

DERBYSHIRE COUNTY COUNCIL

AUDIT COMMITTEE MEETING

2 February 2021

Report of the Assistant Director of Finance (Audit)

AUDIT SERVICES UNIT – PROGRESS AGAINST AUDIT PLAN 2020-21

1. Purpose of Report

To inform Members of progress against the approved Audit Services Plan for 2020-21 as at 31 December 2020.

2. Information & Analysis

At the meeting of this Committee held on 27 May 2020 Members approved the Audit Services Plan for 2020-21 which had been formulated from our risk assessment drawn from a wide range of sources including the Council Plan, the Council's strategic risk register, Departmental risk registers, service plans and meetings with Executive Directors and Directors. These meetings included the Executive Director of Commissioning, Communities and Policy (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 2020 and represents work undertaken during that period which is detailed in Appendix 1. An analysis of the priority criteria for Audit recommendations and assurance levels is provided in Appendix 2. In common with previous years some work forming part of last year's approved Audit Services Plan was completed and reported in the current year which is identified at Appendix 1. Audit staff routinely follow up progress against agreed recommendations as part of subsequent work in that area.

At the meeting of the Audit Committee held on 24 November 2020 Members received a report detailing progress against the approved Audit Services Plan for the seven months to 31 October 2020. Members will recall that at the last meeting of this Committee held on 8 December 2020 I presented a report following a detailed review of the Audit Services Plan, including the status of individual projects identified, and forecast potential, available resources to 31 March 2021.

The situation regarding delivery of the approved Audit Services Plan continues to be closely monitored and an updated forecast is attached at Appendix 3. This is not significantly changed from the previous forecast reported to the Committee on 8 December 2020.

Operational Matters

The Audit Services Unit continues to progress its approved programme of work, including those areas of additional, unplanned work which were necessary to support Senior Management facing the challenges of the pandemic, and undertaking “deep dives” into specific areas of risk in greater detail.

Coronavirus

The potential impact of the coronavirus has previously been reported to the Audit Committee and these factors still remain which are detailed below:-

- Timing of Audit work;
- Additional, unplanned work;
- Potential impact of frauds, scams and errors;
- Home working and social distancing;
- Access to records;
- Access to premises;
- Return to business as usual.

The country is currently in lockdown and it is now approaching a year since the start of the first lockdown and it is still not possible to determine if, how and when the Council’s services will return to normal. It is clear that the coronavirus will have an impact on the Unit’s activities for some time and will be a factor in the preparation of the Audit Services Plan for 2021-22.

Staffing

I have submitted formal notification of my intention to retire on 31 March 2021 after over thirty years’ service with the Council. A Principal Auditor has recently resigned and approval is being sought to fill this post. The vacant Senior Auditor post has been filled by internal promotion with effect from 18 January 2021 and action is being taken to fill the resulting vacancy at Auditor level. The Unit’s sickness absence continues to remain at a higher level than estimated and at 31 December 2020 220 days had been lost through sickness absence. Consequently available staffing resources remain under considerable pressure.

Monitoring and Delivery of the Audit Services Plan

Despite the impact of the coronavirus and reduced resources, Audit staff will continue to focus on the delivery of the Audit Services Plan and supporting Senior Management during these challenging times for the Council. Current restrictions prevent certain planned activities from taking place including school and establishment Audits.

The delivery of Audit work is routinely monitored on a weekly basis by Senior Audit Management and progress against the Audit Services Plan will continue to be regularly reported to the Audit Committee. It is essential that the Audit Services Plan can continue to respond to changing and emerging threats to the Council’s governance, control and risk management framework.

Where planned Audit activity does not take place Senior Management may wish to seek or build upon other forms of assurance and accept a higher level of risk. The achievement of the Audit Services Plan and output from Audit work will inform the annual Audit Opinion provided by the Assistant Director of Finance (Audit), as Head of Internal Audit.

At 31 December 2020 1,894 productive days have been delivered against the pro-rata target of 2,163 days (total planned days for 2020-21 is 2,884). This includes 477 days deployed on projects not specifically included in the original Audit Services Plan.

3. Considerations

In preparing this report the relevance of the following factors has been considered: financial, legal, prevention of crime and disorder, equality and diversity, human resources, environmental, health, property and transport considerations.

4. Background Papers

A file held by the Assistant Director of Finance (Audit).

5. Officer's Recommendation

That the Committee note the information on progress to date against the approved Audit Services Plan.

