



devon **audit** partnership

Internal Audit

Annual Internal Audit Report
2022-23

Plymouth City Council
Audit & Governance Committee

July 2023

Official

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Auditing for achievement

Introduction

This report provides a summary of the performance against the Internal Audit plan for the 2022/23 financial year, highlighting the key areas of work undertaken and summarising our main findings and recommendations aimed at improving controls, and provides our overall Annual Assurance Opinion.

The key objectives of the Devon Audit Partnership (DAP) have been to provide assurance to Plymouth City Council on the adequacy, security and effectiveness of the systems and controls operating across the Council and to provide advice and assurance to managers and staff.

The Internal Audit plan for 2022/23 was presented and approved by the Audit and Governance Committee in March 2022. The following report and appendices set out the background to audit service provision, a review of work undertaken in 2022/23 and provides our 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 prepare a report providing an opinion at the end of each year that can be used by the organisation to inform its governance statement. Devon Audit Partnership was externally assessed in December 2021 against the framework and confirmed to be conforming with the requirements of the PSIAS.

The Institute of Internal Audit (IIA) are the key body involved in setting out the global standards for the profession which form the basis for the Public Sector Internal Audit Standards (PSIAS) and are undergoing review and revision. The proposed new standards which are likely to take effect in 2024 and this document helps clarify and raise awareness of the audit committee's governance roles and responsibilities in respect of this. IIA Document – Draft Standards.

The level of risk associated with each of the areas in Appendix I has been determined either from the Local Authority's Risk Register (LARR), or the Audit Needs Assessment (ANA) carried out at the planning phase. Where the audit was undertaken at the request of client it has not been risk assessed. Assurance and recommendations should be considered in light of these risk levels and the impact this has on achievement of corporate / service goals.

Expectations of the Audit and Governance Committee from this annual report

Members are requested to consider: -

- The opinion 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.

This report provides the internal audit assurance on the internal control framework necessary for Members to consider in support of the Annual Governance Statement.

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Audit Assurance Statement

Overall, based on work performed during 2022/23 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.

Internal Audit assesses whether key, and other, controls are operating satisfactorily within audit reviews, and an opinion on the adequacy of controls is provided to management as part of the audit report.

All final audit reports include an action plan which identifies responsible officers, and target dates, to address control issues identified. To provide ongoing assurance that scheduled actions are taking place and the identified risks mitigated, Internal Audit track progress in completion. Implementation of agreed management actions will further strengthen internal controls, but it should be noted that the overall assurance opinion for 2022/23 provided in this report is at a point in time and will not change.

Directors have been provided with details of Internal Audit's opinion on each audit review carried out in 2022/23 to assist them with compilation of their individual annual governance assurance statements.

Should significant weaknesses have been identified in specific areas, these would have been considered by the Authority in preparing its Annual Governance Statement which will accompany the published Statement of Accounts for 2022/23.

Internal Control Framework
The control environment comprises the Council's policies, procedures and operational systems including processes in place to establish and monitor the achievement of the Council's objectives; facilitate policy and decision making; ensure economical, effective, and efficient use of resources, compliance with established policy, procedure, law, and regulation; and safeguard the Council's assets and interests from losses. Core financial and administrative systems were reviewed by Internal Audit.

<p>Risk Management The risk management process at strategic and operational levels remains in place. In consultation with management, the audit plan has been "flexed" in response to the changing risk profile.</p>	<p>Governance Arrangements Governance arrangements have been considered in all of our audits along with opportunities to improve consistency or alignment to business need.</p>	<p>Performance Management Regular reporting to management, the leadership team and the Council continues to ensure effective performance management. The budget monitoring and scrutiny arrangements in operation have enabled pressure points to be identified and prompt remedial action to be taken.</p>
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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.

Value Added

We know that it is important that the internal audit services seek to "add value" whenever it can. We obtained feedback from those audited during the year to date who considered we were able to add value by:

- Providing objective and relevant assurance.
- Contributing to the effectiveness and efficiency of the governance, risk management and internal control processes.
- Linking with colleagues in the Counter Fraud Team to respond to issues that occur.

Summary Review of Audit Coverage

Key Financial Systems - the full suite of "material" system reviews have been completed with all work finalised. The majority of these reviews received reasonable or even substantial assurance although limited assurance was provided for the review of the Debtors system where due to a lack of capacity, some operational controls were found to be not always sufficiently well maintained which can impact income recovery. An additional piece of work is underway to identify in one report for management, all income recovery weaknesses highlighted coming out of various audit reviews.

ICT - Information and data are vital to every part of the Council's business and is transforming the way we work and how local people access information and services. Against this backdrop, cyber-attacks are growing in frequency and becoming more sophisticated. The threat landscape, and the ever-increasing availability of sophisticated 'malware kits', makes a cyber incident highly likely and an effective backup process is a key component in safeguarding the Council's data and ability to deliver its services. Our review of the Rubrik backup solution concluded that the solution does provide an effective safeguard that should enable the timely restoration of data and services in the event of a cyber-attack. It is however imperative that the Council does continue to monitor, maintain, and test the backup solution.

We also had Patch Management in the audit plan but despite efforts from both DAP and PCC officers, Delt have not yet engaged and fieldwork has not yet commenced. This has now been escalated to senior management of both organisations for an early resolution.

Place – the Land & Property deliver an effective and professional property service in their management of the legacy portfolio of Council assets. The team have been proactive in using new system enhancements from their Tech Forge Cloud asset management system to improve data quality, streamline processes and overall, create a more robust control framework than was previously in place.

Children's Services - Children's DMT considered the items in the plan (SEND Contract and Joint Funding Arrangements) and requested that the focus of audit work should be SEND – Externally Commissioned Education Provision. It has been agreed that the work will be split into four separate reviews relating to governance, decision making, commissioning, monitoring and review. An Ofsted inspection was expected, and it was agreed that DAP would wait until after that inspection to commence work. Work is planned to commence at the end of June.

