

Internal Audit

Annual Audit Report
2023-24

**Plymouth City Council
Audit Committee**

July 2024

Official

Tony Rose
Head of Devon Audit Partnership

Jo McCormick
Deputy Head of Devon Audit Partnership

Louise Clapton
Audit Manager



Support, Assurance and Innovation

Introduction

The Audit 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 2023-24 was presented and approved by the Audit Committee in March 2023.

The following report and appendices set out the background to audit service provision; any updates to the agreed plan; a review of work undertaken in 2023-24 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 provide an annual report providing an opinion that can be used by the organisation to inform its governance statement. This progress report provides a summary of work completed to date that will help inform the annual assurance opinion.

Expectations of the Audit Committee from this progress 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;
- changes to the plan and 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.

In review of the above the Audit Committee are required to consider the assurance provided alongside that of the Senior Leadership Team, Corporate Risk Management and external assurance including that of the External Auditor as part of the Governance Framework (see appendix 4).

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Overall Opinion Statement

Based on work performed to date during 2023-24, our experience from the current year progress and previous years audit, the **Head of Internal Audit's Opinion on the adequacy and effectiveness of the Authority's internal control framework is one of "Reasonable Assurance"**.

Our audit planning process is both risk based and agile, as such our resources, and consequently our annual report will inevitably focus upon higher risk areas.

Internal Audit assesses whether key, and other controls are operating satisfactorily 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. Implementation of action plans rests with management.

To provide ongoing assurance that management action is taken 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 2023/24 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 2023/24 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 2023/24.

This statement of opinion is underpinned by:

Internal Control Framework

The control environment comprises the Council's policies, procedures and operational systems and 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 of all kinds. Core financial and administrative systems were reviewed by Internal Audit.

The Council's overall internal control framework is considered to have operated effectively during the year. Where internal audit work has highlighted instances of non or part compliance, none are understood to have had a material impact on the Authority's affairs.

Risk Management

Risk Management (RM) arrangements have been developed significantly in 2023/24 with new risk recording, monitoring and reporting processes put in place, including the use of live risk registers.

We have provided an opinion of reasonable assurance for Risk Management.

Performance and RM continues to be reported to Corporate Management Team (CMT), Audit Committee and Overview and Scrutiny.

Governance Arrangements

Arrangements have been considered in all of our audits along with opportunities to improve consistency or alignment to business need.

Performance Management

Regular reporting to management, CMT, Scrutiny and the Council continues to ensure effective performance management.

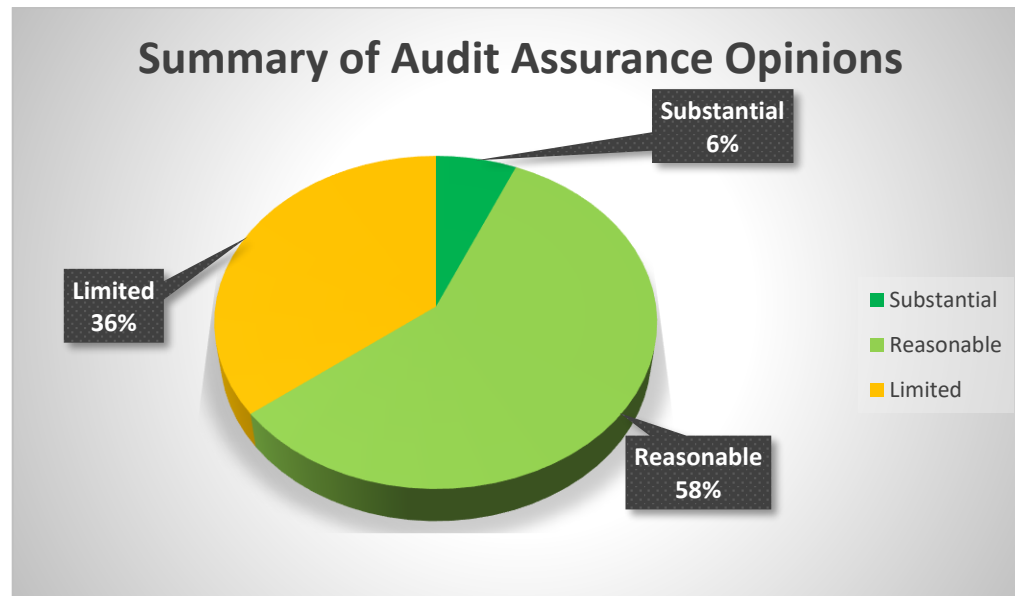
Irregularity and whistleblowing complaints, alongside the work of the Corporate Fraud Officer are also reported to Audit Committee.

The budget monitoring and scrutiny arrangements in operation have enabled pressure points to be identified and prompt remedial action to be taken. Budget performance is monitored by CMT, Scrutiny and full Council.

Substantial Assurance	A sound system of governance, risk management and control exist 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.

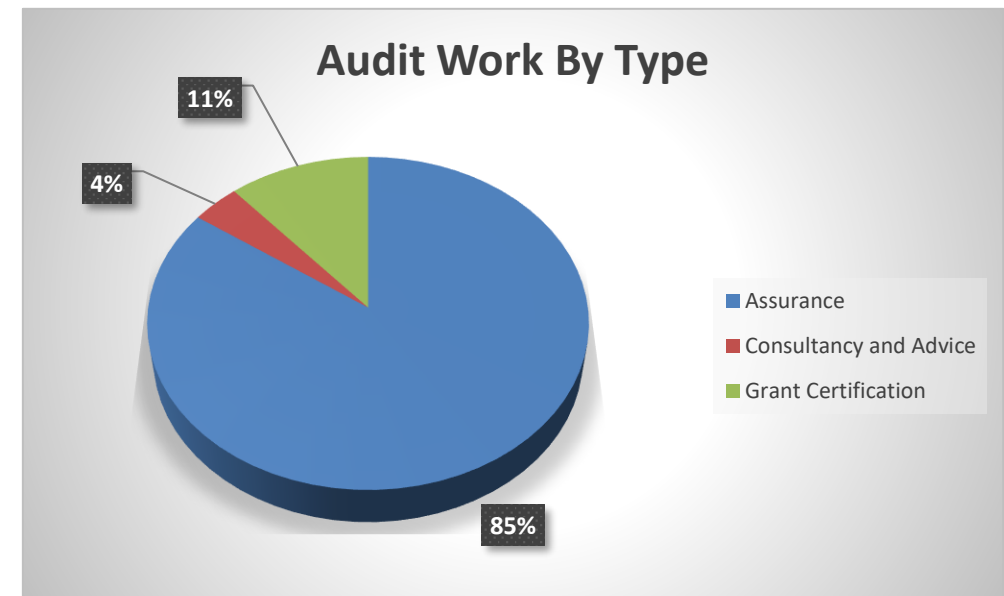
Summary Assurance Opinions

Chart 1.



