

**AUDIT COMMITTEE**  
**19 July 2023**

**ITEM NO.**

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**AUDIT SERVICES – ACTIVITY REPORT**

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**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.
Council Plan	Maintaining an appropriate oversight of risk & controls will help contribute to the delivery of the Council Plan Objectives
Efficiency	There is no specific efficiency impact.

## MAIN REPORT

### Information and Analysis

5. 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.
6. Appendix 1 provides members with detailed feedback on the performance of the service and the position in relation to completion of audit work.
7. The first section of the report is to provide members with feedback on the management of the risks on the corporate risk register. This has been updated to reflect changes to the corporate risk register.

	Comments
Overall Position	The majority of risks have assurance over 75%
Emerging Issues	SR25 – The control around procurement of DoLs assessors is marked as amber due to impending changes in the process.

	SR42 – The current assurance level is based on compliance with GDPR as a whole including training etc, it is understood the scope of this risk is being amended so the linked audit work will also need amending
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Assurance by Risk

Rsk Ref	Risk	Assurance
SR10	Planning Performance at risk of Standards Authority intervention	100.00
SR12	Fraud in general	100.00
SR13	Instability within financial markets adversely impacts on finance costs and investments	100.00
SR14	Financial pressures to the General Fund as a result of increased levels of unemployment and increased Council Tax Support claims	100.00
SR15	Inability to cope with significant increase in homelessness cases following the impact of COVID.	100.00
SR16	Inability to contain placement costs for children looked after due to lack of sufficient in house placements	100.00
SR17	Inability to recruit and retain sufficient qualified suitably experienced social workers in Children's Services impacts on cost and quality of service	100.00
SR18	Inability to recruit and retain sufficient qualified suitably experienced social workers and reablement staff in Adult Services impacts on cost and quality of service	100.00
SR19	Failure to identify vulnerable schools and broker appropriate support to address needs	100.00
SR20	Increased demand for Adult Services impacts negatively on plans for budget efficiencies	100.00
SR21	Increased demand for Children's Services impacts negatively on budget	100.00
SR22	Market (Domiciliary Care Residential Care providers) failure following the Care Act/Living Wage	100.00
SR23	Market (Domiciliary Care Residential Care providers) for Vulnerable Families with Children (including SEND) experiences provider failure	100.00
SR25	The Deprivation of Liberty Safeguards Threshold changes significantly increases the amount of people deprived of their liberty resulting in potential for increased legal challenge	64.29
SR26	Failure to respond appropriately to safeguard vulnerable adults, in line with national legislation and safeguarding adults procedures	100.00
SR27	Failure to respond appropriately to safeguard vulnerable children, in line with national legislation and safeguarding children, thresholds and procedures.	100.00
SR28	Working with other local commissioners to ensure their understanding of their responsibilities within the Childhood pathway.	100.00
SR29	Risk of unsuccessful mobilisation of new service - Support, Recovery and Treatment in Darlington through Empowerment (STRIDE)	100.00
SR3	Business Continuity Plans not in place or tested for key critical services	92.73
SR33	Impact of national cost of living crisis on customers and audiences for Leisure and Cultural facilities	100.00
SR34	Budget & resource implications arising from the ability to progress and complete schemes/projects in the event of further construction inflation, material supply and resource demands	100.00
SR35	Potential impact on public transport networks if commercial services do not recover or continue to receive support from Government and routes are withdrawn	100.00
SR36	Failure to meet the Council's commitment to becoming Carbon neutral by 2050	100.00
SR38	Reputational and regulatory risk if reinspection not successful	93.22
SR40	Managing the impact of severe weather events	100.00
SR42	Risk of enforcement action from the ICO	61.54
SR43	Risk of new dangerous variant or a significant wave of COVID-19 impact on the Council's ability to provide services as a result of a new dangerous variant or a significant wave of COVID-19 or the activation of UKHSA Contingency plan	100.00
SR44	April 2023 will see the implementation of the CQC inspection framework for Adult Social Care. Due to the significant demands on adult social care, the pressures following covid, and the workforce recruitment and retention crisis will impact on the ratings- resulting in an "requiring improvement" outcome.	82.35
SR7	Financial implications of Maintaining and conserving key capital assets within the borough	75.00
SR8	Investment in regeneration projects is not delivered	100.00

