

Audit Services Unit Progress Against Audit Plan 2022-23 31 July 2022

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Background to the Progress Report

At the meeting of this Committee held on 22 March 2022, Members approved the Audit Services Plan for 2022-23, which had been formulated from our risk assessment drawn from a wide range of sources including:

- the Council Plan;
- the Council's Strategic Risk Register;
- Departmental Risk Registers;
- Service Plans; and
- meetings with Executive Directors and Directors.
(including Managing Director (Head of Paid Service), Director of Finance & ICT (Section 151 Officer) and Director of Legal and Democratic Services (Monitoring Officer).

In accordance with the Audit Committee's Terms of Reference this report updates Members on progress against the Plan for the four months to 31 July 2022 and represents work undertaken during this period which is detailed in **Appendix 1**. An analysis of the priority criteria for Audit recommendations and assurance levels is also included in **Appendix 1**.

In common with previous years, elements of work forming part of last year's approved Audit Services Plan were completed and reported in the current year. Where appropriate, Audit staff routinely follow up progress against agreed recommendations as part of subsequent work, in the area under review.

All work undertaken by Audit Services is conducted in accordance with the standards required by the Public Sector Internal Audit Standards (PSIAS). and in conformance with the International Standards for the Professional Practice of Internal Auditing. The work of the Unit complies with the Council's Audit Charter, Internal Audit Strategy and Quality Assurance and Improvement Programme which are subject to regular review.

Contents		Page
Background to the Progress Report		2
Current Progress		3
Summary of Audit Opinions (Reports Issued up to 31 July 2022)		5
Audit Resources and Activities		6
Detailed Analysis - Corporate Activities		10
Detailed Analysis - Corporate Services and Transformation		12
Detailed Analysis – Children's Services		14
Detailed Analysis – Adult Social Care and Health		16
Detailed Analysis – Place		20
Appendices		
1.	Progress Against the 2022-23 Audit Plan	22
2.	Audit Services Structure	32
3.	Key Performance Indicators 2022-23	33

Current Progress

It is positive to be able to report that whilst the impact of the Covid-19 pandemic has affected working arrangements across the Council, the start of 2022-23 has seen an increase in the number of staff returning to offices with more face-to-face and hybrid meetings taking place. Audit Services has been able to undertake more aspects of reviews in-person with site visits and school audits able to resume. This, together with the more stable Audit staffing structure has enabled an improvement in the shortfall in productive days delivered when compared to September 2021 Progress Report (2021-22 – 86.6% and 2022-23 - 95.4%).

As in previous years, Audit staff have been working with Departments and senior management to agree the scheduling of audit assignments to minimise the impact as much as possible, whilst enabling the approved Plan to be delivered. Operational and staffing challenges within the Council's ICT Service have meant that a number of the reviews identified within the corporate function (Network and Database reviews etc.) will need to be scheduled within the second half of the year. As a number of these audits were not delivered within the 2021-22 Plan, it is essential that these key reviews are delivered, especially given the reliance placed on the ICT network to deliver key services. A meeting has been arranged with the interim Assistant Director of ICT to discuss this further and take steps so that necessary assurance work can be completed.

Areas where the Audit team have either reported upon, or are a good way through the fieldwork for the 2022-23 reviews including:

- Key financial systems including Treasury Management, and Accounts Receivable;
- Public Health;
- Work on the Deputyship administration service (including the new IT application control framework);
- Ongoing work on a number of special investigations; and
- Completion of time critical grant certifications.



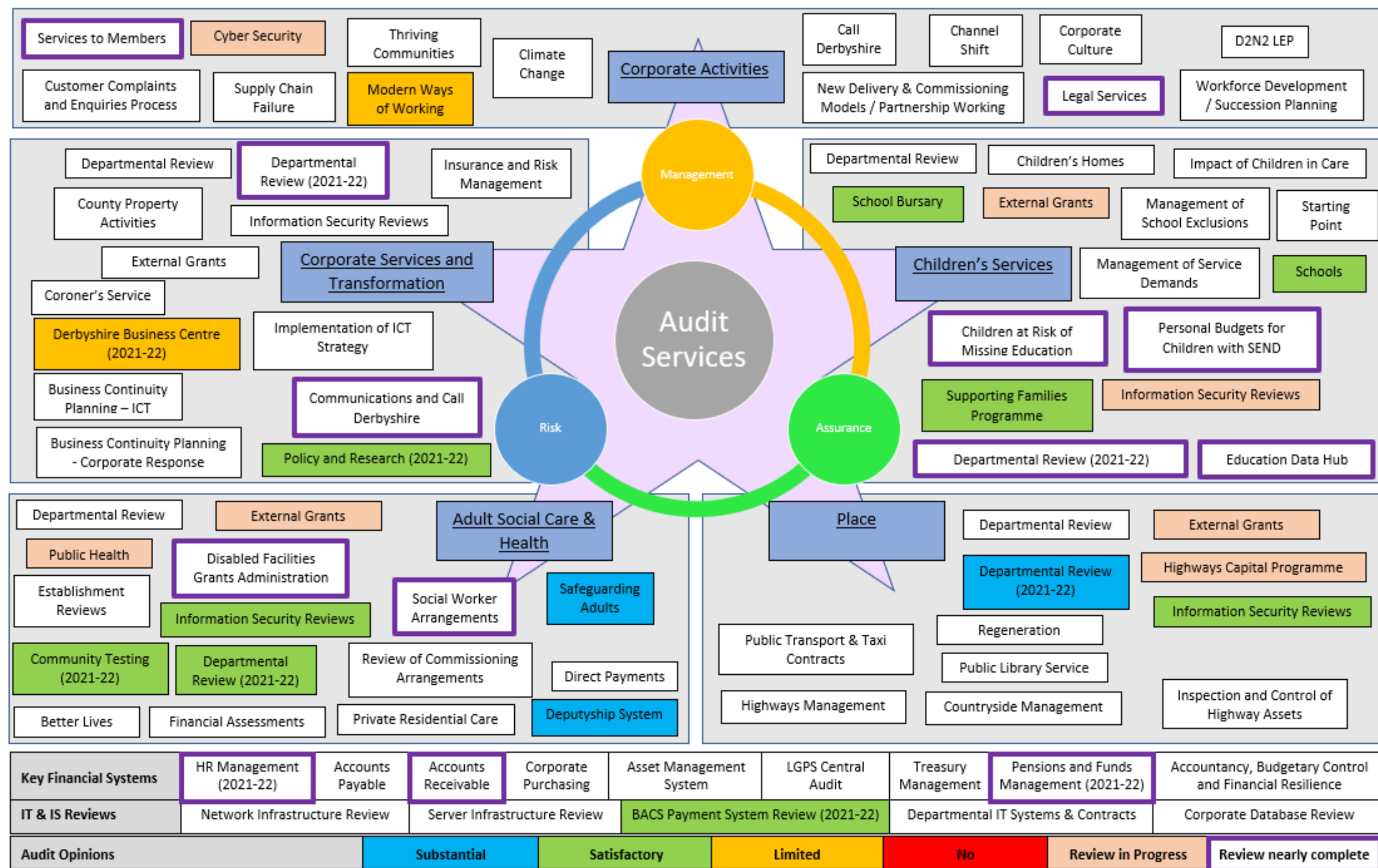
The current Audit performance against the 2022-23 approved Plan is shown below:

