

Audit Services Unit Progress Against Audit Plan 2023-24 31 December 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 nine months to 31 December 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.

Contents		Page
Background to the Progress Report		2
Current Progress		3
Summary of Audit Opinions (Reports Issued up to 31 December 2023)		5
Audit Resources and Activities		6
Detailed Analysis – Corporate Activities		9
Detailed Analysis – Corporate Services and Transformation		10
Detailed Analysis – Children's Services		13
Detailed Analysis – Adult Social Care and Health		15
Detailed Analysis – Place		17
Appendices		
1.	Progress Against the 2023-24 Audit Plan	19
2.	Audit Services Structure	28
3.	Key Performance Indicators 2023-24	29

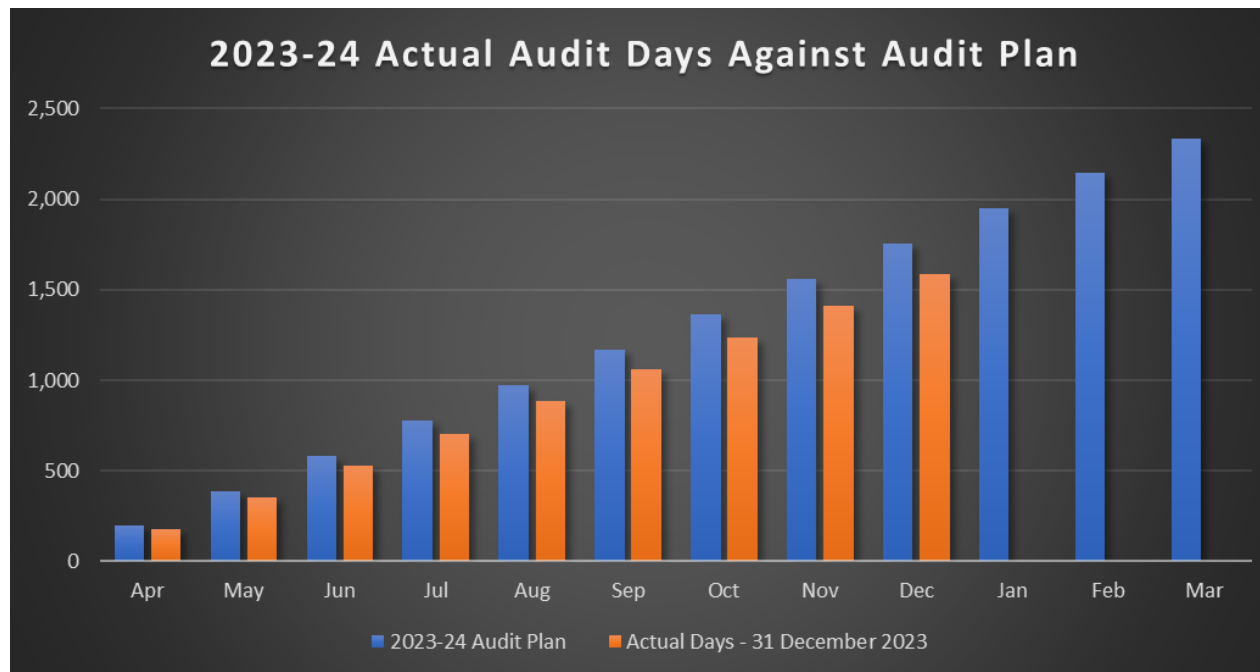
Current Progress

This progress report takes the Unit up to nine months into the delivery of the Approved Plan for 2023-24. As noted in the last progress report to this Committee, Audit Services were encountering some difficulties in getting engagement with service areas to allow effective and timely delivery of audits within the plan. The issue has been discussed with Director of Finance and escalated up to the Council Management Team (CMT) meeting and engagement with Executive Directors remains ongoing. To ensure the audit service is adding valuing and addressing key risk areas some amendments to the original audit plan have taken place. Moreover, to address the current key risks being faced in particular to the financial difficulties affecting the Council, additional focused audit work will be delivered during quarter 4. Through the assessment of the current risk environment and prioritising the audit services time available, adjustments have been made to the plan including removal of specific audits, replacing others and adding in new audits. The table in Appendix 1 provides full details.

Over the past nine months the Audit Team have issued a total of 43 final audit reports with senior management responses (18 for 2022-23 and 25 for 2023-24) and 11 letters. In addition to the final audit reports, we have issued 6 further draft reports for 2023-24.

Areas where the Audit team are a good way through the fieldwork for the 2023-24 reviews include:

- Ukraine Family Support.
- Adult Community Education.
- Corporate Website Administration
- Trading Standards.
- ICT Business Continuity Review
- HM Revenue and Customs Compliance.
- Agency Governance Arrangements (phase 2).



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	6
Actual days delivered to date	2,633	1,588	Satisfactory	39	23
Percentage of Audit days delivered	95%	68%	Limited	9	8
Total Number of Reports and Letters issued	86	54	No	0	-
Reports/Letters issued since last Progress Report (1 st November – 31 st December 2023)	11	17	Others (including letters)	24	17
Draft Reports issued awaiting management response (1 st November – 31 st December 2023)	2	6	Total	85	54

Whilst the actual days currently delivered 1,588 is again below the expected target of 1,753 the reasons for the shortfall remain consistent with those outlined in the previous Progress Reports mainly staff vacancies. Whilst I do not consider the available audit resource will restrict the coverage of the Audit Plan at this point, steps have been taken to ensure effective use of audit days across quarter 4. These include:

- A more focused audit planning approach to match audit time to key risks and controls.
- Increasing use of data available to provide greater audit coverage in a shorter time period.
- Subtle changes to the programming of assigned work within the audit team. This provides all audit staff with enhanced autonomy to manage their audit reviews and deliver clearer accountability for the outcomes.

