Growth (REG)	6	1	5	1	5
Resources (RES)	8	11	19	2	19
Schools	1	20	4	2	13
<b>TOTAL</b>	<b>46</b>	<b>41</b>	<b>43</b>	<b>8</b>	<b>56</b>

- 9 A summary of the final internal audit reports issued during quarter one is presented in Appendix 3.
- 10 The total number of productive days available during 2024/25 was originally estimated to be 2,856. As at 30 September 2024, the service had delivered 1,458 productive days, representing 51% of the total

estimated planned days for the year. The target to the end of September was for 45% to have been delivered, therefore performance was above the profiled target.

- 11 As at 30 September, approximately 33% of the audits in the plan had been delivered. Although one member of staff was absent during the period due to long term sickness and another member of staff retired leaving a vacant position within the team, the service remains on track to deliver the audit plan by the end of the audit year.

## Internal Audit activity in the quarter

### Amendments to the Approved Internal Audit Plan

- 12 Nine reviews were removed from the approved Internal Audit Plan in the quarter.

Service Grouping	Audit	Audit Type	Reason
Adult & Health Services	SALT - Short and Long Term Care	Assurance	The final SALT return has been completed and submitted to the NHS. SALT has been replaced with Client Level Data (CLD). CLD audit to be considered for inclusion on 2025/26 audit plan.
Children & Young People Services	SALT - Speech, Language and Communication Therapy - Shortage of Teachers	Assurance	Audit resource unavailable. Low risk audit area.
Children & Young People Services	Children's Homes - Procurement Cards	Assurance	Procurement Card pilot exercise ongoing. Internal Audit providing advice and support where necessary. Internal Audit involvement continuing through involvement in Payment Cards Workstream.
Regeneration, Economy & Growth	Housing Infrastructure Fund - Newton Aycliffe	Assurance	Originally included in the draft internal audit plan in error.
Regeneration, Economy & Growth	Surplus Property Process and Procedures	Assurance	Audit resource unavailable. As the procedures were recently updated at Corporate Property Board this is considered a low risk audit area.
Resources	Welfare Assistance Scheme	Assurance	Service indication that no internal audit work is

<b>Service Grouping</b>	<b>Audit</b>	<b>Audit Type</b>	<b>Reason</b>
			required at the present time but to be reconsidered as part of the strategic audit planning process.
Resources	Procurement Cards	Assurance	Ongoing pilot of Lloyds digital solution for the recording of transactions that will result in the need to amend the existing policies and procedures
Resources	Electoral Services	Assurance	Service request to defer the audit until after the May 2025 elections due to ongoing pressures on the service to complete the electoral canvass followed by the boundary review.
Resources	Contract Management	Assurance	Service request to defer the audit due to the implementation of the public contract regulations 2023 and allow contract managers to undertake the required training.

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

<b>Service Grouping</b>	<b>Audit</b>	<b>Audit Type</b>	<b>Reason</b>
Adult & Health Services	Advice and Guidance - AHS Panel-Finance Issues	Advice & Consultancy	Provide advice, guidance and support AHS and Finance colleagues.
Regeneration, Economy & Growth	Bus Service Improvement Plan Grant	Grant Certification	Grant certification request from service management.
Regeneration, Economy & Growth	Traffic Signal Grant	Grant Certification	Grant certification request from service management.
Resources	Business Rates - Liability including reliefs & exemptions	Assurance	Key financial system review focused specifically on the sub system of liability, reliefs and exemptions.
Resources	Off Contract Spend	Assurance	Added at the request of the Head of Internal Audit & Corporate Fraud Manager to replace the contract

Service Grouping	Audit	Audit Type	Reason
			management audit that has been deferred.

## Outstanding Management Responses to Draft Internal Audit Reports

14 There are no overdue management responses to draft reports.

## Survey Response Rate

15 The table below sets out the response rate and average score, by Service Grouping, for the customer satisfaction surveys issued during the period up to 30 September 2024. The average score of 4.8 out of 5 (where 1= Very Poor and 5 = Very Good) is above the average score from 2023/24, which was 4.7.

Service Grouping	Surveys issued	Surveys returned	% returned	Av. score
Adult and Health Services (AHS)	5	4	80	5.0
Children and Young People's Services (CYPS) *Excluding Schools	4	3	75	4.8
Chief Executive (CE)	3	3	100	5.0
Neighbourhoods and Climate Change (NCC)	1	1	100	4.3
Regeneration, Economy and Growth (REG)	3	3	100	4.9
Resources (RES)	15	15	100	4.8
Schools	7	3	43	4.9
<b>TOTAL</b>	<b>38</b>	<b>32</b>	<b>84</b>	<b>4.8</b>

## Responses to Internal Audit Findings and Recommendations

16 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.

17 A summary of progress on the actions due, implemented and overdue, as at 30 September 2024, is given in the table below.