Each assurance audit provides an Audit Assurance Opinion and this is used to inform our annual overall assurance opinion provided on page two. Chart 1, above, indicates the spread of assurance opinions from across our Internal Audit Assurance reports issued in the past year. Whilst 64% of assurance opinions were Reasonable or Substantial, it should be noted that four assurance opinions related to one service area, SEND. Due to the complexity of this area the audit objectives were split into four distinct reviews, if these reviews were to be considered as one 71% of audit assurance would be Reasonable or Substantial and 29% Limited. Chart 3 on page four indicates the spread of assurance opinions across Council Service areas, full details of audit work undertaken can be found in Appendix 1 on page 8.

Chart 2.



Assurance audits accounted for 85% of the work completed in year. Whilst assurance audits enable us to provide an independent and objective opinion on the effectiveness of Plymouth City Council's risk management, control and governance processes DAP also carry out grant certification work and provide advice to support the ongoing development and improvement of Council operations and management of its risks. Chart 2, indicates the split of Internal Audit by work type undertaken during the 2023/24 financial year.

Summary Assurance Opinions

Chart 3.

Service Area Overview of Audit Coverage					
Adults, Health and Communities	Chief Executive	Children's Services	ODPH	Place	Resources
Deprivation of Liberty Safeguards Module (Eclipse) Draft	Risk Management Draft	Supporting Families Payment By Results Quarterly Claims	Registration Office – Income Collection Controls	Commercial Properties	Business Rates
Direct Payment's		Pause Project Life Chances Fund Quarterly Claims	Public Health - Event Safety Advisory Group	SWLEP Growth Deal Fund Grants (6)	Treasury Management 2023/24
DLUH&C Disabled Facilities Grant		Special Guardianship Orders Follow Up		SWLEP Get Building Fund Grants (2)	Purchasing and Creditor Systems 2023/24
Adult Social Care Payment System		SEND Governance		DFT Integrated Transport Block Grant	Payroll 2023/24
Eclipse Project & Social Care IT Board		SEND Decision Making		DFT LA Majors Grant Forder Valley Link Road	Housing Benefits 2023/24
		SEND Commissioning and Contracting		DFT Highway Maintenance and Pothole Fund Grants (3)	Council Tax 2023/24
	SEND Provision Monitoring and Evaluation	DFT LEVI Capital Grant		Main Accounting System 2023/24	
				BEIS Home Upgrade Fund Grant (2)	Income Collection Governance (Draft)
				BEIS Social Housing Decarbonisation Grant	Intelligent Automation Programme
				DEFRA Food Waste Collection Grant	Additional Holiday Pay - Back Pay (Corporate and Schools) July 2023 and
				Issuing, Appeals and Cancellations of Penalty Charge Notices	Debtors
				South West Devon Waste Partnership	Debt Collection Themes and Trends
					Corporate Information Management

Key: **Substantial Assurance** **Reasonable Assurance** **Limited Assurance** **No Assurance** **Opportunity or Value Added**

Audit Coverage By Corporate Plan Priorities and Themes

Internal Audit coverage should be aligned to corporate priorities and risk. The two charts below indicate our assessment of Internal Audit coverage against Plymouth City Councils Corporate Plan objectives and themes, we will continue to develop reporting of audit plans against risk

Chart 4

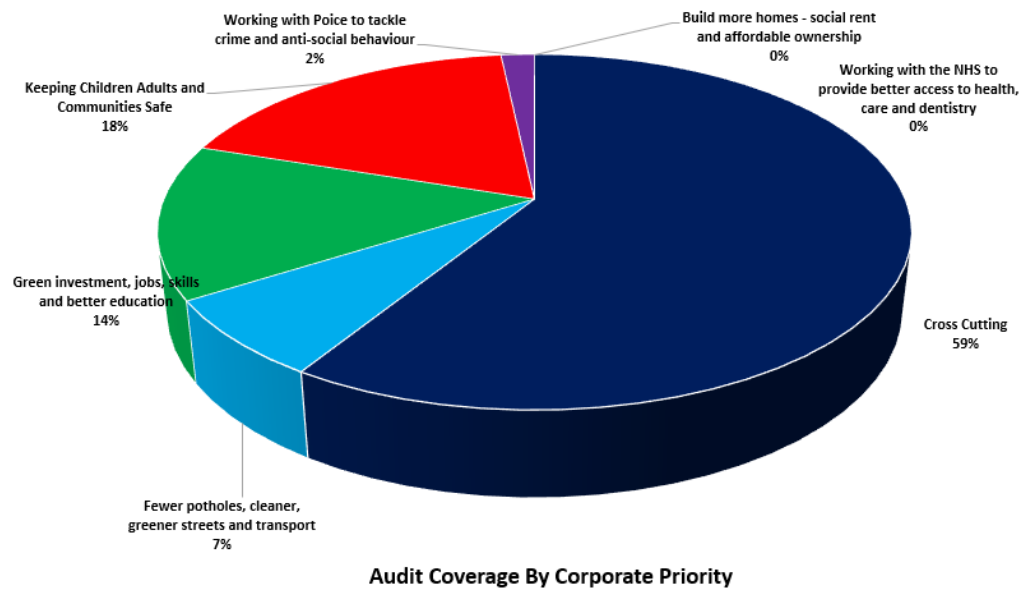
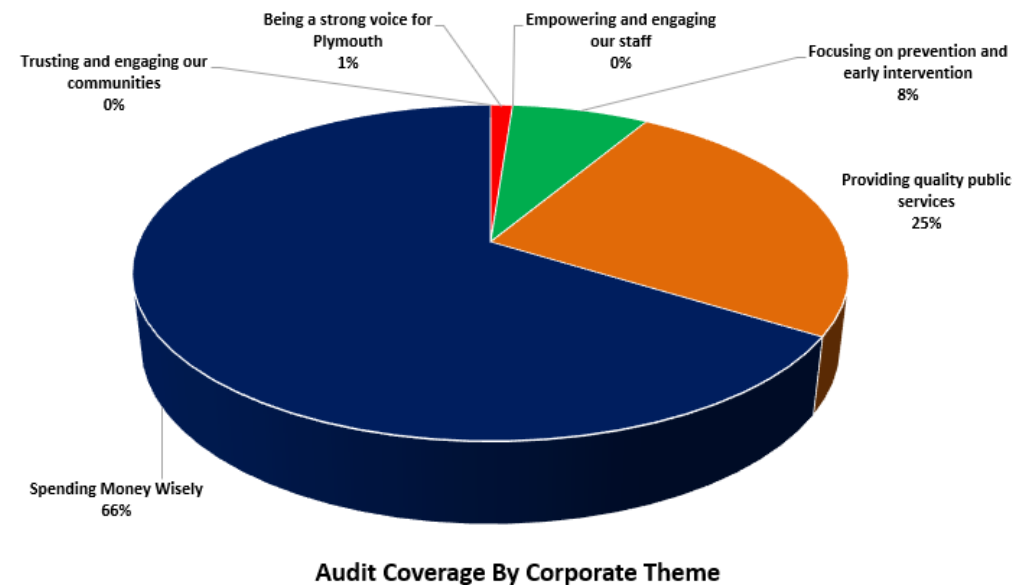


