Audit Services Unit
Progress Against Audit Plan 2023-24
31 July 2023

Mark Lunn
Assistant Director of Finance (Audit)

Background to the Progress Report

At the Audit Committee meeting held on 21 March 2023, Members approved the Audit Services Plan for 2023-24, 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
- meetings with Executive Directors and Directors. (Including Managing Director (Head of Paid Service), Director of Finance & ICT (Section 151 Officer) and Director of Legal and Democratic Services (Monitoring Officer).

In accordance with the Audit Committee's Terms of Reference this report updates Members on progress against the Plan for the four months to 31 July 2023 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.

Current Progress

This is the first progress report for 2023-24. Although only 4 months into the plan period, we are pleased to present to the committee a total of 17 audit reports (11 for 2022-23 and 6 for 2023-24). In addition to the 17 audit reports, we have issued 3 further draft reports (1 for 2022-23 and 2 for 2023-24).

Whilst the number of investigations is currently impacting on the scheduling of reviews, steps are being taken to ensure impact on delivery of the audit plan is minimised. The Assistant Director of Finance (Audit) has met with the Monitoring Officer to ensure investigation work done by Audit Services is correctly allocated. A revised engagement model with senior management is being implemented to better enable audits to be timed accordingly, which will ensure timely delivery of audits in the plan. This includes audit attendance at Departmental Management Team meetings and a key contact within the ICT service team to support for scoping of ICT reviews and the coordination of recommendation actions.

As is usually the case, at this point in the audit year, the majority of reports issued relate to the completion of the previous year Audit Plan. Areas where the Audit team are a good way through the fieldwork for the 2023-24 reviews include:

- Derbyshire Shared Care Record
- Phoenix Imprest System
- Regeneration
- Derbyshire Records Office & Records Management
- Fleet Services
- Human Resources Management
- Accounts Receivable
- Website Development.
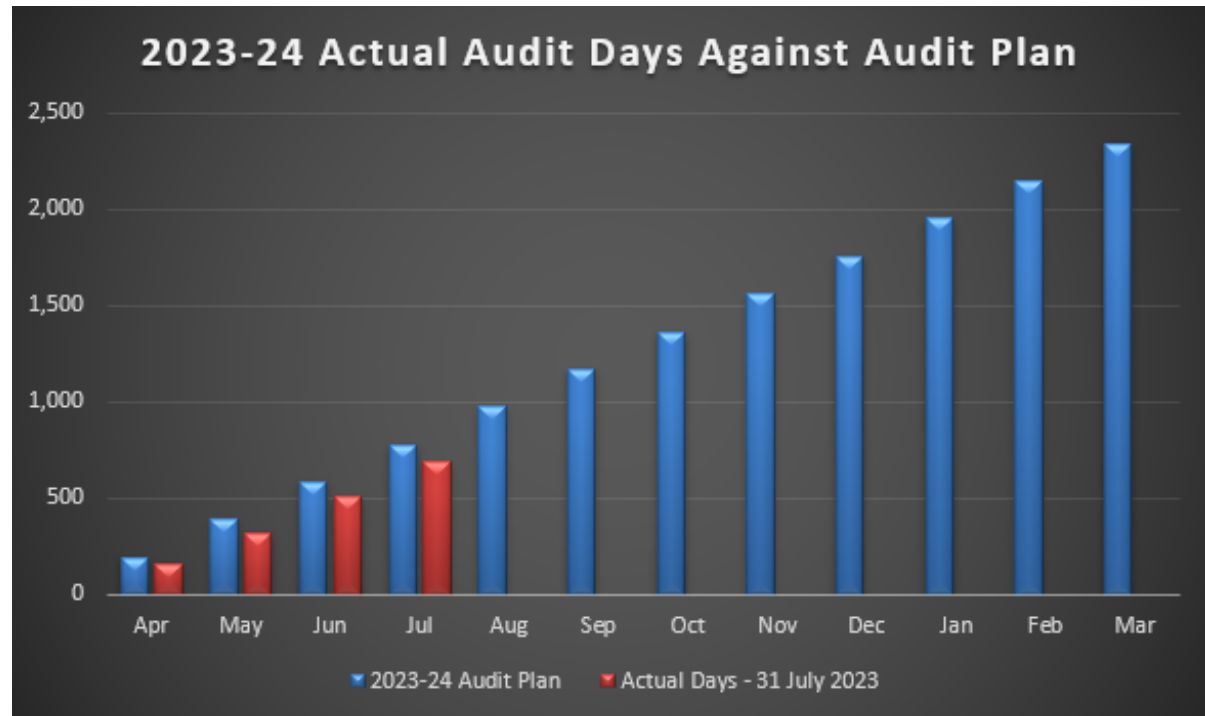
The current Audit performance against the 2023-24 approved Plan is shown below:

Overall Performance	2022-23	2023-24	All Opinions	2022-23	2023-24
Days within the Approved Audit Plan	2,772	2,337	Substantial	13	2
Actual days delivered to date	2,633	694	Satisfactory	39	13
Percentage of Audit Days Delivered	94.99%	29.70%	Limited	9	2
Total Number of Reports Issued	86	24	No	0	0
Reports Issued Since Last Progress Report	11	6	Others (including letters)	24	7
Draft Reports Issued	2	1	Total	85	24

It should be noted that as at 31 July the actual days 694 is below the anticipated 779, however the reasons for the shortfall in productive days within this period is explained on page 6, although mainly includes staff vacancies, the completion of staff training and PDRs. Whilst this equates to 11% of the total number of productive days, we do not anticipate that this will impact on the ability to deliver the annual Head of Internal Audit Opinion in the Annual Report.