As mentioned previously, feedback received through the External Quality Assessment (EQA) further improvements will be sought. Detailed analysis of Audit work is included in the Audit Resources and Activities section below (pages 9-18) with a summary of work against the agreed annual plan provided in **Appendix 1**.

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

	Corporate Activities		Corporate Services and Transformation		Children's Services		Adult Social Care & Health		Place	
2022-23 Reviews	Climate Change		Departmental Review		Starting Point		Direct Payments		Departmental Review	
			ICT Asset Management		The Willows (Childrens Home)		Best Life Derbyshire		Public Transport & Taxi Contracts	
			E-Recruitment Review				Departmental Review		Countryside Management	
			BACS Payment System Review							
			Accountancy and Budgetary Control							
			County Procurement							
Priority Reviews	D2N2 LEP		Departmental Review		Safeguarding Thematic School Reviews		Public Health		Derbyshire Records Office & Records Management	
	Agency Governance Arrangements		Property Contractor Management		External Grants		Administration of Care Establishments		Fleet Services	
	Customer Complaints and Enquiries Process		Ukraine Family Support		Supporting Families Programme		External Grants		Regeneration	
	Workforce Development		External Grants		Finance Thematic School Reviews		Safeguarding Adults		External Grants	
	Delivery & Commissioning/ Partnership Working		HMRC Compliance		Traded Services - Educational Psychologists		Quality Assurance Framework		Concessionary Fares	
	Corporate Culture		Business Continuity Planning - Corporate Response		Administration of Children's Homes		Departmental Review		Inspection and Control of Highway Assets	
	Modern Ways of Working		Property Services Review		Children in Care Placements				Public Library Service	
	Portfolio Management Office		Insurance and Risk Management		Management of Service Demands				Departmental Review	
	East Midlands Freeport				Departmental Review					
	County Deals									
	Asset Optimisation (Corporate Landlord)									
	Departmental IT Systems	IT Governance		Electronic Income & PCI Compliance		Adult Education System		Mosaic Client Management System		Library Booking System
Data Governance		Imprest & GC5 System		Early Years and Education Management Information System		Imprest System (Phoenix System)		Fleet Management System		
		DBS Employment Check		School Management Information System (RM Integris)		Mosaic Data Leakage		Waste Management Accounting System		
		Business Continuity Planning - ICT				Derbyshire Shared Care Record				
		Cloud Future Assessment								
		Website Development								
		SAP System & Processes								
		eProcurement System								
		Corporate Network (Data Leakage)								
		Software Licensing								
		IT Hardware Disposal								
		Resource Led Reviews				Registration Services				4 Secondary School Audits
Council & Business Rates Administration					Adult Community Education		Direct Care		Trading Standards	
Health, Safety & Wellbeing					Special Educational Needs				Review of Waste Management	
					Looked After Children / Care Leavers					
					Management of S106 Income					
Key Financial Systems		HR Management	Accounts Payable	Accounts Receivable	Corporate Purchasing	LGPS Central Audit (External Body Audit)	Pensions and Funds Administration	Capital Accounting	Accountancy, Budgetary Control and Financial Resilience	
IT & IS Reviews		Network Infrastructure Review		Server Infrastructure Review			BACS Payment System Review		Corporate Database Review	
Audit Opinions		Substantial	Satisfactory	Limited	No	Review Being Scheduled	Review in Progress	Review Nearly Complete		

Audit Resources and Activities

Following the Council's announcement on the budget pressures and need to control its expenditure, including a freeze on recruitment, the Audit structure will remain at its current level for the immediate future. The impacts of any changes to staffing levels will be continually monitored and any concerns on the ability to provide an opinion on the Council's control, risk and governance frameworks, will be raised directly with the Audit Committee, Senior Management and Director of Finance in his role as the Section 151 Officer. As previously reported to the Audit Committee a number of changes to the way in which Audit Services are operating is looking to maximise the time available to ensure an efficient and effective service is being delivered.

Performance Indicators (PIs)

Details of the current outcomes for the 2023-24 Audit Plan up to 31 December 2023, are summarised at **Appendix 3** together with previous years' activities to enable comparison. As part of the recent EQA discussions were held with the assessor in regard to the Unit's current set of PIs compared to those of our sector peers. It is my aim to have a revised suite of PIs that will provide the Committee with a richer understanding of the efficiency within the Audit available to discuss with the Chair of Audit Committee for implementation as part of the 2024-25 Audit Plan.

External Quality Assessment (EQA)

The EQA of Audit Services was completed in mid-December 2023 by the Chartered Institute of Internal Auditors, with the assessor spending two days on site with the audit team, reviewing information and conducting a number of stakeholder interviews. We are pleased to report to the committee that the Final Report of the work was received at the end of December and the report is attached at Appendix 4 in full for information. The conclusion of the EQA confirmed that the ***"Internal Audit Service conforms with most of the Standards, as well as the Definition, Core Principles, and the Code of Ethics, which form the mandatory elements of the PSIAS and the Institute of Internal Auditors' IPPF, the globally recognised standard of quality in Internal Auditing"***.

Furthermore, some of the key achievements noted in the report are summarised below:

- Derbyshire County Council have an established Audit Services function, valued by the key stakeholders we spoke to during this EQA review and mirrored in most of the associated survey feedback.

