

FINAL REPORTS ISSUED IN PERIOD ENDING 30 SEPTEMBER 2015

AUDIT AREA	BRIEF DESCRIPTION OF SCOPE OF THE AUDIT	FINAL OPINION
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ASSISTANT CHIEF EXECUTIVE (ACE)		
Data Quality – Performance Management Framework	<p>Assurance review of the arrangements in place to mitigate against the risk of failing to report accurate performance indicators. The indicators reviewed as part of the audit were;</p> <ul style="list-style-type: none"> • CASAS5 - First time entrants to the Youth Justice System aged 10-17 (per 100,000 population of 10-17 year olds) • CASCYP15 - Percentage of children in Early Years Foundation Stage (EYFS) achieving a good level of development • NS43b - Number of customer contacts - telephone 	Moderate
Data Protection – Access to Records (Environmental Health and Consumer Protection)	<p>Assurance review of the arrangements in place to mitigate against the risks of;</p> <ul style="list-style-type: none"> • Data is handled, accessed or disclosed inappropriately • The location of data is not recorded • The lifespan of data is not determined 	Moderate
Community Buildings Funding (Part 3)	Advice and consultancy review to provide financial information on the revenue costs of maintaining community buildings.	N/A

CHILDREN AND ADULT SERVICES (CAS)		
Disability Commissioning Arrangements (Short Breaks)	<p>An assurance review to consider the effectiveness of processes for managing the following risks:</p> <ul style="list-style-type: none"> • Placements are not authorised • Placements are not appropriate • Placements are not made correctly • Quality of care is not met • Placements are not effective • Overspent budgets • Information is not kept secure • Information is lost. 	Substantial

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Management of Client Finances	<p>An assurance review to consider the effectiveness of processes for managing the following risks:</p> <ul style="list-style-type: none"> • Client accounts are not managed effectively where the authority has been appointed Financial Deputy • Client accounts are not managed effectively where the authority is acting as the Appointee 	Substantial
Adult Learning and Skills Service	<p>An assurance review to consider the effectiveness of processes for managing the following risks:</p> <ul style="list-style-type: none"> • Objectives are not achieved and funding available is not utilised • Breach of H&S legislation • Qualification of external audit report • Learners desired outcomes are not achieved • KPI targets are not achieved • Repayment of funding to SFA 	Moderate
Management of Client Finances – Use of Pre Paid Cards Phase 1	An advice and consultancy review to evaluate the arrangements in place for using pre-paid cards for the payment of personal allowances	N/A
Review of Petty Cash Arrangements at Locality Offices	An advice and consultancy review that considered cash holding/recording arrangements	N/A

NEIGHBOURHOOD SERVICES (NS)		
Spennymoor Leisure Centre	<p>Assurance reviews that considered management of the following risks</p> <ul style="list-style-type: none"> • Income is recorded or processed inaccurately • Income is not received for bookings/courses. • Cash is held or transported insecurely • Unauthorised access to cash receipting system and till. • Gym membership income is not received • Expenditure is inappropriate. • Stocks are inappropriate or insecure. 	Moderate
Newton Aycliffe Leisure Centre		Moderate
Food Safety	An assurance review that considered the effectiveness of arrangements for ensuring local compliance with food and feed safety legislation across all food and feed providers registered within the county. On this occasion External Third Party Assurance was found to have been provided by Food Standards Agency (FSA) with their report on the authority's food law service delivery and food business compliance following an audit carried out in November 2012.	Substantial

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QMS	An advice and consultancy review of Quality Management System and Procedures prior to external inspections.	N/A
CLUK	An assurance review undertaken following receipt of a letter from Competition Line requesting a written report, prepared by a duly qualified independent accountant, confirming that the Hirer (Culture & Sport) had complied with all its obligations under clause no. 3 of the Income Sharing Agreement for 2014/15.	Substantial
Trading Standards Grant	A grant review that verified compliance with terms and conditions of the grant for the submission covering the period 01-04-2014 to 31-03-2015.	N/A
Pothole Fund	A grant review that verified compliance with terms and conditions attached to the Pothole Fund Specific Grant Determination 2014/15 No 31/2391.	N/A
Woodland Burial Trust	An assurance review undertaken in response to concerns raised by members of the Trust to the Neighbourhood Protection Manager and Bereavement Services Manager regarding the robustness of burial arrangements, incomplete and erroneous burial records, and future burial commitments.	Moderate
Local Highways Maintenance Funding - Incentive Element	An Advice and Consultancy review to verify supporting evidence for the submission by DCC to the Department for Transport (DfT) of their 'Local Highways Maintenance Capital Funding: Incentive Element self-assessment questionnaire'. The questionnaire forms part of the consultation with DfT ahead of the final submission in the autumn of 2015.	N/A

