



Internal Audit

Annual Internal Audit Report 2024-25

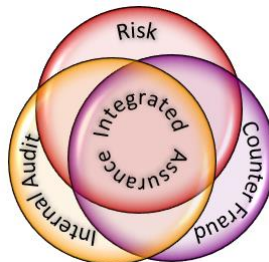
Plymouth City Council Audit Committee

July 2025

Official

Louise Clapton – Assurance Manager

Tony Rose – Head of DAP



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 2024-25 was presented and approved by the Audit Committee in March 2024.

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 2024-25 and provides our opinion on the overall adequacy and effectiveness of the Authority's Internal Control Environment.

The Global Internal Audit Standards (GIAS), see appendix 2, 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 2024-25, 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 evaluates whether key and supporting controls are functioning effectively and provides an opinion on control adequacy within each audit report. Final reports include an action plan assigning responsibility and target dates for addressing identified issues. Responsibility for implementing these actions lies with management.

To ensure risks are mitigated and improvements are made, Internal Audit monitors the progress of action plan implementation. While these actions will enhance internal controls over time, the overall assurance opinion for 2024/25 reflects a specific point in time and remains unchanged.

Directors have received individual audit opinions to support the preparation of their annual governance assurance statements. Any significant control weaknesses identified would have been considered in the Council's Annual Governance Statement, which accompanies the 2024/25 Statement of Accounts.

This statement of opinion is underpinned by:

Internal Control Framework

The Council's control environment, including its policies, procedures, and operational systems, has supported the effective achievement of objectives, decision-making, resource efficiency, compliance, and asset protection. Internal Audit reviewed the core financial and administrative systems as part of its assurance work.

Overall, the internal control framework operated effectively during the year. While some instances of non-compliance or partial compliance were identified, none were considered to have had a material impact on the Council's operations or governance.

Risk Management

Key elements of the Council's Risk Management framework are in place, including a defined Risk Management Strategy, clear organisational roles, risk register system. Strategic oversight is provided by CMT, with operational support from the Head of Governance, Performance, and Risk. Risk reporting mechanisms and templates are embedded in decision-making processes, and quarterly monitoring reports are submitted to the Audit and Governance Committee.

While the framework is broadly effective, areas for improvement have been identified. These include low completion rates of risk management training among senior managers, inconsistent data quality in the risk register, and limited integration of audit findings into broader risk and performance management. Strengthening these areas will enhance the Council's overall risk maturity and resilience.

Governance Arrangements

Governance arrangements have been considered in all our audits but with opportunities to improve consistency or alignment to business need. We will continue to review the improvements to governance and control arrangements in 2025/26.

Performance Management

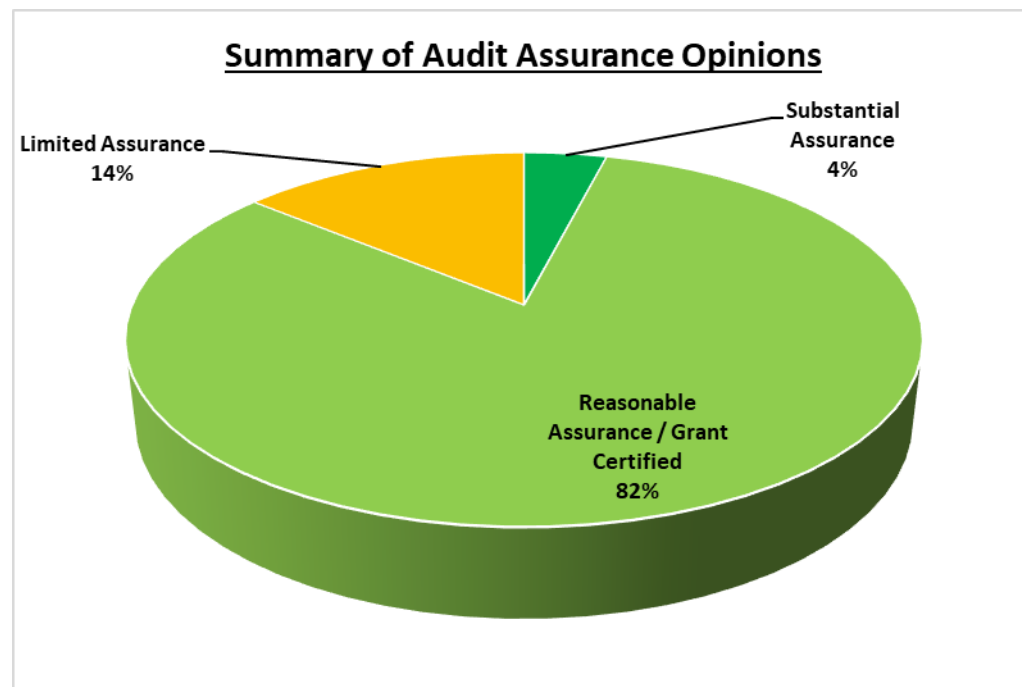
Regular reporting to management, the leadership team and the Council continues to ensure effective performance management.

The budget monitoring and scrutiny arrangements in operation have enabled pressure points to be identified and prompt remedial action to be taken.

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.

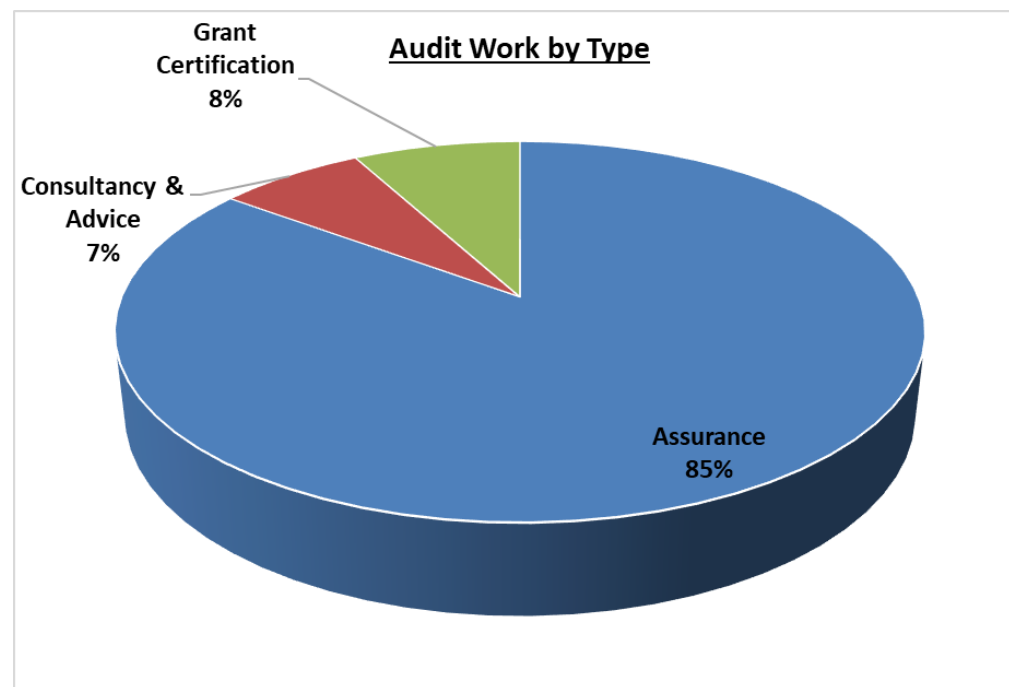
Summary Assurance Opinions

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. Of our assurance opinions issued 86% were Reasonable or Substantial with 14% Limited. We did not issue a No Assurance opinion during 2024/25. 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 10.

Chart 2



Assurance audit 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 2024/25 financial year.

Summary Assurance Opinions

Chart 3.

Service Area Overview of Audit Coverage					
Adults, Health and Communities	Chief Executive	Children's Services	ODPH	Growth	Resources
Plymouth Active Leisure Financial Reconciliations	Risk Management	On Course South West	Public Health Grant	Grant Funding Certification: SWLEP Charles Cross SWLEP Northern Corridor Traffic Signals SWLEP Eastern Corridor Strategic Cycle Network SWLEP Plymouth Railway Station SWLEP Plymouth Business Parks SWLEP Oceansgate Phase 1 DFT LCTB Integrated Transport DFT Highways Maintenance Needs Element DFT Highways Maintenance Incentive Element DFT Highways Maintenance Additional Element DFT Pothole Fund DFT Traffic Signal Obsolescence High Streets Heritage Action Zone Programme BEIS Home Upgrade Grant Phase 2 BEIS Social Housing Decarbonisation Fund 2.1	Creditors Treasury Management Business Rates Council Tax Housing Benefits Main Accounting System Payroll Capital Programme Management of Grant Funding Procurement Self Service DBS and Independent Safeguarding Companies Governance Fully Catered Financial Management Additional Holiday Back Pay
The Plymouth Alliance					
ASC Client Contribution Income					
Disabled Facilities Grant					
Independence at Home					
ASC Provider Viability	LGA Improvement and Assurance Framework	Childrens Independent Placement - Payments	Public Health Grant	DFT Highways Maintenance Needs Element DFT Highways Maintenance Incentive Element DFT Highways Maintenance Additional Element DFT Pothole Fund DFT Traffic Signal Obsolescence High Streets Heritage Action Zone Programme BEIS Home Upgrade Grant Phase 2 BEIS Social Housing Decarbonisation Fund 2.1	Debtors Fuel Cards IR35 (Follow Up)
ASC Debt Mangement					
CSC to ASC Transitions					
Eclipse Project Board - Phase 3	Purchasing Cards	Supporting Families Payment By Results - Quarterly Claims	Public Health Grant	Garage Financial Management	Cyber Assessment Framework Payrol System iTrent Implementation
Emergency Accommodation - Intelligent Automation					
ASC Income - Joint Funded Care Packages				Freeport	Income Collection CIPFA Financial Management Code

Key: **Substantial Assurance** **Reasonable Assurance** **Limited Assurance** **No Assurance** **Advisory** **In Progress**

Assurance Mapping

The Institute of Internal Auditors provides a summary of the benefits of Assurance Mapping:

- An assurance map brings an organisations risk appetite to life. At the same time as highlighting assurance gaps, it also shows where there is duplication or too much assurance. It is a simple way of aligning assurance resource, risk and internal control.
- It improves awareness of the control environment by looking across the organisation rather than at individual reports which can lead to siloed thinking.
- It drives positive behaviors by enabling robust discussions about risk, educating on the value of assurance and aiding collaboration between functions.
- Collectively, the assurance community of an organisation often has a more powerful voice when it works together; an assurance map is a practical platform benefiting all parties.

