INTERNAL AUDIT

ANNUAL REPORT

2013 / 2014

Altogether better

Durham
County Council

CONTENTS

1. Introduction and Background

1.1 This report summarises the work carried out by Internal Audit during the financial year ended 31/03/2014 and provides assurance on the effectiveness of the Council's control environment, risk management and corporate governance arrangements in place during the year.

1.2 The requirement for an internal audit function is implied by Section 151 of the Local Government Act 1972 which requires Local Authorities 'make arrangements for the proper administration of their financial affairs and ensure that one of its officers has responsibility for the administration of those affairs".

1.3 The Accounts and Audit (England) Regulations 2011 requires the Council to, "undertake an adequate and effective system of internal audit of its accounting records and its system of internal control in accordance with proper practices in relation to internal control". The Council has delegated this responsibility to the Corporate Director, Resources and the Internal Audit and Risk service carry out the Internal Audit role.

1.4 From 1 April 2013 Public Sector Internal Audit Standards (PSIAS) define the proper internal control practices alongside the Chartered Institute of Public Finance and Accountancy (CIPFA) Local Government Application Note.

1.5 This report fulfils the requirement of PSIAS 2450 for the Chief Internal Auditor and Corporate Fraud Manager ("Chief Audit Executive") to provide an annual report to the Audit Committee ("The Board") timed to support the Annual Governance Statement (AGS).

1.6 The report sets out:

- The annual internal audit opinion on the overall adequacy and effectiveness of the Council's governance, risk and control framework (i.e. the control environment).
- A summary of the audit work carried out from which the opinion is derived.
- Details of the quality assurance arrangements in place during 2013/2014 which incorporates the outcomes of the last annual review of the effectiveness of Internal Audit carried out by the Audit Committee in June 2013. A review of effectiveness against compliance with the PSIAS.

2. Service Provided and Audit Methodology

2.1 Internal Auditing is an independent, objective assurance and consultancy activity designed to add value and improve an organisation's operations.

2.2 The primary objective of Internal Audit is to provide an independent and objective opinion on the Council's control environment.

2.3 The Internal Audit Charter, agreed by the Audit Committee, establishes and defines the terms of reference and audit strategy for how the service is to be delivered. Audit services are also provided to a number of external clients including the Durham Police and Crime Commissioner and the Durham Constabulary, Durham and Darlington Fire and Rescue Authority and the Durham and Mountsett Crematoria Joint Committees.

2.4 The service is also responsible for the internal audit of the Durham County Pension Fund. The agreed audit strategy to provide independent assurance, as detailed in the Internal Audit Charter, is summarised as follows:

- To work in consultation with senior management teams and other providers of assurance to prepare strategic and annual audit plans.
- To carry out planned assurance reviews of the effectiveness of the management of operational risks in all key service activities/systems over a rolling 5 year programme (Strategic Audit Plan).
- To carry out assurance reviews of the management of strategic risks where the effective management of the risk is heavily dependent on identified controls.
- To carry out annual reviews of key risks where a high level of assurance is required to demonstrate the continuous effectiveness of internal controls, for example those associated with key financial and non-financial systems.
- To use a Control Risk Assessment (CRA) methodology to focus audit resources on providing assurance on key controls where there is little or no other independent assurance on their adequacy or effectiveness.

3. Types of Audit Work Carried Out in 2013/2014

Assurance Reviews

3.1 Assurance reviews are those incorporated into annual audit plans from strategic plans where the CRA methodology is to be applied. They also include service requests to provide assurance on more specific risks within a particular service activity.

3.2 On completion of each assurance review an opinion on the adequacy and / or the effectiveness of the control framework in place is provided to inform the annual audit opinion.

3.3 The audit methodology for arriving at audit opinions on individual assurance reviews is attached at Appendix D.

Advice and Consultancy Work

3.4 In addition to planned assurance reviews, provision is also made in annual audit plans to support service managers by undertaking advice and consultancy type work. The outcomes from this work can also provide assurance on the control framework even though an assurance opinion is not provided on the completion of this work.

Counter Fraud Work

3.5 Provision is made in annual audit plans to support service managers at an operational level to mitigate the strategic risk of fraud and corruption. Control weaknesses identified when fraud is suspected or proven also impacts on the overall opinion on the adequacy and effectiveness of the Council's internal control system.

