

**AUDIT COMMITTEE
27 SEPTEMBER 2023**

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.
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

- 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.
- Appendix 1 provides members with detailed feedback on the performance of the service and the position in relation to completion of audit work.
- 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	<p>The majority of risks have assurance over 75%, previously reported:</p> <p>SR25 – The control around procurement of DoLs assessors is marked as amber due to impending changes in the process.</p>

	SR42 – Testing linked to this risk has been re-aligned to address the specific issues identified by the risk and assurance is now shown at 100% when it was previously below 75%
Emerging Issues	SR26 – Procedures have not been updated since 2021, a new officer is due to commence in Sept 2023 who will be responsible for updating the procedures.

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		62.50
SR26	Failure to respond appropriately to safeguard vulnerable adults, in line with national legislation and safeguarding adults procedures		70.00
SR27	Failure to respond appropriately to safeguard vulnerable children, in line with national legislation and safeguarding children, thresholds and procedures.		81.82
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		97.33
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		93.65
SR40	Managing the impact of severe weather events		100.00
SR42	Risk of enforcement action from the ICO		100.00
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.		87.13
SR7	Financial implications of Maintaining and conserving key capital assets within the borough		100.00
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, some of the areas shown as below 75% have been reported previously.

Emerging Issues	HR – H&S, Client Risk Assessments, Passenger Transport, we are awaiting guidance on completing these from DfE. A replacement provider for moving & handling training is being sought.
-----------------	---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

Results by Theme

Theme	1 Red	2 Amber	3 Green	Total
1. Accuracy of Decision Making		2	57	59
10. Accuracy of Payments	2		19	21
11. Income - Charging		2	5	7
12. Income - Payments		1	9	10
13. Cash Handling		1	2	3
14. Procurement/Sourcing		2	16	18
15. Physical Assets/Locations		3	24	27
16. Fraud	1	2	10	13
17. Business Continuity		1	13	14
18. Procedures		1	12	13
19. Performance Management		3	30	33
2. Monitoring of Decisions		5	22	27
20. ICT Infrastructure			16	16
21. Handling of Requests/Incident Response		1	12	13
3. Information Governance	1	5	45	51
4. Finance		1	25	26
5. HR - Payments			4	4
6. HR - Health & Safety	1		4	5
7. HR - Management	2	2	8	12
8. Recruitment			2	2
9. HR - Training/Qualifications/Clearances	9	3	20	32
Total	16	35	355	406

Assurance by Theme

Theme	Assurance
1. Accuracy of Decision Making	97.80
10. Accuracy of Payments	92.98
11. Income - Charging	91.67
12. Income - Payments	94.83
13. Cash Handling	83.33
14. Procurement/Sourcing	93.75
15. Physical Assets/Locations	93.46
16. Fraud	85.71
17. Business Continuity	97.26
18. Procedures	94.92
19. Performance Management	96.56
2. Monitoring of Decisions	89.55
20. ICT Infrastructure	100.00
21. Handling of Requests/Incident Response	97.56
3. Information Governance	93.61
4. Finance	97.97
5. HR - Payments	100.00
6. HR - Health & Safety	69.57
7. HR - Management	62.50
8. Recruitment	100.00
9. HR - Training/Qualifications/Clearances	64.34
Total	91.31

Overall Results

Status	1 Very Low	2 Low	3 Medium	4 High	5 Very High	Total
1 Red		4	10	2		16
2 Amber		17	11	4	3	35
3 Green	12	146	125	56	16	355
Total	12	167	146	62	19	406

Results in Period

Status	1 Very Low	2 Low	3 Medium	4 High	5 Very High	Total
1 Red		1				1
2 Amber			1	1	1	3
3 Green	1	20	16	11	3	51
Total	1	21	17	12	4	55

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	The Red control identified in the period relates to officer declarations of interest forms not being completed.

