

Audit Committee Agenda



**9.30 am Wednesday, 21 April 2021
Via Microsoft Teams**

In accordance with Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020, this meeting will be held on a virtual basis. Members of the Public can view a live stream of the meeting at:

<https://www.darlington.gov.uk/livemeetings>

Members of the public wanting to raise issues/make representations at the meeting can do so by emailing Allison.hill@darlington.gov.uk 24 hours before the meeting begins.

1. Introductions/Attendance at Meeting
2. Declarations of Interest
3. To approve the Minutes of the Meeting of this Committee held on 27 January 2021. (Pages 3 - 6)
4. ICT Strategy - Implementation Progress Report –
Report of the Assistant Director, Xentrall Shared Services
(Pages 7 - 10)
5. Annual Grants Certification Report 2019/20 –
Report of the Managing Director
(Pages 11 - 12)
6. Ethical Governance and Member Standards - Update Report –
Report of the Managing Director
(Pages 13 - 22)
7. Internal Audit Charter and Audit Planning –
Report of the Audit and Risk Manager
(Pages 23 - 28)
8. Audit Services Activity Report –
Report of the Audit and Risk Manager
(Pages 29 - 52)
9. Information Governance Programme Progress Report –

Report of the Managing Director
(Pages 53 - 58)

10. SUPPLEMENTARY ITEM(S) (if any) which in the opinion of the Chair of this Committee are of an urgent nature and can be discussed at this meeting

11. Questions



Luke Swinhoe
Assistant Director Law and Governance

Tuesday, 13 April 2021

Town Hall
Darlington.

Membership

Councillors Durham, Baldwin, Crudass, Lee, McEwan and Paley

If you need this information in a different language or format or you have any other queries on this agenda please contact Allison Hill, Democratic Officer, Resources Group, during normal office hours 8.30 a.m. to 4.45 p.m. Mondays to Thursdays and 8.30 a.m. to 4.15 p.m. Fridays E-Mail : Allison.hill@darlington.gov.uk or telephone 01325 405997

AUDIT COMMITTEE

Wednesday, 27 January 2021

PRESENT – Councillors Lee (Chair), Durham, Baldwin and Crudass

APOLOGIES – Councillor Paley

ABSENT – Councillor McEwan

ALSO IN ATTENDANCE –Helen Henshaw (Ernst and Young LLP)

OFFICERS IN ATTENDANCE – Peter Carrick (Finance Manager Central/Treasury Management), Lee Downey (Complaints and Information Governance Manager), Andrew Barber (Audit and Risk Manager, Stockton Borough Council) and Allison Hill (Democratic Officer)

A27 DECLARATIONS OF INTEREST

There were no declarations of interest reported at the meeting.

A28 MINUTES

Submitted – The Minutes (previously circulated) of the meetings of this Audit Committee held on 28 October and 18 November 2020.

RESOLVED – That the Minutes of the Audit Committee held on 28 October and 18 November be approved as a correct record.

A29 ANNUAL AUDIT LETTER 2019/20

The Managing Director submitted a report (previously circulated) together with a copy of the Annual Audit Letter for 2019/20.

It was reported that the Letter provided a high level summary of the results from the 2019/20 audit work undertaken by Ernst and Young LLP (EY), the Council's external auditors, for the benefit of Members and other interested parties and confirmed that the Council's accounts gave a true and fair view for the year ending 31 March, 2020 and that the Council had put in place proper arrangements to secure value for money in its use of resources.

RESOLVED – That the Annual Audit letter 2019/20 be noted

A30 ACCOUNTING POLICIES TO BE APPLIED TO THE 2020/21 FINANCIAL STATEMENTS

The Managing Director submitted a report (previously circulated) to update Members on the accounting policies to be applied in the preparation of the 2020/21 Statement of Accounts.

It was reported that the Accounting Policies, appended to the submitted report, are

defined in the CIPFA Code of Practice for Local Authority Accounting in the UK 2020/21 as the 'specific principles, bases, conventions, rules and practices applied by an authority in preparing and presenting financial statements'.

The submitted report confirmed that the majority of the Accounting Policies used in the preparation of the 2019/20 Statement of Accounts remain appropriate.

RESOLVED – That the Accounting Policies be approved for their use in the preparation of the 2020/21 financial statements.

A31 FINAL ACCOUNTS TIMETABLE FOR THE YEAR ENDED 31 MARCH 2021

The Managing Director submitted a report (previously circulated) updating Members on the Final Accounts Closedown Timetable for 2020/21.

It was reported that the timetable detailed target dates for key actions in order to complete the Statement of Accounts in line with statutory deadlines and highlighted that the timetable served as a tool for monitoring progress against the target dates to ensure compliance with the statutory deadlines.

It was also reported that the Audit Committee were responsible for approving the audited set of accounts on or before 31 July 2021; and due to a potential change in the regulations brought about by recommendations in the 'Redmond Review' (also appended to the submitted report); it was likely that the statutory deadlines would change to 31 July 2021 for the unaudited Statement of Accounts and 30 September 2021 for the full approval.

The Finance Manager closely monitors the achievement of the dates in the timetable throughout the final accounts period, following up delays and missed deadlines to ensure the overall timetable is achieved.

RESOLVED – That the key dates in the Final Accounts Timetable for 2020/21, as appended to the submitted report, be noted.

A32 INDEPENDENT REVIEW INTO THE OVERSIGHT OF LOCAL AUDIT AND THE TRANSPARENCY OF LOCAL AUTHORITY FINANCIAL REPORTING

The Managing Director submitted a report (previously circulated) to update Members on the outcome of the Independent Review into the Oversight of Local audit and the Transparency of Local Authority Financial Reporting.

It was reported that in June 2019 the Secretary of State for the Ministry of Housing, Communities and Local Government invited Sir Tony Redmond to conduct a review of the arrangements in place to support the transparency and quality of local authority financial reporting and external audit including those introduced by the Local audit and Accountability Act 2014.

The submitted report summarised the findings and recommendations of the review and the subsequent Government response.

Members discussed additional training for Members of Audit Committee and the recommendation to appoint an Independent Person on the Audit Committee.

RESOLVED – That the report be noted.

A33 MID YEAR RISK MANAGEMENT UPDATE 2020/21

The Managing Director submitted a report (previously circulated) updating Members on the approach to and outcomes from the Council's Risk Management processes.

It was reported that Risk Management was an essential part of effective and efficient management and planning and it strengthened the ability of the Council to achieve its objectives and enhance the value of the services provided.

It was also reported that positive progress continued to be made within the Authority regarding the management of key strategic risks and the submitted report outlined the work undertaken by Officers to manage operational risks.

The submitted report outlined these risks which are plotted on to a standard likelihood and impact matrix with reference to the management controls in place and working; and detailed progress made on improvement actions for those risks that had been identified as above the 'risk appetite line'.

Particular reference was made to the operational risk outcomes highlighted in the submitted report and in particular the risks associated with COVID-19 and services had reviewed their risk assessments to ensure Government guidance was being followed in relation to COVID-19 and identified any new hazards and risks that may be present due to changes in work activities.

RESOLVED – That the Mid Year Risk Management report be noted.

A34 PRUDENTIAL INDICATORS AND TREASURY MANAGEMENT STRATEGY REPORT 2021/22

The Managing Director submitted a report (previously circulated) for Members of this Audit Committee to review and scrutinise the Prudential Indicators and Limits for 2021/22 to 2023/24 relating to capital expenditure and Treasury Management activity; a policy statement relating to the Minimum Revenue Provision; and the Treasury Management Strategy 2021/22, which includes the Annual Investment Strategy for 2021/22, prior to approval and adoption by Cabinet and Council.

The submitted report outlined the Council's Prudential Indicators for 2021/22-2023/24 and set out the expected treasury operations for this period and it was reported that the Council's expenditure plans, Treasury Management and Prudential Borrowing activities indicated that they were within the statutory framework and consistent with the relevant codes of practice; prudent, affordable and sustainable; and were an integral part of the Council's Revenue and Capital Medium Term Financial Plans.

The Council's Minimum Revenue Provision Policy sets out how the Council will pay

for capital assets through revenue each year and details of the policy statement for 2021/22 were included in the submitted report.

The submitted report also included a Treasury Management Strategy for 2021/22, which sets out how the Council's treasury service will support capital decisions taken, the day to day treasury management and the limitations on activity through treasury prudential indicators.

It was reported that the Strategy for 2021/22 will cover two main areas, Capital Issues and Treasury Management Issues and a summary of the key prudential indicators and limits were also contained within the submitted report; and these elements covered the requirements of the Local Government Act 2003, the CIPFA Prudential Code, Ministry of Housing, Communities and Local Government (MHCLG) Minimum Revenue Provision (MRP) Guidance, the CIPFA Treasury Management Code and the MHCLG Investment Guidance.

It was also highlighted that the CIPFA Prudential code requires the responsible officer to ensure that Members with responsibility for treasury management receive adequate training in treasury management and training is arranged as required.

RESOLVED – That this Audit Committee is satisfied with the Prudential Indicators and Treasury Management Strategy for 2021/22 to 2023/24, the Minimum Revenue Provision statement, the Treasury Management Strategy 2021/22 to 2023/24 and the Annual Investment Strategy 2021/22, as presented in the submitted report, and that the report be forwarded to Cabinet for its onward referral to Council for consideration.

A35 AUDIT SERVICES ACTIVITY REPORT

The Audit and Risk Manager submitted a report (previously circulated) to provide Members with a progress report of activity and proposed activity for the next period.

The submitted report outlined progress to date on audit assignment work, consultancy/contingency activity; provided feedback on the management of the risks on the corporate risk register; provided a breakdown of audit results against a set of key governance processes; provided a breakdown of audit work by functional service area within the Council; and highlighted progress against the balanced scorecard.

RESOLVED – That the activity be noted.

**AUDIT COMMITTEE
21 APRIL 2021**

ITEM NO.

ICT STRATEGY – IMPLEMENTATION PROGRESS REPORT

SUMMARY REPORT

Purpose of the Report

1. The Chief Officer's Board (COB) is required to report six-monthly to the Audit Committee on progress in relation to the implementation of the ICT Strategy.

Summary

2. The current ICT Strategy focusses on three strategic priorities:
 - ICT Governance and Service Development
 - ICT Strategic Architecture
 - Council Service Development and Transformation
3. This report summarises progress on the main activities within each of these priorities.

Recommendation

4. It is recommended that progress on the implementation of the ICT Strategy be noted.

Reasons

5. The recommendation is supported to provide the Audit Committee with evidence to reflect on progress in delivery of the Council's ICT Strategy.

**Ian Miles
Assistant Director – Xentrall Shared Services**

Background Papers

Darlington ICT Strategy 2017

Ian Miles – Extension 157012

| | |
|--|---|
| S17 Crime and Disorder | There is no specific crime and disorder impact. |
| Health and Well Being | There is no specific health and well being impact. |
| Carbon Impact and Climate Change | Some of the initiatives contained within ICT Strategy will help contribute towards the carbon reduction commitments. |
| Diversity | There is no specific diversity impact. |
| Wards Affected | All wards are affected equally. |
| Groups Affected | All groups are affected equally. |
| Budget and Policy Framework | Financial implications will be considered in the Medium-Term Financial Plan. This report does not affect the policy framework. |
| Key Decision | This is not a key decision. |
| Urgent Decision | This is not an urgent decision. |
| One Darlington: Perfectly Placed | The ICT strategy supports the business of the Council in delivering ODPP |
| Efficiency | There will be efficiency savings generated as a result of implementing the ICT Strategy. The introduction of new technology is key to providing efficiency savings within Council services. |
| Impact on Looked After Children and Care Leavers | This report has no impact on Looked After Children or Care Leavers |

MAIN REPORT

6. Progress on the themes of this revised ICT Strategy are described below.

ICT Governance and ICT Service Development

7. The Systems and Information Governance Group (which is the Chief Officers Board of Assistant Directors but chaired by the Managing Director for this purpose) undertakes an ICT Strategy monitoring role as well as overseeing and approving the ICT Work Plan, which covers all service based and corporate ICT projects. As well as this forum, regular updates on major ICT projects are also given to the Managing Director and the Xentrall Executive Board on which he sits.
8. Since the last update to Members last October, ICT Services have continued to pass PCI DSS quarterly tests. These are the Payment Card Industry Data Security Standards. ICT have also just been audited and re-certified to be part of the Government's Public Services Network (PSN). This allows Council services to communicate and transfer information to and from Government departments securely.
9. In terms of ICT service development and related to the two ISO certifications ICT hold for Information Security and Quality Management Systems, all ICT service improvement activities are identified in the ICT Service Improvement Programme and this continues to be managed and monitored by the ICT Management Team, supported by the ICT Security & Process Excellence Officer. This group reviews the progress and priorities of this extensive and continual programme which is resourced through a combination of business as usual activities and planned projects within ICT. The majority of these activities relate to internal ICT procedures and standards which ultimately deliver improvements to the services ICT users receive.

ICT Strategic Architecture

10. Progress has been made on a number of architecture projects during the last year, many of which take place behind the scenes. Notable projects have included:
 - (a) Further upgrades to the Council's firewall and perimeter defence infrastructure to maintain high levels of security and protection.
 - (b) Increased the capacity of the virtual server platform to ensure continued high performance.
 - (c) Complete renewal of the enterprise security authentication certificates to help maintain security on servers, PCs and remote laptops.
 - (d) Renewed contract for the high-speed connections between the main Darlington and backup Stockton data centres.
 - (e) Continued developments surrounding the migration and deployment of the Microsoft Office 365 suite of systems and associated platform across the Council.

Council Service Development and Transformation

11. The service-based Information & Systems Strategies inform the ICT Work Plan, and this drives customer projects within the ICT service. As well as the management and monitoring of individual projects, the overall ICT Work Plan is monitored on a monthly cycle at the Systems and Information Governance Group (as described in paragraph 7 above). These ICT projects underpin many of the Council's business change activities.
12. As well as some of the central ICT architecture projects listed above, a further nine service specific projects have been completed since the last progress report to this committee. These included an in-house developed replacement for the employee protection register, as there was nothing in the market that was suitable. This was developed to a joint specification with Stockton Council.
13. As part of the Microsoft Office 365 roll-out and the features this brings, ICT have also been working with the Council's Information Governance Manager to review existing record management practices and the identification of improved methods through the exploitation of features within Office 365. Microsoft Teams sites have been trialled in the Council and the migration of user files and folders to OneDrive is underway as steps in this overall programme.
14. Since the UK Coronavirus restrictions came into place Xentrall ICT have continued to provide a full range of services and underpin the vital functions of the Councils, whilst in addition, stepping up and providing additional services specifically in response to the pandemic situation. As well as supporting the original emergency planning aspects of the pandemic, Xentrall ICT are also integral in any recovery planning and activities taking place. ICT Services will continue to also help both Councils retain the benefits that have been gained through mass home working and to help exploit the technology enabled opportunities and innovation that have also arisen across services.

Outcome of Consultation

15. There has been no formal consultation in the preparation of this report.

**AUDIT COMMITTEE
21 APRIL 2021**

ITEM NO.....