Carl Hardman
Assistant Director of Finance (Audit)

DERBYSHIRE AUDIT SERVICES
INTERNAL AUDIT PLAN 2020/21

The information summarized below by Service Department identifies the work approved and actual time spent for the period ending 31 December 2020.

Corporate Activities

It is intended to spend 1,060 days on the Audit of Corporate Activities which will be allocated over the following areas:-

Audit Area	Level of Risk	Plan Days	Actual Days		No of Reports	Level of Assurance	Analysis of Recommendations				Recs Not Acceptd	Recs Not Implmtd	Comments	
			19-20	20-21			C	H	M	L				
Corporate Projects														
• Workforce Development/ Succession Planning	H	30	1	3	-	-	-	-	-	-	-	-	-	Agreed project based approach with the Director of Organisation Development and Policy.
• Cyber Security	H	30	-	-	1	Other	-	-	-	-	-	-	-	Report issued to the Council's Information Governance Group. Cyber Security Group established.
• Audit of Corporate Culture	H	30	-	-	-	-	-	-	-	-	-	-	-	Not able to progress due to the Covid-19 pandemic.
• Climate Change	H	30	-	-	-	-	-	-	-	-	-	-	-	Work to be scheduled later in 2020-21.
• Major Incident Response	M/H	30	-	-	-	-	-	-	-	-	-	-	-	Work to be scheduled later in 2020-21.
• Maintenance of Council Properties	M/H	30	-	44	1	Limited	-	3	6	2	-	-	-	-
• New Delivery & Commissioning Models/Partnership Working	M/H	30	-	-	-	-	-	-	-	-	-	-	-	Some Audit work has been completed.
• Data Protection Compliance	M/H	20	-	32	1	Other	-	-	-	-	-	-	-	Report issued to the Council's Information Governance Group.
• Supply Chain Failure	M/H	20	-	29	1	Qualified	-	4	2	1	-	1 (1H)	-	-
• Health and Safety & Wellbeing	M/H	20	-	5	-	-	-	-	-	-	-	-	-	Not able to progress due to the Covid-19 pandemic.
• Serious and Organised Crime	M/H	10	-	3	1	Other	-	-	-	-	-	-	-	Initial data washing exercises undertaken with Police.
• D2N2 LEP	M	50	-	52	1	Other	-	-	-	-	-	-	-	-
• emPSN (SCo & ICo)	M	5	-	2	-	-	-	-	-	-	-	-	-	Attendance at emPSN Audit Committee.
• Financial Resilience & Achievement of Budget Reductions	H	-	2	-	1	Qualified	-	3	12	6	2 (1H, 1M)	9 (1H, 5M, 3L)	-	Memo relates to 2019/20.

Audit Area	Level of Risk	Plan Days	Actual Days		No of Reports	Level of Assurance	Analysis of Recommendations				Recs Not Acceptd	Recs Not Implmtd	Comments	
			19-20	20-21			C	H	M	L				
Corporate Governance including:-														
• Embedding Corporate Governance	H	40	12	42	1	Qualified	-	-	-	-	-	-	-	Referred to individual schools.
• Business Continuity Planning	H	20	-	3	1	Limited	1	2	1	-	-	7 (5H, 1M, 1L)	-	Memo relates to 2019/20. Not able to progress 2020-21 due to the Covid-19 pandemic.
• Corporate Health Check	H	20	-	-	-	-	-	-	-	-	-	-	-	Unlikely to progress due to resource constraints.
• Information Governance Group and Support	H	20	-	43	-	-	-	-	-	-	-	-	-	Monthly reports provided to the Information Governance Group summarising Audit activity.
• Services to Members	H	-	17	-	1	Qualified	-	12	11	5	-	9 (2H, 5M, 2L)	-	Memo relates to 2019/20.
Corporate Fraud Prevention	H	425	27	108	2	1 Letter 1 Other	-	11	-	-	-	-	-	This includes work on:- <ul style="list-style-type: none"> • NFI; • publication of NAFN alerts; • surveillance and data communications compliance; • liaison with External Audit; • Special Investigations; • Raising Fraud Awareness.
Audit Contingency	-	200	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL		1,060	59	366	12		1	35	32	14	2	26		

Commissioning, Communities and Policy

It is intended to spend **705** days on the Audit of the Commissioning, Communities and Policy Department which will be allocated over the following areas:-