Detailed analysis of Audit work is included in the Audit Resources and Activities section below (page 6 – 17) with a summary of work against the agreed annual plan provided in **Appendix 1.**

Summary of Audit Opinions (Reports Issued up to 31 July 2023)

Corporate Activities
- Corporate Culture
- Customer Complaints and Enquiries Process
- Climate Change (2022-23)
- Modern Ways of Working
- Workforce Development
- Delivery & Commissioning/ Partnership Working
- D2N2 LEP

Corporate Services and Transformation
- Departmental Review (2022-23)
- HMRC Compliance
- Insurance and Risk Management
- Property Services Review
- Information Security Reviews
- External Grants
- Property Contractor Management
- ICT Asset Management (2022-23)
- Business Continuity Planning – ICT
- Ukraine Family Support
- Business Continuity Planning - Corporate Response

Children's Services
- Departmental Review
- Starting Point (2022-23)
- Children's Homes
- Children in Care Placements
- Schools
- External Grants
- Supporting Families Programme
- Management of Service Demands
- Information Security Reviews

Adult Social Care & Health
- Public Health
- External Grants
- Information Security Reviews
- Establishment Reviews
- Direct Payments (2022-23)
- Departmental Review (2022-23)
- Quality Assurance Framework
- Safeguarding Adults
- Best Life Derbyshire

Place
- Departmental Review (2022-23)
- Fleet Services
- Information Security Reviews
- Derbyshire Records Office & Records Management
- Public Transport & Taxi Contracts (2022-23)
- Regeneration
- Inspection and Control of Highway Assets
- Public Library Service
- Concessionary Fares
- Countryside Management (2022-23)
- External Grants

| Key Financial Systems	HR Management	Accounts Payable	Accounts Receivable	County Procurement (2022-23)	LGPS Central Audit	Pensions and Funds Administration	Accountancy, Budgetary Control and Financial Resilience (2022-23)
IT & IS Reviews	Network Infrastructure Review		Server Infrastructure Review		BACS Payment System Review (2022-23)		Corporate Database Review
Audit Opinions	Substantial		Satisfactory	Limited	No	Review in Progress	Review Nearly Complete

Audit Resources and Activities

The Audit Plan for 2023-24 was approved with a reduction in staffing levels as part of wider budget saving measures, with two posts (Senior Auditor & Auditor) removed from the structure. At that time, both a Senior Auditor post and the Assistant Director of Finance (Audit) were vacant, see **Appendix 2** for full details.

In June 2023, an internal appointment was made to the Senior Auditor position, which has created a vacancy at the Auditor level. In the same period, the Audit Clerk, who also undertook a number of audit duties, has left the Council and this post is currently being kept vacant. A decision will be made later in the year on the approach to filling the vacancies.

On 31 July 2023, Mark Lunn started in the role of the Assistant Director of Finance (Audit). Mark began his internal audit career with Leeds City Council before joining Mazars, where he acted as Head of Internal Audit across a range of public sector organisations across the Midlands.
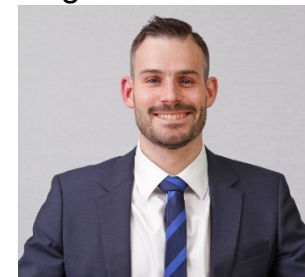
Key Performance Indicators (KPIs)

Details of the current outcomes for the 2023-24 Audit Plan up to 31 July 2023, are summarised at **Appendix 3** together with details of previous years' activities to enable a comparison. The vacancies in the team to date has meant that 89% of the audit days have been delivered. Moreover, the Audit Managers acting up to Assistant Director of Finance (Audit) has also impacted on the capacity of management to review and issue audit reports within target. The unit is on track to complete its quality assurance reviews and it is positive to report that the completed client satisfaction questionnaires currently rate audit as good or very good. As noted in discussions with the Chair of Audit Committee the KPI's is an area for review and development.

Corporate Governance

The Council's Corporate Governance Group continues to meet on a regular basis and whilst it maintains oversight of the Annual Governance Statement Action Plan, this has been delegated to the CST Departmental Management Team to implement the necessary improvements. The Group has also held a lessons learned workshop to identify any areas where the Council could be considered to be at risk, based on the experience and practices of other local authorities where Public Interest Reports have been issued. The key elements and outcomes of the lessons learnt workshop have been reported to CMT in June 2023, alongside presentation of the Annual Governance Statement (AGS).

External Quality Assessment (EQA)

The PSIAS requires external quality assurance (EQA) assessments of Audit Services every five years. The last assessment was conducted by Chartered Institute of Public Finance and Accountancy (CIPFA) in 2019 and is therefore due to be completed by 2024. A procurement exercise has commenced to undertake the next EQA. In line with the new Assistant Director of Finance (Audit) starting in post they have requested this be completed by the end of 2023 to help inform areas of priority for the Audit Services Team. Audit Management spoke with three suppliers and have selected the Institute of Internal Auditors (IIA) to carry out the Council's EQA. As part of the assessment the external assessors will seek feedback from key stakeholders and communications around the approach will be sent to stakeholders nearer the time.

Counter Fraud Arrangements

Marked progress has been made by the Unit in the phased delivery of the Anti-Fraud and Anti-Corruption Strategy that was approved by this Committee on 18 July 2023. Details on this, together with the current position of the National Fraud Initiative (NFI) 2022-23 exercise are included under a separate agenda item to provide Members with a counter fraud update.

Cyber Security and ICT Resources
The recurrent theme drawn from the recently issued National Cyber Security Centre (NCSC) cyber vulnerabilities advisory issued in August 2023, is that a significant number of cyber-attacks are being targeted against know software vulnerabilities (including older issues), rather than recently discovered matters. The article reminds all organisations of the importance of ensuring the basic principles of good information and system security are in place and embedded across key service areas:

- Effective patch management including the prioritisation of known vulnerabilities
- Use of multifactor authentication
- Access to systems and user roles are subject to regular review
- Regular vulnerability scanning and deployment of anti-virus/ malware software
- Regular and trusted back up arrangements
- Cyber incident plan.

