

Audit Services Unit Progress Against Audit Plan 2022-23 31 December 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 nine months to 31 December 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 December 2022)		5
Audit Resources and Activities		6
Detailed Analysis - Corporate Activities		10
Detailed Analysis - Corporate Services and Transformation		12
Detailed Analysis – Children’s Services		15
Detailed Analysis – Adult Social Care and Health		17
Detailed Analysis – Place		19
Appendices		
1.	Progress Against the 2022-23 Audit Plan	21
2.	Audit Services Structure	31
3.	Key Performance Indicators 2022-23	32

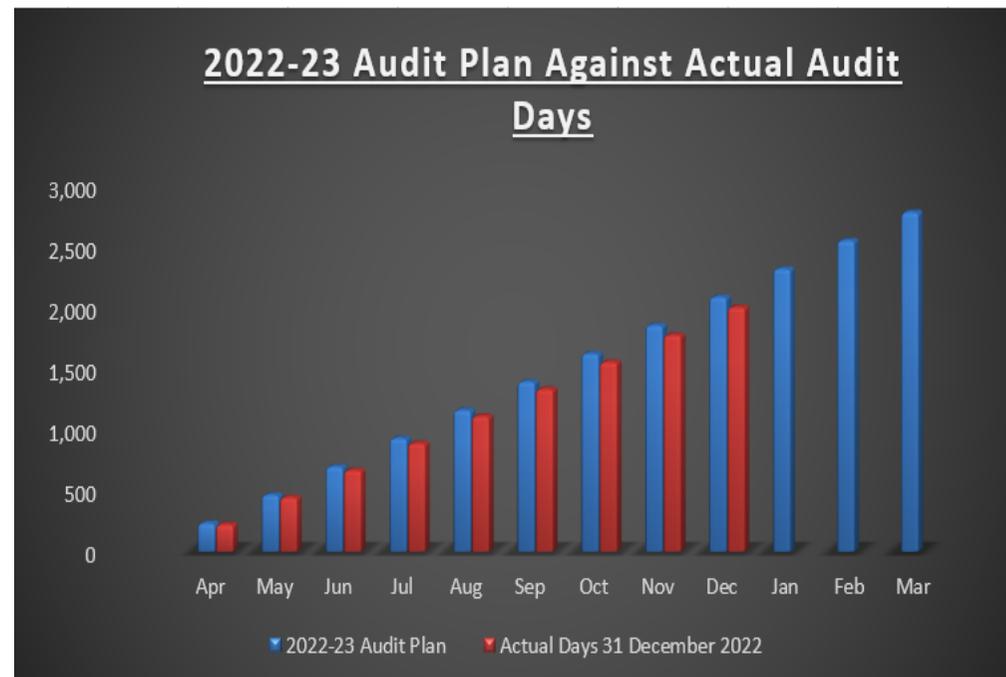
Current Progress

Overall, the Unit's progress against the approved plan is generally on track with reasonable coverage across the core financial systems and departmental projects. Positive feedback continues to be received in terms of the revised Audit reporting and steps taken with management to address more lower priority matters as individual audits proceed. This has not only made the file review process more streamlined it also further reduces the impact on senior management team during exit meetings and resources that need to be assigned to action risk, governance, or control weaknesses.

As we enter the final quarter of 2022-23 audit plan, audit management will continue to work with senior management to ensure that reviews are scheduled to minimise operational impacts as far as possible, whilst minimising the number of audits that are not delivered within this period. Whilst envisaged to start at the end of 2022, the ICT network operations review has commenced and preparations are underway to agree the scope of the on-site server infrastructure audit.

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 Treasury Management and Accounts Payable;
- Communications service including separate reviews of Call Derbyshire and the Channel Shift project;
- Duplicate payments made by the Council's maintained schools;
- Legal Services;
- Highways Capital Programme;
- Public Health;
- Education Data Hub;
- Children at Risk of Missing Education;
- School and adult care establishment reviews.