REGENERATION AND ECONOMIC DEVELOPMENT (RED)		
Disabled Facilities Grant	<p>Assurance review of the arrangements in place to mitigate against the risks of;</p> <ul style="list-style-type: none"> • Clients are directed to unsuitable contractors • Opportunities to quote are allocated unfairly 	Moderate
Carbon Reduction Commitment	<p>Assurance review of the arrangements in place to mitigate against the risks of;</p> <ul style="list-style-type: none"> • Data submitted to the Environment Agency is inaccurate, late or does not adhere to guidelines • The number of allowances purchased in advance is significantly different to the amount actually required at outturn • Data is not held in accordance with retention guidelines • Corporate PIs are not accurate 	Moderate

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Housing Solutions	<p>Assurance review of the arrangements in place to mitigate against the risks of;</p> <ul style="list-style-type: none"> • Persons are unaware of who to contact for help • Lack of appropriate temporary/alternative accommodation • Inappropriate/unfair decision is made in acceptance of homelessness duty, or preventative action. • Inappropriate/unfair decision is made in acceptance of homelessness duty, or preventative action. • Decisions are not made in a timely manner • Persons given inappropriate advice/support or dissatisfied with service • Officers unavailable to advise persons requesting help • Non-compliance with Data Protection legislation 	Substantial
Mentoring Project	<p>Assurance review of the arrangements in place to mitigate against the risks of;</p> <ul style="list-style-type: none"> • Objectives of the project are not achieved • Information is not accurately reported and reported to the AAP • Grants are made by the project which are not in line with the funding conditions of grant • Unauthorised payments are made • Overspent budget • Employers and the target group are not aware of the project • Data protection and data retention arrangements are not in place 	Moderate
European Regional Development Fund	Advice & consultancy review of the governance and approval process for the EU Structural Funds programme.	N/A
West Rainton & Leamside CA	Advice & consultancy review of the control environment for the financial arrangements at WR&LCA.	N/A
Decent Homes Backlog Funding	Grant certification	N/A
Local Transport Capital Block Fund	Grant certification	N/A
Local Pinchpoint Fund	Grant certification	N/A
Disabled Facilities Capital Grant	Grant certification	N/A

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RESOURCES		
Members Allowances & Expenses	<p>Assurance review of the arrangements in place to mitigate against the risks of;</p> <ul style="list-style-type: none"> • Failure to adhere to legislative requirements • Payments made are incorrect 	Substantial
Teachers' Pension Fund	<p>Assurance review of the arrangements in place to mitigate against the risk of the actions from the follow up audit, carried out in October 2014, not being implemented.</p>	Substantial
Committee Services	<p>Assurance review of the arrangements in place to mitigate against the risks of;</p> <ul style="list-style-type: none"> • Illegal or unconstitutional decision making • Information, data and supporting documentation are not held securely 	Substantial
Collection Fund	<p>Assurance review of the arrangements in place to mitigate against the risk that estimated levels of income relating to Council Tax and Business Rates are inaccurate.</p>	Substantial
Insurance	<p>Assurance review of the arrangements in place to mitigate against the risks of;</p> <ul style="list-style-type: none"> • Inadequate/ excessive amounts of insurance are held • Insurance cover is not valid • Outsourced services are not properly managed • Insurance policies are not properly managed • Payments are made for unapproved claims • Claims are paid by DCC which should be paid by the insurer • Services are incorrectly recharged claim handling costs/premiums • Financial loss arising from the failure to submit claims • Claims are not responded to within a timely basis • Ineffective performance monitoring • Poor data quality • Information is lost • Recurring claims are submitted 	Moderate
Violent Persons Register	<p>Assurance review of the arrangements in place to mitigate against the risks of;</p> <ul style="list-style-type: none"> • Details of potential violent persons recorded on Service specific databases are not transferred to the Corporate Potential Violent Persons Register accurately and completely • Breach of the Data Protection Act 1998 	Moderate