Audit Area	Level of Risk	Plan Days	Actual Days		No of Reports	Level of Assurance	Analysis of Recommendations				Recs Not Acceptd	Recs Not Implmtd	Comments
			19-20	20-21			C	H	M	L			
Departmental Review - Management & Administration	M	60	8	35	1	Qualified	-	6	12	8	3 (1H, 1M, 1L)	15 (2H, 5M, 8L)	Memo relates to 2019/20. Current year Audit in progress. Also includes additional time used to support the Department with individual queries, a number of which relate to revised operational procedures as a result of the pandemic.
External Grants & Certifications	M/H	10	-	-	-	-	-	-	-	-	-	-	-
Information Security Reviews	M/H	45	-	73	4	3 Qualified 1 Other	-	3	4	7	-	9 (6H, 3M)	New and enhanced IT systems which require approval by the Director of Finance & ICT. IT solution testing and head office visits to ensure systems incorporate core data protection principles, and do not compromise the Council's ISO27001 accreditation in accordance with the requirements of the protocol developed with the Director of Finance & ICT.
Themed and Operational													
• Implementation of ICT Strategy	M/H	25	-	-	-	-	-	-	-	-	-	-	-
• Communications and Call Derbyshire	M/H	25	-	-	-	-	-	-	-	-	-	-	Not able to progress due to the Covid-19 pandemic.
• Democratic Services	M	25	-	-	-	-	-	-	-	-	-	-	Work to be scheduled later in 2020/21.
• Public Library Service	M/L	5	-	-	-	-	-	-	-	-	-	-	Not able to progress due to the Covid-19 pandemic.
• Community Safety	M/H	-	13	-	1	Qualified	-	1	9	1	1 (1M)	5 (4M, 1L)	Memo relates to 2019/20.
Divisional Activity													
Corporate Finance													
Major Systems	H	285	28	131	7	4 Substantial 2 Qualified 1 Limited	-	17	44	31	9 (1H, 5M, 3L)	21 (8H, 10M, 3L)	Due to the nature of these key reviews they are routinely work in progress at the year end. Work on Human Resources, Accounts Payable, Procurement, Funds Management and Treasury Management reported in year. Memos relates to 2019/20. Reviews of Accounts Receivable and Asset Management relate to 2020/21.

Key to Level of Risk: H – High, M – Medium, L – Low

Key to Recommendations: C – Critical, H – High, M – Medium, L - Low 4

Audit Area	Level of Risk	Plan Days	Actual Days		No of Reports	Level of Assurance	Analysis of Recommendations				Recs Not Acceptd	Recs Not Implmtd	Comments
			19-20	20-21			C	H	M	L			
Probity and Compliance	M/H	95	62	-	2	2 Qualified	-	3	12	6	6 (3M, 3L)	3 (1H, 2M)	HM Revenue & Customs Compliance and Pensions Administration reviews. Memos relate to 2019/20.
Corporate/Departmental ICT Services	M/H	90	25	62	1	Limited	-	13	5	4	1 (1M)	8 (5H, 3M)	Work includes assessments of new and existing IT systems together with specific reviews of the Systems Development Controls, BACS and Systems Interfaces.
County Property	M/H	20	-	-	-	-	-	-	-	-	-	-	Reported in December 2020 that this will not be completed.
Regulatory Registration Service	M/L	20	-	-	-	-	-	-	-	-	-	-	Not able to progress due to the Covid-19 pandemic.
TOTAL		705	136	301	16		-	43	86	57	20	61	

Children's Services

It is intended to spend **650** days on the Audit of the Children's Services Department which will be allocated over the following areas:-