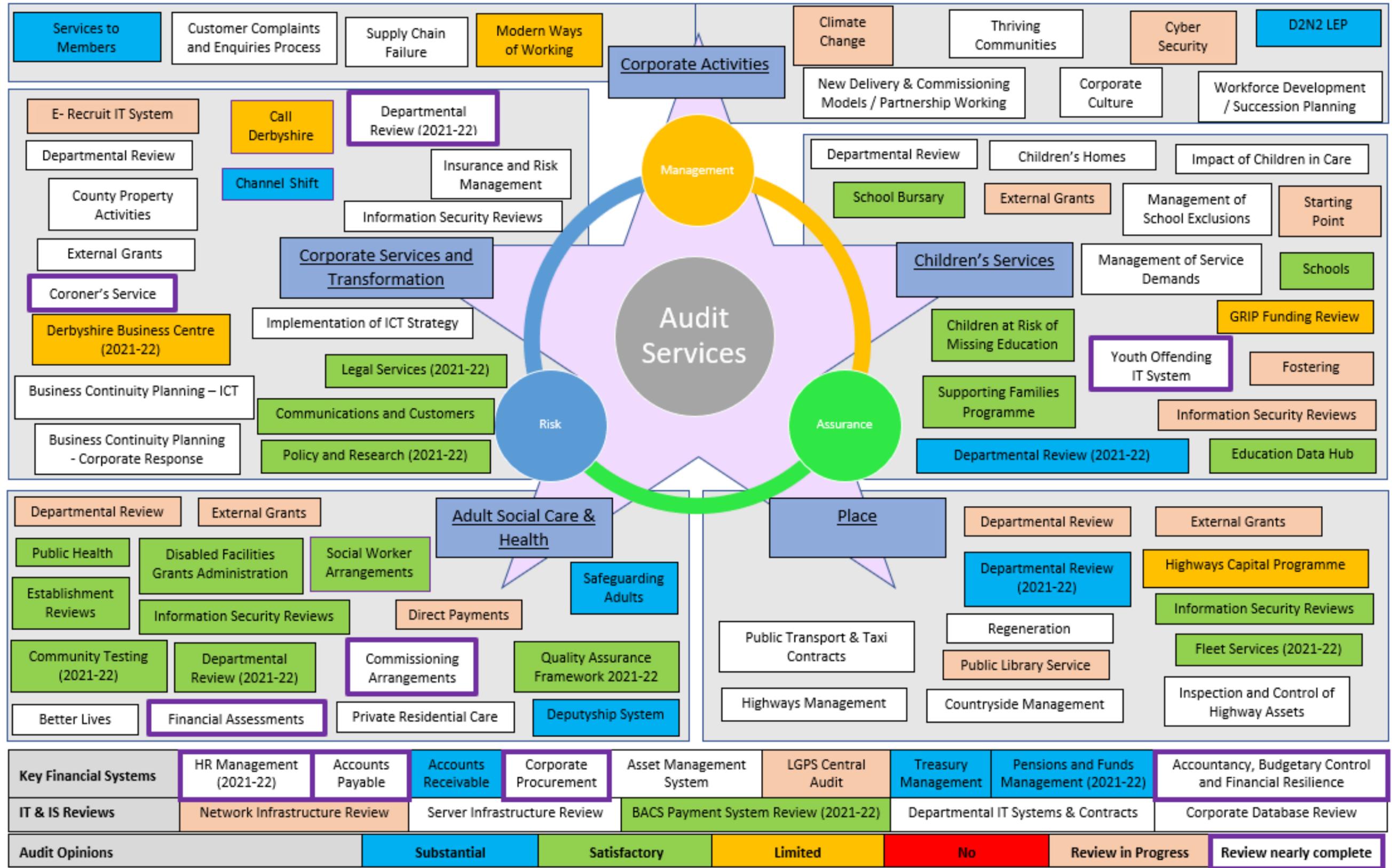
The current Audit performance against the 2022-23 approved Plan is shown below:

2022-23 Progress	As at 31 December 2022
Approved Audit Plan (2,772)	2,079
Actual Productive Days	1,996
Shortfall in Productive Days Delivered	83

Reasons for the shortfall in productive days within this period is further explained on page 6, although mainly includes staff annual leave taken, staff vacancies and additional time spent with Audit staff completing training. As this equates to 4% of the total number of productive days, Audit Services do not anticipate that this will impact on the ability to deliver the annual Head of Internal Audit Opinion in the Annual Report.

Analysis of Audit work including a summary of Reports issued up to 31 December 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 December 2022)



Audit Resources and Activities

In the period since the last meeting on 29 November 2022, the Assistant Director of Finance- Audit has received an offer for a position at another authority tendered her resignation, and will leave on 24 February 2023. The Assistant Director of Finance- Audit explained that the key driver for this move is for a better work life balance and it does not directly reflect on the Council. Whilst this may cause a period of instability within the Unit until a successor is appointed, measures have been put in place to help minimise the impact by ensuring the two Audit Managers are briefed on the service requirements over the coming months. The Assistant Director of Finance- Audit is confident that Audit Service are in safe hands during this transition period with Audit managers having previously provided the management leadership prior to the current appointment of the Assistant Director of Finance- Audit.

In line with all service areas across the Council, Audit staffing levels are currently being reviewed as part of the budget saving process. Audit is in continual dialogue with the Interim Director of Finance & ICT to ensure that a robust audit service is maintained, to enable sufficient Audit work to be undertaken to allow the Unit to produce an annual audit opinion in line with the PSIAS. This is drawn from audits across a wide range of activities including fraud investigations, grant certifications, core financial systems reviews, information security/ data protection reviews and service assurance work.

It is important during these challenging times all staff are supported, with procedures in place to maintain their overall wellbeing. In terms of Audit Services:

- Audit staff are provided with an annual MyPlan, which is supported by ongoing management dialogue and formal 1-1 meetings.
- Ongoing training and development opportunities either by the use of the Council's apprenticeship scheme or bite size updates during full team meetings.
- Audit Managers regularly support staff in terms of their wellbeing and continual attendance at work. This is through return to work



meetings where applicable, attendance at wellbeing webinars and continual signposting of the Council's wellbeing services.

Key Performance Indicators (KPIs)

Details of the current outcomes for the 2022-23 Audit Plan up to 31 December 2022, are summarised at Appendix 3 together with details of the previous years' activities to enable a comparison. Whilst the majority of targets are being, or are on target to be met, two are below expectations. However, there have been improvements since the last report to Audit Committee as more reports have been issued within 15 working days of fieldwork completion and those with a limited Audit Opinion reviewed within the ten-day target. All performance measures will be examined as part of the Quality Assurance and Improvement Programme (QAIP) where adjustments to working practices will be considered.