Once developed, the Assurance Framework information will support the creation of future Audit Plans. The 2024-25 Assurance Map accompanies this report.

Audit Coverage by Strategic Risk and Corporate Plan Objectives

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 Strategic Risks and Corporate Plan objectives.

Chart 4

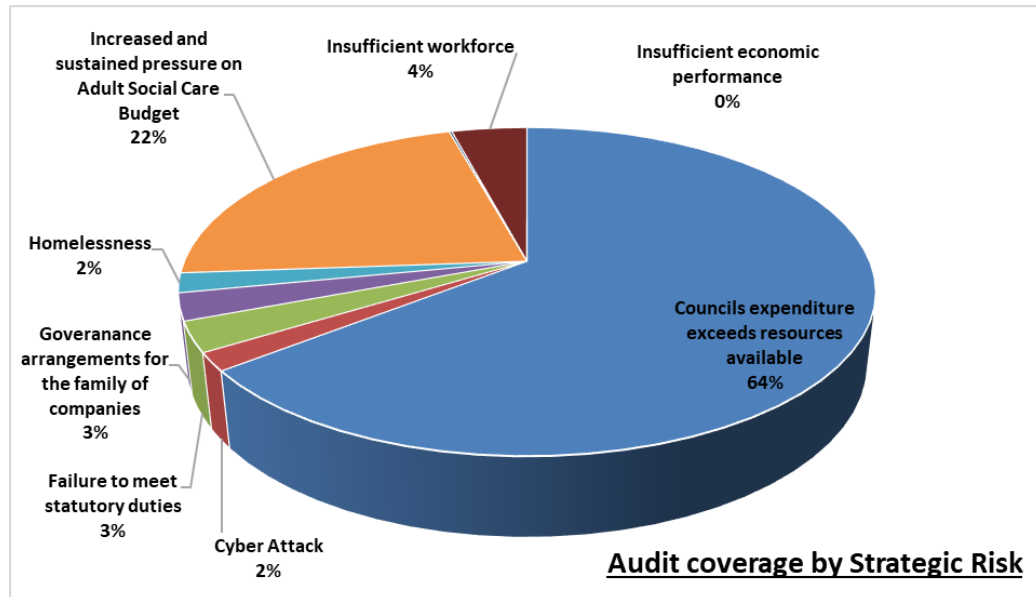
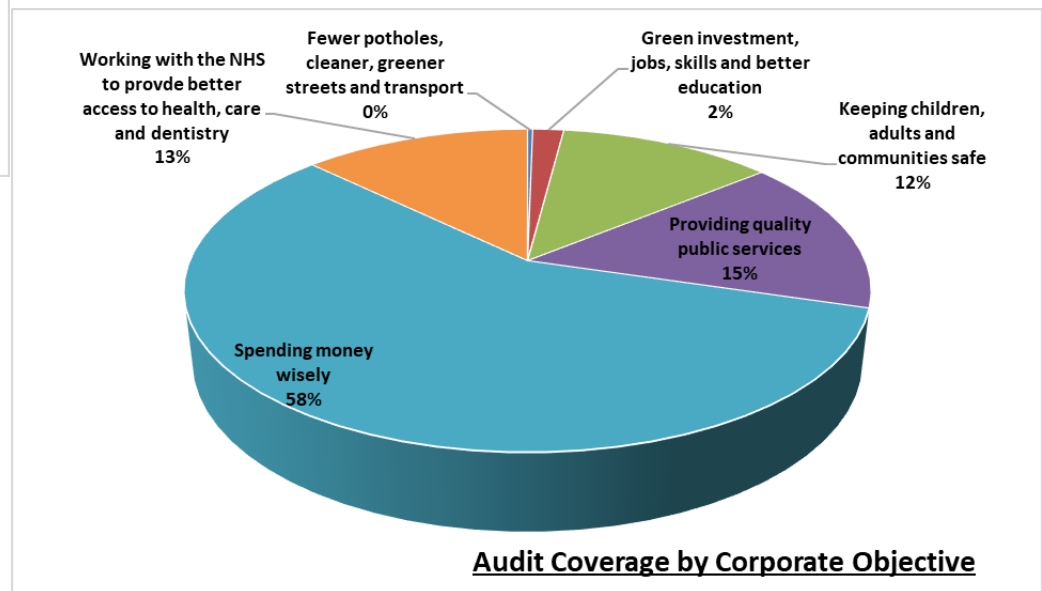


Chart 5



Audit Performance

DAP delivered 90% of audits to draft /final report, against the 2024/25 revised plan, as depicted in chart 6. Six audits are still in progress, of which three are ongoing pieces of work including the development of an Improvement and Assurance model. To ensure that our Internal Audit programme of work is agile and meets the ongoing audit needs requirements of the Council, amendments to the plan including cancellation or deferral of audits are agreed with Corporate Management and reported to Committee through our in-year DAP progress reports. Charts 7 to 9 highlight the audit coverage from original to revised plan.

Chart 6

Audit Status

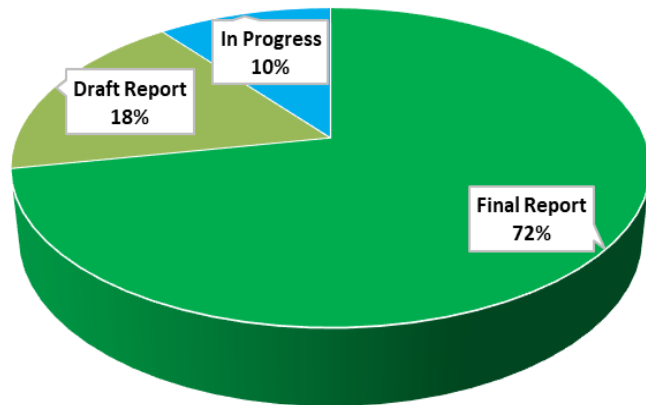


Chart 7

Original Plan of Audit Coverage (March 2024)

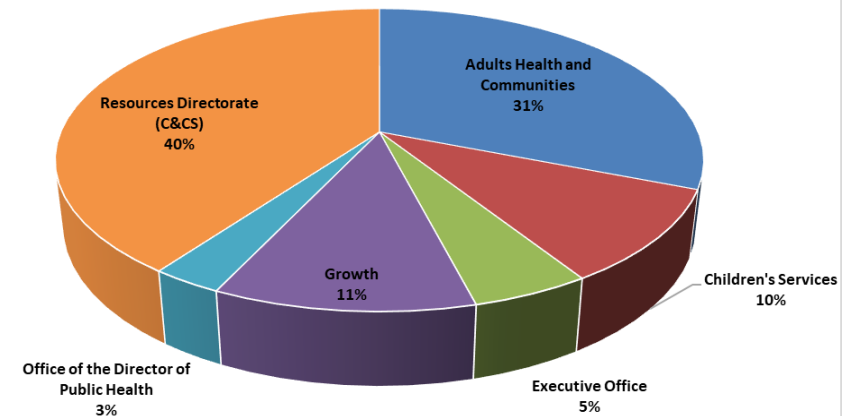


Chart 8

Planned Audit Coverage (Revised Plan)

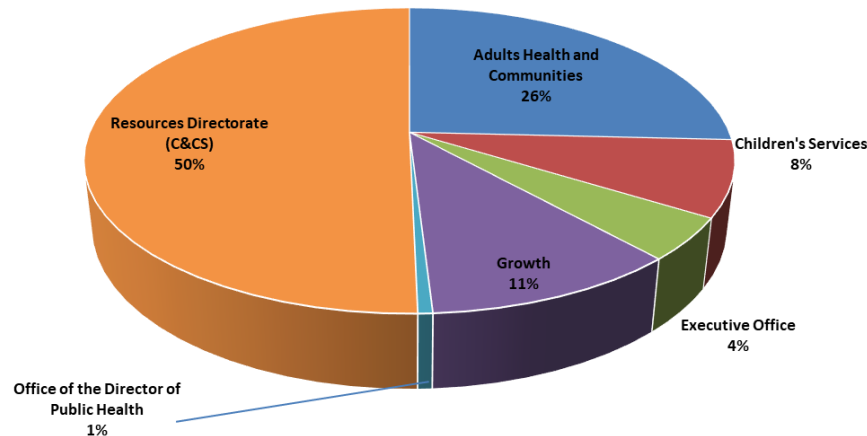
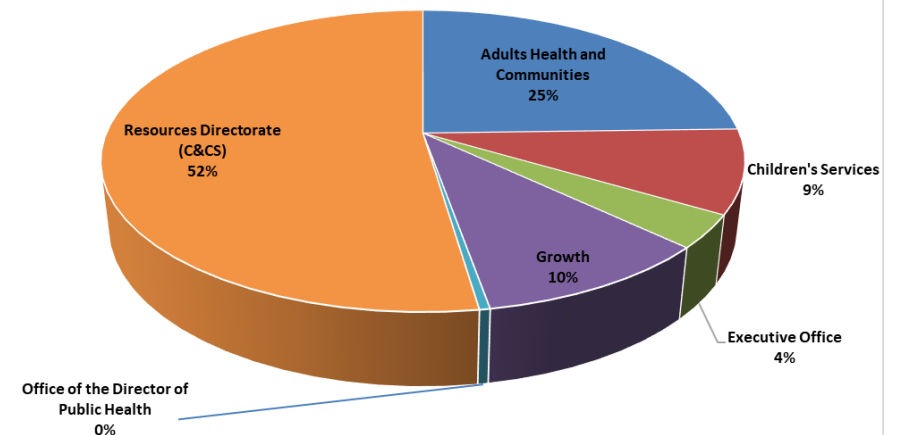


Chart 9

Actual Audit Coverage (Revised Plan)



Significant Reviews Received by PCC in 2024/25

During 2024/25, the Council received two significant independent reviews: the Armada Way Independent Learning Review and the CIPFA External Assurance Review commissioned as part of the Council's application for Exceptional Financial Support. These reviews provided a comprehensive evaluation of the Council's governance, decision-making processes, financial resilience, and capital programme management.

