

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

Dianne Downs FCMI, CMIIA
Assistant Director of Finance (Audit)

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 using 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 seven months to 31 October 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 October 2022) | | 5 |
| Audit Resources and Activities | | 6 |
| Detailed Analysis - Corporate Activities | | 9 |
| Detailed Analysis - Corporate Services and Transformation | | 11 |
| Detailed Analysis – Children's Services | | 14 |
| Detailed Analysis – Adult Social Care and Health | | 17 |
| Detailed Analysis – Place | | 21 |
| Appendices | | |
| 1. | Progress Against the 2022-23 Audit Plan | 23 |
| 2. | Audit Services Structure | 33 |
| 3. | Key Performance Indicators 2022-23 | 34 |

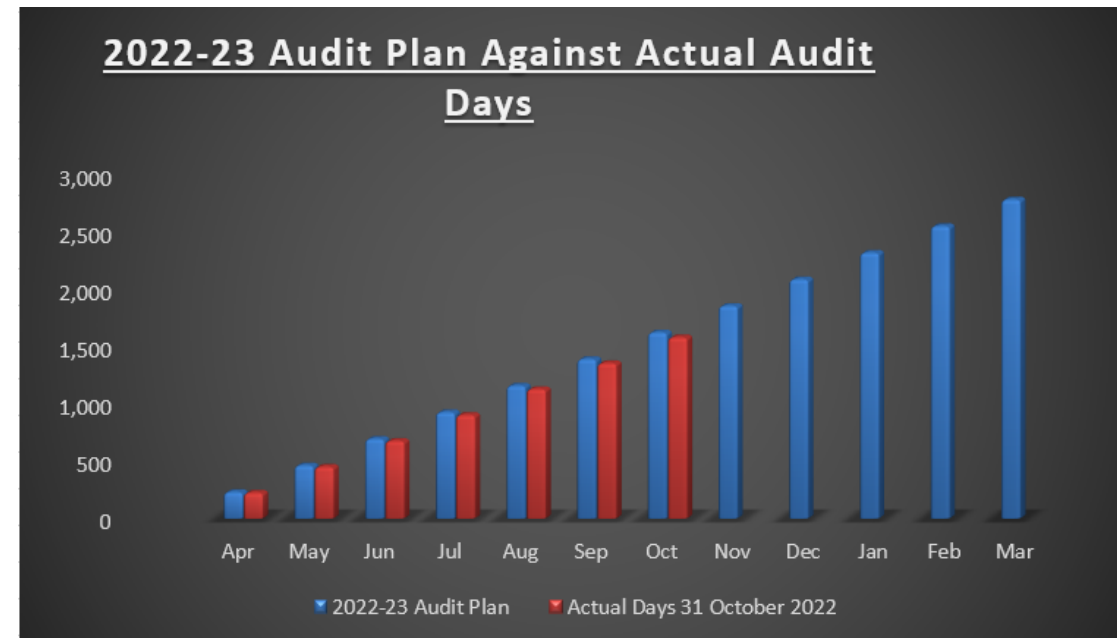
Current Progress

Other than elements of the operational reviews of the ICT service, the Unit is progressing well with the delivery of the 2022-23 Audit Plan. The benefits of the enhanced risk-based planning introduced following my appointment, are becoming embedded and enable audit managers to keep upcoming work under review and ensure resources are targeted to those areas most needed. Work has been ongoing since the last progress report to raise the importance of early engagement with Audit Services in respect of Government grant assurance work that is required to review the expenditure in order that it can be certified by the appropriate officer. In a small number of instances, the Unit has been notified of assurance requirements only a few days prior to the submission date.

I have recently held several meetings with senior management to discuss the gaps in assurance within elements of the Council's ICT operational procedures that will need to be addressed prior to 31 March 2023. The importance of the ICT network and other support services to the delivery of critical Council services cannot be underestimated and is an area of overdue assurance. At the point of writing the report, a review of the Council's ICT network operations is currently being scheduled to commence at the end of November 2022, with the assessment of the on-site server infrastructure due to start early in the New Year.

Since the last progress report the Audit team have either reported upon, or are a good way through the fieldwork for the following reviews:

- Key financial systems including Pensions and Funds Management, Corporate Procurement and Accounts Payable;
- Supporting the Modern Ways of Working project in respect of off-site disposal;
- Graduated Response for Individual Pupil (GRIP) Funding;
- Continued the delivery of grant assurance work and special investigations raised throughout the year;
- Commenced a number of school and adult care establishment reviews.