Audit Area	Level of Risk	Plan Days	Actual Days		No of Reports	Level of Assurance	Analysis of Recommendations				Recs Not Accepted	Recs Not Implmtd	Comments
			19-20	20-21			C	H	M	L			
Departmental Review - Management & Administration	M	45	7	34	1	Qualified	-	7	11	9	1 (1L)	15 (6H, 6M, 3L)	Memo relates to 2019/20.
Information Security Reviews	M/H	35	1	3	1	Qualified	-	-	3	-	-	-	New and enhanced IT systems which require approval by the Director of Finance & ICT. IT solution testing and head office visits to ensure systems incorporate core data protection principles, and do not compromise the Council's ISO27001 accreditation in accordance with the requirements of the protocol developed with the Director of Finance & ICT. Memo relates to 2019/20.
Schools													
Nursery, Primary & Special	M/H	348	-	125	11	10 Qualified 1 Limited	-	60	86	59	-	48 (20H, 17M, 11L)	It should be noted that Audit opinions and recommendations made relating to schools and establishments are categorized in relation to the school or establishment and not the Council.
Secondary	M/H	56	-	-	-	-	-	-	-	-	-	-	No Audits scheduled from a planned total of 8 reviews.
Information Security Reviews	M/H	35	5	6	2	Qualified	-	-	-	-	-	-	New and enhanced IT systems which require approval by the Director of Finance & ICT. IT solution testing and head office visits to ensure systems incorporate core data protection principles, and do not compromise the Council's ISO27001 accreditation in accordance with the requirements of the protocol developed with the Director of Finance & ICT. 1 Memos relates to 2019/20.
Children's Homes	M/H	16	-	-	-	-	-	-	-	-	-	-	Not able to progress due to the Covid-19 pandemic.
Derbyshire Outdoors	M/L	10	-	-	-	-	-	-	-	-	-	-	Not able to progress due to the Covid-19 pandemic.
Themed & Operational													
• Use of Personal Budgets and Children with SEND	H	25	-	49	-	-	-	-	-	-	-	-	-
• Adult Community Education	M/H	25	-	33	1	Substantial	-	-	2	6	-	2 (1H, 1M)	-

Key to Level of Risk: H – High, M – Medium, L – Low

Key to Recommendations: C – Critical, H – High, M – Medium, L - Low 6

Audit Area	Level of Risk	Plan Days	Actual Days		No of Reports	Level of Assurance	Analysis of Recommendations				Recs Not Accepted	Recs Not Implmtd	Comments
			19-20	20-21			C	H	M	L			
• Derbyshire Music Partnership	M/L	25	-	-	-	-	-	-	-	-	-	-	Not able to progress due to the Covid-19 pandemic.
• Troubled Families Programme	M/L	30	-	37	5	Other	-	-	-	-	-	-	Grant claims.
• Starting Point	H	-	2	-	1	Qualified	-	8	6	2	1 (1L)	6 (3H, 1M, 2L)	Memo relates to 2019/20.
• Impact of Children in Care	M	-	-	6	1	N/A	-	1	-	1	-	2 (1M, 1L)	Follow-up review not in original Audit Plan.
• Commissioning & Partnership Working	M	-	-	7	-	-	-	-	-	-	-	-	Follow-up review not in original Audit Plan.
TOTAL		650	15	300	23		-	76	108	77	2	73	

Adult Social Care and Health

It is intended to spend 299 days on the Audit of the Adult Social Care and Health Department which will be allocated over the following areas:-

Audit Area	Level of Risk	Plan Days	Actual Days		No of Reports	Level of Assurance	Analysis of Recommendations				Recs Not Accepted	Recs Not Implmtd	Comments
			19-20	20-21			C	H	M	L			
Departmental Review - Management & Administration	M	45	-	44	1	Qualified	-	7	7	9	-	12 (5H, 4M, 3L)	Memo relates to 2019/20.
Public Health	M/H	25	-	-	-	-	-	-	-	-	-	-	Unlikely to be completed due to the Covid-19 pandemic.
Information Security Reviews	M/H	70	1	11	2	Limited	-	5	1	-	-	-	New and enhanced IT systems which require approval by the Director of Finance & ICT. IT solution testing and head office visits to ensure systems incorporate core data protection principles, and do not compromise the Council's ISO27001 accreditation in accordance with the requirements of the protocol developed with the Director of Finance & ICT. Memos relates to 2019/20.
Social Care													
Elderly Residential	M/H	24	-	-	-	-	-	-	-	-	-	-	It should be noted that Audit opinions and recommendations made relating to establishments are categorized in relation to the establishment and not the Council. Not able to progress due to the Covid-19 pandemic.
Physical/Mental Disability	M/H	24	-	-	-	-	-	-	-	-	-	-	Not able to progress due to the Covid-19 pandemic.
Day Care & Hostels	M/H	20	-	-	-	-	-	-	-	-	-	-	Not able to progress due to the Covid-19 pandemic.
Community Care Centres	M/H	16	-	-	-	-	-	-	-	-	-	-	Not able to progress due to the Covid-19 pandemic.
Themed & Operational													
• Review of Quality Assurance Framework	H	25	-	3	-	-	-	-	-	-	-	-	-
• Direct Payments	H	25	-	34	-	-	-	-	-	-	-	-	-
• Delayed Transfers of Care and Data Accuracy	M/H	25	-	30	1	Qualified	-	5	5	1	3 (3M)	-	-