The Families with a Future (Payment by Results) is a programme for different services to align and work together to achieve sustainable change for the most disadvantaged families. Ten claims have been audited by DAP to verify the families' eligibility for the programme and that supporting evidence demonstrates the outcomes achieved, in accordance with the Council's Troubled Families Outcomes Plan.

The Life Chances Fund (Pause Programme) works with women who have experienced or are at risk of, repeated pregnancies that result in children needed to be removed from their care. The model aims to give women the opportunity to "pause", take control of their lives and break free from destructive cycles. Four quarterly outcome reports have been audited in 2022/23.

Schools - the original plan had eight primary schools and one special school for an internal audit review during the year. All of these school audits were successfully undertaken during the 2022/23 financial year.

In addition, DAP has provided advice and guidance to schools on the annual School Financial Value Standard (SFVS) return. The SFVS is now an established tool for maintained schools as a self-assessment of their local financial management. The maintained schools are required to annually submit their self-assessment to their local authority by 31st March. It is pleasing to note that all of the maintained schools in Plymouth returned their completed SFVS returns within the required timescales.

People - Plymouth Active Leisure (PAL) is a Teckal company set up to provide the Council with a delivery vehicle from which they could better control leisure services provided within the City. The key factors were that the Council could provide a stable and sustainable model that would enable it to meet its strategic goal of making Plymouth “the most active coastal city in England by 2034”. PAL was incorporated on 17th November 2021 and with swimming pools and large buildings to maintain, existing financial pressures have been further exacerbated by the global energy crisis. We have undertaken a high-level piece of advisory work to ensure that there are no significant weaknesses in the governance arrangements and key processes.

Following on from the work conducted to support the Children’s project, DAP continues to provide real-time support and challenge to the Eclipse Project Board for the ASC Eclipse Project, providing formal advice as necessary. The ‘Adults’ project is now nearing its ‘Go Live’ date of July. Support will continue to be provided into 2023/24 on the migration of Deprivation of Liberty Safeguards (DoLS) management information into the Eclipse System.

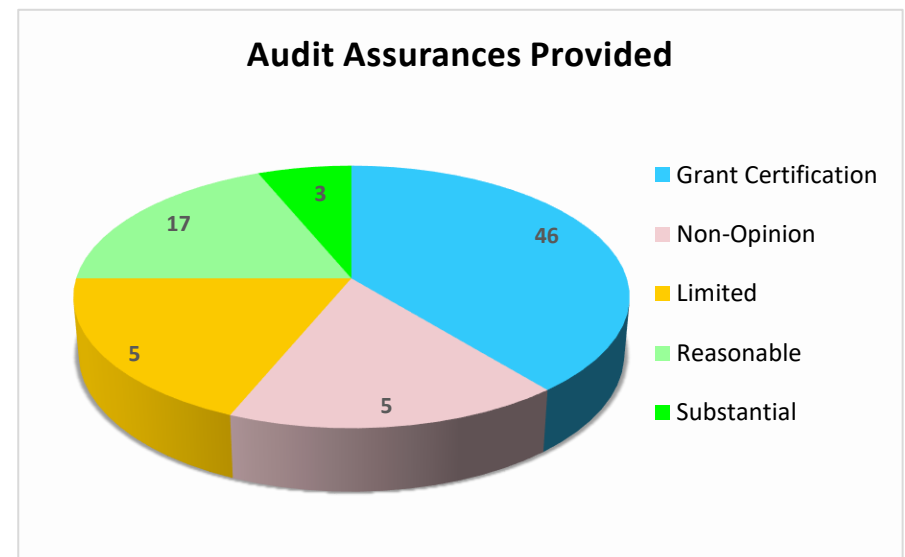
Grants - the number of grants received by the Council requiring internal audit certification continue to increase but all 32 grants audited in the year to date have been certified as being in accordance with the requirements of the relevant grant determination.

Progress against plan

Local authorities operate in a rapidly changing environment and the Council has been working to put into place new and innovative solutions to address the ongoing challenges brought about by the pandemic and budgetary pressures. The audit plan was built around the risks identified by the Council’s risk management framework, audit needs and perceptions of current issues and in discussion with client management.

There has been a growing trend in the sector towards more flexible audit plans to enable internal audit to be more responsive to changing risks, in turn maximising resource focus to clients’ needs as and when needed. We endeavour to ensure that sufficient coverage across the Council is maintained to ensure that we can provide an inclusive end of year annual assurance opinion.

The chart below shows the breakdown of Substantial, Reasonable, and Limited Assurance opinions provided this year as well as any Non-Opinion (value added) based work and Grant Certifications, including Families With a Future and Life Chances Pause Project verification. One piece of work is at draft stage and a second is nearing draft of draft report.



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 now run the national data matching exercise, the National Fraud Initiative (NFI), every two years. This co-ordination of this exercise is now undertaken by DAP's Counter Fraud Team with details included in their annual report.

Integrated Assurance

Collaboration between the Audit Team and the Counter Fraud Team continues to evolve and strengthen with auditors becoming more aware of fraud risks and fraud investigators having a greater understanding of systems and controls.

This joined up approach help us to continue to provide the highest level of assurance possible and, for the Council to minimise fraud loss to the lowest level possible.

The Counter Fraud Team Manager has prepared a separate report for this Committee where more information can be found.

DAP have received one report under the Whistleblowing Policy.