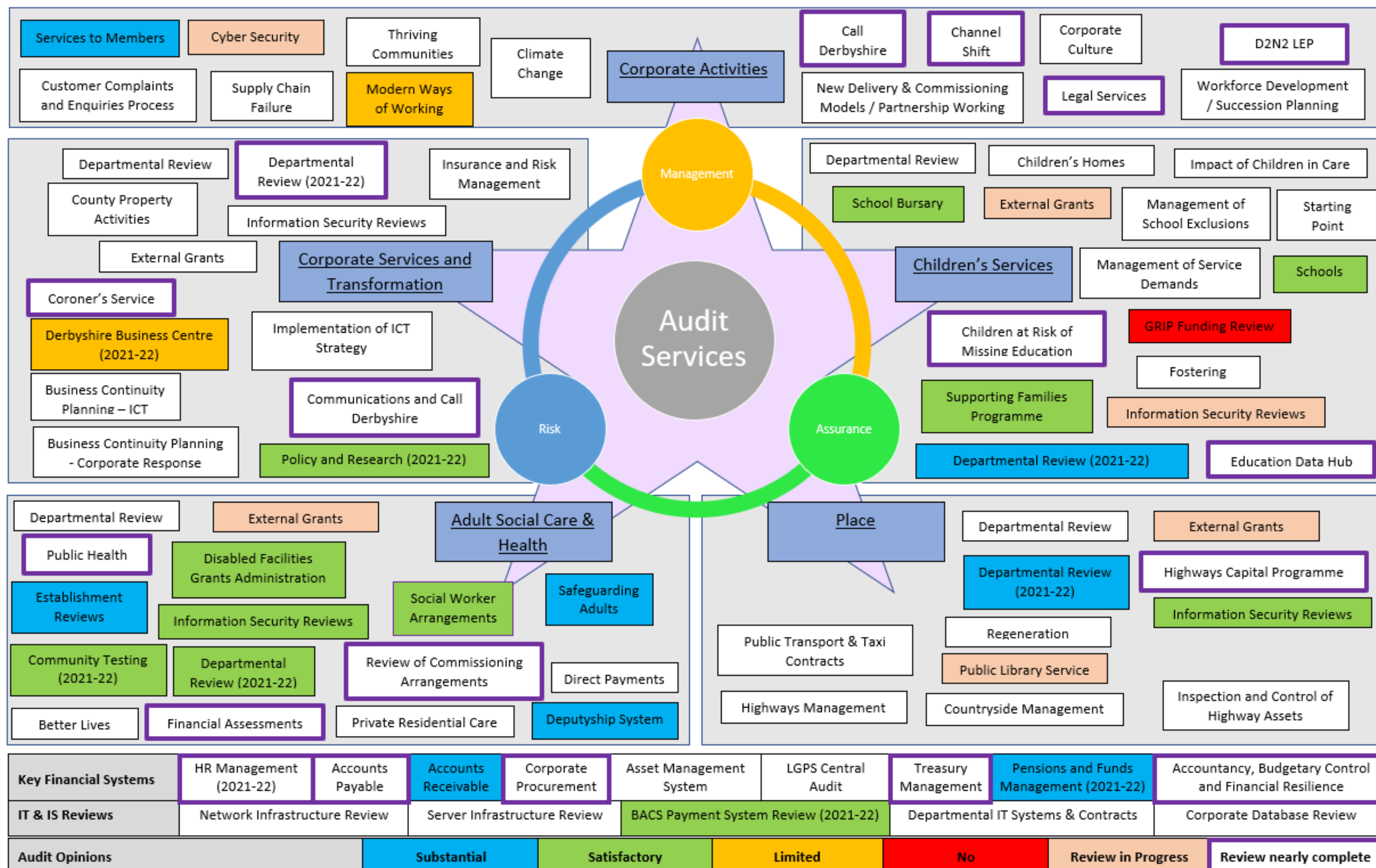
The current Audit performance against the 2022-23 approved Plan is shown below:

| 2022-23 Progress | As at 31 October 2022 |
|---|------------------------------|
| Approved Audit Plan (2,772) | 1,617 |
| Actual Productive Days | 1,573 |
| Shortfall in Productive Days Delivered | 44 |

Reasons for the shortfall in productive days within this period is further explained on page 6 although mainly includes staff annual leave taken, a staff vacancy and additional time spent with Audit staff completing training.

Analysis of Audit work including a summary of Reports 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 October 2022)



Audit Resources and Activities

Staffing

Unfortunately, during the period since my last progress report update to Members on 20 September 2022, another Senior Auditor has notified me of their intention to leave the Council on 11 December 2022. At the point of writing, I am in discussions with the Council's Director of Finance & ICT regarding the Senior Auditor vacancies and how these will be managed in the coming months. There is an acknowledgement that the failure to recruit to at least one of these positions in the near future would impact adversely on my ability to produce an annual internal audit opinion for the Council. In accordance with the PSIAS, I will keep Audit Committee updated as this matter progresses. On a more positive note, I am able to report:

- A Principal Auditor has returned to work following their period of maternity leave. Whilst the Auditor has reduced their working week from five to three days, their previous experience in the role will be invaluable given the current vacancies.
- Another member of the Audit Team has successfully completed their Internal Audit Practitioner apprenticeship, which continues the Unit's long-term commitment to develop audit staff within the service, due the continual recruitment difficulties.
- I am starting to see the early benefits of the combined Audit, Insurance and Risk Team that was formed prior to my appointment. I have been working with the teams to create a more holistic approach to the sharing of best practice and information, whilst maintaining the necessary safeguards for audit independence.



Whilst I informed the Audit Committee in my previous report that I did not anticipate significant problems in being able to prepare my annual internal audit opinion, this was based upon the resources as notified at that time. This view will likely change depending upon the period of time the Unit is required to operate with two Senior Auditor vacancies.

Key Performance Indicators (KPIs)

Details of the current outcomes for the 2022-23 Audit Plan up to 31 October 2022, are summarised at Appendix 3 together with details of the previous years' activities to enable a comparison. Whilst a number of targets are being met, three are well below target. In respect of the three reviews with a limited Audit Opinion, one was not reviewed within the ten-day target. Although there has been a slight improvement in issuing Audit Reports within 15 working days of fieldwork completion, this remains a challenge and will be examined as part of the Quality Assurance and Improvement Programme (QAIP) where adjustments to working practices will be considered. The number of Final Reports being issued within 28 working days of the draft made available to senior management has decreased. This is a measure which predominantly reflects the responses and engagement from departmental managers and is an area where Audit staff have little control. I will draw this to Executive Directors attention at future liaison meetings.