Key elements of the NCSC guidance will be used to support the ICT reviews included within the 2023-24 audit plan.

Detailed Analysis - Corporate Activities

Departmental Performance	2022-23	2023-24	Departmental Opinions	2022-23	2023-24
Days within the Approved Audit Plan	1,000	934	Substantial	2	-
Actual days delivered to date	1,007	281	Satisfactory	-	1
Percentage of Audit Days Delivered	100%	30.1%	Limited	-	-
Number of Reports Issued	15	7	No	-	-
			Total (including letters)	12	6

Climate Change (2022-23) – Satisfactory Assurance Report Issued

The purpose of this Audit was to evaluate the effectiveness and progress of the Council's climate change programme. Overall progress towards achieving the Council's climate change action plan is progressing well, although there are some key areas that are behind target. This included the review of the Council's estate, sustainable procurement and the implementation of the Low Emission Vehicle Infrastructure (LEVI) Strategy. However, it was considered that there is still time for these projects to be implemented within the timeframe of the Climate Change Strategy.

Audit Investigations

The number of Audit Investigations increased during 2022-23, with further reviews commencing in the first 4 months of 2023-24. Whilst time is budgeted for as part of the Annual Audit Plan, the increase in time has potential impacts on the ability to delivery other elements of the internal audit plan. As noted on page 3 steps are being taken to limit such impacts and ensure efficient and effective use of audit time.

Audit Services have issued 3 reports and 3 letters in the period which identify areas where the Council's control framework could be strengthened and improved in order to prevent against and detect potential activities in the future.

Detailed Analysis - Corporate Services and Transformation

Departmental Performance	2022-23	2023-24	Departmental Opinions	2022-23	2023-24
Days within the Approved Audit Plan	660	690	Substantial	5	1
Actual days delivered to date	555	160	Satisfactory	8	3
Percentage of Audit Days Delivered	84.1%	23.2%	Limited	2	1
Number of Reports Issued	17	6	No	-	-
			Other (including letters)	2	1

↗ Accountancy & Budgetary Control (2022-23) – 2 Reports Issued – 1 Substantial Assurance, 1 Satisfactory Assurance

The Audit of Accountancy and Budgetary Control is split into 2 separate reviews due to the timing of activities and processes that take place within the finance function. The first phase concentrated on budget setting, transaction recording, year-end procedures and capital accounting, with the second phase considering the adequacy of resource, budget monitoring procedures, the administration of grant funding and Council's financial resilience. Whilst the initial review gave rise to a substantial opinion, the level of assurance was reduced, reflecting the significant shortfalls in the processing of grants received and, recognition of the overall reducing financial resilience of the Council due to budget pressures and ongoing withdrawals from reserves.

↗ BACS Payment System (2022-23) – Satisfactory Assurance Report Issued

The BACS process is a critical function supporting the Council's financial operations which is used to facilitate payroll, pension and payments to the Council's creditors. Consequently, a failure of the BACS process has the potential to result in significant reputational damage and financial penalties to the Council. The review concluded that overall, the BACS service is well managed with most operational procedures embedded as part of business-as-usual arrangements. Although areas for improvement were identified in respect of the review of Audit logs, contractual arrangements with third parties and updates to the Business Continuity Guidance.

ICT Asset Management (2022-23) – Satisfactory Assurance Report Issued

Due to the annual value of ICT equipment procured by the Council and the potential cyber risk, should devices not be configured and managed effectively ICT Asset Management was included within the 2022-23 Audit Plan. To ensure the Audit was targeted at the areas of significant risk, the review was split into two distinct elements: 'Operations' and 'Efficiencies'. From an operational perspective, the Team has fundamentally sound systems in place to manage and maintain the Council's ICT equipment, which has been enhanced through the widespread implementation of the Halo Self Service portal. However, it was recommended that efficiencies may be realised from a review of the Council's ICT replacement process and the appropriateness of the maintenance charges per device.

County Procurement (2022-23) – Limited Assurance Report Issued

County Procurement provides support across the Council and is responsible for initiating and administering the majority of procurement exercises which are undertaken, with the exception of the social care within Adult Care. The Assurance was limited as a result of the staff recruitment and retention issues that exist within Corporate Procurement and the impact that these are expected to have on the Team's ability to effectively discharge their duties.

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:

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

Audits in Progress

- Departmental Review (2022-23) – Awaiting Management Response
- Human Resources Management – Work in Progress
- Accounts Receivable – Work in Progress.

Detailed Analysis – Children's Services

Departmental Performance	2022-23	2023-24	Departmental Opinions	2022-23	2023-24
Days within the Approved Audit Plan	487	285	Substantial	2	-
Actual days delivered to date	476	95	Satisfactory	9	5
Percentage of Audit Days Delivered	97.7%	33.3%	Limited	4	1
Number of Reports Issued	22	6	No	-	-
			Other (including letters)	7	-

↗↙ <u>Starting Point (2022-23) – Satisfactory Assurance Report Issued</u>

Starting Point is the entry point ('Front Door') by which child protection and welfare concerns come into the Council and was established to discharge the Council's statutory duties under s.11 Children Act 2004. The review identified that referrals were promptly administered, partner agencies had been consulted where appropriate and relevant documentation retained on the Council's Mosaic case management system.

