

DAP - Internal Audit Half Year Report 2020-21

Plymouth City Council Audit & Governance Committee

November 2020

Official

Robert Hutchins
Head of Audit Partnership



Auditing for achievement

Introduction

The Audit and Governance Committee, under its Terms of Reference contained in Plymouth City Council's Constitution, is required to consider the Chief Internal Auditor's annual report, to review and approve the Internal Audit programme, and to monitor the progress and performance of Internal Audit.

The Accounts and Audit (Amendment) (England) Regulations 2015 introduced the requirement that all Authorities need to carry out an annual review of the effectiveness of their internal audit system and need to incorporate the results of that review into their Annual Governance Statement (AGS), published with the annual Statement of Accounts.

The Internal Audit plan for 2020/21 was presented and approved by the Audit Committee in July 2020 but Covid-19 has presented considerable operational challenges to the Council which has inevitably introduced some different risks. We have worked with management and "flexed" the plan to incorporate new areas of work and recognising that there is less than six months available to complete the IA annual plan, we have identified and agreed those areas which can be delivered as part of next year's audit plan or, are no longer required. This approach will ensure that the work we deliver has the correct focus to enable us to continue support the Council through these difficult times and provide an annual assurance opinion at the end of 2020/21.

The following report and appendices set out the background to audit service provision; the review of work undertaken in the year to date highlights the areas not included in the original audit plan and details those assignments we propose for deferral until 2021/22 or which are no longer required. The report also provides an opinion on the overall adequacy and effectiveness of the Authority's internal control environment.

The Public Sector Internal Audit Standards require the Head of Internal Audit to provide an annual report providing an opinion that can be used by the organisation to inform its governance statement. This report supports that opinion.

Expectations of the Audit and Governance Committee from this report

Audit Committee members are requested to consider:

- the assurance statement within this report;
- the basis of our opinion and the completion of audit work against the plan;
- the scope and ability of audit to complete the audit work;
- audit coverage and findings provided;
- the overall performance and customer satisfaction on audit delivery and;
- review and approve the in-year changes to the audit plan.

In review of the above the Audit Committee are required to:

- consider the assurance provided alongside that of the Executive, Corporate Risk Management and external assurance including that of the External Auditor as part of the Governance Framework and satisfy themselves from this assurance that the internal control framework continues to be maintained at an adequate level to mitigate risks and inform the Executive for governance requirements, and
- review and approve the in-year changes to the audit plan.

Robert Hutchins
Head of Devon Audit Partnership

Opinion Statement

Overall, based on work performed to date during 2020/21 and our experience from the current year progress and previous years' audit, the Head of Internal Audit's Opinion is of "Reasonable Assurance" on the adequacy and effectiveness of the Authority's internal control framework

The professional practice of internal audit within the public sector is governed by the Public Sector Internal Audit Standards (PSIAS). Whilst these are now consistent across the public sector, there has been no common practice regarding how best to report the overall results, i.e. the "engagement opinion", of internal audit work at the end of each assignment or the Head of Internal Audit's overall assurance opinion.

The CIPFA Special Interest Group (SIG) for Internal Audit considered this issue and in April 2020 reported that they had identified a range of current reporting practices and opinions in use, and by far the most common practice was four levels of assurance opinion on the engagement. Based on their analysis of existing practice, the CIPFA SIG

recommended the use of four standard internal audit assurance opinions which DAP has adopted.

The ratings of:

- Substantial Assurance
- Reasonable Assurance
- Limited Assurance
- No Assurance

replaces the previous High Standard, Good Standard, Improvements Required and Fundamental Weaknesses ratings that we have used when reporting on each audit assignment, and the Full Assurance, Significant Assurance, Limited Assurance, No Assurance previously used for the overall Head of Internal Audit opinion. The work undertaken in the year to date together with knowledge from previous reviews have informed the Head of Internal Audit's Opinion on the internal control framework. Should any significant weaknesses be identified in specific areas, they will need to be considered by the Authority in preparing its Annual Governance Statement later in the year for publication alongside the Statement of Accounts for 2020/21.

