

**AUDIT COMMITTEE**  
**30 APRIL 2025**

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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.

**Recommendations**

3. It is recommended that:
  - (a) the activity and results be noted and that the planned work is agreed.
  - (b) Members consider if there are any issues identified that they wish to escalate for further consideration.

**Reasons**

4. The recommendations are supported to provide the Audit Committee with evidence to reflect on the Council's governance arrangements.

**Andrew Barber**  
**Assurance 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. The report 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. Members are reminded that this is not an assessment of the risk itself but an assessment of some of the controls in place to manage the risk.

## Overall Position

We are seeing good levels of assurance against each of the risks.

## Detailed Commentary

There is nothing to bring to members attention at this time.

Assurance by Risk			Assurance
Rsk Ref	Risk		
SR1	Implementation of recommendations from the Capital Process Review is needed to improve effective capital project management		100.00
SR10	Planning Performance at risk of Standards Authority intervention		100.00
SR11	VAT partial exemption breach due to exempt VAT being close to the 5% limit		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		83.33
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		100.00
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		100.00
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		94.62
SR40	Managing the impact of severe weather events		100.00
SR42	Risk of enforcement action from the ICO		87.80
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.		95.00
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

- The next section breaks down audit results against a set of key governance processes. We have updated our list of themes primarily to provide a greater degree of clarity and aid understanding.

## Overall Position

The majority of themes are showing a positive level of assurance overall, there is one area shown as below 70% and has been reported previously. There are 2 areas currently below 80%. The majority of controls in the High/Very High categories are showing as Green with no Reds.

## Detailed Commentary

Application for a Service/Support - Transport policies were found to be out of date impacting on the appeals processes for transport support. Revised policy is at draft stage and out for consultation.

Regulatory Services - There are currently some backlogs being experienced in trading standards and environmental health linked to resourcing issues largely based on recruitment difficulties.

People - Backlogs still exist in dealing with adult social care cases, however this is reducing and being closely monitored with the largest backlog in OT.

New systems are being developed to manage supervisions within Children's services.

There were some minor issues noted relating to employee induction which have been fed into the existing review of the workforce strategy.

We continue to note challenges in meeting the 95% completion rate for mandatory information governance training, however this is offset by good assurance generally in relation to information governance. Some minor issues were also noted with the management of DBS checks.

### Results by Theme

Theme	1 Red	2 Amber	3 Green	Total
Application for a Service/Support	1	7	27	35
Application for an Approval/Permission		5	27	32
Assets		3	20	23
Business Continuity		1	26	27
Corporate Governance		3	54	57
Finance	1	2	109	112
ICT		3	25	28
Information Governance	4		37	41
People	7	11	32	50
Performance Management	1		7	8
Procurement/Contracts		2	23	25
Regulatory Services		3	9	12
<b>Total</b>	<b>14</b>	<b>40</b>	<b>396</b>	<b>450</b>

### Assurance by Theme

Theme	Assurance
Application for a Service/Support	86.57
Application for an Approval/Permission	93.22
Assets	90.12
Business Continuity	98.65
Corporate Governance	98.56
Finance	98.89
ICT	94.14
Information Governance	91.55
People	70.43
Performance Management	93.75
Procurement/Contracts	95.54
Regulatory Services	81.43
<b>Total</b>	<b>91.68</b>

### Overall Results

Status	1 Very Low	2 Low	3 Medium	4 High	5 Very High	Total
1 Red		6	8			14
2 Amber		20	9	8	3	40
3 Green	22	182	114	60	18	396
<b>Total</b>	<b>22</b>	<b>208</b>	<b>131</b>	<b>68</b>	<b>21</b>	<b>450</b>

### Results in Period

Status	2 Low	3 Medium	4 High	5 Very High	Total
1 Red	4				4
2 Amber	5	1	5	1	12
3 Green	23	14	14	7	58
<b>Total</b>	<b>32</b>	<b>15</b>	<b>19</b>	<b>8</b>	<b>74</b>

9. The next section looks at the status of recommendations shown by service area.

### Overall Position

We continue to see a positive response from managers to the recommendations we make with low numbers of not implemented recommendations when we come to review implementation.