- The governance framework over the Internal Audit service is mature, with well-established Audit Committee oversight, regular meetings, communications, reporting and performance monitoring.
- A CAE - with an extensive internal audit background - leads the Internal Audit Service, supported by two experienced Audit Managers and a competent and longstanding team. The CAE has been in post since the summer. Stakeholders view the CAE as an appropriate leader, who has begun to make a positive difference to the service since his arrival.
- Audit Services undertake a range of diverse assurance and advisory engagements. These include coverage of emerging areas of risk and control relevant to the local authority sector.
- We received positive responses to our questions about the wider team and its services from those we interviewed and surveyed. Key stakeholders felt confidence in the way the Audit Services had established effective working relations, their approach to planning, and the way in which the team increasingly engages with its clients throughout the engagement process.
- Audit Services develop and deliver an annual risk-based audit plan for the Council. The CAE aims to make this a more agile plan in its next iteration. Key stakeholders felt clearly engaged and appropriately involved in the design of the risk-based plan. The CAE and their senior colleagues actively monitor team performance and have implemented appropriate engagement-level quality assurance checks.

The report also provided three recommendations to improve conformance with the standards, which are accepted and have an assigned action to address. The Audit Committee will see the completion of the recommendations through usual reporting to the Committee.

Recommendations		Response and action date
1	The CAE should describe the safeguards to limit impairments where the CAE undertakes non-audit activities (namely Insurance and Risk Management) and include these in a revised internal audit charter.	Agreed. This will be picked up as part of the update of the internal audit charter that will take place in 2024 in line with the release of the new global internal audit standards. May 2024

Recommendation		Response and action date
2	The CAE should develop a proportionate, formal approach to better articulate the function's Quality Assurance and Improvement Programme and to drive a culture of continuous improvement across the function	Agreed. An Audit Strategy that maps out the Quality, Assurance and Improvement Programme for the service will be developed to guide the improvements of the audit service over the short, medium and long term. May 2024

Recommendation		Response and action date
3	The CAE should finalise a proportionate, formal approach to assurance mapping, coordination and - where appropriate - reliance, to enhance the function's risk-based planning, delivery and the effectiveness of assurance provided to key stakeholders.	Agreed. A new approach to Assurance Mapping is already in development, it will be trialled initially in Q4 of 23-24 before a full roll out during 2024-2025.

Overall, it was pleasing to see good organisation engagement in the assessment that provided good feedback for the Unit. The assessment also provided support for a number of ongoing developments within the Audit Services team and the recommendations received aim to keep momentum as the unit looks to develop moving forward.

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	644	Satisfactory	-	2
Percentage of Audit Days Delivered	100%	69.0%	Limited	1	1
Number of Reports and Letters issued	15	12	No	-	-
			Other (including letters)	12	9

Outcome reported to the Audit Committee on 19 September 2023 & 5 December 2023

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

Audit Investigations

A number of Audit Investigations are currently ongoing and, whilst time is budgeted for this as part of the Annual Audit Plan, this has an impact on the ability to delivery other elements of the internal audit plan. Audit Services have issued a further report in the period since the last progress report, 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.

Audits in Progress

- Agency Governance Arrangements.
- IT Governance Review.
- D2N2 LEP.
- Customer Complaints and Enquiries Process.

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	3
Actual days delivered to date	555	458	Satisfactory	8	7
Percentage of Audit Days Delivered	84.1%	66.4%	Limited	2	3
Number of Reports Issued	17	15	No	-	-
			Other (including letters)	2	2

Outcome reported to the Audit Committee on 19 September 2023 & 5 December 2023

- Accountancy & Budgetary Control (2022-23) – 2 Reports
 - BACS Payment System (2022-23)
 - ICT Asset Management (2022-23)
 - County Procurement (2022-23)
 - Corporate Services and Transformation Departmental Review 2023-24
 - E-Recruitment System
 - Accounts Receivable
- 1 Substantial and 1 Satisfactory Assurance
Satisfactory Assurance Report Issued
Satisfactory Assurance Report Issued
Limited Assurance Report Issued
Satisfactory Assurance Report Issued
Satisfactory Assurance Report Issued
Substantial Assurance Report Issued

Pensions and Funds Management - Substantial Assurance Report Issued

As the administering authority for the Derbyshire Pension Fund, the review identified that the Council has established a robust governance framework to provide oversight and scrutiny of the administration of members pensions and the investment decisions made by the fund.

The review of administration of member's pensions identified that the service is well managed, and a review of a sample of pension records confirmed that pensions records had been adequately updated, payments were being made correctly and stopped when appropriate.

Electronic Income & PCI Compliance - Satisfactory Assurance Report Issued

As the Council accepts credit and debit card payments, there is a requirement to comply with Payment Card Industry Data Security Standards (PCI DSS) when processing card transactions. The security standards are designed to reduce payment card fraud by embedding controls around cardholder data including the use of encryption. Overall, the audit confirmed that satisfactory procedures were in place to complete the annual PCI DSS security questionnaire, undertake periodic vulnerability assessments on the payment card infrastructure and take steps to monitor signs that 'chip and pin' terminals have been tampered with.

Capital Accounting – Satisfactory Assurance Report Issued

The Council holds a significant number of assets in the form of land, buildings, property, plant and equipment on its balance sheet. As at 31 March 2023, the value of these assets was around £1.884bn with a further £313m to be spent on capital projects in 2023-24. The Capital Section is responsible for applying the Council's rules around capital spend and for maintaining a list of capital assets. Each year, a Capital Strategy is produced which is aligned with the Council Plan and CIPFA's Prudential Code for Capital Finance in Local Authorities (2021). The review identified improvements in respect of SAP functionality and detailed guidance which details a consistent and compliant approach to the capitalisation of expenditure.

Imprest & GC5 System - Limited Assurance Report Issued

Cash accounts are managed using the Imprest system, which maintains a record of transactions from the accounts, reconciles Debit Card transactions and has been recently enhanced to record client transactions as part of the 'Phoenix' system replacement project.