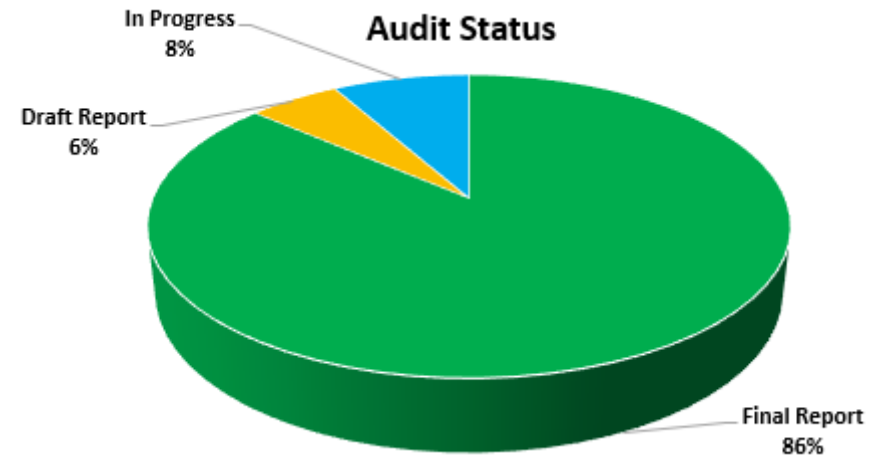
Chart 5



Audit Performance

DAP delivered 92% of audits to draft /final report, against the 2023/24 amended plan, the remaining audits are still in progress, as depicted in chart 6. To ensure that our Internal Audit programme of work is agile and meets the ongoing audit need requirements of the Council, amendments to the plan including cancellation or deferral of audits are agreed with Council Management and reported to Committee through our in year DAP progress reports.

Chart 6



The two charts below show the breakdown of the planned audit coverage by service area and that actually completed, this has varied only slightly.

Chart 7

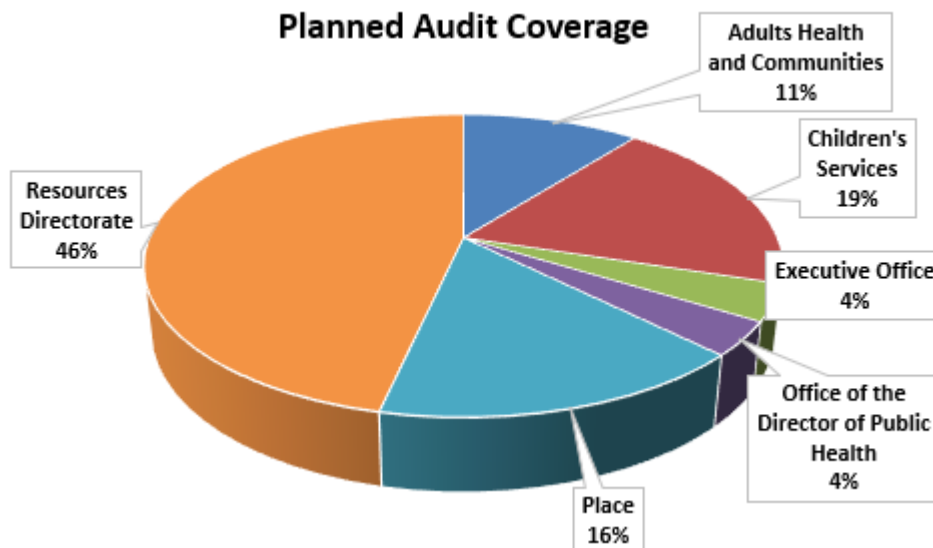
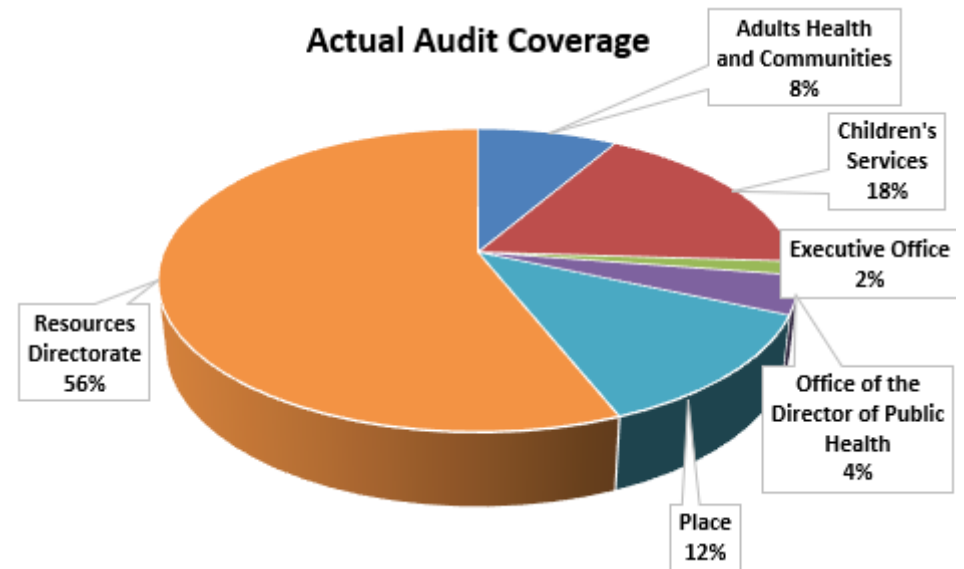


Chart 8



Value Added

We know that it is important that the internal audit service seeks to "add value" whenever it can. We believe internal audit activity can add value to the organisation and its stakeholders by:

- providing objective and relevant assurance,
- contributing to the effectiveness and efficiency of the governance, risk management and internal control processes.

Notable benefits are highlighted below.

Management Action Tracking

A new process to monitor and ensure that management actions are effectively implemented has been introduced during 2023/24. Support from the Councils Corporate Management Team has been key to developing a culture where implementation of agreed management actions is a priority. The number of overdue management actions have significantly reduced from 42 as at 31st December to 10 as at the 31st March 2024. Audit and Governance Committee will receive its first report at this July 2024 meeting, the latest report to 31st May shows a further reduction with only 3 management action overdue.

Data Analytics

To further strengthen and support our audit work we have sought to make greater use of data analytics, working with PCC we have identified specific whole data sets and developed data analysis tools including Power Bi Dashboards this enables greater assurance to be obtained through our audit work. Data analysis of complete data sets have been developed and undertaken for the Payroll, Purchasing and Creditor, Purchasing Cards and Direct Payment audits.

Risk Management

DAP continue to work with the Executive Office to better integrate the risks identified through internal audits with risk and performance management reporting tools, making the links between corporate and service objectives with governance, risk, internal control and performance. DAP also supported the initial presentation and introduction of the new risk management tool to Managers as part of the Lunch and Learn programme. As part of our programme of work in 2023/24 a survey of staff across the Council was undertaken to establish awareness and understanding of the Councils Risk and Opportunity Management Strategy, 175 members of staff responded, from all levels and from across the Council. Full details of the survey have been shared with the Executive Office to identify opportunities for strengthening overall risk management awareness and understanding across the Council.