Grant Certification

3.6 Some provision is also made in internal audit plans for the certification of external grant claims where required. Again, the outcomes of this work can help inform the annual opinion on the control environment.

4. Audit Quality Assurance Framework

4.1 The Internal Audit Charter sets out the performance and quality framework for the service. This reflects the requirements of the PSIAS.

4.2 Key elements of the quality assurance framework operating during 2013/2014 include:
- Independent quality reviews undertaken by audit managers as a matter of routine and periodically by the Chief Internal Auditor and Corporate Fraud Manager to ensure consistent application of agreed processes and procedures and to ensure expected quality standards are maintained.
- Internal Audit was a member of the CIPFA Audit Benchmarking Club. The key outcomes from the most recent exercise were considered by the Audit Committee as part of the effectiveness of the service.
- Key contacts, determined by appropriate Heads of Service, agree the Terms of Reference for each audit review and are able to challenge the findings and content of draft reports prior to them being finalised.

4.3 A summary of our performance against agreed indicators is provided in Appendix A.

4.4 It should be noted that the audit planning year was revised in 2011 and the approved audit plan for 2013/2014 covered work to be carried out in the period July 2013 to June 2014. The actual performance shown therefore does not relate to a whole year but to the period July 2013 to March 2014. Performance in relation to the whole year will however continue to be monitored and will be reported to the Audit Committee as part of the Internal Audit Progress as at 30 June 2014 (report to be presented in September 2014).

4.5 As at the 31 March 2014, the % of planned assurance work completed after 9 months indicated that the service is on track to deliver its target to complete 90% of panned assurance work.

4.6 The Accounts and Audit (England) Regulation 2011 requires the Council to carry out an annual review of the effectiveness of Internal Audit. The outcome is reported to Audit Committee.

4.7 The last review was carried out by the Corporate Director, Resources and considered by the Audit Committee in June 2013. It included the outcomes of an evaluation survey issued to all Heads of Service and Corporate Directors. The response to the survey was poor but the responses received were on the whole positive. An initial assessment against the requirements of PSIAS was also completed. Overall the Committee concluded that the service was effective and reliance could be placed on the audit opinion provided by the service.

4.8 A further review of the effectiveness of the internal audit service has been completed and is informed by a first formal review of the service in terms of its performance, skills and experience mix and against PSIAS completed by the newly appointed Chief Internal Auditor and Corporate Fraud Manager and has been reviewed by the Corporate Director, Resources. An action plan has been produced for areas of non or partial compliance and improvements required during 2014/2015 in order to strive towards full compliance. The outcomes of this latest review will be reported to Audit Committee.

5. Improvements made during the year to improve the quality and effectiveness of the service

5.1 The main areas of improvement were identified through the last annual review of the effectiveness of the service related to skills mix of the in-house team needing strengthening in relation to IT audit, Procurement and Contract audit and fraud investigation.

5.2 As a result the service appointed a trainee IT auditor to work alongside the services current in-house IT auditor and with the external contractor that supplemented the IT audit provision. It is with great pleasure to report that the trainee IT auditor continues to do well and hopefully will have gained the relevant qualification in December 2014.

5.3 A specialist Procurement and Contract Auditor was appointed and is in post in January 2014.

5.4 As a result of the transfer of benefit fraud employees from Revenues and Benefits the service has now established a Corporate Fraud Team that has is beginning to influence pro-active fraud work and promote the counter fraud strategy across the organisation.

5.5 Work continues to embed a risk based approach to audit work and further training and Continuous Professional Development (CPD) training programme is being developed with the first session planned for June 2014.

5.6 In addition one employee has successfully achieved the IIA Diploma in Internal Auditing qualification and is progressing to the next stage during the year adding to the professional diversity of the section.

5.7 It should be noted that the new PSIAS 1300 requires the Chief Audit Executive (Chief Internal Auditor and Corporate Fraud Manager) to develop and maintain a quality assurance and improvement programme (QAIP) that covers all aspects of internal audit activity. Improvements to date, plus any further actions arising from the 2013/2014 annual review of effectiveness will be incorporated into an action plan that will be monitored during 2014/2015.

6. Summary of Audit Work Carried Out

Assurance Work

6.1 Our work programme for the financial year 2013/2014 was determined by work carried out in April to June 2013 from the 2012/2013 audit plan and work carried out between July 2013 and March 2014 from the approved 2013/2014 audit plan.