ANNUAL GRANTS CERTIFICATION REPORT 2019/20

SUMMARY REPORT

Purpose of the Report

1. To present the Annual Grants Certification Report and the results of the external audit testing.

Information and Analysis

2. The Council engaged its external auditors (Ernst & Young) to act as reporting accountants (as per the regulations) in respect of the Housing Subsidy claim, Teachers Pensions, Housing Pooling return and 2019-20 Homes England Compliance Audit checklist.
3. The external audit work identified that the Housing Subsidy claim certified, did not require a qualification letter although there were 3 minor errors that amounted to £12.48 in total and no amendment was made to the claim. The certified claim form was submitted to the DWP by the revised (due to Covid 19) statutory deadline.
4. With regard to the Housing Pooling return, EY identified 2 exceptions, one of which was an amount that was correct but recorded in the wrong quarter and one minor error on the housing stock as at the end of March 2020.
5. The Teachers Pension return was submitted on time and EY identified exceptions totalling £150.72 due to 4 members of staff being included in the incorrect bandings for 3 months of the year.
6. The Homes England Compliance Audit Checklist for 2019/20 was also completed by EY with no issues.
7. EY did not identify any significant issues that required being brought to the attention of Members from any of these claims.
8. The total charge for each of the grants is as follows:

| | £ |
|--------------------------|----------------------|
| Housing Benefit subsidy | 10,500 |
| Teachers' Pension | 5,500 |
| Housing Pooling Return | 5,000 |
| Homes England Compliance | 4,000 |
| Total | <u>25,000</u> |

Recommendation

9. It is recommended that the Committee note the contents of the report.

Reason

10. The recommendation is supported as it comprises part of the Council's corporate governance arrangements.

Paul Wildsmith
Managing Director

Background Papers

Certification of Claims and Returns Annual Report to those charged with governance
2019/20

Peter Carrick: Extension 5401

| | |
|--|--|
| S17 Crime and Disorder | There are no specific issues which relate to crime and disorder. |
| Health and Well Being | There is no specific health and well being impact. |
| Carbon Impact | There is no specific carbon impact. |
| Diversity | There is no specific diversity impact. |
| Wards Affected | All wards are affected equally. |
| Groups Affected | All groups are affected equally. |
| Budget and Policy Framework | This report does not affect the budget or policy framework. |
| Key Decision | This is not a key decision. |
| Urgent Decision | This is not an urgent decision. |
| One Darlington: Perfectly Placed | There is no specific relevance to the strategy beyond the report comprising part of the Council's governance arrangements. |
| Efficiency | There is no specific efficiency impact. |
| Impact on Looked After Children and Care Leavers | The report does not impact upon Looked After Children or Care Leavers. |

**AUDIT COMMITTEE
21 APRIL 2021**

ETHICAL GOVERNANCE AND MEMBER STANDARDS – UPDATE REPORT

SUMMARY REPORT

Purpose of the Report

1. To update members on issues relevant to member standards and ethical governance.

Summary

2. The report gives members an update of information about issues relevant to member standards since matters were reported to the Committee in September 2020.
3. Also set out in the report are a number of datasets of ethical indicators to assist in monitoring the ethical health of the Council. By reviewing these indicators it is hoped to be able to identify any unusual or significant trends or changes in the volume of data recorded for the relevant period that might provide an alert to any deterioration in the ethical health of the authority.
4. Commentary is included for some data sets to give analysis and explanation for some of the more notable variations. There are no particular issues of concern that have been identified from reviewing the data.

Recommendation

5. Members are asked to note the information presented and to comment as appropriate.

Reason

6. By having information of this nature:
 - (a) Members will be assisted to perform their role.
 - (b) Members will be able to get a better picture of the ethical health of the authority.

**Paul Wildsmith
Managing Director**

Background Papers

None – save as mentioned in the text

Luke Swinhoe: Extension 5490

| | |
|--|--|
| S17 Crime and Disorder | There are no specific issues which relate to crime and disorder. |
| Health and Well Being | There is no specific health and wellbeing impact. |
| Carbon Impact and Climate Change | There is no specific carbon impact. |
| Diversity | There is no specific diversity impact. |
| Wards Affected | All wards are affected equally. |
| Groups Affected | All groups are affected equally. |
| Budget and Policy Framework | This report does not affect the budget or policy framework. |
| Key Decision | This is not a key decision. |
| Urgent Decision | This is not an urgent decision. |
| One Darlington: Perfectly Placed | There is no specific relevance to the strategy beyond a reflection on the Council's ethical governance arrangements. |
| Efficiency | There is no specific efficiency impact. |
| Impact on Looked After Children and Care Leavers | This report has no impact on Looked After Children or Care Leavers |

MAIN REPORT

Update on matters relevant to Ethical Governance and Member Standards

Local Government Association (LGA)

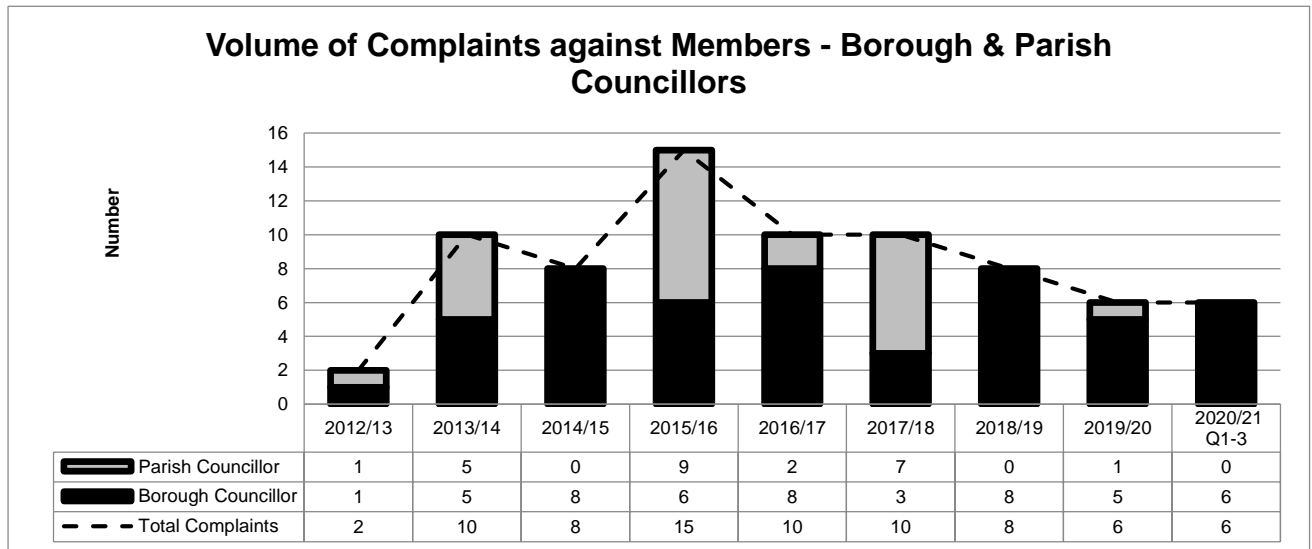
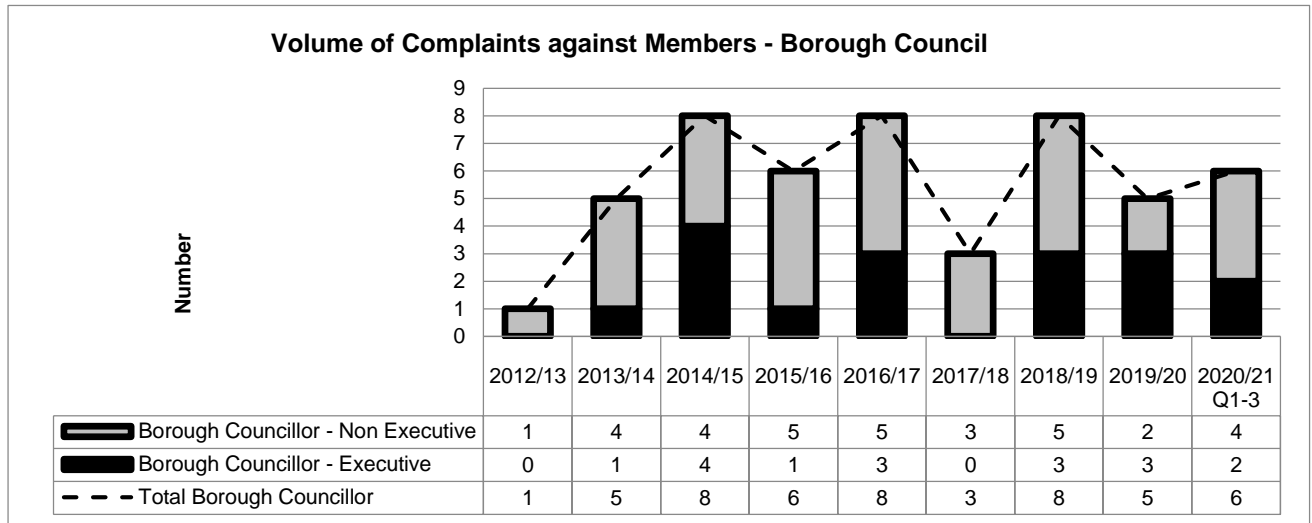
7. As advised previously the LGA has been reviewing the member code of conduct (as recommended by the Committee on Standards in Public Life's report into [Local Government Ethical Standards](#)).
8. The LGA completed this work last year and on the 23rd December 2020 the LGA issued its new Model Councillor Code of Conduct. <http://www.local.gov.uk/publications/local-government-association-model-councillor-code-conduct-2020>. The LGA states that the purpose of the code is to 'protect our democratic role, encourage good conduct and safeguard the public's trust in local government.'
9. The LGA propose to undertake an annual review of the model code to ensure it continues to be fit-for-purpose, incorporating advances in technology, social media and changes in legislation.
10. Darlington Borough Council's current Code of Conduct for Members was based on a previous national model code and was subsequently revised to include changes introduced by the Localism Act 2011 with further minor periodic updating as required. It will certainly be worthwhile to consider the new LGA Code in detail and the merits of adopting it. There has not yet been an opportunity to begin considering the new model code in any great detail.
11. A detailed report will be brought back to this Committee after further review and consideration has been given the model code of conduct.

Ethical Indicators

12. Set out in **Appendix 1** are a range of data sets that it is hoped will assist in monitoring the ethical health of the Council. By reviewing the indicators, it will be possible to identify any unusual or significant changes in the volume of data recorded for the relevant period that might provide an alert to any deterioration in the ethical health of the authority.
13. Member's observations about this information are invited.

APPENDIX 1

Member Complaints



Comments

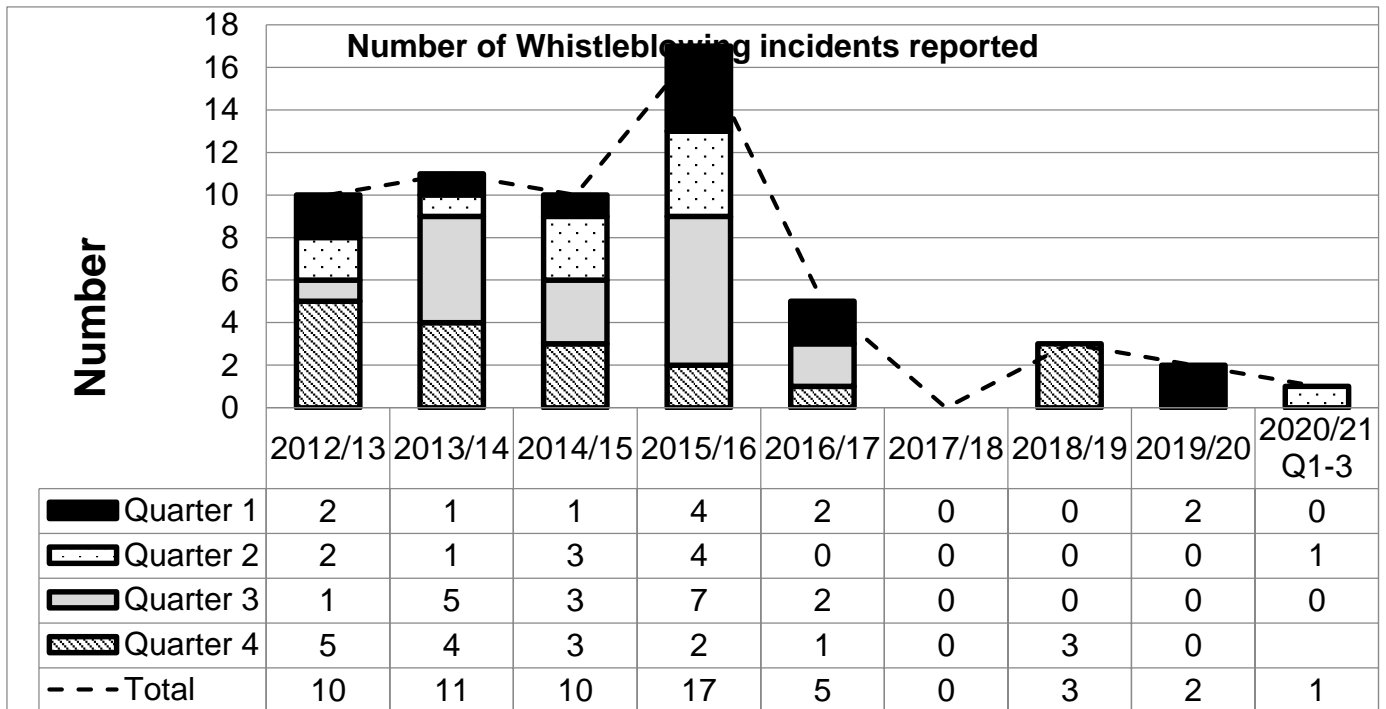
The average number of complaints per year from 2012/13 to 2020/21 is 8.33 per year.

Interpreting the information needs a degree of caution due to low volumes. It is also a factor that in some years spikes in complaints occur due to particular circumstances which account for the rise.

The increase in complaints received for 2015/16, related to one Parish Council alone which accounted for all of the 9 complaints attributed to Parish Councils. This has very significantly impacted on the total complaints received for 2015/16. The number of complaints from 2016/17 on has been more in line with the overall average.

Over the period 2012/13 to 2020/21 there have been 25 complaints made in respect of Parish Councillors and for the same period 50 complaints relating to Borough Councillors. The fact that there are more complaints in respect of Borough Council members is perhaps unsurprising given the types of decisions they are involved in making and the more prominent role that they play compared to Parish Councillors.