Audit Advice

DAP provided real time advice throughout 2023/24 to support transformation change and / or mitigate risk.

- Civica Purchasing, assessment of background findings and consideration of user access profile revisions to minimise associated risks whilst ensuring efficiency and compliance in addition to the consideration of the proposed under £5k purchasing policy and procedure.
- Constitutional Review, provision of advice as changes to the constitution are considered.
- BEIS grant delivery, provision of advice to Officers on project governance and project delivery assurance framework to ensure compliance with grant funding requirements.
- Consideration of risks and implications relating to service agreements for the purchase of care home placements and residential care home cashflow.
- Plymouth Active Leisure, provision of advice to External Auditors relating to the Gladstone to Civica interface control.
- Recruitment controls provision of audit information and advice to inform transformation project plans for change.
- Consideration and identification of risk implications of proposed change to verification controls.

Schools

The original plan had two federated nursery schools and one special school for an internal audit review during the year. All of these school audits were successfully undertaken during the 2023/24 financial year. No primary schools were scheduled to be reviewed as they had all received an audit in the 2022/23 financial year, with the exception of one which is pending academisation.

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.

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. Co-ordination of this exercise is now undertaken by DAP's Counter Fraud Team details of this and the Counter Fraud work conducted in 2023/24 is 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.



Summary of Internal Audit Work 2023/24

Appendix 1

The table below details the audit work undertaken within the 2023/24 financial year.

Audit Area	Status	Opinion	Audit Summary	Total Agreed Actions	Management Actions			
					H	M	L	O
Adult Social Care Payment System	Final	Limited	<p>An opinion of Limited Assurance was given due to the failure of internal controls. Mitigation of overpayment risk will be strengthened through implementation and embedding planned:</p> <ul style="list-style-type: none"> • Guidance, including gatekeeping checks, • Training for new staff, • Supervision of gatekeeping checks by inexperienced staff, and; • Updated exception reporting 	4	0	4	0	0
Client Financial Services	Final	Limited	<p>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. Online information to customers has been strengthened, however, there is often a reluctance to make client contributions and in many cases a 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 and delays remain for Deputyship cases to be allocated.</p> <p>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, long gaps between contacting financial representatives made it easier to stall or complicate completion of financial assessments. We note that there are also delays within the Court of Protection processes which are totally outside of the control of the Council.</p>	14	5	7	2	0
Debtors 2022/23	Final	Limited	<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.</p>	14	6	6	2	0

Audit Area	Status	Opinion	Audit Summary	Total Agreed Actions	Management Actions			
					H	M	L	O
			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.					
Debtors 2023/24	Final	Limited	<p>Outstanding sundry debt has risen in the financial year 2023/24, collection rate currently stands at 80.5% against a target of 95%. Senior management are aware and audit have been informed that steps are being taken to resolve this.</p> <p>Extra resource has been put in place within the Income Recovery team but it is too early to give an opinion as to whether this will have an effect on the amount of debt outstanding. New processes have or are being put in place and all outstanding debts are in the process of being reviewed</p> <p>The Income and Credit Management Policy has not been updated since October 2017 although it is understood that work is underway to rectify this. This has been an ongoing management action for seven year.</p>	12	5	6	1	0
Issuing, Appeals and Cancellations of Penalty Charge Notices (PCNs)	Final	Limited	<p>Whilst policies and procedures are in place, they are not always strictly adhered to and working practices have become out dated or missing.</p> <p>We are pleased to highlight that the Service has a Parking Enforcement Action Plan in place which touches on a number of the issues included in this report and once this is implemented along with the recommendations in this report, processes and procedures should be further strengthened and operating to a good standard.</p>	8	1	6	0	1
SEND Governance (Externally Commissioned Educational Provision)	Final	Limited	<p>SEND governance arrangements are not yet embedded and integrated. Arrangements would be strengthened through:</p> <ul style="list-style-type: none"> Publication of its SEND Strategy 2023-26 and ongoing evaluation of delivery progress and outcomes. 	7	4	2	0	1

Audit Area	Status	Opinion	Audit Summary	Total Agreed Actions	Management Actions			
					H	M	L	O
			<ul style="list-style-type: none"> Implementation of commissioning plans for SEND services, ensuring strategic direction and resource allocation meets the needs of the SEND community. Implementation of a SEND Communication Strategy/ to foster transparency and collaboration. Implementation of risk management arrangements, to ensure the risks, barriers and uncertainties, to delivering the SEND Strategy are identified or captured to enable mitigating action and allocation of resources to be determined. 					
SEND Decision Making (Externally Commissioned Educational Provision)	Final	Limited	<p>The decision making process within SEND and the 0-25 team was under review however, at the time of the audit, progress on the development work had been delayed with no detailed action available. SEND decision making would be strengthened through:</p> <ul style="list-style-type: none"> Implementation of revised written processes. Implementation of a Scheme of Delegation to set out the delegated authority for decisions. All financial decisions being taken at appropriate authorisation levels; Decisions being effectively communicated. Regularity of DMP (Decision Making Panel) meetings, to improve timeliness of decisions. Implementation of Terms of Reference (ToR) for decision making panels and members informed. 	10	3	7	0	0
SEND Commissioning and Contracting (Externally Commissioned Educational Provision)	Final	Limited	<p>Procedures and systems in place for the commissioning and contracting of SEND external educational placements would be improved through:</p> <ul style="list-style-type: none"> Improved management information Compliance with Financial Regulations and Standing Orders Improved management action and demonstrable decision making within arrangements for undertaking due diligence of providers; Improved customer service, timeliness of communications and the completeness of 	13	9	4	0	0

Audit Area	Status	Opinion	Audit Summary	Total Agreed Actions	Management Actions			
					H	M	L	O
			<p>management information to support provider service delivery, financial management and service reputation</p> <ul style="list-style-type: none"> Value for money assessments, including consideration of costs when assessing the reasonableness or suitability of individual placements and undertaking site visit to assess suitability for an individual; 					
SEND Monitoring and evaluation (Externally Commissioned Educational Provision)	Final	Limited	<p>Procedures, processes and systems in place for the monitoring and evaluation of SEND contracts and external educational placements would be improved through:</p> <ul style="list-style-type: none"> Improved management action and demonstrable decision making to act on concerns. Improved monitoring of children/young people in placement to ensure outcomes are met, placements are appropriate and attendance is good, Improved management information and monitoring procedures. Improved financial management of additional and ongoing costs incurred where non-attendance is identified. 	9	2	6	1	0
Special Guardianship Orders Follow Up	Final	Limited	<p>Overall audit opinion remains "Limited Assurance". Whilst improvements and/or plans for improvements have been made in some areas, associated risks are not yet sufficiently mitigated due to some significant weaknesses in the internal control framework.</p> <p>The Head of Service is to undertake a review of Special Guardianships. This should clarify roles and responsibilities and provide ownership for the whole process ensuring a joined-up approach between Children, Young People and Families (CYPF), Client Financial Services Team (CFST) and Finance and maintaining good communication between stakeholders.</p>	10	2	5	3	0
Commercial Properties	Final	Reasonable	<p>Land & Property (L&P) deliver an effective and professional property service in their management of the legacy portfolio of Council assets.</p>	3	0	1	0	2