2022-23 Progress	As at 31 July 2022
Approved Audit Plan (2,772)	924
Actual Productive Days	882
Shortfall in Productive Days Delivered	42

Reasons for the shortfall in productive days within this period include staff annual leave that has been taken, maternity leave and additional time spent with Audit staff completing their apprenticeship training.

Analysis of Audit work including a summary of Reports and Memoranda issued up to 31 July 2022, is provided at **Appendix 1**, with more detailed comments on individual reviews within the main body of this Report.

Summary of Audit Opinions (Reports Issued up to 31 July 2022)



Audit Resources and Activities

Staffing

Overall, I am able to report to Members that the Unit's staff structure remains in a positive position that will be invaluable as we look forward to delivering the 2022-23 Plan, further embed risk-based auditing across the Unit and contribute to the wider governance framework. With the exception of maternity leave, the unit was scheduled to be fully staffed with a new Principal Auditor starting on 25 April 2022, although the following staffing changes have occurred since this point:

- At the risk of losing an experienced Principal Auditor from the Council, I agreed to a formal request for the officer to reduce their working week from five days to three days.
- At the point of drafting this Report, I was notified that a Senior Auditor intends to leave and take up a new position with another local authority.
- The Audit apprentice has successfully completed their Internal Audit Practitioner apprenticeship and will take up their new role as an Auditor at the beginning of September.

Over the next few months, I will be discussing the Audit Services structure (Appendix 2) with the Director of Finance & ICT to agree a strategy moving forward.

Although a number of the audits within the approved plan may be adjusted to accommodate for the loss of productive days, I do not anticipate significant problems at this point, in being able to undertake sufficient work to allow me to prepare my annual opinion on the Council's framework of governance, risk management and control in accordance with the PSIAS.



Assurance Mapping

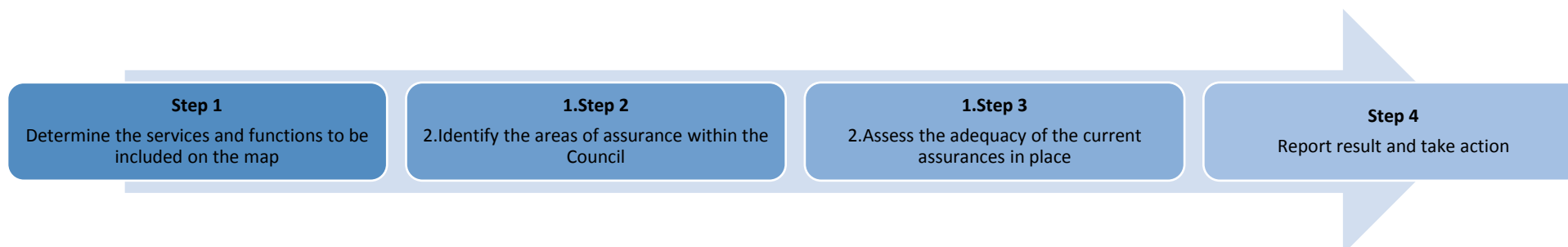
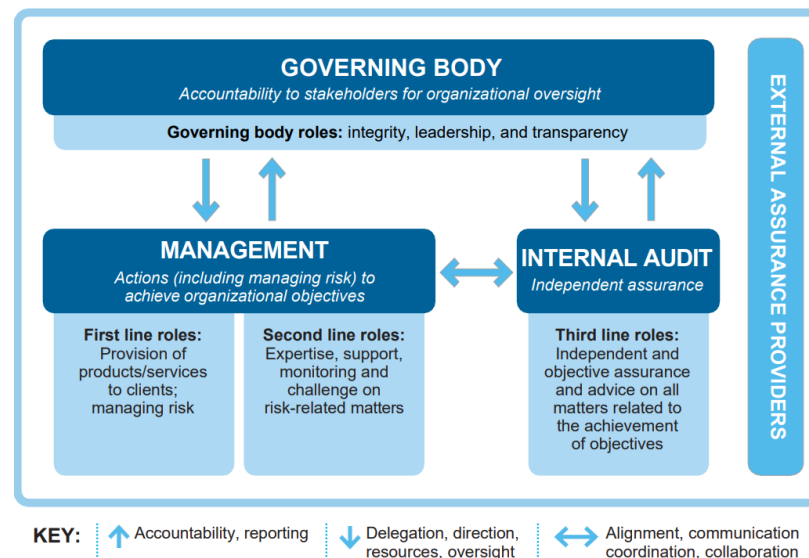
As I reported to the Audit Committee on 22 March 2022, the Unit has made significant progress in developing an interactive and 'living' assurance map, which will provide important insight for future planning, support for Audit Committee, and senior management, on the Council's assurances in place across all key service and function areas.

The finalised mapping activity will be regularly reported to Audit Committee and include the evidence to support the targeting of Audit and other resources into areas where gaps in assurance have been identified or areas that remain a concern. The mapping activity will also help reduce overlaps or duplication of audits, thereby improving client engagement and mutual trust within the Council.