Appendix 1 - Summary of Audit Reports and Findings for 2022/23

Areas of Review	Assurance Opinion	Residual Risk / Audit Comment
Customer and Corporate		
Main Accounting System	Reasonable Assurance Status: Final	<p>Our review of the Main Accounting System (MAS) found that the internal control framework continues to operate effectively with processes generally as expected and in accordance with Financial Regulations demonstrated by:</p> <ul style="list-style-type: none"> • A balanced budget being set, approved, accurately input to the MAS and subject to regular routine monitoring and reporting. • Journals input to the MAS being complete, supported, subject to control and authorisation in accordance with Council policy. • Suspense and control accounts being regularly reviewed with prompt action taken to clear unallocated transactions. • Financial data from feeder systems, transferred via automatic and manual interface to the main accounting system, being subject to prompt control and agreement. • Cash and Bank reconciliations completed. <p>We did highlight to management some inconsistency on retention of evidence relating to the justification and approval of budget virements and that due to resource limitations and capacity within the Treasury Management Team, reconciliation of cash and bank to the main accounting system (although reconciled) had not been completed routinely each month.</p>
Treasury Management	Substantial Assurance Status: Final	<p>Plymouth City Councils (PCC) Treasury Management system is effective with robust governance arrangements and operational processes in place. 2022/23 has been a very difficult year for those responsible for management of the Councils cashflow. This was due to greater uncertainty around the income PCC was due to receive and a money market that has been difficult to predict with rising interest rates. However, despite these challenges, the robust Treasury Management arrangements have enabled ongoing effective financial management.</p>

Purchasing & Creditors Systems	Reasonable Assurance Status: Final	<p>Whilst the overall Internal Control Framework provides reasonable assurance that Council Purchasing and Creditor Payments are accurate, complete, timely and in accordance with Financial Regulations and Standing Orders, the legitimacy, validity and integrity of payments is only ensured through consistent application of automated and manual verification, reconciliation and exception reporting.</p> <p>There are however capacity and resilience issues within the Financial Transactions Team from an increase in workload, following the Business Support Review and transfer of Plymouth Active Leisure and staff turnover. It is important that resource limitations are addressed to ensure that the controls currently in operation continue to be maintained.</p>
Debtors	Limited Assurance Status: Final	<p>Whilst the design of the overarching control framework is unchanged, remains appropriate and ensures the effective billing of sundry income, some of the operational controls were found to be not always sufficiently well maintained. Reduced capacity within the Income Recovery Team and also within Legal Services has impacted the effectiveness of some aspects of debt recovery but we are pleased to report that management have responded positively to the issues highlighted.</p>
Housing Benefits	Reasonable Assurance Status: Final	<p>To ensure that claims from some of the most vulnerable sections of the City were not subject to undue delays as the impact of the cost of living crisis unfolded, some difficult choices have had to be made in respect of managing available resources. One consequence has been the deterioration in the administration of benefit overpayment recovery with arrangements falling short of the DWP's suggested best practice.</p> <p>The department's Quality Assurance (QA) work has always been viewed by DAP as an essential tool in identifying common errors within the benefit caseload. Whilst QA work was undertaken consistently during the first half of the year it has taken a back seat as resources were required to action the DWP's Housing Benefit Award Accuracy Initiative (HBAA). However, it is acknowledged that this work will achieve similar results, as alongside the full case review the accuracy of the assessment is also checked. Neither the QA work undertaken, or the claims tested as part of this review have identified a significant number of assessment errors, but this should be taken in context of the small sample of checks undertaken when compared to the volume of assessments completed within the year.</p>

Payroll (CoreHR) System	Reasonable Assurance Status: Final	<p>The Council's payroll system continues to operate effectively and the overall Internal Control Framework provides reasonable assurance that PCC employees have been paid accurately, on time and in accordance with their contract of employment. Payroll system controls through user profiles ensure:</p> <ul style="list-style-type: none"> • Amendments to the payroll are accurate, complete and appropriately authorised. • Statutory deductions and returns comply with regulatory requirements, to include Real Time Information (RTI). • Exception reports are generated regularly, checked and actioned. • Payments are correct, authorised and made on time. • Financial data is accurate, complete and validated.
Council Tax	Reasonable Assurance Status: Final	<p>The design of the control framework remains effective and whilst controls continue to operate to a reasonable standard overall, not all areas aspects as robust as in previous years. This is due in part to the need to administer the Energy Bill Support Scheme which has consumed considerable resources.</p> <p>Whilst recovery action is undertaken in a timely manner there is no ultimate deterrent for the very small number of customers who continually fail to pay their Council Tax. We note that there is also a lighter touch approach with the monitoring of the performance of the Enforcement Agents.</p>
£150 Energy Rebate <i>Not included in original plan</i>	Reasonable Assurance Status: Final	<p>Audit and Governance Committee Members asked that this audit review be included in the 2022/23 audit plan as they “sought assurance that everyone that was entitled to this payment were able to receive it via the council tax payment system”.</p> <p>We can provide assurance that both the main scheme and the discretionary scheme were administered in line with Government guidance and the control framework in operation ensured that payments were only made to residents meeting the relevant criteria. For the prescribed main scheme, payments to households totalled almost £16m with a further £549k being distributed under what is known as the Discretionary Fund. The criteria for the Discretionary Fund was approved under a delegated decision by the Portfolio Holder for Strategic Planning, Homes & Communities</p>
Business Rates	Reasonable Assurance Status: Final	<p>The design of the control framework remains effective, and controls continue to operate to a reasonable standard overall.</p>