Corporate Governance

Good Governance is a continual process which requires ongoing commitment and support across the Council to ensure that effective control frameworks are in operation and demonstrate transparency in its actions. Over the last few years, the Council's Governance Group has made considerable progress towards this requirement. More recently however, the work of the group has been impeded limited due to competing priorities and it is considered that there are opportunities to strengthen existing arrangements and reinvigorate the Governance Group. Discussions have been held with the Monitoring Officer and Interim Director of Finance and ICT, with a view to ensuring these opportunities are explored further. Recommendations have been made to encourage reporting of activity by the Governance Group to the Corporate Management Team.

Outputs from the Group will feed into my Head of Internal Audit Annual Opinion and will be discussed with the Group as they develop the Council's Annual Governance Statement (AGS) 2022-23.

Assurance Mapping

The PSIAS require external quality assurance (EAQ) assessments of Audit Services every five years. The last assessment was conducted by Chartered Institute of Public Finance and Accountancy (CIPFA) in 2019, and the EQA outcome report noted that the assessment team's view was that:

“... the formulation and delivery of the Plan would benefit from a formal and coordinated ‘assurance mapping exercise’ that would, initially, provide clarity on what opportunities exist to take assurance on the control environment from third parties.”

Whilst the benefits of an assurance map were recognised by Audit Services, the impact of the pandemic meant that work to develop and compile an assurance map was delayed until 2022-23. Work to capture key activities and sources of assurance across the Council started earlier this year and is now complete. As this is a critical piece of work for the Council, outcomes will be reported to the Corporate Governance Group and that the work will be fundamental to the creation of the 2023-24 annual audit plan.

Counter Fraud Arrangements

At the September meeting, an update was provided on progress to improve the effectiveness of the Authority’s arrangements to counter fraud and corruption, together with advising Audit Committee on activity planned to strengthen counter fraud arrangements at the Council. Since this time, further work has been undertaken to review and update the Council’s Fraud Response Plan and Anti-Fraud and Anti-Corruption Strategy, which will be brought to the next meeting for approval. In addition, the completion of the assurance mapping exercise will help inform the development of a Fraud Risk Register for the Council. There are currently two investigations in progress and the lessons learnt from the concluded investigations have been shared with management to take action.

Cyber Security and ICT Resources

The number of cyber incidents launched against the public sector continues its upward trend, with the impact of each successful attack having a significant impact on service delivery and financial costs to the public purse. The latest example of which, Luton Borough Council, involved a ‘highly sophisticated and organised crime group’ that stole £1.1m intended for a school. According to the BBC website, a second attempt for an additional £3.2m targeted Bedford Borough Council, South East Midlands Local Enterprise Partnership (Semlep) and Luton Borough Council was foiled.

Like other authorities, the Council’s complexity of IT systems, networks and devices is continually evolving making the management and effective security an ever-present challenge. Whilst a recent external assessment from Microsoft security consultants identified best practice across significant areas of the Council’s operations, which has been further strengthened with the deployment of additional compliance and data governance tools, the absence of a clear ICT strategy and roadmap is affecting more radical progress. As a result, certain ICT support areas are working in isolation,

which is not making best use of resources, ensuring best practice is shared and that the Council, as a whole, is working towards a shared goal.

The ability to recruit suitably qualified and skilled ICT staff, remains a consistent challenge across almost all sectors of the economy. As a result, the Council is unable to progress on all new service initiatives as there is limited capacity within the service to focus beyond the day-to-day administration and security of the Council's ICT network. Whilst senior management are aware of the challenges within the ICT sector and more locally in the Council, it is important that an ICT strategy is agreed in the near future that has engagement of key stakeholders including all departments.

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	2
Actual days delivered	660	746	Satisfactory	3	-
Percentage of Audit Days Delivered	67.3%	72%	Limited	1	1
Number of Reports Issued	8	12	No	-	-
			Other (including letters)	4	9

Outcome reported to the Audit Committee on 29 November 2022

- ✓ Modern Ways of Working (MWoW)
 - ✓ Household Support Fund – Pensioners and Emergency Settlement Payments – Letter Issued to Senior Management
 - ✓ Current Special Investigations
- ✓ D2N2 LEP - Substantial assurance report issued

This Audit was undertaken in accordance with the Service Level agreement between the D2N2 LEP Derbyshire County Council (Accountable Body) and examined the governance arrangements. The review also sought to provide a level of assurance on adequacy and effectiveness of the control environment, appropriateness of funding and reporting arrangements.

The future of the D2N2 LEP will be impacted by the proposed £1.14 billion devolution deal covering the Derbyshire, Nottinghamshire, Derby and Nottingham authorities announced in August 2022. Plans for integration of the LEP with the new Combined Authority are still to be finalised.

Audits in Progress

Scoping of the corporate culture audit is at an early stage with meetings scheduled with senior management to scope the review. The majority of the climate change audit fieldwork has been completed and is currently subject of management review.