I anticipate that the majority of the initial creation and development of the Assurance Mapping will be completed in the next few months, with an intention to provide a more detailed report at the next Audit Committee meeting. The Map will require ongoing maintenance and support by the Unit, to ensure it remains up to date and able to support the development of future annual audit plans. The 2023-24 Audit Plan will place significant reliance on the Assurance Map and will likely involve a further change in the direction of the Audit Service as the tool becomes embedded within Audit Services operational procedures.

I would like to place on record my appreciation for the senior managers and other officers across all Departments, who have made time available to support the development of the Assurance Map, without which, the Unit would not be able to create such an inclusive and comprehensive tool.

The IIA's Three Lines Model



Quality Assurance Improvement Programme (QAIP)

As part of the Quality Assurance Improvement Programme (QAIP), I completed a self-assessment exercise of the Unit's performance against the PSIAS, which was reported to Audit Committee as part my Annual Report on 5 July 2022. Whilst I considered that the Unit was fundamentally compliant with the PSIAS, the exercise identified a small number of service improvement opportunities to embed best practice at all levels.

Whilst, activities are in progress to action improvements identified as part of the assessment, these remain ongoing and will continue throughout 2022, and some cases early into 2023. A summary of the actions taken to date include:

- Assurance mapping is well under way, with the first draft due shortly.
- The Audit Charter has been reviewed and is part of the agenda for the September meeting of the Audit Committee for review and approval.
- A revised set of Key Performance Indicators (KPIs) is being worked on and will be discussed with the Chair of the Audit Committee prior to being reported to the next Audit Committee meeting.

Key Performance Indicators (KPIs)

Whilst the range and focus of the Unit's KPIs is currently subject of review, details of the current outcomes for 2022-23 up to the end of July 2022, are summarised at **Appendix 3** together with details of the previous years' activities to enable a comparison.



Better Governance Forum

Audit Services have re-instated a lapsed subscription to the CIPFA Better Governance Forum (BGF). This gives the Council access to support, advice and resources for auditors and those charged with governance, and is intended to help subscribers improve leadership, stewardship and control in their organisation. Subscriber only content includes briefings designed for audit committee members to provide topical updates on key developments of interest to audit committees in public services. The latest edition was published in August 2022, and will be attached for members separately as an exempt committee paper; this is due to copyright restrictions which prevents publication in public packs.

Detailed Analysis - Corporate Activities

Departmental Performance	2021-22	2022-23	Departmental Opinions	2021-22	2022-23
Days within the Approved Audit Plan	980	1,038	Substantial	1	-
Actual days delivered	660	395	Satisfactory	3	-
Percentage of Audit Days Delivered	67.3%	38%	Limited	1	1
Number of Reports Issued	8	6	No	-	-
			Other (including letters)	4	5

Cyber Security Incident

Following the cyber incident audit staff have been working with ICT colleagues regarding the enhanced control framework being implemented to reduce the opportunity for future system compromise, a retrospective review of lessons learnt is due to be completed. However, there remains significant work to be undertaken to ensure that the Council has a clear strategy to deal with future incidents of this nature and a corporate lessons learnt project to be completed. A cyber security working group has yet to be formed, despite being agreed within the Annual Governance Statement (AGS). This has recently been escalated with the Director of Finance & ICT to ensure action is taken.

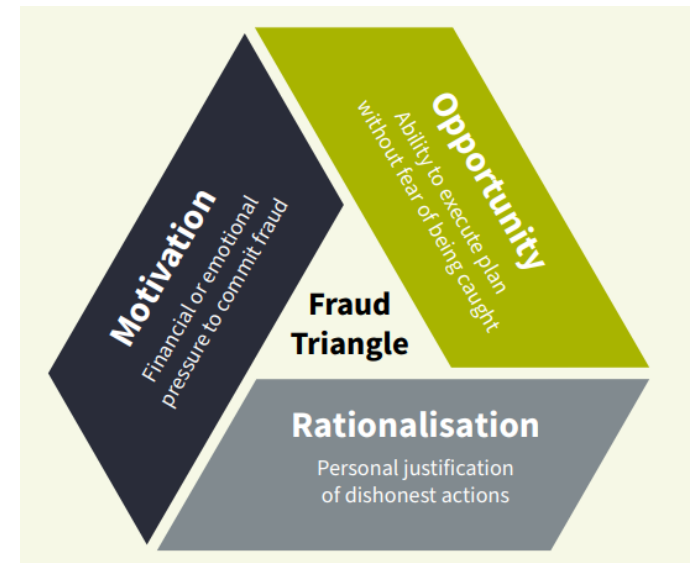
Modern Ways of Working (MWoW)

Audit Services continue to provide governance and advice to project leads as part of phase two of the project. This will continue throughout 2022-23 and will involve discrete audit work to support the control and governance arrangements as the project moves into the wider property estate. During this period, Audit reported to individual Executive Directors on the number of staff that were recorded as not completing the mandatory fire safety e-learning module, prior to returning to their offices at County Hall. Audit staff also supported property and legal services colleagues, to investigate and undertake a site visit to the Council's confidential waste disposal facilities following the notification of a potential data breach. As a result, Corporate Property are reviewing the Council's secure shredding facilities.

Special Investigations

The Unit has been working on eight active investigations. Since the end of the pandemic and the implementation of the revised Whistleblowing Policy, a number of referrals have been made to Audit Services which have resulted in investigations being undertaken. The Chartered Institute of Internal Auditors have recently published the report '*Fraud is on the rise: Step up to the challenge*' which identifies four key messages for internal audit teams.

- Internal audit functions should take a much more proactive role in the fight against fraud. In periods of heightened volatility, they should constantly revisit the elements of the fraud triangle (motivation, opportunity, rationalisation) to try and anticipate fraud. They will then be able to really challenge the board and senior management on where the risks may occur.
- Organisations should conduct regular fraud risk assessments that consider the internal and external factors impacting the business. This is a fundamental step that should not be forgotten.
- Boards and senior management have an important role to play in developing a positive fraud culture within the organisation, underpinned by the right tone from the top. Internal audit can support this effort by helping raise awareness around fraud and acting as a trusted advisor to the board and senior management on areas that need improvement.
- Organisations and internal audit functions should be better prepared for the increased scrutiny and accountability on fraud from government, regulators, and the public. They should proactively look out for new rules and regulations on fraud that are coming down the track, and assess how they might impact their business.



It is also anticipated that the cost of living crisis may increase the financial pressure on people and therefore increase the likelihood of fraud.