↗↙ <u>Schools – 3 Satisfactory Assurance Reports Issued</u>

School Audits are undertaken to ensure the compliance with current legislation, the Derbyshire Scheme for Financing Schools (DSFS), accounting best practice and an assessment of compliance with the principles of the Schools Financial Value Standard (SFVS).

↗↙ <u>Adult Education IT System – Satisfactory Assurance Report Issued</u>

Children's Services procured an Adult Learning Management Information Solution to schedule and book adult education courses, as well as collate data for use in reporting to the Education Skills Funding Agency and Ofsted. Overall, the IT solution provided reasonable functionality given its intended purpose and compliance with the majority of the Council's information security requirements.

⚠️ <u>Holiday Activities and Food Grant – Limited Assurance Report Issued</u>

During the review and sign off of the Holiday Activities and Food Programme (HAF) Grant in April 2023, a number of procedural weaknesses were identified when seeking to ensure that outputs had been delivered in accordance with associated grant conditions. This resulted in the qualified sign off of the annual Certificate of Grant Usage and Statement of Expenditure by the Director of Finance & ICT. At this stage there are no financial impacts from the issues identified however improvements are required in respect of monitoring arrangements to ensure compliance with financial requirements and performance standards.

<u>Support and Consultancy Work</u>

- ✓ Grants – Supporting Families (3 submissions).

Detailed Analysis – Adult Social Care and Health

Departmental Performance	2022-23	2023-24	Departmental Opinions	2022-23	2023-24
Days within the Approved Audit Plan	395	245	Substantial	3	1
Actual days delivered to date	421	58	Satisfactory	19	2
Percentage of Audit Days Delivered	106.6%	23.7%	Limited	1	-
Number of Reports Issued	25	3	No	-	-
			Other (including letters)	2	-

✔ Direct Payments (2022-23) – Substantial Assurance Report Issued

Direct Payments was recognised as a major, high-risk function due to the value of payments made, the vulnerability of those receiving payments and recent national instances of direct payment fraud. The review evaluated the adequacy and effectiveness of the systems and controls relating to direct payments and through the performance of sample testing, assessed whether payments made in the twelve months prior to Audit were administered appropriately.

↗↙ Departmental Review (2022-23) – Satisfactory Assurance Report Issued

This annual review of compliance, governance and internal control considered elements of the Department's statutory and regulatory requirements, management and administration, budgetary control, risk management, human resource records and adherence to the ISO27001 Information Security Standard.

↗↙ Mosaic Client Management - Satisfactory Assurance Report Issued

The Adult Social Care and Health (ASCH) and Children's Services (CS) Departments use the Mosaic software application as their core Case Management System, which was hosted within the Council's on-site data centre. Due to significant operational and technical issues being encountered across the service with the internally hosted Mosaic solution the move to a remotely hosted SaaS offering was approved by Cabinet in November 2022. Whilst the review identified a satisfactory level of compliance with the majority of the Council's information security procedures and best practice, a small number of areas of non-compliance were identified.

Support and Consultancy Work

- Grant assurance work will commence later in the year.

Audits in Progress

- Best Life Derbyshire – Draft Report Issued
- Derbyshire Shared Care Record – Ongoing System Review
- Phoenix Imprest System – Work in Progress
- Public Health – Work in Progress.

Detailed Analysis – Place

Departmental Performance	2022-23	2023-24	Departmental Opinions	2022-23	2023-24
Days within the Approved Audit Plan	230	183	Substantial	1	-
Actual days delivered to date	174	100	Satisfactory	3	2
Percentage of Audit Days Delivered	75.7%	54.6%	Limited	2	-
Number of Reports Issued	7	2	No	-	-
			Other (including letters)	1	-

↗↙ Departmental Review (2022-23) – Satisfactory Assurance Report Issued

This annual review of compliance, governance and internal control considered elements of the Department's statutory and regulatory requirements, management and administration, budgetary control, risk management, human resource records and adherence to the ISO27001 Information Security Standard.

↗↙ Public Transport & Taxi Contracts (2022-23) – Satisfactory Assurance Report Issued

The purpose of this Audit was to conduct an advisory pre-implementation review of the Passenger Transport Dynamic Purchasing System (PTDPS) to gain assurance that the intended control framework would be fit for purpose. The PTDPS is considered high-risk due to the large number of contracts that are in place within the Transport service. The review identified that training records, and evidence retained for taxi drivers and passenger assistants with Council contracts was not complete and that evidence of care qualifications were not being obtained as standard.

Support and Consultancy Work

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

Audits in Progress

- Countryside Services (2022-23) – Draft Report Issued
- Regeneration – Work in Progress
- Derbyshire Records Office & Records Management – Work in Progress
- Fleet Services – Work in Progress.

Appendix 1 - Progress Against the 2023-24 Audit Plan and Completion of 2022-23 Audit Plan

Name	Actual Days 22-23	Actual Days 23-24	Previous Assurance	Current Assurance	Direction of Travel	Critical	High	Medium	Low	Previous Recs Not Implemented	Comments
Corporate Activities – The 2023-24 Audit Plan included an allocation of 934 days over the following areas											
Corporate Projects											
Workforce Development	-	-	-	-	-	-	-	-	-	-	
Corporate Culture	-	-	-	-	-	-	-	-	-	-	
Delivery & Commissioning/Partnership Working	-	-	-	-	-	-	-	-	-	-	
Climate Change	9	-	Satisfactory	Satisfactory	⟷	-	-	5	4	1M	Report relates to 2022-23 Audit
Modern Ways of Working	-	2	-	-	-	-	-	-	-	-	
Asset Optimisation (Corporate Landlord)	-	1	-	-	-	-	-	-	-	-	
East Midlands Freeport	-	-	-	-	-	-	-	-	-	-	
County Deals	-	-	-	-	-	-	-	-	-	-	
Customer Complaints & Enquiries Process	-	-	-	-	-	-	-	-	-	-	
IT Governance	-	-	-	-	-	-	-	-	-	-	
Data Governance	-	-	-	-	-	-	-	-	-	-	
Project Management Office Administration	-	-	-	-	-	-	-	-	-	-	
Total	**9**	**3**	**1 x Satisfactory**	**1 x Satisfactory**	**-**	**-**	**-**	**5**	**4**	**1M**	
Corporate Governance											
Embedding Corporate Governance	-	10	-	-	-	-	-	-	-	-	
Information Governance Group & Support	-	3	-	-	-	-	-	-	-	-	
Cyber Security Group & Support	-	-	-	-	-	-	-	-	-	-	
Data Protection Group & Support	-	2	-	-	-	-	-	-	-	-	
Governance Group & Support	-	-	-	-	-	-	-	-	-	-	
Audit Committee & Support	-	6	-	-	-	-	-	-	-	-	
Total	**-**	**21**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	