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	4
Actual days delivered	931	437	Satisfactory	13	4
Percentage of Audit Days Delivered	118.6%	66%	Limited	4	2
Number of Reports Issued	26	12	No	0	-
			Other (including letters)	3	2

Outcome reported to the Audit Committee on 29 November 2022

- ✓ Services to Members
- ✓ Accounts Receivable
- ✓ Pensions and Fund Management

Communications and Customers Review – Satisfactory assurance report issued

The review evaluated compliance of the service's alignment with the Council plan, internal service development programme and risk management procedures. The service was found to have a clear governance framework which contributed to effective stewardship, providing a stable foundation for the operations of the Communications Service. Areas of improvement were reported in connection with the shortfall in income generation and embedding of risk management across the service activities.

Call Derbyshire Review - Limited assurance report issued

The Audit established that the governance structures and procedural operations surrounding the service are operating effectively. Many areas of good practice were noted during the review including well documented procedure notes, out of hours arrangements and local information security arrangements. Enhancements to the call management systems were recommended to improve customer experience and in keeping with other parts of the Council, staff recruitment and retention is an ongoing challenge for the service.

✓ Channel Shift Review - Substantial assurance report issued

The Review highlighted effective stewardship and governance arrangements in place, underpinning the successful delivery and management of the Channel Shift Programme. Although some barriers to progress have been encountered in the form of implementation delays, departmental engagement and lack of agreed realised saving allocations, responsible officers have actively sought resolution, adjusting processes and procedures to minimise the impact, and reduce the potential for similar issues in future.

✓ Treasury Management Review - Substantial assurance report issued

Effective treasury management activity is essential in ensuring the security and liquidity of the Council's cash flows. The Audit evaluated the adequacy and effectiveness of the Council's policies and procedures relating to Treasury Management together with the administration of investments and borrowings, compliance with the ISO27001 standard and a follow-up of previous audit recommendations. As in prior years, good practice has been noted in relation to the administration of the function with established systems and processes in place that are operating effectively. As a result, no critical or high priority recommendations were noted during this Review.

Support and Consultancy Work

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

Audits in Progress

Work on the review of the Council's ICT network is due to commence by the middle of January 2023, with preparations underway assess the Council's on-site server management and back up arrangements. The audit of the Council's e-recruitment system and ICT asset management arrangements are both at the fieldwork stage. The reviews of Corporate Procurement, Coroner's Service and Accounts Payable are either in review or awaiting senior management responses to the report recommendations nearing completion of the fieldwork. The second phase of the of the Council's Accountancy and Budgetary Control arrangements is currently paused due to staff availability within the finance team. Limited progress has been made with the completion of the management actions within the Human Resources Management review (2021-22) and Corporate Services and Transformation Departmental audit (2021-22).

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	377	Satisfactory	3	8
Percentage of Audit Days Delivered	50.1%	84%	Limited	-	3
Number of Reports Issued	4	20	No	-	-
			Other (including letters)	-	7

Outcome reported to the Audit Committee on 29 November 2022

- ✓ Children’s Services Departmental Review (2021-22)
- ✓ Children’s Services Departmental Review (2021-22)
- ✓ Graduated Response for Individual Pupils (GRIP)
- ✓ Schools

Schools Duplicate Payments Testing - Letter issued

As part of the Unit’s value for money work, a targeted review of duplicate payments within the Council’s maintained schools was undertaken. Working with schools and using data extracted from the Council’s systems, a total of 114 verified duplicate payments with a total value over £46k were identified. Work is currently ongoing to seek to recover the overpayments made. There remains the possibility of recovering additional amounts as a number of responses are still awaited. The potential value of these duplicates is in excess of £70k.

Children at Risk of Missing Eductaion - Satisfactory assurance report issued

The Audit evaluated the adequacy and effectiveness of systems, risk mitigations and control environment associated with the management of the service. During the planning of the Audit, reference was made to the organisational review in progress to revise and improve the service and team structure. The review established that overall adequate and effective systems and controls were in place with areas of good practice noted across the service. Further work is

required to ensure that guidance documents are regularly reviewed and that information management and performance monitoring arrangements are strengthened.

Education Data Hub - Satisfactory assurance report issue

The Audit scope was to review the operation of the Education Data Hub, given that it is a relatively new service area that evolved from the GDPR service for schools developed in 2018. The review was split into two areas considering the legislative compliance and operations, and the arrangements for financial and performance monitoring. There were several areas of good practice identified particularly surrounding the procedural guidance produced for staff, which was found to be comprehensive and subject to regular update and review. There were, however, a few areas where further work was required to ensure the service operating model is sustainable, these included implementing key performance indicators and management of service reductions in the event of changes in the current data protection requirements.

Support and Consultancy Work

- ✓ Grants – Supporting Families and Youth Offending Service Commissioner’s Grant

Audits in Progress

Secondary school audit visits are planned to a few schools in February and March 2023 to evaluate governance arrangements, human resources, property and information security. Whilst an initial meeting has been held with senior management regarding the planning for the Fostering and Adoption Service review, this remains within the planning phase. Audit staff have been engaging with the preferred supplier for the Digital Participation solution, which enables children and young people to communicate securely with their key worker via a web app. Whilst a number of matters have been raised with the ‘App’ supplier, hopefully this review will be concluded shortly. An exit meeting with senior management has been scheduled to finalise the Youth Offending Case Management IT System.