		System parameter data was input correctly with bills issued in sufficient time to enable instalment dates commencing 1st April and in-year collection rate has increased when compared to last year. Whilst recovery action is undertaken in a timely manner there is no ultimate deterrent for the very small number of businesses who continually fail to pay their Business Rates.
Governance of Income	Reasonable Assurance Status: Draft	The controls required to collect, process and deposit income are long established were found to remain largely intact and as would be expected. However, the overall level of assurance is undermined by the direct impacts of the necessary rationalisation of the organisation. Work is required to provide guidance and advice to all locations and services receiving cash, the use of which should be reduced wherever possible. Where risks associated with income governance functions are not deemed a priority, they should be incorporated into the risk management process.
Register Office Income Collection <i>Not included in original plan</i>	Reasonable Assurance Status: Final	Overall, the internal control framework operating within the Registration Service continues to operate effectively with processes generally operating as expected. The Plymouth Register Office is continuing to provide services in line with their statutory responsibilities and is doing so in a competent manner.
Additional Holiday Pay <i>Not included in original plan</i>	Value Added Status: Complete	Due to caselaw ruling, there is a legal requirement to pay additional holiday pay if overtime / other variable work is regularly undertaken. Five separate tranches of payments for additional holiday pay have been subject to audit review. Having carried out appropriate investigations and checks for a sample of payments we concluded that the payments made were reasonable.
Electronic Signatures	Limited Assurance Status: Final	<p>Whilst testing undertaken during this audit review did not identify signatures being used without permission, DAP considered that the lack of formal guidance could put the Council at risk of fraud.</p> <p>We are pleased to report that in response to the observations highlighted within our report, a “draft” Electronic Signature Policy has been developed.</p>
ICT Backup Arrangements	Reasonable Assurance Status: Final	Rubrik is a powerful and complex backup solution with a modern user interface, which enables an effective, efficient and secure backup process. Rubrik provides immutable backups, meaning the backup cannot be changed, deleted, encrypted, or modified;

		<p>alongside scalability, which enables restore of a single file to a full Virtual Machine, in the restore process. Further assurance is provided by the use of secondary backup copies being stored in the Microsoft Azure hosted service.</p> <p>There is satisfactory governance in place regarding the implementation, policies and process around the Rubrik solution, with a mature change management process.</p> <p>Effective daily monitoring and monthly testing by the Infrastructure Team ensures the integrity and completeness of backup data and that appropriate reinstatement of data and services can be achieved if required.</p>
Patch Management	Status: Not Started	Delt have not yet engaged with DAP despite efforts since Nov 22. The current attempt defined that all fieldwork would be completed by 12th May and yet no meetings have been arranged by Delt's Chief Information Officer and member of their Leadership Team. This has now been escalated to senior management of both organisations for an early resolution.
Cyber Security Governance and User Management	Limited Assurance Status: Draft	<p>Not being able to balance the budget aside, the cyber threat is suitably recognised within the Strategic Risk Register as being amongst the highest risks that the Council face. It therefore, remains imperative that senior management are suitably informed of related issues on a regularly basis. Whilst progress against recommended actions has been slow due to the ongoing challenges that the Council face, there is now some good momentum in creating a greater top-down corporate awareness of the current Cyber Risk Landscape.</p> <p>IT User management remains in need of further work to appropriately mitigate the risks currently posed. The outstanding issues require a review of current processes to identify opportunities to automate processes and better utilise two factor authentication and biometrics as appropriate.</p>
Client Financial Services	Limited Assurance Status: Final	Efforts continue to build on the collaborative working arrangements put in place after our 2019 audit report although there has been some slippage regarding training for Livewell SW staff in PCC requirements. There is now a Self-Service Assessment on the Plymouth Online Directory (POD) which takes people through a series of questions and can give an estimate of what they may be expected to pay based on the answers given. However, there is often a reluctance to make client contributions and in many cases a

		<p>range of avoidance tactics are deployed, particularly when the service user has a property</p> <p>Resource issues have resulted in an increase in the backlog of referrals awaiting assessment in CFST. This will have a negative impact on the service user who may need to pay a large, backdated invoice once the assessment is complete.</p> <p>In Deputyship cases there is approximately a two year wait for cases to be allocated. Without this support, service users cannot access their funds. Some on the waiting list who are very elderly may pass away before the Deputyship process can commence.</p> <p>Relationships and key contacts have remained and Debt Meetings between CFST, Finance and ASC have continued. There was evidence to indicate improved collection rates for those cases subject to close monitoring and where regular contact was maintained with the service user/ financial representative. However, there was also evidence of time-wasting tactics deployed by financial representatives to avoid making payments. Long gaps between contacting these financial representatives made it easier for them to repeatedly ask the same questions or query the charges, sometimes passing responsibility onto other members of the family in an attempt to stall or complicate the situation. We note that there are also delays within the Court of Protection processes which are totally outside of the control of the Council.</p>
Recommendation Tracking	Value Added Status: Complete	Two exercises to follow-up on progress with the implementation of management actions have been undertaken (as at the end of June and December 2022) and the results reported to this committee by the Finance Director in September 2022 and March 2023 respectively. The next
Health & Safety - Hand, Arm Vibration (HAVs)	Limited Assurance Status: Final	<p>Following HSE intervention in 2017-2019 internal audit has continued undertaken work to review the processes and controls being developed by the Council to meet the requirements of the Management of Control of Vibration Regulations 2005 and protect employees from the risk of hand, arm vibration. Although we have given an opinion of limited assurance, this must be understood in context of the Council's journey which continues to make good progress.</p> <p>It is pleasing to report that those interviewed during the course of this review are professional, knowledgeable and understand the importance of mitigating HAVS risks.</p>