Both reports identified areas requiring improvement, particularly in capital governance, transparency, medium-term financial planning, and oversight of Council-owned companies. Importantly, neither review identified systemic financial failure, but they highlighted critical lessons from past decision-making and emphasised the need for stronger risk management, clearer roles for statutory officers, and improved reporting protocols.

The Council responded constructively and swiftly to both reviews, accepting the recommendations and integrating them into revised governance frameworks and action plans. Notably, a consolidated improvement programme has been established, with oversight by the Audit and Governance Committee. This includes reforms to capital project controls, enhanced MTFS alignment, and the development of new structures for overseeing the Council's Family of Companies. The commitment to transparency, accountability, and organisational learning has been evident throughout the Council's response and will contribute positively to future financial sustainability and governance assurance.

Cyber

During the year, due to limitations in completing planned internal audit work, assurance over cyber security has been primarily derived from attendance at the Cyber Board and the development of an assurance map. This map, aligned with the NCSC's 10 Steps to Cyber Security and the Cyber Assessment Framework (CAF), reflects a broad and structured view of the organisation's cyber risk posture. Overall, the assurance position is assessed as Amber, indicating that while key controls are in place and operating in many areas, there remain some gaps in the approach to providing assurance with areas requiring further development or independent validation.

The assurance map highlights strengths in areas such as staff awareness, response and recovery planning, and system resilience, which have been subject to external validation, via the CAF assessment. However, areas such as proactive security event discovery and supply chain security show limited independent assurance, suggesting a need for enhanced oversight or audit coverage in future plans. The reliance on management reporting of control weaknesses and planned action at Cyber Board along with external assurance, Health Check and CAF assessment, has provided a degree of confidence, but the absence of full internal audit coverage this year necessitates a cautious interpretation of the overall assurance level. Continued engagement with the Cyber Board and targeted audit activity in the coming year will be essential to strengthen assurance and address residual risks.

During 2024/25 Plymouth City Council completed and submitted its first self-assessment for Sections A (Managing Security Risk) and D (Minimising the Impact of Cyber Security Incidents) of the Cyber Assessment Framework (CAF) for independent assurance. This is a critical step in strengthening the Council's cyber resilience, as it enables a structured evaluation of current cyber security practices and identifies areas for improvement. Independent assurance provided an objective validation of the Council's assessment, ensuring that risks are accurately understood and that appropriate controls are in place. An improvement and implementation plan has been agreed based on the findings, and progress will be actively monitored through the Cyber Board. This process will give Council members confidence that cyber risks are being managed effectively, and that the organisation is committed to continuous improvement in protecting its services and data.

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.

LGA Improvement and Assurance Framework

We are actively supporting the council in developing a robust and effective assessment model that aligns with the principles and expectations set out in the Improvement and Assurance Framework for Local Government (LGA, 2024). Our approach is grounded in the framework's emphasis on self-awareness, continuous improvement, and a whole-council commitment to good governance. This includes working collaboratively with officers and members to embed a culture of assurance, triangulate evidence from multiple sources, and ensure that both qualitative and quantitative insights inform the council's understanding of its performance and governance.

The work is ongoing and iterative, with a focus on building internal capacity to self-assess against the framework's key components, such as leadership, risk management, financial oversight, and community engagement. We are supporting the council to develop a self-assessment process that is not only reflective and evidence-based but also forward-looking, enabling early identification of risks and opportunities. This will help the council demonstrate to residents, partners, and regulators that it is proactively managing its responsibilities and committed to delivering best value.

Management Action Tracking

We have continued to monitor and report on the implementation of agreed management actions; Plymouth City Council has made notable progress in addressing management actions arising from internal audits with a 'Limited Assurance' rating. As 31st March 2025, the number of audits with outstanding management action was 10 compared to 15 at the end 31st March 2024, seven audits have fully implemented all management actions and have been removed during 2024/25, reflecting a positive downward trend.

Out of 108 total management actions agreed across these audits, 60 (56%) had been implemented by the 31st March 2025, while 48 (55%) remained outstanding. Of those outstanding, 10 actions (21%) were overdue by more than 90 days past their target implementation dates, six (60%) of which were on hold awaiting system implementation change. While this indicates ongoing challenges in fully closing out all actions, the overall trajectory shows improved compliance and commitment to strengthening internal controls.

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, Procurement Self Service, Creditors, and Debtor audits.

Audit Advice

DAP provided real time advice throughout 2024/25 to support transformation change and / or mitigate risk, including:

- Proposed changes to the Whistleblowing Policy.
- Revision of Financial Regulations and Contract Standing Orders
- Attendance at Eclipse Project Board, as the Eclipse Finance module is implemented.
- Proposed changes to Plymouth Energy Community and PCC Strategic Partnership Agreement.
- Capital Programme Board Terms of Reference.
- Provision of information to CIPFA Review.
- Provision of ad hoc real time advice throughout 2024/25 to support grant funding requirements, management and assurance.

Schools

The original plan had three special schools for an internal audit review during the year. All of these school audits were successfully undertaken during the 2024/25 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. All but one of the maintained schools in Plymouth returned their completed SFVS returns within the required timescales. Mill Ford Special School did not return a completed SFVS self-assessment to DAP even though they were chased several times for their return.

Fraud Prevention and Detection

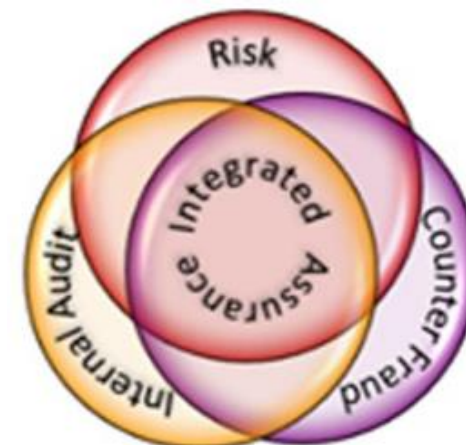
Counter-fraud arrangements are a high priority for the Council and assist in the protection of public funds and accountability. The Cabinet Office now run the national data matching exercise, the National Fraud Initiative (NFI), every two years. Co-ordination of this exercise is now undertaken by DAP's Counter Fraud Team details of this and the Counter Fraud work conducted in 2024/25 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 2024/25

Appendix 1

The table below details the audit work undertaken within the 2024/25 financial year.

Audit Area	Status	Opinion	Audit Summary / Comment	Total Agreed Actions	Management Actions			
					H	M	L	O
ASC Service Provider Viability 2024/25 <i>Previously reported to November 2024 Audit and Governance Committee as part of half year report.</i>	Final	Limited	<p>The action taken by the Council with regard the closure of a Care Home in respect of requests for advance payments and the subsequent closure of the home should be acknowledged. Many of the residents were very elderly and The Council has a duty of care to them to ensure the closure was dealt with as sensitively as possible, and to find homes for all of them before the home closed for good. All residents were found alternative accommodation prior to closure.</p> <p>The chronology which was kept of the developing situation was comprehensive and all decisions were taken collectively by managers. However, the lack of documented processes and the ad-hoc monitoring of ASC providers provides only 'Limited Assurance' that identification and management of the risk of the potential failure of adult social care providers is mitigated.</p> <p>With residential care home contracts due to be recommissioned next year, there is an opportunity for commissioners to strengthen contracts and contract management arrangements to enable the ongoing viability of providers to be monitored and early intervention taken.</p>	4	3	1	0	0
ASC Debt Management 2024/25 <i>Previously reported to January 2025 Audit and Governance Committee.</i>	Final	Limited	<p>The Income Recovery Team is responsible for recovering debts, including Adult Social Care (ASC) debt, with current efforts focused on high-value and in-year debts. Recovering ASC debt is particularly complex due to factors such as the involvement of other departments, the unsecured nature of the debt, and complications arising when service users lack mental capacity or pass away. The absence of a legal framework for informal financial representatives further complicates recovery, especially when these individuals are uncooperative. Limited team resources hinder regular follow-ups, allowing delays and disputes to stall the process. Additionally, the Legal Team lacks capacity to</p>	11	5	5	1	0

			<p>handle all referred cases, and the upcoming loss of a team member will further strain resources.</p> <p>To address some of these challenges, a new system, Better Care Finance, has been approved. It will enable service users to complete online self-assessments and receive immediate information about charges, potentially reducing disputes over lack of notification. However, an audit has given only "Limited Assurance" on the effectiveness of ASC debt recovery, citing outdated policies, weak write-off procedures, discontinued debt meetings, poor monitoring of high-risk debts, irregular payments from Devon ICB, understated bad debt provisions, and inaccurate debtor accounts. These issues highlight the need for systemic improvements to enhance debt recovery efficiency and accountability.</p>					
CSC to ASC Social Care Transitions 2024/25	Final	Limited	<p>The audit aimed to assess the Council's internal controls for managing the transition of young people from Children's to Adult Services under the Care Act 2014 and the Children and Families Act 2014. The audit concluded with "Limited Assurance" due to several key weaknesses, including the absence of an approved transition strategy or protocol, inconsistent referral processes, poor data quality in the Eclipse case management system, and limited financial monitoring. Additionally, there is a lack of accessible information on the Council's website and dashboards, which hampers transparency and oversight.</p> <p>Despite these shortcomings, the audit found that young people in the sample received continuous support, with Care Act assessments and Adult Social Care (ASC) support plans completed before their 18th birthdays. A Transitions Tracking Group and spreadsheet are in place to support planning, and a broader Transitions Project is underway to address the identified issues. These efforts, along with management actions, are expected to strengthen the overall control framework moving forward.</p>	11	3	3	2	3
PCC Fuel Cards 2024/25 <i>Previously reported to November 2024 Audit and Governance Committee as part of half year report.</i>	Draft	Limited	Internal Audit identified significant control weaknesses in Plymouth City Council's management of fuel card expenditure, which is currently not subject to routine review or verification to ensure legitimate use.	15	12	3	0	0