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	322	Satisfactory	6	14
Percentage of Audit Days Delivered	99.7%	82%	Limited	-	1
Number of Reports Issued	6	19	No	-	-
			Other (including letters)	-	1

Outcome reported to the Audit Committee on 29 November 2022

- ✓ Establishment Visits
- ✓ Disabled Facilities Grant Funding (DFG) Administration
- ✓ Social Worker Arrangements (2021-22)
- ✓ Due diligence review of the new Deputyship Case Management System

Public Health Review – Satisfactory assurance report issue

The Audit considered the adequacy and effectiveness of the controls relating to Public Health strategy and governance, commissioning and procurement, financial and performance management and grants administration together with a review of the progress made in addressing previous audit recommendations. Overall, the service had robust arrangements in place across the majority of the areas subject of review including budget monitoring, management of agency staff within community testing and procurement arrangements.

Compliance with Department for Work and Pensions (DWP) Data Sharing Agreement Review – Limited assurance report issue

The scope of the audit was to assess the Council's compliance with the Department for Work and Pensions (DWP) Memorandum of Understanding for utilising government IT systems. The review confirmed a good level of compliance against the operational requirements, with robust procedures to control 'access tokens' used to log into the systems.

Processes were also embedded to ensure daily management checks requested by the DWP are completed and recorded. Areas for improvement were reported to senior management including within the Council's ICT network administration and entries within the service risk registers.



Derbyshire Shared Care Record - Satisfactory assurance report issue

Implementation of the Derbyshire Shared Care Record (DSCR) will enable enhanced data sharing within a controlled environment. The purpose of this review was to evaluate the adequacy and effectiveness of systems, risk mitigations and the control environment associated with the DSCR. One of the key challenges faced by the project, is the balance between maintaining an individual's rights to privacy, against the need of care professionals to share confidential information in the best interests of patients and service users. Work has been undertaken to ensure the Council's processes are compliant including the completion and review of a data protection impact assessment to support the project.

Support and Consultancy Work

- ✓ Contain Outbreak Management Fund assurance work

Audits in Progress

Work on commencing the departmental review is currently being discussed with senior management and will commence shortly. The second phase of the Derbyshire Shared Care Record is currently ongoing, as is work on the review of Direct Payments and support for the Council's adult care case management IT solution migration. The audits of Commissioning Arrangements and Financial Assessments are in review.

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	114	Satisfactory	6	2
Percentage of Audit Days Delivered	161.7%	50%	Limited	-	1
Number of Reports Issued	9	5	No	1	-
			Other (including letters)	-	1

Outcome reported to the Audit Committee on 29 November 2022

- ✓ No reports were issued within the progress update period (31 July – 31 October 2022).



Highways Capital Programme Review - Limited assurance report issue

The purpose of this Audit was to evaluate the adequacy and effectiveness of systems, risk mitigations and control environment associated with operation of the Programme. During the review it was confirmed that significant changes had been initiated by the Highways Programme Director. These changes have focused on the governance arrangements supporting the Highways Capital Programme, with the intention of strengthening and streamlining processes whilst strengthening transparency and accountability. Improvements in procedural guidance, project costing and implementation of performance measures were referred to senior management for consideration.

Review of Civil Parking Enforcement Penalty Charge Notice Write-Off Policy - Letter

Audit staff worked with Departmental colleagues to assess the administration of the Council's Civil Parking Enforcement function and compliance with relevant statutory and regulatory guidance. A small number of areas were noted in a letter to senior management including the publication of information relating to the service.

Support and Consultancy Work

- ✓ LTA Covid Bus Services Support Grant
- ✓ Multiply Funding

Audits in Progress

Work on commencing the Departmental review is currently being discussed with senior management and will commence shortly. The due diligence work on the replacement Public Transport IT system is nearing completion and will be reported shortly.

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)	-	1	-	-	-	-	-	-	-	-	-
VP037 Workforce Development/ Succession Planning	-	-	-	-	-	-	-	-	-	-	-
VP044 D2N2 LEP	5	26	Substantial	Substantial	↔	-	-	2	1	-	-
VP047 Supply Chain Failure	-	-	-	-	-	-	-	-	-	-	-
VP055 Corporate Culture	-	-	-	-	-	-	-	-	-	-	-
VP064 New Delivery & Commissioning Models/Partnership Working	-	-	-	-	-	-	-	-	-	-	-
VP067 Climate Change	-	25	-	-	-	-	-	-	-	-	-
VP070 Modern Ways of Working	-	33	-	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	98	-	5 x Letters 1 x Limited	-	-	1	4	1	-	
Corporate Governance											
CR001 Embedding Corporate Governance	-	61	-	-	-	-	-	-	-	-	-
CR005 Services to Members	-	26	Satisfactory	Substantial	↑	-	-	2	8	4H, 4M, 1L	-
CR007 Information Governance Group & Support	-	12	-	-	-	-	-	-	-	-	-
CR008 Cyber Security Group & Support	1	30	-	Letter	-	-	-	-	-	-	-
CR009 Data Protection Group & Support	-	4	-	-	-	-	-	-	-	-	-