Audit Area	Status	Opinion	Audit Summary	Total Agreed Actions	Management Actions			
					H	M	L	O
			<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>					
Additional Holiday Back Pay Corporate and Schools	Final	Reasonable	Due to caselaw ruling, there is a legal requirement to pay additional holiday pay if overtime / other variable work is regularly undertaken. Four 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 process to identify and calculate payments made were reasonable.	0	0	0	0	0
Business Rates 2022/23	Final	Reasonable	Reported to July 2023 Audit and Governance Committee in draft and finalised May 2023.	7	1	3	3	0
Council Tax 2023/24	Final	Reasonable	<p>This audit evaluated the arrangements for applying discounts, exemptions and reliefs and debt collection. It was found that the Council provides adequate support to eligible tax payers with published information meeting the requirements of the Plain English Guide to Council Tax. Adequate arrangements were in place to maximise Council Tax collection.</p> <p>As raised previously, there remains a large amount of Council Tax accounts in credit, this work continues to be viewed as a low priority.</p>	11	2	6	2	1
Direct Payments	Final	Reasonable	Direct Payment expenditure is in accordance with Direct Payment legislation. Compliance with statutory regulations and meeting Plymouth City Councils (PCC) performance targets to undertake annual reviews, along with monitoring	6	2	4	0	0

Audit Area	Status	Opinion	Audit Summary	Total Agreed Actions	Management Actions			
					H	M	L	O
			and oversight to ensure client contributions towards care costs are made, could be further strengthened to ensure council funded support through direct payments meets the individual needs of service users.					
Housing Benefits 2023/24	Final	Reasonable	<p>Adequate processes and controls in place to ensure the completeness and accuracy of all data provided to the Council's financial accounts with reconciliations of Housing Benefit payments, overpayments, and receipts to the Main Accounting System, undertaken in a timely manner. The Council's Housing Benefit and Council Tax Support assessments are undertaken by experienced, well-versed staff, and regular checks are undertaken to ensure Housing Benefit subsidy is maximised. However, there remains room to better support and safeguard assessment quality and performance.</p> <p>The average number of processing days was in the bottom 20% of all Local Authorities. It is recognised that the complex nature of Housing Benefit claims for supported/temporary accommodation and difficulty in evidence gathering from those claimants who rely on support workers who have large caseloads, may explain some delays in processing</p> <p>Management have advised that limited resources have hindered their progress in implementing some of the controls we have previously recommended, including debt recovery, QA checks and National Fraud Initiative (NFI) checks.</p>	13	2	8	2	1
Intelligent Automation	Final	Reasonable	<p>A sound baseline has been put in place to create the required platform upon which Intelligent Automation (IA) can be integrated into the Council's processes.</p> <p>There is a reassuringly healthy acceptance by all involved in the Council's IA Programme that there is a steep learning curve to understand the technology and how this can best be harnessed by the Council. This applies to evolving governance, design, creation and integration activities, the</p>	12	3	8	1	0

Audit Area	Status	Opinion	Audit Summary	Total Agreed Actions	Management Actions			
					H	M	L	O
			<p>key risks of which are set out in the next section of this report.</p> <p>To obtain the best value for money IA is best delivered via a robust and effective enterprise platform. This requires a top-down commitment from senior management to the IA Programme and a clear understanding of the drivers and potential outcomes and benefits.</p>					
Payroll 2023/24	Final	Reasonable	The overall internal control framework in respect of PCC's payroll system continues to provide reasonable assurance that PCC employees have been paid accurately, on time and in accordance with their contract of employment.	11	0	11	0	0
Event Safety Advisory Group	Final	Reasonable	<p>Plymouth City Council in partnership with the key agencies has established an event support process for larger or higher risk events which includes the opportunity for these to be discussed at the Plymouth Event Safety Advisory Group (PESAG).</p> <p>PESAG provides event organisers with coordinated access to professional specialist advice and guidance from a wide range of Council Officers, external agencies and services to assist the safe management of their event and avoid any difficulties that may affect any liability insurances, licences or other required permissions, legislative need or exposure to possible litigation.</p> <p>PESAG operates effectively with adequate governance arrangements and processes in place. Recommendation have been made to enhance the overall control framework and strengthen the operation of the ESAG.</p>	11	0	5	4	2
Purchasing and Creditors 2023/24	Final	Reasonable	<p>Plymouth City Council's overall Internal Control Framework continues to operate effectively and provides reasonable assurance that Council Purchasing and Creditor Payments are accurate, complete, timely and in accordance with Financial Regulations and Standing Orders.</p> <p>The Civica creditors system facilitates payment for a diverse range of service areas across the Council, through</p>	11	1	5	2	3

Audit Area	Status	Opinion	Audit Summary	Total Agreed Actions	Management Actions			
					H	M	L	O
			interfacing financial systems and integrated purchasing systems for the procurement and payment of goods, services and works. System user access profiles and consistent application of automated and manual verification, reconciliation and exception reporting continue to ensure the legitimacy, validity and integrity of purchases, payments and financial data.					
Registration Office Income Collection	Final	Reasonable	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.	4	1	1	0	2
Business Rates 2023/24	Final	Substantial	This audit evaluated the arrangements for applying discounts, exemptions and reliefs, it was found that the Council provides adequate support to eligible rate payers with adequate arrangements in place to maximise Business Rates collection.	5	1	2	2	0
Treasury Management 2022/23	Final	Substantial	Reported to July 2023 Audit and Governance Committee in draft and finalised May 2023.	0	0	0	0	0
Main Accounting System 2023/24	Draft	Reasonable	The Main Accounting System internal control framework continues to operate effectively with processes operating as expected and in accordance with Financial Regulations. A balanced budget was set, approved, accurately input to the MAS and regular routine reconciliation, monitoring and reporting ensure the accuracy and completeness of financial information.	5	0	3	2	0
Treasury Management 2023/24	Draft	Reasonable	Plymouth City Councils (PCC) Treasury Management system is effective with strong governance arrangements and operational processes in place. 2023/24 has been a very difficult year due to uncertainty around a money market that has been difficult to predict with fluctuating interest rates. However, despite these challenges, the robust Treasury Management arrangements have enabled ongoing effective financial management.	4	1	2	1	0
Income Collection Governance	Draft	Reasonable	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					

