

FINAL REPORTS ISSUED IN PERIOD ENDING 30 SEPTEMBER 2016

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

TRANSFORMATION and PARTNERSHIPS (TaP)		
Area Action Partnerships – Performance Management Framework	Assurance review of the arrangements in place to mitigate against the risk of performance management arrangements for the monitoring of AAP projects not being carried out on a consistent basis.	Substantial
Durham County Record Office	Assurance review of the arrangements in place to mitigate against the risks of; <ul style="list-style-type: none"> • Records/archives are damaged or destroyed • Records/archives are lost or stolen • Insufficient/inadequate space available to securely hold records/archives • Records/archive disposals made in error and items removed from storage are not returned • Records/archives are not accessible to the public (where applicable) • Income targets are not achieved or income received is not correctly collected, recorded, receipted or banked 	Substantial
Equality Impact Assessment Process for MTFP	Assurance review of the arrangements in place to mitigate against the risk of a breach of legislation, e.g. Equality Act 2010, employment, equal pay, from failure to consider implications of decisions on those with protected characteristics.	Substantial
Data Quality Framework	Assurance review of the arrangements in place to mitigate against the risk of failure to report accurate and relevant performance indicators. <p>The following PIs were included within the scope of the review;</p> <ul style="list-style-type: none"> • REDPI32a - Percentage of tourism businesses actively engaged with Visit County Durham • REDPI90 - Percentage change in the number of visitors to the core attractions in County Durham compared to the previous year • REDPI91 - Number of unique visitors to the thisisdurham website • REDPI41b - Percentage of major planning applications determined within 13 weeks • REDPI75a - Overall proportion of planning applications determined within deadline 	Moderate

ADULT AND HEALTH SERVICES (AHS)		
Creditors Supplier Masterfile	An Assurance review that considered the following risks: <ul style="list-style-type: none"> • Payments are made to incorrect /out of date suppliers • Unauthorised or inappropriate procurement of goods/services and payments made. 	Limited
Taxi Licensing – Driver Licence Verification	An Advice and Consultancy review to consider the following risk <ul style="list-style-type: none"> • potential breaches of the Data Protection protocol during the taxi drivers' driving licence verification procedures 	N/A

ADULT AND HEALTH SERVICES (AHS) contd.		
Introduction of PharmOutcomes for receiving and processing Public Health Claims	An Advice and Consultancy review that considered the submission and processing arrangements for NRT Voucher, Supervised Consumption and Alcohol Brief Intervention (ABI) claims submitted by Pharmacies within the PharmOutcomes claims system.	N/A
Reablement Services Mileages	An Advice and Consultancy review that considered the arrangements in place within Reablement Services for the submission and authorisation of mileage claimed.	N/A
DCRS Data Analysis	An Advice and Consultancy review that provided analysis of data held within the DCRS system	N/A

CHILDREN AND YOUNG PEOPLE'S SERVICES (CYPS)		
Two Children's Homes	Assurance reviews that considered the following risks: <ul style="list-style-type: none"> • Income is promptly collected, recorded, controlled and banked. • Expenditure is appropriately authorised in line with budgetary requirements • Young People allowances are paid in line with the approved rates and transactions are properly recorded • Young People monies are properly recorded and controlled • Assets are properly accounted for and securely held • Employee DBS checks are up to date. • Budgetary Control arrangements are effective 	One Limited and One Moderate
Troubled Families Programme – Milestones 1&2 of 4	Advice and support provided during the claim submission window and certification of two claims covering the period 01 April 2016 to 30 September 2016.	N/A
Youth Employment Initiative - YEI	Advice and & Consultancy support provided in the development of internal controls associated with operating the Youth Employment Initiative (YEI) County Durham including a review of the ESF Interim Claim Process – Guidance for Grant Recipients – Version 1, and Audit training to DurhamWorks employees.	N/A

REGENERATION AND LOCAL SERVICES (Real)		
Electrical Components Procurement Cards (Part 1 - Follow Up)	Follow up assurance review into the purchase of electrical components from a specific supplier.	Substantial
Stores Management – Disposal of Waste Materials	Assurance review of the arrangements in place to mitigate against the risks of; <ul style="list-style-type: none"> • Waste metal is not safely, or securely held, transported, and disposed • Full value of waste metal materials is not realised 	Substantial
Stores – Buildings and Highways	Assurance review of the arrangements in place to mitigate against the risks of; <ul style="list-style-type: none"> • Misappropriation or loss of stock • Stock holding is excessive or does not meet operational needs • Obsolete/spoiled stock • Cost of providing stores exceeds the benefits • Unsafe practices within the stores • Stock valuation is inaccurate • Recharges/Invoices are not raised in a timely manner 	Substantial
Garden Waste Collection	Assurance review of the arrangements in place to mitigate against the risks of; <ul style="list-style-type: none"> • Income collection methods are inefficient • Income is not recorded or coded correctly • Annual subscriptions are not collected or requested • Subscribers have not been added to the database • Changes of circumstances such as cancellations or house moves have not been actioned • Non-renewals have not been removed from the database • Data is lost or corrupted • Requests from ineligible properties are accepted • Data Protection breaches • Bin stickers are lost, stolen, put on non-subscribing bins • Cost of administration exceeds income • Insufficient subscribers have joined the scheme 	Substantial
Compliance with Construction, Design and Maintenance	Assurance review of the arrangements in place to mitigate against the risks of; <ul style="list-style-type: none"> • Construction projects are awarded to inappropriate contractors • Client is unaware of responsibilities and/or does not carry out their responsibilities effectively 	Substantial
Public Health Funeral Arrangements	Assurance review of the arrangements in place to mitigate against the risks of; <ul style="list-style-type: none"> • Authority is unable to fulfil its statutory duty • Public Health Funerals are carried out where assets are available or next of kin have assets to pay • Value for money is not achieved in purchase of funeral services • Authority is unable to provide statutory information on Public Health Funerals 	Substantial