8. The next section breaks down audit results against a set of key governance processes.

	Comments
Overall Position	The majority of themes are showing a positive level of assurance overall
Emerging Issues	<p>HR Management – A small number of new posts had been loaded onto the HR system with the incorrect DBS requirements, however checks had been undertaken. NFI identified a number of employees with outside interests that had not been adequately recorded.</p> <p>HR – Training, at the time of last testing a number of areas were still below the 95% completion rate for Information Governance Training</p>

### Results by Theme

Theme	1 Red	2 Amber	3 Green	Total	
1. Accuracy of Decision Making		4	61	65	
10. Accuracy of Payments	2	2	19	23	
11. Income - Charging		2	6	8	
12. Income - Payments		1	11	12	
13. Cash Handling		1	2	3	
14. Procurement/Sourcing		2	14	16	
15. Physical Assets/Locations		4	23	27	
16. Fraud		2	10	12	
17. Business Continuity		2	13	15	
18. Procedures			14	14	
19. Performance Management		4	27	31	
2. Monitoring of Decisions			5	20	25
20. ICT Infrastructure		2	16	18	
21. Handling of Requests/Incident Response		1	11	12	
3. Information Governance	1	6	48	55	
4. Finance		2	23	25	
5. HR - Payments			4	4	
6. HR - Health & Safety		1	4	5	
7. HR - Management	2	2	10	14	
8. Recruitment			2	2	
9. HR - Training/Qualifications/Clearances	10	4	20	34	
<b>Total</b>	<b>15</b>	<b>47</b>	<b>358</b>	<b>420</b>	

### Assurance by Theme

Theme	Assurance
1. Accuracy of Decision Making	96.83
10. Accuracy of Payments	89.52
11. Income - Charging	92.31
12. Income - Payments	95.45
13. Cash Handling	83.33
14. Procurement/Sourcing	93.08
15. Physical Assets/Locations	91.98
16. Fraud	92.31
17. Business Continuity	96.00
18. Procedures	100.00
19. Performance Management	95.37
2. Monitoring of Decisions	89.25
20. ICT Infrastructure	91.01
21. Handling of Requests/Incident Response	97.62
3. Information Governance	93.53
4. Finance	96.70
5. HR - Payments	100.00
6. HR - Health & Safety	84.78
7. HR - Management	66.33
8. Recruitment	100.00
9. HR - Training/Qualifications/Clearances	61.26
<b>Total</b>	<b>90.53</b>

### Overall Results

Status	1 Very Low	2 Low	3 Medium	4 High	5 Very High	Total
1 Red		3	11	1		15
2 Amber		25	13	4	5	47
3 Green	10	144	126	61	17	358
<b>Total</b>	<b>10</b>	<b>172</b>	<b>150</b>	<b>66</b>	<b>22</b>	<b>420</b>

### Results in Period

Status	2 Low	3 Medium	4 High	5 Very High	Total
1 Red	2	10	1		13
2 Amber	7	3	2	4	16
3 Green	30	32	24	16	102
<b>Total</b>	<b>39</b>	<b>45</b>	<b>27</b>	<b>20</b>	<b>131</b>

9. 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.

	Comments
Overall Position	The majority of controls are rated Green.
Emerging Issues	We have previously reported on a number of areas shown as Red, specifically Information Governance Training, Public Health Research Assessment. Since the last report we have added the issue regarding DBS recording as previously reported.

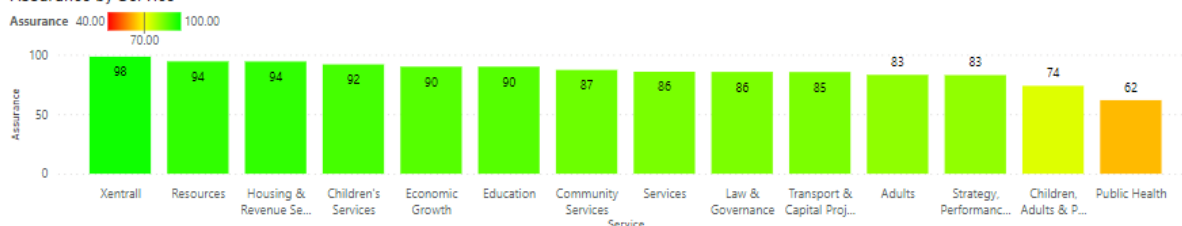
Results by Service

Service	1 Red	2 Amber	3 Green	Total
Adults	2	6	26	34
Children, Adults & Public Health	1	1	3	5
Children's Services	1	7	49	57
Community Services	2	9	41	52
Economic Growth	1	5	24	30
Education	1	3	21	25
Housing & Revenue Services		3	21	24
Law & Governance	3	3	27	33
Public Health	2	1	3	6
Resources	1	2	36	39
Services		1	3	4
Strategy, Performance & Communications	1	1	10	12
Transport & Capital Projects	1	2	12	15
Xentrall		2	70	72
<b>Total</b>	<b>16</b>	<b>46</b>	<b>346</b>	<b>408</b>