Audit Committee were presented with a report in March 2022, which provided information on the overall effectiveness of the Authority's arrangements to counter fraud and corruption. A further update on progress together with an action plan has been brought to this meeting for information.

Detailed Analysis - Corporate Services and Transformation

Departmental Performance	2021-22	2022-23	Departmental Opinions	2021-22	2022-23
Days within the Approved Audit Plan	785	660	Substantial	6	-
Actual days delivered	931	145	Satisfactory	13	2
Percentage of Audit Days Delivered	118.6%	21.9%	Limited	4	1
Number of Reports Issued	26	4	No	0	-
			Other (including letters)	3	1

BACS Payment System (2021-22) Review issued in 2022-23

The BACS system is critical to the Council, facilitating the payment of invoices, pensions, provider payments and salaries. Due to the volume and value of the BACS transactions, the failure of the system or control framework could result in significant reputational damage and financial cost to the Authority. The review considered the operational procedures and disaster recovery arrangements, which overall, confirmed that the BACS process is well established with only a small number of areas highlighted for improvement. No high priority recommendations were raised as part of this review.

Derbyshire Business Centre (2021-22) Review issued in 2022-23

It was recognised that the role of the Derbyshire Business Centre has changed over the years and that the commitment and dedication of the team enabled it to cope with the extra demands throughout the pandemic. However, fundamental issues were identified in respect of the ongoing service continuity that required urgent management attention. These included undertaking an updated disaster recovery assessment and improvements within certain physical security controls and staff training arrangements.

Policy and Research (2021-22) Review issued in 2022-23

Policy and Research plays an essential role in supporting the Council, Members and Senior Officers to deliver on policy objectives and external projects. The Audit examined the controls surrounding governance arrangements, performance management, equality impact assessments (EIAs), provision of grants and staff awareness of information security.

Overall, the areas subject to review were found to be operating effectively with procedures in place to monitor assigned activities. Although the Service is encountering significant problems in supporting the delivery of key Council objectives and projects, due to the availability of staff resources and pandemic related issues. Whilst steps have been taken to alleviate the resourcing issues including a recruitment process for new staff to support project delivery, this still is a challenge for the Service.

Corporate Services and Transformation Department Support and Consultancy Work

Meetings and Support

In addition to our programme of Audits, the Unit assists Management with the provision of ongoing support, advice, attendance at various meetings including those with Departmental staff and project boards. Audit staff promote the principles of good governance and control frameworks. Key groups attended in this period included:

- Finance Officers'
- SAP Implementation Project Board
- Data Protection Working
- Information Governance
- Corporate Governance
- Risk Management
- Asset Optimization Project

Detailed Analysis – Children’s Services

Departmental Performance	2021-22	2022-23	Departmental Opinions	2021-22	2022-23
Days within the Approved Audit Plan	475	449	Substantial	1	1
Actual days delivered	238	190	Satisfactory	3	1
Percentage of Audit Days Delivered	50.1%	42.3%	Limited	-	-
Number of Reports Issued	4	8	No	-	-
			Other (including letters)	-	6

Schools

Audit Services were able to resume on-site school audits for the first time following the Covid-19 pandemic. To date three primary schools have been visited in 2022-23 with more planned in the Autumn. Currently schools that were previously assigned an assurance level of ‘limited’ or ‘no’ are being prioritised in the initial visits. The school audits assess compliance against statutory requirements and best practice in key operational areas including governance, risk management, financial management, information security and human resources management. At the point of writing, two of the school reports had been issued, which were assessed as ‘Satisfactory’ and ‘Substantial’

Bursary Fund Reviews

Four secondary schools were visited which operate a Bursary Fund for pupils aged between 16-19 that provides financial support to help students overcome the specific financial barriers in remaining in education. The Audit, undertaken to in line with the Education and Skills Funding Agency (ESFA) best practice identified that schools were managing their bursary funds in line with government guidance. Adequate procedures were in place in relation to checking on student household income, publishing and promoting details of their schemes, appropriate student/school agreements and retention of supporting documents. At one school, it was identified that payments of two vulnerable bursaries could be claimed back from the Student Bursary Support Service (SBSS), recouping £2,400 for the school concerned.

Children's Services Support and Consultancy Work

Holiday Activities and Food Programme

The Council received a grant in excess of £2m as part of the Holiday Activities and Food Programme. Audit Services provided assurance work to validate the Certificate of Grant Usage and Statement of Expenditure for the 2021 programme so that it could be certified by the Director of Finance and ICT. After reviewing the Grant submission for the 2021/22 year, weaknesses were identified within elements of the governance arrangements and with maintenance of supporting information that enabled the grant certification. These have been reported to senior management.

Grants – Supporting Families and Youth Justice Board Grant

Audit staff continue to undertake assurance work in order to sign off grants and review claims as part of the Supporting Families Programme as and when sufficient claims require review.

Detailed Analysis – Adult Social Care and Health

Departmental Performance	2021-22	2022-23	Departmental Opinions	2021-22	2022-23
Days within the Approved Audit Plan	303	395	Substantial	-	2
Actual days delivered	302	123	Satisfactory	6	3
Percentage of Audit Days Delivered	99.7%	31.1%	Limited	-	-
Number of Reports Issued	6	6	No	-	-
			Other (including letters)	-	1

Departmental Review (2021-22) Review issued in 2022-23

The Departmental review evaluated compliance with statutory and regulatory requirements, strategic planning and governance arrangements, budgetary control, risk management, supply chain, human resources and the information security standard ISO27001.

The Audit concluded that throughout the pandemic, the Department has adapted its service provision, working practices and governance arrangements to respond to national and local guidance and to safeguard the wellbeing of both service users and Departmental staff. This Audit concluded that the Department continued to effectively discharge its statutory and legislative responsibilities as conferred by the Care Act 2014 and supplementary guidance in those areas that were examined during the review.

Community Testing

The Community Testing programme was introduced at pace following a successful submission of a plan to the Department of Health and Social Care to identify asymptomatic individuals with Covid-19. Initially staffing was provided through military support as systems and processes were put in place for a phased transition to civilian support. Significant use was made of agency staff in the initial weeks of the programme before use was made of redeployed public sector workers from across the council and other partner agencies. Therefore, systems and processes were evolving and developing under significant time constraints in order to deliver the plan that had received Government

approval. The speed of evolution and development of systems and processes placed considerable pressure to ensure sound systems of internal control and checks were in place.