The review established that the Imprest system was written in programming language and is operating on outdated software which could present compatibility issues as upgrades are introduced. At the time of the review, the system administrator was not aware of this risk and no alternative arrangements to address this scenario had been planned.

Human Resources Management – Limited Assurance Report Issued

Human Resources Management is a major system review which examines the administration of payroll including policies and procedures, user access control to the SAP HR & Payroll System and staff development. It also examines employee payments and deductions and performance management.

A number of years ago, electronic HR folders were introduced within the Council's Electronic Document and Records Management (EDRM) IT system for line managers and staff to have a central location to save HR related issues. A review of the usage statistics for the EDRM system shows that over 60% of those with access have not taken up this opportunity. In addition, salary overpayments are a significant issue.

Support and Advice 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. | ✓ Data Protection. | ✓ SAP Implementation Project Board. |
| ✓ Information Governance. | ✓ Finance Officers'. | ✓ Asset Optimization Project. |

Audits in Progress

- | | |
|-------------------------------------|---------------------------------------|
| • Corporate Network (Data Leakage). | • Ukraine Family Support. |
| • eProcurement IT system Review. | • Business Continuity Planning – ICT. |
| • Software Licensing. | • External Grants. |
| • IT Hardware Disposal. | • Cloud Future Assessment. |
| • HM Revenue & Customs Compliance. | • SAP System & Processes. |
| • Property Contractor Management. | |

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	1
Actual days delivered to date	476	207	Satisfactory	9	6
Percentage of Audit Days Delivered	97.7%	72.6%	Limited	4	1
Number of Reports Issued	22	14	No	-	-
			Other (including letters)	7	6

Outcome reported to the Audit Committee on 19 September 2023 & 5 December 2023

- Starting Point (2022-23) Satisfactory Assurance Report Issued
- Schools 1 Substantial and 3 Satisfactory Assurance Reports Issued
- Adult Education IT System Satisfactory Assurance Report Issued
- Holiday Activities and Food Grant Limited Assurance Report Issued

Thematic School Reviews (Safeguarding) – 6 Letters Issued

Audit testing was developed in partnership with the Children’s Services department to provide an overview of the governance and administrative arrangements for the safeguarding of children in schools. The review examined compliance with Keeping Children Safe in Education (KCSIE), statutory guidance provided by the Department for Education.

The overall outcome of the review found that the schools were managing safeguarding in line with statutory guidance, although there were some areas where the schools visited did not fully comply with the guidance.

Support and Advice Work

- ✓ Completion of assurance work in respect of the Youth Offending Service Police Commissioner's grant.
- ✓ Provision of monthly assurance work as part of the Supporting Families submissions.

Audits in Progress

- Early Years and Education Management Information IT System.
- Adult Community Education.
- Supporting Families Programme.
- Finance Thematic School Reviews.

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	113	Satisfactory	19	4
Percentage of Audit Days Delivered	106.6%	46.1%	Limited	1	1
Number of Reports Issued	25	6	No	-	-
			Other (including letters)	2	-

Outcome reported to the Audit Committee on 19 September 2023 & 5 December 2023

- Direct Payments (2022-23) Substantial Assurance Report Issued
- Departmental Review (2022-23) Satisfactory Assurance Report Issued
- Mosaic Client Management Satisfactory Assurance Report Issued
- Best Life Derbyshire (2022-23) Satisfactory Assurance Report Issued
- Phoenix Replacement System Limited Assurance Report Issued



Public Health - Satisfactory Assurance Report Issued

The purpose of this audit was to evaluate the adequacy and effectiveness of the controls relating to Public Health strategy and governance, commissioning and procurement, financial and performance management and grants administration.

Good practice was identified in many areas of the review with key documentation in place. Contracts were in place for all grants awarded to external bodies. However, whilst these included reference to clinical governance, no actual clinical governance audits have taken place.

Audits in Progress

- Mosaic Data Leakage.
- Castle Court Establishment.

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	1
Actual days delivered to date	174	166	Satisfactory	3	4
Percentage of Audit Days Delivered	75.7%	90.7%	Limited	2	2
Number of Reports Issued	7	7	No	-	-
			Other (including letters)	1	-

Outcome reported to the Audit Committee on 19 September 2023 & 5 December 2023

- Departmental Review (2022-23) Satisfactory Assurance Report Issued
- Public Transport & Taxi Contracts (2022-23) Satisfactory Assurance Report Issued
- Countryside Management (2022-23) Limited Assurance Report Issued
- Fleet Services Satisfactory Assurance Report Issued

Derbyshire Records Office & Records Management - Substantial Assurance Report Issued

The Derbyshire Records Office (DRO) provides the archives and local studies services for the county and houses various collections. In addition to the formal role of managing, storing and cataloguing records the DRO also serves a wider community. The archives are used for a range of purposes by professionals and individuals alike, seeking evidence relating to legal matters and researching the past and family history. Overall, the review confirmed operational procedures continue to be effective to monitor the archives/ collections, and that storage accommodation remains suitable to limit deterioration and unauthorised access.

Regeneration - Satisfactory Assurance Report Issued

The Regeneration Service is responsible for providing project management, design and planning support to regional regeneration projects. It has clear objectives, as defined within the Place Service Plan 2023-25, and an allocated budget

against which performance is regularly monitored. Potential improvements have however been identified in relation to the provision of appropriate training to staff and the creation of an Operating Manual to provide staff with guidance on approved systems and processes.

Library Booking System- Limited Assurance Report Issued

This review of the Library Booking System highlighted the current challenges faced by the Council in balancing an individual's right to privacy, whilst ensuring public facilities are not open to misuse by individuals.