		<p>This is reassuring and demonstrates the level of progress that has been made. However, it is essential that the Council can always provide sufficient evidence of the controls in operation across the various service areas. The current reliance on manual processes to manage risks provides poor value for money and we consider the proposed procurement of the Reactec system will dramatically improve the Councils ability to fully mitigate HAVS risks.</p>
Executive Office		
Electoral Services (Follow Up)	Value Added Status: Complete	<p>DAP continues to provide assurance that the data quality checks conducted to ensure the integrity of the electoral roll and the election outputs and found those conducted for the 2023 Council elections to be performed to a high standard. The steps taken were logical and provided focus on potentially high risk areas. A high level of assurance was obtained that the process provides as good a means of validating the data as resources and reporting limitations allow.</p> <p>As previously highlighted by DAP, limitations of the Civica Xpress system remain and impact the level of data checks possible. The use of Microsoft's Power BI data analysis tool is being more widely used within the Council and its use to provide supplementary Electoral reports will be explored.</p>
People		
OLM Eclipse Project	Value Added Status: Ongoing for duration of project	<p>Following on from the work conducted to support the Children's project, DAP continues to provide real-time support and challenge to the Eclipse Project Board for the ASC Eclipse Project, providing formal advice as necessary. The 'Adults' project is now nearing its originally planned 'Go Live' date, which is worthy of note for such a large and complex project. Project risks continue to be well monitored and appropriate arrangements are being made to allow for a 'Go Live' during the first weeks of July 2023.</p>
Plymouth Active Leisure (PAL)	Value Added Status: Final	<p>The scope of our work as agreed by the PAL Board was to perform a highlight review of key operational areas, looking also at the Governance to make sure they have the correct arrangements in place to enable them to learn and grow</p> <p>No significant concerns were identified but our situation report did highlight the need to further develop and strengthen governance arrangements. This is a challenging area for all Teckal companies and getting a sound balance to provide strategic and operational</p>

		<p>clarity will materially improve PAL's ability to deliver its intended outcomes in a challenging financial climate. The creation of Schemes of Delegation will assist in achieving this. Crucially, it will help provide a means of forming a balanced understanding of how the relationship between PCC (Shareholder), the PAL Board and PAL Management should operate.</p>
Fully CATERed	Substantial Assurance Status: Final	<p>The operating procedures for FullyCATERed Ltd were found to be effective and the business follows standard operating procedures.</p> <p>Xero Accounting Software is used to manage the accounting transactions for the company. Daily automatic integrations to Square, the point-of-sale software, and the bank account support prompt and accurate recording of financial transactions. Following sample checking of a range of financial transactions, including invoices, payments, journals and reconciliations within Xero our view is that the internal control framework is satisfactory and that the accounts being prepared by Bishop Fleming will be fairly represented.</p>
Domicillary Care Provider Returns	Reasonable Assurance Status: Draft	<p>Due to pressures within the Brokerage Team, provider returns have not been monitored to any great extent. A list of seven Extra Care Housing (EHC) providers and nine Domiciliary Care providers were selected by Commissioning for targeted review. Using Power BI, a data visualisation software product we built a tool which enabled each provider return to be uploaded and a range of queries run. A sample of service users showing high "unders" or "overs" for each provider were then reviewed against the variance code together with any notes made by the provider with details of some being provided to Commissioning for further exploration.</p> <p>The data analytics tool built by DAP will be shared with the Brokerage Team and training provided on its use. Uploading each provider return on receipt will enable the Team to better monitor returns and identify any issues quickly and efficiently.</p>
The Plymouth Alliance	Reasonable Assurance Status: Final	<p>The Council in partnership with service users and providers, co-designed a new complex needs system to enable people to receive the right support, at the right time, in the right place. In April 2019, 25 separate services were brought together into The Plymouth</p>

		<p>Alliance (TPA) to create a new single system to deliver an improved experience and better outcomes.</p> <p>DAP have completed a high-level review of the arrangements underpinning TPA and through discussion with internal and external stakeholders can provide assurance that a spirit of collaborative work has been embedded within TPA, replacing siloed working and fostering a shared determination to improve outcomes for service users.</p> <p>TPA has evolved since its inception it is considered that further, more focussed, audit work would be beneficial to provide further assurance that the Single Referral Pathway is operating as efficiently as possible, that PCC staff have full visibility of relevant financial information and that outcomes are being effectively measured and reported.</p>
Children's Services		
Families with a Future (Payment by Results)	Regulatory Requirement	DAP have verified and certified 10 claims across 2022/23.
Life Chances Fund (Pause Programme)	Regulatory Requirement	Quarterly sample checks have been performed on the outcomes reported for Cohorts 1 and 2 of the Pause Programme. This programme works with women who have experienced or are at risk of, repeated pregnancies that result in children needed to be removed from their care. The model aims to give women the opportunity to “pause”, take control of their lives and break free from destructive cycles.
Due to the long anticipated Ofsted inspection, work on SEND will commence at the end of June.		
Office of the Director of Public Health		
Public Burials Administration	Reasonable Assurance Status: Final	<p>Administration of Public Burials is undertaken efficiently and in accordance with relevant legislation / best practice adequately safeguarding the Council's financial and reputational positions.</p> <p>From the point of referral, checks include confirming residential and next of kin status and confirming any recovered items of value or evidence of financial means through liaison with landlords, housing providers, the Police and GPs. Record keeping is comprehensive and robust with all actions taken and corresponding evidence recorded.</p>

