

**AUDIT COMMITTEE  
4 NOVEMBER 2024**

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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.

**Reason**

4. 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

Council Plan	No direct impact but does provide assurances on the delivery of Council Plan objectives.
Addressing inequalities	No specific equality impact however controls to manage equality are included in the programme
Tackling Climate Change	No specific climate change impact however controls to manage climate change are included in the programme
Efficient and effective use of resources	The report provides assurance on the controls in place to deliver the effective use of resources
Health and Wellbeing	There is no specific health and well-being impact.
S17 Crime and Disorder	Other than any special investigation work there is no crime and disorder 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	This is not an Urgent Decision
Impact on Looked After Children and Care Leavers	This report has no direct impact on Looked After Children or Care Leavers, however results of testing provide assurance over how the impact is being managed.

## 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	<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> <p>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.</p>
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	<p>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.</p> <p>An issue has been noted with the completion of care package reviews (Adults), a new process is being trialled in order to streamline the process.</p>

Results by Theme

Theme	1 Red	2 Amber	3 Green	Total
1. Accuracy of Decision Making			5	58
10. Accuracy of Payments			26	26
11. Income - Charging		1	8	9
12. Income - Payments			14	14
13. Cash Handling			2	2
14. Procurement/Sourcing		1	19	20
15. Physical Assets/Locations		2	24	26
16. Fraud			11	11
17. Business Continuity			15	15
18. Procedures		1	10	11
19. Performance Management	1	1	33	35
2. Monitoring of Decisions	1	4	21	26
20. ICT Infrastructure			20	20
21. Handling of Requests/Incident Response			11	11
3. Information Governance	2	4	52	58
4. Finance			27	27
5. HR - Payments			4	4
6. HR - Health & Safety		1	5	6
7. HR - Management		3	7	10
8. Recruitment			2	2
9. HR - Training/Qualifications/Clearances	9	7	15	31
<b>Total</b>	<b>13</b>	<b>30</b>	<b>384</b>	<b>427</b>

Assurance by Theme

Theme	Assurance
1. Accuracy of Decision Making	95.37
10. Accuracy of Payments	100.00
11. Income - Charging	96.30
12. Income - Payments	100.00
13. Cash Handling	100.00
14. Procurement/Sourcing	97.40
15. Physical Assets/Locations	94.79
16. Fraud	100.00
17. Business Continuity	100.00
18. Procedures	96.05
19. Performance Management	97.55
2. Monitoring of Decisions	86.14
20. ICT Infrastructure	100.00
21. Handling of Requests/Incident Response	100.00
3. Information Governance	92.20
4. Finance	100.00
5. HR - Payments	100.00
6. HR - Health & Safety	86.54
7. HR - Management	71.95
8. Recruitment	100.00
9. HR - Training/Qualifications/Clearances	54.48
<b>Total</b>	<b>92.10</b>

Overall Results

Status	1 Very Low	2 Low	3 Medium	4 High	5 Very High	Total
1 Red		1	12			13
2 Amber		12	10	5	3	30
3 Green	22	171	115	59	17	384
<b>Total</b>	<b>22</b>	<b>184</b>	<b>137</b>	<b>64</b>	<b>20</b>	<b>427</b>

Results in Period

Status	1 Very Low	2 Low	3 Medium	4 High	5 Very High	Total
1 Red		1	12			13
2 Amber		1	3	2	3	9
3 Green	2	30	17	19	10	78
<b>Total</b>	<b>2</b>	<b>32</b>	<b>32</b>	<b>21</b>	<b>13</b>	<b>100</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. Public Health assurance levels have improved over the period.
Emerging Issues	No changes from previous report.

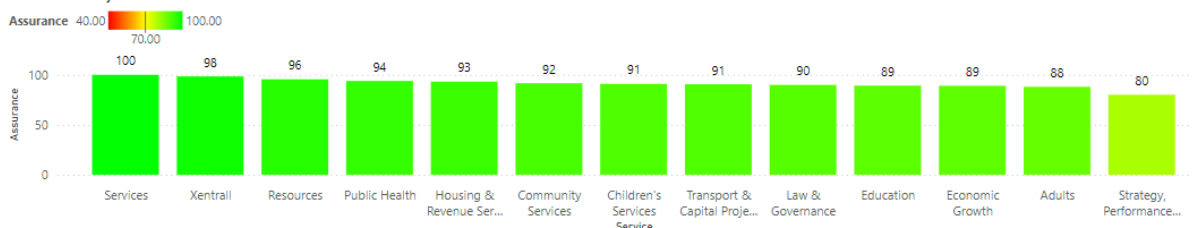
**Results by Service**

Service	1 Red	2 Amber	3 Green	Total
Adults	2	4	29	35
Children's Services	1	7	50	58
Community Services	2	4	57	63
Economic Growth	2	2	27	31
Education	1	2	24	27
Housing & Revenue Services	1	1	20	22
Law & Governance	1	4	29	34
Public Health		1	6	7
Resources	1	1	42	44
Services			2	2
Strategy, Performance & Communications	1	1	7	9
Transport & Capital Projects	1		12	13
Xentrall		2	71	73
<b>Total</b>	<b>13</b>	<b>29</b>	<b>376</b>	<b>418</b>

**Recommendations**

Service	Agreed	Draft	Implemented	Not Implemented	Risk Tolerated	Total
Adults	2		1		1	4
Children's Services	2		4			6
Community Services	3	1	4		1	9
Economic Growth	6	1	7			14
Education	1	2	6		1	10
Housing & Revenue Services	3					3
Law & Governance	2		4			6
Public Health			8		1	9
Resources		1	1		1	3
Strategy, Performance & Communications	1	2	1			4
Transport & Capital Projects	8		5		1	14
Xentrall	1					1
Xentrall	1	1	4			6
<b>Total</b>	<b>30</b>	<b>8</b>	<b>45</b>	<b>4</b>	<b>2</b>	<b>89</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 must be tested in the period to maintain adequate coverage, we were on target for the previous period. A staff member has now commenced maternity leave and this accounts for the reduction in productivity levels and reduced spare capacity. The programme of work has been reviewed and it is anticipated there will be no impact in being able to complete sufficient work within DBC to enable the annual opinion to be given.