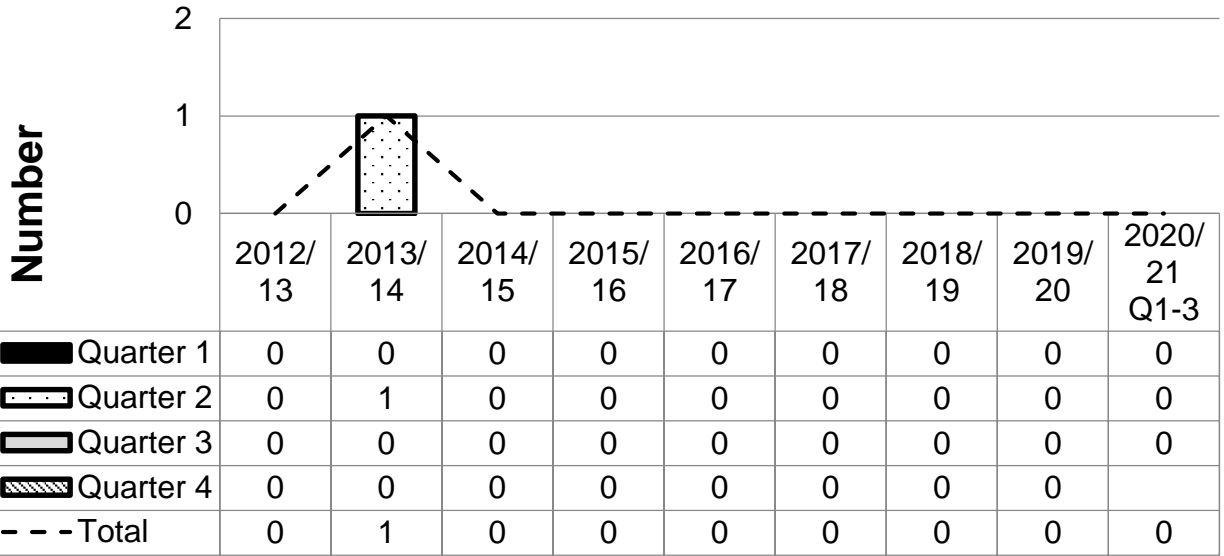
Whistleblowing



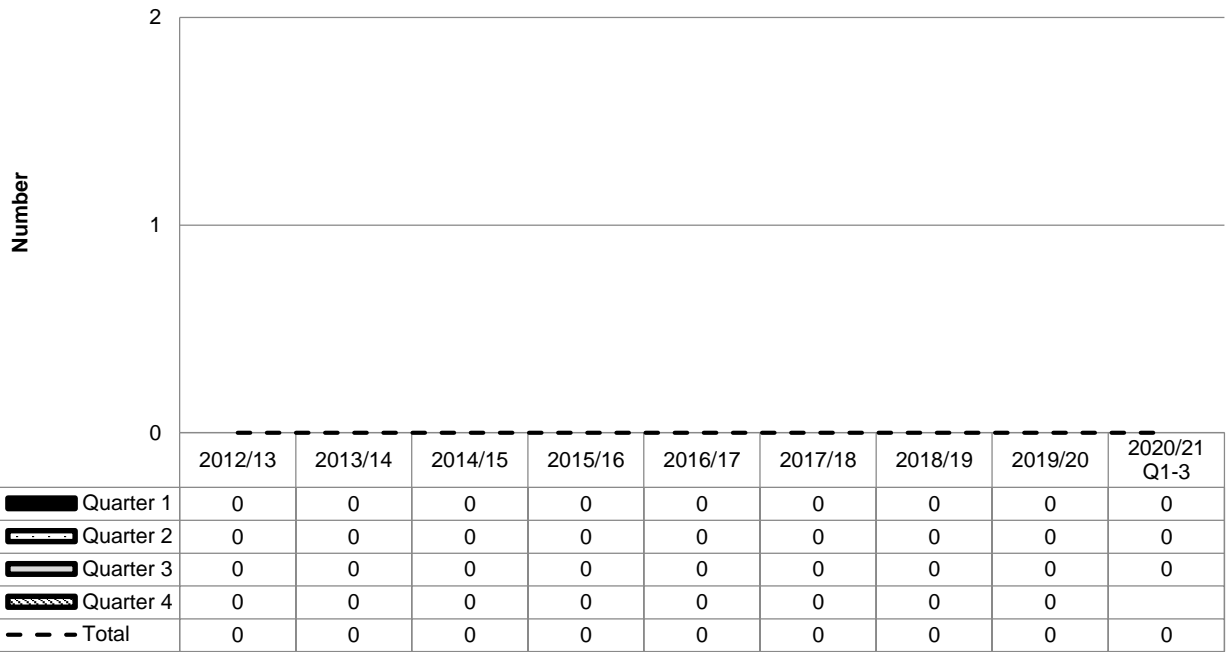
Comments

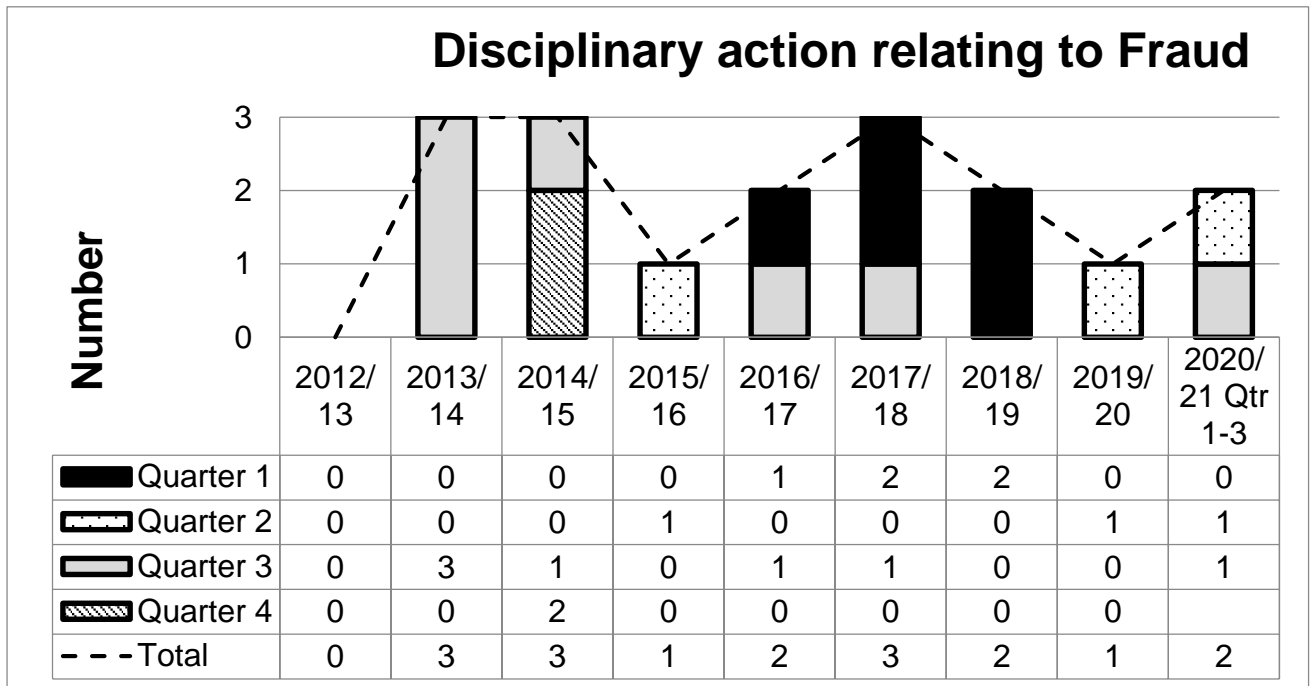
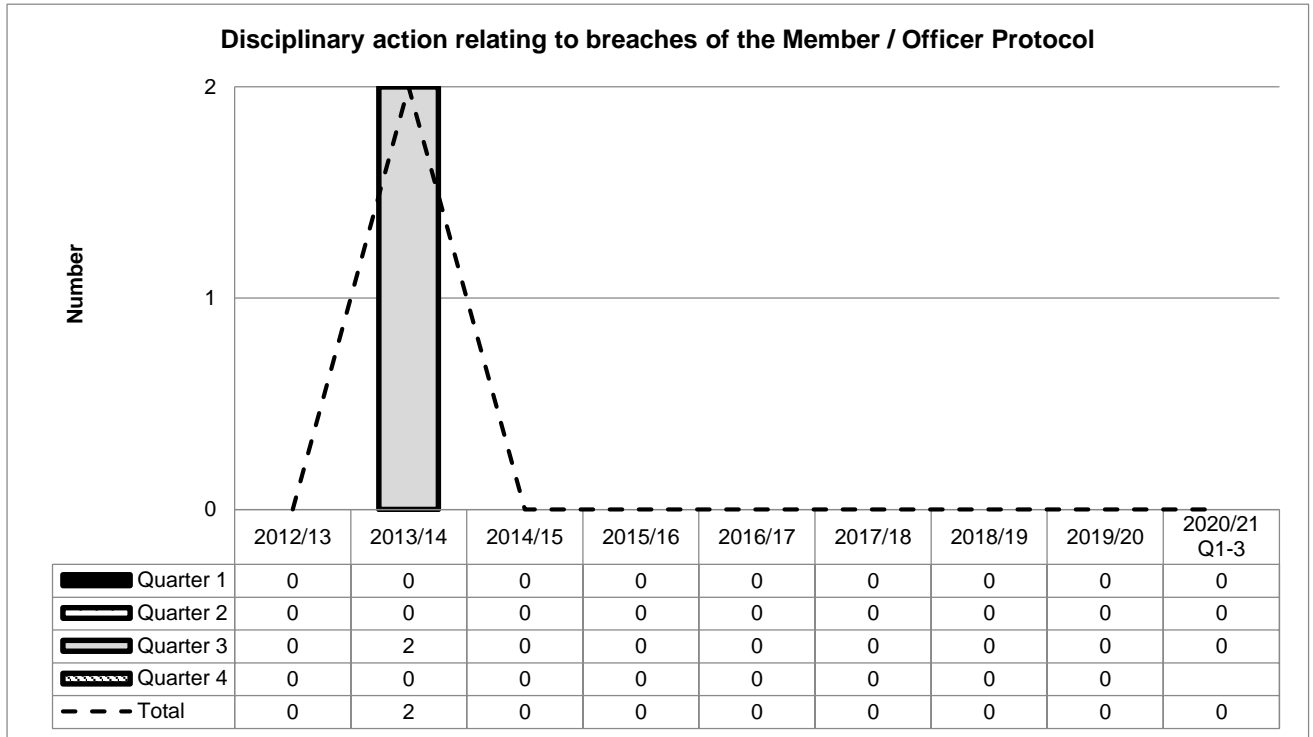
Publicity about the whistleblowing policy took place in the Autumn of 2018 and it has continued to be raised annually in newsletters to officers. Work has also undertaken to highlight the Council's Anti-Fraud and Corruption Strategy.

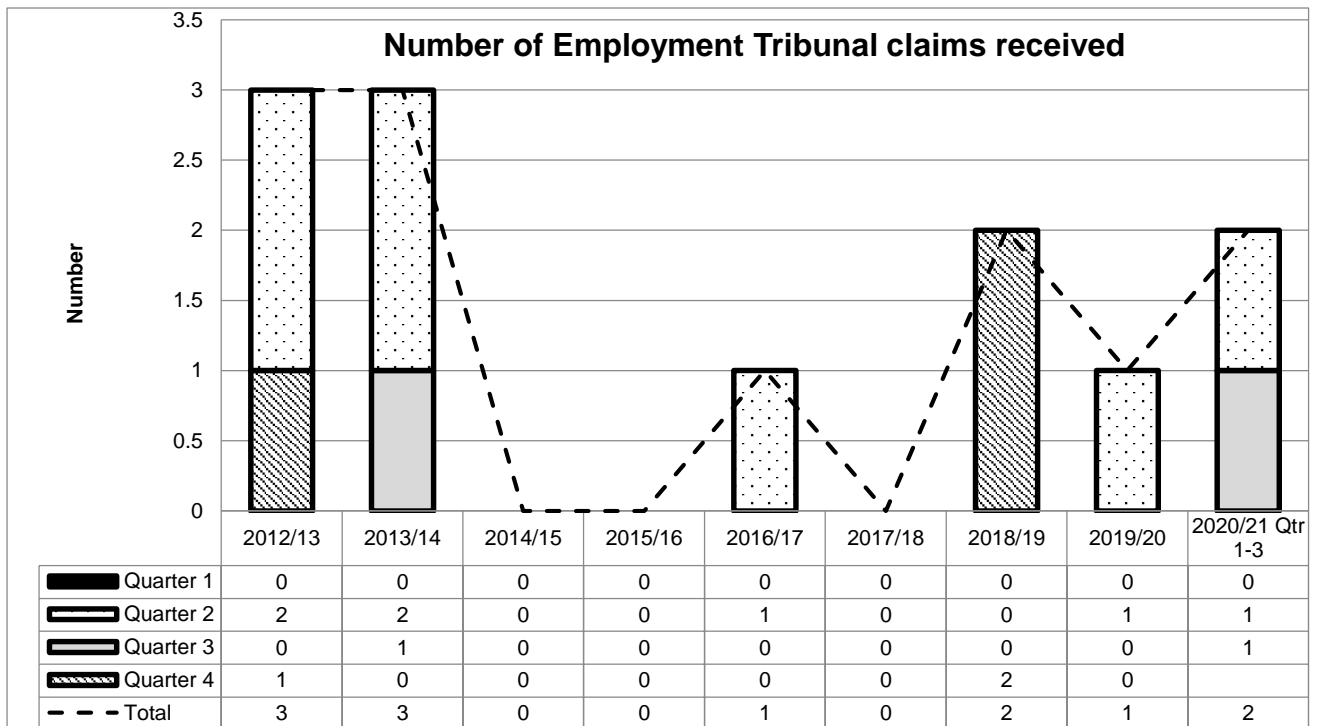
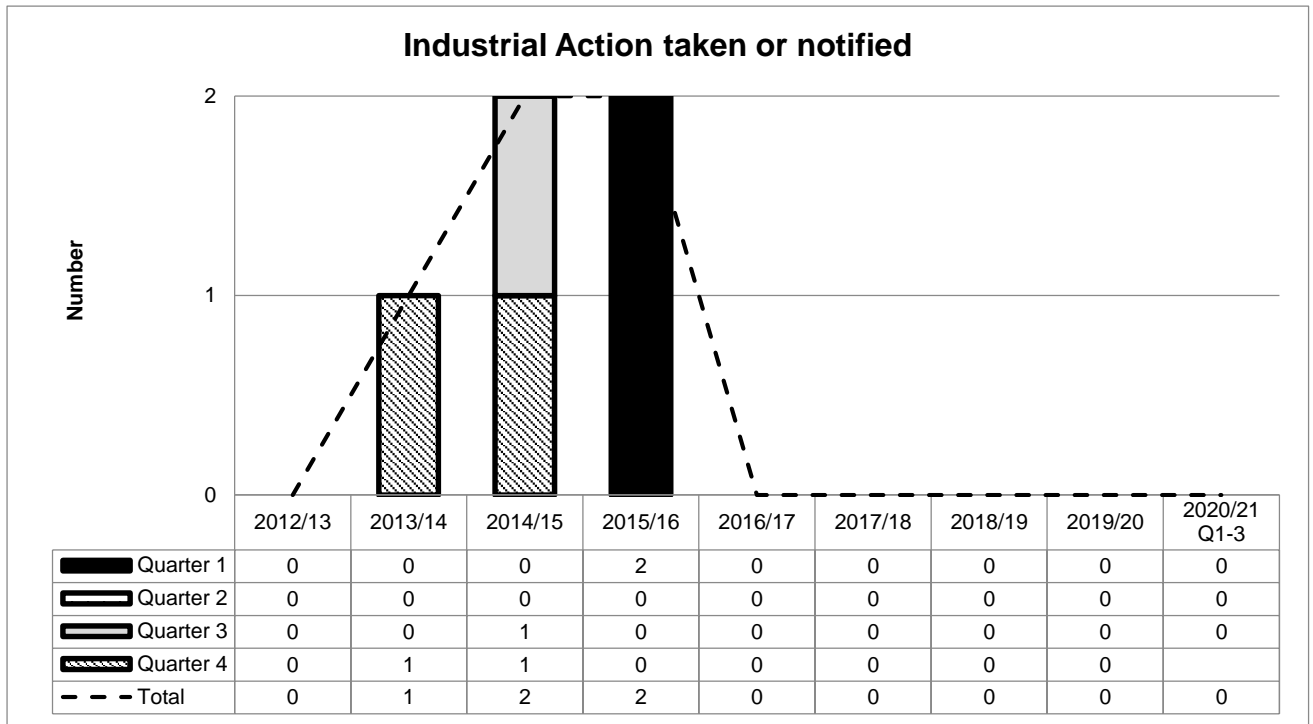
Number of challenges to procurements

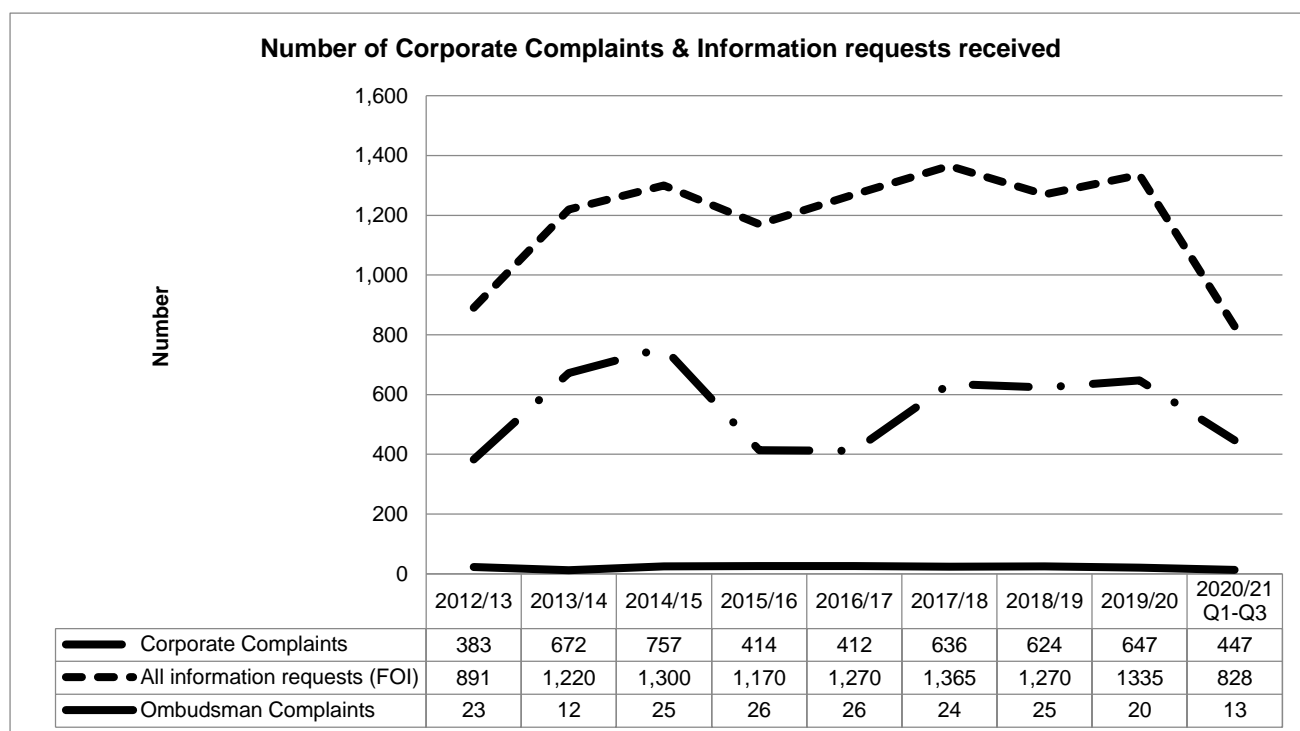


Objections to the Council's Accounts









Comments

2016/17 – the number of Corporate Complaints and Ombudsman Complaints received was similar to the number received in 2015/16, while there was an increase of 100 information requests.