The review identified some weaknesses in governance arrangements for ensuring conflicts of interest were promptly identified, recorded and reviewed and action taken to reduce the associated risks. There are other lessons to be learnt from the implementation of this programme that may be applied to any future activity involving the significant use of agency staff including the procurement of specialist systems to support the scheduling of staffing of the activity itself.

Outbreak Management Solution

Public Health procured a Microsoft Dynamics solution, to support Test & Trace activities in response to Covid-19 and engaged consultants to support the implementation process. Overall, the Audit testing confirmed a satisfactory information security framework was in place. Where potential control weaknesses were identified within the IT system provided for review, these were referred to the Supplier with an appropriate response being received. During the review a potential data breach was raised by Audit Services in relation to the use of 'live' rather than anonymised data. The matter was reviewed by the Council's Legal Services Section and deemed not to be a reportable matter to the Information Commissioner's Office in this instance.

Deputyship Service

The Council acts as court appointed 'deputy' for individuals who are deemed incapable (under the Mental Capacity Act 2005) of making decisions relating to finance or property and do not have an appropriate close family member or friend who can make these decisions on their behalf.

The Audit concluded that the Deputyship staff were knowledgeable, experienced and supported by policies and procedures which provide clear guidance to officers and stakeholders. Although the service has experienced resource shortages in recent years, these have now been addressed following the completion of a recruitment exercise. In the period since the last review, the Service has adapted systems and processes in the light of Covid-19 restrictions and where more efficient ways of working have been identified, these have been continued as the service returns to 'business as usual' working arrangements.

Review of Quality Assurance Framework

As part of the Council's response to the findings and recommendations of the Local Government and Social Care Ombudsman (LGSCO) in November 2019 following an incident at The Grange (2016), the Council established a Quality Assurance Strategy. The three underpinning principles of the strategy are:

- Competent and confident workforce;
- Quality delivery of services; and
- Stakeholder voice.

Although significant progress has been made in terms of implementing Quality Assurance into normal working practices, governance arrangements have evolved since key documents were first introduced and these now require review and update to reflect current arrangements.

Safeguarding Adults

The Council has a statutory responsibility to safeguard adults as determined by the Care Act 2014. The Care Act also places a requirement on local authorities to establish Safeguarding Adults Boards to help and protect adults within its area and bring together partner agencies such as NHS bodies and the Police to coordinate safeguarding activities.

A number of areas of good practice were identified which included the procedural guidance produced by the Derbyshire Safeguarding Adults Board (DSAB), which was found to be regularly updated and publicly available via their dedicated website. The safeguarding responsibility also forms a significant part of the Department's Quality Assurance Framework.

Adult Social Care & Health Support and Consultancy Work

Adult Weight Management Services Grant

During the period June 2021 to March 2022, the Council received grant funding of £442,428 to support the targeting of weight management services to specific population groups. Audit provided assurance work to support the return made to the Department of Health and Social Care (DHSC).

Universal Drug Treatment

The Council received £526,000 funding from Public Health England (PHE) drug treatment crime and harm reduction activity. Audit Services provided assurance work to support the completion of the Final Statement of Grant Usage.

Contain Outbreak Management Fund

Derbyshire County Council received almost £4m from the Contain Outbreak Management Fund (COMF) which was provided to local authorities in England to help reduce the spread of coronavirus and support local public health. Audit Services confirmed that the conditions attached to the funding had been complied with.

Detailed Analysis – Place

Departmental Performance	2021-22	2022-23	Departmental Opinions	2021-22	2022-23
Days within the Approved Audit Plan	180	230	Substantial	2	1
Actual days delivered	291	29	Satisfactory	6	2
Percentage of Audit Days Delivered	161.7%	12.6%	Limited	-	-
Number of Reports Issued	9	3	No	1	-
			Other (including letters)	-	-

Departmental Review (2021-22) issued in 2022-23

The Departmental review evaluated compliance with statutory and regulatory requirements, strategic planning and governance arrangements, budgetary control, risk management, supply chain, human resources and the information security standard ISO27001.

It was considered that despite the complex challenges brought about by the Covid-19 response, subsequent home working directive and numerous adverse weather events, the Department has effectively adapted its procedures to ensure continuity of service provision wherever possible, whilst maintaining the effective discharge its statutory and legislative responsibilities

Confirm Single Asset Management System

The Confirm Single Asset Management System (SAMS) is used by the Department as their primary asset management system and is essential in supporting the maintenance of the Council's highways network. The review recognised that the system is due to be replaced and a number of recommendations were identified which should be applied to the configuration and implementation of the new solution.

Fleet Services

Fleet Services are responsible for the maintenance and associated administration of over 750 Council vehicles. These are essential assets used for highway maintenance and repairs, waste management, winter maintenance, property maintenance, countryside and library services.

The Audit confirmed that systems and controls surrounding management of the Council's vehicle fleet are generally adequate and operating successfully. The Service has continued to work effectively during the pandemic despite the challenges of increased workload and restrictive practices introduced as part of Council-wide, localized and national Covid-19 response procedures. However, it was considered imperative that the Transport Code of Practice and Management of Operational Road Risk Policy, which are the central means of communicating and administering the Council's approved fleet procedures, is updated.

Place Support and Consultancy Work

Community Renewal Fund

Audit Services provided support to ensure that the Council has robust governance and monitoring arrangements in place to manage and distribute income received under the Community Renewal Fund.