Stewardship (Coverage)			Stakeholders		
Measure	Target	Actual	Measure	Target	Actual
Adequate Resources	15	5	Reporting	Qtrly	*
Portfolio Coverage	75	100	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%	67%
PSIAS External Review	March 2023	*	Training	20	*
Staff Meetings	8	11	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. However it should be noted that we do have a member of staff expected to go on maternity leave in October, plans are being made to manage this resource gap.

### **Outcome of Consultation**

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

ID	Control	Frequency
214	Procurement by Legal Services is in line with contract procedure rules and value for money principles.	3
218	Posts requiring a DBS check are identified and requirements are in line with legislation.	3
78	Focussed financial support to commercial ventures.	6
182	Where the Authority has Deputyship/Appointeeship, appropriate authorisation/legal documentation is in place.	6
215	Accurate charging is made in accordance with approved scale of land charges and fees.	6
259	Records relating to Environmental Health cases are appropriately recorded and managed.	6
270	Building control decisions are appropriately authorised and made in line with Building Regulations.	6
416	Trading standards investigations, interventions and responses to complaints are recorded accurately and information shared securely, as necessary.	6
417	Compliance with licence conditions is monitored and appropriate sanctions taken when necessary.	6
716	Bridges quality and compliance systems are operating effectively	6
76	Ensure accurate monitoring of capital programme and schemes.	12
79	Maintain formula and support for funding schools and high needs.	12
251	Sufficient health & safety measures/risk assessments are in place/undertaken at individual adults establishments.	12
356	Address patterns of absence and promote regular attendance at school.	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
875	Performance oversight and reporting in line with the terms and conditions of the youth justice grant.	12
1520	Compliance with DEFRA funding terms and conditions for grant payments received for the delivery of weekly food waste collections.	12
89	Development of an appropriate risk assessed H&S audit programme.	18
91	Delivery of an effective Internal Audit Service in compliance with Accounts & Audit Regulations.	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
221	Information security and sharing protocols in relation to occupational health and employee therapy provision is in line with data protection legislation.	18
402	Tackling town centre property vacancies.	18
412	An accurate and complete register of licences issued is maintained.	18
413	Licence applications are subject to appropriate review and approval, evidence of background and eligibility.	18
415	A risk based programme of trading standards inspections and testing is in place.	18
503	The programme of trading standards inspections and sample testing is being monitored for completion.	18
511	Inspections of building work are undertaken to ensure compliance.	18
513	Building control decisions are accurately recorded.	18
526	Changes in circumstances for council tax reduction and housing benefit claimants are processed appropriately.	18
797	Records and confidentiality in relation to confidential/whistleblowing reports are maintained.	18
798	Investigations into confidential/whistleblowing reports are appropriate, acknowledged within timescales, and in line with Public Interest Disclosure Act.	18
63	Annual maintenance plans are in place for all Council owned operating premises.	24
87	Co-ordinate complaints process.	24
180	Adequate security measures are in place at each Day Service, Residential and Supported Living establishment to protect clients, guests and residents property and other assets.	24



ID	Control	Frequency
191	Environmental Health cases are appropriately allocated to officers.	24
192	Environmental Health income is managed appropriately and all income due to the service is collected.	24
258	Environmental Health officers have the appropriate qualifications and undertake the required training.	24
411	Appropriate licence fees are established.	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 short breaks for young people with complex and additional needs are accurate and timely.	24
515	Fees for building control applications have been set appropriately.	24
547	The correct fee is received for licenses.	24
753	The purpose and scope of CCTV coverage at the depot has been appropriately documented and a Privacy Impact Assessment undertaken.	24
754	The purpose and scope of CCTV coverage of playgrounds has been appropriately documented and a Privacy Impact Assessment undertaken.	24
755	The purpose and scope of CCTV coverage used by street scene/refuse has been appropriately documented and a Privacy Impact Assessment undertaken.	24
756	The purpose and scope of body worn CCTV has been appropriately documented and a Privacy Impact Assessment undertaken.	24
757	The purpose and scope of CCTV coverage in the town centres has been appropriately documented and a Privacy Impact Assessment undertaken.	24
758	The purpose and scope of CCTV coverage in the hippodrome has been appropriately documented and a Privacy Impact Assessment undertaken.	24
759	The purpose and scope of CCTV coverage in the Dolphin Centre has been appropriately documented and a Privacy Impact Assessment undertaken.	24
760	The purpose and scope of CCTV coverage at the museum has been appropriately documented and a Privacy Impact Assessment undertaken.	24
877	Adult social care staff supervision and appraisal in accordance with policy and agreements.	24
427	Receipt of appropriate fees prior to release of lost animals to their owner.	48
514	An appropriate fee has been received for building control applications.	48