Substantial Assurance	A sound system of governance, risk management and control exists across the organisation, with internal controls operating effectively and being consistently applied to support the achievement of strategic and operational objectives.	Limited Assurance	Significant gaps, weaknesses or non-compliance were identified across the organisation. Improvement is required to the system of governance, risk management and control to effectively manage risks and ensure that strategic and operational objectives can be achieved.
Reasonable Assurance	There are generally sound systems of governance, risk management and control in place across the organisation. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of some of the strategic and operational objectives.	No Assurance	Immediate action is required to address fundamental control gaps, weaknesses or issues of non-compliance identified across the organisation. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of strategic and operational objectives.

Review of Audit Coverage

There are challenges in completing the 2020/21 audit plan in our traditional manner and we have developed different practices to enable us to deliver our assurance. This includes confirmation of key controls, remote testing wherever possible of these controls (so as not to disturb / disrupt operational staff) and using data analytics generated from system data. This approach was discussed and agreed with the S151 officer and the DAP Management Board prior to bringing a report to the July meeting of the Audit and Governance Committee.

Overall, reasonable progress has been made in the first half of the year, including completion of any work carried forward from 2019/20 and real time support provided to service areas where new systems have had to be rapidly put in place to help the citizens of Plymouth, in the administration of grants and adaptations within some services.

In the course of our work we have witnessed how officers of the Council have faced up to the challenges resulting from Covid and worked tirelessly to deliver services and pay grants. Business rates grants is an example where funding in excess of £47m has paid in respect of nearly 4000 accounts and we have found that the administration of the grant scheme was in accordance with scheme guidance, all payments made have been fully reconciled and state aid rules complied with.

Migration of the iTrent HR/Payroll solution to CoreHR has been a critical project for the Council. This Plymouth City Council / Delt project has benefitted from strong governance, ensuring that decision making has been timely, well informed and made by appropriately senior board members. In our opinion the use of 'Extraordinary' Project Board meetings has been well judged and appropriate to circumstances. The Project Manager continues to draw on their considerable experience in orchestrating large projects and programmes and has previously worked closely with the current Project Team which also brings benefits.

However, the financial impact of Covid-19 on the Council (and other Authorities across the Country) due to increased demand for services such as children's social care and homelessness, combined with loss of income from taxation and charges cannot be underestimated and will remain a significant and enduring challenge unless the Government fully fund the shortfall.

The rapid and necessary move to home working for many has the potential to impact the IT controls system in different parts of the business. How this risk is mitigated against will be one of our key considerations when we embark on our Cyber Security work. The risk of reduced control due to a socially distanced workforce is also considered as part of our other reviews.

A table showing the status of planned, unplanned and deferred audits and their associated reported executive summaries is contained at Appendix I.

Fraud Prevention and Detection

Counter-fraud arrangements are a high priority for the Council and assist in the protection of public funds and accountability. The Cabinet Office runs a national data matching exercise, The National Fraud Initiative (NFI), every two years. For the 2019/20 exercise, DAP have co-ordinated the extract of relevant Council datasets, as defined by the Cabinet Office. Departments have supplied their datasets (listed below) and these were uploaded onto the NFI secure website in October in accordance with the NFI timetable. The subsequent matching reports are due back from the Cabinet Office in February 2021

NFI datasets:

- Council Tax;
- Creditor Payments;
- Housing Benefits;
- Payroll / Pensions;
- Housing Waiting Lists;
- Taxi Licencing *
- Transport Passes (including blue badges and concessionary bus passes).
- Covid 19 Grants (note this data had a different timetable and has yet to be submitted but will be provided by the deadline of 21 January 2021).

*Market trader licences and personal alcohol licences are no longer a part of the mandatory NFI requirements and as such have not been submitted this year. Local Authorities can choose to pay an additional fee to process this data and DAP will be confirming costs and checking interest with relevant officers once the mandatory data has been processed by the Cabinet Office. However, it should be noted that the datasets were removed from the mandatory requirements as nationally they were not found to have yielded significant positive results since their inclusion in NFI. The results in Plymouth are consistent with the national picture with no fraud or error having been identified relating to these datasets during the last NFI exercise in 2017/18.