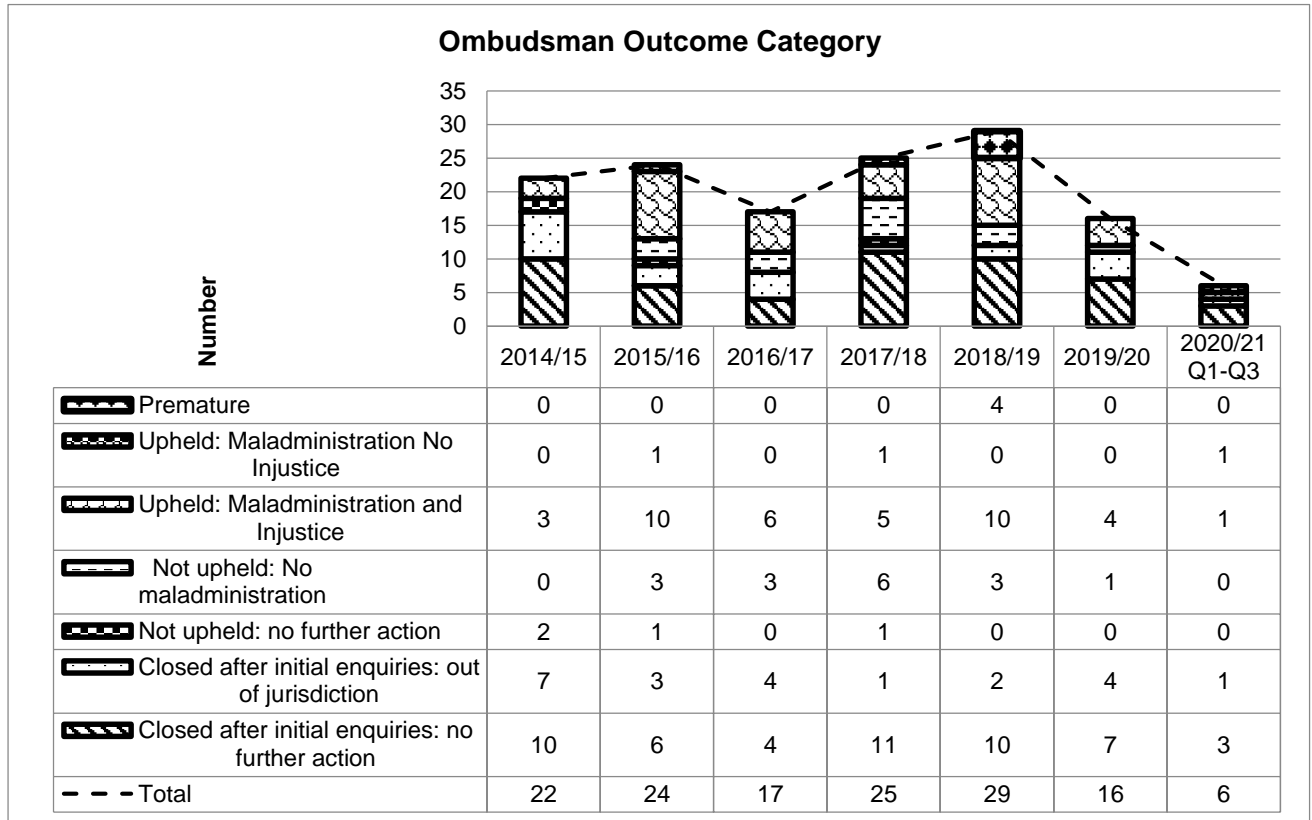
2017/18 – One of the major factors in the increase in corporate complaints was the introduction of the Council’s policy to no longer provide a recall service for missed refuse collections. There was also a significant increase in corporate complaints about Customer Services following a restructure, the most common theme was dissatisfaction with telephone waiting times. Additional staffing resource was brought in, as a response to the complaints about telephone waiting times.

2018/19 – The Council received 624 corporate complaints, a slight decrease from 636 the previous year. While there were increases in some areas, those which saw a decrease in complaints included Housing Benefit and Council Tax Support, Customer Services, Development Management and Parking Appeals.

2019/20 – The Council received 647 corporate complaints, an increase from 624 in 2018/19. The new Garden Waste service received 70 complaints while there were increases in a number of areas including, Refuse and recycling, ASB and Civic Enforcement Ops and Grounds Maintenance. Housing and Building Services saw a significant decrease in complaints while there were also decreases in other areas including Planning, Development Management and Environmental Health.

2020/21 - The Council received 366 corporate complaints between quarters 1 and 3, a decrease from 495 for the same period in 2019/20. The Council also saw a decrease in complaints across its other complaints procedures during this period. This coupled with the Local Government and Social Care Ombudsman’s decision to cease its investigations during the early stages of the pandemic have likely been a contributing factors in the continued decrease in the number of Ombudsman complaints received. While that is the

case the Council has only received one maladministration injustice decision in the year to date, compared to four during 2019/20. This can be attributed, in part, to the learning implemented from complaints.



AUDIT COMMITTEE

21 April 2021

INTERNAL AUDIT CHARTER

SUMMARY REPORT

Purpose of the Report

1. The purpose of this report is to advise Members of the Internal Audit Charter and proposed approach to delivering the audit service for the coming financial year 2021-2022.

Recommendation

2. That the Audit Committee approves the Internal Audit Charter (**Appendix A**) and the rights of access conferred within.

Summary

3. The requirement for the Council to have an internal audit function is outlined in Section 151 of the Local Government Act 1972. More specific requirements are detailed in the Accounts and Audit (England & Wales) Regulations 2015 which requires the Council to:

“undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance”.

4. The attached audit charter outlines how combined internal audit service will be delivered to Darlington Borough Council and Stockton-on-Tees Borough Council.

Public Sector Internal Audit Standards

5. The Public Sector Internal Audit Standards were published on 18th December 2012 and updated in March 2016. These standards, which are based on the requirements of the Institute of Internal Auditors (IIA), are intended to promote further improvement in the professionalism, quality, consistency and effectiveness of internal audit across the public sector. They are mandatory and apply to all internal audit service providers, whether in-house, shared or outsourced.
6. There are three distinct areas covered by the standards: -
 - A definition of Internal Auditing;
 - A Code of Ethics designed to promote an ethical, professional culture; and
 - The International Standards for the Professional Practice of Internal Auditing.

7. CIPFA has provided guidance on the application of Public Sector Internal Audit Standard in the form of an Application Note. The Internal Audit Charter (attached) has been prepared in accordance with the Public Sector Internal Audit Standards and this guidance.

Internal Audit Charter

8. The Charter is a high-level statement of how the Internal Audit Service will be delivered to meet the requirements of the legislation and the standards.
9. The charter sets out the approach for delivery of the audit service:
 - Purpose of the Internal Audit Service
 - Scope of Internal Audit work
 - Access to Information
 - Resourcing of the Service
 - Future Development of the Service
10. The Internal Audit Charter is attached at **Appendix A**.

Audit Planning

11. The standards state that a risk-based plan designed to implement the audit charter and allow an annual internal audit opinion to be prepared should be produced. Audit planning will be undertaken on a quarterly basis as previously agreed. The structure of the plan has been updated with a focus around auditing controls rather than service areas. This will impact on the level of detail provided to members at the planning stage.
12. The risk assessment uses a number of factors to determine the likelihood of issues occurring including an understanding of the full scope of controls in operation, major change, concerns/external interest and results of previous audit work. It then assesses the impact any issues may have on the council's strategic objectives, reputation, financial plans, assets and also the potential impact on individuals and/or the environment.
13. As part of the process, the plan is subject to consultation with the Council's external auditors. High priority is given to key financial systems, any significant corporate projects and specific areas requested by Management. A lower priority is given to systems which, although very important to stakeholders, have less impact corporately. All areas of activity are tested in their entirety at least once in a five year period.
14. The proposed level of resources within the service can be identified as gross audit days based on 7.6 FTE's with 2 officers part-time. Allowances have been made for annual leave, bank holidays, sickness, training and administrative duties. No allowance has been made for staff turnover. This resource is sufficient to complete the testing outlined by the risk assessment.

Development of the Audit Service

15. The service is continuously striving to improve the way it operates and the following actions have been identified to further enhance the service:

- Review and update the Quality, Assurance and Improvement measures.
- Review how to maximise the effectiveness of audits using technology and implement continuous auditing.
- Establish how the service can place reliance on other sources of assurance.
- Implement the new format Audit Report to Directors.
- Implement the new format Corporate Risk Register and Assurance Report to Audit Committee.
- Improved promotion of the service to provide managers and individuals with more information about the audit service and the audit process itself.

Financial and Legal Implications

16. None

Risk Assessment

17. The results of the work undertaken by Internal Audit can be used by managers to assess their risk exposure, recommendations are made where there is perceived to be unacceptable risk.

Community Strategy Implications

18. None

Consultation

19. The Audit Plan has been submitted to the Senior Management Team for comment.

Andrew Barber
Audit & Risk Manager

Andrew Barber, Audit & Risk Manager
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E-mail: a.barber@stockton.gov.uk

| | |
|--------------------------------------|------|
| <u>Background Papers:</u> | None |
| <u>Ward(s) and Ward Councillors:</u> | None |
| <u>Property Implications:</u> | None |

Internal Audit Charter

Introduction

This document will outline how the internal audit service to Stockton-on-Tees Borough Council and Darlington Borough Council will be delivered to ensure it is compliant with the relevant standards and statutory requirements currently in place.

Purpose of the Service

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

Its mission is to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.

Authority to Undertake the Function

Each authority is required to undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.

This requirement is set out in the Accounts & Audit Regulations 2015. The regulations also state that any officer or member of a relevant authority must, if required to do so for the purposes of the internal audit make available such documents/records and supply such information/explanations as are considered necessary by those conducting the internal audit.

Internal Audit's Responsibilities

The service will be delivered in accordance with the purpose outlined above and by ensuring it:

- Demonstrates integrity.
- Demonstrates competence and due professional care.
- Is objective and free from undue influence (independent)
- Aligns with the strategies, objectives, and risks of the organisation
- Is appropriately positioned and adequately resourced
- Demonstrates quality and continuous improvement
- Communicates effectively
- Provides risk-based assurance
- Is insightful, proactive, and future-focussed
- Promotes organisational improvement

The service will ensure it complies with the IIA International Standards for Internal Audit by adopting the Public Sector Internal Audit Standards.

For the purposes of applying these standards "the board" are represented by the Audit Committee through the scheme of delegation in place within each authority. "Senior Management" is the Head of Paid Service,

Section 151 Officer & Monitoring Officer who undertake statutory functions. Each authority will have senior management teams, which will include each of these officers. The service will report the results of audit work individually to each relevant member of this senior management team.

The service will report the findings of its work to the board and to senior management a minimum of 3 times per year in line with the Audit Committee schedule. Where there is any attempt to apply undue influence on the findings of its work the service will seek to make either senior management or the board aware of any such attempts and reserves the right to report without prejudice to any member of the board or senior management.

Recommendations will be made where it is considered the control environment could be improved. This could either be addressing a particular weakness or identifying efficiencies/improvements within processes.

Functionally the service will be based within Stockton-on-Tees Borough Council in the Finance and Business Services Department. The "Chief Audit Executive (CAE)" role as specified by the standards is undertaken by the Audit & Risk Manager. An annual report will be produced giving an overall audit opinion of the control environment to be used as part of the assurance gathering process for the annual governance statement in each authority.

Day-to-day line management for the service will be provided by the Procurement and Governance Manager within the Finance and Business Services Department of Stockton-on-Tees Borough Council.

In order to maintain the actual or perceived independence of the function, where audit work is to be conducted on any function where the Procurement and Governance Manager has operational responsibility, the Audit & Risk Manager has the right to agree the scope of/report findings of this work to any member of senior management. The Audit & Risk Manager has a responsibility to report any attempt to unduly influence/interfere with the scope or outcome of this audit work to relevant members of senior management/the board.

The service will conform to a code of ethics. Annually auditors will sign a declaration that they will conform to a code of ethics that addresses:

- Integrity
- Objectivity
- Competence
- Confidentiality
- Conflicts of Interest

Failure to abide by this code will result in action being taken against individuals through either the Council's disciplinary process, professional disciplinary process or a combination of both.

An opinion will be provided on the entire control environment each year, one for each authority by 30 June. Frequency and scope of testing will be determined by an audit risk assessment, which will be kept up to date. A plan of work will be agreed with the board and senior management, which is considered sufficient to enable this opinion to be given.

In addition to auditing the control environment, the service has a role in preventing, detecting and investigating possible fraudulent or corrupt activity. It is a requirement that the service will be made aware of any such activity either suspected or proven. In addition to this, audit testing will be conducted on the

basis that fraud and corruption is a risk within any system and auditors will be aware of the potential for this to be taking place.

Because of the breadth of skills and knowledge possessed by auditors, the service may be approached to provide advice and guidance to managers outside of the normal audit process. Any such consultancy engagement will be managed appropriately and will only be undertaken where the agreed scope of the engagement is consistent with the purpose of the service and where the requisite skills are available. Such assignments will be added to the audit plan.

The service will ensure it has sufficient resources to deliver a risk based audit plan with adequate coverage to enable an overall opinion to be given. A competency framework will be maintained to ensure auditors have the required skills to deliver the plan. Auditors will be assessed against this framework as part of the annual appraisal process. In addition, to ensure auditor's skills remain current they will be required to undertake Continual Professional Development (CPD). Where it is believed there will be insufficient resources (either in terms of capacity or in terms of competence) this will be brought to the attention of the board through the audit committee.