			The absence of robust corporate oversight exposes the Council to risks of financial loss, fraud, and reputational damage due to potential misuse of fuel cards. Additionally, without a clear business rationale for fuel usage, the Council may be undermining its environmental commitments. Managing fuel cards also imposes an administrative burden that, without proper systems, is inefficient. A strategic review is recommended to assess future fuel needs, evaluate the value for money of fuel cards, and explore more sustainable alternatives, such as electric fleet or hire vehicles, in alignment with the Council's net zero plans.					
Debtors System 2024/25	Draft	Limited	<p>The Council uses the Civica Financials Debtors System to manage billing and debt recovery, allowing for automation from invoice generation to collection. While in-year collection of sundry debt improved in 2024/25, reaching 96.3% and surpassing the 95% target, overall outstanding and aged debt has increased. Positive steps have been taken, such as engaging external collection agencies, clarifying invoice expectations, prioritising high-value debts, and finalising the write-off procedure.</p> <p>Despite these improvements, several weaknesses remain in the internal control framework. Key issues include the lack of proactive communication with departments about outstanding debts, non-compliance with suspension policies, inadequate record-keeping, and poor monitoring of payment plans. Additionally, the Income and Credit Management Policy is outdated and requires revision to support more effective debt management.</p>	8	1	6	0	1
IR35 (Follow Up) 2024/25	Draft	Limited	The Off-Payroll Working Rules (IR35), updated in April 2021, require local authorities to determine the employment status of off-payroll workers and ensure appropriate tax deductions are made. While the Council has adopted measures such as using the HMRC CEST tool and implementing structured recruitment processes to mitigate non-compliance risks, a recent follow-up audit found only limited progress on actions agreed in the March 2022 Internal Audit report. Of seven recommendations, only two have been fully implemented, with three high-risk items still outstanding. Key issues include fragmented record-keeping across departments, lack of a centralised documentation	5	3	2	0	0

			<p>system, and insufficient verification of supplier assessments and payments.</p> <p>Although Human Resources has developed updated policies and made them accessible, and a redesigned procurement self-service procedure now includes guidance for employment status checks, training has not yet been rolled out to relevant staff. Additionally, there is no formal process to confirm that suppliers are assessed and paid in line with HMRC requirements. These gaps raise concerns about the Council's ability to ensure full compliance with IR35 regulations and avoid potential penalties.</p>					
Garage Financial Management 2024-25	Draft	Limited	<p>Plymouth City Council's Garage Service plays a key role in maintaining the Council's fleet and also provides MOTs and servicing to local businesses, the public, and council staff, generating around £126k in commercial income in 2024/25. A recent internal audit identified areas for development in governance, risk management, and internal controls, offering limited assurance. While the service has strong potential, the audit highlighted opportunities to modernise policies, improve billing consistency, enhance staff training on the Tranman system, and establish clearer financial and operational frameworks. Strengthening risk management, formalising commercial plans, and improving data quality and audit trails will help the service operate more efficiently and competitively, supporting its long-term commercial goals</p>	12	12	0	0	0
Plymouth Active Leisure (PAL) Financial Reconciliations 2024/25 <i>Previously reported to November 2024 Audit and Governance Committee as part of half year report.</i>	Final	Reasonable	<p>Financial reconciliation procedures for Plymouth Active Leisure provide Reasonable Assurance that income and payments are accurately and completely recorded in the Civica General Ledger, which underpins the production of Financial Statements. This assurance is supported by clearly defined roles and responsibilities between PCC Accountants and Plymouth Active Leisure, comprehensive and timely reconciliation processes, retention of supporting documentation, and prompt investigation and resolution of discrepancies.</p> <p>However, the audit identified two key issues requiring resolution. The Gladstone Control Account has not fully reconciled, though Corporate Service Accountants are actively working to address this. Additionally, a significant balance on the suspense account is attributed to a known</p>	3	1	1	1	0

			system error in the Gladstone software, where member or sales ID numbers are incorrectly recorded as session values. This issue is being addressed in collaboration with the software supplier to ensure accurate financial reporting going forward.					
Fully Catered <i>Previously reported to November 2024 Audit and Governance Committee as part of half year report.</i>	Final	Reasonable	<p>Reasonable assurance has been provided that Fully Catered LTD's financial accounts for 2022/23 and 2023/24 are accurate and complete. This conclusion is supported by the company's consistent maintenance of appropriate financial and expenditure records, including VAT documentation, throughout the year. Income has been properly recorded, fully received, and promptly banked, while year-end and periodic bank reconciliations have been carried out in a timely manner.</p> <p>Additionally, the company has maintained accurate and up-to-date fixed asset registers and inventories, supporting the valuation of assets. Accruals and prepayments have also been correctly identified and accounted for at year-end, further reinforcing the reliability and completeness of the financial statements.</p>	5	0	3	1	1
On Course South West 2024/25 <i>Previously reported to November 2024 Audit and Governance Committee as part of half year report.</i>	Final	Reasonable	<p>On Course South West has established governance, risk, and financial management arrangements that provide reasonable assurance of its ability to meet objectives and remain viable and effective in the medium to long term. This assurance is supported by clear governance structures, strategic alignment with Plymouth City Council's priorities, and robust risk management practices. The service adheres to funding requirements for adult education, ensures proper procurement and contract management for subcontracted delivery, and maintains financial controls in line with regulations and grant conditions.</p> <p>While the revised governance arrangements are still developing, they are expected to offer substantial assurance once fully embedded. To strengthen oversight and strategic alignment further, the service should enhance performance reporting with key performance indicators (KPIs) tied to the broader skills and growth agenda and ensure consistent oversight at both Directorate Management Team (DMT) and elected member levels.</p>	4	0	3	0	1
Capital Programme 2024/25	Final	Reasonable	The Capital Programme at Plymouth City Council is supported by adequate governance arrangements, with	5	1	2	1	1

<p><i>Previously reported to November 2024 Audit and Governance Committee as part of half year report.</i></p>			<p>oversight provided through established structures such as the Capital Officer Programme Group (CPOG), Capital Programme Board (CPB), and key roles including the Section 151 Officer and Portfolio Holder for Finance. The Financial Regulations, Scheme of Delegation, and the draft Capital Handbook form a sufficient control framework, and stakeholder involvement throughout the programme lifecycle is considered appropriate. Monitoring and reporting processes are extensive, contributing to a reasonable level of assurance regarding the programme's governance.</p> <p>However, there are areas for improvement to strengthen the control framework further. These include the absence of a dedicated risk register for the Capital Programme, the need for revisions to the draft Capital Handbook, delays in performance reporting to Full Council in 2024/25, and the lack of an Asset Management Plan, which could support long-term planning through a "Capital Pipeline." Enhancing risk management, reporting standards, and project visibility will be essential for maintaining effective oversight and strategic alignment.</p>					
<p>Plymouth Local Authority Companies - Governance Review 24-25 (Destination Plymouth, Plymouth City Centre Company and Plymouth Waterfront).</p> <p><i>Two reports were issued, one to the companies and one to PCC, see below. There may be some duplication of recommendations.</i></p> <p><i>Previously reported to November 2024 Audit and Governance Committee as part of half year report.</i></p>	Final	Reasonable	<p>We have found there to be adequate governance and financial controls in place regarding Destination Plymouth, Plymouth City Centre Company and Plymouth Waterfront Partnership on which this audit focussed.</p> <p>There are areas where the control framework can be improved.</p> <ul style="list-style-type: none"> • Reporting company performance/activity to appropriate committees to provide wider more transparent oversight. • Strengthening risk management arrangements. • Implementing routine bank account reconciliations and strengthening bank account access arrangements. • Implementing comprehensive documented governance and finance policies and procedures. • Implementing segregation of duties within finance/payments system. <p>The Family of Companies Governance Framework paper to cabinet of the 9th September 2024, if agreed and put in place, should provide a greater level of oversight and</p>	15	1	5	5	4

			scrutiny from Members. These proposed changes, and actions to address our observations would result in an improved, more robust, governance and internal control framework.					
Plymouth Local Authority Companies - Governance Review 24-25 (PCC) <i>Two reports were issued, one to the companies and one to PCC, see below. There may be some duplication of recommendations.</i>			<p>This audit has confirmed that there are adequate governance and financial controls in place across the three companies reviewed. However, several areas for improvement have been identified, many of which are more directly relevant to Plymouth City Council (PCC) than to the companies themselves. These include enhancing transparency through more consistent performance reporting to committees, ensuring signed Service Level Agreements (SLAs) are readily available, and strengthening the inclusion of company-related risks on the Corporate Risk Register. Additionally, there is a need for more structured reviews of baseline agreements with BID companies, improved bank reconciliation and access controls, and a review of segregation of duties within finance and payment systems.</p> <p>Encouragingly, the 'Family of Companies' governance changes outlined in the Scrutiny Management Board's recommendations to Cabinet (dated 9 September 2024) are expected to significantly enhance member oversight and scrutiny. If implemented alongside actions to address the audit's observations, these changes would contribute to a more robust and transparent governance and financial control framework for PCC and its associated companies.</p>	13	2	8	2	1
Management of Grant Funding 2024/25	Final	Reasonable	<p>Plymouth City Council relies heavily on a wide range of revenue and capital grants to fund essential services and projects, with over £120 million in revenue grants and £114 million in capital grants expected for 2024/25. While the Council has adequate controls in place for managing these funds, the audit highlights that actual income received so far falls significantly short of expected amounts, particularly in capital grants. This underscores the importance of effective grant management to avoid financial shortfalls that could impact service delivery.</p> <p>Despite the overall adequacy of current processes, several areas for improvement were identified. These include the absence of corporate-wide guidance for officers managing revenue grants, a lack of a central forum to review grant</p>	12	0	5	4	3