Name	Actual Days		Previous Assurance	Current Assurance	Direction of Travel	Analysis of Recommendations				Previous Recs Not Implemented	Comments	
	22-23	23-24				Critical	High	Medium	Low			
Corporate Fraud Arrangements												
External Audit Liaison	-	-	-	-	-	-	-	-	-	-		
National Fraud Initiative	-	31	-	-	-	-	-	-	-	-		
National Anti-Fraud Network	-	-	-	-	-	-	-	-	-	-		
RIPA Management & Admin	-	9	-	-	-	-	-	-	-	-		
Counter Fraud and Audit Investigations	-	153	-	3 x Reports 3 x Letters	-	-	1	3	-	-		
Total	**-**	**193**	**-**	**3 x Reports 3 x Letters**	**-**	**-**	**1**	**3**	**-**	**-**		
Strategic Management												
Strategic Management	-	31	-	-	-	-	-	-	-	-		
Strategic Management (Risk)	-	-	-	-	-	-	-	-	-	-		
Assurance Mapping	-	-	-	-	-	-	-	-	-	-		
Audit Data Analytics	-	-	-	-	-	-	-	-	-	-		
Audit Case Management System	-	24	-	-	-	-	-	-	-	-		
Total	**-**	**55**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**		
Audit Planning Contingency												
Audit Planning Contingency	-	-	-	-	-	-	-	-	-	-		
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**		
Corporate Activities Total	**9**	**272**	**1 x Satisfactory**	**1 x Satisfactory 3 x Reports 3 x Letters**	**-**	**-**	**1**	**8**	**4**	**1M**		

Name	Actual Days		Previous Assurance	Current Assurance	Direction of Travel	Analysis of Recommendations				Previous Recs Not Implemented	Comments
	22-23	23-24				Critical	High	Medium	Low		
Corporate Services and Transformation Department - The 2023-24 Audit Plan included an allocation of 690 days over the following areas											
Departmental Review - Management & Administration (CST)											
Corporate Services and Transformation Departmental Review	-	20	-	-	-	-	-	-	-	-	
Total	**-**	**20**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	
CST Themed and Operational Reviews											
Business Continuity Planning - Corporate Response	-	-	-	-	-	-	-	-	-	-	
Business Continuity Planning - ICT	-	-	-	-	-	-	-	-	-	-	
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	
CST Dept. IT Systems											
SAP System & Processes	-	3	-	-	-	-	-	-	-	-	
Corporate Database Review	-	-	-	-	-	-	-	-	-	-	
Network Infrastructure Review	-	-	-	-	-	-	-	-	-	-	
Server Infrastructure Review	-	-	-	-	-	-	-	-	-	-	
Bacs Payment System Review	15	-	Satisfactory	Satisfactory	⇔	-	-	5	-	3M	Report relates to 2022-23 Audit
E-Recruitment Review	10	-	-	-	-	-	-	-	-	-	
E-Procurement Review	-	-	-	-	-	-	-	-	-	-	
Web Site Development	-	5	-	-	-	-	-	-	-	-	
ICT Asset Management	7	-	N/A	Satisfactory	⇔	-	3	5	-	-	Report relates to 2022-23 Audit
DBS Employment Check IT System	-	-	-	-	-	-	-	-	-	-	
➢ Electronic Income & PCI Compliance	-	-	-	-	-	-	-	-	-	-	
➢ Imprest & GC5 System	-	21	-	-	-	-	-	-	-	-	
➢ IT Hardware Disposal	-	1	-	-	-	-	-	-	-	-	
➢ CST IT/IS General Support	-	6	-	-	-	-	-	-	-	-	
Total	**32**	**36**	**1 x Satisfactory**	**2 x Satisfactory**	**-**	**-**	**3**	**10**	**-**	**3M**	