Support and Advice Work

- ✓ Providing support to the Multiply Funding Project Board.

Audits in Progress

- Trading Standards.

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

Below provides the Audit Committee with the time audit has spent in delivery of the 2023-24 Audit Plan up to 31st December 2023:

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 Activities – The 2023-24 Audit Plan included an allocation of 934 days over the following areas												
Corporate Projects												
Workforce Development	-	-	-	-	-	-	-	-	-	-	Replaced with an audit of PDR Completion.	
Corporate Culture	-	-	-	-	-	-	-	-	-	-	Defer into 24/25 but to reconsider audit approach to this area.	
Delivery & Commissioning/Partnership Working	-	-	-	-	-	-	-	-	-	-	Planning Stage for Q4	
Climate Change	9	-	Satisfactory	Satisfactory	↔	-	-	5	4	1M	Report relates to 2022-23 Audit	
Modern Ways of Working	-	2	-	-	-	-	-	-	-	-	Advice & Guidance	
Asset Optimisation (Corporate Landlord)	-	1	-	-	-	-	-	-	-	-	Advice & Guidance	
IT Governance	-	14	-	-	-	-	-	-	-	-	At Final Report Stage	
Data Governance	-	1	-	-	-	-	-	-	-	-	Advice & Guidance	
Agency Governance Arrangements-Phase 1	-	18	-	-	-	-	-	-	-	-	Additional Audit added to the approved plan	
Agency Governance Arrangements-Phase 2	-	5	-	-	-	-	-	-	-	-	Additional Audit added to the approved plan	
Portfolio Management Office	-	1	-	-	-	-	-	-	-	-	Planning stage, but potentially to be removed from the 23/24 Plan	
Customer Complaints	-	3	-	-	-	-	-	-	-	-	Fieldwork to start January 24	
East Midlands Freeport	-	-	-	-	-	-	-	-	-	-	Advice & Guidance, no work requested to date	
County Deals	-	-	-	-	-	-	-	-	-	-	Advice & Guidance, no work requested to date	
Corporate Governance												
Embedding Corporate Governance	-	19	-	-	-	-	-	-	-	-	Meeting Attendance & Support	
Information Governance Group & Support	-	7	-	-	-	-	-	-	-	-	Meeting Attendance & Support	
Cyber Security Group & Support	-	-	-	-	-	-	-	-	-	-	Meeting Attendance & Support	
Data Protection Group & Support	-	4	-	-	-	-	-	-	-	-	Meeting Attendance & Support	

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			
Governance Group & Support	-	-	-	-	-	-	-	-	-	-	Meeting Attendance & Support	
Audit Committee & Support	-	13	-	-	-	-	-	-	-	-	Meeting Attendance & Support	
Corporate Fraud Arrangements												
External Audit Liaison	-	-	-	-	-	-	-	-	-	-	As required	
National Fraud Initiative	-	48	-	-	-	-	-	-	-	-	NFI Report Issued Jan 24	
National Anti-Fraud Network	-	-	-	-	-	-	-	-	-	-	As required	
RIPA Management & Admin	-	14	-	-	-	-	-	-	-	-	Inspection & policy update	
Counter Fraud and Audit Investigations	-	322	-	1 x Satisfactory 1 x Limited 6 x Reports 3 x Letters	-	-	11	9	-	-		
Strategic Management												
Strategic Management Incl. Audit Case Management System	-	145	-	-	-	-	-	-	-	-	Management Time	
Strategic Management (Risk)	-	16	-	-	-	-	-	-	-	-	Management Time	
Assurance Mapping, Continuous Auditing & Data Analytics	-	2	-	-	-	-	-	-	-	-	Management Time	
Corporate Activities Total	9	635	1 x Satisfactory	2 x Satisfactory 1 x Limited 6 x Reports 3 x Letters	-	-	11	14	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	-	21	Satisfactory	Satisfactory	↔	-	1	3	1	1M, 3L		
CST Themed and Operational Reviews												
Business Continuity Planning - ICT	-	18	-	-	-	-	-	-	-	-	Fieldwork Completed	
Business Continuity Planning	-	1	-	-	-	-	-	-	-	-	Fieldwork Start due Q4	
CST Dept. IT Systems												
SAP System & Processes	-	11	-	-	-	-	-	-	-	-	Fieldwork Ongoing	

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 Database Review	-	-	-	-	-	-	-	-	-	-	To review with service area based on risk level and availability	
Network Infrastructure Review	-	-	-	-	-	-	-	-	-	-	Fieldwork Due Q4	
Server Infrastructure Review	-	-	-	-	-	-	-	-	-	-	To review with service area based on risk level and availability	
Bacs Payment System Review	15	-	Satisfactory	Satisfactory	↔	-	-	5	-	3M	Report relates to 2022-23 Audit 2023-24 fieldwork Due Q4	
E-Recruitment Review	11	-	Satisfactory	Satisfactory	↔	-	3	3	-	1H, 2M	Report relates to 2022-23 Audit	
eProcurement IT System Review	-	4	-	-	-	-	-	-	-	-	Fieldwork Due Q4	
Website Development	-	27	-	-	-	-	-	-	-	-	Fieldwork Completed	
ICT Asset Management	7	-	N/A	Satisfactory	↔	-	3	5	-	-	Report relates to 2022-23 Audit	
➤ Electronic Income & PCI Compliance	-	11	N/A	Satisfactory	↔	-	-	4	-	-		
➤ Imprest & GC5 System	-	27	Satisfactory	Limited	↓	-	3	4	1	1H, 1M		
➤ Cloud Future Assessment	-	10	-	-	-	-	-	-	-	-	Additional Audit added to the approved plan	
➤ Corporate Network (Data Leakage)	-	4	-	-	-	-	-	-	-	-	Fieldwork Completed	
CST IS Contracts, Processes and General												
Software Licensing	-	14	-	-	-	-	-	-	-	-	Fieldwork Completed	
IT Hardware Disposal	-	2	-	-	-	-	-	-	-	-	Advice & Guidance	
CST IT/IS General Support	-	16	-	-	-	-	-	-	-	-	Advice & Guidance	
Divisional Activity – Core Financial Systems (CST)												
Core Financial Systems – General Queries	-	4	-	-	-	-	-	-	-	-	Advice & Guidance	
Human Resources Management	-	42	Satisfactory	Limited	↓	2	-	3	2	2H, 1L		
Corporate Purchasing	1	-	Satisfactory	Limited	↓	-	3	3	3	1H, 2M, 2L	Report relates to 2022-23 Audit	
Accounts Receivable	-	29	Substantial	Substantial	↔	-	-	-	2	1L		
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	
Capital Accounting	-	17	N/A	Satisfactory	↔	-	4	-	-	-	Additional Audit added to the approved plan	