6.2 A summary of assurance work completed during the year is attached at Appendix E.

Advice and Consultancy Work

6.3 All planned reviews are designed to add value as they provide independent assurance, through evaluation and challenge, on the adequacy and effectiveness of arrangements in place to manage risks and the development of controls. This evaluation and challenge supports the effective and efficient use of resources and value for money (VFM).

6.4 Through our advice and consultancy work we are able to add value proactively and reactively.

6.5 Reactive work involves positively responding to ad-hoc requests for advice and reviews added to the audit plan to address new or emerging issues and risks. It also includes responding to potential fraud and irregularities and we ensure that all such incidents are properly investigated and that appropriate action is taken by managers, whether or not fraud or malpractice is proven. This work is delivered from the contingency provision within the audit plan.

6.6 As summary of key advice and consultancy work completed during the year is attached at Appendix B.

7. Key Areas for Opinion

7.1 The three main areas of the control environment considered when determining our assurance opinion are:

- Financial Management
- Risk Management
- Corporate Governance

7.2 Assurance has been provided on some aspects of all key financial systems during the year. It is acknowledged that good progress continues to be made during the year in improving the operational efficiency and performance of key financial systems. However, testing of the control environment in operation during the year still highlighted some weaknesses in controls.

7.3 Independent assurance on the effectiveness of the Council's risk management arrangements has been provided by consideration of the adequacy and effectiveness of operational risk management through the risk based audit approach and the CRA methodology applied to individual audit assignments. This in turn provides some assurance on the management of related strategic risks.

7.4 A number of audits have been carried out during the year to provide independent assurance on the effectiveness of specific key corporate governance arrangements. In addition, compliance with relevant key council policies and procedures has also been considered as part of the risk based approach to the audit service related planned assurance reviews.

7.5 Key issues arising from audit work where controls have improved or further improvements have been identified are summarised in Appendix C.

7.6 The implementation of audit recommendations made to improve the control environment helps to embed effective risk management and strengthen the effectiveness of the Council's corporate governance arrangements. Details of progress made on the implementation of all High and Medium ranking recommendations are reported quarterly to Corporate Directors and the Audit Committee. A summary of progress on actions due at the 31 March 2014 is given below:

Service Grouping	Number of Actions Due to be Implemented	Number of Actions Implemented	Actions Overdue by Original Target Date	Actions with Agreed Revised Target Date	Actions Overdue by Revised Target Date
Assistant Chief Executive (ACE)	17	17	0	0	0
Children and Adult Services (CAS)	49	48	1	1	0
Neighbourhood Services (NS)	164	138	19	19	1
Regeneration and Economic Development (RED)	40	35	5	5	0
Resources	262	248	14	14	0
TOTAL	**532**	**489**	**39**	**39**	**1**

7.7 The % of audit recommendations implemented by service managers within agreed target dates continues to improve and the Council out performs many of its benchmarked comparators. This statistic stands at 92% before revised targets are incorporated, this increases to 99% if revised to include revised target dates.

8. Audit Opinion Statement

8.1 The Council has responsibility for maintaining a sound system of internal control that supports the achieving of its objectives.

8.2 Internal Audit is required to provide an opinion on the Council's risk management, control and governance process.

8.3 In giving this opinion it should be noted that assurance can never be absolute and therefore only reasonable assurance can be provided that there are no major weaknesses in these processes.

8.4 In assessing the level of assurance to be given, we based our opinion on:

- All audit work undertaken during the year.
- Follow up action on audit recommendations.
- Any significant recommendations not accepted by management and the consequent risk.
- The effects of any significant changes in the Council's systems.
- Matters arising from previous reports to the Audit Committee.
- Any limitations which may have been placed on the scope of the internal audit.
- The extent to which resource constraints may impinge on internal audit's ability to meet the full audit needs of the Council.
- The outcomes of the audit quality assurance process.
- The reliability of other sources of assurance considering when determining the scope of audit reviews.

8.5 Consideration of the direction of travel on the adequacy and effectiveness of the control environment since becoming a unitary authority. We are satisfied that sufficient internal audit work has been undertaken to allow us to draw a reasonable conclusion as to the adequacy and effectiveness of the Councils system of internal control. Based on the work undertaken, we are able to provide a **Moderate** overall assurance opinion on the adequacy and effectiveness of internal control operating across the Council in 2013/2014. This moderate opinion ranking provides assurance that there is a sound system of control in place, but there are some weaknesses and evidence of non-compliance with controls or ineffective controls.