Key to Level of Risk: H – High, M – Medium, L – Low

Key to Recommendations: C – Critical, H – High, M – Medium, L - Low 8

Audit Area	Level of Risk	Plan Days	Actual Days		No of Reports	Level of Assurance	Analysis of Recommendations				Recs Not Acceptd	Recs Not Implmtd	Comments
			19-20	20-21			C	H	M	L			
• Deputyship	M/H	-	17	-	1	Qualified	-	4	7	4	-	5 (4H, 1M)	Memo relates to 2019/20.
• Private Residential Care	M/H	-	7	-	1	N/A	-	-	1	-	-	-	Relates to 2019/20 Audit Plan, work suspended due to Covid-19, no opinion formed.
• Emergency Response and Service Continuity	M	-	-	8	-	-	-	-	-	-	-	-	Follow-up review not in original Audit Plan
• Domiciliary Care	M	-	-	7	1	Qualified	-	2	4	1	-	8 (2H, 5M, 1L)	Follow-up review not in original Audit Plan
TOTAL		299	25	137	7		-	23	25	15	3	25	

Economy, Transport and Environment

It is intended to spend **170** days on the Audit of the Economy, Transport & Communities Department which will be allocated over the following areas:-

Audit Area	Level of Risk	Plan Days	Actual Days		No of Reports	Level of Assurance	Analysis of Recommendations				Recs Not Accepted	Recs Not Implmtd	Comments
			19-20	20-21			C	H	M	L			
Departmental Review - Management & Administration	M	45	29	7	1	Qualified	-	5	13	9	2 (1M, 1L)	11 (4H, 6M, 1L)	Memo relates to 2019/20.
Information Security Reviews	M/H	15	2	11	2	Qualified	-	-	6	-	-	-	New and enhanced IT systems which require approval by the Director of Finance & ICT. IT solution testing and head office visits to ensure systems incorporate core data protection principles, and do not compromise the Council's ISO27001 accreditation in accordance with the requirements of the protocol developed with the Director of Finance & ICT. 1 Memo relates to 2019/20.
• Public Transport and Procurement of Taxis (including Vetting of Contractors)	M/H	25	-	-	-	-	-	-	-	-	-	-	Not able to progress due to the Covid-19 pandemic.
• Waste Management	M/H	25	-	-	-	-	-	-	-	-	-	-	Work to be scheduled later in 2020/21.
• Inspection and Control of Highways Assets	M/H	25	-	4	-	-	-	-	-	-	-	-	-
• Concessionary Fares	M/H	20	-	-	-	-	-	-	-	-	-	-	Not able to progress due to the Covid-19 pandemic.
• Grants	M/H	15	-	23	2	2 Other	-	-	-	-	-	-	Local Transport Capital Funding Grant & Bus Services Operators Grant.
• Regeneration	M	-	-	2	-	-	-	-	-	-	-	-	Follow-up review not in original Audit Plan.
TOTAL		170	31	47	5		-	5	19	9	2	11	

Additional Unplanned Work (As reported to Audit Committee on 27 May 2020) – (See analysis on page 14)

Audit Area	Level of Risk	Plan Days	Actual Days		No of Reports	Level of Assurance	Analysis of Recommendations				Recs Not Acceptd	Recs Not Implmtd	Comments
			19-20	20-21			C	H	M	L			
Audit Management Support	M/H	-	-	62									
Departmental Audit Support	M/H	-	-	20									
Individual Unplanned Projects relating to the Council's Activities:-													
<ul style="list-style-type: none"> • Duplicate Payments (VfM) 	M	-	-	20	1	Substantial	-	-	-	-	-	-	539,000 Council invoices analysed. No duplicates identified based on criteria including supplier, amount and date of invoice. 174,000 school invoices analysed. Potential duplicate payments identified £16,943.59.
<ul style="list-style-type: none"> • Photocopier Charges (VfM) 	M	-	-	12	1	Qualified	-	2	-	1	-	-	Review of photocopier charges in accordance with the Council's current contract provisions.
<ul style="list-style-type: none"> • Software Licencing (VfM) 	M	-	-	-									Assess current licensing arrangements across Departments to evaluate costs and use of licenses.
<ul style="list-style-type: none"> • Gas and Electricity Charges (VfM) 	M	-	-	2									Verify the Council's energy usage is registered with the correct supplier and billed in accordance with contract rates.
<ul style="list-style-type: none"> • Agency Staff Charges (VfM) 	M/H	-	-	8	-	-	-	-	-	-	-	-	Review the level and usage of agency staff. Assess governance arrangements in place with individual suppliers. Audit Services will work with HR to review the use of Agency Staff across the Council
<ul style="list-style-type: none"> • Directorship Review (Gov) 	H	-	-	66									Utilising the publically available Companies House data to match information against staff declarations of personal and business interests.
<ul style="list-style-type: none"> • Network Access Procedure (IS) 	M/H	-	-	8									Review of staff network access against periods of leave to identify potential instances of user account compromise.