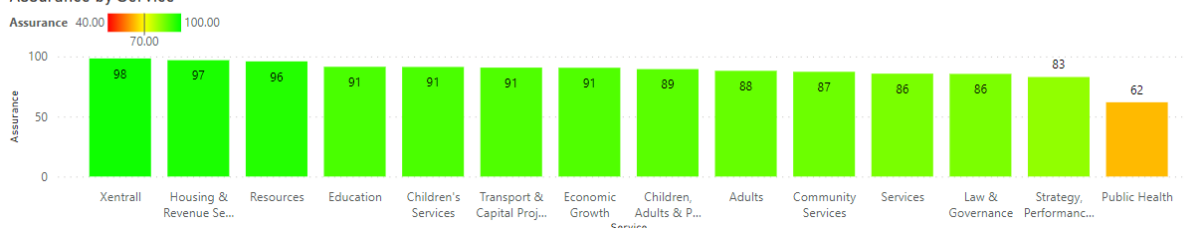
Results by Service

Service	1 Red	2 Amber	3 Green	Total
Adults	1	6	27	34
Children, Adults & Public Health	1		4	5
Children's Services	2	5	51	58
Community Services	2	9	41	52
Economic Growth	1	3	19	23
Education	1	2	22	25
Housing & Revenue Services		2	22	24
Law & Governance	3	4	25	32
Public Health	2	1	3	6
Resources	1		36	37
Services		1	3	4
Strategy, Performance & Communications	1	1	10	12
Transport & Capital Projects	1		12	13
Xentrall		2	69	71
Total	16	36	344	396

Recommendations

Service	Agreed	Draft	Implemented	Not Implemented	Risk Tolerated	Total
	2		1	1		4
Adults		1	5	1		7
Children, Adults & Public Health	1	1				2
Children's Services	2		7	1		10
Community Services	5		7	1		13
Economic Growth	3		5	1	1	10
Education	1	1	1	1		4
Housing & Revenue Services			3			3
Law & Governance	2		5	3		10
Public Health	1		1	1		3
Resources		2	1	1		4
Strategy, Performance & Communications	1		1		1	3
Transport & Capital Projects			2	1		3
Xentrall		1	3			4
Total	17	7	42	12	2	80

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. Productivity is slightly below target due to the amount of annual leave taken during the period.

Stewardship (Coverage)			Stakeholders		
Measure	Target	Actual	Measure	Target	Actual
Adequate Resources	15	21	Reporting	Qtrly	*
Portfolio Coverage	52	55	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%	69%
PSIAS External Review	March 2023	*	Training	20	12

Staff Meetings	8	13	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, I am pleased to inform members that we were successful in recruiting to our vacancy. We were able to recruit internally which has meant they are already in post. Whilst they may not have an audit background we are confident they have the right skills to develop in the role.

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
35	Section 17 payments made in respect of children are appropriately managed.	6
36	Children's cases are reviewed to ensure the type of placement remains suitable with family reunification considered.	6
42	Sufficient school places are available to meet demand.	6
44	Children's Assessment procedures are comprehensive and up to date	6
49	Children's cases are appropriately supervised with regular discussion and appropriate recording.	6
54	Systems are updated with the relevant referral information.	6
55	Accurate and timely assessment of children's referrals is undertaken.	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
112	Process council tax support claims.	6
113	Process housing benefit claims	6
119	Client risk assessments are undertaken and appropriate arrangements in place for the provision of Community (SBC) and Passenger (DBC) Transport (social care and education) service usage.	6
120	Costs and demand for Community (SBC) and Passenger Transport (DBC) services are monitored to ensure the best use of resources is applied.	6
165	Adult Services have a service strategy in place and delivery is being monitored.	6
174	Adult Social Care cases are allocated appropriately considering caseloads and qualification requirements.	6
179	Appropriate service provision has been sourced to meet an Adult Social Care users individual needs, in accordance with Contract Procedure Rules.	6
182	Where the Authority has Deputyship/Appointeeship, appropriate authorisation/legal documentation is in place	6
218	Posts requiring a DBS check are identified and requirements are in line with legislation.	6
250	There is a system of performance management in place for adult social care.	6
283	Disposals of ICT equipment are undertaken in an appropriate manner in line with an adequate and appropriate official disposal policy.	6
465	Public health research and local needs assessment.	6
476	Accurate and up to date MTFP projections for future years	6
535	Children have been matched with appropriate adopters	6
577	The correct charges are raised for Housing Rents.	6
820	There is a system of performance management in place for children's social care.	6
24	Appropriate arrangements are in place to assess the suitability of adopters.	12
32	Education, Health & Care Plans are appropriately monitored.	12
45	Staff assessing children's cases have the relevant qualifications and clearances.	12
64	Clear acquisition, disposal and revaluation process for land and buildings.	12
72	Treasury Management Strategy and its implementation in relation to investments meets the Prudential Code and Treasury Management Code of Practice.	12
76	Ensure accurate monitoring of capital programme and schemes	12
169	Appropriate financial monitoring is in place in respect of the Better Care Fund (BCF).	12
171	Non-financial targets as set out in the Better Care Fund (BCF) plan are being met.	12
173	Monitoring of care provider service delivery supports safeguarding activities and outcomes.	12