Name	Actual Days		Previous Assurance	Current Assurance	Direction of Travel	Analysis of Recommendations				Previous Recs Not Implemented	Comments
	22-23	23-24				Critical	High	Medium	Low		
CST IS Contracts, Processes and General											
Software Licensing											
Total											
Divisional Activity – Core Financial Systems (CST)											
Core Financial Systems – General Queries	-	3	-	-	-	-	-	-	-	-	
Human Resources Management	-	32	-	-	-	-	-	-	-	-	
Accounts Payable	-	-	-	-	-	-	-	-	-	-	
Corporate Purchasing	1	-	Satisfactory	Limited	⬇	-	3	3	3	1H, 2M, 2L	Report relates to 2022-23 Audit
Accounts Receivable	-	3	-	-	-	-	-	-	-	-	
Accountancy, Budgetary Control and Financial Resilience	5	-	2 x Substantial	1 x Substantial 1 x Satisfactory	⬇	-	1	5	2	1M, 1L	Report relates to 2022-23 Audit
Pensions & Funds Administration	-	-	-	-	-	-	-	-	-	-	
LGPS Central	3	-	-	-	-	-	-	-	-	-	
Total	**9**	**38**	**2 x Substantial 1 x Satisfactory**	**1 x Substantial 1 x Satisfactory 1 x Limited**	**-**	**-**	**4**	**8**	**5**	**1H, 3M, 3L**	
Divisional Activity – Probity and Compliance (CST)											
HM Revenue & Customs Compliance	-	-	-	-	-	-	-	-	-	-	
Financial Regulations & Standing Orders	-	2	-	-	-	-	-	-	-	-	
Insurance & Risk Management	-	-	-	-	-	-	-	-	-	-	
Officers Travel	10	-	N/A	Letter	-	-	-	-	-	-	
Total	**10**	**2**	**-**	**1 x Letter**	**-**	**-**	**-**	**-**	**-**	**-**	
Divisional Activity – County Property Division (CST)											
Property Services Review	-	-	-	-	-	-	-	-	-	-	
Property Contractor Management	-	4	-	-	-	-	-	-	-	-	
Total		**4**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	
External Grants, Certifications and Assurance Work											
CST Departmental Grants & Certifications	-	4	-	-	-	-	-	-	-	-	

Name	Actual Days		Previous Assurance	Current Assurance	Direction of Travel	Analysis of Recommendations				Previous Recs Not Implemented	Comments	
	22-23	23-24				Critical	High	Medium	Low			
Ukraine Family Support	-	2	-	-	-	-	-	-	-	-		
D2N2 LEP	-	3	-	-	-	-	-	-	-	-		
Total	**-**	**9**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**		
Resource Led Reviews												
Council and Business Rates Administration	-	-	-	-	-	-	-	-	-	-		
Registration Service Audit Review	-	-	-	-	-	-	-	-	-	-		
Health, Safety and Wellbeing Review	-	-	-	-	-	-	-	-	-	-		
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**		
Departmental Total	**51**	**109**	**2 x Substantial 2 x Satisfactory**	**1 x Substantial 3 x Satisfactory 1 x Limited 1 x Letter**	**-**	**-**	**7**	**18**	**5**	**1H, 6M, 3L**		

Name	Actual Days 22-23	Actual Days 23-24	Previous Assurance	Current Assurance	Direction of Travel	Analysis of Recommendations Critical	High	Medium	Low	Previous Recs Not Implemented	Comments	
Children's Services – The 2023-24 Audit Plan included an allocation of 285 days over the following areas												
Departmental Review – Management & Administration (CS)												
Children's Services – Departmental Review	-	-	-	-	-	-	-	-	-	-		
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**		
External Grants, Certifications and Assurance Work												
CS Department Grants and Certifications	-	25	N/A	Limited	⟺	-	1	-	1	-	➢ Holiday Activities and Food Grant	
Schools Financial Value Standard (SFVS) Returns	-	4	N/A	N/A	-	-	-	-	-	-		
Supporting Families Programme	-	27	-	-	-	-	-	-	-	-	➢ 3 Submissions	
Total	**-**	**56**	**-**	**1 x Limited**	**-**	**-**	**1**	**-**	**1**	**-**		
Operational Reviews (CS)												
Starting Point	1	-	Satisfactory	Satisfactory	⟺	-	2	4	3	1H, 1M	Report relates to 2022-23 Audit	
Children in Care Placements	-	-	-	-	-	-	-	-	-	-		
Management of Service Demands	-	-	-	-	-	-	-	-	-	-		
Administration of Children's Homes	-	-	-	-	-	-	-	-	-	-		
Review of Traded Services	-	-	-	-	-	-	-	-	-	-		
Total	**1**	**-**	**1 x Satisfactory**	**1 x Satisfactory**	**-**	**-**	**2**	**4**	**3**	**1H, 1M**		
Primary Schools												
Thematic School Reviews	-	5	-	-	-	-	-	-	-	-		
Primary School General Queries	-	10	-	-	-	-	-	-	-	-		
Total	**-**	**15**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**		
Children's Homes												
The Willows (Peak School Chinley)	1	-	Satisfactory	Satisfactory	⟺	-	1	2	1	1M, 1L	Report relates to 2022-23 Audit	
Total	**1**	**-**	**1 x Satisfactory**	**1 x Satisfactory**	**-**	**-**	**1**	**2**	**1**	**1M, 1L**		
CS IT Systems												
Early Years and Education Management Information System	-	-	-	-	-	-	-	-	-	-		
Adult Education IT System	1	-	N/A	Satisfactory	⟺	-	-	3	-	-		

Name	Actual Days		Previous Assurance	Current Assurance	Direction of Travel	Analysis of Recommendations				Previous Recs Not Implemented	Comments
	22-23	23-24				Critical	High	Medium	Low		
School Management Information System (RM Integris)	-	-	-	-	-	-	-	-	-	-	
Total	1	-	-	1 x Satisfactory	-	-	-	3	-	-	
CS IS Contracts, Processes and General											
CS IT/IS General Support	-	1	-	-	-	-	-	-	-	-	
Total	-	1	-	-	-	-	-	-	-	-	
Resource Led Reviews											
Looked After Children/Care Leavers	-	-	-	-	-	-	-	-	-	-	
Special Educational Needs	-	-	-	-	-	-	-	-	-	-	
Adult Community Education	-	-	-	-	-	-	-	-	-	-	
Management of S106 Income	-	-	-	-	-	-	-	-	-	-	
Chapel-en-le-Frith High School	-	11	Satisfactory	Satisfactory	⇔	-	3	10	6	2H, 5M, 2L	
Whittington Green School	-	-	-	-	-	-	-	-	-	-	
Parkside Community School	-	-	-	-	-	-	-	-	-	-	
Dronfield Henry Fanshawe School	-	-	-	-	-	-	-	-	-	-	
Tibshelf Community School - A Specialist Sports College	-	9	Satisfactory	Satisfactory	⇔	-	4	4	1	1H, 2M	
Total	-	20	2 x Satisfactory	2 x Satisfactory	-	-	7	14	7	3H, 7M, 2L	
Departmental Total	3	92	4 x Satisfactory	5 x Satisfactory 1 x Limited	-	-	11	23	12	4H, 9M, 3L	