8.6 This overall 'moderate' opinion reflects the same overall opinion as the last four years and reflects the widening scope of internal audit, with new audit areas being undertaken each year as part of the agreed audit strategy to review key service activities over a five year rolling programme.

8.7 The adequacy and effectiveness of key financial controls is a major consideration in our opinion. Whilst good progress has been continued to be made during the year to improve a number of key financial systems which has provided a better operational platform for effective financial risk management however some key controls were not operating effectively in 2013/2014 hence the same 'moderate' opinion on the financial control environment as the last four years. The expectation is that the financial control environment will continue to improve as new systems and processes become more robust and the recently refreshed and enhanced financial management standards become embedded.

8.8 All audits with a limited assurance opinion have disclosed at least one high risk finding and these are subject to more rigorous follow up and are reported to Audit Committee on an exception basis.

8.9 Where Internal Audit has identified areas for improvement, recommendations are made to minimise the level of risk, and action plans for their implementation were drawn up and agreed by management. Whilst the % of actions implemented within target dates is high, in many cases there is a time gap between a control weakness being reported and the date determined by management for when the action can practically and realistically be implemented. Consequently, the added assurance provided on implementation cannot always be recognised and evidenced in arriving at our overall annual assurance opinion.

PERFORMANCE INDICATORS   Appendix A

Efficiency	Objective: to provide maximum assurance to inform the annual audit opinion		
KPI	**Measure of Assessment**	**Target (Frequency of Measurement)**	**Actual as at 31/03/2014**
Planned audits completed	% of planned assurance work from original approved plan complete to draft report stage	90% (Annually)	Annual target not yet due – on target at the end of quarter 3.
Timeliness of Draft Reports	% of draft reports issued within 30 Calendar days of end of fieldwork/closure interview	90% (Quarterly)	85% - 16 days on average
Timeliness of Final Reports	% of final reports issued within 14 calendar days of receipt of management response	95% (Quarterly)	96% - 5 days on average
Quarterly Progress Reports	Quarterly progress reports issued to Corporate Directors within one month of end of period	100% (Quarterly)	100%
Terms of Reference	% of TOR's agreed with key contact in advance of fieldwork commencing	95% (Quarterly)	100%
Quality	**Objective: To ensure that the service is effective and adding value**		
KPI	**Measure of Assessment**	**Target (Frequency of Measurement)**	**Actual as at 31/03/2014**
Recommendations agreed	% of Recommendations made compared with recommendations accepted	95% (Annually)	99%
Post Audit Customer Satisfaction Survey Feedback	% of customers scoring audit service good or above (4 out of 5) where 1 is poor and 5 is very good	100% (Quarterly)	100% - Average score 4.36
Customers providing feedback responses	% of Customer returning satisfaction returns	70% (Quarterly)	61%
Cost	**Objective: To ensure that the service is cost effective**		
KPI	**Measure of Assessment**	**Target (Frequency of Measurement)**	**Actual as at 31/03/2014**
Cost per chargeable audit day	CIPFA Benchmarking Club – Comparator Group (Unitary)	Lower than average (Annually)	Yes (Yes)

KEY ADVICE AND CONSULTANCY WORK UNDERTAKEN IN 2013/2014

Information Governance

The service is represented on the corporate Information Governance Group (IGG) to provide advice and guidance and to carry out independent assurance work on the Council's information governance arrangements.

Grant Work

As the Council strives to maximise external funding to help it deliver its objectives, we have been increasingly required to provide independent assurance that funding is correctly spent by certifying grant claims. Such work adds value by ensuring no grant is lost through claw back or reputational damage that may impact on future external funding opportunities.

Review of Contracts (Ongoing)

As part of our counter fraud programme we continue to work with colleagues in Corporate Procurement to identify purchases made outside of agreed contracts to highlight potential inefficiencies and detect any non-compliance with corporate procurement arrangements (potential fraud indicator).

Internet and Intranet Development

The service has worked closely with colleagues in Assistant Chief Executive to input into the development work that has been completed on both the Council's Internet Website and its Intranet.