REGENERATION AND LOCAL SERVICES (ReaL) contd.		
DLI Museum	<p>Assurance review of the arrangements in place to mitigate against the risks of;</p> <ul style="list-style-type: none"> • Collection items are lost due to insufficient and incomplete inventory information • Collections items are lost or damaged due to inappropriate transport arrangements • Collection items are lost, damaged or deteriorate due to inadequate storage arrangements • Inadequate management of re-located collections 	Substantial
Telecare Services and Care Connect	<p>Assurance review of the arrangements in place to mitigate against the risk of the service not collecting all of the funding /income that it is entitled to.</p>	Substantial
International Relations	<p>Assurance review of the arrangements in place to mitigate against the risks of;</p> <ul style="list-style-type: none"> • Post employability and pre-employability programmes are not delivered • Participants do not receive maximum benefit or impact from activities and programmes • Available funding is not accessed or not paid over to the Council • Local organisations do not access additional funding • There is not an effective and efficient contribution to corporate objectives 	Moderate
Building Control	<p>Assurance review of the arrangements in place to mitigate against the risks of;</p> <ul style="list-style-type: none"> • The service does not deliver benefits to the customer or is inconsistent, inefficient and ineffective • Fee income is not received, or not accounted for correctly or not monitored • Non-compliance with statutory regulations 	Moderate
Business Durham	<p>Assurance review of the arrangements in place to mitigate against the risks of;</p> <ul style="list-style-type: none"> • Not achieving or being seen to achieve: <ul style="list-style-type: none"> ○ value for money, ○ transparency, ○ fairness, or ○ compliance with legislation • Unauthorised orders are made • Unauthorised expenditure made through procurement cards • Income is not accounted for, misappropriated or not collected • Overspent budget or income not generated • Theft or loss of data; data is disposed of prior to its operational use ceasing; data disposal allows collection of data by unauthorised persons or data is retained beyond its usefulness • Poor decision making due to lack of or poorly structured performance reporting 	Moderate

REGENERATION AND LOCAL SERVICES (ReaL) contd.

Asset Management	<p>Assurance review of the arrangements in place to mitigate against the risks of;</p> <ul style="list-style-type: none"> • The Council cannot clearly identify and establish its asset portfolio • The Council does not know what assets it needs to deliver effective and efficient services • The Council does not know how its assets are performing • Disposals are not made efficiently, incurring avoidable costs or do not achieve optimum value or are not seen as transparent and fair • Targeted receipts and income are not achieved • Property valuations are not completed or not completed in a timely manner 	Limited
Electrical Components Procurement Cards (Part 2)	Second part of an investigation into the purchase of electrical components from a specific supplier.	N/A
Bridge Abutment	Investigation into whether procedures had been followed regarding the partial removal of an abutment from an Accommodation Bridge.	N/A
Carbon Reduction Commitment	Advice and consultancy review to verify the accuracy and compliance with the requirements for the submission of the annual report.	N/A
Compensation Payments	<p>Advice and consultancy review to;</p> <ul style="list-style-type: none"> • identify the numbers and value of compensation payments and payments-in-kind that have been awarded by services across the authority as a result of corporate complaints • to identify the controls in place within the services for the processing of compensation payments and to ascertain whether these controls are adequate, are being applied consistently, and adhere to best practice and legal requirements 	N/A
Woodland Burial Trust – Follow Up	Follow up review of the burial records maintained by the Woodland Burial Trust.	N/A
West Rainton and Leamside CA	Advice and consultancy review to evaluate the risks associated with investing in the West Rainton and Leamside Community Association and other possible subsequent applications within the foreseeable future.	N/A
Environmental Compliance	Advice and consultancy review to determine whether there were any gaps in the authority's environmental compliance with regards to its activities and facilities.	N/A
Quality Management System	Advice and consultancy review of the Quality Management System and Procedures prior to external inspections.	N/A
Durham Station Gateway Scheme	Grant certification	N/A
LSTF Capital Block UTMC	Grant certification	N/A
Local Transport Capital Block Funding	Grant certification	N/A
Local Transport Capital Block Funding for NECA	Grant certification	N/A
Bus Subsidy Grant	Grant certification	N/A
Disabled Facilities Grant	Grant certification	N/A