<b>Service Grouping</b>	<b>No. of Actions Due</b>	<b>No. of Actions Implemented</b>	<b>No. Overdue by Original Target Date</b>	<b>No. with Revised Target Date</b>	<b>No. Overdue by Revised Target Date</b>
Adult and Health Services (AHS)	13	13	0	0	0
Chief Executive (CE)	15	15	0	0	0
Children and Young People's Services (CYPS) [Excluding Schools]	27	27	0	0	0
Neighbourhoods and Climate Change (NCC)	32	32	0	0	0
Regeneration, Economy and Growth (REG)	25	25	0	0	0
Resources (RES)	250	237	13	13	0
<b>TOTAL</b>	<b>362</b>	<b>349</b>	<b>13</b>	<b>13</b>	<b>0</b>

18 It is encouraging to note that, of the 362 actions due to be implemented, 349 (96%) 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**

19 Two 'limited assurance' opinion audits were issued in the period. Details of these can be seen in Appendix 7.

### **Performance Indicators**

20 A summary of actual performance, as at the end of September 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**

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### **Legal Implications**

The Accounts and Audit Regulation 2015 (Part 2, Section 5) states a relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal audit standards or guidance.

Furthermore, Internal Audit assists the Corporate Director of Resources in fulfilling their duties under Section 151 of the Local Government Act 1972 which requires each Local Authority to make arrangements for the proper administration of their financial affairs.

### **Finance**

There are no direct financial implications associated with this report.

Internal Audit work has clear and direct effects, through recommendations made, to assist in improving value for money obtained, the probity and propriety of financial administration, and / or the management of operational risks.

### **Consultation**

All Corporate Directors and Heads of Service.

### **Equality and Diversity / Public Sector Equality Duty**

None.

### **Climate Change**

There are no direct implications on climate change as a result of this report, however the Internal Audit Service ensures that it considers climate change and sustainability in the recommendations that are made.

### **Human Rights**

None.

### **Crime and Disorder**

None.

### **Staffing**

None.

## **Accommodation**

None.

## **Risk**

The key risk is that actions agreed in audit reports to improve the control environment and assist the Council in achieving its objectives are not implemented. To mitigate this risk, a defined process exists within the Service to gain assurance that all actions agreed have been implemented on a timely basis. Such assurance is reflected in reports to the Audit Committee. Where progress has not been made, further action is agreed and overseen by the Audit Committee to ensure action is taken.

## **Procurement**

None.