Appendix 1 - Progress Against the 2022-23 Audit Plan

Name	Actual Days		Previous Assurance	Current Assurance	Direction of Travel	Analysis of Recommendations				Previous Recs Not Implemented	Comments
	21-22	22-23				Critical	High	Medium	Low		
Corporate Activities – The 2022-23 Audit Plan included an allocation of 1,038 days over the following areas											
Corporate Projects											
VP018 East Midlands Broadband (emPSN)	-	-									
VP037 Workforce Development/ Succession Planning	-	-									
VP044 D2N2 LEP	5	10									
VP047 Supply Chain Failure	-	-									
VP055 Corporate Culture	-	-									
VP064 New Delivery & Commissioning Models/Partnership Working	-	-									
VP067 Climate Change	-	5									
VP070 Modern Ways of Working	-	18	-	4 x Letters 1 x Limited	↔	-	1	2	-		
VP071 Asset Optimisation	-	1									
VP072 East Midlands Freeport	-	-									
VP073 County Deals	-	-									
VP073 Customer Complaints & Enquiries Process	-	1									
VP074 Thriving Communities	-	-									
➤ VP075 Ukraine Family Scheme	-	6									
Total	5	41		4 x Letters 1 x Limited		-	1	2	-		
Corporate Governance											
CR001 Embedding Corporate Governance	-	28									
CR005 Services to Members	-	26									
CR007 Information Governance Group & Support	-	6									
CR008 Cyber Security Group & Support	-	25		Letter							
CR009 Data Protection Group & Support	-	-									

Name	Actual Days		Previous Assurance	Current Assurance	Direction of Travel	Analysis of Recommendations				Previous Recs Not Implemented	Comments	
	21-22	22-23				Critical	High	Medium	Low			
Total	-	85		Letter								
Corporate Fraud Prevention												
CZ100 External Audit Liaison	-	-										
CZ200 National Fraud Initiative	-	5										
CZ300 National Anti-Fraud Network	-	3										
CZ400 RIPA Management & Admin	-	1										
ZZ000 Internal Audit-Special Investigations General*	86	64										
Total	86	73										
Strategic Management												
VW001 Strategic Management	-	24										
VW002 Strategic Management (Risk)	-	22										
VW003 Assurance Mapping	-	59										
Total	-	105										
Audit Planning Contingency												
XX000 Audit Planning Contingency	-	-										
Total												
Corporate Activities Total	91	304		5 x Letters 1 x Limited		-	1	2	-			

Name	Actual Days		Previous Assurance	Current Assurance	Direction of Travel	Analysis of Recommendations				Previous Recs Not Implemented	Comments	
	21-22	22-23				Critical	High	Medium	Low			
Corporate Services and Transformation Department - The 2022-23 Audit Plan included an allocation of 785 days over the following areas												
Departmental Review - Management & Administration (CCP)												
CA100 Commissioning, Corporate Services and Transformation Review	6	-										
CA102 External Grants and Certifications	-	3										
Total	6	3										
CCP Operational Reviews												
CO002 Business Continuity Planning - Corporate Response	-	-										
CO003 Derbyshire Business Centre	-	-	Limited	Limited	↔	1	5	9	5	(2H)		
CO008 Communications and Customers	-	19										
CO009 Implementation of ICT Strategy	-	-										
➤ CO010 Policy and Research	1	-	N/A	Satisfactory	↔	0	0	3	1	(3M)		
➤ CO011 Legal Services	14	-										
CO015 Business Continuity Planning - ICT	-	-										
Total	15	19	1 x Limited	1 x Limited 1 x Satisfactory		1	5	12	6	(2H, 3M)		
Divisional Activity – Major Systems												
MA100 Core Financial Systems – General Queries	-	2										
MB100 Human Resources Management	10	-										
MC100 Accounts Payable	-	-										
MD100 Corporate Purchasing	-	-										
ME100 Accounts Receivable	-	16										
MG100 Accountancy, Budgetary Control and Financial Resilience	-	1										
➤ ML100 Pensions & Funds Administration	10	-										
ML101 LGPS Central Audit	-	-										
MM100 Treasury Management	-	10										
Total	20	29										

Name	Actual Days		Previous Assurance	Current Assurance	Direction of Travel	Analysis of Recommendations				Previous Recs Not Implemented	Comments	
	21-22	22-23				Critical	High	Medium	Low			
Divisional Activity – Probity and Compliance												
DC400 Financial Regulations & Standing Orders	-	-										
DE101 Cash Audit & ISO 27001 Visits	-	4	N/A	Letter		0	2	2	2			
DE500 Insurance & Risk Management	-	-										
Total	-	4		1 x Letter		0	2	2	2			
Divisional Activity – Corporate/ Departmental IT Systems												
CK002 Corporate Database Review												
CK003 Network Infrastructure Review												
CK004 Server Infrastructure Review												
CK006 Bacs Payment System Review	1	-	Limited	Satisfactory	↑	0	0	9	1	(3H, 1M)		
Departmental IT Systems & Contracts	-	25										
Total	1	25	1 x Limited	1 x Satisfactory		0	0	9	1	(3H, 1M)		
Divisional Activity – County Property Division												
DV100 Property Services Review	-	21										
Total	-	21										
Regulatory												
QG100 Coroner's Service Review	-	2										
Total	-	2										
Departmental Total	42	103		1 x Limited 2 x Satisfactory 1 x Letter		1	7	23	9	(5h, 4M)		

Name	Actual Days		Previous Assurance	Current Assurance	Direction of Travel	Analysis of Recommendations				Previous Recs Not Implemented	Comments	
	21-22	22-23				Critical	High	Medium	Low			
Children’s Services Department – The 2022-23 Audit Plan included an allocation of 475 days over the following areas												
Departmental Review – Management & Administration (CS)												
AA001 Children’s Services – Departmental Review	1	-										
AA002 Children's Services Department - General Support	-	-										
AA004 Information Security and Follow Up Reviews	-	1										
External Grants and Certifications	-	18	N/A	Letter	-	-	-	-	-		Holiday Activities and Food Programme	
Total	1	19		1 x Letter								
Primary, Nursery & Special Schools												
Primary, Nursery & Special Budget	-	31	-	1 x Substantial 1 x Satisfactory		-	3	18	8	(5H, 6M, 3L)		
Total	-	31		1 x Substantial 1 x Satisfactory			3	18	8	(5H, 6M, 3L)		
Secondary Schools												
Secondary Schools	-	14	N/A	5 x Letters	-	-	-	-	-	-	Letters issued to four Secondary Schools and Director of Finance & ICT regarding School Bursary arrangements.	
Total	-	14		5 x Letters								
Schools General Support												
Schools General Support	-	38										
Total	-	38										
School - Information Security Reviews												
Information Security Reviews	-	-										
Total	-	-										
Children's Homes												
Children's Homes	-	-										
Total	-	-										
Themed and Operational												