Place		
Cultural Development Fund iMayflower Project Delivery <i>Not included in original plan</i>	Reasonable Assurance Status: Final	<p>The iMayflower project was an ambitious, large-scale, collaborative programme providing skills and learning opportunities through events and community engagement; there were significant interdependencies with the activities planned for the Mayflower 400 commemorations. The project harnessed immersive, digital technologies to support Plymouth's creative talent in bringing to life world class cultural heritage whilst helping the best and brightest ideas succeed, building businesses, and creating a sustainable future for all.</p> <p>An agreement was made at the onset of the project between the partners as to the intended project outcomes and criteria for eligible expenditure. However, the COVID-19 pandemic created major challenges and prevented elements of the programme from being delivered as planned. Nonetheless, most of the reported outcomes support the overall project objectives and demonstrate creative innovation and agility in adapting to a rapidly changing landscape.</p> <p>Our assessment of management controls, procedures and processes in place are considered sufficient to provide reasonable assurance that the Council as Accountable Body and RIO as a Delivery Partner have complied with the grant conditions.</p> <p>Whilst we have raised some points in our report relating to issues that have caused difficulties during project delivery so that lessons can be learned, it is important to recognise and celebrate the successes of the project and the outputs delivered to the City.</p>
Stores & Stock Control (Domestic Waste Containers) <i>Not included in original plan</i>	Reasonable Assurance Status: Final	<p>We can report that the Council's stock of domestic waste containers and bags are subject to effective administration and stock control procedures. The appointment of the responsible team leader in April 2022 has seen significant improvements made, with new processes and controls implemented. Stock takes are undertaken on a weekly basis and ordering trigger points have been adopted to ensure that there is sufficient holding stock to cover any delays with supply.</p> <p>In addition, the Auditor worked alongside the department to adapt the current weekly stock check spreadsheet to include the cost per unit, total inventory cost and variance from the previous week stock count. This will aid in identifying the total inventory cost of physical stock held at any given point as well as notable changes in stock levels which</p>

		require reconciliation. Individual sheets have been created which will improve the visualization of checks on a monthly basis as well as a dashboard highlighting key information.
Stores & Stock Control (Stores)	Reasonable Assurance Status: Final	<p>Overall we are able to provide a reasonable level of assurance that there are effective stock management controls operating within the main Stores at Prince Rock Depot. However, the Stores Officer is the only member of staff in the department licensed to receive and issue chemicals and we have highlighted the need for management to consider whether there is sufficient cover across the service to adequately cover periods of absence.</p> <p>Currently there are multiple spreadsheets in use to record the distribution of stock and the Auditor has worked with the Stores Officer to condense current records into a single spreadsheet. By condensing records into a single excel spreadsheet and using the tools available data analysis can be undertaken by using filters etc to identify trends.</p>
City Change Fund	Substantial Assurance Status: Final	<p>City Change Fund (CCF) governance arrangements ensure compliance with Community Infrastructure Levy (Amendment) (England) (No 2) Regulations 2019 and its effective use through appropriate management and allocation of City Change funds. Substantial Assurance is provided through current governance, risk management and internal controls that operate effectively and are consistently applied to support the achievement of City Change Fund objectives.</p> <p>This customer focused, digital system enables developer contributions to be directed at the priorities of local communities and has been held up as an exemplar with the CCF declared the winner in the 'Excellence in Tech Within Planning Practice' category before winning the overall Silver Jubilee Cup at the RTPI awards in 2019, where it was recognised for a "genuinely citizen-led decision-making approach" and for "its unique, ground breaking initiative that went beyond simple community engagement by empowering local communities to be proactive and invest in the City Change Fun to deliver local priorities.</p>
Commercial Properties	Reasonable Assurance Status: Final	Land & Property (L&P) deliver an effective and professional property service in their management of the legacy portfolio of Council assets.

		<p>The Council's asset management system, Tech Forge, migrated to the "TF Cloud" system in 2021 and L&P have been proactive in using the system enhancement to improve data quality, streamline processes and overall, create a more robust control framework than was previously in place.</p> <p>Sample testing found that agreements had been accurately recorded within the system, key documents had been retained and were accessible and invoicing had been set up in accordance with the value and period specified. Rent reviews, including the type and due date, are input into TF Cloud following legal completion of the lease agreement.</p>
Grant Certification	Regulatory Requirement	<p>A total of 32 grants have been audited and certified. They are as follows:</p> <ul style="list-style-type: none"> • SWLEP Growth Fund - Derriford Transport Scheme • SWLEP Growth Fund - Northern Corridor Junction Improvements • SWLEP Growth Fund - Eastern Corridor Strategic Cycle Network • SWLEP Growth Fund - Charles Cross • SWLEP Growth Fund - Plymouth Railway Station • SWLEP Growth Fund - Oceansgate Phase I • SWLEP Growth Fund - 5G Smart Sound • SWLEP Get Building Fund - National Marine Park • SWLEP Get Building Fund - Plymouth International and City Business Parks • SWLEP Get Building Fund - Concourse Phase 2, Brunel Plaza • SWLEP Get Building Fund - Green Homes • DH&SC LA Test and Trace Service Support • DH&SC LA Trace and Test Support Payment Scheme (2 claims) • DH&SC Contain Outbreak Management (5 claims) • DH&SC Community Testing • DH&SC LA Test & Trace Contain Outbreak Management Fund Surge Testing • DH&SC Adult Weight Management Service • DLUH&C Protect and Vaccinate • DLUH&C Disabled Facilities Grant • DLUH&C Rough Sleeping Accommodation Programme • Innovate UK - Marine e-charging living lab • DFT Transforming Cities - Tranche I

- DFT LTCB - Integrated Transport and Highway Maintenance
- DFT LTCB - Pothole Action Fund
- BEIS Salix
- Community Renewal Fund - Stonehouse Union
- Community Renewal Fund – NMP

Appendix 2 - Professional Standards and Customer Service

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 the Audit & Governance Committee in July 2022. This is supported through DAP self-assessment of conformance with Public Sector Internal Audit Standards & Local Government Application note.

The Institute of Internal Audit (IIA) are the key body involved in setting out the global standards for the profession which form the basis for the Public Sector Internal Audit Standards (PSIAS) and are undergoing review and revision. The proposed new standards which are likely to take effect in 2024 and this document helps clarity and raise awareness of the audit committee's governance roles and responsibilities in respect of this. [IIA Document – Draft Standards](#).