## INTERNAL AUDIT PLAN FOR PERIOD 1 APRIL 2024 TO 31 MARCH 2025

SERVICE GROUPING	SERVICE	AUDIT ACTIVITY	AUDIT TYPE	STATUS	OPINION
<b>2023 / 2024 audits brought forward into plan</b>					
Adult and Health Services	Adult Care	Joint Committee Development	Advice & Consultancy	Final Report	N/A
Adult and Health Services	Public Health	Stop Smoking Service	Assurance	Final Report	Substantial
Adult and Health Services	Adult Care	Extra Care Housing	Assurance	Final Report	Moderate
Adult and Health Services	Adult Care	Azeus Panel Process	Assurance	Draft Report	
Childrens and Young People's Services	Children's Social Care	Special Guardianship and Child Arrangement Orders	Follow Up	Draft Report	
Childrens and Young People's Services	Children's Social Care	Supervised Spend - Leaving Care Service	Assurance	Final Report	Moderate
Childrens and Young People's Services	Children's Social Care	High Needs Top Up Funding Arrangements in Schools	Assurance	In Progress	
Neighbourhoods and Climate Change	Community Protection Services	Intelligence Handling	Assurance	Final Report	Substantial
Neighbourhoods and Climate Change	Environment	Fleet Management - Hire Process	Assurance	Not Yet Started	
Regeneration, Econmoy and Growth	Planning and Housing	Homes England	Assurance	Final Report	Substantial
Regeneration, Econmoy and Growth	Corporate Property and Land	Asset Valuation	Assurance	Final Report	Substantial
Regeneration, Econmoy and Growth	Economic Development	UK Shared Prosperity Fund	Assurance	Final Report	Substantial
Regeneration, Econmoy and Growth	Economic Development	Finance Durham	Assurance	Deferred	N/A
Resources	Transactional and Customer Services	Council Tax - Overarching Report	Key System	Final Report	Substantial
Resources	Transactional and Customer Services	Council Tax: Quality Assurance & Appeals	Key System	Final Report	Substantial
Resources	Transactional and Customer Services	Housing Benefits and Council Tax Reduction - Overarching	Key System	In Progress	
Resources	Transactional and Customer Services	Housing & Council Tax Reduction - Supported Accommodation	Advice & Consultancy	In Progress	
Resources	Transactional and Customer Services	Customer Services Process Review	Advice & Consultancy	In Progress	
Resources	Transactional and Customer Services	Household Support Fund	Advice & Consultancy	In Progress	
Resources	Procurement, Sales and Business Services	Creditors	Key System	Final Report	Moderate
Resources	Procurement, Sales and Business Services	Creditor Payments - Supplier Masterfile	Key System	Final Report	Moderate
Resources	Procurement, Sales and Business Services	Creditor Payments - Duplicate payment checking process	Key System	Final Report	Substantial
Resources	HR and Employee Services	Payroll - Overarching	Key System	In Progress	
Resources	HR and Employee Services	Payroll - Taxation (PAYE)	Key System	Final Report	Substantial
Resources	HR and Employee Services	Payroll - Allowance Payments	Key System	In Progress	
Resources	Transactional and Customer Services	Debtors	Key System	Final Report	Substantial
Resources	Transactional and Customer Services	Debtors - Debt Referrals to services	Key System	Final Report	Substantial
Resources	Transactional and Customer Services	Debtors - Knockdown Damage Process	Key System	Final Report	Moderate
Resources	Corporate Finance and Commercial Services	Leases	Advice & Consultancy	Planning and Preparation	
Resources	Procurement, Sales and Business Services	Support for Standard Process using HALO - SLA Charging Process	Advice & Consultancy	Complete	N/A
Resources	HR and Employee Services	Agency System	Assurance	Final Report	Limited
Resources	Procurement, Sales and Business Services	Tender Opening and Evaluation Processes	Key System	Final Report	Moderate
Resources	Transactional and Customer Services	Deputy and Appointee Team - Personal Allowance Payments	Assurance	In Progress	Moderate
Resources	Corporate Finance and Commercial Services	Section 256 agreements	Assurance	Final Report	N/A
Resources	Digital Services	Change Management	Assurance	Final Report	Moderate
Resources	Digital Services	Active Directory	Assurance	In Progress	
Resources	Digital Services	Platform Security - Virtual Machines	Assurance	Final Report	Moderate
Resources	Corporate Finance and Commercial Services	Credit Union	Advice & Consultancy	Complete	N/A
Chief Executive Service	Corporate Affairs	Data Quality	Assurance	In Progress	
Chief Executive Service	Legal and Democratic Services	Non-RIPA Surveillance	Assurance	Final Report	Substantial
Chief Executive Service	Legal and Democratic Services	Public Interest Report - Culture and Governance	Advice & Consultancy	Cancelled	
<b>Internal Audit Plan for period from 1st April 2024 to 31 March 2025</b>					
Adult and Health Services	Commissioning	Workforce Development Fund	Assurance	In Progress	
Adult and Health Services	Adult Care	Transition Arrangements Between CYPs & AHS	Assurance	In Progress	
Adult and Health Services	Commissioning	Commissioning of LD MH Services - Residential Care	Assurance	Draft Report	
Adult and Health Services	Adult Care	New CQC Inspection Regime	Assurance	Not yet started	
Adult and Health Services	Adult Care	County Durham Care & Support - Shared Lives	Assurance	Not yet started	
Adult and Health Services	Adult Care	Adaptations Service	Assurance	In Progress	
Adult and Health Services	Adult Care	Learning Disability Task and Finish Group	Advice & Consultancy	In Progress	
Adult and Health Services	Adult Care	Rolling Respite Care	Assurance	Not yet started	
Adult and Health Services	Public Health	PharmOutcomes - Influenza Vaccination Claims	Assurance	Final Report	Substantial
Adult and Health Services	Public Health	Healthy Start Vitamin Distribution	Assurance	Final Report	Substantial
Adult and Health Services	Commissioning	Commissioning of LDMH Services - Supported Living	Assurance	Final Report	Substantial
Adult and Health Services	Adult Care	CITO System Review	Assurance	Not yet started	
Adult and Health Services	Adult Care	Azeus Board	Assurance	In Progress	
Adult and Health Services	Adult Care	Azeus - Data Quality	Assurance	Not yet started	
Adult and Health Services	Adult Care	Azeus - Provision Costing	Assurance	Not yet started	
Adult and Health Services	Adult and Health Services	Advice and Guidance - AHS	Advice & Consultancy	In Progress	
Adult and Health Services	AHS	Advice and Guidance - AHS Panel-Finance Issues	Advice & Consultancy	In Progress	
Adult and Health Services	Adult Care	SALT - Short and Long Term Care	Assurance	Not yet started	
Childrens and Young People's Services	Early Help, Inclusion and Vulnerable Children	Supporting Families Programme	Grant	Not yet started	