Corporate Governance – Audit Committee guidance

I have received an updated publication from CIPFA providing Audit Committee practical guidance for local authorities and police; this replaces an earlier 2018 version. The publication is designed to support the audit committee in their role for good governance of the authority and covers the following aspects:

- The purpose of the Audit Committee
- Core functions of an Audit Committee
- Possible wider function of an Audit Committee
- Focus on independence and accountability
- Membership and effectiveness of the Audit Committee
- Requirement for annual review of effectiveness

The guidance has a supplementary section and resource pack aimed at officers responsible for guiding the Audit Committee and serves as a useful reference to identify underpinning legislation, regulations, guidance or resources that the Committee should be referencing in its operations. The CIPFA guidance and supplementary sections has been shared with the Council's Corporate Governance Group for consideration at its next meeting. I will arrange for the publication to be circulated to all Audit Committee members directly and arrange for a workshop session for Audit Committee members to support its review of effectiveness.

ICT Governance Group and Service

The challenges surrounding ICT service delivery and resources remain a priority area for senior management, as the skill shortages within the labour market continue to make recruitment and retention difficult. As a result, delays are being encountered with the delivery of new projects that require the support of ICT staff, with delays encountered in responding to business-as-usual requests.

Detailed Analysis - Corporate Activities

| Departmental Performance | 2021-22 | 2022-23 | Departmental Opinions | 2021-22 | 2022-23 |
|-------------------------------------|---------|---------|---------------------------|---------|---------|
| Days within the Approved Audit Plan | 980 | 1038 | Substantial | 1 | 1 |
| Actual days delivered | 660 | 618 | Satisfactory | 3 | - |
| Percentage of Audit Days Delivered | 67.3% | 60% | Limited | 1 | 1 |
| Number of Reports Issued | 8 | 9 | No | - | - |
| | | | Other (including letters) | 4 | 7 |

Outcome reported to the Audit Committee on 20 September 2022

- ✓ Cyber Security Incident
- ✓ Modern Ways of Working (MWoW)
- ✓ Current Special Investigations



Modern Ways of Working (MWoW) – Limited Assurance Report Issued

Audit Services continue to support the work of phase two of the project and information governance. In this period, Audit staff together with colleagues from legal services, undertook a site visit to the Council's off-site confidential waste management disposal premises. During the visit, compliance issues were noted in respect of the management of the Council's sensitive paper records and the matter referred to the Information Commissioners Office (ICO). Following the issue of the Report, senior management have taken action to review the Council's arrangements for confidential waste disposal and are working with procurement colleagues to address these matters. As a result of the pro-active work undertaken by Audit and Information Security colleagues, the Council's Data Protection Officer notified the Unit that the ICO has confirmed no further action would be taken and the matter is now closed.

Household Support Fund – Pensioners and Emergency Settlement Payments – Letter Issued to Senior Management

Audit staff completed assurance work to support the Council's allocation of over £5m in respect of the Pensions Household Support Fund. Whilst a small number of matters were raised with operational staff to improve accountability, the vast majority of the internal procedures surrounding the issue of Emergency Settlement Payments were operating effectively. This work was not on the original Audit Services plan and was undertaken as a result of a management request.

Special Investigations

The number of alleged fraud related matters referred to the Unit for consideration/review continues its upward trajectory. Whilst not at the level seen prior to the pandemic, this upward level of referral is likely to be maintained within the medium term as external pressures and the time for revised control frameworks to become embedded following organisational changes. The outcomes of two investigations are currently in review and will be issued to senior management early in November, leaving three investigations currently being worked on within the Unit.

Audits in Progress

Work on the Council's climate change procedures and control framework is due to start shortly. A number of area administrative office visits are being scheduled to provide an assurance over the asset disposals, confidential waste management and revised working arrangements. The review of the D2N2 Local Enterprise Partnership is due to be concluded in the coming weeks and reported to senior management shortly.

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 | 2 |
| Actual days delivered | 931 | 309 | Satisfactory | 13 | 2 |
| Percentage of Audit Days Delivered | 118.6% | 47% | Limited | 4 | 1 |
| Number of Reports Issued | 26 | 7 | No | 0 | - |
| | | | Other (including letters) | 3 | 2 |

Outcome reported to the Audit Committee on 20 September 2022

- ✓ BACS Payment System (2021-22)
- ✓ Derbyshire Business Centre (2021-22)
- ✓ Policy and Research (2021-22)

✓ Services to Members - Substantial Assurance Report Issued

The Audit evaluated the adequacy and effectiveness of the systems and controls relating to Services to Members, which included a review of governance arrangements, Members' Community Leadership Scheme, Allowance Payments, Chairman's Fund and official cars. In the majority of instances working practices were operating effectively, minor improvements were raised in relation to the scheme administration.

✓ Accounts Receivable - Substantial Assurance Report Issued

This Review assessed the adequacy and effectiveness of the Council's processes relating to invoice creation, income collection, suspense accounts and performance indicators, which are performed by the centralised Accounts Receivable function. As in previous years, the audit identified good practice in the majority of the areas subject of review.

✓ Pensions and Fund Management - Substantial Assurance Report Issued

The Audit considered the adequacy and effectiveness of systems, risk mitigations and control environment associated with the administration of the Pensions and Funds Management. No significant weaknesses were identified during the review with no high priority recommendations being raised.

Audits in Progress

Work on the Council's e-recruitment system and ICT asset management arrangements is currently at the initial planning stage. The reviews of Corporate Procurement, Coroner's Service and Accounts Payable are nearing completion of the fieldwork. The audits of the Council's Accountancy and Budgetary Control arrangements, Communications Service and Call Derbyshire are either in review or have an exit meeting with senior management arranged to discuss the findings. Whilst exit meetings for the review of Human Resources Management and Treasury Management have been held, completed action plans remain outstanding.