Delivery of the Service

An audit portfolio will be maintained which will encompass the entire control environment of the authority. The portfolio will be kept up to date with consultation taking place with senior management on a regular basis.

Each control in the portfolio will be risk assessed to determine frequency and priority of audit work. The risk assessment will be kept up to date and planning will be undertaken on a quarterly basis. The service will utilise continuous monitoring techniques as part of the risk assessment process, which, will incorporate feedback from a number of sources. This approach will include schools where the primary source of feedback will be the Schools Financial Value Standard Self-Assessment returns and where applicable the schools risk action groups.

Frequency of testing of each control will be determined by a risk assessment. Planning will be focussed on the adequacy of resources to meet the pre-defined frequency of testing requirements rather than a detailed break-down of testing to be undertaken.

A manual will be maintained which will document the audit process, the way in which results of audit work will be presented (this will be subject to consultation with senior management/the board) and the standard of working papers required to support the audit opinion.

The service will maintain an intranet page in each Council which will include basic contact details and any other relevant information.

Monitoring the Service

A Quality Assurance and Improvement Programme (QAIP) will be developed to reflect the new ways way planning and recording work.

The QAIP will detail:

- Performance measures for assessing the service
- Complaints procedure
- Process for reviewing compliance with the Standards.

Regular reports will be presented to the board on the outcomes of the QAIP

**AUDIT COMMITTEE
21 APRIL 2021**

ITEM NO.

AUDIT SERVICES – ACTIVITY REPORT

SUMMARY REPORT

Purpose of the Report

1. To provide Members with a progress report of activity and proposed activity for the next period.

Summary

2. The report outlines progress to date on audit assignment work, consultancy/contingency activity.

Recommendation

3. It is recommended that the activity and results be noted and that the planned work is agreed.

Reasons

4. The recommendation is supported to provide the Audit Committee with evidence to reflect on the Council's governance arrangements.

**Andrew Barber
Audit & Risk Manager**

Background Papers

- (i) Internal Audit Charter
- (ii) Departmental Audit Reports

Andrew Barber: Extension 156176

| | |
|----------------------------------|--|
| S17 Crime and Disorder | Other than any special investigation work there is no crime and disorder impact. |
| Health and Well Being | There is no specific health and well being impact. |
| Carbon Impact | There is no specific carbon impact. |
| Diversity | There is no specific diversity impact. |
| Wards Affected | All wards are affected equally. |
| Groups Affected | All groups are affected equally. |
| Budget and Policy Framework | This report does not affect the budget or policy framework. |
| Key Decision | This is not a key decision. |
| Urgent Decision | This is not an urgent decision. |
| One Darlington: Perfectly Placed | There is no specific relevance to the strategy beyond a reflection on the Council's governance arrangements. |
| Efficiency | There is no specific efficiency impact. |

MAIN REPORT

Information and Analysis

5. Members will be aware of a change in approach from traditional audit assignments to individual control testing and reporting. This requires a different approach in terms of reporting on activity and this will be developed further in the coming months. Additionally there is a move away from annual audit planning to quarterly planning to enable the service to respond more effectively to the changing risk environment.
6. The report should be considered in the context of fulfilling the function to monitor the adequacy and effectiveness of the Council's internal control environment and the Internal Audit service provided.
7. Appendix 1 provides members with detailed feedback on the performance of the service and the position in relation to completion of audit work. This is a new version of the report and each section will be discussed in more detail in the following paragraphs.
8. The first section of the report is to provide members with feedback on the management of the risks on the corporate risk register. Testing has not yet been undertaken for all risks but where testing has been undertaken an assurance level is provided, at present risk EG&NS 9 has been identified as an area where further improvement is required as reflected in the current assessment of that risk. The areas not yet tested are included in the normal programme of work based on the audit risk assessment which takes account of the overall risk assessment.
9. The next section breaks down audit results against a set of key governance processes. As with the previous section where no assurance level is given testing is

yet to be undertaken. No area is scoring below 70% which is the benchmark for substantial assurance.

10. The next section breaks down audit work by functional service area within the council this is a different type of breakdown to the processes previously discussed and includes planning information as well as feedback on the work undertaken during the period. For each service area we provide the overall numbers which includes testing undertaken in prior periods. We then identify the results of testing in the current period followed by planned work in the next period which is developed using the audit risk assessment and the pre-defined frequency of testing.
11. The final section is progress against our balanced scorecard. The key measures in this section are adequate resources and portfolio coverage. In terms of adequate resources we aim to have 15 days capacity spare to deal with any issues that may arise, currently we have less spare capacity but we do have sufficient capacity to undertake all of the work. Portfolio coverage identifies the number of controls that should be tested in the period, we are currently are behind schedule on this indicator due to the current working arrangements and the new process bedding in. The backlog of work is included in the planned work for the next quarter and as discussed in terms of adequate resources we have sufficient capacity to clear this backlog. All other indicators remain on track.

Outcome of Consultation

12. There was no formal consultation undertaken in production of this report.

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Risk Summary

Where possible audit testing is linked directly to risks on the risk register, below is a summary of current assurance levels based on work completed to date.

| ID | Risk | Assurance |
|--------------|---|-----------|
| C&A 1 | Inability to contain placement costs for children looked after due to lack of sufficient in house placements | |
| C&A 10 | The Deprivation of Liberty Safeguards Threshold changes significantly increases the amount of people deprived of their liberty resulting in potential for increased legal challenge | |
| C&A 14a | Failure to respond appropriately to safeguard vulnerable adults, in line with national legislation and safeguarding adults procedures | 100% |
| C&A 14b | Failure to respond appropriately to safeguard vulnerable children, in line with national legislation and safeguarding children, thresholds and procedures. | |
| C&A 15 | Working with other local commissioners to ensure their understanding of their responsibilities within the Childhood pathway. | |
| C&A 16 | Risk of unsuccessful mobilisation of new service - Support, Recovery and Treatment In Darlington through Empowerment (STRIDE). | |
| C&A 17 | Impact of NECA not retaining the Drug & Alcohol Contract on the Stop Smoking Service - Will the provider be able to manage the Stop Smoking staff if the Gate is no longer used by the Service. | |
| C&A 18 | Impact of COVID-19 on team capacity. | |
| C&A 19 | New Director of Public Health transition. | |
| C&A 3a | Inability to recruit and retain sufficient qualified suitably experienced social workers in Children's Services impacts on cost and quality of service | |
| C&A 3b | Inability to recruit and retain sufficient qualified suitably experienced social workers in Adult Services impacts on cost and quality of service | |
| C&A 5 | Failure to identify vulnerable schools and broker appropriate support to address needs | |
| C&A 8a Adult | Increased demand for Adult Services impacts negatively on plans for budget efficiencies | |
| C&A 8b | Increased demand for Children's Services impacts negatively on budget | |
| C&A 9a | Market (Domiciliary Care Residential Care providers) failure following the Care Act/Living Wage | |
| C&A 9b | Market (Domiciliary Care Residential Care providers) for Vulnerable Families with Children (including SEND) experiences provider failure | |
| C1 | Implementation of recommendations from the Capital Process Review is needed to improve effective capital project management | |
| C17 | Brexit could result in changes to laws, regulations, government policy or funding when/if the UK leaves the EU which could impact on Darlington Borough Council's ability to achieve its objectives | |
| C18 | COVID-19: 1. Health and safety of the Council workforce 2. Health and safety of the public of Darlington 3. The impact on the Economy of the Borough and its population 4. Financial impacts on the Council of increased costs and reduced income | |
| C3 | Corporate Premises Risks | 100% |
| C4 | Business Continuity Plans not in place or tested for key critical services | 97% |
| C5 | Council unable to meet its obligations under the information governance agenda | 92% |
| EG&NS 1 | Investment in regeneration projects is not delivered | |
| EG&NS 12 | Planning Performance at risk of Standards Authority intervention | |

| | | |
|----------|--|------|
| EG&NS 13 | Significant impacts arising from the reduction in available cash/resources to the local economy, Council's GF and HRA and businesses due to the impacts of increased levels of unemployment and Universal Credit payments | |
| EG&NS 14 | Regulatory risks associated with provision of services including Street Scene Environmental Services, Building Services (Gas, Legionella, etc.) and the Lifeline service | |
| EG&NS 16 | Delay in delivering replacement cremators resulting in failure of existing equipment and therefore closure of the service | |
| EG&NS 17 | Impact of COVID-19 on customers and audiences on confidence to return to leisure and cultural facilities | |
| EG&NS 18 | Impacts arising from the ability to progress and complete schemes/projects in the event of further COVID- 19 lockdowns | |
| EG&NS 19 | Potential impact on public transport networks if commercial services do not recover or continue to receive support from Government and routes are withdrawn | |
| EG&NS 20 | Inability to cope with significant increase in homelessness cases due to new requirements by MHCLG to accommodation everyone irrespective of status in order to limit spread of COVID-19 and also increased levels of homelessness due to increased relationship breakdowns and financial difficulties | |
| EG&NS 7 | Financial implications of Maintaining and conserving key capital assets within the borough | |
| EG&NS 8 | Ability to adequately address the affordable housing requirement | |
| EG&NS 9 | Delay to new Local Plan | 50% |
| RE 1 | VAT partial exemption breach due to exempt VAT being close to the 5% limit | |
| RE 2 | Fraud in general | |
| RE 26 | Joint Venture Arrangements impacted by a slow down in house building | |
| RE 3 | ICT security arrangements inadequate | |
| RE 5 | Increased sickness absence adversely affects service delivery | |
| RE 9 | Instability within financial markets adversely impacts on finance costs and investments | 100% |

Theme Summary

Audit testing is linked to a key governance theme, the results of work and overall assurance level against each theme is shown below.

| Theme | Assurance | Audit Findings (By Impact) | | | | | |
|--|-----------|----------------------------|----|---|----|---|----|
| | | | VL | L | M | H | VH |
| 1. Accuracy of Decision Making | 88% | R | 0 | 0 | 0 | 0 | 0 |
| | | A | 0 | 0 | 5 | 0 | 2 |
| | | G | 0 | 7 | 12 | 9 | 3 |
| 2. Monitoring of Decisions | 93% | R | 0 | 1 | 0 | 0 | 0 |
| | | A | 0 | 1 | 0 | 1 | 0 |
| | | G | 0 | 3 | 3 | 0 | 0 |
| 3. Information Governance | 95% | R | 0 | 0 | 0 | 0 | 0 |
| | | A | 0 | 2 | 3 | 0 | 0 |
| | | G | 1 | 4 | 9 | 3 | 0 |
| 4. Finance | 100% | R | 0 | 0 | 0 | 0 | 0 |
| | | A | 0 | 0 | 1 | 0 | 0 |
| | | G | 1 | 2 | 7 | 6 | 2 |
| 5. HR - Payments | 100% | R | 0 | 0 | 0 | 0 | 0 |
| | | A | 0 | 0 | 0 | 0 | 0 |
| | | G | 0 | 1 | 1 | 1 | 0 |
| 6. HR - Health & Safety | 100% | R | 0 | 0 | 0 | 0 | 0 |
| | | A | 0 | 0 | 0 | 0 | 0 |
| | | G | 0 | 1 | 2 | 0 | 0 |
| 7. HR - Management | 100% | R | 0 | 0 | 0 | 0 | 0 |
| | | A | 0 | 0 | 0 | 0 | 0 |
| | | G | 1 | 5 | 1 | 0 | 0 |
| 8. Recruitment | 75% | R | 0 | 0 | 0 | 0 | 0 |
| | | A | 0 | 0 | 0 | 0 | 0 |
| | | G | 0 | 2 | 0 | 0 | 0 |
| 9. HR - Training/Qualifications/Clearances | 84% | R | 0 | 0 | 0 | 0 | 0 |
| | | A | 0 | 0 | 4 | 0 | 0 |
| | | G | 0 | 6 | 5 | 2 | 0 |
| 10. Accuracy of Payments | 94% | R | 0 | 0 | 0 | 0 | 0 |
| | | A | 0 | 0 | 0 | 0 | 0 |
| | | G | 3 | 7 | 3 | 0 | 0 |
| 11. Income - Charging | 88% | R | 0 | 0 | 0 | 0 | 0 |
| | | A | 0 | 1 | 0 | 0 | 0 |
| | | G | 0 | 4 | 0 | 1 | 0 |
| 12. Income - Payments | 80% | R | 0 | 0 | 0 | 0 | 0 |
| | | A | 0 | 1 | 0 | 0 | 0 |
| | | G | 0 | 4 | 0 | 1 | 0 |
| 13. Cash Handling | 86% | R | 0 | 0 | 0 | 0 | 0 |
| | | A | 0 | 0 | 0 | 0 | 0 |

| | | | | | | | |
|--|------|---|---|---|---|---|---|
| | | G | 0 | 1 | 0 | 0 | 0 |
| 14. Procurement/Sourcing | 89% | R | 0 | 0 | 0 | 0 | 0 |
| | | A | 0 | 1 | 1 | 1 | 0 |
| | | G | 0 | 4 | 3 | 1 | 1 |
| 15. Physical Assets/Locations | 96% | R | 0 | 0 | 0 | 0 | 0 |
| | | A | 0 | 2 | 2 | 0 | 0 |
| | | G | 0 | 5 | 7 | 3 | 1 |
| 16. Fraud | | R | 0 | 0 | 0 | 0 | 0 |
| | | A | 0 | 0 | 0 | 0 | 0 |
| | | G | 0 | 0 | 0 | 0 | 0 |
| 17. Business Continuity | 100% | R | 0 | 0 | 0 | 0 | 0 |
| | | A | 0 | 1 | 0 | 0 | 0 |
| | | G | 0 | 2 | 6 | 5 | 0 |
| 18. Procedures | 100% | R | 0 | 0 | 0 | 0 | 0 |
| | | A | 0 | 0 | 0 | 0 | 1 |
| | | G | 0 | 6 | 3 | 1 | 0 |
| 19. Performance Management | 92% | R | 0 | 0 | 0 | 0 | 0 |
| | | A | 0 | 1 | 3 | 0 | 0 |
| | | G | 0 | 0 | 3 | 4 | 2 |
| 20. ICT Infrastructure | 91% | R | 0 | 0 | 0 | 0 | 0 |
| | | A | 0 | 0 | 0 | 0 | 0 |
| | | G | 1 | 4 | 5 | 3 | 2 |
| 21. Handling of Requests/Incident Response | 79% | R | 0 | 0 | 0 | 0 | 0 |
| | | A | 0 | 0 | 2 | 0 | 0 |
| | | G | 2 | 3 | 1 | 0 | 0 |

Detailed Analysis by Service

This section of the report will present detail of work undertaken and work planned by Service area.

| | | VL | L | M | H | VH |
|---------|---|----|---|---|---|----|
| Finance | R | 0 | 0 | 0 | 0 | 0 |
| | A | 0 | 0 | 0 | 0 | 0 |
| | G | 0 | 3 | 4 | 6 | 1 |

| | | | | | |
|--|--------------|----|------------|------------------|----|
| Results of Audit Testing for the period: | January 2021 | to | March 2021 | Controls Tested: | 10 |
|--|--------------|----|------------|------------------|----|

| Very Low | Low | Medium | High | Very High | Very Low | Low | Medium | High | Very High | Very Low | Low | Medium | High | Very High |
|----------|-----|--------|------|-----------|----------|-----|--------|------|-----------|----------|-----|--------|------|-----------|
| 0 | 0 | 3 | 4 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

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| Planned Work | | April 2021 | | to | | June 2021 | | | | Monitoring | |
|--------------|------|------------|------|--------|------|-----------|------|-----------|------|------------|--|
| Very Low | | Low | | Medium | | High | | Very High | | | |
| No | Time | No | Time | No | Time | No | Time | No | Time | | |
| 1 | 2 | 3 | 1.25 | 4 | 3.5 | 3 | 5 | 2 | 1.5 | 0 | |

Below is a full list of controls to be examined in the next period.