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	1	133		1 x Substantial 1 x Letter	-	-	-	2	8	4H, 4M, 1L	
Corporate Fraud Prevention											
CZ100 External Audit Liaison	-	1	-	-	-	-	-	-	-	-	
CZ200 National Fraud Initiative	-	25	-	-	-	-	-	-	-	-	
CZ300 National Anti-Fraud Network	-	5	-	-	-	-	-	-	-	-	
CZ400 RIPA Management & Admin	-	4	-	-	-	-	-	-	-	-	
ZZ000 Internal Audit-Special Investigations General*	136	152	N/A	4 x Reports	N/A	5	5	2	-	-	
Total	136	187	-	4 x Reports	-	5	5	2	-	-	
Strategic Management			-	-	-	-	-	-	-	-	
VW001 Strategic Management	-	53	-	-	-	-	-	-	-	-	
VW002 Strategic Management (Risk)	-	40	-	-	-	-	-	-	-	-	
VW003 Assurance Mapping	-	93	-	-	-	-	-	-	-	-	
Total	-	186	-	-	-	-	-	-	-	-	
Audit Planning Contingency			-	-	-	-	-	-	-	-	
XX000 Audit Planning Contingency	-	-	-	-	-	-	-	-	-	-	
Total	-	-	-	-	-	-	-	-	-	-	
Corporate Activities Total	142	604	-	6 x Letters 2 x Substantial 1 x Limited 4 x Reports	-	5	6	8	9	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 Corporate Services and Transformation Departmental Review	7	-	-	-	-	-	-	-	-	-	
CA102 External Grants and Certifications	-	4	-	-	-	-	-	-	-	-	
Total	7	4	-	-	-	-	-	-	-	-	
CST Operational Reviews											
CO002 Business Continuity Planning - Corporate Response	-	-	-	-	-	-	-	-	-	-	
CO003 Derbyshire Business Centre	-	1	Limited	Limited	↔	1	5	9	5	2H	
CO008 Communications and Customers	-	23	N/A	Satisfactory	↔	-	2	-	2	N/A	
CO009 Implementation of ICT Strategy	-	-	-	-	-	-	-	-	-	-	
➤ CO010 Policy and Research	1	-	N/A	Satisfactory	↔	-	-	3	1	N/A	Report relates to 2021/22 Audit
➤ CO011 Legal Services	15	-	N/A	Satisfactory	↔	-	-	8	2	-	Report relates to 2021/22 Audit
CO015 Business Continuity Planning - ICT	-	-	-	-	-	-	-	-	-	-	
➤ CO016 Communications and Customers – Call Derbyshire	-	14	N/A	Limited	↔	-	1	5	-	N/A	
➤ CO017 Communications and Customers – Channel Shift	-	18	N/A	Substantial	↔	-	-	2	2	N/A	
Total	16	56	1 x Limited	1 x Substantial 3 x Satisfactory 2 x Limited	-	1	8	27	12	2H	
Divisional Activity – Major Systems											
MA100 Core Financial Systems – General Queries	-	5	-	-	-	-	-	-	-	-	
MB100 Human Resources Management	12	-	-	-	-	-	-	-	-	-	
MC100 Accounts Payable	-	33	-	-	-	-	-	-	-	-	
MD100 Corporate Purchasing	-	42	-	-	-	-	-	-	-	-	
ME100 Accounts Receivable	-	20	Substantial	Substantial	↔	-	-	-	4	-	
MG100 Accountancy, Budgetary Control and Financial Resilience	-	42	-	-	-	-	-	-	-	-	
➤ ML100 Pensions & Funds Administration	10	-	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	-	3	-	-	-	-	-	-	-	-	
MM100 Treasury Management	-	25	Substantial	Substantial	↔	-	-	1	3	1M, 1L	
Total	22	170	3 x Substantial	3 x Substantial	-	-	-	2	15	3M, 2L	
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	-	2	-	-	-	-	-	-	-	-	
CK004 Server Infrastructure Review	-	-	-	-	-	-	-	-	-	-	
CK006 Bacs Payment System Review	1	-	Limited	Satisfactory	↑	-	-	9	1	3H, 1M	
Departmental IT Systems & Contracts	-	97	-	-	-	-	-	-	-	-	
Total	1	99	1 x Limited	1 x Satisfactory	-	-	-	9	1	3H, 1M	
Divisional Activity – County Property Division											
DV100 Property Services Review	-	25	-	Letter	-	-	-	-	-	-	
Total	-	25	-	1 x Letter	-	-	-	-	-	-	
Regulatory											
QG100 Coroner's Service Review	-	33	-	-	-	-	-	-	-	-	
Total	-	33	-	-	-	-	-	-	-	-	
Departmental Total	46	391	-	4 x Substantial 4 x Satisfactory 2 x Limited 2 x Letters	-	1	10	40	30	5H, 4M, 2L	

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 - General Support	-	1	-	-	-	-	-	-	-	-	
AA004 Information Security and Follow Up Reviews	-	34	-	-	-	-	-	-	-	-	
External Grants and Certifications	-	22	N/A	Letter	-	-	-	-	-		Holiday Activities and Food Programme
Total	1	57	-	1 x Substantial 1 x Letter	-	-	-	1	7	3M	
Primary, Nursery & Special Schools											
Primary, Nursery & Special Schools	-	115	3 x Satisfactory 6 x Limited	1 x Substantial 6 x Satisfactory 2 x Limited	-	1	42	72	48	44H, 17M, 18L	Includes a letter relating to the review of potential duplicate payments by schools.
Total	-	115	-	1 x Substantial 6 x Satisfactory 2 x Limited	-	1	42	72	48	44H, 17M, 18L	
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	-	69	-	1 x Letter	-	-	-	-	-	-	
Total	-	69	-	1 x Letter	-	-	-	-	-	-	
School - Information Security Reviews											
Information Security Reviews	-	-	-	-	-	-	-	-	-	-	
Total	-	-	-	-	-	-	-	-	-	-	
Children's Homes											
Children's Homes	-	-	-	-	-	-	-	-	-	-	
Total	-	-	-	-	-	-	-	-	-	-	
Themed and Operational											
AO005 Fostering and Adoption Services	-	1	-	-	-	-	-	-	-	-	