			applications, and no corporate risk recorded for failure to secure external funding. Additionally, there are limited standard operating procedures for finance staff and minimal reference to grant-related risks in key financial planning documents. Addressing these gaps would strengthen the Council's ability to manage grant funding effectively and reduce associated risks.					
ASC Client Contribution Income 2024-25 (New Addition)	Final	Reasonable	<p>Plymouth City Council sought assurance that all Adult Social Care (ASC) client contributions are accurately calculated and charged in line with statutory requirements. The Care Act 2014 and associated regulations mandate that local authorities implement a fair and transparent charging policy, ensuring individuals are not charged more than they can afford and that the system supports wellbeing, independence, and equality. The Council's current Charging Policy, last updated in 2019, is under review to incorporate tools like Better Care Finance, which will allow clients to self-assess their contributions. An internal audit provided reasonable assurance that the Annual Financial Review (AFR) process is robust, with consistent parameters, accurate benefit updates, and effective controls in place.</p> <p>However, the audit did identify several areas of concern that could impact the Council's financial sustainability. These include an overstated income budget, increasing ASC debt, and non-payment by clients assessed as able to pay full charges. Delays in charging clients awaiting Deputyship and difficulties recovering contributions after a client's death further complicate income collection. Additionally, the growing gap between care costs and client income, often due to stagnant benefits and early financial planning by clients, reduces the Council's ability to recover full costs. These issues highlight the need for updated policies, improved financial forecasting, and stronger debt management strategies to ensure the long-term viability of ASC services.</p>	8	2	2	3	1
Independence at Home 2024/25 (New Addition)	Final	Reasonable	The Independence at Home (IAH) Service in Plymouth operates citywide from 7:00am to 11:00pm every day, providing short-term reablement support to help individuals regain independence or assess their long-term care needs. Devon Assurance Partnership (DAP) were asked to review the calculation of shortfall hours, contractual working	Verification audit				

			arrangements within IAH include “shortfall shifts”, additional shifts required when staff haven’t met their contracted hours. Auditors verified the accuracy of a sample shortfall calculations.					
Business Rates System 2024/25	Final	Reasonable	<p>The internal control framework for Plymouth City Council’s Business Rates system continues to provide Reasonable Assurance, with several key processes operating effectively. Business Rates bills are issued on time, refund procedures are satisfactory, and performance monitoring remains strong, with a collection rate of 86.04% at the end of December 2024, exceeding the year-to-date target. Automated processes for reminders and enforcement, regular performance discussions with enforcement agencies, and robust cyber security measures further support the system’s reliability.</p> <p>However, the audit identified areas for improvement. Valuation amendment schedules have not been balanced since March 2024 due to staffing pressures and competing priorities. Additionally, there is a lack of structured corporate training for staff using the Business Rates system, leading to inconsistent knowledge and confidence. The absence of a formal user access management policy also presents a risk to system security and data integrity. Addressing these issues will help strengthen the overall control environment and support continued effective service delivery.</p>	5	1	3	1	0
Council Tax System 2024/25	Final	Reasonable	<p>The internal control framework for Plymouth City Council’s Council Tax system continues to provide Reasonable Assurance, with several strengths evident in its operation. These include timely issuance of Council Tax bills, accessible information on discounts and exemptions, satisfactory refund procedures, and proactive efforts to reduce accounts in credit. Automated processes for reminders and enforcement actions, regular performance monitoring, and sound cyber security practices further support the system’s effectiveness.</p> <p>However, the audit identified areas requiring improvement. Valuation schedules have not been balanced since January 2024 due to legislative changes, and while the number of accounts in credit has slightly decreased, it remains high at £2.8 million. Arrears have significantly increased compared</p>	10	0	8	2	0

			to the previous year, and the collection rate is slightly below target. Additionally, gaps in corporate training and the absence of a user access management policy, along with the presence of generic training accounts, highlight the need for strengthened governance and staff support within the system.					
Housing Benefits System 2024/25	Final	Reasonable	<p>There is a generally sound control framework in place for the administration of Housing Benefit and Council Tax Support, including the annual subsidy claim. Notable progress has been made since the 2023/24 audit, particularly in debt prevention and recovery, with a new team structure and proactive processes now in place. Timely updates from DWP data-sharing systems and improved processing times for new claims and changes of circumstances also reflect positively on the service's performance.</p> <p>However, some areas still require attention. Quality Assurance checks are not yet routinely conducted, which may leave assessment errors undetected. Additionally, potential imbalances between Council Tax Support and liability are not being addressed promptly, and reconciliations between Housing Benefit and the main accounting system are not performed regularly. Addressing these issues would further strengthen the control environment and ensure continued improvement.</p>	12	0	3	6	3
Main Accounting System 2024/25	Final	Reasonable	<p>The internal control framework for the Main Accounting System (MAS) remains effective, with sound processes in place for maintaining the General Ledger and ensuring accurate budgetary and transactional data. Key strengths include robust budget setting and monitoring, secure system access, proper journal authorisation, regular review of suspense and control accounts, and timely reconciliation of financial data from feeder systems. Additionally, the system demonstrates strong cyber security controls, including restricted access, annual user reviews, and secure login protocols.</p> <p>However, some areas still require attention. Of the five management actions identified in the 2023/24 audit, three remain outstanding, leaving known control weaknesses unresolved. Further, there are concerns lack of mandatory training before access is granted, and user access</p>	9	0	5	4	0

			management. Strengthening these areas will enhance the overall resilience and integrity of the MAS.					
Payroll System 2024/25	Final	Reasonable	<p>The internal control framework for Plymouth City Council's (PCC) payroll system continues to provide reasonable assurance that employees are paid accurately, on time, and in line with their contractual terms. Although detailed testing was not conducted due to implementation of the new iTrent payroll system, walkthroughs confirmed that key processes remain in place. Employee-initiated amendments through the self-service module, with managerial approval, are supported by Delt Payroll Services' robust control processes, ensuring payroll accuracy and timely financial reconciliation.</p> <p>Statutory submissions to HMRC via the Real Time Information system continue to be completed accurately and on schedule, with appropriate reconciliation to financial records. However, some recommendations from previous audits remain only partially implemented. These outstanding actions will need to be fully integrated into the ongoing iTrent implementation project to ensure a seamless transition and continued assurance over payroll operations.</p>	6	0	6	0	0
Additional Holiday Pay - Back Pay (Corporate) January 2025 (New Addition)	Final	Reasonable	<p>Following a detailed review of Plymouth City Council's records, we are satisfied that the list of payments for additional holiday pay between January and December 2024 is reasonable. This conclusion is based on examination of the Council's approach, which aligns with relevant case law regarding regular voluntary overtime and variable pay. All calculations were verified, confirming the correct application of the 8.33% uplift approved by CMT, and a full audit trail has been maintained to support transparency and accountability.</p> <p>A random sample of payments was tested to ensure only eligible variable pay elements were included, and that they met the Council's definition of "regular" work. Leavers were appropriately excluded, with records retained for any future claims. Additionally, a sample of excluded payments was reviewed to confirm their ineligibility. While the opinion is based on sample testing and relies on data from the CoreHR system, the evidence supports that the payments</p>	Verification audit				

			were calculated and processed in a fair and consistent manner.					
Additional Holiday Pay - Back Pay (Schools) January 2025 (New Addition)	Final	Reasonable	<p>Following a detailed review of Plymouth City Council's records, we are satisfied that the list of payments for additional holiday pay between January and December 2024 is reasonable. This conclusion is based on examination of the Council's approach, which aligns with relevant case law regarding regular voluntary overtime and variable pay. All calculations were verified, confirming the correct application of the 8.33% uplift approved by CMT, and a full audit trail has been maintained to support transparency and accountability.</p> <p>A random sample of payments was tested to ensure only eligible variable pay elements were included, and that they met the Council's definition of "regular" work. Leavers were appropriately excluded, with records retained for any future claims. Additionally, a sample of excluded payments was reviewed to confirm their ineligibility. While the opinion is based on sample testing and relies on data from the CoreHR system, the evidence supports that the payments were calculated and processed in a fair and consistent manner.</p>	Verification audit				
Creditors System 2024/25	Final	Substantial	<p>Plymouth City Council's internal control framework for creditor payments continues to operate effectively, providing substantial assurance that payments are accurate, complete, timely, and compliant with Financial Regulations and Standing Orders. The Civica creditors system supports a wide range of service areas through integrated procurement and payment processes, with strong user access controls and consistent application of verification, reconciliation, and exception reporting to maintain the integrity of financial data.</p> <p>The Creditors Team maintains a strong internal control environment through ongoing monitoring and proactive improvement efforts. Payment performance remains excellent, with 99.2% of invoices paid within 30 days (against a 99% target), and SME payments within 15 days reaching 95.5% for centrally processed payments and 94.6% across the wider authority—well above the 80% target as of 28 February 2025.</p>	0	0	0	0	0

Treasury Management System 2024/15	Final	Substantial	<p>Plymouth City Council's Treasury Management (TM) system remains effective, underpinned by strong governance and operational processes. Despite the challenges of a volatile financial year marked by fluctuating interest rates, the Council has maintained sound financial management through adherence to the CIPFA Prudential Code and Treasury Management Code of Practice. These, along with the Council's Treasury Management Strategy and supporting practices, provide a comprehensive policy framework. TM officers demonstrate a clear understanding of the Council's objectives, ensuring activities align with approved strategies, while Finance Management actively monitors the financial landscape to inform the Capital Financing Strategy and Medium-Term Financial Plan (MTFP).</p> <p>Performance is transparently reported bi-annually to the Audit and Governance Committee, with mid-year and annual reviews supporting strategic planning. However, the Council's increasing reliance on borrowing to fund its ambitious Capital Programme introduces significant financial risks. These include heightened exposure to interest rate volatility and debt repayment pressures, which could strain resources and impact long-term sustainability. Ongoing vigilance and proactive risk management are essential to safeguard the Council's financial resilience and operational effectiveness.</p>	2	0	1	1	0
The Plymouth Alliance 2024/25	Draft	Reasonable	<p>The Plymouth Alliance (TPA) is a partnership of seven core organisations and five subcontractors working with Plymouth City Council to support people facing multiple disadvantages, such as homelessness, substance misuse, and complex needs. Established in 2019 under the Complex Needs Alliance Contract, TPA delivers coordinated accommodation, support, and treatment services across the city. The Alliance shares responsibility for outcomes, aiming to create systemic change by improving access to services, reducing rough sleeping and drug-related harm, and aligning with the city's priorities for safety, health, and community wellbeing.</p> <p>This audit has provided Reasonable Assurance over the Alliance's internal controls, highlighting effective governance, stakeholder engagement, and financial</p>	13	0	7	4	2