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					H	M	L	O
			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.					
Risk Management	Draft	Reasonable	<p>Plymouth City Councils overall Risk Management Framework continues to provide Reasonable Assurance that risks to the achievement of its corporate and service plan objectives are identified, evaluated, monitored and appropriately managed. The Council have a robust Risk and Opportunity Management Strategy that continues to be updated and approved by Audit and Governance Committee to ensure it remains fit for purpose.</p> <p>A programme of change has been undertaken to strengthen risk management arrangements, including the development of a live risk register and accountability for updating risk information moving to 3rd Tier Management. Revised arrangements, as a methodology, appear to be effective and well structured, and it is pleasing to note the integration with Performance Dashboards. However, the new risk management tool has only been operating since December 2023 and is therefore still in it's infancy in terms of it being operated as an integrated practice within the organisation.</p>	4	0	3	0	1
BEIS Home Upgrade Grant Phase 1 Extension 31/5947 2023-24	Final	Grant Certified	In accordance with BEIS Home Upgrade Phase 1 grant conditions we undertook an audit of the project closure statement of grant usage. Grant funding of £2.254m was awarded to Plymouth City Council.					
BEIS Home Upgrade Grant Phase 2 31/6400 2023-24	Final	Grant Certified	In accordance with the BEIS Home Upgrade Grant Phase 2 we undertook the audit certification of the statement of grant usage. Grant funding to cover mobilisation costs of £23k was awarded.					
BEIS Local Authority Delivery Phase 3 (LAD3) Grant 2023-24	Final	Grant Certified	In accordance with BEIS Local Authority Delivery Scheme Phase 3 grant conditions we undertook an audit of the project closure statement of grant usage. Grant funding of £1.752m was awarded to Plymouth City Council.					

Audit Area	Status	Opinion	Audit Summary	Total Agreed Actions	Management Actions			
					H	M	L	O
BEIS Social Housing Decarbonisation Fund Wave 1 (2021/22) 31/5919 - 2023-24	Final	Grant Certified	In accordance with BEIS Social Housing Decarbonisation Fund Wave 1 31/5919 grant conditions we undertook an audit of the project closure statement of grant usage. Grant funding of £967k was awarded to Plymouth City Council.					
DEFRA Food Waste Collection Grant Determination No 31/7069 Declaration	Final	Grant Certified	In accordance with the conditions attached to the DEFRA Food Waste Collection Grant Determination No 31/7069 we carried out appropriate investigations and checks. Grant funding of £1.9m was awarded to Plymouth City Council.					
DFT Forder Valley Link Road (31/3356)	Final	Grant Certified	In accordance with DFT Local Authority Major Project grant conditions we undertook the final audit of the statement of grant usage. Grant funding of £22.5m was awarded to the Forder Valley Link Road scheme.					
DFT Highway Maintenance incentive element 2023-24	Final	Grant Certified	In accordance with DFT Highways Maintenance Incentive Element 2022/23 grant conditions we undertook the annual audit of the statement of grant usage. Grant funding of £323k was awarded to Plymouth City Council for 2022/23.					
DFT Highway Maintenance needs element 2023-24	Final	Grant Certified	In accordance with DFT Highways Maintenance Needs Element 2022/23 grant conditions we undertook the annual audit of the statement of grant usage. Grant funding of £1.290m was awarded to Plymouth City Council for 2022/23.					
DFT Integrated Transport Block 2023-24	Final	Grant Certified	In accordance with DFT Integrated Transport Block 2022/23 grant conditions we undertook the annual audit of the statement of grant usage. Grant funding of £1.959m was awarded to Plymouth City Council for 2022/23.					
DFT Local Electric Vehicle Infrastructure Capital Grant 31/6965 - 2023/24	Final	Grant Certified	In accordance with the conditions attached to LEVI Capital Grant Determination No 31/6965 we carried out appropriate investigations and checks. Grant funding of £2.4m was awarded to Plymouth City Council.					
DFT Pothole Action Fund 2023-24	Final	Grant Certified	In accordance with DFT Pothole Action Fund 2022/23 grant conditions we undertook the annual audit of the statement of grant usage. Grant funding of £1.290m was awarded to Plymouth City Council for 2022/23.					
DLUH&C Disabled Facilities Grant 31/6092 2023-24	Final	Grant Certified	In accordance with DLUH&C Disabled Facilities Capital grant conditions we undertook the audit of the statement of grant usage. Grant funding of £2.814m was awarded to Plymouth City Council for 2022/23.					

Audit Area	Status	Opinion	Audit Summary	Total Agreed Actions	Management Actions			
					H	M	L	O
GB19 Plymouth International and City Business Park 2023-24	Final	Grant Certified	In accordance with Get Building funding grant conditions we undertook the annual audit of the statement of grant usage. Get Building funding of £1.9m was awarded to this project.					
GB23 - Plymouth Sound National Marine Park 2023-24	Final	Grant Certified	In accordance with Get Building Fund grant conditions we undertook the annual audit of the statement of grant usage. Get Building funding of £625k was awarded to this project.					
GD18 Northern Corridor Junction Improvements 2023-24	Final	Grant Certified	In accordance with Growth Deal grant conditions we undertook the annual audit of the statement of grant usage. Growth Deal funding of £2.1m was awarded to this project, the project is now complete and this was the final audit.					
GD19 Eastern Corridor SCN 2023-24	Final	Grant Certified	In accordance with Growth Deal grant conditions we undertook the annual audit of the statement of grant usage. Growth Deal funding of £3.4m was awarded to this project.					
GD20 Charles Cross 2023-24	Final	Grant Certified	In accordance with Growth Deal grant conditions we undertook the annual audit of the statement of grant usage. Growth Deal funding of £2.1m was awarded to this project.					
GD33 Oceansgate Phase 1 2023-24	Final	Grant Certified	In accordance with Growth Deal grant conditions we undertook the annual audit of the statement of grant usage. Growth Deal funding of £1.5m was awarded to this project.					
GD42c 5G Smart Sound 2023-24	Final	Grant Certified	In accordance with Growth Deal grant conditions we undertook the annual audit of the statement of grant usage. Growth Deal funding of £1.8m was awarded to this project.					
GD50 Plymouth Railway Station 2023-24	Final	Grant Certified	In accordance with Growth Deal grant conditions we undertook the annual audit of the statement of grant usage. Growth Deal funding of £4.7m was awarded to this project.					
Pause Project Life Chances Fund 2022/23 - Quarter 4	Final	Grant Certified	The 2022/23 final quarterly claim was checked and verified in July 2023. Sample checks were performed on the outcomes reported for Cohorts 1 and 2 of the Pause Programme prior to payment to the service being approved. This programme works with women who have experienced or are at risk of, repeated pregnancies that result in children needing 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.					