Childrens and Young People's Services	Early Help, Inclusion and Vulnerable Children	Supporting Families Programme Q1	Grant	Final Report	N/A
Childrens and Young People's Services	Early Help, Inclusion and Vulnerable Children	Supporting Families Programme Q2	Grant	Final Report	N/A
Childrens and Young People's Services	Early Help, Inclusion and Vulnerable Children	Supporting Families Programme Q3	Grant	Not yet started	
Childrens and Young People's Services	Early Help, Inclusion and Vulnerable Children	Supporting Families Programme Q4	Grant	Not yet started	
Childrens and Young People's Services	Education and Skills	Multiply (UKSPF) Funding	Grant	Final Report	N/A
Childrens and Young People's Services	Children's Social Care	Lifelong Links Programme Grant	Grant	Final Report	N/A
Childrens and Young People's Services	Children's Social Care	PEER Mentoring Grant	Grant	Final Report	N/A
Childrens and Young People's Services	Children's Social Care	Foster Carer Payments	Assurance	In Progress	
Childrens and Young People's Services	Children's Social Care	Placement Resource Panel (PRP) Arrangements	Assurance	Not yet started	
Childrens and Young People's Services	Children's Social Care	Children's Homes	Assurance	Not yet started	
Childrens and Young People's Services	Early Help, Inclusion and Vulnerable Children	Family Hubs and Start for Life	Grant	Final Report	Substantial
Childrens and Young People's Services	Early Help, Inclusion and Vulnerable Children	One Point Hubs - Intensive Family Support Team	Assurance	Planning and Preparation	
Childrens and Young People's Services	Early Help, Inclusion and Vulnerable Children	Commissioning of Support Services for Children with SEND	Assurance	Planning and Preparation	
Childrens and Young People's Services	CYPs	Caldicott Compliance	Assurance	Not yet started	
Childrens and Young People's Services	CYPs	Caldicott Group	Advice & Consultancy	In Progress	
Childrens and Young People's Services	CYPs	Liquidlogic	Assurance	Not yet started	
Childrens and Young People's Services	Education and Skills	School Transport Budget	Assurance	Not yet started	
Childrens and Young People's Services	Education and Skills	Schools - Safe Recruitment and Selection	Advice & Consultancy	Not yet started	
Childrens and Young People's Services	Early Help, Inclusion and Vulnerable Children	Home to School Transport Procurement Workstream	Assurance	Not yet started	
Childrens and Young People's Services	Education and Skills	Arrangements for the allocation of SEN funding and its application in schools	Assurance	Not yet started	
Childrens and Young People's Services	Education and Skills	Review of Swimming SLA	Assurance	Not yet started	
Childrens and Young People's Services	Early Help, Inclusion and Vulnerable Children	Youth Justice Service	Assurance	Planning and Preparation	
Childrens and Young People's Services	CYPs	Advice and Guidance - CYPs	Advice & Consultancy	In Progress	
Childrens and Young People's Services	Early Help, Inclusion and Vulnerable Children	SALT - Speech, Language and Communication Therapy - Shortage of	Assurance	Deferred	
Childrens and Young People's Services	Children's Social Care	Children's Homes - Procurement Cards	Advice & Consultancy	Deferred	
Neighbourhoods and Climate Change	Highways	Local Transport Capital Block Funding	Grant	Final Report	N/A
Neighbourhoods and Climate Change	Environment	Nature for Climate Peatland (Claim 3)	Grant	Not Yet Started	
Neighbourhoods and Climate Change	Partnerships and Community Engagement	Community Grants Sample	Advice & Consultancy	Planning and Preparation	
Neighbourhoods and Climate Change	Community Protection Services	Pollution Control	Assurance	Not Yet Started	
Neighbourhoods and Climate Change	Environment	Clean and Green	Assurance	Planning and Preparation	Moderate
Neighbourhoods and Climate Change	Environment	Durham Crematorium	Assurance	Planning and Preparation	
Neighbourhoods and Climate Change	Environment	Mountsett Crematorium	Assurance	Not Yet Started	
Neighbourhoods and Climate Change	Community Protection Services	Fees and Charges	Assurance	Not Yet Started	
Neighbourhoods and Climate Change	Community Protection Services	Civil Penalties (Civil Sanctions)	Assurance	Not Yet Started	
Neighbourhoods and Climate Change	Highways	Space on Highway	Assurance	Not Yet Started	
Neighbourhoods and Climate Change	Community Protection Services	Works in Default	Advice & Consultancy	Not Yet Started	
Neighbourhoods and Climate Change	Environment	Neighbourhood Wardens	Assurance	Not Yet Started	
Neighbourhoods and Climate Change	Environment	Utility Bills	Assurance	In Progress	
Neighbourhoods and Climate Change	All Service	Advice and Guidance - NCC	Advice & Consultancy	Draft Report	
Regeneration, Econmoy and Growth	Planning and Housing	FAP and Property Re-Purpose Loans	Assurance	In Progress	
Regeneration, Econmoy and Growth	Planning and Housing	Disabled Facilities Grant	Grant	Final Report	N/A
Regeneration, Econmoy and Growth	Transport & Contract Services	Integrated Transport Block	Grant	Final Report	N/A
Regeneration, Econmoy and Growth	Transport & Contract Services	Bus Subsidy Ring Fenced Grant	Grant	In Progress	
Regeneration, Econmoy and Growth	Planning and Housing	Home Upgrade Grant (HUG) 2	Grant	Not yet started	
Regeneration, Econmoy and Growth	Transport & Contract Services	Future High Street Fund	Grant	In Progress	
Regeneration, Econmoy and Growth	Corporate Property and Land	Health & Safety Group	Advice & Consultancy	Not yet started	
Regeneration, Econmoy and Growth	Corporate Property and Land	Asset Management	Assurance	Planning and Preparation	
Regeneration, Econmoy and Growth	Culture, Sport and Tourism	Consett Empire Theatre	Assurance	Not yet started	N/A
Regeneration, Econmoy and Growth	Culture, Sport and Tourism	Gala Theatre - Box Office	Assurance	Not yet started	
Regeneration, Econmoy and Growth	Transport & Contract Services	Integrated Passenger Transport Unit - Adult Care Transport	Assurance	Not yet started	
Regeneration, Econmoy and Growth	Transport & Contract Services	Transport Contract Management - Contract Documentation and Invoice Payments	Assurance	Not yet started	Moderate
Regeneration, Econmoy and Growth	Transport & Contract Services	Transport Contract Management - Operator and Driver Verification	Assurance	Not yet started	
Regeneration, Econmoy and Growth	Regeneration, Econmoy and Growth	Advice and Guidance - REG	Advice & Consultancy	In progress	
Regeneration, Econmoy and Growth	Transport & Contract Services	Bus Service Improvement Plan Grant	Grant	In progress	
Regeneration, Econmoy and Growth	Transport & Contract Services	Traffic Signal Grant	Grant	Deferred	

