

AUDIT COMMITTEE
13 April 2022

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.
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 previously been identified as an area where further improvement is

required however, this has now been addressed. The other risk shown at 50% assurance relates to premises risks (C3), this assurance rating is not currently indicative of the total risk as the testing to date has only examined buildings relating to adult social care establishments, the issues identified relate to risk assessments requiring review although there were assessments in place. 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. There is one area close to this benchmark, retesting is due to be undertaken over the next 6 months where it is expected assurance will be improved, the areas of concern in this section were discussed at the last meeting and no new areas have been identified. One control in this area has been re-assessed as now being Green. No controls in this area were rated as Red.
10. The next section looks at service area and provides feedback on the work undertaken in the previous quarter and a summary of the work planned to be undertaken. The majority of testing undertaken has been classified as Green. One new Red control was identified, this relates to a strategic plan for the Safeguarding Adults Board, progress has been made in developing plans but these are not finalised.
11. The penultimate 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, for the next quarter there is no spare capacity due to some catch-up work needed as a result of a lengthy staff sickness absence. Portfolio coverage identifies the number of controls that should be tested in the period, we were on target for the previous quarter.
12. The final section of the report is a full list of controls to be examined in the next period in priority order.
13. Potential staffing issues moving forward, we will be losing 1 member of staff during the period who has chosen to undertake a new role in another authority. We will not be filling the post immediately and will be taking the opportunity to review how the section is structured before undertaking a recruitment exercise. It is also expected that another member of staff will be undergoing an operation at some point in the future and this may lead to a lengthy absence.

Outcome of Consultation

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