Audit Area	Status	Opinion	Audit Summary	Total Agreed Actions	Management Actions			
					H	M	L	O
Pause Project Life Chances Fund 2023/24 - Quarter 1	Final	Grant Certified	The 2023/24 first quarterly claim was checked and verified in September 2023. Sample checks were performed on the outcomes reported for Cohorts 1 and 2 of the Pause Programme, for the period 1st April 2023 to 30th June 2023, prior to payment to the service being approved. This programme works with women who have experienced or are at risk of, repeated pregnancies that result in children needing 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.					
Pause Project Life Chances Fund 2023/24 - Quarter 2	Final	Grant Certified	The 2023/24 second quarterly claim was checked and verified in October 2023. Sample checks were performed on the outcomes reported for Cohorts 3 and 4 of the Pause Programme, for the period 1st July to 30th September 2023, prior to payment to the service being approved.					
PCC Supporting Families Payment By Results Claim 2023/24 - Quarter 1 Claim	Final	Grant Certified	<p>This was the final claim for payments by results under the old “Troubled Families” framework and the first under the new national Supporting Families Outcome” framework. In accordance with DLUHC programme guidance three monthly payment by results claims have been sample checked and verified prior to submission and we certified the first quarterly claim by the 28th of June 2023 deadline.</p> <p>The Council target for 2023/24 is to achieve successful outcomes for 571 families, Payment By Results (PBR) were claimed for 66 families, resulting in £52,800 of funding to the Council.</p>					
PCC Supporting Families Payment By Results Claim 2023/24 - Quarter 2 Claim	Final	Grant Certified	In accordance with DLUHC programme guidance two monthly payment by results claims have been sample checked and verified prior to submission and we certified the second quarterly claim by the 28th of September 2023 deadline. The Council target for 2023/24 is to achieve successful outcomes for 571 families. Quarter 2 PBR’s claimed were claimed for 66 families, resulting in £52,800 of funding to the Council.					

Audit Area	Status	Opinion	Audit Summary	Total Agreed Actions	Management Actions			
					H	M	L	O
			Overall PBR's claimed to 30 th September totalled 132 (23% of target), resulting in £105,600 of funding to the Council.					
PCC Supporting Families Payment By Results Claim 2023/24 - Quarter 3 Claim	Final	Grant Certified	<p>In accordance with DLUHC programme guidance three monthly payment by results claims have been sample checked and verified prior to submission and we certified the third quarterly claim by the 3rd of January 2024 deadline. The Council target for 2023/24 is to achieve successful outcomes for 571 families. Quarter 3 PBR's claimed for 50 families, resulting in £40,000 of funding to the Council.</p> <p>Overall PBR's claimed to 31st December totalled 182 (32% of target), resulting in £145,600 of funding to the Council.</p>					
PCC Supporting Families Payment By Results Claim 2023/24 - Quarter 4 Claim	Final	Grant Certified	<p>In accordance with DLUHC programme guidance three monthly payment by results claims have been sample checked and verified prior to submission and we certified the fourth quarterly claim by the 27th March 2024 deadline. The Council target for 2023/24 is to achieve successful outcomes for 571 families. Quarter 4 PBR's claimed for 123 families, resulting in £98,400 of funding to the Council.</p> <p>Overall PBR's claimed to 27th March totalled 305 (53% of target), resulting in £244,000 of funding to the Council.</p>					
Debt Collection Themes and Trends 2023/24	Final	Advisory	With finite resources resulting from the need to continually meet with the Councils financial challenges, management have had no option but to prioritise key aspects of service delivery. This has inevitably resulted in some tasks having a lower priority and an increase in backlogs. The financial impact of this situation becomes clearer when individual findings relating to debt collection and recovery are extracted and viewed collectively. Currently, the recovery of unpaid debt spans several teams. For Council Tax, Business Rates and Sundry Debtors, the software systems are configured to automatically produce reminders and in the case of Council Tax and Business Rates, this continues through to summons stage. However, when income					

Audit Area	Status	Opinion	Audit Summary	Total Agreed Actions	Management Actions			
					H	M	L	O
			<p>recovery reaches a point where human intervention is needed, there is a resource shortfall.</p> <p>Management are faced with complex workplace decisions and need to consider what if anything may work better going forward.</p>					
Corporate Information Management 2023/24	Ongoing	Advisory	Continued participation with the Council's Information Lead Officer Group (ILOG) and Devon Information Security Partnership (DISP).					
Eclipse Project & Social Care IT Board	Ongoing	Advisory	Provision of real-time support and challenge to the Eclipse Project Board and additional formal advice.					
South West Devon Waste Partnership 2023-24	Ongoing	Advisory	DAP continue its participation with the Partnership, attending Project Executive meetings.					

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 senior management and the Audit Committee in March 2023. This is supported through external 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 have been undergoing review and revision. The proposed new standards will take effect in January 2025 and provide clarity and raise awareness of the audit committee's governance roles and responsibilities. [2024 Global Internal Audit Standards \(theiia.org\)](https://theiia.org)

Quality Assessment - the Head of Devon Audit Partnership 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.

External Assessment - The PSIAS states that a quality assurance and improvement programme must be developed; the programme should be informed by both internal and external assessments.

An **external assessment** must be conducted at least once every five years by a suitably qualified, independent assessor. For DAP this was recently conducted at the end of 2021 by the Head of Southwest London Audit Partnership, and the Chief Internal Auditor of Orbis (a partnership organisation covering Brighton and Hove, East Sussex, and Surrey County Council).

The assessment result was that *"Based on the work carried out, it is our overall opinion that DAP generally conforms* with the Standards and the Code of Ethics"*. The report noted that *"As a result of our work, a small number of areas where partial conformance was identified. These were minor observations, none of which were significant enough to affect the overall opinion"*. DAP is actively addressing these improvement areas.

* **Generally Conforms** – This is the top rating and means that the internal audit service has a charter, policies and processes that are judged to be in conformance to the Standards

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 are included in this development plan which is ongoing. Our development plan is regularly updated and links to our overall strategy, both of which are reported to the DAP Management Board and DAP Committee.

Customer Service Excellence (CSE)

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 that 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 96% 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.

