AUDIT COMMITTEE
8 APRIL 2024

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

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%, previously reported: SR25 – The control around procurement of DoLs assessors is marked as amber due to impending changes in the process.

	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.
Emerging Issues	No change from the previous report so no new emerging risk areas.

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	Mandatory Information Governance Training still remains below the target completion rate of 95%, it should be recognised that this is an expectation of the information commissioner and is a challenging target given staff turnover numbers.

Results by Theme

Theme	1 Red	2 Amber	3 Green	Total
1. Accuracy of Decision Making		6	54	60
10. Accuracy of Payments	1		22	23
11. Income - Charging		1	7	8
12. Income - Payments		1	12	13
13. Cash Handling			3	3
14. Procurement/Sourcing		1	17	18
15. Physical Assets/Locations		2	26	28
16. Fraud	1		10	11
17. Business Continuity		1	14	15
18. Procedures		1	10	11
19. Performance Management		2	33	35
2. Monitoring of Decisions		4	23	27
20. ICT Infrastructure		2	21	23
21. Handling of Requests/Incident Response		1	11	12
3. Information Governance	1	7	49	57
4. Finance			26	26
5. HR - Payments			4	4
6. HR - Health & Safety			5	5
7. HR - Management	1	3	8	12
8. Recruitment		1	2	3
9. HR - Training/Qualifications/Clearances	10	3	15	28
Total	**14**	**36**	**372**	**422**

Assurance by Theme

Theme	Assurance
1. Accuracy of Decision Making	94.58
10. Accuracy of Payments	96.97
11. Income - Charging	96.00
12. Income - Payments	95.45
13. Cash Handling	100.00
14. Procurement/Sourcing	97.01
15. Physical Assets/Locations	97.96
16. Fraud	91.67
17. Business Continuity	96.71
18. Procedures	96.05
19. Performance Management	98.46
2. Monitoring of Decisions	92.86
20. ICT Infrastructure	93.81
21. Handling of Requests/Incident Response	97.44
3. Information Governance	92.04
4. Finance	100.00
5. HR - Payments	100.00
6. HR - Health & Safety	100.00
7. HR - Management	67.05
8. Recruitment	85.00
9. HR - Training/Qualifications/Clearances	54.37
Total	**91.72**

Overall Results

Status	1 Very Low	2 Low	3 Medium	4 High	5 Very High	Total
1 Red		2	12			14
2 Amber	1	19	9	5	2	36
3 Green	17	170	116	52	17	372
Total	**18**	**191**	**137**	**57**	**19**	**422**

Results in Period

Status	1 Very Low	2 Low	3 Medium	4 High	5 Very High	Total
1 Red			10			10
2 Amber		4	5	2	1	12
3 Green	3	11	13	18	7	52
Total	**3**	**15**	**28**	**20**	**8**	**74**

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. Public Health assurance levels have improved over the period.
Emerging Issues	No changes from previous report.

Results by Service

Service	1 Red	2 Amber	3 Green	Total
Adults	1	4	27	32
Children's Services	1	6	45	52
Community Services	2	10	48	60
Economic Growth	1	4	26	31
Education	1	1	25	27
Housing & Revenue Services		1	20	21
Law & Governance	3	5	27	35
Public Health	2		5	7
Resources	1	1	44	46
Services			3	3
Strategy, Performance & Communications	1	1	7	9
Transport & Capital Projects	1		12	13
Xentrall		2	75	77
Total	**14**	**35**	**364**	**413**

Recommendations

Service	Agreed	Draft	Implemented	Not Implemented	Risk Tolerated	Total
	2		1	1		4
Adults	2	1	3	1		7
Children's Services	3		5	3		11
Community Services	6	2	6	1		15
Economic Growth	1		6	2	1	10
Education	3			1		4
Housing & Revenue Services	1		4			5
Law & Governance			7	3		10
Public Health		1	2	1		4
Resources		2	1	1		4
Strategy, Performance & Communications			3		1	4
Transport & Capital Projects	1		1	1		3
Xentrall	1	1	3			5
Total	**20**	**7**	**42**	**15**	**2**	**86**