Irregularities – DAP have provided management with a range of advice and support on courses of action or improvements to controls.

Active Counter Fraud Investigation – The Plymouth City Council Corporate Fraud Team transferred to the Devon Audit Partnership (DAP) in May 2018 and is now known as the Counter Fraud Services Team within DAP. The team continue to offer a full and comprehensive investigation service to Plymouth, whilst offering a commercialised service to other DAP partners in order to provide Plymouth City Council with a return on its investment.

The Counter Fraud Team Manager has prepared a separate report summarising work undertaken in the year to date.

Appendix I - Assurance Opinion and Extract Executive Summaries – up to 30 October 2020

Risk Assessment Key

ANA - Audit Needs Assessment risk level

Client Request - no risk assessment information available

Risk Area / Audit Entity	Assurance Opinion	Residual Risk / Audit Comment
Customer and Corporate / Finance		
Core Assurance – Key Financial System		
Payroll (iTrent System) Payroll (CoreHR) ANA – High <i>Time was only allowed for CoreHR payroll system in the original plan and not iTrent</i>	Status: In Progress	<p>Work has commenced on the final audit of the iTrent Payroll system to provide assurance on the control environment for the period April to October.</p> <p>A separate review of the new CoreHR system which has gone live in November will be carried out in quarter 4 to provide assurance for the remainder of the year.</p>
CoreHR System Implementation ANA – High <i>Not included in original plan</i>	Reasonable Assurance Status: Final	<p>Internal Audit have monitored Delt's CoreHR project during the past year. Issues identified within the CoreHR solution have either been resolved or workaround processes evolved to ensure accurate payment and administering of statutory and non-statutory deductions. Governance has been of a high standard and the project has significantly benefitted from the highly experienced project team.</p> <p>Effective workaround procedures have been built into 'Pay Cycle' processes for initial live operation following testing and refinement during the five parallel run testing that has been undertaken. Review of the process and content of the parallel run testing confirmed that anomalies have been identified and used to inform live operation process and remediation as appropriate.</p> <p>The third-party hosting of the Councils data introduces additional risks, with 'Cyber' threats of particular relevance. Following the conducting of Penetration Testing to identify potential data security vulnerabilities by an accredited testing company the limited issues identified have been remedied by Delt.</p>
Business Rates (NNDR) ANA - Low	Status: In Progress	Work has commenced on the annual review of the system for the billing and collection of Business Rates.

Risk Area / Audit Entity	Assurance Opinion	Residual Risk / Audit Comment
<p>The following reviews are scheduled to start across quarters 3 and 4.</p> <ul style="list-style-type: none"> • Civica Financials: <ul style="list-style-type: none"> ❖ Creditors ANA - High ❖ Main Accounting ANA - High ❖ Debtors ANA – Medium ❖ Material Systems – System Admin ANA - High • Academy Revs & Bens: <ul style="list-style-type: none"> ❖ Housing Benefits ANA - High ❖ Council Tax ANA - Medium • Treasury Management ANA – Medium 		
<p>There is no start date for the implementation of the new Civica Icon Income Management module, therefore time will be allowed in the 2021/22 audit plan for this work.</p>		
<p>Core Assurance - Other</p>		
<p>Payment Modernisation Board <i>Not included in original plan</i></p>	<p>Status: Ongoing</p>	<p>The Council has set up a Payment Modernisation Board and it has been requested that there is DAP representation on the Board. The first meeting was in October.</p>
<p>Health & Safety Follow-Up (Street Services) <i>Not included in original plan</i></p>	<p>Improvements Required Status: Draft</p>	<p>All improvement works requested in our December 2019 internal audit report, have been addressed. We have undertaken some follow-up work that concentrated on key areas such as the use of the HAV VECS calculator and the establishment of electronic personnel files which contain health surveillance information on Hand Arm Vibration. Changes in staff and the Covid-19 pandemic lockdown have impacted progress in developing the effectiveness of the administrative procedures. There is a time limited action plan in place to respond to the recommendations, overseen by the Service Director in Street Services. The HSW Annual Report for 2019-20 provides further detail.</p>
<p>Health & Safety Follow-Up (Bereavement Service & Mt Edgecumbe Country Park) <i>Not included in original plan</i></p>	<p>Improvements Required Status: Draft</p>	<p>All improvement works requested in our December 2019 internal audit report, have been addressed. Plans are in place to undertake follow up audits within the Mount Edgecumbe Country Park to review any further progress made.</p>
<p>Housing Benefit Overpayments – Potential Impact on Recovery Following Migration to Universal Credits</p>	<p>Value Added Status: Final</p>	<p>At the end of May 2020, the Council had circa 1500 cases where overpayments were being recovered direct from ongoing Housing Benefits (HB). Most of these cases relate to working age customers, and therefore likely that the majority will in due course migrate to Universal Credits (UC). As subsidy payments have been received from the DWP in respect of these</p>