Audit Area	Level of Risk	Plan Days	Actual Days		No of Reports	Level of Assurance	Analysis of Recommendations				Recs Not Accepted	Recs Not Implmtd	Comments
			19-20	20-21			C	H	M	L			
• CCTV Expenditure (VfM)	M/L	-	-	3									Following the review of the Council's Surveillance Camera Procedures (2019/20), assess CCTV charges across the Authority.
• Recruitment & Selection Costs (VfM)	M	-	-	-									Assess the level of costs in accordance with the Council's approved Recruitment and Selection procedures.
• Hospitality Costs (VfM)	M	-	-	18	1	Qualified	-	1	3	1	1 (1M)	-	Assess the level of costs in accordance with the Council's procedures.
• Memberships & Subscriptions (VfM)	M/L	-	-	20									Review the nature and extent of costs relating to external memberships and subscriptions to professional bodies and other organisations etc.
• Core Finance System Access (IS)	M/H	-	-	-									Review of staff access to core finance systems (SAP) against periods of leave to identify potential instances of user account compromise.
• Mosaic System Access (IS)	M/H	-	-	6									Review of staff access (Mosaic) against periods of leave to identify potential instances of user account compromise.
• Provisions for Suppliers and Contractors (Gov)	M/H	-	-	15									Review of payments to suppliers and contractors to ensure continuity of income and maintain further services.
• DfE Digital Devices for Disadvantaged Groups (Gov)	H	-	-	4									Assist Children's Services colleagues to implement robust controls for the management of the Department for Education (DfE) IT devices project.
• Covid 19 Returns & Executive Director Decisions (Gov)	H	-	-	48	2	Other	-	-	-	-	-	-	Review of returns to MCHLG in respect of additional expenditure incurred by the Council due to Covid-19 and lost sales/income. The work relating to lost sales/income enabled the Director of Finance & ICT to sign the claim. Audit Services will continue to work with Finance Managers on future claims.

Audit Area	Level of Risk	Plan Days	Actual Days		No of Reports	Level of Assurance	Analysis of Recommendations				Recs Not Accepted	Recs Not Implmtd	Comments
			19-20	20-21			C	H	M	L			
<ul style="list-style-type: none"> Suppliers Registered with the ICO (IS) 	M	-	-	13									Compare the publically available register of organisations from the Information Commissioner's Office (ICO) against the Council's Accounts Payable records to assess whether organisations that have been paid by the Authority are registered with the ICO where appropriate.
<ul style="list-style-type: none"> Home to School Transport Grant 	M	-	-	5									
<ul style="list-style-type: none"> Covid Winter Grant Scheme 	M	-	-	1									
<p>Individual Unplanned Projects relating to the Schools. Activities analysed over the following reviews:-</p> <ul style="list-style-type: none"> Agency Staff Charges (VfM) CCTV Expenditure (VfM) Directorship Review (Gov) Gas and Electricity Charges (VfM) Hospitality Costs (VfM) Photocopier Charges (VfM) Recruitment & Selection Costs (VfM) Software Licencing (VfM) Memberships & Subscriptions (VfM) 	M/H	-	-	146									The scope of the school reviews was similar to the work undertaken above in relation to activities and transactions processed by the Council.
TOTAL	-	-	-	477	5		3	3	2	1			
Key : (VfM) – Value for Money focused Audit review (Gov) – Governance focused Audit review (IS) – Information Security/ Data Protection focused Audit review.													

Audit Recommendations

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

Level	Category	Definition
1	Critical	Significant strategic, financial or reputational risks where immediate remedial action is considered essential.
2	High	The absence of, significant weaknesses 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.