ID	Control	Frequency
181	Appropriate monitoring of residential placement transfers is in place to ensure it continues to meet the needs of the individual.	12
184	Accurate charges for contributions to care costs are made to service users.	12
228	Venues for events are appropriate.	12
252	Arrangements are in place to ensure Day Services, Residential and Supported Living service provision continues if there was a loss of staff or premises.	12
272	Breaches of planning control are investigated and enforcement action initiated as necessary.	12
304	Appropriate periodic IT Health checks (or other equivalent exercises) are undertaken in order to identify and categorise significant security issues/vulnerabilities. Work is then undertaken to remediate these issues/vulnerabilities where appropriate.	12
309	Adequate and appropriate change controls are in place.	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
371	Information held about children, young people and their families is appropriate/up to date and sharing is in line with GDPR and IARs.	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
399	Support is provided to new and existing businesses.	12
408	Monitor re-offending rates and target resources towards young people at risk of re-offending.	12
416	Trading standards investigations are recorded accurately either as a result of a programmed inspection or in response to a complaint and the results circulated as necessary including general guidance as necessary.	12
479	Up to date and accessible procedures available to support the management of Adult Social Care users files.	12
499	Continued eligibility for a free school meal is monitored and appeals are handled appropriately.	12
536	Breakdowns in placements are handled effectively.	12
539	Monitoring is undertaken of care packages for continued suitability.	12
573	Where there is a shortfall in specialist housing facilities managed by the authority to meet demand, external provision is effectively sourced.	12
25	Procedures are in place to manage the breakdown of a placement.	18
34	Health & safety of children's placements is monitored	18
40	School places have been allocated in accordance with admissions policies.	18
53	Procedures for managing Children's assessments are comprehensive and up to date.	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
130	Catering and cleaning staff have been subject to appropriate disclosure checks.	18
134	Arrangements are in place for inspection and maintenance of security and surveillance equipment.	18
153	The highways network resilience to extreme events such as weather has been fully established and plans are in place to manage this.	18
157	The authority has an adequate, appropriate and up to date Homeless Reduction and Prevention Strategy in place.	18
159	HMO properties are licensed.	18
162	The authority has an adequate, appropriate and up-to-date Local Plan in place.	18
183	Where legal charges have been placed on a service user's property, appropriate deferred payment/legal documentation is in place	18

ID	Control	Frequency
188	A current Carers Strategy is in place.	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
206	Communication activities are aligned with corporate priorities and are delivered consistently and effectively.	18
221	Information security and sharing protocols in relation to occupational health and employee therapy provision is in line with data protection legislation.	18
235	Adequate emergency response plans are in place for events and venues.	18
236	Arts and museum assets are adequately safeguarded and insured.	18
245	Maintain an accurate and up to date electoral register, which conforms to Electoral Commission requirements.	18
271	Residential delegated planning applications are considered and determined in line with the local development plan, national planning framework, gives consideration to the provision of green spaces and is dealt with within the appropriate timescale.	18
279	High level Active Directory administration privileges/credentials are only assigned to appropriate individuals.	18
300	Appropriate security/usage policies for users are in place to provide important guidance to users of the ICT facilities.	18
308	An appropriate inventory of all significant ICT equipment is maintained. Including servers, PCs, laptops, tablets, etc.	18
310	HMRC reporting requirements are being complied with.	18
311	Information on payslips meets statutory requirements and is correct.	18
358	High quality pathway plans support care leavers in managing the transition from school to higher education, training or employment.	18
364	Effective recruitment and retention of foster carers meets demand for places, including ongoing campaigns promoting the role.	18
382	Monitor delivery of community partnership objectives and key priorities.	18
393	Appropriate and timely response to a homelessness Duty to Refer request.	18
413	Licence applications are subject to appropriate review and approval, evidence of background and eligibility.	18
415	A programme of trading standards inspections and sample tests has been identified using a risk assessment process.	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
455	Inspection and maintenance of Council owned play facilities and skate parks.	18
467	A Gypsy Traveller Accommodation Assessment (GTAA) is undertaken to identify pitch requirements.	18
485	In-house foster carer details are accurately recorded and updated.	18
486	Information relating to adopters is accurately recorded and up to date.	18
487	Adopter suitability appeals are appropriately managed.	18
491	There is a system of performance management in place to establish the effectiveness of HR policies, procedures and initiatives.	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
532	Pathway plans are reviewed.	18
533	Pathway plans are accurate and up to date on the system.	18
534	Any payments agreed as part of the Pathway Plan have been paid correctly.	18