| | Frequency |
|---|-----------|
| Clear budget process and timetable is in place which could be followed by team members as and when required. | 3 |
| Focussed financial support to commercial ventures | 3 |
| Participate in appropriate safeguarding processes and provider serious concern protocol | 6 |
| Timely and accurate financial assessments are undertaken for service users wishing to take up a service. | 6 |
| Effective management of grants received to support jobs and growth. | 6 |
| Treasury Management Strategy and its implementation meets the Prudential Code and Treasury Management Code of Practice. | 12 |
| Delivery of an effective Internal Audit Service in compliance with Accounts & Audit Regulations. | 12 |
| Where legal charges have been placed on a service user's property, appropriate deferred payment/legal documentation is in place | 12 |
| Plans are in place to continue to deliver housing/council tax support during an emergency. | 12 |
| Feedback on cases of identified fraud are acted upon appropriately. | 24 |

| | |
|---|----|
| Council Tax support/housing benefit overpayments are managed effectively. | 24 |
| Adequate procedures exist to deliver Council Tax/Benefits/Business Rate services. | 24 |
| Operate clear and robust insurance claim management and processing uninsured loss recovery. | 48 |

| | | VL | L | M | H | VH |
|----|---|----|---|---|---|----|
| HR | R | 0 | 0 | 0 | 0 | 0 |
| | A | 0 | 0 | 0 | 0 | 0 |
| | G | 1 | 6 | 3 | 0 | 0 |

| | | | | | |
|--|--------------|----|------------|------------------|---|
| Results of Audit Testing for the period: | January 2021 | to | March 2021 | Controls Tested: | 2 |
|--|--------------|----|------------|------------------|---|

| Very Low | Low | Medium | High | Very High | Very Low | Low | Medium | High | Very High | Very Low | Low | Medium | High | Very High |
|----------|-----|--------|------|-----------|----------|-----|--------|------|-----------|----------|-----|--------|------|-----------|
| 0 | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| | | | | | | | | | | | |
|--------------|------|------------|------|--------|------|-----------|------|-----------|------|------------|--|
| Planned Work | | April 2021 | | to | | June 2021 | | | | Monitoring | |
| Very Low | | Low | | Medium | | High | | Very High | | | |
| No | Time | No | Time | No | Time | No | Time | No | Time | | |
| 0 | 0 | 2 | 1.25 | 1 | 1 | 1 | 0.25 | 0 | 0 | 0 | |

Below is a full list of controls to be examined in the next period.

| | Frequency |
|--|-----------|
| Posts requiring a DBS check are identified and requirements are in line with legislation. | 6 |
| Procurement of contracts in place for provision of employee therapy is undertaken in line with contract procedure rules and appropriate monitoring under | 12 |
| Effective procurement/commissioning of training and development providers ensures value for money and compliance with contract procedure rules. | 24 |
| Employee hard copy files are adequately safeguarded. | 24 |

| | | VL | L | M | H | VH |
|-----------------|---|----|---|---|---|----|
| Health & Safety | R | 0 | 0 | 0 | 0 | 0 |
| | A | 0 | 0 | 0 | 0 | 0 |
| | G | 0 | 1 | 0 | 0 | 0 |

| | | | | | |
|--|--------------|----|------------|------------------|---|
| Results of Audit Testing for the period: | January 2021 | to | March 2021 | Controls Tested: | 2 |
|--|--------------|----|------------|------------------|---|

| Very Low | Low | Medium | High | Very High | Very Low | Low | Medium | High | Very High | Very Low | Low | Medium | High | Very High |
|----------|-----|--------|------|-----------|----------|-----|--------|------|-----------|----------|-----|--------|------|-----------|
| 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| Planned Work | | April 2021 | | to | June 2021 | | | | | |
|--------------|------|------------|------|--------|-----------|------|------|-----------|------|------------|
| Very Low | | Low | | Medium | | High | | Very High | | Monitoring |
| No | Time | No | Time | No | Time | No | Time | No | Time | |
| 0 | 0 | 0 | 0 | 2 | 2 | 0 | 0 | 0 | 0 | |

Below is a full list of controls to be examined in the next period.

Frequency

| | |
|---|----|
| Development of an appropriate risk assessed H&S audit programme. | 12 |
| Appropriate checks have been undertaken prior to placing someone on the Employee Protection Register. | 12 |

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| | | VL | L | M | H | VH |
|--|---|----|---|---|---|----|
| Strategy, Performance & Communications | R | 0 | 0 | 0 | 0 | 0 |
| | A | 0 | 1 | 0 | 0 | 0 |
| | G | 2 | 3 | 0 | 0 | 0 |

| Results of Audit Testing for the period: | January 2021 | to | March 2021 | Controls Tested: | 1 |
|--|--------------|----|------------|------------------|---|
|--|--------------|----|------------|------------------|---|

| Very Low | Low | Medium | High | Very High | Very Low | Low | Medium | High | Very High | Very Low | Low | Medium | High | Very High |
|----------|-----|--------|------|-----------|----------|-----|--------|------|-----------|----------|-----|--------|------|-----------|
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| Planned Work | | April 2021 | | to | June 2021 | | | | | |
|--------------|------|------------|------|--------|-----------|------|------|-----------|------|------------|
| Very Low | | Low | | Medium | | High | | Very High | | Monitoring |
| No | Time | No | Time | No | Time | No | Time | No | Time | |
| 0 | 0 | 2 | 2.5 | 1 | 0.5 | 0 | 0 | 1 | 0.5 | |

Below is a full list of controls to be examined in the next period.

| | Frequency |
|--|-----------|
| An approved Council Plan is in place which sets out the priorities of the council. | 3 |
| Website and Intranet content is relevant and up to date. | 6 |
| Communication activities are aligned with corporate priorities and are delivered consistently and effectively. | 12 |
| Effective community engagement and consultation. | 24 |

| | | VL | L | M | H | VH |
|---------------------|---|----|---|---|---|----|
| Children's Services | R | 0 | 0 | 0 | 0 | 0 |
| | A | 0 | 0 | 1 | 2 | 1 |
| | G | 0 | 1 | 5 | 6 | 1 |

| | | | | | |
|--|--------------|----|------------|------------------|---|
| Results of Audit Testing for the period: | January 2021 | to | March 2021 | Controls Tested: | 9 |
|--|--------------|----|------------|------------------|---|

| Very Low | Low | Medium | High | Very High | Very Low | Low | Medium | High | Very High | Very Low | Low | Medium | High | Very High |
|----------|-----|--------|------|-----------|----------|-----|--------|------|-----------|----------|-----|--------|------|-----------|
| 0 | 1 | 3 | 2 | 1 | 0 | 0 | 0 | 1 | 1 | 0 | 0 | 0 | 0 | 0 |

| | | | | | | | | | | | |
|--------------|------|------------|------|--------|------|-----------|------|-----------|------|------------|--|
| Planned Work | | April 2021 | | to | | June 2021 | | | | Monitoring | |
| Very Low | | Low | | Medium | | High | | Very High | | 0 | |
| No | Time | No | Time | No | Time | No | Time | No | Time | | |
| 0 | 0 | 2 | 1 | 5 | 5.25 | 9 | 13 | 7 | 6.25 | | |

Below is a full list of controls to be examined in the next period.

| | Frequency |
|--|-----------|
| Section 17 payments made in respect of children are appropriately managed. | 3 |
| Children's placements are monitored appropriately and opportunities for family reunification examined. | 3 |
| Children's Assessment procedures are comprehensive and up to date | 3 |
| Children's cases are appropriately supervised with regular discussion and appropriate recording. | 3 |
| Systems are updated with the relevant referral information | 3 |
| Accurate and timely assessment of children's referrals is undertaken. | 3 |
| The Troubled Families Initiative programme is managed effectively. | 3 |
| Adequate and effective after school, day care and residential short breaks provision is available for children with a care plan. | 6 |
| Appointment of suitable of in-house foster carers. | 6 |
| Appropriate arrangements are in place to assess the suitability of adopters | 6 |

| | |
|--|----|
| In-House carers receive appropriate training. | 6 |
| Hard-copy Children's case files are appropriately managed and safeguarded. | 6 |
| Management and oversight of youth offending cases improve outcomes for young people involved in criminal justice system or at risk of becoming involve | 6 |
| Information held about children, young people and their families is appropriate/up to date and sharing is in line with GDPR and IARs. | 6 |
| Monitor re-offending rates and target resources towards young people at risk of re-offending. | 6 |
| Breakdowns in placements are handled effectively. | 6 |
| Health & safety of children's placements is monitored | 12 |
| Up to date and accessible procedures available to support the management of children's case files. | 12 |
| Training, support and development is in place for foster carers/special guardians. | 12 |
| Effective recruitment and retention of foster carers, including ongoing campaigns promoting the role. | 12 |
| Any payments agreed as part of the Pathway Plan have been paid correctly. | 12 |
| Cash in Children's Services is appropriately safeguarded and reconciled. | 24 |
| Cash in children's centres is appropriately safeguarded | 24 |

| | | VL | L | M | H | VH |
|--------|---|----|---|---|---|----|
| Adults | R | 0 | 0 | 0 | 0 | 0 |
| | A | 0 | 0 | 3 | 1 | 1 |
| | G | 0 | 1 | 5 | 6 | 4 |

| | | | | | |
|--|--------------|----|------------|------------------|---|
| Results of Audit Testing for the period: | January 2021 | to | March 2021 | Controls Tested: | 7 |
|--|--------------|----|------------|------------------|---|

| Very Low | Low | Medium | High | Very High | Very Low | Low | Medium | High | Very High | Very Low | Low | Medium | High | Very High |
|----------|-----|--------|------|-----------|----------|-----|--------|------|-----------|----------|-----|--------|------|-----------|
| 0 | 0 | 3 | 1 | 2 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| | | | | | | | | | | | |
|--------------|------|------------|------|--------|-----------|------|------|-----------|------|--|-----------------|
| Planned Work | | April 2021 | | to | June 2021 | | | | | | Monitoring 0 |
| Very Low | | Low | | Medium | | High | | Very High | | | |
| No | Time | No | Time | No | Time | No | Time | No | Time | | |
| 0 | 0 | 2 | 2 | 7 | 5 | 10 | 10 | 7 | 8.5 | | |

Below is a full list of controls to be examined in the next period.

| | Frequency |
|--|-----------|
| Adult Services have a service strategy in place and delivery is being monitored. | 3 |
| An up to date strategic plan is in place for the Safeguarding Adults Board. | 3 |

| | |
|--|----|
| Adult Social Care cases are allocated appropriately considering caseloads and qualification requirements. | 3 |
| An appropriate ICT system(s) is in place to manage and safeguard adult social care information held. | 3 |
| Appropriate service provision has been identified to meet an Adult Social Care users individual needs, which is accurately charged for as required. | 3 |
| Where the Authority has Deputyship/Appointeeship, appropriate authorisation/legal documentation is in place | 3 |
| There is a system of performance management in place for adult social care. | 3 |
| Referral and Assessment Procedures (Adults) are comprehensive and up to date. | 6 |
| Appropriate reporting mechanisms are in place in respect of safeguarding activities and outcomes. | 6 |
| Adult Social Care case files are updated accurately and in a timely manner. | 6 |
| Staff working in settings for adults are suitably qualified and receive appropriate training. | 6 |
| Appropriate monitoring of residential placements is in place. | 6 |
| Accurate charges for contributions to care costs are made to service users. | 6 |
| Professionals employed to undertake DOLS assessments are procured and employed via correct processes. | 6 |
| Adequate health & safety measures/risk assessments are in place/undertaken at individual adults establishments. | 6 |
| Arrangements are in place to ensure Day Services, Residential and Supported Living service provision continues if there was a loss of staff or premises. | 6 |
| All care packages are receiving appropriate approval, and include all relevant information. | 6 |
| Where there is a shortfall in specialist housing facilities managed by the authority to meet demand external provision is effectively sourced. | 6 |
| Procedures for managing referrals (Adult's) and undertaking initial assessments are comprehensive and up to date. | 12 |
| Ensure specifications are clear and include all requirements for safe care | 12 |
| Crisis and emergency/settlement support | 12 |
| Adult Social Care staff are aware of Health & Safety requirements and have received appropriate H & S training. | 12 |
| A current Carers Strategy is in place. | 12 |
| Up to date and accessible procedures available to support the management of Adult Social Care users files. | 12 |
| The range of physical disability & sensory impairment equipment available is sufficient to meet service user need | 24 |
| Specialist housing facilities managed by the authority meet demand, provide good quality accommodation and comply with the needs of vulnerable reside | 24 |

| | | VL | L | M | H | VH |
|-----------|---|----|---|---|---|----|
| Education | R | 0 | 0 | 0 | 0 | 0 |
| | A | 0 | 0 | 1 | 0 | 0 |
| | G | 0 | 8 | 5 | 2 | 2 |

| | | | | | |
|--|--------------|----|------------|------------------|---|
| Results of Audit Testing for the period: | January 2021 | to | March 2021 | Controls Tested: | 8 |
|--|--------------|----|------------|------------------|---|

| | | | | | | | | | | | | | | |
|----------|-----|--------|------|-----------|----------|-----|--------|------|-----------|----------|-----|--------|------|-----------|
| Very Low | Low | Medium | High | Very High | Very Low | Low | Medium | High | Very High | Very Low | Low | Medium | High | Very High |
|----------|-----|--------|------|-----------|----------|-----|--------|------|-----------|----------|-----|--------|------|-----------|

| | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 0 | 3 | 1 | 1 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|

| | | | | | | | | | | | | |
|--------------|------|------------|------|--------|-----------|------|------|-----------|------|---|------------|--|
| Planned Work | | April 2021 | | to | June 2021 | | | | | | Monitoring | |
| Very Low | | Low | | Medium | | High | | Very High | | | | |
| No | Time | No | Time | No | Time | No | Time | No | Time | | | |
| 0 | 0 | 2 | 8 | 4 | 15.5 | 2 | 4.5 | 1 | 2.25 | 0 | | |

Below is a full list of controls to be examined in the next period.

| | Frequency |
|---|-----------|
| Education, Health & Care Plans are completed appropriately and in a timely fashion | 3 |
| Sufficient school places are available to meet demand. | 3 |
| Attainment in schools is appropriately monitored. | 6 |
| Education, Health & Care Plans are appropriately monitored | 6 |
| School places have been appropriately allocated. | 12 |
| Agreements for early years provision are in place and being complied with and monitoring visits are being undertaken. | 12 |
| Address patterns of absence and promote regular attendance at school. | 12 |
| Pupil premium funding is used effectively. | 12 |
| Effective resource management in schools to provide value for money and maximise outcomes for pupils. | 24 |
| Delivery of an effective careers advice and guidance service. | 24 |

| | | VL | L | M | H | VH |
|---------------|---|----|---|---|---|----|
| Public Health | R | 0 | 0 | 0 | 1 | 0 |
| | A | 0 | 0 | 0 | 0 | 0 |
| | G | 0 | 0 | 0 | 3 | 0 |

| | | | | | |
|--|--------------|----|------------|------------------|---|
| Results of Audit Testing for the period: | January 2021 | to | March 2021 | Controls Tested: | 4 |
|--|--------------|----|------------|------------------|---|

| | | | | | | | | | | | | | | |
|----------|-----|--------|------|-----------|----------|-----|--------|------|-----------|----------|-----|--------|------|-----------|
| Very Low | Low | Medium | High | Very High | Very Low | Low | Medium | High | Very High | Very Low | Low | Medium | High | Very High |
| 0 | 0 | 0 | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 0 |

| | | | | | | | | | | | | |
|--------------|------|------------|------|--------|-----------|------|------|-----------|------|--|------------|--|
| Planned Work | | April 2021 | | to | June 2021 | | | | | | Monitoring | |
| Very Low | | Low | | Medium | | High | | Very High | | | | |
| No | Time | No | Time | No | Time | No | Time | No | Time | | | |
| | | | | | | | | | | | | |

| | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| 0 | 0 | 0 | 0 | 0 | 0 | 2 | 2 | 0 | 0 | 0 |
|---|---|---|---|---|---|---|---|---|---|---|

Below is a full list of controls to be examined in the next period.

| | Frequency |
|---|-----------|
| Public health research and local needs assessment. | 3 |
| The Council has a strategy in place to deliver public health services to the community. | 6 |

| | | VL | L | M | H | VH |
|-------|---|----|---|---|---|----|
| Legal | R | 0 | 0 | 0 | 0 | 0 |
| | A | 0 | 1 | 0 | 0 | 0 |
| | G | 1 | 1 | 3 | 0 | 0 |

| | | | | | |
|--|--------------|----|------------|------------------|---|
| Results of Audit Testing for the period: | January 2021 | to | March 2021 | Controls Tested: | 0 |
|--|--------------|----|------------|------------------|---|

| Very Low | Low | Medium | High | Very High | Very Low | Low | Medium | High | Very High | Very Low | Low | Medium | High | Very High |
|----------|-----|--------|------|-----------|----------|-----|--------|------|-----------|----------|-----|--------|------|-----------|
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| Planned Work | | April 2021 | | to | | June 2021 | | | | |
|--------------|------|------------|------|--------|------|-----------|------|-----------|------|------------|
| Very Low | | Low | | Medium | | High | | Very High | | Monitoring |
| No | Time | No | Time | No | Time | No | Time | No | Time | |
| 0 | 0 | 3 | 4 | 4 | 6 | 0 | 0 | 0 | 0 | |

Below is a full list of controls to be examined in the next period.

| | Frequency |
|---|-----------|
| The Council maintains an accurate and up to date land charges register. | 6 |
| Clear contract procedure rules | 12 |
| Delivery of tender management plan | 12 |
| Land charge related searches are completed effectively and within a reasonable timescale. | 12 |
| Delivery of contract management plans | 24 |
| Accurate and up to date records are maintained for all legal services provided. | 24 |

Accurate charging is made in accordance with approved scale of land charges and fees.