INTERNAL AUDIT PLAN FOR PERIOD 1 APRIL 2024 TO 31 MARCH 2025

SERVICE GROUPING	SERVICE	AUDIT ACTIVITY	AUDIT TYPE	STATUS	OPINION
Regeneration, Economy and Growth	Corporate Property and Land	Surplus Property Process and Procedures	Advice & Consultancy	Cancelled	Substantial
Regeneration, Economy and Growth	Transport & Contract Services	Housing Infrastructure Fund - Newton Aycliffe	Grant	Planning and Preparation	
Resources	Transactional and Customer Services	Council Tax	Key System	Planning and Preparation	
Resources	Transactional and Customer Services	Enforcement & Insolvency	Key System	Planning and Preparation	
Resources	Transactional and Customer Services	Business Rates	Key System	Not yet started	
Resources	Transactional and Customer Services	Housing and Council Tax Benefits: Assessment - New Claims & Change in Circumstances	Key System	Final Report	Substantial
Resources	Transactional and Customer Services	Welfare Rights	Advice and Consultancy	Not yet started	
Resources	Transactional and Customer Services	County Durham Outreach and Support (CDOS)	Key System	Planning and Preparation	
Resources	Procurement, Sales and Business Services	Payment Cards Workstream	Advice and Consultancy	In Progress	
Resources	Procurement, Sales and Business Services	Creditor Payments	Key System	Not yet started	
Resources	Procurement, Sales and Business Services	P2P Performance and Improvement Project	Advice and Consultancy	In Progress	
Resources	HR and Employee Services	Payroll: Access to Data - Records	Assurance	In Progress	
Resources	HR and Employee Services	Payroll - Overarching	Assurance	Planning and Preparation	
Resources	HR and Employee Services	ResourceLink Programme Board	Advice and Consultancy	In Progress	
Resources	Transactional and Customer Services	Debtors	Key System	Not yet started	
Resources	Transactional and Customer Services	Cash Management	Key System	Planning and Preparation	
Resources	Transactional and Customer Services	Cash Management - Bishop Auckland Town Hall	Key System	Final Report	Moderate
Resources	Corporate Finance and Commercial Services	Direct Debit Payments	Assurance	In Progress	
Resources	Corporate Finance and Commercial Services	VAT	Key System	Not yet started	
Resources	Digital Services	Mobile Phones	Assurance	Planning and Preparation	
Resources	Corporate Finance and Commercial Services	Collection Fund	Key System	Not yet started	
Resources	Digital Services	Information Governance Group	Advice and Consultancy	In Progress	
Resources	HR and Employee Services	Recruitment and Selection	Assurance	Not yet started	
Resources	Procurement, Sales and Business Services	Contract Variations	Key System	Planning and Preparation	
Resources	Digital Services	Environmental Information Requests	Assurance	Draft Report	
Resources	Transactional and Customer Services	Financial Deputies	Assurance	Not yet started	
Resources	Corporate Finance and Commercial Services	Section 256 agreements	Grant	In Progress	
Resources	Corporate Finance and Commercial Services	Section 75 Agreements - Better Care Fund	Grant	Final Report	N/A
Resources	HR and Employee Services	Attendance Management Framework	Assurance	In Progress	
Resources	Digital Services	Backup Procedures	Assurance	In Progress	
Resources	Digital Services	SharePoint	Assurance	Draft Report	
Resources	Digital Services	Digital Programme	Assurance	Planning and Preparation	
Resources	Digital Services	Digital Durham	Grant	Planning and Preparation	
Resources	Digital Services	IT Asset Management	Advice and Consultancy	In Progress	
Resources	Resources	Advice and Guidance - Resources	Advice and Consultancy	In Progress	
Resources	Transactional and Customer Services	Council Tax - Refunds	Key System	Final Report	Substantial
Resources	Transactional and Customer Services	Business Rates - Liability including reliefs & exemptions	Key System	In Progress	
Resources	Procurement, Sales and Business Services	Off Contract Spend	Assurance	Planning and Preparation	
Resources	Transactional and Customer Services	Welfare Assistance Scheme	Key System	Deferred	
Resources	Procurement, Sales and Business Services	Procurement Cards	Key System	Deferred	
Resources	Procurement, Sales and Business Services	Contract Management	Key System	Deferred	
Chief Executive Service	Legal and Democratic Services	Police and Crime Panel Grant	Grant	Final Report	N/A
Chief Executive Service	Corporate Affairs	Changing Places Toilets (CPTs)	Grant	Planning and Preparation	
Chief Executive Service	Legal and Democratic Services	Members Expenses	Assurance	In Progress	
Chief Executive Service	Legal and Democratic Services	RIPA Officers Group	Advice & Consultancy	In Progress	
Chief Executive Service	Legal and Democratic Services	RIPA Officers Group - CF time	Advice & Consultancy	Not yet started	
Chief Executive Service	Corporate Affairs	Corporate Performance Management Framework	Assurance	Not yet started	
Chief Executive Service	Corporate Affairs	Corporate Business Intelligence	Assurance	In Progress	
Chief Executive Service	Legal and Democratic Services	Company Governance Group	Advice & Consultancy	Not yet started	
Chief Executive Service	Legal and Democratic Services	Registrars	Assurance	Not yet started	