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 | 2 |
| Actual days delivered | 238 | 303 | Satisfactory | 3 | 5 |
| Percentage of Audit Days Delivered | 50.1% | 67% | Limited | - | 1 |
| Number of Reports Issued | 4 | 14 | No | - | - |
| | | | Other (including letters) | - | 6 |

Outcome reported to the Audit Committee on 20 September 2022

✓ Bursary Fund Reviews

✓ Children’s Services Departmental Review (2021-22) Report issued

The annual departmental review of Children’s Services considered statutory and regulatory compliance, management and administration, budgetary control, risk, human resources and compliance with the ISO27001 standard. Despite a significant increase in the volume and complexity of service needs during the period under review, the Audit identified only minor recommended improvements in the areas of statutory compliance, staffing and the ISO27001 standard. As a result, the review provided substantial assurance over the systems and controls operating within the Children’s Services Department. This reflects a strengthening of the control environment since the time of the previous Audit review. The completion of the final action plan was delayed awaiting a response from Corporate Finance to an assigned recommendation.



Graduated Response for Individual Pupils (GRIP) Funding Review – Limited assurance report issued

The Audit Services Plan 2022-23 included a review of Personal Budgets for Children with Special Educational Needs and Disabilities (SEND). As the Process Improvement Team were already performing a similar review, the audit days were redirected towards the GRIP Programme. The review noted that the GRIP Programme is unique to Derbyshire and was

introduced to try and ensure the prompt and targeted allocation of high needs funding to pupils in need of support. However, delays in the administration of GRIP applications meant that in practice, these objectives were not being achieved. It is recognised that the Strategic Lead for Schools and Learning has recently launched a full review of SEND provision within Derbyshire, as part of which, the GRIP Programme (and the associated outcomes of the recent Audit review) will be considered.

Schools

Audit visits are planned or have been made to ten schools to evaluate governance arrangements, human resources, property and information security. Of the reports issued to date, Audit Services provided each School with satisfactory assurance over the adequacy and effectiveness of their control environment. Common recommendations related to compliance with agreed spending limits, the creation of a formal Service Level Agreement with the School's IT provider and the proper administration of out-of-pocket expenses.

Audits in Progress

Work on the administration of the Youth Offending Case Management IT System is nearing a conclusion and should be in review shortly. The next phase of the assurance work on the Supporting Families Programme, will commence within the coming weeks. Whilst management responses for the Education Data Hub audit have been received, the final Report was issued at the beginning of November and will be included within the next progress update.

Children's Services Support and Consultancy Work

Outcome reported to the Audit Committee on 20 September 2022

- ✓ Holiday Activities and Food Programme grant assurance work
- ✓ Grants – Supporting Families and Youth Justice Board grant assurance work

Derbyshire Youth Offending Service

The Council received £66,709 funding from the Derbyshire Police and Crime Commissioner Crime from the Disorder Reduction Grant. Audit Services provided assurance work to support the completion of the usage statement for the period 1 April – 30 September 2022.

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 | - | 3 |
| Actual days delivered | 302 | 259 | Satisfactory | 6 | 6 |
| Percentage of Audit Days Delivered | 99.7% | 66% | Limited | - | - |
| Number of Reports Issued | 6 | 10 | No | - | - |
| | | | Other (including letters) | - | 1 |

Outcome reported to the Audit Committee on 20 September 2022

- ✓ Departmental Review (2021-22)
- ✓ Community Testing
- ✓ Outbreak Management Solution
- ✓ Deputyship Service
- ✓ Review of Quality Assurance Framework
- ✓ Safeguarding Adults

Establishment Visit – Report issued

A visit was performed to one of the Council's care establishments to assess controls relating to financial management, property arrangements, staffing, business continuity and ISO27001 compliance. The review provided substantial assurance and noted a strengthening of the control environment since the previous Audit visit in 2018-19. Good practice was noted in relation to the administration of expenditure, the recruitment and management of staff and the safeguarding of client property. An additional six care establishments are either planned to be visited shortly or have been undertaken.

Disabled Facilities Grant Funding (DFG) Administration – Report issued

The Council works with health, social care and housing partners to ensure that the DFG is used to support disabled adults and children to maintain their independence and remain within their own homes for as long as possible. The review provided satisfactory assurance over the systems and controls in place with good practice noted in the allocation of DFG monies to local housing authorities and the recovery of Disability Design Team costs. The impact of national shortages within Occupational Therapy resource on the timely evaluation of DFG applications was however recognised. The Council was also encouraged to work with partners to create a single regional Adaptations Policy for Derbyshire and a DFG Information Sharing Agreement between health, social care and housing partners to ensure a consistent and coordinated approach to DFG across the region.

Social Worker Arrangements (2021-22) – Report issued

Whilst this review was not included within the Audit Services Plan 2021-22, it was undertaken to respond to specific risks relating to the adequacy of social worker resource identified during the planning of the Adult Social Care and Health Departmental Review 2021-22. The review provided satisfactory assurance over the controls in place with good practice noted around the allocation of cases to social workers and compliance with the Local Government Association's Standards for Employers of Social Workers in England. Social workers did, however, report significant workload pressures which impacted upon their ability to undertake training courses and to complete case notes within their core working hours.

Due diligence review of the new Deputyship Case Management System – Report issued

The Deputyship Case Management System holds confidential and sensitive personal and financial information relating to the Council's deputyship clients. As part of the procurement of the new Deputyship Case Management System (Caspar Cloud), Audit Services performed due diligence on a test version of the application to consider whether it complied with the Council's core information security policies. The review did not identify any significant weaknesses with only minor recommended improvements noted. All matters were discussed with the supplier and satisfactory responses received. It is important to note that this opinion does not provide an assurance over the current operational procedures, as the Council's client records will be added to the solution as part of the implementation process.