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			
Pensions & Funds Administration	-	48	Substantial	Substantial	↔	-	-	1	1	3L		
LGPS Central	3	-	-	-	-	-	-	-	-	-	Review of External Body	
Accounts Payable	-	1	-	-	-	-	-	-	-	-	Fieldwork due Q4	
Divisional Activity – Probity and Compliance (CST)												
HM Revenue & Customs Compliance	-	18	-	-	-	-	-	-	-	-	Fieldwork Completed	
Financial Regulations & Standing Orders	-	3	-	-	-	-	-	-	-	-	Meeting attendance and support	
Insurance & Risk Management	-	-	-	-	-	-	-	-	-	-	Removed from plan, to review approach 24/25	
Officers Travel	10	-	N/A	1 Letter	-	-	-	-	-	-		
Divisional Activity – County Property Division (CST)												
Property Contractor Management	-	31	-	-	-	-	-	-	-	-	Fieldwork Completed	
Property Services Review	-	-	-	-	-	-	-	-	-	-	To review following above	
External Grants, Certifications and Assurance Work												
CST Departmental Grants & Certifications	-	14	-	-	-	-	-	-	-	-	Ongoing Grant Support	
Ukraine Family Support	-	9	-	-	-	-	-	-	-	-	Fieldwork Completed	
D2N2 LEP	-	24	-	1 Letter	-	-	-	-	-	-		
Resource Led Reviews												
Council and Business Rates Administration	-	-	-	-	-	-	-	-	-	-	To review based on risk level and availability	
Registration Service Audit Review	-	-	-	-	-	-	-	-	-	-	To review based on risk level and availability	
Health, Safety and Wellbeing Review	-	-	-	-	-	-	-	-	-	-	To review based on risk level and availability	
Departmental Total	52	406	4 x Substantial 6 x Satisfactory	3 x Substantial 7 x Satisfactory 3 x Limited 2 x Letter	-	2	18	36	12	5H, 10M, 11L		

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			
Children’s Services – The 2023-24 Audit Plan included an allocation of 285 days over the following areas												
Departmental Review – Management & Administration (CS)												

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			
Children's Services – Departmental Review	-	1	-	-	-	-	-	-	-	-	Replaced with more detailed work	
External Grants, Certifications and Assurance Work												
CS Department Grants and Certifications	-	30	N/A	Limited	↔	-	1	-	1	-	Holiday Activities and Food Grant YOS Commissioner's Grant Youth Justice Board Grant	
Schools Financial Value Standard (SFVS) Returns	-	5	-	-	-	-	-	-	-	-	Support & Guidance	
Supporting Families Programme	-	48	-	-	-	-	-	-	-	-	3 Submissions	
Operational Reviews (CS)												
Starting Point	1	-	Satisfactory	Satisfactory	↔	-	2	4	3	1H, 1M	Report relates to 2022-23 Audit	
Review of Traded Services – Educational Psychologists	-	1	-	-	-	-	-	-	-	-	Additional Audit added to the approved plan	
Children in Care Placements	-	-	-	-	-	-	-	-	-	-	To review with service area based on risk level and availability	
Management of Service Demands	-	-	-	-	-	-	-	-	-	-	To review with service area based on risk level and availability	
Administration of Children's Homes	-	-	-	-	-	-	-	-	-	-	To review with service area based on risk level and availability	
Primary Schools / Children's Homes												
Safeguarding Thematic School Reviews	-	31	N/A	6 Letters	-	-	-	-	-	-		
Finance Thematic School Reviews	-	5	-	-	-	-	-	-	-	-	Fieldwork Ongoing	
Primary School General Queries	-	21	-	-	-	-	-	-	-	-	Advice & Guidance	
The Willows (Peak School Chinley)	1	-	Satisfactory	Satisfactory	↔	-	1	2	1	1M, 1L	Report relates to 2022-23 Audit	
CS IT Systems												
Early Years and Education Management Information System	-	4	-	-	-	-	-	-	-	-	Fieldwork Ongoing	
Adult Education IT System	1	-	N/A	Satisfactory	↔	-	-	3	-	-		
CS IT/IS General Support	-	2	-	-	-	-	-	-	-	-	Advice & Guidance	
School Management Information System (RM Integris)	-	-	-	-	-	-	-	-	-	-	Removed – to be reviewed in light of developments	
Resource Led Reviews												
Adult Community Education	-	12	-	-	-	-	-	-	-	-	Fieldwork Completed	
Chapel-en-le-Frith High School	-	12	Satisfactory	Satisfactory	↔	-	3	10	6	2H, 5M, 2L		