**FINAL REPORTS ISSUED IN PERIOD ENDING 30 SEPTEMBER 2024**

<b>AUDIT AREA</b>	<b>BRIEF DESCRIPTION OF SCOPE OF THE AUDIT</b>	<b>FINAL OPINION</b>
<b>ADULT AND HEALTH SERVICES (AHS)</b>		
PharmOutcomes - Influenza Vaccination Claims	Review of the claims process for the 2023-24 DCC Employee Influenza Vaccination Service.	Substantial
Healthy Start Vitamin Distribution	Review of Vitamin Distribution through the Healthy Start Scheme in 2024/25.	Substantial
Commissioning of LDMH Services - Supported Living	Review of LD/MH Supported Living Commissioning including the housing log and the placement process.	Substantial
Extra Care Housing	Review of the following processes at the seven Extra Care service establishments. <ul style="list-style-type: none"> <li>•Initial Allocations panel decision making for service users</li> <li>•Financial transactions books.</li> <li>•Procurement card purchases.</li> <li>•Pre- paid cards (DAT Cards).</li> <li>•Service user provisions on Azeus.</li> <li>•Asset management</li> </ul>	Moderate
<b>CHILDREN AND YOUNG PEOPLE’S SERVICES (CYPS)</b>		
Supporting Families Programme Q2	Review Of a sample of claims to confirm that the expected checks and quality assurance processes have been undertaken.	Not Applicable
<b>NEIGHBOURHOODS AND CLIMATE CHANGE (NCC)</b>		
Local Transport Capital Block Funding	Grant Certification	Not Applicable
Nature for Climate Peatland (claim 3)	Grant Certification	Not Applicable

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

<b>REGENERATION, ECONOMY AND GROWTH (REG)</b>		
Homes England	To provide assurance on the management of the risk of loss or clawback of grant due to failure to comply to grant conditions.	Substantial
Integrated Transport Block	Grant Certification	Not Applicable
Bus Subsidy Ring Fenced Grant	Grant Certification	Not Applicable

<b>RESOURCES (Res)</b>		
Changing Places Toilets (CPTs)	Grant Certification	Not Applicable
Section 75 Agreements – Better Care Fund	Grant Certification	Not Applicable
Council Tax - Overarching Report	Overarching assurance review combining the outcomes from individual Council Tax reviews carried out.	Substantial
Council Tax – Refunds	Key system assurance review of the arrangements in place to mitigate against the risks of income being inappropriately returned to an incorrect account or to a customer who has an outstanding debt with the Council.	Substantial
Council Tax: Quality Assurance & Appeals	Key system assurance review of the arrangements in place to mitigate against the risks of: <ul style="list-style-type: none"> <li>Quality Assurance checks are not being carried out as expected, resulting in potentially fraudulent activity, poor data quality and a low level of assurance.</li> </ul> Appeals and complaints are not effectively processed or appropriately managed.	Substantial
Platform Security - Virtual Machines	Assurance review of the arrangements in place to mitigate against the risks of Security weaknesses within the VMware software being exploited.	Moderate

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

<b>RESOURCES (Res)</b>		
Housing and Council Tax Benefits: Assessment - New Claims & Change in Circumstances	<p>Key system assurance review of the arrangements in place to mitigate against the risks of:</p> <ul style="list-style-type: none"> <li>• Housing Benefit new claims and changes in circumstances are not processed promptly and/or are incorrect.</li> <li>• CTR new claims and changes in circumstances are not processed promptly are / or are incorrect.</li> </ul>	Substantial
Creditors	Overarching assurance review combining the outcomes from individual Creditors reviews carried out.	Moderate
Creditor Payments - Supplier Masterfile	Key system assurance review of the arrangements in place to mitigate against the risks of invalid, inaccurate, or incomplete supplier details are entered into the Oracle financial system.	Moderate
Creditor Payments - Duplicate payment checking process	Key system assurance review of the arrangements in place to mitigate against the risks that the same invoice is paid more than once.	Substantial
Payroll : Taxation (PAYE)	<p>Key system assurance review of the arrangements in place to mitigate against the risks that the same invoice is paid more than once.</p> <ul style="list-style-type: none"> <li>• Incorrect payment of Income Tax and National Insurance Contributions (NIC) to HMRC.</li> </ul> <p>Late payment of Income Tax and NIC to HMRC.</p>	Substantial
Debtors	Overarching assurance review combining the outcomes from individual Debtors reviews carried out.	Substantial
Debtors - Debt Referrals to services	Key system assurance review of the arrangements in place to mitigate against the risks of failure to collect or recover income in line with policies and procedures	Substantial