Name	Actual Days		Previous Assurance	Current Assurance	Direction of Travel	Analysis of Recommendations				Previous Recs Not Implemented	Comments
	22-23	23-24				Critical	High	Medium	Low		
Adult Social Care and Health Department – The 2023-24 Audit Plan included an allocation of 245 days over the following areas											
Departmental Review - Management and Administration											
Adult Social Care and Health Departmental Review	1	-	Satisfactory	Satisfactory	⟷	-	1	1	1	6M, 2L	Report relates to 2022-23 Audit
Public Health Review	-	1	-	-	-	-	-	-	-	-	
Total	**1**	**1**	**1 x Satisfactory**	**1 x Satisfactory**	**-**	**-**	**1**	**1**	**1**	**6M, 2L**	
Operational Reviews (AC)											
Direct Payments	1	-	Satisfactory	Substantial	⬆	-	-	4	1	3H, 1M, 1L	Report relates to 2022-23 Audit
Better Lives	27	-	-	-	-	-	-	-	-	-	
Review of Quality Assurance Framework	-	-	-	-	-	-	-	-	-	-	
Safeguarding of Adults	-	-	-	-	-	-	-	-	-	-	
Administration of Care Establishments	-	-	-	-	-	-	-	-	-	-	
Total	**28**	**-**	**1 x Satisfactory**	**1 x Substantial**	**-**	**-**	**-**	**4**	**1**	**3H, 1M, 1L**	
ASC&H IT Systems											
Mosaic Client Management	-	14	N/A	Satisfactory	⟷	-	1	3	2	-	
Imprest System	-	8	-	-	-	-	-	-	-	-	
Derbyshire Shared Care Record	-	6	-	-	-	-	-	-	-	-	
Total	**-**	**28**	**-**	**1 x Satisfactory**	**-**	**-**	**1**	**3**	**2**	**-**	
ASC&H Contracts, Processes and General											
ASC&H IT/IS General Support	-	-	-	-	-	-	-	-	-	-	
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	
External Grants, Certifications and Assurance Work											
ASC&H Department Grants and Certifications	-	-	-	-	-	-	-	-	-	-	
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	
Resource Led Reviews											
Direct Care	-	-	-	-	-	-	-	-	-	-	

Name	Actual Days		Previous Assurance	Current Assurance	Direction of Travel	Analysis of Recommendations				Previous Recs Not Implemented	Comments	
	22-23	23-24				Critical	High	Medium	Low			
Total	-	-	-	-	-	-	-	-	-	-		
Departmental Total	29	29	2 x Satisfactory	1 x Substantial 2 x Satisfactory	-	-	2	8	4	3H, 7M, 3L		

Name	Actual Days 22-23	23-24	Previous Assurance	Current Assurance	Direction of Travel	Critical	High	Medium	Low	Previous Recs Not Implemented	Comments
						Analysis of Recommendations					
Place Department – The 2023-24 Audit Plan included an allocation of 183 days over the following areas											
Departmental Management & Administration Review											
Place – Departmental Review	3	-	Substantial	Satisfactory	↓	-	1	6	1	2M, 1L	Report relates to 2022-23 Audit
Total	**3**	**-**	**1 x Substantial**	**1 x Satisfactory**	**-**	**-**	**1**	**6**	**1**	**2M, 1L**	
Operational Reviews (PL)											
Countryside Management	20	-	-	-	-	-	-	-	-	-	
Concessionary Fares	-	-	-	-	-	-	-	-	-	-	
Regeneration	-	15	-	-	-	-	-	-	-	-	
Local Transport Capital Funding Grant	-	-	-	-	-	-	-	-	-	-	
Inspection and Control of Highway Assets	-	-	-	-	-	-	-	-	-	-	
Public Library Service	-	-	-	-	-	-	-	-	-	-	
Derbyshire Records Office & Records Management	-	13	-	-	-	-	-	-	-	-	
D2N2 LEP (VP044)	-	-	-	-	-	-	-	-	-	-	
➢ Fleet Services	-	28	-	-	-	-	-	-	-	-	
Total	**20**	**56**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	
Place Dept. IT Systems											
Fleet Management System	-	-	-	-	-	-	-	-	-	-	
Waste Management Accounting System	-	-	-	-	-	-	-	-	-	-	
➢ Library Booking System	-	11	-	-	-	-	-	-	-	-	
Total	**-**	**11**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	
Place IS Contracts, Process and General											
IT/IS General Support	-	-	-	-	-	-	-	-	-	-	
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	
External Grants, Certifications and Assurance Work											
Place Department Grants and Certifications	5	1	-	-	-	-	-	-	-	-	➢ Multiply Funding ➢ Hardship Flood Funding Grant

| Name	Actual Days 22-23	Actual Days 23-24	Previous Assurance	Current Assurance	Direction of Travel	Critical	High	Medium	Low	Previous Recs Not Implemented	Comments	
Total	**5**	**1**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**		
Resource Led Reviews												
Review of Waste Management	-	-	-	-	-	-	-	-	-	-		
Public Transport & Taxi Contracts	4	-	N/A	Satisfactory	⟺	-	2	-	1	-	Report relates to 2022-23 Audit	
Trading Standards	-	-	-	-	-	-	-	-	-	-		
Total	**4**	**-**	**-**	**1 x Satisfactory**	**-**	**-**	**2**	**-**	**1**	**-**		
Departmental Total	**32**	**68**	**1 x Substantial**	**2 x Satisfactory**	**-**	**-**	**3**	**6**	**2**	**2M, 1L**		

