

FINAL REPORTS ISSUED IN PERIOD ENDING 30 SEPTEMBER 2014

AUDIT AREA	BRIEF DESCRIPTION OF SCOPE OF THE AUDIT	FINAL OPINION
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ASSISTANT CHIEF EXECUTIVE (ACE)		
Intranet	Assurance review of the arrangements in place to mitigate against the risks of; <ul style="list-style-type: none"> - Council policies, guidelines and other documents that are on the intranet are inaccurate and out of date - Policies held on the intranet are duplicated - The policy framework required to be placed on the intranet is incomplete - Access to the corporate area of the intranet is not properly restricted and controlled - The bulletin board is used inappropriately and/or incorrectly 	Moderate
Data Protection - Procurement	Assurance review of the arrangements in place to mitigate against the risks of; <ul style="list-style-type: none"> - Data belonging to or relating to clients of DCC is not processed in accordance with the requirements of the Data Protection Act (DPA) - Third parties who enter into contracts or SLAs with DCC are unaware of the requirement to adhere to the DPA when processing DCC data 	Moderate
Community Buildings – Revenue Costs (Part 1)	Advice & Consultancy review which provided financial information on the revenue costs of maintaining Community Buildings for the period 01/04/12 to 31/03/13.	N/A

CHILDREN AND ADULT SERVICES (CAS)		
Calculation of School Budgets	An Assurance review to consider whether: <ul style="list-style-type: none"> • Budget delegation is in accordance with the approved scheme set out by the Department for Education (DfE). • Timescales and returns comply with the deadlines set out by the DfE. 	Substantial
Investigating Officer Grievance	An investigation of a grievance undertaken at the request of the Head of Human Resources and Organisational Development.	N/A

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NEIGHBOURHOOD SERVICES (NS)		
Building Compliance Assurance	An Advice and Consultancy report that considered the extent to which the Repairs and Maintenance Policy is complete, clear, concise and fit for purpose.	Not Applicable
Competition Line UK – Income Share Agreement	An Advice and Consultancy type review that provided assurance that the Authority had made the correct payment to the Company in respect of the financial year 2013/14 in compliance with the Income Share Agreements in place. (Freeman’s Quay, Teesdale Sports Centre and Sedgfield (Newton Aycliffe, Spennymoor and Shildon Sunnydale).	Not Applicable
Freemans Quay – Income and Banking	To provide assurance on the management of the following risks: <ul style="list-style-type: none"> • Income is recorded or processed inaccurately. • Cash is held or transported insecurely. • Unauthorised access to the cash receipting system and till. 	Substantial
County Durham Sport	A grant certification statement was provided to Sport England providing assurance that expenditure had been fairly stated in respect to the County Durham Sport grant funding for the 2013/14 financial year.	Not Applicable
Stanley Indoor Bowls Centre	A review to verify compliance with the terms and conditions of the annual grant provided from Durham County Council to SIBC for the period 1st June 2013 to 31st May 2014.	Not Applicable
Bishop Auckland Town Hall	To provide assurance on the management of the following risks: <ul style="list-style-type: none"> • Invoices not raised for hired facilities. • Charges made are incorrect. • Income not received for facility hires. • Cash banked does not match that collected. • Unauthorised access to cash receipting system and till. • Cash is held and transported insecurely. 	Substantial
Durham Town Hall	To provide assurance on the management of the following risks: <ul style="list-style-type: none"> • Invoices not raised for hired facilities. • Charges made are incorrect. • Income not received for facility hires. • Cash banked does not match that collected. • Unauthorised access to cash receipting system and till. • Cash is held and transported insecurely 	Substantial
Schools Grounds Maintenance Arrangements	An Advice and Consultancy review that considered the risks associated with Schools Ground Maintenance Arrangements, principally in relation to the financial position and profitability of the section.	Not Applicable
Private Sector Housing – Housing Complaints	To provide assurance on the management of the following risks: <ul style="list-style-type: none"> • Unsafe properties are not identified, • Unfit landlords in Private Rented Sector, • Complaints/reports from tenants are not recorded, followed up or dealt with consistently, • Improvements are not carried out by landlords, 	Substantial

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	<ul style="list-style-type: none"> • Details of inspections are not correctly/formally recorded, • Staff are injured carrying out official business, • Income due is not recovered. • Unsafe Houses of Multiple Occupancy (HMO's) 	
Award of Contracts	A Counter Fraud Review undertaken with the objective of identifying potential cases within Neighbourhood Services where contracts had not been awarded or were not in place with suppliers, where Corporate Procurement rules had not been adhered and/or goods and services are not being obtained at the most favourable prices and quality.	Not Applicable

REGENERATION AND ECONOMIC DEVELOPMENT (RED)		
Empty Home Loans Fund	Assurance review of the arrangements in place to mitigate against the risks of; <ul style="list-style-type: none"> - Defrayed expenditure, grants and loans are not in line with the DCLG grant conditions - Grants and loans are not made or not made to appropriate recipients - Grants and loans are not used on works intended to bring qualifying empty homes back into use; works are not completed or are not of sufficient standard resulting in loss of monies - Completed works do not result in homes becoming occupied - Loans are not repaid or are repaid late - The administration of Empty Homes grants and loans is not delivered in an effective and efficient manner and does not provide value for money for the Council 	Moderate
Supported Housing - CCTV	Assurance review of the arrangements in place to mitigate against the risks of; <ul style="list-style-type: none"> - CCTV images are used and / or accessed inappropriately - Non-compliance with legislation - Poor quality unusable footage - Incidents caught on camera are not reported or shared 	Moderate
Grant	Local Transport Capital Block Funding 2013/14	N/A
Grant	Local Authority Bus Subsidy 2013/14	N/A
Grant	Renergy Claim 5	N/A
Grant	Local Pinch Point Fund 2013/14	N/A