Audits in Progress

Work on commencing the Better Lives and Direct Payments audits is currently being discussed with senior management. The reviews of Commissioning Arrangements and Financial Assessments are nearing completion of the fieldwork. The findings from the Derbyshire Shared Care Record review have been issued to senior management for action. The exit meeting for the review of Public Health has been undertaken, with senior management due to provide a formal response to the matters raised shortly.

Adult Social Care & Health Support and Consultancy Work

Outcome reported to the Audit Committee on 20 September 2022

- ✓ Adult Weight Management Services Grant assurance work
- ✓ Universal Drug Treatment assurance work
- ✓ Contain Outbreak Management Fund assurance work

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 | 84 | Satisfactory | 6 | 2 |
| Percentage of Audit Days Delivered | 161.7% | 36% | Limited | - | - |
| Number of Reports Issued | 9 | 3 | No | 1 | - |
| | | | Other (including letters) | - | - |

Outcome reported to the Audit Committee on 20 September 2022

- ✓ Departmental Review (2021-22)
- ✓ Confirm Single Asset Management System
- ✓ Fleet Services

Reports issued within Department

As 31 October 2022, no additional reports have been issued within the Place Department.

Audits in Progress

The review of the Highways Capital Programme is currently in the process of being finalised with senior management following the issuing of the draft report.

Place Support and Consultancy Work

Outcome reported to the Audit Committee on 20 September 2022

- ✓ Community Renewal Fund

LTA Covid Bus Services Support Grant

Audit services provided assurance work in respect of the Department for Transport funded Covid-19 Bus Service Support Grant Restart Scheme.

Multiply Funding

Initial work has been undertaken as part of the preparations to support the assurance work for the adult numeracy programme that is covered by the Multiply Funding of £1.137m received by the Council.

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 | 23 | - | - | - | - | - | - | - | - | | |
| VP047 Supply Chain Failure | - | - | - | - | - | - | - | - | - | - | | |
| VP055 Corporate Culture | - | - | - | - | - | - | - | - | - | - | | |
| VP064 New Delivery & Commissioning Models/Partnership Working | - | - | - | - | - | - | - | - | - | - | | |
| VP067 Climate Change | - | 8 | - | - | - | - | - | - | - | - | | |
| VP070 Modern Ways of Working | - | 25 | - | 4 x Letters Limited | ↔ | - | 1 | 2 | - | - | | |
| VP071 Asset Optimisation | - | 2 | - | - | - | - | - | - | - | - | | |
| VP072 East Midlands Freeport | - | - | - | - | - | - | - | - | - | - | | |
| VP073 County Deals | - | 1 | - | - | - | - | - | - | - | - | | |
| VP073 Customer Complaints & Enquiries Process | - | 1 | - | - | - | - | - | - | - | - | | |
| VP074 Thriving Communities | - | - | - | - | - | - | - | - | - | - | | |
| ➤ VP075 Ukraine Family Scheme | - | 9 | - | Letter | - | - | - | - | - | - | | |
| Total | 5 | 69 | - | 5 x Letters 1 x Limited | - | - | 1 | 2 | - | - | | |
| Corporate Governance | | | | | | | | | | | | |
| CR001 Embedding Corporate Governance | - | 47 | - | - | - | - | - | - | - | - | | |
| CR005 Services to Members | - | 26 | Satisfactory | Substantial | ↑ | - | - | 2 | 8 | 4H, 4M, 1L | | |
| CR007 Information Governance Group & Support | - | 11 | - | - | - | - | - | - | - | - | | |
| CR008 Cyber Security Group & Support | - | 30 | - | Letter | - | - | - | - | - | - | | |
| CR009 Data Protection Group & Support | - | 3 | - | - | - | - | - | - | - | - | | |

| 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 | | 117 | | 1 x Substantial 1 x Letter | - | - | - | 2 | 8 | 4H, 4M, 1L | | |
| Corporate Fraud Prevention | | | | | | | | | | | | |
| CZ100 External Audit Liaison | - | - | - | - | - | - | - | - | - | - | | |
| CZ200 National Fraud Initiative | - | 21 | - | - | - | - | - | - | - | - | | |
| CZ300 National Anti-Fraud Network | - | 4 | - | - | - | - | - | - | - | - | | |
| CZ400 RIPA Management & Admin | - | 1 | - | - | - | - | - | - | - | - | | |
| ZZ000 Internal Audit-Special Investigations General* | 131 | 113 | N/A | 1 Report | N/A | - | - | - | - | - | | |
| Total | 131 | 139 | - | - | - | - | - | - | - | - | | |
| Strategic Management | | | - | - | - | - | - | - | - | - | | |
| VW001 Strategic Management | - | 39 | - | - | - | - | - | - | - | - | | |
| VW002 Strategic Management (Risk) | - | 30 | - | - | - | - | - | - | - | - | | |
| VW003 Assurance Mapping | - | 88 | - | - | - | - | - | - | - | - | | |
| Total | | 157 | - | - | - | - | - | - | - | - | | |
| Audit Planning Contingency | | | - | - | - | - | - | - | - | - | | |
| XX000 Audit Planning Contingency | - | - | - | - | - | - | - | - | - | - | | |
| Total | - | - | - | - | - | - | - | - | - | - | | |
| Corporate Activities Total | 136 | 482 | - | 6 x Letters 1 x Substantial 1 x Limited 1 x Report | - | - | 1 | 4 | 8 | 4H, 4M, 1L | | |