RESOURCES (Res)		
Debtors - Knockdown Damage Process	Key system assurance review to confirm that the Knockdown Damage processes are robust, operate within debt management strategy and maximise opportunities to recover debts	Moderate
Non-RIPA Surveillance	Assurance review of the potential prevalence of non-RIPA surveillance across the council for the purpose of determining whether service areas are undertaking surveillance activities in accordance with the Council's non-RIPA authorisation procedures.	Substantial
Cash Management - Bishop Auckland Town Hall	<p>Key system assurance review of the arrangements in place to mitigate against the risks that the same invoice is paid more than once.</p> <ul style="list-style-type: none"> <li>• Non-compliance with financial regulations.</li> <li>• Theft or misappropriation.</li> <li>• Inappropriate recovery action taken against a customer who has paid.</li> <li>• Information and data are not protected from loss, damage or unauthorised disclosure.</li> <li>• Loss / theft of card data.</li> </ul> <p>Payments are not made, or are not made promptly, due to the inability to access an appropriate payment channel.</p>	Moderate
Agency System	<p>Assurance review of the arrangements in place to mitigate against the risks of:</p> <ul style="list-style-type: none"> <li>• Services not being delivered as there is insufficient staff resources, staff resource cannot be sourced in an appropriate time frame or staff do not have the appropriate skills, knowledge or experience.</li> <li>• Payments for agency workers are inaccurate or not timely.</li> <li>• Additional expenditure is incurred through agency workers being employed when not required, retained for longer than required, or for periods over which alternative arrangements are more economical.</li> </ul> <p>Expenditure on agency workers is not effectively managed as the system does not provide appropriate information.</p>	Limited
Tender Opening and Evaluation Processes	<p>Key system assurance review of the arrangements in place to mitigate against the risks that the same invoice is paid more than once.</p> <ul style="list-style-type: none"> <li>• The procurement system and processes do not adhere to legislative requirements or best practice.</li> <li>• Procurement exercises do not result in fit for purpose solutions due to stakeholder expectations, requirements or outcomes not being properly identified and business cases not being fully and robustly appraised.</li> <li>• Contracts are awarded where a contract is already in place (county / regional / collaborative).</li> <li>• Competition is inappropriately restricted.</li> </ul>	Moderate