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			
Whittington Green School	-	11	Satisfactory	Satisfactory	↔	-	2	9	-	2H, 2M, 4L		
Parkside Community School	-	-	-	-	-	-	-	-	-	-	To review based on risk level and availability	
Dronfield Henry Fanshawe School	-	11	Satisfactory	Substantial	↑	-	-	1	2	1L		
Tibshelf Community School - A Specialist Sports College	-	10	Satisfactory	Satisfactory	↔	-	4	4	1	1H, 2M		
Looked After Children/Care Leavers	-	-	-	-	-	-	-	-	-	-	To review based on risk level and availability	
Special Educational Needs	-	-	-	-	-	-	-	-	-	-	To review based on risk level and availability	
Management of S106 Income	-	-	-	-	-	-	-	-	-	-	To review based on risk level and availability	
Departmental Total	3	204	6 x Satisfactory	1 x Substantial 6 x Satisfactory 1 x Limited 6 x Letters	-	-	13	33	14	6H, 11M, 8L		





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	2	Satisfactory	Satisfactory	↔	-	1	1	1	6M, 2L	Report relates to 2022-23 Audit	
Public Health Review	-	36	Satisfactory	Satisfactory	↔	-	1	1	-	-		
Operational Reviews (AC)												
Direct Payments	1	-	Satisfactory	Substantial	↑	-	-	4	1	3H, 1M, 1L	Report relates to 2022-23 Audit	
Better Life Derbyshire	28	-	N/A	Satisfactory	↔	-	-	2	2	-	Report relates to 2022-23 Audit	
Review of Quality Assurance Framework	-	-	-	-	-	-	-	-	-	-	To review with service area based on risk level and availability	
Safeguarding of Adults	-	-	-	-	-	-	-	-	-	-	To review with service area based on risk level and availability	
Administration of Care Establishments	-	-	-	-	-	-	-	-	-	-	To review with service area based on risk level and availability	
ASC&H IT Systems												
Mosaic Client Management	-	14	N/A	Satisfactory	↔	-	1	3	2	-	Report relates to 2022-23 Audit	

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			
Imprest System (Phoenix System)	-	10	N/A	Limited	↔	-	2	-	-	-		
Derbyshire Shared Care Record	-	6	-	-	-	-	-	-	-	-	Phase 2 of work deferred to 24/25	
Mosaic Data Leakage	-	10	-	-	-	-	-	-	-	-	Additional Audit – Fieldwork Complete	
Resource Led Reviews												
Direct Care	-	-	-	-	-	-	-	-	-	-	To review based on risk level and availability	
Castle Court HOP	-	5	-	-	-	-	-	-	-	-	Additional Audit added to the approved plan	
Departmental Total	30	83	3 x Satisfactory	1 x Substantial 4 x Satisfactory 1 x Limited	-	-	5	11	6	3H, 7M, 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			
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	3	Substantial	Satisfactory	↓	-	1	6	1	2M, 1L	Report relates to 2022-23 Audit	
Operational Reviews (PL)												
Countryside Management	21	-	Limited	Limited	↔	-	1	3	-	-	Report relates to 2022-23 Audit	
Regeneration	-	26	No	Satisfactory	↑	-	3	4	1	-		
Derbyshire Records Office & Records Management	-	27	Satisfactory	Substantial	↑	-	-	4	-	3H, 1M		
Fleet Services	-	31	Satisfactory	Satisfactory	↔	-	3	6	-	1H, 3M	Additional Audit added to the approved plan	
Concessionary Fares	-	-	-	-	-	-	-	-	-	-	To review with service area based on risk level and availability	
Inspection and Control of Highway Assets	-	-	-	-	-	-	-	-	-	-	To review with service area based on risk level and availability	
Public Library Service	-	-	-	-	-	-	-	-	-	-	To review with service area based on risk level and availability	
Place Dept. IT Systems												
Fleet Management System	-	-	-	-	-	-	-	-	-	-	Removed – Fleet Services Audit completed	
Waste Management Accounting System	-	-	-	-	-	-	-	-	-	-	To review with service area based on risk level and availability	

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			
➤ Library Booking System	-	14	N/A	Limited	↔	-	2	3	-	-	Additional Audit added to the approved plan	
External Grants, Certifications and Assurance Work												
Place Department Grants and Certifications	5	7	-	-	-	-	-	-	-	-	➤ Multiply Funding ➤ Hardship Flood Funding Grant	
Local Transport Capital Funding Grant	-	6	-	-	-	-	-	-	-	-		
Resource Led Reviews												
Public Transport & Taxi Contracts	4	-	N/A	Satisfactory	↔	-	2	-	1	-	Report relates to 2022-23 Audit	
Trading Standards	-	18	-	-	-	-	-	-	-	-	Fieldwork Completed.	
Passenger Transport Unit	-	1	-	-	-	-	-	-	-	-	Additional Audit	
Review of Waste Management	-	-	-	-	-	-	-	-	-	-	To review based on risk level and availability	
Departmental Total	33	133	1 x Substantial 2 x Satisfactory 1 x Limited 1 x No	1 x Substantial 4 x Satisfactory 2 x Limited	-	-	12	26	3	4H, 6M, 1L		