Assurance by Service
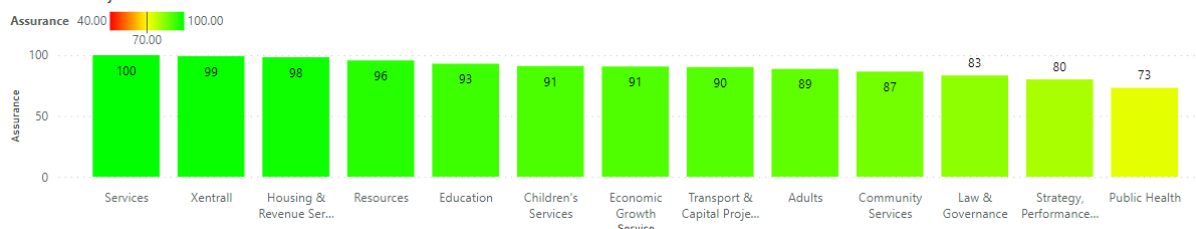
10. The penultimate section is progress against our balanced scorecard. The key measures in this section are adequate resources and portfolio coverage. In terms of adequate resources we aim to have 15 days capacity spare to deal with any issues that may arise. Portfolio coverage identifies the number of controls that must be tested in the period to maintain adequate coverage, we were on target for the previous period.

Stewardship (Coverage)			Stakeholders		
Measure	Target	Actual	Measure	Target	Actual
Adequate Resources	15	16	Reporting	Qtrly	*
Portfolio Coverage	63	74	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%	77%
PSIAS External Review	March 2023	*	Training	20	25
Staff Meetings	6	10	Code of Conduct	100%	*
Audit Manual Update	March		Appraisals	100%	*

*- to be reported annually

11. The final section of the report (Appendix A) is a full list of controls to be examined in the next period in priority order.

12. I currently do not have any concerns over the resourcing levels of the service or any impairment of the independence of the service to report to members.

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
661	Youth Employment Initiative financial claims are submitted in an accurate and timely manner.	3
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
174	Adult Social Care cases are allocated appropriately considering caseloads and qualification requirements.	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
283	Disposals of ICT equipment are undertaken in an appropriate manner in line with an adequate and appropriate official disposal policy.	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
832	Decisions are made in line with The Adoption Agencies Regulations 2005.	6
23	Assessment and appointment of suitable in-house foster carers.	12
24	Appropriate arrangements are in place to assess the suitability of adopters.	12
64	Clear acquisition, disposal and revaluation process for land and buildings.	12
68	Clear budget process and timetable is in place which could be followed by team members as and when required.	12
86	Undertake forward planning and projections of external factors in respect of income and expenditure and feed into MTFP.	12
97	Prepare statement of accounts	12
114	Vehicles used in the provision of Community (SBC) and Passenger (DBC) Transport services are suitable and meet requirements for servicing and road worthiness.	12
132	Free school meals are provided to eligible pupils.	12
175	Adult Social Care referrals and assessments are processed in an accurate and timely manner, with decision making and actions fully documented.	12
184	Accurate charges for contributions to care costs are made to service users.	12
228	Venues for events are appropriate.	12
249	Timely and accurate financial assessments are undertaken for service users wishing to take up a service.	12
295	Appropriate formal documented ICT project management standards/policies have been established.	12
303	An appropriate infrastructure is in place to facilitate the organisation's firewalls.	12
356	Address patterns of absence and promote regular attendance at school.	12
361	Training, support and development is in place for adoptive parents and families.	12
363	Procedures are in place for the referral, matching and placement of children for adoption.	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
405	Effective management of grants received to support jobs and growth.	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
464	Effective commissioning and procurement of public health services and programmes.	12
539	Monitoring is undertaken of care packages for continued suitability.	12
572	The decision to provide additional support to adoptive families is appropriate.	12
573	Where there is a shortfall in specialist housing facilities managed by the authority to meet demand, external provision is effectively sourced.	12