Risk Area / Audit Entity	Assurance Opinion	Residual Risk / Audit Comment
		overpayments, following migration to UC the historic debt will remain with the Council. Recovering by way of attachment to a UC claim is seen as a last resort once other recovery methods have been exhausted, The Revenues & Benefits department advise that the continued use and prioritisation of the HB Debt Recovery Service remains the most effective way of targeting recovery as and when benefit claimants move into employment.
Purchasing Cards	Status: In Progress	Work is nearing completion on our review of the use of Council Purchasing Cards which included a survey of purchasing card users and approvers to identify the effectiveness of the control framework and gain insight into the knowledge and understanding of card users.
Information Asset Management Client Request	Added Value Status: Final	A review of a limited number of the Council's key business solutions identified that there are opportunities to further evolve and develop them to optimise their potential value as opposed to introducing new business solutions. In addition, the Office 365 suite provides document management and storage opportunities that could improve information management and facilitate an exit from the existing corporate arrangement (S:Drive). To maximise the benefit that can be obtained from the Councils information assets, reporting and data analytics should be employed, with the corporate wide use of the Office 365 PowerBI solution the most logical approach.
Real Time Ad-Hoc Support Provided in Relation to Covid-19 <i>Not included in original plan</i>	Status: Complete	Applications for cash grants for businesses in receipt of small business rates relief or for retail, hospitality and leisure businesses with a rateable value of £51,000 or less were run through the government 'Spotlight tool' which performs automated due diligence checks. Any rejections were referred to DAP to perform further manual checks, including contacting the ratepayer, to determine if the application should be rejected or if there has been an error and it should be paid.
Business Rates Grant Post Event Review <i>Not included in original plan</i>	Status: In Progress	In response to COVID 19 the Government provided a financial support package for small businesses and businesses in the retail, hospitality and leisure sectors. This support took the form of two grant funding schemes which were funded by Central Government but administered and paid by Local Authorities. In Plymouth, the Council identified 3949 NNDR accounts who appeared eligible for support. Of the accounts identified, grant funding in excess of £47m was paid in respect of 3715 accounts.