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RESOURCES		
Counter Fraud – Employees Paid via Accounts Payable	Planned counter fraud review to identify individuals being paid via the accounts payable system that HMRC rules identified as potential employees, resulting in possible underpayment of Income Tax and National Insurance to HMRC.	N/A
Counter Fraud – Creditor Payments	Planned counter fraud review to Identify potential duplicate payments.	N/A
Calculation of School Budgets	Assurance review of the arrangements in place to mitigate the risks of school budgets not being allocated in accordance with approved Local Authority Scheme of Delegation in line with DFE Funding reforms.	Substantial
Payroll	<p>Assurance review of the arrangements in place to mitigate against the risks of;</p> <ul style="list-style-type: none"> - Payments are not in accordance with the authorised establishment - Staff are unaware of the procedures to follow and do not carry out, or incorrectly carry out tasks - Payments are made which are not authorised - Transactions are not initiated and recorded promptly - The identity of the employee and appropriateness for the post has not been confirmed - New starters are not paid on a timely basis - Staff are employed where a post does not exist on the staff establishment / Ghost staff are created - Ex-employees continue to receive payment / Payments are incorrectly calculated - The organisation does not comply with HMRC, Department for Work and Pensions and superannuation scheme requirements - Salary payments are not made - Inadequate financial management within the service - Information and data are not protected from loss, damage or unauthorised disclosure - Legislation relevant to the service is not known and / or is not incorporated into working papers 	Moderate
Comensura	<p>Assurance review of the arrangements in place to mitigate against the risks of;</p> <ul style="list-style-type: none"> - Payments made are not accurate or timely - Agency staff engaged but not linked to DCC vacant post - There is no approval to engage an agency worker - Appointment of Comensura not procured in accordance with corporate procedures - Agency worker appointed is ineligible to work in UK - Ineffective contract monitoring arrangements 	Moderate

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	<ul style="list-style-type: none"> - Accurate management information not readily available or used effectively - Agency workers are employed for unacceptable periods - Agency workers do not receive appropriate induction - Personal information is not held in accordance with the requirements of the Data Protection Act - The Council fails to meet legal requirement with relation to the rights of agency workers 	
Journals	<p>Assurance review of the arrangements in place to mitigate against the risks of;</p> <ul style="list-style-type: none"> - journal entry errors - journals are not appropriately evidenced - journals are not appropriately described in Oracle - journals are not balanced - journals are duplicated - journals are created by unauthorised staff 	Moderate
General Ledger	<p>Assurance review of the arrangements in place to mitigate against the risks of;</p> <ul style="list-style-type: none"> - the statement of accounts is not produced in accordance with statutory timescales - the statement of accounts does not reflect the balance of accounts within the GL - transactions are incorrectly processed/recorded - significant errors and/or fraudulent activities are not identified 	Moderate
Cash Collection	<p>Assurance review of the arrangements in place to mitigate against the risks of;</p> <ul style="list-style-type: none"> - Employee theft / misappropriation - Payments processed to incorrect accounts / suspense - Non-compliance with financial regulations - Employees are attacked as part of a robbery - Information and data are not protected from loss, damage or unauthorised disclosure - Loss of service / transaction records due to ICT Systems failure - The Council is not insured against loss of income and damages through fraud, theft or robbery 	Moderate
SQL	<p>Assurance review of the arrangements in place to mitigate against the risks of;</p> <ul style="list-style-type: none"> - SQL Server is not configured in line with best practice resulting in exposure to published vulnerabilities - Unauthorised access resulting in disclosure of privileged or confidential information - Unauthorised changes impacting upon the integrity and 	Moderate

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	availability of systems and services - Failure to prevent, or detect on a timely basis, security threats (including viruses, malware)	
Information Security – Third Party Access and PISP	Assurance review of the arrangements in place to mitigate against the risks of; - Access to DCC networks from an external source is not secured in accordance with relevant security requirements (e.g. PSN) - Partners and suppliers are unable to login securely preventing necessary work from being undertaken - Users are unaware of their responsibilities for acceptable use of DCC equipment and network - Inappropriate access to DCC information assets - Non-compliance with Legislation (e.g. DPA, FOI, Computer Misuse Act)	Moderate
Information Security – Operational Procedures	Assurance review of the arrangements in place to mitigate against the risks of; - Information/ data is not processed or stored securely and appropriately - Staff and partners do not have the skills or awareness of their responsibilities to ensure the security of data - Information security is not managed effectively by the organisation - The organisation fails to ensure that risks relating to information security are identified and treated appropriately	Moderate
Software Licenses	Assurance review of the arrangements in place to mitigate against the risks of; - Software installed is not compliant with licence agreements - Illegal or unauthorised software installed - Software purchased does not comply with ICT strategy - Software is not updated or patched	Moderate
Debtors	Assurance review of the arrangements in place to mitigate against the risks of; - Adequate supporting documentation is not maintained to confirm the validity of the debt - All expected income is not invoiced - Duplicate customer records / accounts are created due to inefficient processes which lead to multiple strands of recovery being taken against the same customer - Inefficient, incomplete, incorrect raising of multiple invoices for the same customer - The collection of debts are not appropriately monitored	Limited

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	which results in appropriate action not being taken - Personal data is accessed for non-legitimate purposes - Prompt recovery work is not undertaken leading to greater difficulty in recovering debts at a later date - Normal debt recovery processes could be avoided, for corrupt reasons or to conceal theft of income - Recovery action is inappropriately suppressed for fraudulent purposes and not monitored to ensure the validity - Debts are inappropriately cancelled/written off	