24

| | | VL | L | M | H | VH |
|----------------------------------|---|----|---|---|---|----|
| Democratic Services & Registrars | R | 0 | 0 | 0 | 0 | 0 |
| | A | 0 | 0 | 0 | 0 | 0 |
| | G | 0 | 5 | 1 | 0 | 0 |

Results of Audit Testing for the period: January 2021 to March 2021 Controls Tested: 0

| Very Low | Low | Medium | High | Very High | Very Low | Low | Medium | High | Very High | Very Low | Low | Medium | High | Very High |
|----------|-----|--------|------|-----------|----------|-----|--------|------|-----------|----------|-----|--------|------|-----------|
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| Planned Work | | April 2021 | | to | | June 2021 | | | | Monitoring | |
|--------------|------|------------|------|--------|------|-----------|------|-----------|------|------------|--|
| Very Low | | Low | | Medium | | High | | Very High | | | |
| No | Time | No | Time | No | Time | No | Time | No | Time | | |
| 1 | 0.5 | 5 | 3.25 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |

Page 45

Below is a full list of controls to be examined in the next period.

Frequency

| | |
|---|----|
| Members inductions and training is adequate. | 24 |
| Sufficient and trained staff are available to support Elections held. | 24 |
| Maintain an up to date and accurate register of officers and Members business interests. | 24 |
| Maintain accurate and up to date gifts and hospitality register. | 24 |
| Officers and Members and aware of appropriate conduct in relation to gifts and hospitality. | 24 |
| Registrars and bereavement services income is received and recorded. | 48 |

| | | VL | L | M | H | VH |
|------------------------|---|----|---|---|---|----|
| Information Governance | R | 0 | 0 | 0 | 0 | 0 |
| | A | 0 | 0 | 3 | 0 | 0 |
| | G | 0 | 1 | 3 | 0 | 1 |

| | | | | | |
|--|--------------|----|------------|------------------|---|
| Results of Audit Testing for the period: | January 2021 | to | March 2021 | Controls Tested: | 3 |
|--|--------------|----|------------|------------------|---|

| | | | | | | | | | | | | | | |
|----------|-----|--------|------|-----------|----------|-----|--------|------|-----------|----------|-----|--------|------|-----------|
| Very Low | Low | Medium | High | Very High | Very Low | Low | Medium | High | Very High | Very Low | Low | Medium | High | Very High |
| 0 | 0 | 1 | 0 | 1 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| | | | | | | | | | | | |
|--------------|------|------------|------|--------|-----------|------|------|-----------|------|---|------------|
| Planned Work | | April 2021 | | to | June 2021 | | | | | | Monitoring |
| Very Low | | Low | | Medium | | High | | Very High | | | |
| No | Time | No | Time | No | Time | No | Time | No | Time | | |
| 0 | 0 | 1 | 0.25 | 2 | 3 | 0 | 0 | 1 | 0.25 | 0 | |

Below is a full list of controls to be examined in the next period.

| | |
|---|-----------|
| | Frequency |
| Update and report the strategic corporate risk register. | 3 |
| Achievement of completion rate targets for mandatory on-line information governance training. | 6 |
| A central record of Information Asset Registers is maintained and checked for completeness. | 12 |
| Corporate privacy notices in place. | 24 |

| | | | | | | |
|----------|---|----|----|----|---|----|
| | | VL | L | M | H | VH |
| Xentrall | R | 0 | 0 | 0 | 0 | 0 |
| | A | 0 | 1 | 1 | 0 | 0 |
| | G | 1 | 20 | 21 | 7 | 1 |

| | | | | | |
|--|--------------|----|------------|------------------|----|
| Results of Audit Testing for the period: | January 2021 | to | March 2021 | Controls Tested: | 16 |
|--|--------------|----|------------|------------------|----|

| | | | | | | | | | | | | | | |
|----------|-----|--------|------|-----------|----------|-----|--------|------|-----------|----------|-----|--------|------|-----------|
| Very Low | Low | Medium | High | Very High | Very Low | Low | Medium | High | Very High | Very Low | Low | Medium | High | Very High |
| 0 | 8 | 5 | 1 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| | | | | | | | | | | | |
|--------------|------|------------|------|--------|-----------|------|------|-----------|------|---|------------|
| Planned Work | | April 2021 | | to | June 2021 | | | | | | Monitoring |
| Very Low | | Low | | Medium | | High | | Very High | | | |
| No | Time | No | Time | No | Time | No | Time | No | Time | | |
| 1 | 0.5 | 11 | 19 | 9 | 9.5 | 8 | 9.25 | 1 | 0.5 | 0 | |

Below is a full list of controls to be examined in the next period.

| | Frequency |
|---|-----------|
| Adequate controls are in place to ensure data in the cloud is adequately protected. | 3 |
| Disposals of ICT equipment are undertaken in an appropriate manner in line with an adequate and appropriate official disposal policy. | 6 |
| Progress towards the ICT strategy goals is monitored and reported on. | 6 |
| Appropriate disaster recovery plans and procedures are in place to support recovery from a partial or total loss of significant ICT systems/servers. | 6 |
| Appropriate formal documented ICT project management standards/policies have been established. | 6 |
| Anti-virus controls are in place for relevant elements of the ICT infrastructure including servers and individual machines. | 6 |
| An appropriate infrastructure is in place to facilitate the organisation's firewalls. | 6 |
| Appropriate periodic IT Health checks (or other equivalent exercises) are undertaken in order to identify and categorise significant security issues/vulnerab | 6 |
| Adequate and appropriate change controls are in place. | 6 |
| Regular bank reconciliations are undertaken and are up to date with minimal amounts in suspense. | 6 |
| Appropriate security/usage policies for users are in place to provide important guidance to users of the ICT facilities. | 12 |
| Adequate and appropriate patching of host and guest operating systems is undertaken. | 12 |
| An appropriate inventory of all significant ICT equipment is maintained. Including servers, PCs, laptops, tablets, etc. | 12 |
| HMRC reporting requirements are being complied with. | 12 |
| Information on payslips meets statutory requirements and is correct. | 12 |
| All invoices/requisitions are expenditure coded. | 12 |
| Arrears recovery procedures are clearly defined and implemented in all cases. Reminder and recovery action periods are suitable for the types of debtor in | 12 |
| A master record of periodical income records the amount and due dates of all sums which become due under the terms of leases, rents, licences, and wayl | 12 |
| Appropriate email encryption is in place for sharing sensitive information. | 12 |
| Remote access to facilities is adequately controlled. | 24 |
| All fixed salary payments comply with policies and are supported by appropriate paperwork and details are promptly and accurately entered into the syste | 24 |
| All deductions other than pension deduction (control covered elsewhere) are supported by appropriate paperwork and details are promptly and accurately | 24 |
| Financial information is updated in a timely manner and recorded accurately within Business World On! | 24 |
| Staff fit notes and self-certification forms covering the entire period of sickness absence are promptly received, accurately recorded and stored appropriat | 24 |
| The employer makes the correct % contribution payment to the relevant pension fund on behalf of each employee within that scheme. | 24 |
| Early retirement is only granted to an employee in accordance with Council policies and that associated calculations made based on this are accurate. | 24 |
| All new employees have been appropriately vetted before being employed. | 24 |
| All newly appointed employees are subject to an appropriate induction and that the relevant manager complete the new employee checklist. | 24 |
| Results of the NFI Exercise, identifying instances where VAT may have been overpaid, are reviewed and outcomes recorded. | 24 |
| Approved absence has been granted in-line with policy and promptly recorded and correctly authorised. | 48 |

| | | | | | | |
|-----------------------------|---|---|---|---|---|---|
| Housing & Building Services | R | 0 | 0 | 0 | 0 | 0 |
| | A | 0 | 0 | 1 | 0 | 1 |
| | G | 0 | 2 | 3 | 2 | 1 |

| | | | | | |
|--|--------------|----|------------|------------------|---|
| Results of Audit Testing for the period: | January 2021 | to | March 2021 | Controls Tested: | 7 |
|--|--------------|----|------------|------------------|---|

| | | | | | | | | | | | | | | |
|----------|-----|--------|------|-----------|----------|-----|--------|------|-----------|----------|-----|--------|------|-----------|
| Very Low | Low | Medium | High | Very High | Very Low | Low | Medium | High | Very High | Very Low | Low | Medium | High | Very High |
| 0 | 2 | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 |

| | | | | | | | | | | |
|--------------|------------|-----|------|-----------|------|------|------|-----------|------|-----------------|
| Planned Work | April 2021 | | to | June 2021 | | | | | | Monitoring 0 |
| Very Low | | Low | | Medium | | High | | Very High | | |
| No | Time | No | Time | No | Time | No | Time | No | Time | |
| 0 | 0 | 3 | 1.75 | 2 | 1 | 2 | 3 | 2 | 6 | |

Page 48 Below is a full list of controls to be examined in the next period.

| | |
|--|-----------|
| | Frequency |
| Process council tax support claims | 3 |
| Process housing benefit claims | 3 |
| The correct charges are raised for housing rents. | 3 |
| Operate clear arrangements for billing and collection of council tax and business rates | 6 |
| Prioritised support and provision to tackle fuel poverty and deliver the Affordable Warmth Strategy. | 12 |
| A Gypsy Traveller Accommodation Assessment (GTAA) is undertaken to identify pitch requirements. | 12 |
| The authority has an adequate, appropriate and up to date Homeless Reduction and Prevention Strategy in place. | 24 |
| Records relating to housing and housing related developments are accurate, up to date and appropriately safeguarded. | 24 |
| Decisions to write-off outstanding council tax and NNDR debts are appropriate and have been appropriately approved. | 24 |

| | | | | | | |
|--------------------|---|----|----|----|---|----|
| Community Services | | VL | L | M | H | VH |
| | R | 0 | 1 | 0 | 0 | 0 |
| | A | 0 | 5 | 2 | 0 | 0 |
| | G | 2 | 13 | 10 | 1 | 0 |

| | | | | | |
|--|--------------|----|------------|------------------|----|
| Results of Audit Testing for the period: | January 2021 | to | March 2021 | Controls Tested: | 13 |
|--|--------------|----|------------|------------------|----|

| | | | | | | | | | | | | | | |
|----------|-----|--------|------|-----------|----------|-----|--------|------|-----------|----------|-----|--------|------|-----------|
| Very Low | Low | Medium | High | Very High | Very Low | Low | Medium | High | Very High | Very Low | Low | Medium | High | Very High |
| 2 | 3 | 0 | 0 | 0 | 0 | 2 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| | | | | | | | | | | | | | |
|--------------|------|------------|-------|--------|-----------|------|------|-----------|------|---|------------|--|--|
| Planned Work | | April 2021 | | to | June 2021 | | | | | | Monitoring | | |
| Very Low | | Low | | Medium | | High | | Very High | | | | | |
| No | Time | No | Time | No | Time | No | Time | No | Time | | | | |
| 0 | 0 | 16 | 13.75 | 11 | 10.5 | 0 | 0 | 0 | 0 | 0 | | | |

Below is a full list of controls to be examined in the next period.

Frequency

Page 49

| | |
|--|----|
| Community engagement and communication to highlight and reduce environmental crime. | 12 |
| Arts Council funding is used appropriately and conditions complied with. | 12 |
| Library stock is adequately recorded, managed and its condition is 'fit for purpose'. | 12 |
| Adequate emergency response plans are in place for events and venues. | 12 |
| Arts and museum assets are adequately safeguarded and insured. | 12 |
| Adequate performance information is maintained and is appropriately utilised within the Highways Department. | 12 |
| Licence applications are subject to appropriate review and approval, evidence of background and eligibility. | 12 |
| A programme of trading standards inspections and sample tests has been identified using a risk assessment process. | 12 |
| Trading standards investigations are recorded accurately either as a result of a programmed inspection or in response to a complaint and the results circulated. | 12 |
| Appropriate and up to date emergency plans are in place to guide a coordinated response to a major incident. | 12 |
| Inspection and maintenance of Council owned play facilities and skate parks. | 12 |
| Costs and demand for community transport services are monitored to ensure the best use of resources. | 24 |
| Strategies are in place to monitor and manage the demand for school meals in the short, medium and long term. | 24 |
| Procurement of catering and cleaning supplies and services is in line with Contract Procedures rules. | 24 |
| Accurate charging and effective income management in relation to civic enforcement activity. | 24 |
| Invoices and recharges in relation to telecare services are raised promptly and accurately and income due is received. | 24 |
| Library income is securely held and effectively managed. | 24 |
| PCN/FPN appeals are correctly and fairly processed. | 24 |
| Monitor trends in crime and anti-social behaviour and respond to emerging issues. | 24 |
| Compliance with licence conditions is monitored and appropriate sanctions taken when necessary. | 24 |
| On-site concessions are managed and procured appropriately. | 24 |

| | |
|--|----|
| Safeguarding of assets and equipment used in the delivery of arts and events. | 24 |
| Effective procurement of waste and recycling contracts. | 24 |
| Contingency plans are in place for the collection and disposal of waste. | 24 |
| Health and safety standards are maintained within our parks and green spaces. | 24 |
| Security and crime prevention measures are in place in relation to parks and green spaces. | 24 |
| Provision and upkeep of outdoor public seating and street furniture. | 24 |

| | | VL | L | M | H | VH |
|-----------------|---|----|---|---|---|----|
| Economic Growth | R | 0 | 0 | 0 | 0 | 0 |
| | A | 0 | 0 | 3 | 0 | 0 |
| | G | 0 | 1 | 3 | 3 | 0 |

| | | | | | |
|--|--------------|----|------------|------------------|---|
| Results of Audit Testing for the period: | January 2021 | to | March 2021 | Controls Tested: | 4 |
|--|--------------|----|------------|------------------|---|

| Very Low | Low | Medium | High | Very High | Very Low | Low | Medium | High | Very High | Very Low | Low | Medium | High | Very High |
|----------|-----|--------|------|-----------|----------|-----|--------|------|-----------|----------|-----|--------|------|-----------|
| 0 | 0 | 2 | 1 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| | | | | | | | | | | | |
|--------------|------|------------|------|--------|-----------|------|------|-----------|------|--|-----------------|
| Planned Work | | April 2021 | | to | June 2021 | | | | | | Monitoring 0 |
| Very Low | | Low | | Medium | | High | | Very High | | | |
| No | Time | No | Time | No | Time | No | Time | No | Time | | |
| 0 | 0 | 5 | 3.75 | 2 | 1.5 | 3 | 2.5 | 0 | 0 | | |