Name	Actual Days		Previous Assurance	Current Assurance	Direction of Travel	Analysis of Recommendations				Previous Recs Not Implemented	Comments	
	21-22	22-23				Critical	High	Medium	Low			
AO005 Fostering and Adoption Services	-	-										
AO013 Supporting Families Programme	-	12									2 Grant Submissions signed-off	
AO016 Starting Point	-	-										
AO019 Children at Risk of Missing Education	-	28										
AO022 Impact of Children in Care	-	-										
AO026 Use of Personal Budgets for Children with SEND	-	29										
➤ AO030 Education Data Hub	-	18										
AO031 Management of Service Demands	-	-										
AO032 Management of School Exclusions	-	-										
Total	-	87										
Departmental Total	1	189		1 x Substantial 1 x Satisfactory 6 x Letters			3	18	8	(5H, 6M, 3L)		

Name	Actual Days		Previous Assurance	Current Assurance	Direction of Travel	Analysis of Recommendations				Previous Recs Not Implemented	Comments	
	21-22	22-23				Critical	High	Medium	Low			
Adult Social Care and Health Department – The 2022-23 Audit Plan included an allocation of 303 days over the following areas												
Departmental Management and Administration Review												
BA001 Departmental Review Management and Administration	-	-	Qualified	Satisfactory	↔	0	1	10	4	(1H, 7M, 5L)	Report relates to 2021/22 Audit	
BA002 Adult Social Care and Health Department - General Support	-	5										
Total	-	5		1 x Satisfactory		0	1	10	4	(1H, 7M, 5L)		
Public Health												
BD001 Public Health	-	28										
➤ BD001 Community Testing	-	-	N/A	Satisfactory	↔	0	1	3	0	-		
Total	-	28		1 x Satisfactory		0	1	3	0			
Information Security and Follow Up Reviews												
Information Security and Follow Up Reviews	-	11		Letter							Outbreak Management Solution	
Total	-	11		1 x Letter								
External Grants and Certifications												
External Grants and Certifications	-	14										
Total	-	14										
Social Care – Elderly Residential												
Elderly Residential	-	-										
Total	-	-										
Social Care - Day Care - Physical/Mental Disability												
Day Care - Physical/Mental Disability	-	-										
Total	-	-										
Social Care - Day Care & Hostels												
Day Care & Hostels	-	-										
Total	-	-										
Social Care - Community Care Centres												
Community Care Centres	-	-										

Name	Actual Days		Previous Assurance	Current Assurance	Direction of Travel	Analysis of Recommendations				Previous Recs Not Implemented	Comments	
	21-22	22-23				Critical	High	Medium	Low			
Total	-	-										
Themed and Operational												
BO008 Private Residential Care	-	-										
BO010 Review of Commissioning Arrangements	-	-										
BO012 Deputyship System	-	21	Satisfactory	Substantial	↑	0	1	3	1	(2H, 2M)		
BO017 Disabled Facilities Grants Administration	-	28										
BO022 Direct Payments	-	-										
➤ BO026 Review of Quality Assurance Framework	-	-	N/A	Satisfactory	↔	0	0	9	2	N/A		
BO028 Safeguarding of Adults	10	-	N/A	Substantial	↔	0	0	3	1	N/A		
BO030 Social Worker Arrangements	6	-										
BO031 Financial Assessments	-	-										
BO032 Better Lives	-	-										
Total	16	49		2 x Substantial 1 x Satisfactory		0	1	15	4	(2H, 2M)		
Departmental Total	16	107		2 x Substantial 3 x Satisfactory 1 x Letter		0	3	28	8	(3H, 9M, 5L)		

Name	Actual Days		Previous Assurance	Current Assurance	Direction of Travel	Analysis of Recommendations				Previous Recs Not Implemented	Comments	
	21-22	22-23				Critical	High	Medium	Low			
Place Department – The 2022-23 Audit Plan included an allocation of 180 days over the following areas												
Departmental Management & Administration Review												
HA100 Place – Departmental Review	2	-	Satisfactory	Substantial	↑	0	0	5	1	(1M)	Report relates to 2021/22 Audit	
HA101 Place – General Support Review	-	4										
Total	2	4		1 x Substantial		0	0	5	1	(1M)		
Information Security and Follow Up Reviews												
HA103 Information Security and Follow Up Reviews	-	2	N/A	Satisfactory	↔	0	1	5	1	N/A	Confirm Single Asset Management IT System	
Total	-	2		1 x Satisfactory		0	1	5	1	N/A		
External Grants and Certifications												
External Grants and Certifications	2	1										
Total	2	1										
Themed and Operational												
HO004 Highways Management	-	-										
HO016 Countryside Management	-	-										
HO021 Public Transport & Taxi Contracts	-	-										
HO024 Regeneration	-	-										
➤ HO025 Fleet Services	1	-	N/A	Satisfactory	↔	0	2	4	2	N/A		
HO030 Inspection and Control of Highway Assets	-	-										
HO035 Public Library Service	-	-										
HO036 Capital Programme (Highways)	-	17										
Total	1	17		1 x Satisfactory		0	2	4	2	N/A		
Departmental Total	5	24		1 x Substantial 2 x Satisfactory		0	3	14	4	(1M)		