Project Genesis

Prior to unitisation Derwentside District Council had entered into a land development arrangement for a site within the district which was named Project Genesis. The service has developed an agreed process for land transfer to the board of the project and ensured that the projects community trust can transparently see when and where money is due to be received so that planned community projects can be delivered effectively. This has involved work with developer, the Project Genesis Trust and colleagues from Regeneration and Economic Development and Legal and Democratic Services.

Oracle R12 (Ongoing)

The service is represented on the working group developing the upgrade to the Oracle financial system. This will ensure any upgrade and improvement work does not weaken the current control environment and ensures a proactive approach to auditing.

Debtors Working Group (Ongoing)

The service is represented on the working group to improve the sundry debtors processes, with a primary focus at present on recovery and streamlining and ensuring that monies are recovered in an efficient manner without increasing risk.

Invoice Payment Improvement Group (Ongoing)

The service is represented on the working group to improve the efficiency of payment to the Council's creditors and to ensure that all necessary steps are taken to avoid error in payments. This is again a proactive piece of work that should ensure when formal assurance work is completed on the key systems that improvements do not lead to any future control risks.

KEY CONTROL ISSUES

Key Financial Systems

It is acknowledged that good progress continues to be made to improve the financial management framework, including the recent refresh of financial management standards. However the overall assurance opinion on the financial control environment operating during 2013/2014 was, overall, still considered to be Moderate.

The main areas where improvements were identified through internal work related to cash collection, debt recovery and the timely payment of creditors. A number of control weaknesses were identified primarily due to procedures not being clear and the roles and responsibilities of those involved need to be clarified. This is being addressed.

Due to the audit planning year, some testing of the financial control environment is still in progress and consequently the resultant assurance opinion is yet to be determined in some areas. However it should be noted that there continues to be good progress made on the implementation of audit recommendations arising from both internal work and completion of internal audit work.

Direct Payments – Social Care Personal Budgets

Weaknesses in procedures were still prevalent in 2013/2014 relating to the control of direct payments having been raised at audit and has maintained the risk of financial loss due to misuse of funds in this high risk fraud area.

Asset Disposal

Whilst improvements to the policies and procedures have been put in place assurance can still not be given until these can be evidenced through the disposal process. Given the continued public interest the full implementation of agreed actions to address the control weaknesses is being closely monitored by the Audit Committee.

Internet Security

Weaknesses in the use of webmail were identified in order to Public Sector Network (PSN) compliant. Not all of the actions in the penetration test and IT healthceck plan have been implemented and it was found that a range of obsolete software was being used by Services.

Weaknesses in Control Identified through fraud and irregularity investigations

Since the launch of the Counter Fraud and Corruption Strategy in 2010 (recently revised in May 2014), the number of potential cases of suspected fraud and / or irregularity reported to Internal Audit continues to increase year on year. Details of cases reported and the work being undertaken to combat the strategic corporate risk of fraud are reported to Corporate Management Team and the Audit Committee in the Annual Fraud and Irregularity Report.

It should be noted that of the potential cases reported in 2013/2014, improvements in controls weaknesses were identified in many of the cases, irrespective of whether or not any wrong doing was substantiated.

Findings

Individual findings are assessed on their impact and likelihood based on the assessment rationale in the tables below:

Impact Rating	Assessment Rationale
Critical	**A finding that could have a:**
	Critical impact on operational performance (Significant disruption to service delivery)
	Critical monetary or financial statement impact (In excess of 5% of service income or expenditure budget)
	Critical breach in laws and regulations that could result in significant fine and consequences (Intervention by regulatory body or failure to maintain existing status under inspection regime)
	Critical impact on the reputation of the Council (Significant reputational damage with partners/central government and/or significant number of complaints from service users)
	Critical impact on the wellbeing of employees or the public (Loss of life/serious injury to employees or the public)
Major	**A finding that could have a:**
	Major impact on operational performance (Disruption to service delivery)
	Major monetary or financial statement impact (1-5% of service income or expenditure budget)
	Major breach in laws, regulations or internal policies and procedures (non compliance will have major impact on operational performance, monetary or financial statement impact or reputation of the service)
	Major impact on the reputation of the service within the Council and/or complaints from service users
Minor	**A finding that could have a:**
	Minor impact on operational performance (Very little or no disruption to service delivery)
	Minor monetary or financial statement impact (less than 1% of service income or expenditure budget)
	Minor breach in internal policies and procedures (non compliance will have very little or no impact on operational performance, monetary of financial statement impact or reputation of the service)

Likelihood	Assessment criteria
Probable	Highly likely that the event will occur (>50% chance of occurring)
Possible	Reasonable likelihood that the event will occur (10% - 50% chance of occurring)
Unlikely	The event is not expected to occur (<10% chance of occurring)

Overall Finding Rating

This grid is used to determine the overall finding rating.