Risk Area / Audit Entity	Assurance Opinion	Residual Risk / Audit Comment
		<p>Assurance can be provided that the administration of the grant scheme within Plymouth was done so in accordance with scheme guidance, all payments made have been fully reconciled, state aid rules have been complied with and any identified instances of error or suspected fraud subject to appropriate recovery action and / or referral to the DAP Counter Fraud Team. To provide further assurance that the scheme has not been adversely impacted by fraud the DAP Counter Fraud Team have undertaken a risk assessment, based on local knowledge and experience, of grant recipients and are continuing to work through a sample of grants to confirm eligibility.</p>
Schools Financial Value Standards (SFVS)	Status: Complete	Assurance was reported in the September 2020 Progress Report; please refer to that report for details.
<p>The following reviews are scheduled across quarter 3 and 4.</p> <ul style="list-style-type: none"> • Cyber Security ANA – High • Declarations of Interest ANA – Medium • Client Financial Services F/Up ANA – High 		<ul style="list-style-type: none"> • Recruitment ANA - High • Acting Up Duties ANA – Medium
<p>It has been agreed with management that the following reviews will be deferred until 2021/22.</p> <ul style="list-style-type: none"> • Finance Service ANA – Medium • Collection Fund ANA – Medium <p>The review of Procurement is no longer required as it was linked with the possibility of the service transferring to Delt which has not happened, neither is there any longer a need for us to undertake work around Governance Arrangements (Statutory Officer).</p>		
Executive Office		
Core Assurance - Other		
Electoral Services ANA High	Status: In Progress	<p>Work is being carried out by DAP to compliment a review of aspects of the electoral registration process which the Council has commissioned from the Association of Electoral Administrators (AEA). With the increasing use of electronic data, DAP will specifically validate the effectiveness of the protocols in place to administer electoral registration data as well as compliance with existing Quality Assurance (QA) processes. Broad assurance will also be</p>

Risk Area / Audit Entity	Assurance Opinion	Residual Risk / Audit Comment
		provided in terms of the actions taken by the Council to improve protocols to ensure the accuracy and integrity of the its electoral register.
<p>It has been agreed with management within the Executive Office to defer the following reviews to 2021/22.</p> <ul style="list-style-type: none"> Minute Books ANA Low, Client Request Gifts & Hospitality F/Up to the 2019/20 review ANA Medium 		
People		
Core Assurance – Key Financial System		
<p>The final report from the original review was not finalised until March 2020 and the follow-up to this report will be carried out early in 2021/22.</p> <ul style="list-style-type: none"> CareFirst - Children Independent Placements F/Up ANA – Medium 		
Core Assurance - Other		
OLM Eclipse System Implementation <i>Not included in original plan</i>	Status: Ongoing	CareFirst 6 is the case management, payment and charging system used by Children’s and Adult Social Care teams for more than 20 years. The next-generation replacement for CareFirst is OLM Eclipse and the Project Manager, Strategic Co-operative Commissioning has requested real-time support and challenge for this highly sensitive and critical project from DAP’s Senior IT Auditor on both the Social Care IT Project Board together and at the pending ‘Discovery’ workshops
Infection Control Fund for ASC <i>Not included in original plan</i>	Value Added Status: Final	Care Home Providers who were recipients of Infection Control funding were required to complete and submit a return to Plymouth City Council detailing how their allocation of the grant had been spent. Based on our examination of the first tranche of returns we can provide assurance that the majority of spend linked to broader infection control measures. The detailed findings from our work has been considered by officers as they communicated with Providers regarding the second tranche of funding.
Children's Short Break Contracts ANA – Medium, Client Request	Status: Final	Assurance was reported in the September 2020 Progress Report; please refer to that report for details.

Risk Area / Audit Entity	Assurance Opinion	Residual Risk / Audit Comment
FullyCATERed Ltd (Accounting Arrangements) Client Request	Value Added Status: Final	Assurance was reported in the September 2020 Progress Report; please refer to that report for details.
Finance & Assurance Review Group (FARG) ANA – High Client Request	Status: Ongoing	The purpose of FARG is to provide oversight, scrutiny and assurance of the integrated fund and internal audit continue to have a seat on FARG providing real time.
Real Time Ad-Hoc Support Provided in Relation to Covid-19 <i>Not included in original plan</i>	Value Added Status: Complete	We worked with Co-Operative Commissioning to develop procedures for staff working across the community assisting people with shopping or accessing cash to ensure that officers had a clear, proportionate but robust process to follow.
Grant Certification Statutory	Regulatory Requirement	Grants certified without amendment: <ul style="list-style-type: none"> • IBCF Disabled Facilities Capital Grant 31/3710

The following reviews are scheduled across quarters 3 and 4.

- Alliance Contract ANA – Medium, Client Request
- Children's Additional Spend ANA – Low, Client Request

It has been agreed with the Head of SEND that the following review will be carried out early in 2021/22.