### Detailed Commentary

The 4 recommendations that are marked as not implemented, these are longer scale pieces of work and progress is being made albeit a little slower than originally envisioned. I currently do not have any concerns regarding progress towards implementation of these recommendations and fully expect them to be implemented.

### Recommendations

Service	Agreed	Draft	Implemented	Not Implemented	Risk Tolerated	Total
	1		2		1	4
Adults	2		4			6
Children's Services	8	1	9		1	19
Community Services	5	5	8			18
Economic Growth	1	3	6			11
Education	3					3
Housing & Revenue Services	1	1	5			7
Law & Governance			8		1	9
Public Health		1	1		1	3
Resources		2	2			4
Strategy, Performance & Communications			4			5
Transport & Capital Projects	1					1
Xentrall	1	1	4			6
<b>Total</b>	<b>23</b>	<b>14</b>	<b>53</b>		<b>4</b>	<b>96</b>

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	0	Reporting	Qtrly	*
Portfolio Coverage	73	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%	69%
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 currently on maternity leave, we have been able to manage the plan over the short-term to manage this. In addition to this we have another member of staff who is due to move onto flexible retirement in April, this has the potential to cause a greater resourcing issue, to manage this we will be looking to bring in an apprentice with the expectation that they will replace this auditor when they do retire.
13. Revised Global Standards for Public Sector Internal Audit – The revised standards become mandatory in April 2025. We have been reviewing the current position against these revised standards and I am pleased to report that overall, the service is in a very strong position to maintain compliance. The main area that required addressing is in

relation to a new requirement to have a strategy in place for the service, whilst we have had a strategy in place this was less formally documented, a fully documented strategy will be presented at this meeting for approval.

### **Outcome of Consultation**

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

ID	Control	Frequency
30	Petty Cash and Debit Cards are appropriately safeguarded and reconciled.	3
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
438	Waste and recycling targets are achieved.	3
471	Achievement of completion rate targets for mandatory on-line information governance training.	3
740	Staff within Highways and Capital projects have completed mandatory information governance training.	3
742	Staff within Children's Services have completed mandatory information governance training.	3
743	Staff within Adults Service have completed mandatory information governance training.	3
744	Staff within Education services have completed mandatory information governance training.	3
745	Staff within Economic Growth have completed mandatory information governance training.	3
795	Staff within Community Services have completed mandatory information governance training.	3
811	Staff within Darlington Partnership have completed mandatory information governance training.	3
36	Children's cases are reviewed to ensure the type of placement remains suitable, with family reunification considered.	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
56	Agreements for early years provision are in place and being complied with and monitoring visits are being undertaken.	6
78	Focussed financial support to commercial ventures.	6
113	Process Housing Benefit claims.	6
137	Accurate charging and effective income management in relation to civic enforcement activity.	6
145	Public Rights of Way Improvement Plan is in place and progress against this monitored.	6
165	Adult Services has a strategy in place and processes are in place to monitor its delivery.	6
168	Relevant policies and procedures are available and accessible to adult social care staff.	6
172	An up to date strategic plan is in place for the Safeguarding Adults Board and performance is monitored to ensure effective multi agency working.	6
174	Adult Social Care cases are allocated appropriately considering caseloads, complexity, qualification and experience.	6
179	Appropriate service provision has been sourced to meet an Adult Social Care users individual needs.	6
249	Timely and accurate financial assessments are undertaken for service users wishing to take up a service.	6
344	All new employees have been appropriately vetted before being employed.	6
417	Compliance with licence conditions is monitored and appropriate sanctions taken when necessary.	6
526	Changes in circumstances for council tax reduction and housing benefit claimants are processed appropriately.	6
738	Admission and retail income for museums is recorded and received in full.	6
752	The purpose and scope of CCTV coverage in the admin buildings has been appropriately documented and a Privacy Impact Assessment undertaken.	6
46	Business continuity arrangements are in place to continue to deal with children's referrals.	12
68	Clear budget process and timetable is in place which could be followed by team members as and when required.	12
79	Maintain formula and support for funding schools and high needs.	12
86	Undertake forward planning and projections of external factors in respect of income and expenditure and feed into MTFP.	12
114	Fleet vehicles used in the provision of Community (SBC) and Passenger (DBC) Transport services are suitable and meet requirements for servicing and road worthiness.	12