ID	Control	Frequency
537	Accurate and up to date information is recorded for adoption cases.	18
552	Plans are in place to continue to deliver housing/council tax support during an emergency.	18
30	Cash in Children's Services is appropriately safeguarded and reconciled.	24
92	Implement the counter fraud strategy	24
124	Strategies are in place to monitor and manage the demand for school meals in the short, medium and long term.	24
129	Payments for cleaning supplies are accurate and in accordance with the contract.	24
140	Invoices and recharges in relation to Lifeline (DBC) and OneCall (SBC) services are raised promptly and accurately and income due is received.	24
186	The range of physical disability & sensory impairment equipment available is sufficient to meet service user need	24
203	Website and Intranet content is relevant and up to date.	24
204	Effective internal communication and engagement with employees is achieved.	24
210	Accurate and up to date records are maintained for all legal services provided.	24
222	Appropriate employee benefit schemes are in place.	24
224	Managers and staff are aware of their responsibilities in relation to personal development and training.	24
238	Learning and Skills course fees are set appropriately and income taken is held securely and adequately accounted for.	24
239	Staff and premises are available to enable delivery of adult education courses and qualifications by Learning & Skills to be maintained, in the event of unforeseen circumstances.	24
241	Adult Learners and Apprentices details are accurate, up to date and safeguarded.	24
267	PCN/FPN appeals are correctly and fairly processed.	24
287	An adequate and appropriate software asset and license register/inventory is maintained.	24
288	Sufficient appropriate policing/auditing of software installation/use and licensing compliance is undertaken.	24
312	The organisation's establishment is authorised by the managing body.	24
314	All overtime payments are supported by appropriate paperwork and details are promptly and accurately entered onto the system	24
340	Early retirement is only granted to an employee in accordance with Council policies and that associated calculations made based on this are accurate.	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
389	Delivery of an effective careers advice and guidance service.	24
404	Promotion of apprenticeship opportunities.	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
454	Health and safety standards are maintained within our parks and green spaces.	24
460	Security and crime prevention measures are in place in relation to parks and green spaces.	24
463	National Fraud Initiative (NFI) matches in relation to COVID related business grants are promptly reviewed and investigations undertaken as necessary.	24
469	Monitoring and evaluation of social media content.	24
475	Records relating to housing and housing related developments are accurate, up to date and appropriately 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

ID	Control	Frequency
489	School admissions records are accurate and up-to-date.	24
495	Income/payments relating to on-site concessions are accurate.	24
500	Information held about pupils in receipt of a free school meal is accurate and update and managed appropriately.	24
501	Payments for catering supplies are accurate and in accordance with the contract.	24
502	Payments to Community (SBC) and Passenger (DBC) transport providers are accurate.	24
504	Payments are made to waste contractors accurately.	24
515	Fees for building control applications have been set appropriately.	24
517	Fees for planning applications received have been set correctly.	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
546	Community (SBC) and Passenger (DBC) Transport information is up to date and accurate.	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
686	National Fraud Initiative (NFI) matches in relation to Housing tenants, waiting lists and RTB are promptly reviewed and investigations undertaken as necessary.	24
689	National Fraud Initiative (NFI) matches in relation to payroll 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