Appendix A

ID	Control	Frequency
662	Sufficient performance monitoring is in place to ensure the aims and objectives of the Youth Employment Initiative programme are being successfully achieved.	12
740	Staff within Transport and Capital projects have completed mandatory information governance training.	12
741	Staff within Public Health have completed mandatory information governance training.	12
742	Staff within Children's Services have completed mandatory information governance training.	12
743	Staff within Adults Service have completed mandatory information governance training.	12
744	Staff within Education services have completed mandatory information governance training.	12
745	Staff within Economic Growth have completed mandatory information governance training.	12
747	Staff within Strategy, performance and communications have completed mandatory information governance training.	12
748	Staff within Housing and Revenue services have completed mandatory information governance training.	12
749	Staff within Law & Governance have completed mandatory information governance training.	12
795	Staff within Community Services have completed mandatory information governance training.	12
812	Staff within Commissioning, performance and transformation have completed mandatory information governance training.	12
831	Placement numbers and service demand are monitored regularly.	12
833	Suitable arrangements are in place with regional VAAs.	12
834	Partnership model is approved and complied with.	12
837	Risk register is subject to periodic review and is up to date.	12
842	Regular monitoring of children and adopter progress to ensure timeliness of process in line with Government targets	12
844	Strategic priorities are identified and monitored	12
847	Adequate safeguarding policy and procedures are in place.	12
851	All significant events relating to the protection of children are notified to the appropriate authorities.	12
875	Performance oversight and reporting in line with the terms and conditions of the youth justice grant.	12
21	A robust training and support regime is in place for new teachers.	18
40	School places have been allocated in accordance with admissions policies.	18
77	Financial appraisal completed as part of business case/options appraisal	18
116	Council employed drivers and passenger assistants hold the necessary clearances, licences, qualifications and training.	18
130	Catering and cleaning staff have been subject to appropriate disclosure checks.	18
141	Sensitive personal information in relation to OneCall (SBC) and Lifeline (DBC) clients is managed in line with GDPR requirements.	18
183	Where legal charges have been placed on a service user's property, appropriate deferred payment/legal documentation 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
221	Information security and sharing protocols in relation to occupational health and employee therapy provision is in line with data protection legislation.	18
310	HMRC reporting requirements are being complied with.	18
362	Financial support provided to adoptive families is paid accurately and timely.	18
383	Strategic plans and framework are in place to tackle poverty.	18
413	Licence applications are subject to appropriate review and approval, evidence of background and eligibility.	18

Appendix A

ID	Control	Frequency
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
449	Cemeteries and memorials are well maintained and health and safety risks managed.	18
450	Crematorium inspection and monitoring to reduce the impact of emissions.	18
467	A Gypsy Traveller Accommodation Assessment (GTAA) is undertaken to identify pitch requirements.	18
474	Appropriate ICT solutions are in place to facilitate the sharing of sensitive information/files with external partners/individuals.	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
510	Monitoring is undertaken to ensure compliance with planning decisions and appeals are handled appropriately.	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
836	Data sharing arrangements are in place and information is safeguarded.	18
839	Marketing strategy is in place and monitored effectively.	18
840	Staff hold appropriate qualifications, DBS clearances, and receive regular training.	18
841	Adopters are subject to appropriate DBS and safeguarding checks.	18
843	Early Permanence arrangements are appropriately managed	18
845	Appropriate medical advisors have been appointed.	18
846	Cases are allocated appropriately and supervision arrangements are in place.	18
849	Progress against development plans is monitored	18
850	Compliance with Department for Education (DfE) funding terms and conditions for grant payments received.	18
852	Procedures are in place for the recruitment and maintenance of the central list of persons suitable for the adoption panel	18
129	Payments for cleaning supplies are accurate and in accordance with the contract.	24
166	Staff involved in adult referrals and assessments appropriately qualified and have appropriate DBS clearances.	24
203	Website and Intranet content is relevant and up to date.	24
210	Accurate and up to date records are maintained for all legal services provided.	24
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
266	Appropriate controls and systems are in place to ensure all car parking income is accounted for in the authority's accounts.	24
312	The organisation's establishment is authorised by the managing body.	24
432	On-site concessions are managed and procured appropriately.	24
440	Effective procurement of waste and recycling contracts.	24
475	Records relating to housing and housing related developments are accurate, up to date and appropriately safeguarded.	24
482	Effective working relationships with staff forums and other employee groups such as unions.	24
483	Payments made to external providers of short breaks for young people with complex and additional needs are accurate and timely.	24

ID	Control	Frequency
495	Income/payments relating to on-site concessions are accurate.	24
501	Payments for catering supplies are accurate and in accordance with the contract.	24
515	Fees for building control applications have been set appropriately.	24
545	There is an effective appeals process for transport eligibility decisions.	24
687	National Fraud Initiative (NFI) matches in relation to Council Tax Single Person Discount are promptly reviewed and investigations undertaken as necessary.	24
828	Budget is effectively monitored and controlled.	24
829	Funding from LA's has been received in full.	24
830	Inter-agency fee budget is effectively monitored and controlled.	24
848	Payments to external agencies are accurate and timely.	24
854	All children placed for adoption have a life story book and later life letter prepared for them.	24
196	Payments made to external employee therapy providers are accurate.	48
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
514	An appropriate fee has been received for building control applications.	48