Audit Opinions

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

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

Level of Assurance	Explanation and significance
	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 Services - Progress Against the Audit Plan 2020-21 – January 2021

Name	Planned Days	Current Status	Audit Prepped	Audit Started	In Review	Audit Complete	Memo Issued	Comments
Corporate Activities	1,060							
Corporate Projects	335							
VP018 East Midlands Broadband (emPSN)	5							
VP037 Workforce Development/ Succession Planning	30							Agreed project based approach with the Director of Organisation Development & Policy.
VP044 D2N2 LEP (Growth Hub Funding Grant)								
VP044 D2N2 LEP (Main Audit)	50							
VP047 Supply Chain Failure	20							Work will also be included in Departmental Audit reviews in addition to the central review.
VP053 Cyber Security Review	30							Cyber Security Group established.
VP055 Corporate Culture	30							Not able to progress due to the Covid-19 pandemic.
VP056 Health & Safety	20							Not able to progress due to the Covid-19 pandemic.
VP058 Serious & Organised Crime	10							Preliminary data washing has been undertaken. This initiative is to be further developed.
VP062 Data Protection Compliance	20							
VP064 New Delivery & Commissioning Models/Partnership Working	30							Some Audit work has been completed.
VP066 Maintenance of Council Properties	30							
VP067 Climate Change	30							Work to be scheduled later in 2020-21.
VP068 Major Incident Response	30							Work to be scheduled later in 2020-21.
VP069 Fraud Awareness	50							Audit not included in original Audit Plan.
Corporate Governance	100							
CO002 Business Continuity Planning	20							Not able to progress due to the Covid-19 pandemic.
CR001 Embedding Corporate Governance	40							Supporting the Audit Committee and the work of the Governance Group.
CR001 Embedding Corporate Governance	5							Audit not included in original Audit Plan. Work undertaken in respect of declarations of interest.
CR006 Corporate Health Check	20							Unlikely to progress due to resource constraints.
CR007 Information Governance Group & Support	20							Supporting the work of the IGG.

Name	Planned Days	Current Status	Audit Prepped	Audit Started	In Review	Audit Complete	Memo Issued	Comments
CR007 Security Incidents Review	5							Audit not included in original Audit Plan.
Corporate Fraud Prevention	425							
CZ100 External Audit Liaison	5							
CZ200 National Fraud Initiative	20							Data submitted by required deadline. Further work required.
CZ300 National Anti-Fraud Network	10							Information disseminated to Members and Senior Management.
CZ400 RIPA Management & Admin	5							External Inspection of Council's procedures. Policy to be reviewed and training to be provided to appropriate staff.
ZZ000 Internal Audit-Special Investigations General	385							Time allocation to undertake special investigations.
Audit Planning Contingency	200							
XX000 Audit Planning Contingency	200							
Commissioning, Communities and Policy Department	705							
Departmental Review - Management & Administration (CCP)	115							
CA100 Commissioning, Communities and Policy Departmental Review	40							
CA101 Commissioning, Communities and Policy - General Support	20							
CA102 External Grants and Certifications	10							
CA104 Information Security and Follow Up Reviews	45							
DK840 Property Services - Accounting System (CCP)	5							Part of CA104 allocation.
DK917 County Pension System (CCP)	5							Part of CA104 allocation
Operational Reviews	80							
CO006 Public Library Service	5							Not able to progress due to the Covid-19 pandemic.
CO007 Democratic Services	25							Work to be scheduled later in 2020-21.
CO008 Communications and Call Derbyshire	25							Not able to progress due to the Covid-19 pandemic.
CO009 Implementation of ICT Strategy	25							Work to be scheduled later in 2020-21.

Name	Planned Days	Current Status	Audit Prepped	Audit Started	In Review	Audit Complete	Memo Issued	Comments
Regulatory	20							
QE100 Registration Service Audit Review	20							Not able to progress due to the Covid-19 pandemic.
Divisional Activity - Corporate/Departmental IT Systems	90							
DK100 Systems Development Controls (CCP)	20							
DK500 Network Infrastructure Review (CCP)	15							
DK823 Server Infrastructure Review (CCP)	20							
DK888 Bacs Payment System Review (CCP)	15							Work to be scheduled later in 2020-21.
DK923 Corporate Database Review (CCP)	20							
DK125 - Core System Interfaces (Corporate)	5							Audit not included in original Audit Plan.
Divisional Activity - Core Financial Systems (CCP)	285							
MA100 Core Financial Systems - General Queries	5							
MB100 Human Resources Management	40							Work to be scheduled later in 2020-21.
MC100 Accounts Payable	40							Draft Memorandum issued.
MD100 Corporate Purchasing	40							Work to be scheduled later in 2020-21.
ME100 Accounts Receivable	35							
MG100 Accountancy, Budgetary Control and Financial Resilience	45							
MK100 Asset Management System	30							
ML100 Funds Management	50							Work to be scheduled later in 2020-21.
Divisional Activity - Probity and Compliance (CCP)	95							
DC200 HM Revenue & Customs Compliance	20							
DE101 Cash Audit & ISO 27001 Visits	20							Not able to progress due to the Covid-19 pandemic.
DE400 Pensions Administration	25							
DE500 Insurance & Risk Management	30							Work to be scheduled later in 2020-21.