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		
AO013 Supporting Families Programme	-	30	-	-	-	-	-	-	-	-	2 Grant Submissions signed-off
AO016 Starting Point	-	10	-	-	-	-	-	-	-	-	
AO019 Children at Risk of Missing Education	-	30	Substantial	Satisfactory	↓	-	1	4	2	1L	
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	N/A	Satisfactory	↔	-	1	8	-	N/A	
AO031 Management of Service Demands	-	-	-	-	-	-	-	-	-	-	
AO032 Management of School Exclusions	-	-	-	-	-	-	-	-	-	-	
Total	-	121	-	1 x Satisfactory 1 x Limited	-	1	2	10	4	2L	
Departmental Total	1	376	-	2 x Substantial 8 x Satisfactory 3 x Limited 7 x Letters	-	2	44	83	59	44H, 20M, 20L	

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 Adult Social Care and Health Department Departmental Review	-	-	Qualified	Satisfactory	↔	-	1	10	4	1H, 7M, 5L	Report relates to 2021/22 Audit
BA002 Adult Social Care and Health - General Support	-	15				-	-	-	-	-	Note: 13 days reallocated to Information Security reviews.
Total	-	15		1 x Satisfactory		-	1	10	4	1H, 7M, 5L	
Public Health											
BD001 Public Health	-	46	Satisfactory	Satisfactory	↔	-	1	3	2	1M	
➤ BD001 Community Testing	-	-	N/A	Satisfactory	↔	-	1	3	-	-	
Total	-	46		2 x Satisfactory		-	2	6	2	1M	
Information Security and Follow Up Reviews											
Information Security and Follow Up Reviews	1	33	N/A	2 x Satisfactory 1 x Limited 1 x Letter	↔	-	1	14	5	-	Deputyship Case Management System (Report). Outbreak Management Solution (Letter) Derbyshire Shared Care Record (Report) Review of compliance with the DWP Data Sharing Agreement.
Total	1	33	N/A	2 x Satisfactory 1 x Limited 1 x Letter	-	-	1	14	5	-	
External Grants and Certifications											
External Grants and Certifications	-	27	-	-	-	-	-	-	-	-	
Total	-	27									
Social Care – Elderly Residential											
Elderly Residential	-	26	4 x Satisfactory	1 x Substantial 3 x Satisfactory	↔	-	5	15	17	4H, 2M, 6L	
Total	-	26		1 x Substantial 3 x Satisfactory	-	-	5	15	17	4H, 2M, 6L	
Social Care - Day Care - Physical/Mental Disability											
Day Care - Physical/Mental Disability	-	-	-	-	-	-	-	-	-	-	
Total	-	-	-	-	-	-	-	-	-	-	
Social Care - Day Care & Hostels											

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		
Day Care & Hostels	-	-	-	-	-	-	-	-	-	-	
Total	-	-	-	-	-	-	-	-	-	-	
Social Care - Community Care Centres											
Community Care Centres	-	24	3 x Satisfactory	3 x Satisfactory	↔	-	6	16	9	8H, 6M, 1L	
Total	-	24	3 x Satisfactory	3 x Satisfactory	-	-	6	16	9	8H, 6M, 1L	
Themed and Operational											
BO008 Private Residential Care	-	-	-	-	-	-	-	-	-	-	
BO010 Review of Commissioning Arrangements	-	25	-	-	-	-	-	-	-	-	
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	-	9	-	-	-	-	-	-	-	-	
➤ BO026 Review of Quality Assurance Framework	-	-	N/A	Satisfactory	↔	-	-	9	2	N/A	Report relates to 2021/22 Audit
BO028 Safeguarding of Adults	10	-	N/A	Substantial	↔	-	-	3	1	N/A	Report relates to 2021/22 Audit
BO030 Social Worker Arrangements	6	-	N/A	Satisfactory	↔	-	2	3	-	N/A	Report relates to 2021/22 Audit
BO031 Financial Assessments	-	49	-	-	-	-	-	-	-	-	
BO032 Better Lives	-	1	-	-	-	-	-	-	-	-	
Total	16	134	-	2 x Substantial 3 x Satisfactory	-	-	6	23	6	8H, 2M	
Departmental Total	17	305	-	3 x Substantial 14 x Satisfactory 1 x Limited 1 x Letter	-	-	20	84	43	21H, 18M, 12L	