			<p>management. Strong communication channels and structured sub-groups enable collaborative working across key thematic areas, supported by dedicated central resources and oversight from the Council's Senior Commissioning Officer. The Alliance Leadership Team (ALT) serves as the main decision-making body, and while governance is generally sound, improvements are needed in formal risk management, particularly the absence of a standing risk agenda item and the need to update the Partnership Risk Register.</p> <p>Despite increased grant funding and improved financial oversight, there are operational risks that require attention. Only one of the five sub-contractors has signed their 2024/25 agreements, potentially weakening enforceability. Furthermore, the absence of a formal Contract Management Strategy limits clarity and consistency in managing sub-contractor relationships. Addressing these gaps will strengthen the Alliance's resilience and ensure continued effective delivery of services across its diverse partnership.</p>					
Declarations of Interest 2024/25 (Follow Up)	Draft	Reasonable	<p>A follow-up audit of Plymouth City Council's approach to Declarations of Interest has found that reasonable assurance can now be provided, reflecting significant progress since the Limited Assurance opinion issued in October 2021. Key improvements include the creation of a dedicated Staffroom page with clear guidance, annual corporate communications, and an accessible declaration form via Firmstep that integrates with CoreHR. These measures have enhanced awareness and consistency across the Council, with declarations now automatically routed to managers for review and action.</p> <p>Further enhancements are planned with the migration to the iTrent payroll system in June 2025, which is expected to offer improved functionality for recording and reporting Declarations of Interest. This will support better integration with workforce reporting and oversight by senior leadership. However, some gaps remain, including the absence of a policy requiring nil declarations, and the need for clearer processes around interim senior officers and data completeness checks during the system transition. These</p>	3	0	3	0	0

			areas will be considered in the 2025/26 Internal Audit Plan to ensure continued improvement.					
Childrens Independent Placements 2024/25	Draft	Reasonable	<p>The Brokerage Team within Children, Young People and Families (CYPF) oversees independent placements, though its operations remain largely unchanged since transitioning from Strategic Commissioning. There is now an opportunity to expand and refine the team's remit under new leadership, aligning placements more closely with children's needs while ensuring value for money. Strong financial controls are in place, with authorised payments and regular budget monitoring supported by collaboration between Brokerage, CYPF managers, and Finance.</p> <p>However, the audit identified several operational risks. These include delays in placement authorisation and payment processes, underutilisation of the Eclipse system for financial documentation, and inconsistent use of finance forms, particularly for uplifts and placement endings. Additional concerns include inadequate due diligence during provider name changes, risking duplicate payments, and a lack of formal policy around payment increases. Addressing these issues through clearer policies, improved system use, and streamlined processes will be essential to reduce financial risk, improve data accuracy, and ensure effective placement management.</p>	9	1	8	0	0
Risk Management 2024/25	Draft	Reasonable	<p>Plymouth City Council has an adequate risk management control framework in place; however, several areas require improvement to enhance the effectiveness of strategic and operational risk oversight. Key issues include vacant risk management roles, limited training, an incomplete Organisational Risk Register, and a lack of a peer forum to review operational risks across departments. The current Risk Management Strategy (2023-25) could also be clearer, and there is limited integration of other assurance activities into the corporate risk framework. Recent changes in senior management, including the secondment of the Head of Governance, Performance and Risk, have delayed risk reporting and strategy updates, further weakening oversight.</p> <p>To strengthen risk management, it is recommended that senior officers take on risk lead roles within their service areas, supported by a cross-directorate risk forum to</p>	13	0	6	5	2

			promote consistency. However, without a designated corporate lead, implementing these improvements may be challenging. Feedback from a staff survey, though limited in response, also indicates a need for better integration of risk management into business processes. Enhancing the framework in these areas will help the Council safeguard its operations, meet statutory obligations, and deliver services more effectively in a complex and evolving public sector environment.					
Procurement Self Service System 2024/25	Draft	Reasonable	<p>Effective from August 2024, Plymouth City Council introduced a self-service procurement process for purchases below £15,000 (from 1 August) and up to £25,000 (from 26 August), allowing authorised and trained officers to independently procure low-value goods and services. This change aims to streamline procurement, improve efficiency, and maintain compliance with Financial Regulations and Contract Standing Orders. The process is governed by user access profiles, contingent on managerial approval and completion of mandatory training, with comprehensive guidance available on Staff Room.</p> <p>While the new process enhances operational flexibility, the audit identified areas for improvement, particularly around the consistent storage of procurement documentation and ensuring user access aligns with training records. Addressing these issues will strengthen internal controls and support full compliance with procurement procedures.</p>	3	1	2	0	0
DBS and Independent Safeguarding (Follow Up) 2024/25	Draft	Reasonable	<p>A follow-up audit of Plymouth City Council's Disclosure and Barring Service (DBS) processes has shown progress since the original 2021 audit, which had provided a "Limited Assurance" opinion. Of the 16 recommendations made, seven have been fully implemented and nine are partially complete, with further improvements expected as part of the transition to the new iTrent payroll system in June 2025. This system is anticipated to enhance data quality and reporting capabilities related to DBS checks. As a result, assurance levels have improved to "Reasonable" in two risk areas.</p> <p>However, governance remains a concern, with key policies and procedures still pending review and update. Work is ongoing to revise the Recruitment Selection Policy, due to go live in July 2025, and to ensure all job roles have an</p>	9	3	6	0	0

			agreed DBS check level. A full audit of DBS processes is scheduled for 2025/26 following the iTrent implementation, and it is expected that the current efforts will lead to further improvements in assurance and compliance.					
Supporting Families PBR Claim Quarter 1 (April - June 2024) <i>Previously reported to November 2024 Audit and Governance Committee as part of half year report.</i>	Final	Certified	In accordance with MHCLG programme guidance three monthly payment by results claims have been checked and verified prior to submission and we certified the first quarterly claim by the 26th June 2024 deadline. The Council target for 2024/25 is to achieve successful outcomes for 609 families, PBR's were claimed for 80 (13%) families, resulting in £64,000 of funding to the Council.	N/A Mandatory Grant Certification				
Supporting Families PBR Claim Quarter 2 (July - September 2024) <i>Previously reported to November 2024 Audit and Governance Committee as part of half year report.</i>	Final	Certified	In accordance with MHCLG programme guidance two monthly payment by results claims have been checked and verified prior to submission and we certified the second quarterly claim by the 25th September 2024 deadline. The Council target for 2024/25 is to achieve successful outcomes for 609 families, PBR's were claimed for 92, resulting in an overall claim to date of 172 families (28% against target) families, resulting in £137,600 of funding to the Council.	N/A Mandatory Grant Certification				
Supporting Families PBR Claim Quarter 3 (October - December 2024)	Final	Certified	In accordance with MHCLG programme guidance three monthly payment by results claims have been checked and verified prior to submission and we certified the second quarterly claim by the 8 th January 2025 deadline. The Council target for 2024/25 is to achieve successful outcomes for 609 families, PBR's were claimed for 77, resulting in an overall claim to date of 249 families (41% against target) families, resulting in totalling funding in year of £199,200.	N/A Mandatory Grant Certification				
Supporting Families PBR Claim Quarter 4 January 2025	Final	Certified	In accordance with MHCLG programme guidance one monthly payment by results claim was checked and verified. Due to government changes in funding of Supporting Families announced, no further audit work was undertaken in the final quarter of 2024/25.	N/A Mandatory Grant Certification				
Disabled Facilities Grant 2023-24 - 31/6672 and 31/6833 <i>Previously reported to Committee</i>	Final	Certified	In accordance with the Department for Levelling Up, Housing and Communities Disabled Facilities Capital Grant Determination (2023-24) No [31/6092] and Disabled Facilities Capital Grant Additional Funding Determination 2023/24 [31/6833] conditions we undertook the annual audit of the statement of grants usage. Grant funding of £3.059m was awarded to Plymouth City Council for 2023/24.	N/A Mandatory Grant Certification				

SWLEP Growth Deal, Charles Cross <i>Previously reported to Committee</i>	Final	Certified	In accordance with South West LEP 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.	N/A Mandatory Grant Certification
SWLEP Growth Deal Northern Corridor Traffic Signals <i>Previously reported to Committee</i>	Final	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.	N/A Mandatory Grant Certification
SWLEP Growth Deal Eastern Corridor Strategic Cycle Network <i>Previously reported to Committee</i>	Final	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.	N/A Mandatory Grant Certification
SWLEP Growth Deal Plymouth Railway Station <i>Previously reported to Committee</i>	Final	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.	N/A Mandatory Grant Certification
SWLEP Get Building Fund Plymouth Business Parks <i>Previously reported to Committee</i>	Final	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.	N/A Mandatory Grant Certification
SWLEP Growth Deal Oceansgate Phase 1 <i>Previously reported to Committee</i>	Final	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.	N/A Mandatory Grant Certification
DFT LCTB Integrated Transport 2024-25 <i>Previously reported to Committee</i>	Final	Certified	In accordance with DFT Integrated Transport Block 2023/24 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 2023/24.	N/A Mandatory Grant Certification
DFT Highways Maintenance Needs Element 2024-25 <i>Previously reported to Committee</i>	Final	Certified	In accordance with DFT Highways Maintenance Needs Element 2023/24 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 2023/24.	N/A Mandatory Grant Certification
DFT Highways Maintenance Incentive Element 2024-25 <i>Previously reported to Committee</i>	Final	Certified	In accordance with DFT Highways Maintenance Incentive Element 2023/24 grant conditions we undertook the annual audit of the statement of grant usage. Grant funding of £323k was awarded to Plymouth City Council for 2023/24.	N/A Mandatory Grant Certification
DFT Highways Maintenance Additional Element 2024-25	Final	Certified	In accordance with DFT Highways Maintenance Additional Element 2023/24 grant conditions we undertook the annual audit of the statement of grant usage. Grant funding of £366k was awarded to Plymouth City Council for 2023/24.	N/A Mandatory Grant Certification
DFT Pothole Fund 2024-25 <i>Previously reported to Committee</i>	Final	Certified	In accordance with DFT Pothole Action Fund 2023/24 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 2023/24.	N/A Mandatory Grant Certification