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Information Security – Risk Assessment	Assurance review of the arrangements in place to mitigate against the risk information and data not being adequately protected from loss or theft.	Moderate
Information Security – Physical Security	Assurance review of the arrangements in place to mitigate against the risk of unauthorised access being gained to buildings.	Moderate
Pension Fund – Governance	<p>Assurance review of the arrangements in place to mitigate against the risks of;</p> <ul style="list-style-type: none"> • Governance failures leading to a financial underperformance or poor publicity. • Pension Fund Board not being set up in accordance with legislation. 	Moderate
Creditors	<p>Assurance review of the arrangements in place to mitigate against the risks of;</p> <ul style="list-style-type: none"> • Policies and procedures are inadequate / are not followed • Payments are made to incorrect / out of date suppliers • Unauthorised or inappropriate procurement of goods / services and / or payments are processed • Inadequate or incorrect goods are received and accepted • Valuable goods are stolen • Incorrect payments are made / payments are not made in time • Non-compliance with BACS service terms and conditions • Mispostings / fraudulent activity go undetected • Information and data are not protected from loss, damage or unauthorised disclosure, are inaccurate or held for an excessive period of time • Inaccurate reporting of performance 	Moderate
Pension Fund – ICT controls, data quality and performance	<p>Assurance review of the arrangements in place to mitigate against the risks of;</p> <ul style="list-style-type: none"> • Users have unauthorised access to system and data • Data/information is lost • Source data is input into the system incorrectly • Poor performance goes undetected 	Moderate
Business Rates - Charities	Counter fraud review to identify potential business rates / charities fraud by checking those business rates accounts which are receiving mandatory and discretionary charitable relief.	N/A

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Council Tax	<p>Assurance review of the arrangements in place to mitigate against the risks of;</p> <ul style="list-style-type: none"> • The setting of Council Tax is not in line with The Local Government Finance Act 1992 • Non-compliance with legislation • Accounts are inaccurately and/or fraudulently deleted, set up, or amended • Information and data are not protected from loss, damage or unauthorised disclosure, are inaccurate or held for an excessive period of time • Parameters are incorrectly input • Property records are incorrectly input or updated • Records and accounts are not updated to record new and amendments to properties • Valuation Office amendments are not processed in a timely manner • Discount applications are invalid • Data is incomplete and records are out of date • Failure to adhere to appeal timescales • Incorrect transactions are not identified and corrected • Transactions are incorrectly calculated or valued • Annual billing run commences before input is complete • Bills produced have been incorrectly calculated • Delays occur in sending out Council Tax bills • Recovery action is not initiated promptly • Mispostings / fraudulent activity go undetected • Inaccurate reporting of performance 	Moderate
Debtors and Debtors Follow Up	<p>Assurance review of the arrangements in place to mitigate against the risks of;</p> <ul style="list-style-type: none"> • Actions from the previous review of debtors not being implemented • Difficulty / Inability to take appropriate recovery action against unpaid debts • Inefficient use of resources • Invoices are raised incorrectly • Loss of income • Inappropriate recovery action • Financial penalties due to breach of direct debit regulations • Information and data are not protected from loss, damage or unauthorised disclosure 	Moderate

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Business Rates	<p>Assurance review of the arrangements in place to mitigate against the risks of;</p> <ul style="list-style-type: none"> • Non-compliance with legislation • Accounts are inaccurately and / or fraudulently deleted, set up, or amended • Information and data are not protected from loss, damage or unauthorised disclosure, are inaccurate or held for an excessive period of time • Parameters are incorrectly input • Property records are incorrectly input or updated • Records and accounts are not updated to record new and amendments to properties • Valuation Office amendments are not processed in a timely manner • Data is incomplete and records are out of date • Transactions are incorrectly calculated or valued • Reliefs / Exemptions are incorrectly awarded • There is no / insufficient documentation to support transactions • Annual billing run commences before input is complete • Bills produced have been incorrectly calculated • Delays occur in sending out Business Rate bills • Recovery action is not initiated promptly • Mispostings / fraudulent activity go undetected • Inaccurate reporting of performance 	Moderate
Cash Collection	<p>Assurance review of the arrangements in place to mitigate against the risks of;</p> <ul style="list-style-type: none"> • Non-compliance with financial regulations • Theft / Misappropriation • Inappropriate recovery action taken against a customer who has paid • Postal remittances are not recorded / are misappropriated • Loss or theft due to inadequate physical security of cash • Mispostings / fraudulent activity go undetected • Statutory / Regulatory requirements not fulfilled / Losses incurred are not covered • Information and data are not protected from loss, damage or unauthorised disclosure 	Moderate
Mobile Phones – Allocation and Usage	Advice and consultancy review to assess whether the fair usage policy is being complied with.	N/A
Agency System	Advice and consultancy review on the new system arrangements in place.	N/A