Recommendations

Service	Agreed	Draft	Implemented	Not Implemented	Risk Tolerated	Total
	2		1		1	4
Adults		1	4		2	7
Children, Adults & Public Health	1	1				2
Children's Services	2		7		1	10
Community Services	6		6		1	13
Economic Growth	3		5		1	10
Education	1	1	1		1	4
Housing & Revenue Services			3			3
Law & Governance	1		4		3	8
Public Health	1		1		1	3
Resources		2	1		1	4
Strategy, Performance & Communications		1	1			3
Transport & Capital Projects			3		1	4
Xentrall	1	2	1			4
<b>Total</b>	<b>18</b>	<b>8</b>	<b>38</b>	<b>13</b>	<b>2</b>	<b>79</b>

Assurance by Service



10. 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. Portfolio coverage identifies the number of controls that should be tested in the period, we were on target for the previous period.

Stewardship (Coverage)			Stakeholders		
Measure	Target	Actual	Measure	Target	Actual
Adequate Resources	15	23	Reporting	Qtrly	*
Portfolio Coverage	53	59	Fraud Strategy	November	*
Annual Report	June	*	Satisfaction	TBC	*
Activity	Qtrly	*	Recommendation Implementation	TBC	*

Process			People		
Measure	Target	Actual	Measure	Target	Actual
PSIAS Internal Review	March	*	Productivity	75%	74%
PSIAS External Review	March 2023	*	Training	20	9

Staff Meetings	7	12	Code of Conduct	100%	*
Audit Manual Update	March		Appraisals	100%	*

\* - to be reported annually

11. The final section of the report is a full list of controls to be examined in the next period in priority order.
12. Staffing, we are currently carrying a vacancy. The service review is in the final stages of being implemented and we are expecting to go out to recruit in the near future.

**Outcome of Consultation**

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

ID	Control	Frequency
105	Update and report the strategic corporate risk register.	3
380	The Supporting Families programme is managed effectively.	3
661	Youth Employment Initiative financial claims are submitted in an accurate and timely manner.	3
33	Education, Health & Care Plans are completed appropriately and in a timely fashion	6
78	Focussed financial support to commercial ventures	6
88	An approved Council Plan is in place which sets out the priorities of the council.	6
165	Adult Services have a service strategy in place and delivery is being monitored.	6
172	An up to date strategic plan is in place for the Safeguarding Adults Board.	6
174	Adult Social Care cases are allocated appropriately considering caseloads and qualification requirements.	6
176	An appropriate ICT system(s) is in place to manage and safeguard adult social care information held.	6
179	Appropriate service provision has been sourced to meet an Adult Social Care users individual needs, in accordance with Contract Procedure Rules.	6
465	Public health research and local needs assessment.	6
476	Accurate and up to date MTFP projections for future years	6
478	An appropriate ICT system(s) is in place to manage and safeguard children's social care/education information held.	6
577	The correct charges are raised for Housing Rents.	6
24	Appropriate arrangements are in place to assess the suitability of adopters.	12
28	In-house carers within children's residential settings receive appropriate training.	12
64	Clear acquisition, disposal and revaluation process for land and buildings.	12
76	Ensure accurate monitoring of capital programme and schemes	12
79	Maintain formula and support for funding schools and high needs.	12
163	Business continuity arrangements are in place in order to continue to receive adult referrals and undertake assessments.	12
168	Referral and Assessment Procedures (Adults) are comprehensive and up to date.	12
169	Appropriate financial monitoring is in place in respect of the Better Care Fund (BCF).	12
173	Monitoring of care provider service delivery supports safeguarding activities and outcomes.	12
178	Staff working in settings for adults are suitably qualified and receive appropriate training.	12
256	Formal signed agreements in place between LA/ICB in accordance with relevant guidance.	12
272	Breaches of planning control are investigated and enforcement action initiated as necessary.	12
289	Appropriate disaster recovery plans and procedures are in place to support recovery from a partial or total loss of significant ICT systems/servers.	12
290	Where applicable, appropriate internal disaster recovery arrangements (including backup, replication and snapshot facilities) are in place to cover significant ICT system/servers.	12
299	ICT project controls include adequate consideration of the relevant security/technical elements of cloud/externally hosted ICT systems.	12