DFT Traffic Signal Obsolescence 2024-25 <i>Previously reported to Committee</i>	Final	Certified	In accordance with DFT Traffic Signal Obsolescence Fund 2023/24 grant conditions we undertook the annual audit of the statement of grant usage. Grant funding of £75k was awarded to Plymouth City Council for 2023/24.	N/A Mandatory Grant Certification
High Streets Heritage Action Zone Programme 2024/25	Final	Certified	In accordance with Historic England High Streets Heritage Action Zone Programme Fund grant conditions we undertook an audit of the statement of grant usage. Grant funding of £2.1m was awarded to Plymouth City Council.	N/A Mandatory Grant Certification
BEIS Social Housing Decarbonisation Fund 2.1 2024-25	Final	Certified	In accordance with BEIS Social Housing Decarbonisation Fund 2.1 grant conditions we undertook the annual audit of the statement of grant usage.	N/A Mandatory Grant Certification
Public Health Grant 2023 to 2024: No 31/6550	Final	Certified	In accordance with DH&SC Public Health 2023/24 grant conditions we undertook the annual audit of the statement of grant usage. Grant funding of £16.460m was awarded to Plymouth City Council for 2023/24.	N/A Mandatory Grant Certification
Income Collection	In Progress	-	This audit will assess the adequacy of income collection arrangements in ensuring that all income due is received accurately, completely, and on time and to provide assurance that the internal control framework mitigates the risk of failing to maximise income collection, increasing the pressure on budgets, the uncertainty over financial sustainability and impacting the Council's ability to deliver its services.	In Progress at year end.
ASC Income - Joint Funded Care Packages	In Progress	-	<p>A joint-funded care package between Plymouth City Council and the local Integrated Care Board (ICB) is designed to support individuals with complex health needs who do not qualify for full NHS Continuing Healthcare funding. This arrangement involves shared responsibility for arranging, managing, and financing care services. While this collaborative approach aims to ensure appropriate support and cost-sharing, it also presents risks, particularly if demand exceeds the Council's allocated budget. Potential consequences include inefficiencies, financial strain, delays in service provision, and disputes over funding responsibilities.</p> <p>This audit will evaluate the effectiveness, efficiency, and compliance of these joint funding arrangements. Key areas of focus include the clarity of governance structures, the presence of formal agreements (such as Section 75), the robustness of financial controls, and the existence of dispute resolution mechanisms. The audit will also assess whether funding contributions are calculated transparently,</p>	In Progress at year end.

			budget monitoring is conducted regularly, and reconciliation processes are in place to prevent cost-shifting between the ICB and the Council. Strengthening these areas is essential to ensure sustainable, equitable, and high-quality care delivery.	
CIPFA Financial Management Code	In Progress	-	<p>A change to planned budget management audit at the request of the Service Director for Finance and S151 Office.</p> <p>As part of its 2024/25 Internal Audit Plan, DAP is supporting the Council in completing a structured self-assessment against the CIPFA Financial Management Code (FM Code). This work has included cross-referencing the FM Code principles with the findings from the Armada Way Independent Learning Review and the CIPFA External Assurance Review.</p>	In Progress at year end.
Purchasing Cards	In Progress	-	<p>To provide assurance on effectiveness of the control framework to manage fuel cards used by the council and mitigate the following risk areas:</p> <ul style="list-style-type: none"> • Central oversight and direction on the use of fuel cards is not sufficient resulting in additional costs or failure to achieve savings. • Procedures to use fuel cards are not comprehensive or clearly defined or are not followed increasing risk related to misuse or incorrect use. • Line Management checks and counter Fraud reviews are not undertaken increasing risk related to fraud and error. 	In Progress at year end.
BEIS Home Upgrade Grant Phase 2 2023/24	In Progress	-	In accordance with BEIS Home Upgrade Phase grant conditions we are undertaking an audit of the statement of grant usage. Grant funding of £1.2m was awarded to Plymouth City Council	In Progress at year end.
LGA Improvement and Assurance Framework (New Addition)	Ongoing	Advisory	NEW addition, at the request of the Chief Executive and Section 151 this work will consider, input and support Plymouth City Council in its self-assessment against the LGA's Improvement and Assurance Framework.	Currently In Progress
Cyber Assessment Framework	Ongoing	Advisory	To provide assurance on the effectiveness of arrangements to mitigate the risk of a successful Cyber-attack, including the Councils cyber security and resilience arrangements not being aligned with industry good practice to minimise the impacts of adverse cyber events.	Currently In Progress

Emergency Accommodation Payments	Complete	Advisory	Audit work focused on evaluating the internal control framework established during the development of Plymouth City Council's transformation project for managing emergency B&B accommodation payments and the recovery of client contributions. Although the project was discontinued before reaching business-as-usual status, audit considered the effectiveness of controls as they evolved.	N/A Advisory
Constitutional Review 2024/25 - Financial Regulations & Standing Orders	Ongoing	Advisory	Advise on the revision of Financial Regulations and Contract Standing Orders.	N/A Advisory
Eclipse Project Board - Phase 3	Ongoing	Advisory	To attend Eclipse Project Board, to provide advice and assurance as appropriate as the Eclipse Finance module is implemented.	N/A Advisory
PCC South West Devon Waste Partnership	Complete	Advisory	DAP continue its participation with the Partnership, attending Project Executive meetings.	N/A Advisory
Grants Advice, Planning, Monitoring	Ongoing	Advisory	Provision of ad hoc real time advice throughout 2024/25 to support grant funding, management and assurance.	N/A Advisory
Payroll System (iTrent) Implementation	Complete	Advisory	Attendance at appropriate project board meetings/working groups, to provide advice and assurance as appropriate as the iTrent Payroll System is implemented.	N/A Advisory
Place Advice 2024/25	Ongoing	Advisory	Provision of ad hoc real time advice throughout 2024/25 to support mitigate risk and /or transformational change, this has included: <ul style="list-style-type: none"> Proposed changes to PEC / PCC Strategic Partnership Agreement. Capital Programme Board Terms of Reference. 	N/A Advisory
Resources Advice 2024/25	Ongoing	Advisory	Provision of ad hoc real time advice throughout 2024/25 to support risk mitigation and /or transformational change, this has included: <ul style="list-style-type: none"> Provision of information to CIPFA Review 	N/A Advisory
Performance Management 24/25	Replaced	N/A	In consultation with the Head of Governance, Performance and Risk it was agreed to remove this audit from the plan. This has been replaced with the PCC Companies Governance audit for which a higher audit need assessment was identified with the Head of Finance.	N/A Removed from plan
Business Support Provision 2024/25	Replaced	N/A	In consultation with the Strategic Director for Adults, Health and Communities it was agreed to remove this audit from the plan. This has been replaced with the Independence	N/A Removed from plan

			at Home audit for which a higher audit need assessment was identified.	
Homelessness	Deferred	N/A	The inclusion of ASC Client Contribution Income at the request of the Strategic Director for Adults, Health and Communities has deferred this work. We will continue to work with management to ensure this work is completed in accordance with risk and audit need requirements. Scheduled for quarter 2 2025/26	N/A Deferred
SEND 2024/25 Follow Ups	Deferred	N/A	Scheduled for quarter 2 2025/26.	N/A Deferred
Tree Management Policy and Procedures 2024/25	Deferred	N/A	Scheduled for quarter 4 2025/26.	N/A Deferred
ICT User Access and Asset Management 2024/25	Deferred	N/A	Scheduled for quarter 2 and 3 2025/26	N/A Deferred

Appendix 2 - Professional Standards and Customer Service

Conformance with Public Sector Internal Audit Standards (PSIAS)

PSIAS Conformance - Devon Assurance Partnership conforms to the requirements of the PSIAS for its internal audit activity for the period related to this report and assurance opinion. 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 2024. This is supported through DAP self-assessment of conformance with Public Sector Internal Audit Standards & Local Government Application note.

Quality Assessment - the Head of Devon Assurance Partnership 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.

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 last conducted at the end of 2024 by an ex-assistant Director of SWAP, a public sector limited company providing internal audit services.

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 were included in this development plan. 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 reported to the DAP Management Board.

The new **Global Internal Audit Standards (GIAS)** take effect for the UK public Sector as of 1st April 2025. There are three key aspects:

- [The GIAS](#);
- [The CIPFA Code on the Governance of Internal Audit](#); and
- [The CIPFA Application Note for the GIAS in the Public Sector](#).

These documents combine to set out the framework for Internal Audit that must be followed as per Section 5 of the Accounts and Audit Regulations 2015. During 2025/26 DAP will be undertaking a GAP Analysis of existing processes in relation to the above for each DAP Partner. The outcomes will result in action plans that will be worked through with the Partners to ensure compliance, this is likely to require actions from both DAP and Partners to ensure compliance with the revised governance arrangements and other applicable activities. Further information will be provided in due course.

Customer Service Excellence

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

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.

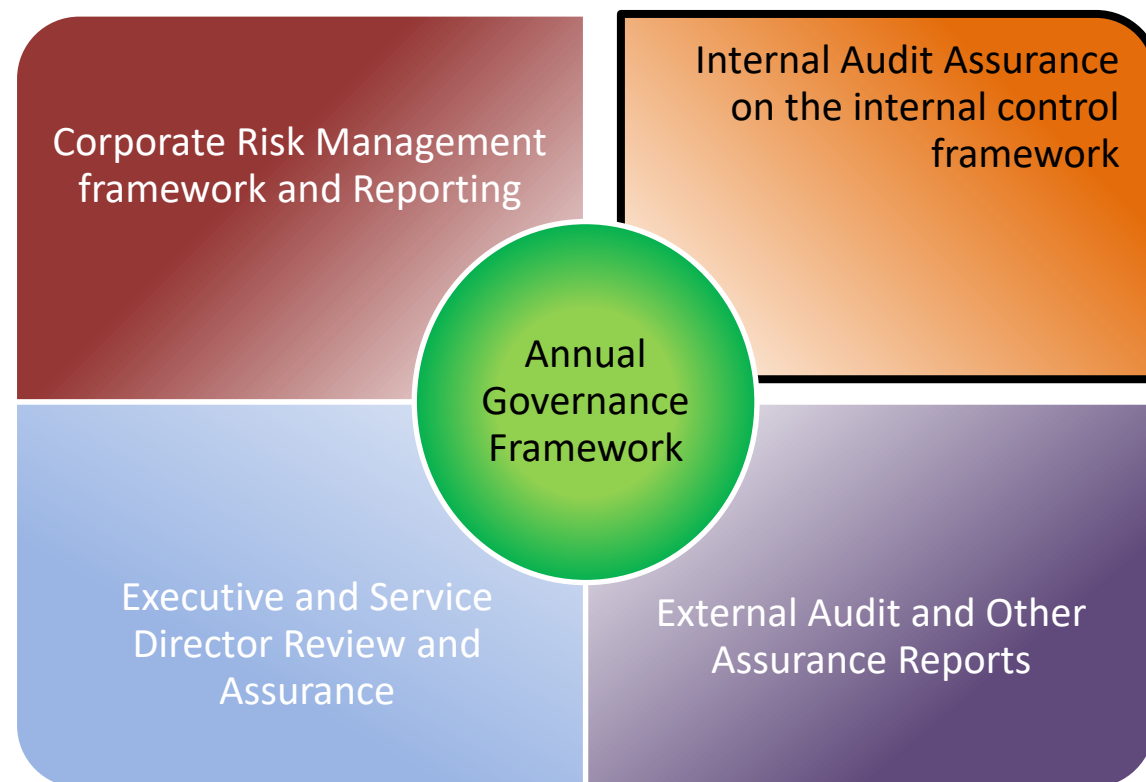
The Annual Governance Statement provides assurance that.