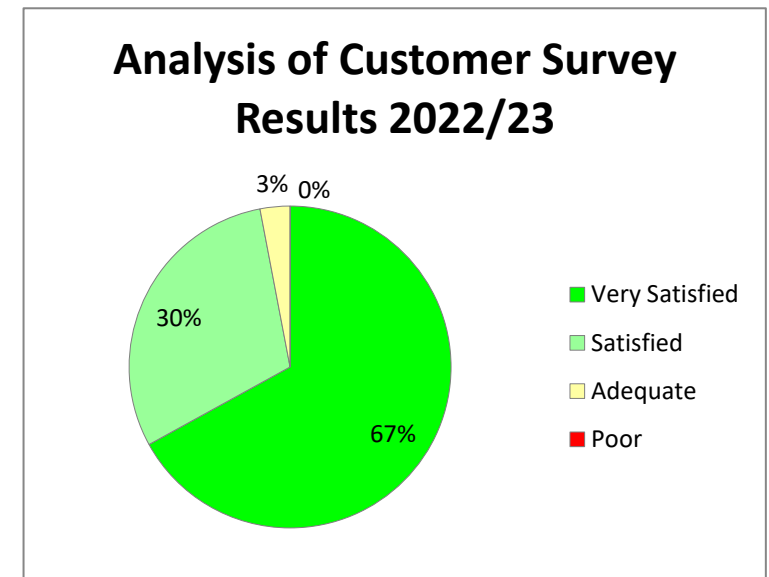
Quality Assessment - through external assessment December 2021, “DAP is considered to be operating in conformance with the standards”. External Assessment provides independent assurance against the Institute of Internal Auditors (IIA) Quality Assessment & Public Sector Internal Audit Standards (PSIAS). 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 are 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 was reported to the Management Board. 2021.

Customer Service Excellence

DAP was successful in re-accreditation by G4S Assessment Services of the CSE standard during January 2023. This accreditation is a UK-wide quality mark which recognises organisations the prioritise customer service and are committed to continuous improvement.

During the year we have issued client survey forms for some of our reports, and the results of the surveys returned were very good / positive. The overall result is very pleasing, with near 97% being "satisfied" or better across our services. 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 – Audit Authority



Appendix 4 - Annual Governance Framework Assurance

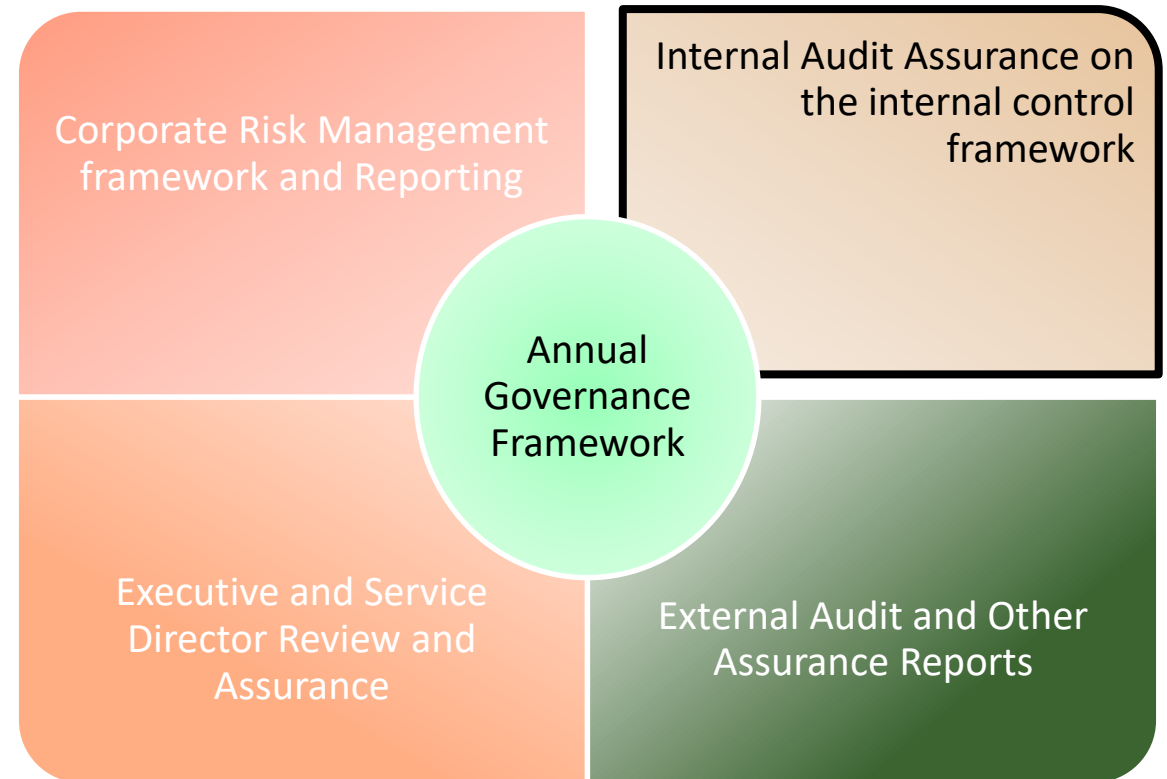
The conclusions of this report provide the internal audit assurance on the internal control framework necessary for the Committee to consider when reviewing the Annual Governance Statement.

The Annual Governance Statement provides assurance that

- the Authority's policies have been complied with in practice,
- high quality services are delivered efficiently and effectively,
- ethical standards are met,
- laws and regulations are complied with,
- processes are adhered to,
- performance statements are accurate.