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
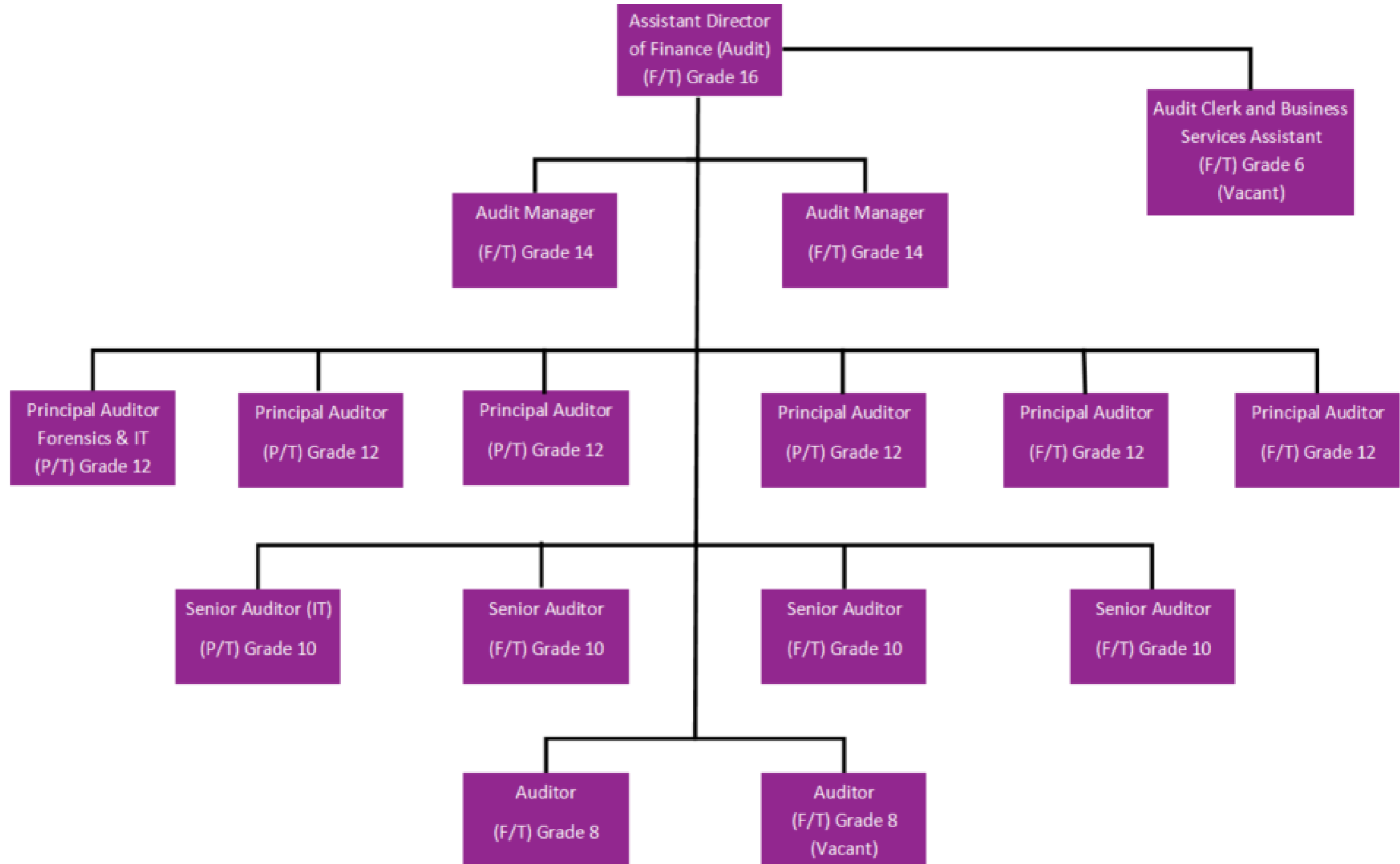
Appendix 3 - Key Performance Indicators 2023-24

Indicator	Target	2021-22	2022-23	2023-24	Comments
Audit Plan – Achievement of planned Audit days	95%	89%	95%	89%	This includes 124 days relating to 2022/23 audit work
Completion of Audit staff Personal Development Reviews (PDRs) 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%	0%	100%	17%	1 review completed
Limited Audit Opinions reviewed by Assistant Director of Finance (Audit) within 10 days of completion of Draft Report	100%	100%	40%	50%	
Percentage of Draft Audit Report issued within 15 working days of fieldwork completion	95%	25%	47%	41%	
Percentage of Final Audit Report issued within 28 working days of issue of Draft Audit Report	95%	67%	70%	65%	
Percentage of Recommendations made which are implemented at the time of follow up Audit	90%	66%	73%	75%	
Audit Assurance – To provide an assurance to the Authority on the adequacy and effectiveness of risk management, control and governance processes	N/A	✓	✓	N/A	Completed annually towards year-end
Client Satisfaction – Percentage of questionnaire responses rating the Audit as good or very good	90%	10%	100%	100%	5 questionnaires returned
Annual Survey of Key Stakeholders	N/A	✓	✓	N/A	Completed annually towards year-end
Delivery of Audit Opinion to Management and Audit Committee in time to inform AGS	N/A	✓	✓	N/A	Completed annually towards year-end