	<ul style="list-style-type: none"><li>• Contracts are split to bypass procurement thresholds.</li><li>• The most favourable offer, incorporating an assessment of the achievement of Council objectives, price and quality is not chosen.</li><li>• Collusion between candidates in order to share contracts and / or inflate prices.</li><li>• Information is withheld or only given to specific candidates.</li><li>• Preference is given to a favoured candidate, criteria; scoring or results may be manipulated, due to nepotism or inducement.</li><li>• Documentation is incomplete, lost, destroyed, tampered with, or inappropriately disclosed.</li></ul> <p>Contracts are awarded to suppliers who are incapable of delivering the requirements of the contract.</p>	
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	Actions Due	Actions Implemented	Overdue Actions by original target date	Number of Actions where the original target has been revised	Overdue Actions following a revised target date
<b>ADULT AND HEALTH SERVICES (AHS)</b>					
2022/23					
High	0	0	0	0	0
Medium	4	4	0	0	0
<b>Total</b>	<b>4</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>
2023/24					
High	0	0	0	0	0
Medium	8	8	0	0	0
<b>Total</b>	<b>8</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>0</b>
2024/25					
High	0	0	0	0	0
Medium	1	1	0	0	0
<b>Total</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Overall Total</b>	<b>13</b>	<b>13</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>CHIEF EXECUTIVE</b>					
2022/23					
High	0	0	0	0	0
Medium	15	15	0	0	0
<b>Total</b>	<b>15</b>	<b>15</b>	<b>0</b>	<b>0</b>	<b>0</b>
2023/24					
High	0	0	0	0	0
Medium	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
2024/25					
High	0	0	0	0	0
Medium	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Overall Total</b>	<b>15</b>	<b>15</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>CHILDREN AND YOUNG PEOPLE'S SERVICES (CYPS)</b>					
2022/23					
High	0	0	0	0	0
Medium	4	4	0	0	0
<b>Total</b>	<b>4</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>
2023/24					
High	0	0	0	0	0
Medium	17	17	0	0	0
<b>Total</b>	<b>17</b>	<b>17</b>	<b>0</b>	<b>0</b>	<b>0</b>
2024/25					
High	0	0	0	0	0
Medium	6	6	0	0	0
<b>Total</b>	<b>6</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Overall Total</b>	<b>27</b>	<b>27</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>NEIGHBOURHOODS AND CLIMATE CHANGE (NCC)</b>					
2022/23					
High	9	9	0	0	0
Medium	16	16	0	0	0
<b>Total</b>	<b>25</b>	<b>25</b>	<b>0</b>	<b>0</b>	<b>0</b>
2023/24					
High	0	0	0	0	0
Medium	5	5	0	0	0
<b>Total</b>	<b>5</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>
2024/25					
High	0	0	0	0	0
Medium	2	2	0	0	0
<b>Total</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Overall Total</b>	<b>32</b>	<b>32</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>REGENERATION, ECONOMY AND GROWTH (REG)</b>					
2022/23					
High	0	0	0	0	0
Medium	7	7	0	0	0
<b>Total</b>	<b>7</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>0</b>
2023/24					
High	2	2	0	0	0
Medium	16	16	0	0	0
<b>Total</b>	<b>18</b>	<b>18</b>	<b>0</b>	<b>0</b>	<b>0</b>
2024/25					
High	0	0	0	0	0
Medium	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Overall Total</b>	<b>25</b>	<b>25</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>RESOURCES (RES)</b>					
2019/20					
High	0	0	0	0	0
Medium	105	104	1	1	0
<b>Total</b>	<b>105</b>	<b>104</b>	<b>1</b>	<b>1</b>	<b>0</b>
2020/21					
High	0	0	0	0	0
Medium	57	57	0	0	0
<b>Total</b>	<b>57</b>	<b>57</b>	<b>0</b>	<b>0</b>	<b>0</b>
2021/22					
High	1	1	0	0	0
Medium	15	15	0	0	0
<b>Total</b>	<b>16</b>	<b>16</b>	<b>0</b>	<b>0</b>	<b>0</b>
2022/23					
High	0	0	0	0	0
Medium	15	15	0	0	0
<b>Total</b>	<b>15</b>	<b>15</b>	<b>0</b>	<b>0</b>	<b>0</b>
2023/24					
High	1	1	0	0	0
Medium	37	36	1	1	0
<b>Total</b>	<b>38</b>	<b>37</b>	<b>1</b>	<b>1</b>	<b>0</b>
2024/25					
High	6	1	5	0	5
Medium	13	9	4	0	4
<b>Total</b>	<b>19</b>	<b>10</b>	<b>9</b>	<b>0</b>	<b>9</b>
<b>Overall Total</b>	<b>250</b>	<b>239</b>	<b>11</b>	<b>2</b>	<b>9</b>
<b>TOTAL COUNCIL</b>					
2019/20					
High	0	0	0	0	0
Medium	105	104	1	1	0
<b>Total</b>	<b>105</b>	<b>104</b>	<b>1</b>	<b>1</b>	<b>0</b>
2020/21					
High	0	0	0	0	0
Medium	57	57	0	0	0
<b>Total</b>	<b>57</b>	<b>57</b>	<b>0</b>	<b>0</b>	<b>0</b>
2021/22					
High	1	1	0	0	0
Medium	15	15	0	0	0
<b>Total</b>	<b>16</b>	<b>16</b>	<b>0</b>	<b>0</b>	<b>0</b>
2022/23					
High	9	9	0	0	0
Medium	61	61	0	0	0
<b>Total</b>	<b>70</b>	<b>70</b>	<b>0</b>	<b>0</b>	<b>0</b>
2023/24					
High	3	3	0	0	0
Medium	83	80	3	1	0
<b>Total</b>	<b>86</b>	<b>83</b>	<b>3</b>	<b>1</b>	<b>0</b>
2024/25					
High	6	1	5	0	5
Medium	22	18	4	0	4
<b>Total</b>	<b>28</b>	<b>19</b>	<b>9</b>	<b>0</b>	<b>9</b>
<b>OVERALL TOTAL</b>	<b>362</b>	<b>349</b>	<b>13</b>	<b>2</b>	<b>9</b>

## Performance Indicators as at 30 September 2024

<b>Efficiency</b>		<b>Objective: To provide maximum assurance to inform the annual audit opinion</b>	
<b>KPI</b>	<b>Measure of Assessment</b>	<b>Target &amp; (Frequency of Measurement)</b>	<b>Actual</b>
Productive audit time achieved	% of planned productive time from original approved plan completed.	90% (Annually)	51% as at 30 September 2024
Timeliness of Draft Reports	% of draft reports issued within 20 working days of end of fieldwork/closure interview	100% (Quarterly)	100% (62 out of 62)
Timeliness of Final Reports	% of final reports issued within 10 working days of receipt of management response	100% (Quarterly)	100% (53 out of 53)
Quarterly Progress Reports	Quarterly progress reports issued to Corporate Directors within one month of end of period	100% (Quarterly)	100%
<b>Quality</b>		<b>Objective: To ensure that the service is effective and adding value</b>	
<b>KPI</b>	<b>Measure of Assessment</b>	<b>Target &amp; (Frequency of Measurement)</b>	
Recommendations agreed	% of recommendations made compared with recommendations accepted	95% (Annually)	100%
Post Audit Customer Satisfaction Survey Feedback	% of customers scoring audit service satisfactory or above (3 out of 5) where 1 is poor and 5 is very good	100% (Quarterly)	100% (34 out of 34) Av. score of 4.8
Customers providing feedback response	% of customers returning satisfaction returns	70% (Quarterly)	85%