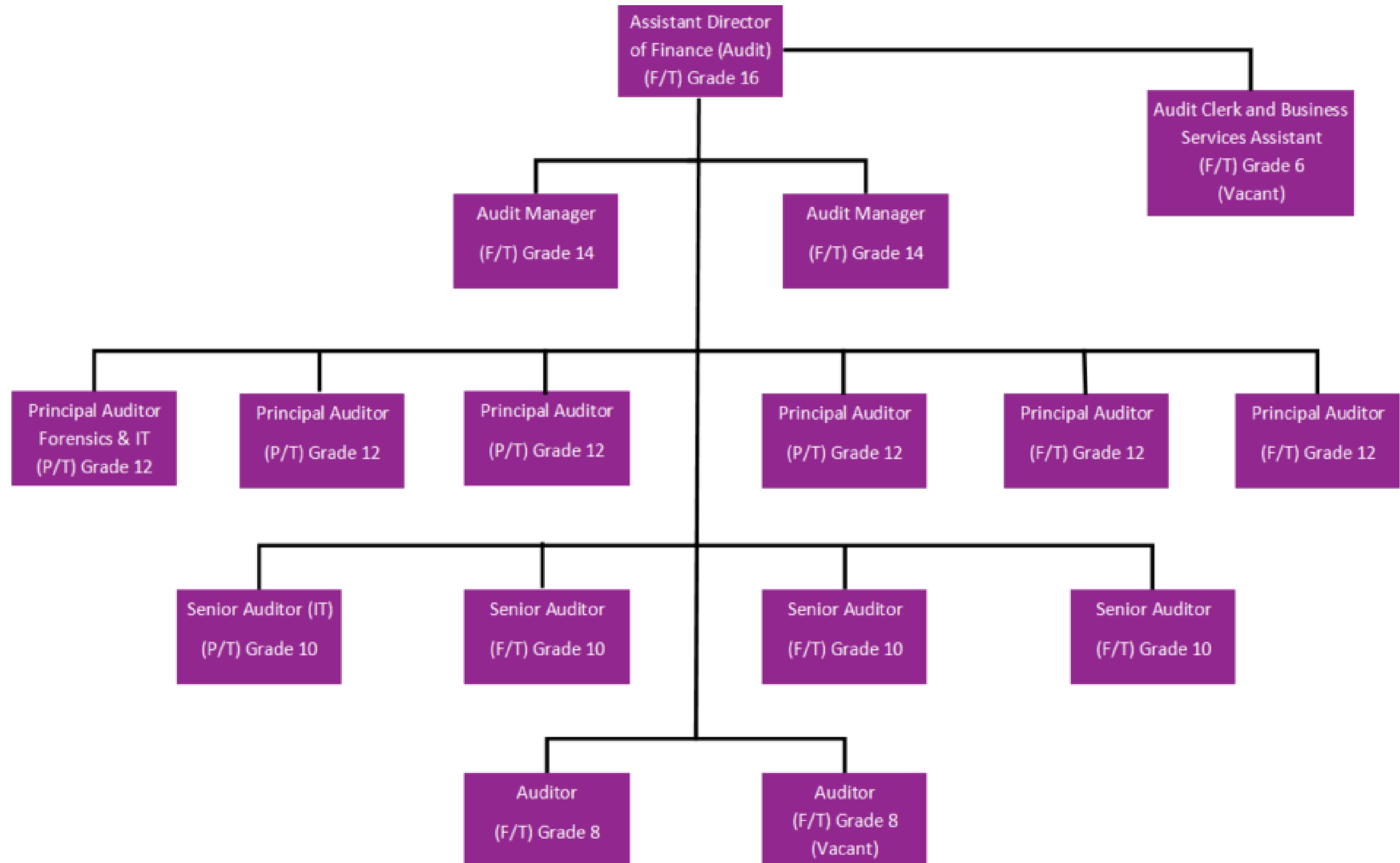
Audit Opinions are categorized based upon the assurance that Management may draw on the adequacy and effectiveness of the overall control framework in operation as follows:

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 - Performance Indicators 2023-24

				2023-24 Progress			Comments
Indicator	Target	2021-22	2022-23	July 2023	Oct 2023	Dec 2023	
Audit Plan – Achievement of planned Audit days	95%	89%	95%	89%	93%	91%	This includes 127 days relating to 2022/23 audit work. (124 days at the 5 December 2023 progress update)
Completion of Audit staff Personal Development Reviews (PDRs) and training identified	100%	100%	100%	100%	100%	100%	Mid-year reviews completed.
Undertake a risk based Annual Audit Plan formulation exercise	N/A	✓	✓	✓	✓	✓	No change from last progress update report.
Undertake quality assurance reviews of Audits (1 for each Principal Auditor per year)	100%	0%	100%	17%	33.3%	50%	3 of the 6 Principal Auditor reviews completed. (2 reviews reported in the 5 December 2023 update)
Limited Audit Opinions reviewed by Assistant Director of Finance (Audit) within 10 days of completion of Draft Report	100%	100%	40%	50%	40%	50%	4 of 8 Reports achieved target* (2 of 5 Reports achieved target as reported in the 5 December 2023 update)
Percentage of Draft Audit Report issued within 15 working days of fieldwork completion	95%	25%	47%	40%	43%	48%	20 of 43 Reports achieved target (12 of 28 Reports achieved target as reported in the 5 December 2023 update)
Percentage of Final Audit Report issued within 28 working days of issue of Draft Audit Report	95%	67%	70%	57%	65%	66%	21 of 33 Reports achieved target (15 of 23 Reports achieved target as reported in the 5 December 2023 update) Excludes schools and establishments due to term time working
Percentage of Recommendations made which are implemented at the time of follow up Audit	90%	66%	73%	75%	67%	75%	224 of 300 Recommendations Implemented (176 of 240 Recommendations Implemented as reported in the 5 December 2023 update)
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	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%	91%	93%	14 questionnaires returned. (11 questionnaires reported in the 5 December update report)
Annual Survey of Key Stakeholders	N/A	✓	✓	N/A	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	N/A	N/A	Completed annually towards year-end.

* Five Limited Audit Opinion reports were issued in draft prior to me commencing in post.