Below is a full list of controls to be examined in the next period.

| | Frequency |
|--|-----------|
| Clear acquisition, disposal and re-valuation process for land and buildings. | 6 |
| Food & Hygiene premises rating system is updated regularly and published | 6 |
| Breaches of planning control are investigated and enforcement action initiated as necessary. | 6 |
| Section 106 agreements utilised effectively and obligations are complied with. | 12 |
| Strategic plans and framework are in place to tackle poverty. | 12 |
| Environmental Health cases are appropriately allocated to officers. | 24 |
| Records relating to environmental health cases are appropriately recorded and managed. | 24 |
| Local economic assessment provides an economic baseline to inform decision making. | 24 |

| | |
|--|----|
| Provision of green spaces is a consideration for new housing developments, regeneration schemes etc. | 24 |
| Financial assistance to businesses decisions are accurately recorded. | 24 |

| | | VL | L | M | H | VH |
|------------------------------|---|----|---|---|---|----|
| Transport & Capital Projects | R | 0 | 0 | 0 | 0 | 0 |
| | A | 0 | 0 | 4 | 0 | 0 |
| | G | 0 | 4 | 5 | 3 | 0 |

| | | | | | |
|--|--------------|----|------------|------------------|----|
| Results of Audit Testing for the period: | January 2021 | to | March 2021 | Controls Tested: | 10 |
|--|--------------|----|------------|------------------|----|

| Very Low | Low | Medium | High | Very High | Very Low | Low | Medium | High | Very High | Very Low | Low | Medium | High | Very High |
|----------|-----|--------|------|-----------|----------|-----|--------|------|-----------|----------|-----|--------|------|-----------|
| 0 | 1 | 4 | 2 | 0 | 0 | 0 | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

| | | | | | | | | | | | |
|--------------|------|------------|------|--------|-----------|------|------|-----------|------|------------|--|
| Planned Work | | April 2021 | | to | June 2021 | | | | | Monitoring | |
| Very Low | | Low | | Medium | | High | | Very High | | 0 | |
| No | Time | No | Time | No | Time | No | Time | No | Time | | |
| 0 | 0 | 4 | 4 | 6 | 4.25 | 2 | 2 | 0 | 0 | | |

Below is a full list of controls to be examined in the next period.

| | Frequency |
|--|-----------|
| Client risk assessments are undertaken and appropriate arrangements are in place for provision of social care and education transport to clients. | 6 |
| Bridge Inspections are undertaken in accordance with an appropriate specified programme. | 6 |
| Appropriate business risk assessments are undertaken within the community transport service and measures are in place to ensure the health and safety of | 12 |
| Contractors & Sub-Contractors involved in the provision of community transport hold necessary clearances, licences, qualifications and insurance. | 12 |
| Highway inspections are undertaken in accordance with an appropriate specified programme. | 12 |
| Car Parking Strategy in place which is up to date and considers resident, disabled and general parking requirements. | 12 |
| Appropriate controls are in place to identify, record and investigate significant flooding incidents. | 12 |
| Utility works are licensed, inspected and where applicable, appropriate charges are issued and collected for overruns/fines. | 12 |
| Transport provision is in line with client eligibility criteria. | 24 |
| Procurement of transport routes, goods and services ensures compliance with value for money principles and contract procedure rules. | 24 |
| Payments made to community transport staff are appropriate, accurate and authorised. | 24 |
| There is an effective appeals process for transport eligibility decisions. | 24 |

Quality, Assurance & Improvement Process

| | | | |
|--------|--------------|----|------------|
| Period | January 2021 | to | March 2021 |
|--------|--------------|----|------------|

| Stewardship (Coverage) | | | Stakeholders | | |
|--|--------|-------------|-------------------------------|------------|-------------|
| Measure | Target | Performance | Measure | Target | Performance |
| Adequate Resources | 15 | -2.4 | Reports Issued | Qtrly | * |
| Portfolio Coverage | 106 | 103 | Fraud Strategy Review | 31/03/2021 | * |
| Presentation of Annual Report (Annual) | June | * | Client Satisfaction | TBC | * |
| Presentation of Activity Report | Qtrly | * | Submission of NFI Information | 30/10/2020 | 30/10/2020 |
| | | | Recommendation Implementation | TBC | * |

| Process | | | People | | |
|--|------------|-------------|-------------------------------|--------|-------------|
| Measure | Target | Performance | Measure | Target | Performance |
| Self assessment against standards (Annual) | March | * | Productivity | 75% | 81.5% |
| External Assessment (Every 5 Years) | 31/03/2023 | * | Training (Per Financial Year) | 20 | 6.5 |
| Staff Meetings Held | 6 | 9 | Code of Conduct (Annual) | 100% | * |
| Up to Date Audit Manual | 31/03/2021 | * | Appraisals (Annual) | 100% | * |

* - To be reported in the annual report

AUDIT COMMITTEE
21 April 2021

INFORMATION GOVERNANCE PROGRAMME PROGRESS REPORT

SUMMARY REPORT

Purpose of the Report

1. The Systems and Information Governance Group (SIGG) is required to report six monthly to the Audit Committee on progress and planned developments of the information governance programme.

Summary

2. The ongoing delivery of our information governance programme continues to provide the assurance required to reduce our information risks to an acceptable level.
3. Ongoing work includes:
 - (a) Preparing for data protection after the EU Exit transition period ends.
 - (b) Review of the Council's Information Asset Register (IAR) and Privacy Notices.
 - (c) Provision of advice to ensure the Council's CCTV is compliant with the General Data Protection Regulations/Data Protection Act 2018 and the Protection of Freedoms Act 2012.
 - (d) Work to achieve our target for the completion of on-line mandatory information governance training courses.
4. The area of highest priority in the information governance programme is:
 - (a) Preparing for data protection after the EU Exit transition period ends.

Recommendation

5. It is recommended that progress on the implementation of the Information Governance Programme be noted.

Reasons

6. To provide the Audit Committee with a status report on the delivery of the Council's Information Governance Programme.

Paul Wildsmith
Managing Director

Lee Downey, Complaints & Information Governance Manager: Extension 5451

Background Papers

| | |
|----------------------------------|--|
| S17 Crime and Disorder | There is no specific crime and disorder impact. |
| Health and Well Being | There is no specific health and well being impact. |
| Carbon Impact | There is no specific carbon impact. |
| Diversity | There is no specific diversity impact. |
| Wards Affected | All wards are affected equally. |
| Groups Affected | All groups are affected equally. |
| Budget and Policy Framework | This report does not recommend a change to the Council's budget or policy framework. |
| Key Decision | This is not a key decision. |
| Urgent Decision | For the purposes of the 'call-in' procedure this does not represent an urgent matter. |
| One Darlington: Perfectly Placed | There is no specific relevance to the strategy beyond a reflection on the Council's governance arrangements. |
| Efficiency | Implementation of effective information governance systems and procedures has a positive impact on efficiency. |

MAIN REPORT

Background

7. Delivery of our information governance programme has provided the assurance required to reduce our information risks to an acceptable level. While that is the case it must be recognised that the data processing activities of the Council continually evolve and must be kept under review. The processes implemented by the Council include review mechanisms to ensure this takes place.

Current Position

Preparing for data protection after the EU Exit transition period ends

8. On 15 October 2020 SIGG approved an action plan developed in response to the Government's guidance: Preparing for data protection after the EU Exit transition period ends: Guidance for Local Authorities. The action plan aimed to mitigate the impact of the UK not being granted an adequacy decision by EU under the General Data Protection Regulation (GDPR) before 31 December 2020 and ensure data flows from the EU/EEA to the UK could legally continue. Work to implement the action plan is ongoing, however, the most pressing matters have been addressed. In particular the Council has:
 - Conducted an audit of personal data processing, where the data is received from or sent to a third party;
 - Identified data flows from EU/EEA data controllers to the Council;
 - Prepared alternative arrangements to allow data flows to continue in a 'no adequacy' scenario;
 - Identified data stored by EU/EEA processors, for example cloud storage providers;
 - Discussed with EU/EEA processors what plans they have in place should the European Data Protection Board (EDPB) not have issued further guidance before the end of the transition period on whether in its view these data flows are restricted international transfers under the EU GDPR;
 - Sought advice regarding the likelihood of significant disruption to transfers of personal data to controllers in the UK;
 - Ensured the changes do not impact the ability to manage data subjects' rights; and
 - Ensured data subjects are aware of any changes to processing activity, and where applicable secure appropriate consents.

In addition the Council has updated its Standard Terms and Conditions for Goods and Services to reflect the legislative changes following the end of the transition period.

9. From 1 January 2021 GDPR was retained in domestic law as the UK GDPR and now applies as an independent law, outside the harmonised regime GDPR provided. The UK GDPR was established by the European Union Act 2018, which incorporated the body of EU law (including the GDPR) as it existed on exit day, into UK law. The Data Protection, Privacy and Electronic Communications (Amendments etc.) (EU Exit) Regulations 2019 (EU Exit Regulations) made a

number of amendments to GDPR to make it relevant to the UK, for example, it removed references to cross-border data transfers with other Member States and participation in EU wide-institutions such as the European Data Protection Board (EDPB). The Data Protection Act 2018 remains in place, effectively subordinate to the UK GDPR and is also amended by the EU Exit Regulations. The Privacy and Electronic Communications (EC Directive) Regulations 2003 will remain in place, but will now refer to the UK GDPR.

10. On 19 February 2021 The European Commission published its draft UK adequacy decisions. If adopted these decisions will allow for continued free flow of personal data from the EU into the UK. The adequacy decisions are currently being considered by the EDPB who will deliver an opinion to the European Commission and representatives from the EU member states. While this process is ongoing the Council will continue to be able to receive data from the EU under the adequacy bridge agreed in the 2020 trade and cooperation agreement.

Review of the Council's Information Asset Register (IAR) and Privacy Notices

11. Having compiled a record of the Council's processing activities i.e. an IAR in accordance with Article 30 of the General Data Protection Regulations (GDPR) the Council has now commenced a review of the IAR and associated privacy notices. This review forms part of the afore mentioned action plan.
12. It is the Council's intention to broaden the scope of the IAR to ensure that all of the data the Council holds, not just personal data, is recorded so that it can be properly governed. This review will also be essential in realising the efficiencies the Council can achieve by rolling out the functionality available within the Microsoft Office 365 suite. It will also support the Council in preparing for the end of the EU Exit transition period.

CCTV

13. The Council is committed to operating its public space surveillance camera equipment in full compliance with the regulatory framework that governs its use. In order to demonstrate this commitment the Data Protection Officer (DPO) in his role as the Senior Responsible Officer for CCTV (SRO) and the CCTV & Security Control Centre Manager in his role as the Single Point of Contact (SPOC) have established a Strategic Code of Practice for Public Space Surveillance Camera Equipment (The Code).
14. Every scheme manager is responsible for ensuring they manage their public space surveillance camera scheme in full compliance with the Code of Practice. In order to demonstrate their schemes compliance, scheme managers are required to complete the documents contained in the Code Assessment Pack (CAP) on an annual basis. As part of the roll out of the functionality available within the Microsoft Office 365 suite the Council has created a Microsoft Team to facilitate the completion of the CAP. The results of the CAP will be reported to Scrutiny and subject to internal audit.

Training and awareness

15. Internal Audit identified an issue with the figures reported in terms of completion rates i.e. that the figures provided are obtained from Academy 10 and do not include those employees who do not have access to a computer to complete the training.
16. While non-IT users are less likely to process personal data, Internal Audit recommended the figures should include completion rates for non-IT users. HR has contacted the managers responsible for those staff who do not have access to a computer and asked for both the Data Protection 2018 and Social Media modules to be prioritised.
17. The revised table in Appendix 1 shows the position at 31 March 2021 with regard to the completion of the mandatory on-line information governance courses for IT and where applicable, non-IT users. Completion rates of over 95% for the courses remains the Council's target and represents an acceptable level of take up which must be maintained.
18. The current position shows the target has been met by Resources in relation to Data Protection 2018. While the Council has not met its target in relation to any of the three modules, it is worth noting the new Social Media policy was launched in April 2020 and the new Employees Guide to Information Security on 9 March 2021.
19. In order to drive up completing rates, in October the Council moved to the Traffic Light Facility in Academy 10. This dashboard enables managers to monitor real time progress against all essential modules. The facility also sends prompts in relation to outstanding modules. With regards to completion rates for non-IT users, this will be chased and reported to ADs, where appropriate, on a quarterly basis. The Council is also considering writing a specific DPA 2018 course for non-IT users.

Conclusion

20. The Council's information governance programme clearly sets out key objectives, roles and responsibilities and priorities. Having implemented the majority of its GDPR compliance programme, which was based on the advice of the ICO, it is reasonable to conclude the Council has significantly reduced the risks associated with information governance.

Outcome of Consultation

21. No formal consultation was undertaken in production of this report.

Appendix 1

| 31/03/2021 | Employees Guide to Information Security - New module launched March 2021 | | Social Media - New Module launched April 2020 | | DPA 2018 | | Academy 10 Users - As at 31.03.21 |
|---|--|--------------|---|--------------|-------------|--------------|-----------------------------------|
| | Comp | %age | Comp | %age | Comp | %age | |
| Children & Adult's Services | 217 | 33.80 | 468 | 72.90 | 578 | 90.03 | 642 |
| Adult Services | 56 | 31.11 | 133 | 73.89 | 160 | 88.89 | 180 |
| Children's Services | 66 | 25.19 | 164 | 62.60 | 227 | 86.64 | 262 |
| Commissioning, Performance & Transformation | 59 | 52.21 | 103 | 91.15 | 112 | 99.12 | 113 |
| Educational Services | 33 | 41.77 | 64 | 81.01 | 72 | 91.14 | 79 |
| Public Health | 3 | 37.50 | 4 | 50.00 | 7 | 87.50 | 8 |
| Economic Growth & Neighbourhood Services | 174 | 29.00 | 365 | 60.83 | 553 | 92.17 | 600 |
| Community Services | 55 | 22.45 | 115 | 46.94 | 221 | 90.20 | 245 |
| Economic Growth | 12 | 21.82 | 30 | 54.55 | 48 | 87.27 | 55 |
| Housing and Building Services | 80 | 36.04 | 162 | 72.97 | 213 | 95.95 | 222 |
| Transport & Capital Projects | 27 | 34.62 | 58 | 74.36 | 71 | 91.03 | 78 |
| Resources | 73 | 43.20 | 148 | 87.57 | 166 | 98.22 | 169 |
| D'ton P'ship & Creative D'ton | 0 | 0.00 | 1 | 33.33 | 3 | 100.00 | 3 |
| Finance, HRM, Systems & Strat, Perf & Comms | 46 | 50.55 | 78 | 85.71 | 89 | 97.80 | 91 |
| Law & Governance | 27 | 36.00 | 69 | 92.00 | 74 | 98.67 | 75 |
| Total | 464 | 32.81 | 981 | 69.38 | 1299 | 91.87 | 1414 |
| | | | | | | | |
| | Comp | %age | Comp | %age | Comp | %age | None Computer Users |
| None AC10 Users | N/A | N/A | 135 | 27.84 | 164 | 33.81 | 485 |
| | | | | | | | |
| Overall | N/A | N/A | 1116 | 58.77 | 1463 | 77.04 | 1899 |