LIKELIHOOD			
Probable	M	H	H
Possible	L	M	H
Unlikely	L	L	M
	Minor	Major	Critical
	IMPACT		

Priority of our recommendations

We define the priority of our recommendations arising from each overall finding as follows;

High	Action that is considered imperative to ensure that the service/system/process objectives are not exposed to **significant risk** from weaknesses in critical or key controls
Medium	Action required to ensure that the service/system/process objectives are not exposed to **major risk** from weaknesses in controls
Low	Action required to ensure that the service/system/process objectives is not exposed to **minor risk** from weaknesses in controls
Advisory	Action that is considered desirable to address minor weaknesses in control that if implemented may not reduce the impact or likelihood or a risk occurring but should result in enhanced control or better value for money.

Overall Assurance Opinion

Based upon the ratings of findings and recommendations arising during the audit as summarised in the risk matrix above we define the overall conclusion of the audit through the following assurance opinions:

Full Assurance	There is a sound system of control designed to achieve the process/system/service objectives and manage the risks to achieving those objectives. (No H, M or L findings/recommendations)
Substantial Assurance	Whilst there is a sound system of control, there are some weaknesses, which may put some of the system objectives at minor risk. (No H or M findings/recommendations)
Moderate Assurance	Whilst there is basically a sound system of control, there are some weaknesses, which may put some of the system objectives at major risk. (No H findings/recommendations)
Limited Assurance	There are weaknesses in key areas in the system of control, which put the system objectives at significant risk.(H findings/recommendations)
No Assurance	Control is weak as controls in numerous key areas are ineffective leaving the system open to significant risk of error or abuse

Summary of Assurance Work 2013 / 2014   Appendix E

Service Grouping	Service	Audit Activity	Assurance Opinion
Assistant Chief Executive (ACE	Partnership and Community Engagement	AAP Information Governance	Moderate
Assistant Chief Executive (ACE)	Planning and Performance	Data Quality	Moderate
Children and Adult Services (CAS)	Adult Care	Supported Housing Linked to Staff Houses	Moderate
Children and Adult Services (CAS)	Children's Services	One Point (Arrangements with Health)	Moderate
Children and Adult Services (CAS)	Children's Services	Out of Hours Safeguarding Arrangements in Secure Services	Substantial
Children and Adult Services (CAS)	Children's Services	Integrated Services	Moderate
Children and Adult Services (CAS)	Education	Educational Support Services	Moderate
Children and Adult Services	Education	Award of Additional Pay	Moderate
Children and Adult Services (CAS)	Planning and Service Strategy	Caldicott Compliance	Moderate
Children and Adult Services (CAS)	Planning and Service Strategy	POPPIE System Review	Moderate
Children and Adult Services (CAS)	Planning and Service Strategy	Blue Badge Scheme	Substantial
Children and Adult Services (CAS)	Planning and Service Strategy	Capita One	Moderate
Children and Adult Services (CAS)	Planning and Service Strategy	Domestic Abuse Forum – Exec Group	Moderate
Children and Adult Services (CAS)	Planning and Service Strategy	Public Health Transition	Substantial
Children and Adult Services (CAS)	Planning and Service Strategy	SSID System Review	Moderate
Children and Adult Services (CAS)	Public Health	Smoking Service – Nicotine Replacement Voucher Scheme	Limited
Neighbourhood Services (NS)	Direct Services	Enforcement and Education	Moderate
Neighbourhood Services (NS)	Direct Services	Construction Services and Planned Maintenance	Moderate
Neighbourhood Services (NS)	Direct Services	Trade Waste	Limited
Neighbourhood Services (NS)	Direct Services	Clean and Green (Housing Association Contract)	Moderate
Neighbourhood Services (NS)	Direct Services	On Site Procedures for Stores Management – Disposal of Waste Materials	Limited
Neighbourhood Services (NS)	Direct Services	Mountsett Crematorium	Substantial
Neighbourhood Services (NS)	Direct Services	Quality Management System (QMS) – Third Visit	Substantial
Neighbourhood Services (NS)	Environmental Health & Consumer Protection	Pollution Control	Moderate
Neighbourhood Services (NS)	Environmental Health & Consumer Protection	Inspection of Licensing - Taxis	Substantial
Neighbourhood Services (NS)	Environmental Health & Consumer Protection	Inspection of Licensing – Premises (Alcohol)	Substantial
Neighbourhood Services (NS)	Projects and Business Services	Strategic Waste Management	Full
Neighbourhood Services (NS)	Sport and Leisure	Gala – Stage School	Moderate
Neighbourhood Services (NS)	Sport and Leisure	Gala – Box Office	Moderate
Neighbourhood Services (NS)	Sport and Leisure	Gala – Variation Order	Moderate
Neighbourhood Services (NS)	Technical Services	Highways Maintenance	Moderate
Neighbourhood Services (NS)	Technical Services	Budgetary Control Service Review	Moderate
Regeneration and Economic Development (RED)	Economic Development and Housing	Business Durham	Moderate