- Special Educational Needs & Disability (SEND) Contracts ANA – Medium, Client Request

Due to the increase in demand for services provided by Community Connections (CC) as a result of Covid, the loss of a key member of staff and delays in the delivery of the new IT solutions, we have agreed to defer the following reviews to 2021/22.

- Anti-Social Behaviour Tools ANA – Medium, Client Request
- Community Connections - New Business Solutions

Risk Area / Audit Entity	Assurance Opinion	Residual Risk / Audit Comment
Office of the Director of Public Health		
It was agreed with ODPH to include a small “pot of days” in the plan but as a result of Covid19, work for the service has changed and the Director has advised that the service have not been able to identify any areas that would be useful this year.		
Place		
Street Lighting ANA - Medium	Status: In Progress	We have commenced work on this review to evaluate and report on the adequacy of systems, controls, processes and procedures used to manage the Council’s street lighting infrastructure.
Garage Follow-Up ANA – Medium, Client Request	Status: In Progress	The Council’s Fleet & Garage service was transferred to Plymouth Highways in May 2017 and subsequently restructured to provide separate management responsibility for the Fleet and Garage elements of the service. In 2019/20 we carried out a review of the governance and administrative arrangements within the Garage Service and we have just commenced a follow-up review to measure the progress in implementing the recommendations from that report.
Capital Programme Governance ANA – High Client Request	Substantial Assurance Status: Draft	Assurance was reported in the September 2020 Progress Report; please refer to that report for details.
Empty Homes Scheme ANA – Medium Client Request	Reasonable Assurance Status: Draft	Overall, the administration, operational and management arrangements to support empty homes back into use are of a good standard. A comprehensive financial assistance policy, which is reviewed on an annual basis, is in place and used effectively by Housing Delivery Officers to support suitable empty homes being brought back into use. Homeowners must meet the eligibility criteria set out, complete an application and provide a range of documentary evidence to support their application which is then subject to due diligence checks and formal approval by the Service Director for Strategic Planning and Infrastructure prior to a loan being made. At the end of 2019/20 a total of 244 empty homes has been brought back into use.
New Business Solutions - Tech Forge (Cloud) ANA – Medium Client Request	Status: Ongoing	DAP have monitored and provided ongoing support to the implementation project migrating the Tech Forge (TF) Facility database to a TF Cloud asset management system.

Risk Area / Audit Entity	Assurance Opinion	Residual Risk / Audit Comment
		Phase 1 of the project, including the property register and compliance modules, successfully went live on Monday 12 October 2020. Phase 2 remains ongoing, focussing on capital accounting and system interfaces and is due to go live in early 2021.
Real Time Ad-Hoc Support Provided in Relation to Covid-19 <i>Not included in original plan</i>	Status: Complete	Social distancing, coupled with many shops declining cash, has presented a real problem for Plymouth Credit Union (PCU) and some of its members. DAP worked with officers setting up a cashless card system and in drawing up an Operational Agreement and Service User Agreement.
Grant Certification Statutory	Regulatory Requirement	Grants certified without amendment: <ul style="list-style-type: none"> • LGF (GD33) Oceansgate • LGF (GD18) Northern Corridor • LGF (GD19) Eastern Corridor • LGF (GD20) Charles Cross and Exeter Street • Innovate UK - Clean Streets EV Infrastructure Toolkit (31831)
It has been agreed with senior management within Place that the following reviews will be deferred until 2020/21 <ul style="list-style-type: none"> • Trade Waste ANA – High, Client Request • Street Services – Stores, Stock & Fuel Control ANA – Medium, Client Request • Commercial Properties - Rent Roll ANA – High, Client Request 		

Appendix 2 - Audit Standards and Customer Delivery

Conformance with Public Sector Internal Audit Standards (PSIAS)