The statement relates to the governance system as it is applied during the year for the accounts that it accompanies. It should: -

- be prepared by senior management and signed by the Chief Executive and Chair of the Audit and Governance Committee,
- highlight significant events or developments in the year,
- acknowledge the responsibility on management to ensure good governance,
- indicate the level of assurance that systems and processes can provide,
- provide a narrative on the process that has been followed to ensure that the governance arrangements remain effective. This will include comment upon,
 - The Authority,
 - Audit and Governance Committee,
 - Risk Management,
 - Internal Audit
 - Other reviews / assurance
- Provide confirmation that the Authority complies with CIPFA / SOLACE Framework *Delivering Good Governance in Local Government*. If not, a statement is required stating how other arrangements provide the same level of assurance



The AGS needs to be presented to, and approved by, the Audit and Governance Committee, and then signed by the Chair.

The Committee should satisfy themselves, from the assurances provided by the Corporate Risk Management Group, Executive and Internal Audit that the statement meets statutory requirements and that the management team endorse the content.

Appendix 5 - Basis for Opinion

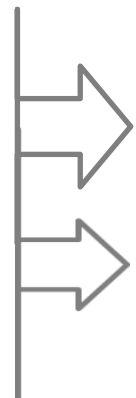
The Chief Internal Auditor is required to provide the Council with an opinion on the adequacy and effectiveness of its accounting records and its system of internal control in the Council. In giving our opinion, it should be noted that this assurance can never be absolute. The most that the internal audit service can do is to provide reasonable assurance, formed from risk-based reviews and sample testing, of the framework of governance, risk management and control.

This report compares the work carried out with the work that was planned through risk assessment; presents a summary of the audit work undertaken; includes an opinion on the adequacy and effectiveness of the Authority’s internal control environment; and summarises the performance of the Internal Audit function against its performance measures and other criteria. The report outlines the level of assurance that we are able to provide, based on the internal audit work completed during the year. It gives:

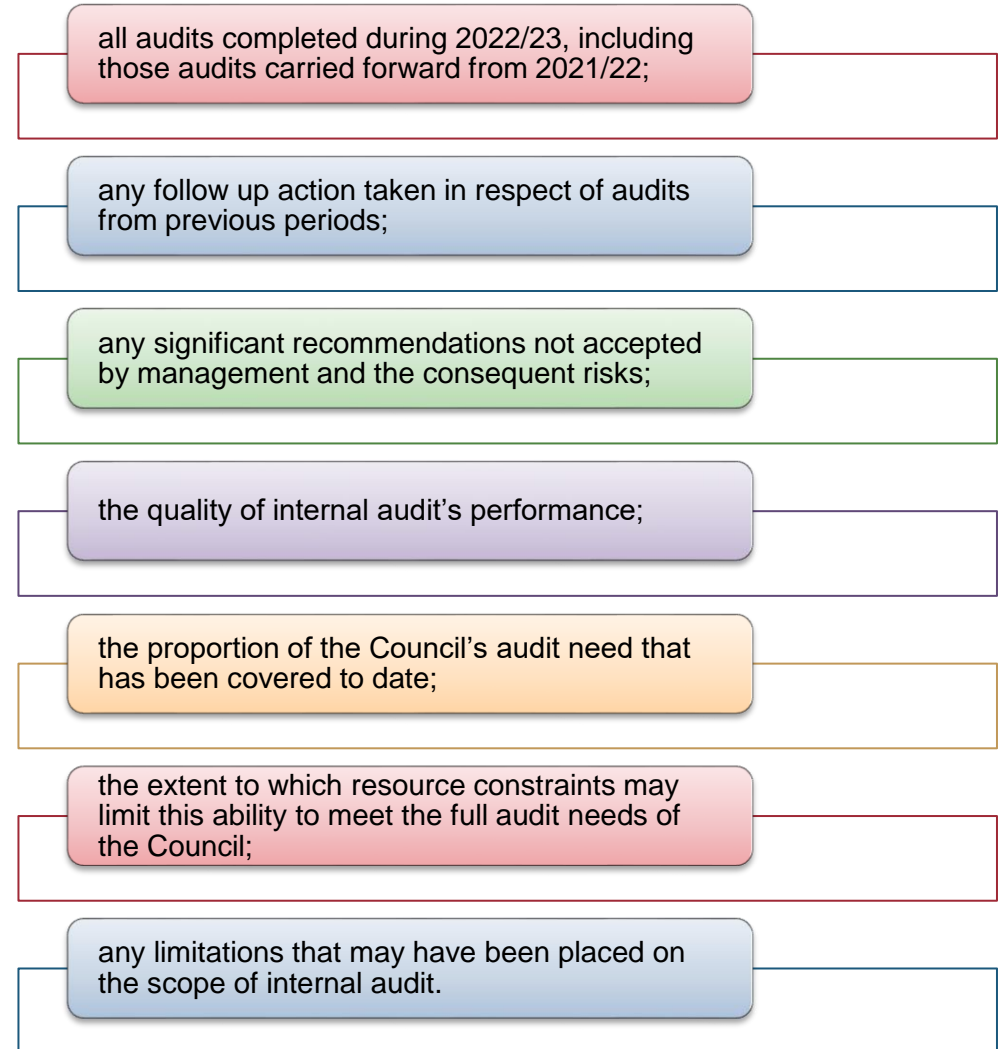
- a statement on the effectiveness of the system of internal control in meeting the Council’s objectives;
- a comparison of internal audit activity during the year with that planned,
- a summary of the results of audit activity and,
- a summary of significant fraud and irregularity investigations carried out during the year and anti-fraud arrangements.

The extent to which our work has been affected by changes to audit plans has not been notable this year. Whilst certain changes have been made from the plans originally agreed this has been due to changes in operational business needs

As a result, some work originally included within the audit plan was no longer relevant or has been deferred to a later date to fit with client needs and current objectives. These changes do not limit the overall audit assurance opinion.



In assessing the level of assurance to be given the following have been taken into account:



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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 tony.d.rose@devon.gov.uk