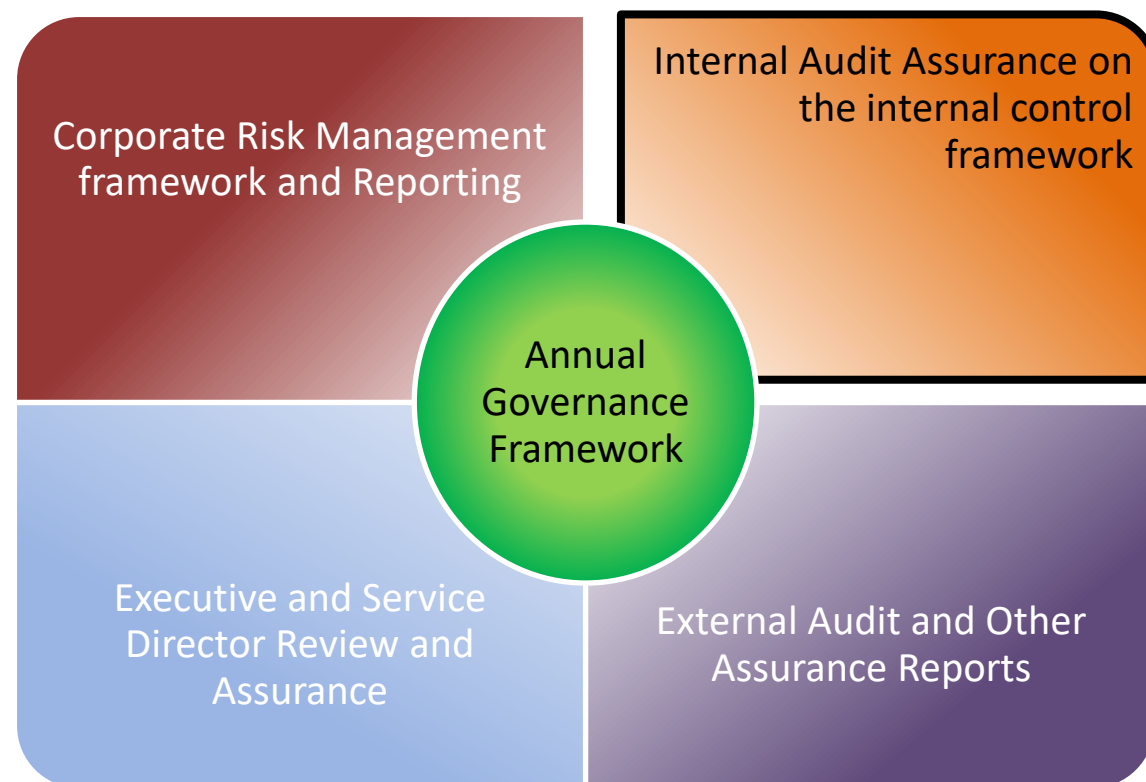
The Annual Governance Statement (AGS) provides assurance that

- 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 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 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 Committee, and then signed by the Chair.

The Committee should satisfy themselves, from the assurances provided by the Corporate Risk Management Framework, 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 the audit plan are shown in Appendix 1.

The overall audit assurance will have to be considered in light of this position.

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

all audits completed during 2023-24, including those audits carried forward from 2022-23;

any follow up action taken in respect of audits from previous periods;

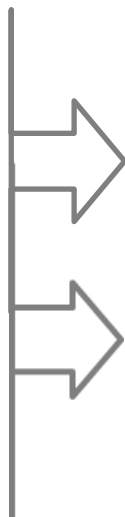
any significant recommendations not accepted by management and the consequent risks;

the quality of internal audit's performance;

the proportion of the Council's audit need that has been covered to date;

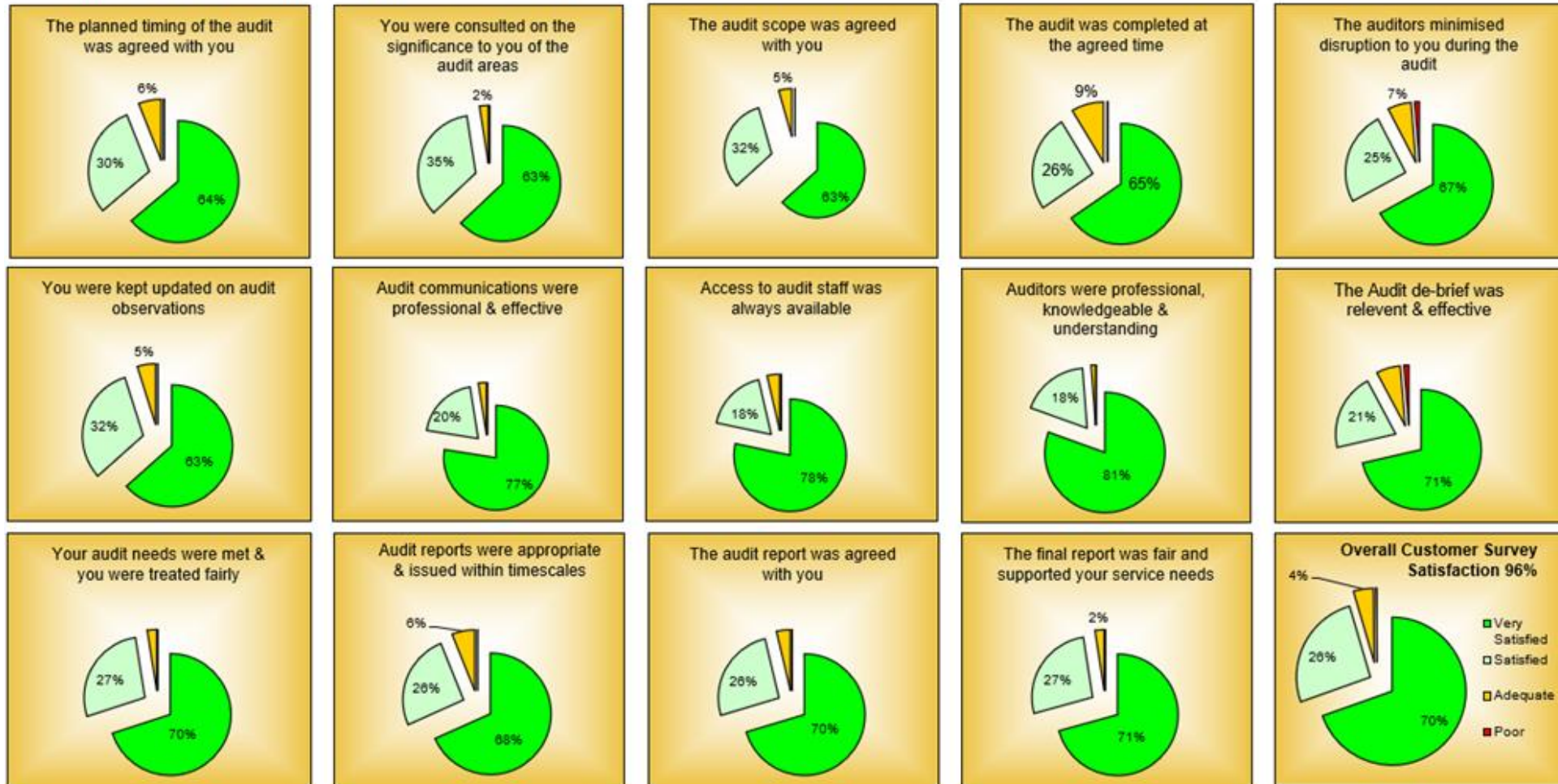
the extent to which resource constraints may limit this ability to meet the full audit needs of the Council;

any limitations that may have been placed on the scope of internal audit.



Appendix 6 - Customer Service Excellence

Customer Survey Results April 2023 - March 2024



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Devon Audit Partnership	Confidentiality and Disclosure Clause
<p>The Devon Audit Partnership has been formed under a joint committee arrangement. We aim to be recognised as a high-quality assurance service provider. We work with our partners by providing a professional assurance services 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.</p> <p>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</p>	<p>This report is protectively marked in accordance with the National Protective Marking Scheme. It is accepted that issues raised may well need to be discussed with other officers within the Council, the report itself should only be copied/circulated/disclosed to anyone outside of the organisation in line with the organisation's disclosure policies.</p> <p>This report is prepared for the organisation's use. We can take no responsibility to any third party for any reliance they might place upon it.</p>