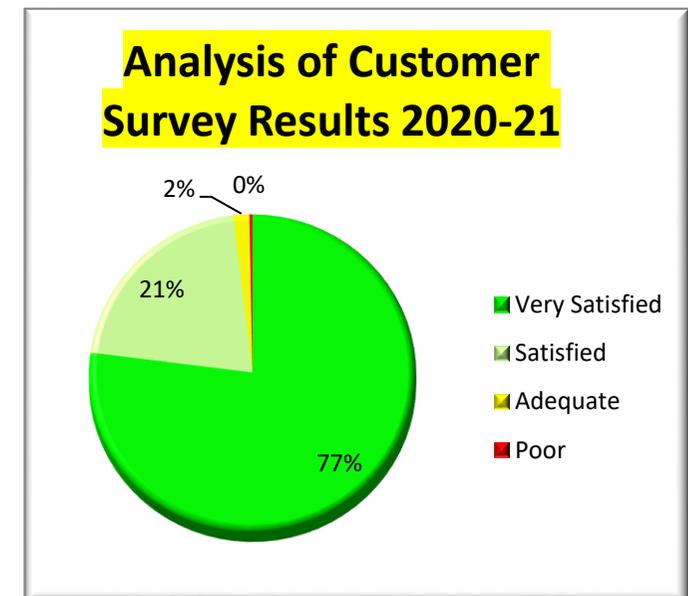
Conformance - Devon Audit Partnership conforms to the requirements of the PSIAS for its internal audit activity. The purpose, authority and responsibility of the internal audit activity is defined in our internal audit charter, consistent with the Definition of Internal Auditing, the Code of Ethics and the Standards. Our internal audit charter was approved by senior management and the Audit Committee in July 2020. This is supported through DAP self-assessment of conformance with Public Sector Internal Audit Standards & Local Government Application note.

Quality Assessment – through external assessment December 2016 “DAP is considered to be operating in conformance with the standards” External Assessment provides independent assurance against the Institute of Internal Auditors (IIA) Quality Assessment & Public Sector Internal Audit Standards (PSIAS). The Head of Devon Audit Partnership also maintains a quality assessment process which includes review by audit managers of all audit work. The quality assessment process and improvement is supported by a development programme.

Improvement Programme – DAP maintains a rolling development plan of improvements to the Service and customers. All recommendations of the external assessment of PSIAS and quality assurance were included in this development plan and have been completed. This will be further embedded with revision of our internal quality process through peer review. Our development plan is regularly updated, and a status report provided to the Management Board.

Customer Service Excellence

DAP maintains accreditation by G4S Assessment Services of the CSE standard during the year. We continue to issue client survey forms with our final reports and the results of the surveys returned are, although low in number, very good and again are very positive. The overall result is very pleasing, with near 98% being "satisfied" or better across our services, see appendix 4. It is very pleasing to report that our clients continue to rate the overall usefulness of the audit and the helpfulness of our auditors highly.



Appendix 3 - Definitions

Definitions of Audit Assurance Opinion Levels		Confidentiality under the Government Security Classifications	
Assurance	Definition	Marking	Definition
Substantial Assurance	“A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.”	Official	The majority of information that is created or processed by the public sector. This includes routine business operations and services, some of which could have damaging consequences if lost, stolen or published in the media, but are not subject to a heightened threat profile.
Reasonable Assurance	“There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.”	Official: Sensitive	The systems and controls generally mitigate the risk identified but a few weaknesses have been identified and / or mitigating controls may not be fully applied. There are no significant matters arising from the audit and the recommendations made serve to strengthen what are mainly reliable procedures.
Limited Assurance	“Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.”		
No Assurance.	“Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.”		

Devon Audit Partnership

The Devon Audit Partnership has been formed under a joint committee arrangement. We aim to be recognised as a high-quality internal audit service in the public sector. We work with our partners by providing a professional internal audit service that will assist them in meeting their challenges, managing their risks and achieving their goals. In carrying out our work we are required to comply with the Public Sector Internal Audit Standards along with other best practice and professional standards.

The Partnership is committed to providing high quality, professional customer services to all; if you have any comments or suggestions on our service, processes or standards, the Head of Partnership would be pleased to receive them at robert.hutchins@devonaudit.gov.uk