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	1	-	Satisfactory	Substantial	↑	-	-	5	1	1M	Report relates to 2021/22 Audit
HA101 Place – General Support	-	13	N/A	1 x Letter	N/A	-	-	-	-	-	
Total	1	13	1 x Satisfactory	1 x Substantial 1 x Letter	-	-	-	5	1	1M	
Information Security and Follow Up Reviews											
HA103 Information Security and Follow Up Reviews	-	8	N/A	Satisfactory	↔	-	1	5	1	N/A	Confirm Single Asset Management IT System
Total	-	8	-	1 x Satisfactory		-	1	5	1	N/A	
External Grants and Certifications											
External Grants and Certifications	3	50	-	-	-	-	-	-	-	-	
Total	3	50	-	-	-	-	-	-	-	-	
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	Report relates to 2021/22 Audit
HO030 Inspection and Control of Highway Assets	-	-	-	-	-	-	-	-	-	-	
HO035 Public Library Service	-	-	-	-	-	-	-	-	-	-	
HO036 Capital Programme (Highways)	-	36	N/A	Limited	↑	-	4	2	2	N/A	
Total	1	38	-	1 x Satisfactory 1 x Limited	-	-	6	6	4	N/A	
Departmental Total	5	109	-	1 x Substantial 2 x Satisfactory 1 x Limited	-	-	7	16	6	1M	

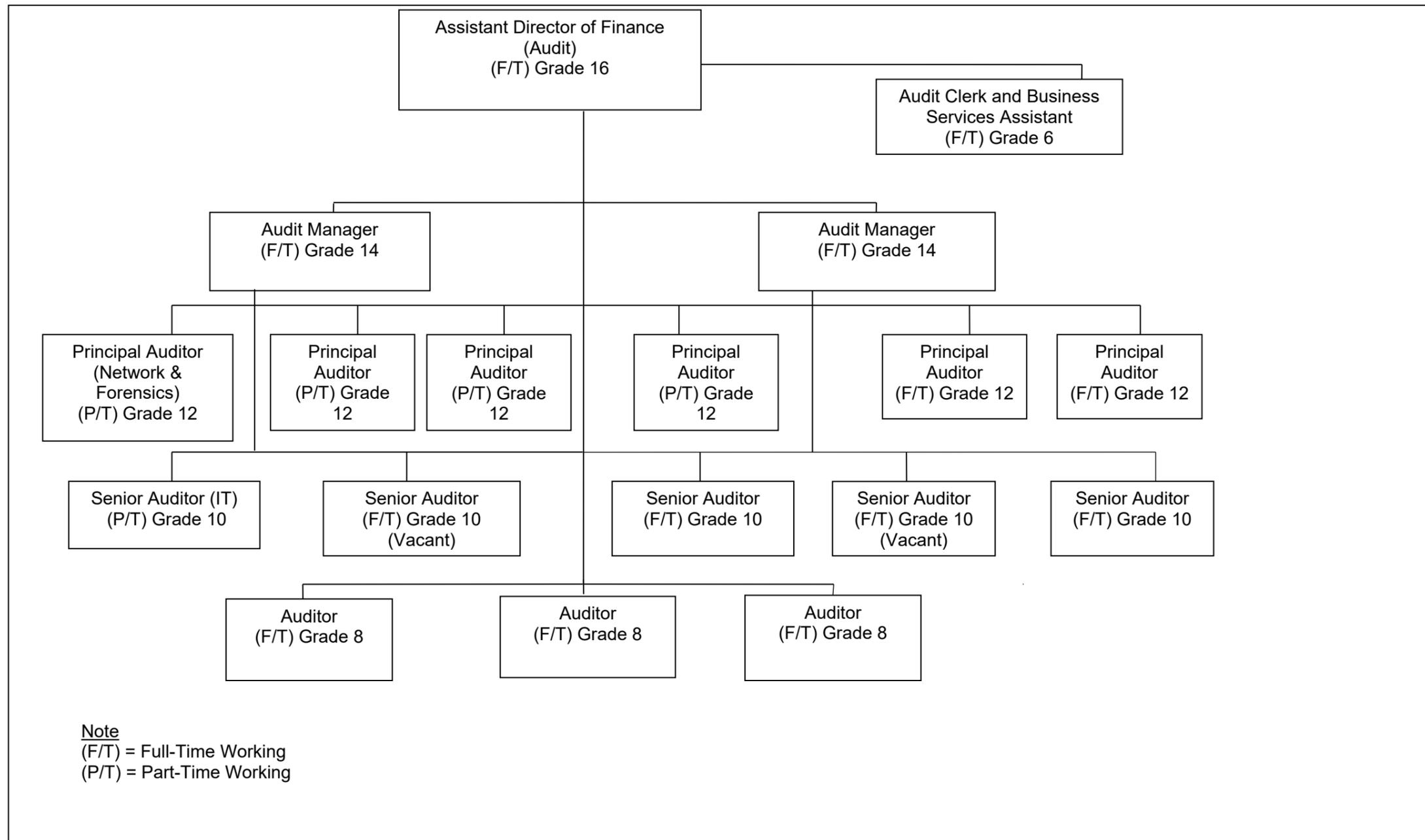
Audit Opinions are categorized based upon the assurance that Management may draw on the adequacy and effectiveness of the overall control framework in operation as follows:

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%	96%	
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%	17%	1 completed, remainder scheduled 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%	86%	6 out of 7 limited opinions were reviewed within 10 days
Percentage of Draft Audit Report issued within 15 working days of fieldwork completion	95%	49%	25%	51%	
Percentage of Final Audit Report issued within 28 working days of issue of Draft Audit Report	95%	47%	67%	52%	Delays pending management responses
Percentage of Recommendations made which are implemented at the time of follow up Audit	90%	71%	66%	72%	
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%	12 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)