ID	Control	Frequency
184	Accurate charges for contributions to care costs are made to service users.	12
257	Appropriate arrangements are in place to continue managing clients' finances in the event of disruption.	12
285	Progress towards the ICT strategy goals is monitored and reported on.	12
303	An appropriate infrastructure is in place to facilitate the organisation's firewalls.	12
365	Management and oversight of youth offending cases improve outcomes for young people involved in criminal justice system or at risk of becoming involved.	12
396	Accurate and timely returns are provided to support New Homes Bonus and expected allocations have been received.	12
397	Economic Growth Strategy and Economic Growth Plan is monitored and milestones achieved.	12
408	Monitor re-offending rates and target resources towards young people at risk of re-offending.	12
464	Effective commissioning and procurement of public health services and programmes.	12
466	Delivery of the Health and Wellbeing Strategy.	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
69	Clear contract procedure rules.	18
89	Development of an appropriate risk assessed H&S audit programme.	18
142	Staff delivering community alarm services hold appropriate qualifications and DBS clearance.	18
152	The authority is committed to reducing its carbon footprint and supporting residents and businesses to reduce theirs.	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
220	Appropriate checks have been undertaken prior to placing someone on the Employee Protection Register.	18
261	Sufficient performance information is maintained and is appropriately utilised within the Highways Department.	18
264	The authority has an adequate, appropriate and up to date Highway Infrastructure Asset Management Strategy (HIAMS) in place.	18
292	Appropriate controls are utilised to block or quarantine emails from untrusted sources/networks.	18
353	Oversight and approval of decision to access unregulated or crisis placement provision.	18
368	Ensure the delivery of advice, support and refuge accommodation for victims of domestic abuse.	18
403	Promotion of the borough and town centres as a great place to invest, trade and visit.	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
428	Provide effective short-term support to individuals following a discharge from hospital or to prevent hospital admission.	18
527	Records relating to Council Tax Reduction and Housing Benefit are accurate and up to date.	18
866	There are adequate and appropriate ICT incident response policies/procedures in place.	18
73	Delivery of contract management plans.	24
87	Co-ordinate complaints process.	24
103	Undertake health & safety investigations.	24
191	Environmental Health cases are appropriately allocated to officers.	24
219	Information stored on the employee protection register is accurate, up to date and used appropriately.	24
ID	Control	Frequency
259	Records relating to Environmental Health cases are appropriately recorded and managed.	24
305	Significant changes to the virtualised infrastructure are adequately managed. Allocation of resources in the virtualised environment is adequately and appropriately controlled.	24
319	Standard payroll exception reports are produced for subsequent investigation and clearance.	24
337	Amendments and credits can only occur with the authorisation of the responsible officer for the cost centre whose account was originally credited in error.	24
350	Procedures ensure that the public and staff are aware of the process for making a referral to children's social care.	24
366	Implementation of action plans that promote access to targeted resources, increase access to education, training and employment.	24
378	Pupil premium funding is used effectively.	24
398	Local economic assessment provides an economic baseline to inform decision making.	24
431	Provide a broad selection of accessible leisure and outdoor activities, representing value for money to the public.	24
448	Crematorium operational controls are safe, effective and comply with Cremation Regulations.	24
462	Provision and upkeep of outdoor public seating and street furniture.	24
529	Council Tax/NDR information is accurate and up to date.	24
530	Discounts/Rate Relief is monitored for continued eligibility and there is an appropriate appeals process in place.	24
542	Financial assessments are reviewed and updated for changes in circumstances.	24
576	Regular bank reconciliations are undertaken and are up to date with minimal amounts in suspense.	24