| 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 (CST) | | | | | | | | | | | | |
| CA100 Commissioning, Corporate Services and Transformation Review | 7 | - | - | - | - | - | - | - | - | - | | |
| CA102 External Grants and Certifications | - | 3 | - | - | - | - | - | - | - | - | | |
| Total | 7 | 3 | - | - | - | - | - | - | - | - | | |
| CST Operational Reviews | | | | | | | | | | | | |
| CO002 Business Continuity Planning - Corporate Response | - | - | - | - | - | - | - | - | - | - | | |
| CO003 Derbyshire Business Centre | - | - | Limited | Limited | ↔ | 1 | 5 | 9 | 5 | 2H | | |
| CO008 Communications and Customers | - | 20 | - | - | - | - | - | - | - | - | | |
| CO009 Implementation of ICT Strategy | - | - | - | - | - | - | - | - | - | - | | |
| ➤ CO010 Policy and Research | 1 | - | N/A | Satisfactory | ↔ | - | - | 3 | 1 | 3M | | |
| ➤ CO011 Legal Services | 15 | - | - | - | - | - | - | - | - | - | | |
| CO015 Business Continuity Planning - ICT | - | - | - | - | - | - | - | - | - | - | | |
| ➤ CO016 Communications and Customers – Call Derbyshire | - | 14 | - | - | - | - | - | - | - | - | | |
| ➤ CO017 Communications and Customers – Channel Shift | - | 18 | - | - | - | - | - | - | - | - | | |
| Total | 16 | 52 | 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 | - | 5 | - | - | - | - | - | - | - | - | | |
| MB100 Human Resources Management | 12 | - | - | - | - | - | - | - | - | - | | |
| MC100 Accounts Payable | - | 27 | - | - | - | - | - | - | - | - | | |
| MD100 Corporate Purchasing | - | 10 | - | - | - | - | - | - | - | - | | |
| ME100 Accounts Receivable | - | 20 | Substantial | Substantial | ↔ | - | - | - | 4 | - | | |
| MG100 Accountancy, Budgetary Control and Financial Resilience | - | 28 | - | - | - | - | - | - | - | - | | |
| ➤ ML100 Pensions & Funds Administration | 12 | - | Substantial | Substantial | ↔ | - | - | 1 | 8 | 2M, 1L | | |

| 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 | | | |
| ML101 LGPS Central Audit | - | - | - | - | - | - | - | - | - | - | | |
| MM100 Treasury Management | - | 25 | - | - | - | - | - | - | - | - | | |
| Total | 24 | 115 | - | 2 x Substantial | - | - | - | 1 | 12 | 2M, 1L | | |
| Divisional Activity – Probity and Compliance | | | | | | | | | | | | |
| DC400 Financial Regulations & Standing Orders | - | - | - | - | - | - | - | - | - | - | | |
| DE101 Cash Audit & ISO 27001 Visits | - | 4 | N/A | Letter | - | - | 2 | 2 | 2 | - | | |
| DE500 Insurance & Risk Management | - | - | - | - | - | - | - | - | - | - | | |
| Total | - | 4 | - | 1 x Letter | - | - | 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 | ↑ | - | - | 9 | 1 | 3H, 1M | | |
| Departmental IT Systems & Contracts | - | 56 | - | - | - | - | - | - | - | - | | |
| Total | 1 | 56 | 1 x Limited | 1 x Satisfactory | - | 0 | 0 | 9 | 1 | 3H, 1M | | |
| Divisional Activity – County Property Division | | | | | | | | | | | | |
| DV100 Property Services Review | - | 24 | - | Letter | - | - | - | - | - | - | | |
| Total | - | 24 | - | 1 x Letter | - | - | - | - | - | - | | |
| Regulatory | | | | | | | | | | | | |
| QG100 Coroner's Service Review | - | 7 | - | - | - | - | - | - | - | - | | |
| Total | - | 7 | - | - | - | - | - | - | - | - | | |
| Departmental Total | 48 | 261 | - | 2 x Substantial 2 x Satisfactory 1 x Limited 2 x Letter | - | 1 | 7 | 24 | 21 | 5H, 6M, 1L | | |

| 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 | - | Qualified | Substantial | ↑ | - | - | 1 | 7 | 3M | Report relates to 2021-22 | |
| AA002 Children's Services Department - General Support | - | - | - | - | - | - | - | - | - | - | | |
| AA004 Information Security and Follow Up Reviews | - | 14 | - | - | - | - | - | - | - | - | | |
| External Grants and Certifications | - | 21 | N/A | Letter | - | - | - | - | - | | Holiday Activities and Food Programme | |
| Total | 1 | 35 | - | 1 x Substantial 1 x Letter | - | - | - | 1 | 7 | (3M) | | |
| Primary, Nursery & Special Schools | | | | | | | | | | | | |
| Primary, Nursery & Special Schools | - | 96 | - | 1 x Substantial 5 x Satisfactory | - | - | 18 | 48 | 34 | 24H, 10M, 8L | | |
| Total | - | 96 | - | 1 x Substantial 5 x Satisfactory | - | - | 18 | 48 | 34 | 24H, 10M, 8L | | |
| 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 | - | 57 | - | - | - | - | - | - | - | - | | |
| Total | - | 57 | - | - | - | - | - | - | - | - | | |
| 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 | - | 20 | - | - | - | - | - | - | - | - | 2 Grant Submissions signed-off | |
| AO016 Starting Point | - | - | - | - | - | - | - | - | - | - | | |
| AO019 Children at Risk of Missing Education | - | 30 | - | - | - | - | - | - | - | - | | |
| AO022 Impact of Children in Care | - | - | - | - | - | - | - | - | - | - | | |
| AO026 Use of Personal Budgets for Children with SEND | - | 30 | Satisfactory | Limited | ↓ | 1 | 1 | 2 | 4 | 1L | Days reallocated to a review of the Graduated Response for Individual Pupils (GRIP) Programme. | |
| ➤ AO030 Education Data Hub | - | 20 | - | - | - | - | - | - | - | - | | |
| AO031 Management of Service Demands | - | - | - | - | - | - | - | - | - | - | | |
| AO032 Management of School Exclusions | - | - | - | - | - | - | - | - | - | - | | |
| Total | - | 100 | - | 1 x Limited | - | 1 | 1 | 2 | 4 | 1L | | |
| Departmental Total | 1 | 302 | - | 2 x Substantial 5 x Satisfactory 1 x Limited 6 x Letters | - | 1 | 19 | 51 | 45 | 24H, 13M, 9L | | |