Service Grouping	Service	Audit Activity	Assurance Opinion
Regeneration and Economic Development (RED)	Economic Development and Housing	Private Sector Housing	Full
Regeneration and Economic Development (RED)	Economic Development and Housing	Housing Tenancies and Lettings	Substantial
Regeneration and Economic Development (RED)	Economic Development and Housing	Visit County Durham	Full
Regeneration and Economic Development (RED)	Economic Development and Housing	Durham City Homes – Housing Rent	Moderate
Regeneration and Economic Development (RED)	Planning and Assets	Building Control (Safety at Sports Grounds)	Substantial
Regeneration and Economic Development (RED)	Planning and Assets	Asset Management (Disposal Arrangements)	Moderate
Regeneration and Economic Development (RED)	Planning and Assets	Carbon Reduction Commitment	Substantial
Regeneration and Economic Development (RED)	Transport and Contract Services	Civil Parking, Park and Ride, Off Street Parking	Moderate
Resources	Corporate Finance	Petty Cash Usage	Moderate
Resources	Corporate Finance	Medium Term Financial Plan (MTFP)	Substantial
Resources	Corporate Finance	Bank Reconciliations	Substantial
Resources	Corporate Finance	Short Term Investments	Substantial
Resources	Corporate Finance	Procurement Governance Review	Moderate
Resources	Corporate Finance	Banking Arrangements	Limited
Resources	Corporate Finance	Taxation (VAT)	Limited
Resources	Financial Services	Income and Debt Recovery	Moderate
Resources	Financial Services	Procurement Cards	Moderate
Resources	Financial Services	Payment Card Industry (PCI) Compliance	Limited
Resources	Financial Services	Revenues and Benefits Reconciliations	Substantial
Resources	Financial Services	Housing Benefit and Council Tax Reduction Admin (including Housing Benefit Subsidy)	Moderate
Resources	Financial Services	Welfare Assistance Scheme	Limited
Resources	Financial Services	National Non Domestic Rates (NNDR)	Moderate
Resources	Financial Services	Council Tax	Moderate
Resources	Financial Services	Section 17 Payments – Safeguarding Welfare of Children	Substantial
Resources	Financial Services	Public Health (Financial Arrangements)	Substantial
Resources	Financial Services	ICON Cash Management	Moderate
Resources	Financial Services	Council Tax: Key Controls	Moderate
Resources	Financial Services	National Non Domestic Rates (NNDR): Key Controls	Moderate
Resources	Human Resources and Organisational Development	Homeworking	Moderate

Service Grouping	Service	Audit Activity	Assurance Opinion
Resources	Information Communication Technology (ICT)	Internet Security	Limited
Resources	Information Communication Technology (ICT)	Income and Expenditure Project	Moderate
Resources	Information Communication Technology (ICT)	Unix Review	Moderate
Resources	Information Communication Technology (ICT)	Mobile Computing	Moderate
Resources	Information Communication Technology (ICT)	Business Continuity for ICT	Limited
Resources	Information Communication Technology (ICT)	Design and Print	Moderate
Resources	Information Communication Technology (ICT)	Access Control	Moderate
Resources	Legal and Democratic Services	Corporate Governance – Litigation Database	Moderate
Resources	Legal and Democratic Services	RIPA	Substantial