Name	Planned Days	Current Status	Audit Prepped	Audit Started	In Review	Audit Complete	Memo Issued	Comments
Divisional Activity - County Property Division (CCP)	20							
DV100 Property Services Review	20							
Children's Services Department	650							
Departmental Review - Management & Administration (CS)	115							
AA001 Children's Services - Departmental Review	40							
AA002 Children's Services Department - General Support	5							
AA004 Information Security and Follow Up Reviews	70							
DK188 School Library System - Libresoft (SCH)	5							Part of AA004 allocation.
DK190 Mathematics School IT System (SCH)	5							Part of AA004 allocation.
Operational Reviews (CS)	105							
AO013 Troubled Families Programme	30							
AO015 Adult Community Education	25							
AO020 Derbyshire Music Partnership	25							Not able to progress due to the Covid-19 pandemic.
AO026 Use of Personal Budgets for Children with SEND	25							
AO021 Review of Commissioning & Partnership Working	5							Audit not included in original Audit Plan.
AO022 Impact of Children in Care	5							Audit not included in original Audit Plan.
Primary, Nursery & Special Schools	348							Currently 11 virtual Audits completed and 1 arranged from a planned total of 75 reviews.
Secondary Schools	56							No Audits scheduled from a planned total of 8 reviews.
AM001 Derbyshire Outdoors Lea Green	10							Not able to progress due to the Covid-19 pandemic.
Children's Homes (CS)	16							Not able to progress due to the Covid-19 pandemic.

Name	Planned Days	Current Status	Audit Prepped	Audit Started	In Review	Audit Complete	Memo Issued	Comments
Adult Social Care and Health Department	299							
Departmental Review - Management & Administration (AC)	140							
BA001 Adult Social Care and Health Departmental Review	40							
BA002 Adult Social Care and Health Department - General Support	5							
BA004 Information Security and Follow Up Reviews	70							
BD001 Public Health Review	25							Unlikely to be completed due to Covid-19 Pandemic.
Operational Reviews (AC)	75							
BO022 Direct Payments	25							Draft Memorandum issued.
BO026 Review of Quality Assurance Framework	25							
BO027 Delayed Transfers of Care and Data Accuracy	25							
BO002 Domiciliary Care	5							Audit not included in original Audit Plan.
BO018 Emergency Response and Service Continuity	5							Audit not included in original Audit Plan.
Social Care - Residential	24							Not able to progress due to the Covid-19 Pandemic.
Social Care - Day Care - Physical/Mental Disability	24							Not able to progress due to the Covid-19 Pandemic.
Social Care - Day Care & Hostels	20							Not able to progress due to the Covid-19 Pandemic.
Social Care - Comm Care Centres (Learning Dis)	16							Not able to progress due to the Covid-19 Pandemic.
Economy, Transport and Environment Department	170							
Departmental Review - Management & Administration (ETE)	60							
HA100 Economy, Transport and Environment – Departmental Review	40							
HA101 Economy, Transport and Environment - General Support	5							

Name	Planned Days	Current Status	Audit Prepped	Audit Started	In Review	Audit Complete	Memo Issued	Comments
HA103 Information Security and Follow Up Reviews	15							
DK185 Waste Management Accounting System (ETE)	5							Part of HA103 allocation.
Operational Reviews (ETE)	110							
HO001 Review of Waste Management	25							Work to be scheduled later in 2020-21.
HO006 Concessionary Fares	20							Not able to progress due to the Covid-19 Pandemic.
HO021 Public Transport & Taxi Contracts	25							Not able to progress due to the Covid-19 Pandemic.
HO029 ETE Grants	15							
HO030 Inspection and Control of Highway Assets	25							Work to be scheduled later in 2020-21.
HO024 Regeneration	5							Audit not included in original Audit Plan.
HO026 Local Transport Capital Funding Grant	5							Audit not included in original Audit Plan.

Key – Current Status

Status	Description
	Audit unlikely to be completed in 2020-21
	Audit scheduled and work due to be completed
	Audit completed
	Indicates current progress

Figures in blue identify planned days not included in original Audit Services Plan