302	Anti-virus controls are in place for relevant elements of the ICT infrastructure including servers and individual machines.	12
309	Adequate and appropriate change controls are in place.	12
313	The Resourcelink payroll system calculates all payments correctly.	12
355	Up to date and accessible procedures available to support the management of children's case files.	12
359	Training, support and development is in place for foster carers/special guardians.	12
361	Training, support and development is in place for adoptive parents and families.	12
363	The adoption process is adequately documented to ensure a suitable, safe placement is found within an adequate time period in the absence of key personnel.	12
396	Accurate and timely returns are provided to support New Homes Bonus.	12
397	Economic Growth Strategy and Economic Growth Plan is monitored and milestones achieved.	12
471	Achievement of completion rate targets for mandatory on-line information governance training.	12
484	Suitability of approved in-house foster carers is monitored.	12
536	Breakdowns in placements are handled effectively.	12
25	Procedures are in place to manage the breakdown of a placement.	18
29	Hard copy information held in Children's Residential Homes is appropriately safeguarded.	18
59	Allocation of school budgets in line with funding formula.	18
67	School investment plan in place to ensure appropriate number and quality of places available.	18
93	Requests for information are handled in line with requirements of the Freedom of Information Act.	18
109	Crisis and emergency/settlement support.	18
130	Catering and cleaning staff have been subject to appropriate disclosure checks.	18
142	Lifeline (DBC) and OneCall (SBC) staff hold appropriate qualifications and DBS clearances, and receive regular training.	18
152	The authority is committed to reducing its carbon footprint and supporting residents and businesses to reduce theirs.	18
162	The authority has an adequate, appropriate and up-to-date Local Plan in place.	18
177	Adult Social Care staff are aware of Health & Safety requirements and have received appropriate H & S training.	18
189	Professionals are appropriately trained and qualified to undertake BIA/DoLS assessments.	18
190	Professionals employed to undertake DOLS assessments are procured and employed via correct processes.	18
193	Payments made to providers of employee benefit schemes are accurate.	18
194	Corporate initiatives are in place to help prevent sickness absence.	18
195	Procurement of contracts in place for provision of employee therapy is undertaken in line with contract procedure rules and appropriate monitoring undertaken.	18
200	The Council maintains an accurate and up to date land charges register.	18
216	Land charge related searches are completed effectively and within a reasonable timescale.	18

ID	Control	Frequency
221	Information security and sharing protocols in relation to occupational health and employee therapy provision is in line with data protection legislation.	18
234	Library stock is adequately recorded, managed and its condition is 'fit for purpose'.	18
235	Adequate emergency response plans are in place for events and venues.	18
245	Maintain an accurate and up to date electoral register, which conforms to Electoral Commission requirements.	18
264	The authority has an adequate, appropriate and up to date Highway Infrastructure Asset Management Strategy (HIAMS) in place.	18
265	Street works are licensed, inspected and where applicable, appropriate charges are issued and collected for overruns/fines.	18
270	Building control decisions are appropriately authorised and made in line with Building Regulations.	18
274	Section 106 agreements utilised effectively and obligations are complied with.	18
292	Appropriate controls are utilised to block or quarantine emails from untrusted sources/networks.	18
320	Information held in systems relating to HR are accurate and up to date.	18
351	Monitoring of Children's safeguarding partnership arrangements ensure effective multi agency working.	18
353	Suitability of emergency unregulated/unregistered placements.	18
358	High quality pathway plans support care leavers in managing the transition from school to higher education, training or employment.	18
368	Ensure the delivery of advice, support and refuge accommodation for victims of domestic abuse.	18
393	Appropriate and timely response to a homelessness Duty to Refer request.	18
403	Promotion of the borough and town centres as a great place to invest, trade and visit.	18
417	Compliance with licence conditions is monitored and appropriate sanctions taken when necessary.	18
428	Provide effective short-term support to individuals following a discharge from hospital or to prevent hospital admission.	18
473	There is a corporate arrangement in place for the secure destruction of paper records.	18
486	Information relating to adopters is accurately recorded and up to date.	18
487	Adopter suitability appeals are appropriately managed.	18
494	Leisure provision requirements are understood and effectively sourced.	18
511	Inspections of building work are undertaken to ensure compliance.	18
513	Building control decisions are accurately recorded.	18
537	Accurate and up to date information is recorded for adoption cases.	18
538	Monitoring of Adult's safeguarding partnership arrangements ensure effective multi agency working.	18
92	Implement the counter fraud strategy	24
94	Prepare and submit accurate financial returns by deadlines - RA/RO/Capital	24
118	Transport provision is in line with client eligibility criteria.	24
204	Effective internal communication and engagement with employees is achieved.	24
207	The Council maintains positive and effective media relations.	24
210	Accurate and up to date records are maintained for all legal services provided.	24
233	Library income is securely held and effectively managed.	24