RESOURCES		
Contract Procedure Rules	Assurance review of the arrangements in place to mitigate against the risk of not achieving or being seen to achieve value for money, transparency, fairness, or compliance with policies and legislation.	Substantial
Budgetary Control	<p>Assurance review of the arrangements in place to mitigate against the risks of;</p> <ul style="list-style-type: none"> • Budget targets are not communicated to budget holders or do not have a responsible officer • Staff do not have the skills to carry out their budget monitoring responsibilities or do not utilise the system as expected • Inaccurate budgets, and or budget profiles, are set that are not realistic • Finance teams do not adequately utilise or have the resources to support budget holders effectively and do not manage risks appropriately • Budget reports are not easily understood • Financial data is miscoded 	Substantial
ICT Strategy	<p>Assurance review of the arrangements in place to mitigate against the risks of;</p> <ul style="list-style-type: none"> • ICT provision fails to meet organisational needs and is unable to support changing business needs • The ICT strategy is not in line with the corporate objectives • The ICT strategy does not clearly show goals and objectives and how they will be achieved • Interested and affected parties are not aware of the ICT strategy 	Substantial
Council Tax	<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 legislation, best practice, and/or procedures • The setting of Council Tax is not in line with The Local Government Finance Act 1992 • Parameters are incorrectly input • Annual billing run commences before input is complete • Bills produced have been incorrectly calculated • Delays occur in sending out bills • Refunds are incorrectly calculated and valued • Recovery action is not initiated promptly and relevant records and accounts are not updated to record the recovery action • There is insufficient documentation to support amendments • Debt Recovery is inefficient • Direct Debits improperly managed • Records and accounts are not updated to record new and amendments to properties • Valuation Office amendments are not processed in a timely manner • Property records are incorrectly input or updated • Accounts are inaccurately and/or fraudulently deleted, set up, or amended • Discounts / Exemptions are incorrectly awarded • Performance is not monitored 	Substantial

RESOURCES contd.

Business Rates	<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 legislation, best practice, and/or procedures • Parameters are incorrectly input • Annual billing run commences before input is complete • Bills produced have been incorrectly calculated • Delays occur in sending out bills • Contributions and returns are not submitted promptly • Refunds are incorrectly calculated and valued • Recovery action is not initiated promptly and relevant records and accounts are not updated to record the recovery action • There is insufficient documentation to support amendments • Debt Recovery is inefficient • Direct Debits improperly managed • Records and accounts are not updated to record new and amendments to properties • Valuation Office amendments are not processed in a timely manner • Property records are incorrectly input or updated • Accounts are inaccurately and/or fraudulently deleted, set up, or amended • Amendments are not initiated and recorded promptly • Discounts / Exemptions are incorrectly awarded • Performance is not monitored 	Substantial
Creditor Payments	<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 • Incorrect payments are made / payments are not made in time • Relationships with suppliers breakdown due to mismanagement of disputed invoices • 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
Housing Benefits	<p>Assurance review of the arrangements in place to mitigate against the risks of;</p> <ul style="list-style-type: none"> • Accounts are inaccurately and/or fraudulently deleted, set up, or amended • Failure to adhere to legislation, best practice and/or procedures • System parameters are incorrectly input • Letters produced to notify claimants of their entitlement are incorrect • Valuation Office amendments are not processed in a timely manner • Council Tax Reduction Scheme is not implemented effectively • Benefit claims are not processed promptly, are not accurate and assessments are made incorrectly • DWP data is accessed inappropriately • Personal claimant data is not kept in accordance with DWP guidelines • Payments are incorrectly calculated • Inaccurate assessments are not identified and corrected • Performance is not monitored • Material errors / fraudulent activities between systems and / or the General Ledger are not identified and corrected 	Moderate

RESOURCES contd.

Contract Management	Assurance review of the arrangements in place to mitigate against the risks of; <ul style="list-style-type: none">• The contractor does not fulfil the contract to the required standard or level of performance• Contract management arrangements are not in place for the end of a contract and the transition to a new provider with a new contract• The Council pays for goods, services or works that are not provided or completed• The contract manager is not sufficiently objective in their relationship with the supplier• The contract has been varied inappropriately and without regard to the Council's Contract Procedure Rules and / or the Public Contract Regulations 2015	Moderate
Agency	Following an investigation, this assurance review was carried out to determine if the controls in place reduce the risk of any overpayments being made.	Limited
Equal Pay Claims	Advice and consultancy review of the spreadsheet that is to be used to estimate the financial impact of Equal Pay Claims and confirm whether or not the basis and logic used with in the spreadsheet are appropriate for providing an estimate of the impact of Equal Pay Claims.	N/A
Teaching Assistants (2) – Data Accuracy	Advice & consultancy review of the formulae used in the Teaching Assistants spreadsheet.	N/A
Financial Services – Caspar System	Advice and consultancy review to provide advice to management on the parameters to be included within the system to identify exceptions to expected income or expenditure that will need to be reviewed.	N/A
Employee Tribunal Arrangements	Report to Full Council reviewing how the escalation of a compensation award payment to a former teacher was allowed to happen, how it occurred and the lessons to be learned from it.	N/A