| 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 | ↔ | - | 1 | 10 | 4 | 1H, 7M, 5L | Report relates to 2021/22 Audit | |
| BA002 Adult Social Care and Health Department - General Support | - | 27 | - | - | - | - | - | - | - | - | | |
| Total | - | 27 | | 1 x Satisfactory | | - | 1 | 10 | 4 | 1H, 7M, 5L | | |
| Public Health | | | | | | | | | | | | |
| BD001 Public Health | - | 46 | - | - | - | - | - | - | - | - | | |
| ➤ BD001 Community Testing | - | - | N/A | Satisfactory | ↔ | - | 1 | 3 | - | - | | |
| Total | - | 46 | | 1 x Satisfactory | | - | 1 | 3 | - | | | |
| Information Security and Follow Up Reviews | | | | | | | | | | | | |
| Information Security and Follow Up Reviews | | 19 | - | 1 x Satisfactory 1 x Letter | ↔ | - | - | 6 | 3 | | Deputyship Case Management System (Report). Outbreak Management Solution (Letter) | |
| Total | - | 19 | - | 1 x Satisfactory 1 x Letter | - | - | - | 6 | 3 | | | |
| External Grants and Certifications | | | | | | | | | | | | |
| External Grants and Certifications | - | 23 | - | - | - | - | - | - | - | - | | |
| Total | - | 23 | | | | | | | | | | |
| Social Care – Elderly Residential | | | | | | | | | | | | |
| Elderly Residential | - | 24 | Satisfactory | Substantial | ↑ | - | - | 2 | 4 | 1H, 1M, 1L | | |
| Total | - | 24 | | 1 x Substantial | - | - | - | 2 | 4 | 1H, 1M, 1L | | |
| Social Care - Day Care - Physical/Mental Disability | | | | | | | | | | | | |
| Day Care - Physical/Mental Disability | - | - | - | - | - | - | - | - | - | - | | |
| Total | - | - | - | - | - | - | - | - | - | - | | |
| Social Care - Day Care & Hostels | | | | | | | | | | | | |
| Day Care & Hostels | - | - | - | - | - | - | - | - | - | - | | |
| Total | - | - | - | - | - | - | - | - | - | - | | |

| 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 | | | |
| Social Care - Community Care Centres | | | | | | | | | | | | |
| Community Care Centres | - | 9 | - | - | - | - | - | - | - | - | | |
| Total | - | 9 | - | - | - | - | - | - | - | - | | |
| Themed and Operational | | | | | | | | | | | | |
| BO008 Private Residential Care | - | - | - | - | - | - | - | - | - | - | | |
| BO010 Review of Commissioning Arrangements | - | 20 | - | - | - | - | - | - | - | - | | |
| BO012 Deputyship | - | 21 | Satisfactory | Substantial | ↑ | - | 1 | 3 | 1 | 2H, 2M | | |
| BO017 Disabled Facilities Grants Administration | - | 29 | Satisfactory | Satisfactory | ↔ | - | 3 | 5 | 2 | 6H | | |
| BO022 Direct Payments | - | 1 | - | - | - | - | - | - | - | - | | |
| ➤ BO026 Review of Quality Assurance Framework | - | - | N/A | Satisfactory | ↔ | - | - | 9 | 2 | N/A | | |
| BO028 Safeguarding of Adults | 10 | - | N/A | Substantial | ↔ | - | - | 3 | 1 | N/A | | |
| BO030 Social Worker Arrangements | 6 | - | N/A | Satisfactory | ↔ | - | 2 | 3 | - | N/A | | |
| BO031 Financial Assessments | - | 24 | - | - | - | - | - | - | - | - | | |
| BO032 Better Lives | - | - | - | - | - | - | - | - | - | - | | |
| Total | 16 | 95 | - | 2 x Substantial 3 x Satisfactory | - | - | 5 | 23 | 6 | 8H, 2M | | |
| Departmental Total | 16 | 243 | - | 3 x Substantial 6 x Satisfactory 1 x Letter | - | - | 8 | 44 | 17 | 10H, 10M, 6L | | |