ID	Control	Frequency
238	Learning and Skills course fees are set appropriately and income taken is held securely and adequately accounted for.	24
241	Adult Learners and Apprentices details are accurate, up to date and safeguarded.	24
242	Members induction and training sufficiently meets requirements.	24
243	Sufficient and trained staff are available to support Elections held.	24
246	Maintain an accurate and up to date gifts and hospitality register.	24
247	Officers and Members and aware of appropriate conduct in relation to gifts and hospitality.	24
267	PCN/FPN appeals are correctly and fairly processed.	24
314	All overtime payments are supported by appropriate paperwork and details are promptly and accurately entered onto the system	24
343	The appointment process is fair, robust and managed effectively.	24
347	Specialist housing facilities managed by the authority meet demand, provide good quality accommodation and comply with the needs of vulnerable residents.	24
362	Financial support provided to adoptive families is paid accurately and timely.	24
377	Effective resource management in schools to provide value for money and maximise outcomes for pupils.	24
432	On-site concessions are managed and procured appropriately.	24
440	Effective procurement of waste and recycling contracts.	24
452	Parks and green spaces are identified, mapped and promoted.	24
460	Security and crime prevention measures are in place in relation to parks and green spaces.	24
461	Provision of green spaces is a consideration for new housing developments, regeneration schemes etc.	24
475	Records relating to housing and housing related developments are accurate, up to date and appropriately safeguarded.	24
480	Employee hard copy files are adequately safeguarded.	24
483	Payments made to external providers of day care, after school and residential short breaks for young people with complex and additional needs are accurate and timely.	24
489	School admissions records are accurate and up-to-date.	24
495	Income/payments relating to on-site concessions are accurate.	24
498	Appeals against civic enforcement actions are managed appropriately.	24
500	Information held about pupils in receipt of a free school meal is accurate and update and managed appropriately.	24
502	Payments to Community (SBC) and Passenger (DBC) transport providers are accurate.	24
504	Payments are made to waste contractors accurately.	24
512	There is an appropriate system in place to manage building control appeals.	24
519	The outcome of the disabled facility/helping hand grant application has been appropriately recorded.	24
520	Monitoring of disabled facility/helping hand grant work is appropriate.	24
521	The disabled facilities/helping hand grant budget is appropriately monitored.	24
528	Decisions to award discounts for Council Tax or Rate Relief for NNDR are appropriate	24
530	Discounts/Rate Relief is monitored for continued eligibility and there is an appropriate appeals process in place.	24

544	Payment of personal budgets is accurate and timely.	24
549	Feedback on cases of identified fraud are acted upon appropriately.	24
550	Council Tax support/housing benefit overpayments are managed effectively.	24
551	Discretionary housing payments are made in accordance with the scheme.	24
553	Adequate procedures exist to deliver Council Tax/Benefits/Business Rate services.	24
572	The decision to provide additional support to adoptive families is appropriate.	24
680	National Fraud Initiative (NFI) matches in relation to Blue Badge permits are promptly reviewed and investigations undertaken as necessary.	24
682	National Fraud Initiative (NFI) matches in relation to resident parking permits are promptly reviewed and investigations undertaken as necessary.	24
688	National Fraud Initiative (NFI) matches in relation to procurement are promptly reviewed and investigations undertaken as necessary.	24
208	Communication and marketing budgets are effectively monitored and controlled.	48
209	Staffing requirements and associated costs are understood and effectively managed in relation to communication and media related activities.	48
493	Payments to external communication and engagement providers are accurate and timely.	48
514	An appropriate fee has been received for building control applications.	48