- 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 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 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.

The **LGA** has introduced an improvement and assurance framework, accompanied by [a self-assessment](#) tool. This framework is intended to assist local authorities in evaluating the adequacy of their measures to ensure both service performance and corporate governance. It is specifically designed for use by corporate statutory officers, in collaboration with members and other key officers. The tool should be utilised to inform the council's annual review of the effectiveness of its internal control system, aid in preparation for external evaluations such as Corporate Peer Challenges or inspections and support corporate statutory officers in their roles to promote good governance within the authority. The [framework](#) and a dedicated guide for [Councillors](#) are available on the LGA's website.

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 2024-25, including those audits carried forward from 2023-24;

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;

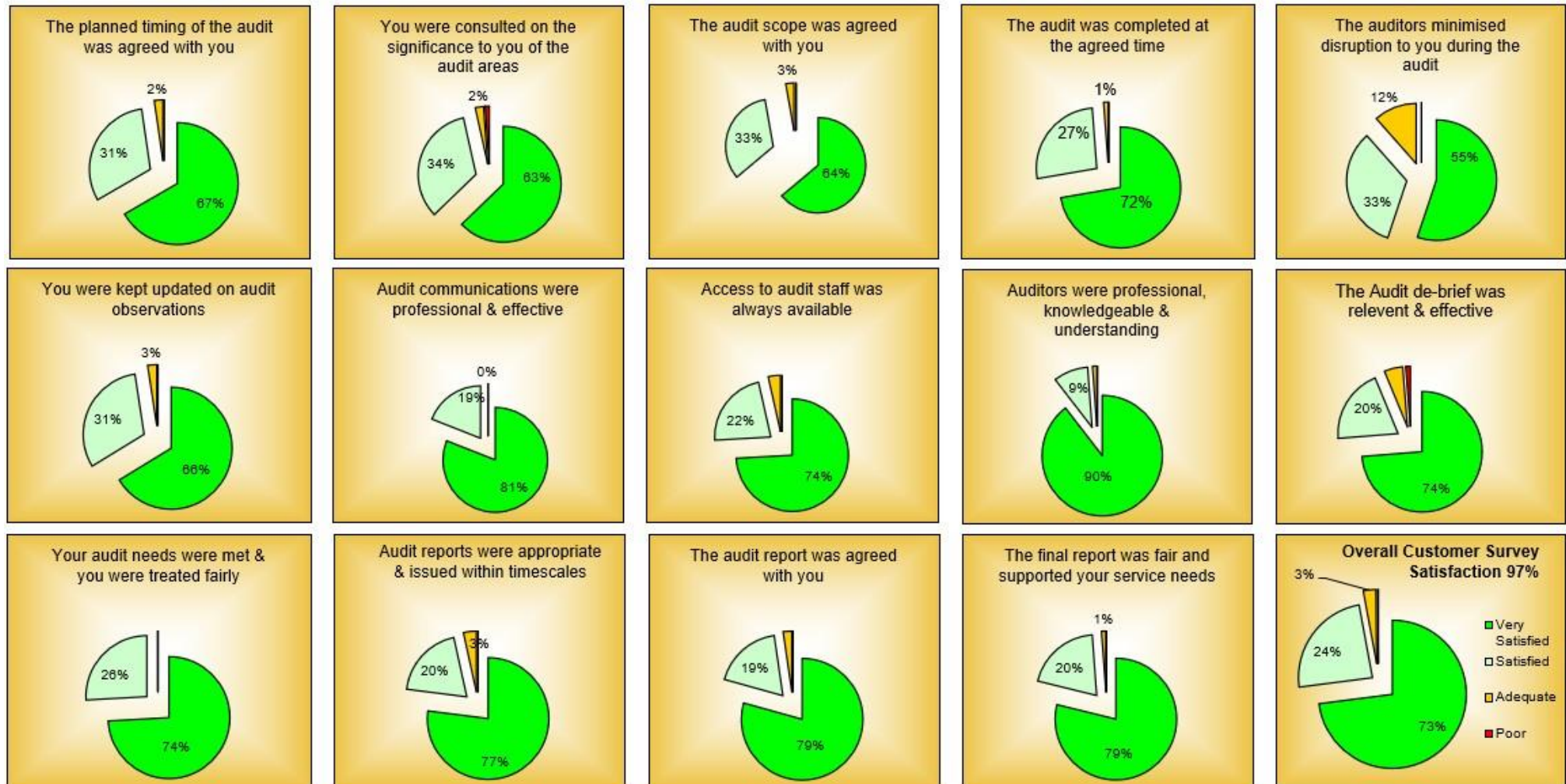
the proportion of the Council's audit need that has been covered to date;

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 2024 - March 2025



Appendix 7 – Confidentiality under the National Protective Marking Scheme

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 organisation, the report itself should only be copied/circulated/disclosed to anyone outside of the organisation in line with the organisation's disclosure policies. 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.

Marketing

Official

Definitions

The majority of information that is created or processed by the public sector. This includes routine business operations and services, some of which could have damaging consequences if lost, stolen or published in the media, but are not subject to a heightened threat profile.

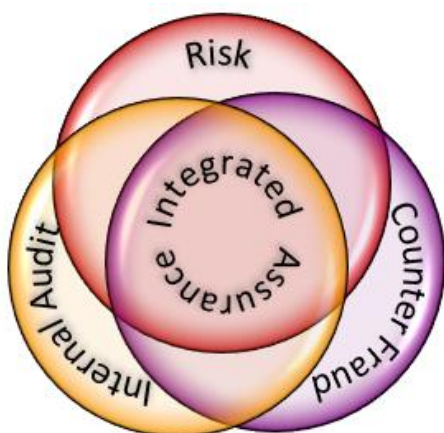
Official: Sensitive

A limited subset of OFFICIAL information could have more damaging consequences if it were lost, stolen or published in the media. This subset of information should still be managed within the 'OFFICIAL' classification tier but may attract additional measures to reinforce the 'need to know'. In such cases where there is a clear and justifiable requirement to reinforce the 'need to know', assets should be conspicuously marked: 'OFFICIAL-SENSITIVE'. All documents marked OFFICIAL: SENSITIVE must be handled appropriately and with extra care, to ensure the information is not accessed by unauthorised people.

Definitions of Audit Assurance Opinion Levels		Definition of Observation Priority	
Assurance	Definition		
Substantial Assurance	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.	High	A significant finding. A key control is absent or is being compromised; if not acted upon this could result in high exposure to risk. Failure to address could result in internal or external responsibilities and obligations not being met.
Reasonable Assurance	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.	Medium	Control arrangements not operating as required resulting in a moderate exposure to risk. This could result in minor disruption of service, undetected errors or inefficiencies in service provision. Important observations made to improve internal control arrangements and manage identified risks.
Limited Assurance	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.	Low	Low risk issues, minor system compliance concerns or process inefficiencies where benefit would be gained from improving arrangements. Management should review, make changes if considered necessary or formally agree to accept the risks. These issues may be dealt with outside of the formal report during the course of the audit.
No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.	Opportunity	An observation to drive operational improvement which may enable efficiency savings to be realised, capacity to be created, support opportunity for commercialisation / income generation or improve customer experience. These observations do not feed into the assurance control environment.

Our Vision

To be the leading provider of assurances services to public and not-for-profit organisations in the South West and beyond.



Operational delivery

- **Assurance Audit** Plans based on the best and most up to date risk information.
- Agile **Internal Audit** Plan
- Links to **risk management** reporting
- **Counter Fraud** Team co-ordinate / undertake irregularities work coming through the **audit** plan.
- Potential irregularities triaged to **fraud or audit** for review.
- **Proactive fraud** work e.g. NFI, developing a delivery plan at client level
- **Investigation** work to be completed jointly (where appropriate) to progress possible fraud review and strengthen internal control frameworks
- **Audit** scoping to include **Counter Fraud** input.
- Three-way liaison confirming risk and control.
- **Integrated reporting** to be delivered where possible.

Our Goals

Meet Client Needs	<ul style="list-style-type: none"> • Counter Fraud Strategy • Integrated Audit, Risk and Counter Fraud Activity • Easy access to additional services • Respond jointly to client concerns
IA, RM & CF Working Together	<ul style="list-style-type: none"> • Joint working practices • Staff understanding of audit, risk and fraud interrelationships • Assurance Officers
Efficiency	<ul style="list-style-type: none"> • Joint reviews on client functions and operations • Best skills from each team used at the right time • Tell us once • Joint outcomes
Infrastructure	<ul style="list-style-type: none"> • Integrated resource management • Joint Performance Reporting • Joint infrastructure

Devon Assurance Partnership	Confidentiality and Disclosure Clause
<p>The Devon Assurance Partnership has been formed under a joint committee arrangement comprising of Plymouth, Torbay, Devon, Mid Devon, North Devon, Torridge, South Hams, West Devon councils and Devon and Somerset Fire and Rescue. We aim to be recognised as a high-quality assurance service provider 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.</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 Government Security Classifications. 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>

This report concludes here