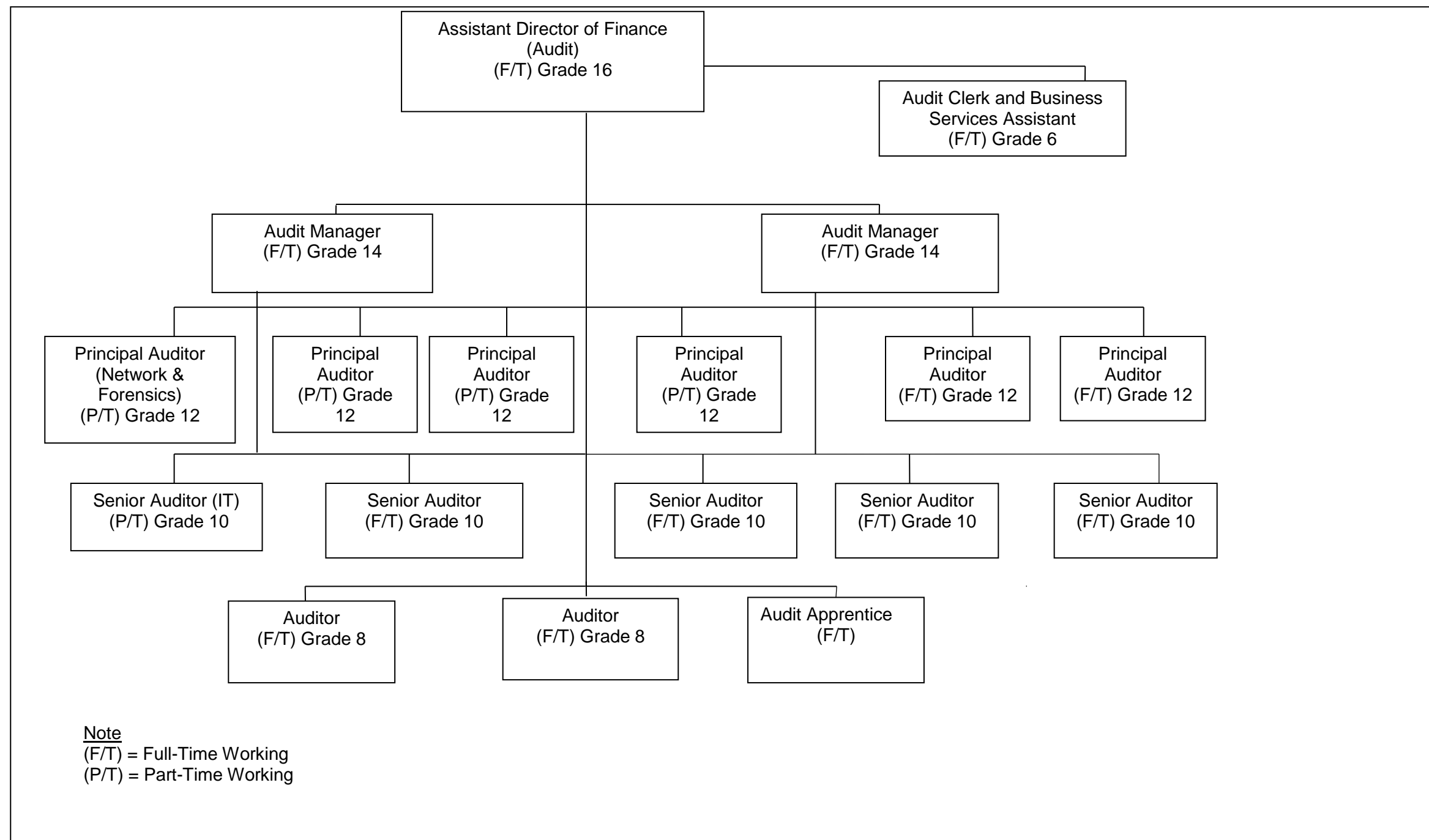
Audit Opinions are categorized based upon the assurance that Management may draw on the adequacy and effectiveness of the overall control framework in operation as follows:

Level of Assurance	Explanation and significance
Substantial Assurance	Whilst there is a sound system of governance, risk management and control minor weaknesses have been identified which include non-compliance with some control processes. No significant risks to the achievement of system/audit area objectives have been detected.
Qualified Assurance	Whilst there is basically a sound system of governance, risk management and control some high priority recommendations have been made to address potentially significant or serious weaknesses and/or evidence of a level of non-compliance with some controls or scope for improvement identified, which may put achievement of system/audit area objectives at risk. Should these weaknesses remain unaddressed they may expose the Council to reputational risk or significant control failure.
Limited Assurance	Significant weaknesses and/or non-compliance have been identified in key areas of the governance, risk management and control system which expose the system/audit area objectives to a high risk of failure, the Council to significant reputational risk and require improvement.
No Assurance	Control has been judged to be inadequate as systems weaknesses, gaps and non-compliance have been identified in numerous key areas. This renders the overall system of governance, risk management and control inadequate to effectively achieve the system/audit area objectives which are open to a significant risk of error, loss, misappropriation or abuse. Immediate remedial action is required.

Audit Recommendations are prioritized depending upon the level of associated risk and impact upon the management control framework as follows:

Level	Category	Explanation and significance
1	Critical	Significant strategic, financial or reputational risks where immediate remedial action is considered essential.
2	High	The absence of, significant weakness in, or inadequate internal controls over the operation of key systems or processes which compromise the integrity/probity of the client's operations. These would result in a potential significant increase in the level of risk exposure which may be financial, reputational or take the form of an increased risk of litigation.
3	Medium	Findings which identify poor working practices or non-compliance with established systems or procedures which result in increased risk of loss/inefficient operation and which expose the client to an increased level of risk.
4	Low	General housekeeping issues which require consideration and a planned implementation date within the medium term.

Appendix 2 – Audit Services Structure



Appendix 3 - Key Performance Indicators 2022-23

Indicator	Target	2020-21	2021-22	2022-23	Comments
Audit Plan – Achievement of planned Audit days	95%	87%	89%	95%	
Staff Productivity – Achievement of target Audit days	95%	104%	-	-	Target no longer recorded.
Completion of Audit staff MyPlan reviews and training identified	100%	100%	100%	95%	
Undertake a risk based Annual Audit Plan formulation exercise	N/A	✓	✓	✓	
Undertake quality assurance reviews of Audits (1 for each Principal Auditor per year)	100%	100%	0%	-	To be completed by 31 March 2023
Limited Audit Opinions reviewed by Assistant Director of Finance (Audit) within 10 days of completion of Draft Memorandum	100%	57%	100%	50%	
Percentage of Draft Audit Memoranda issued within 15 working days of fieldwork completion	95%	49%	25%	27%	
Percentage of Final Audit Memoranda issued within 28 working days of issue of Draft Audit Memorandum	95%	47%	67%	73%	
Percentage of Recommendations made which are implemented at the time of follow up Audit	90%	71%	66%	73%	
Audit Assurance – To provide an assurance to the Authority on the adequacy and effectiveness of risk management, control and governance processes	N/A	✓	✓	✓	
Client Satisfaction – Percentage of questionnaire responses rating the Audit Product as good or very good	90%	87.50%	10%	100%	6 Questionnaires Returned
Annual Survey of Key Stakeholders	N/A	✓	✓	N/A	Completed as part of the Annual Report for 2022-23 (July 2023)
Delivery of Audit Opinion to Management and Audit Committee in time to inform AGS	N/A	✓	✓	N/A	Completed as part of the Annual Report for 2022-23 (July 2023)