| 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 | ↑ | - | - | 5 | 1 | 1M | Report relates to 2021/22 Audit | |
| HA101 Place – General Support Review | - | 8 | - | - | - | - | - | - | - | - | | |
| Total | 2 | 8 | - | 1 x Substantial | - | - | - | 5 | 1 | 1M | | |
| Information Security and Follow Up Reviews | | | | | | | | | | | | |
| HA103 Information Security and Follow Up Reviews | - | 2 | N/A | Satisfactory | ↔ | - | 1 | 5 | 1 | N/A | Confirm Single Asset Management IT System | |
| Total | - | 2 | | 1 x Satisfactory | | - | 1 | 5 | 1 | N/A | | |
| External Grants and Certifications | | | | | | | | | | | | |
| External Grants and Certifications | 3 | 31 | - | - | - | - | - | - | - | - | | |
| Total | 3 | 31 | - | - | - | - | - | - | - | - | | |
| Themed and Operational | | | | | | | | | | | | |
| HO004 Highways Management | - | - | - | - | - | - | - | - | - | - | | |
| HO016 Countryside Management | - | - | - | - | - | - | - | - | - | - | | |
| HO021 Public Transport & Taxi Contracts | - | - | - | - | - | - | - | - | - | - | | |
| HO024 Regeneration | - | 2 | - | - | - | - | - | - | - | - | | |
| ➤ HO025 Fleet Services | 1 | - | N/A | Satisfactory | ↔ | - | 2 | 4 | 2 | N/A | | |
| HO030 Inspection and Control of Highway Assets | - | - | - | - | - | - | - | - | - | - | | |
| HO035 Public Library Service | - | - | - | - | - | - | - | - | - | - | | |
| HO036 Capital Programme (Highways) | - | 35 | - | - | - | - | - | - | - | - | | |
| Total | 1 | 37 | - | 1 x Satisfactory | - | - | 2 | 4 | 2 | N/A | | |
| Departmental Total | 6 | 78 | - | 1 x Substantial 2 x Satisfactory | - | - | 3 | 14 | 4 | 1M | | |

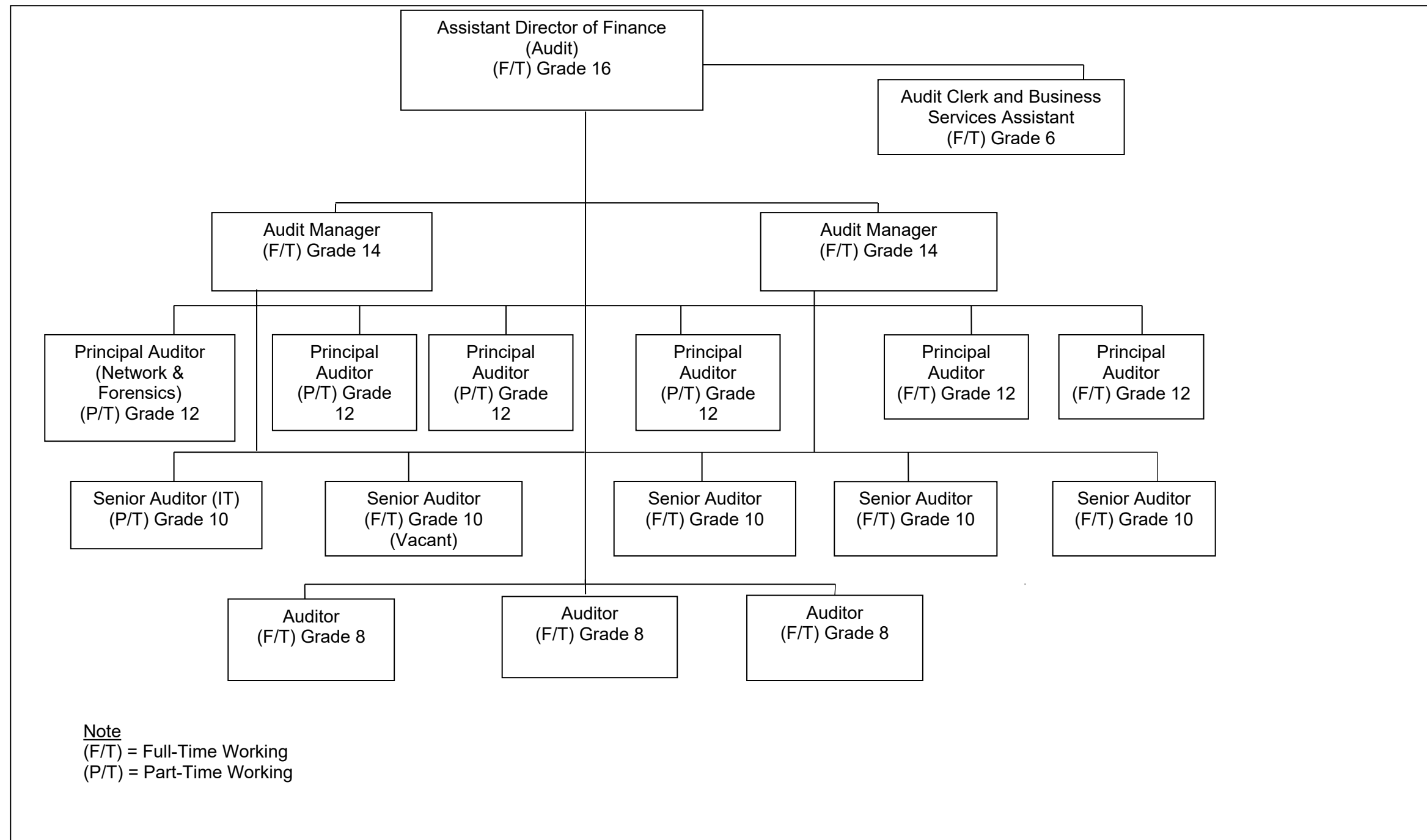
Audit Opinions are categorized based upon the assurance that Management may draw on the adequacy and effectiveness of the overall control framework in operation as follows:

| 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. |
| Satisfactory 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% | 97% | |
| 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% | 100% | |
| 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 Report | 100% | 57% | 100% | 67% | 2 out of 3 limited opinions were reviewed within 10 days |
| Percentage of Draft Audit Report issued within 15 working days of fieldwork completion | 95% | 49% | 25% | 38% | |
| Percentage of Final Audit Report issued within 28 working days of issue of Draft Audit Report | 95% | 47% | 67% | 33% | |
| Percentage of Recommendations made which are implemented at the time of follow up Audit | 90% | 71% | 66% | 76% | |
| 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 as good or very good | 90% | 87.50% | 10% | 100% | 7 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) |