

CITY OF PLYMOUTH

Subject: Internal Audit
Committee: Audit Committee
Date: 13 June 2013
Cabinet Member: Councillor Lowry
CMT Member: Director for Corporate Services
Author: Robert Hutchins, Head of Devon Audit Partnership
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Ref: AUD/RH
Key Decision: No
Part: I

Executive Summary:

This report summarises the work undertaken by Devon Audit Partnership during 2012/13, reviews the performance and effectiveness of the Internal Audit service, and provides an audit opinion on the adequacy of internal control. The report is particularly relevant, therefore, to the preparation of the Authority's Annual Governance Statement which is required under the Accounts and Audit (England) Regulation 2011.

Corporate Plan 2012-2015:

The work of the Internal Audit team assists the Authority in maintaining high standards of public accountability and probity in the use of public funds. The Section has a role in promoting high standards of service planning, performance monitoring and review throughout the organisation, together with ensuring compliance with the Council's statutory obligations. In addition, the delivery of the Internal Audit plan assists all directorates in meeting their Corporate Improvement Priorities and achieving the shared priorities for the City and the Council.

Implications for Medium Term Financial Plan and Resource Implications: Including finance, human, IT and land

None.

Other Implications: e.g. Child Poverty, Community Safety, Health and Safety, Risk Management and Equality, Diversion and Community Cohesion:

The work of the Audit Service is an intrinsic element of the Council's overall corporate governance, risk management and internal control framework.

Recommendations and Reasons for recommended action:

It is recommended that:-

- 1) the report be noted;
- 2) the Audit Committee endorse the adequacy and effectiveness of Plymouth's internal audit for the year ended 31 March 2013.

Alternative options considered and reasons for recommended action:

None, as failure to maintain an adequate and effective system of internal audit would contravene Accounts and Audit Regulations 2003, 2006 and 2011.

Background papers:

Internal Audit Annual Plan 2012/13

Sign off:

Fin	AB 1206	Leg		HR	MG 1206	Corp Prop		IT		Strat Proc	
Originating SMT Member: Robert Hutchins, Head of Devon Audit Partnership											



devon **audit** partnership

Draft Audit Report

Internal Audit
Annual Report

Plymouth City Council

2012-13

Restricted

Auditing for achievement

1 INTRODUCTION

- 1.1 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.
- 1.2 The Internal Audit plan for 2013/14 has already been presented and approved by the Audit Committee in March 2013. The following report and appendices set out the background to audit service provision; reviews work undertaken in 2012/13, and provides an opinion on the overall adequacy and effectiveness of the Authority's internal control environment.
- 1.3 The Accounts and Audit (Amendment) (England) Regulations 2006 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.

2 BACKGROUND

2.1 *Service Provision*

- 2.1.1 The Internal Audit (IA) Service for Plymouth City Council is delivered by the Devon Audit Partnership (DAP). This is a shared service arrangement between Devon County Council, Torbay Council and Plymouth City Council constituted under section 20 of the Local Government Act 2000. The Partnership undertakes an objective programme of audits to ensure that there are sound and adequate internal controls in place across the whole of the Council. It also ensures that the Council's assets and interests are accounted for and safeguarded from error, fraud, waste, poor value for money or other losses.

2.2 *Regulatory Role*

- 2.2.1 There are two principal pieces of legislation that impact upon internal audit in local authorities:
 - **Section 6 of the Accounts and Audit Regulations (England) Regulations 2011** which states that ".....a relevant body must undertake an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control"
 - ".....a larger relevant body must, at least once in each year, conduct a review of the effectiveness of its internal audit"
 - **Section 151 of the Local Government Act 1972**, which requires every local authority to make arrangements for the proper administration of its financial affairs.
- 2.2.2 There are also professional guidelines which govern the scope, standards and conduct of Internal Audit, including CIPFA's Code of Practice for Internal Audit in Local Government and the Institute of Internal Auditors' Standards and Guidelines.
- 2.2.3 In addition, Internal Audit is governed by policies, procedures, rules and regulations established by the Authority. These include standing orders, schemes of delegation,

financial regulations, conditions of service, anti-fraud and corruption strategies, fraud prevention procedures and codes of conduct, amongst others.

2.2.4 The Internal Audit Strategy sets out how the service will be provided and the Internal Audit Charter describes the purpose, authority and principal responsibilities of the audit function.

3 OBJECTIVES AND SCOPE

3.1 This report compares the work carried out with the work that was planned; 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 comparison of internal audit activity during the year with that planned, placed in the context of internal audit need;
- a summary of significant fraud and irregularity investigations carried out during the year and anti-fraud arrangements; and
- a statement on the effectiveness of the system of internal control in meeting the Council's objectives.

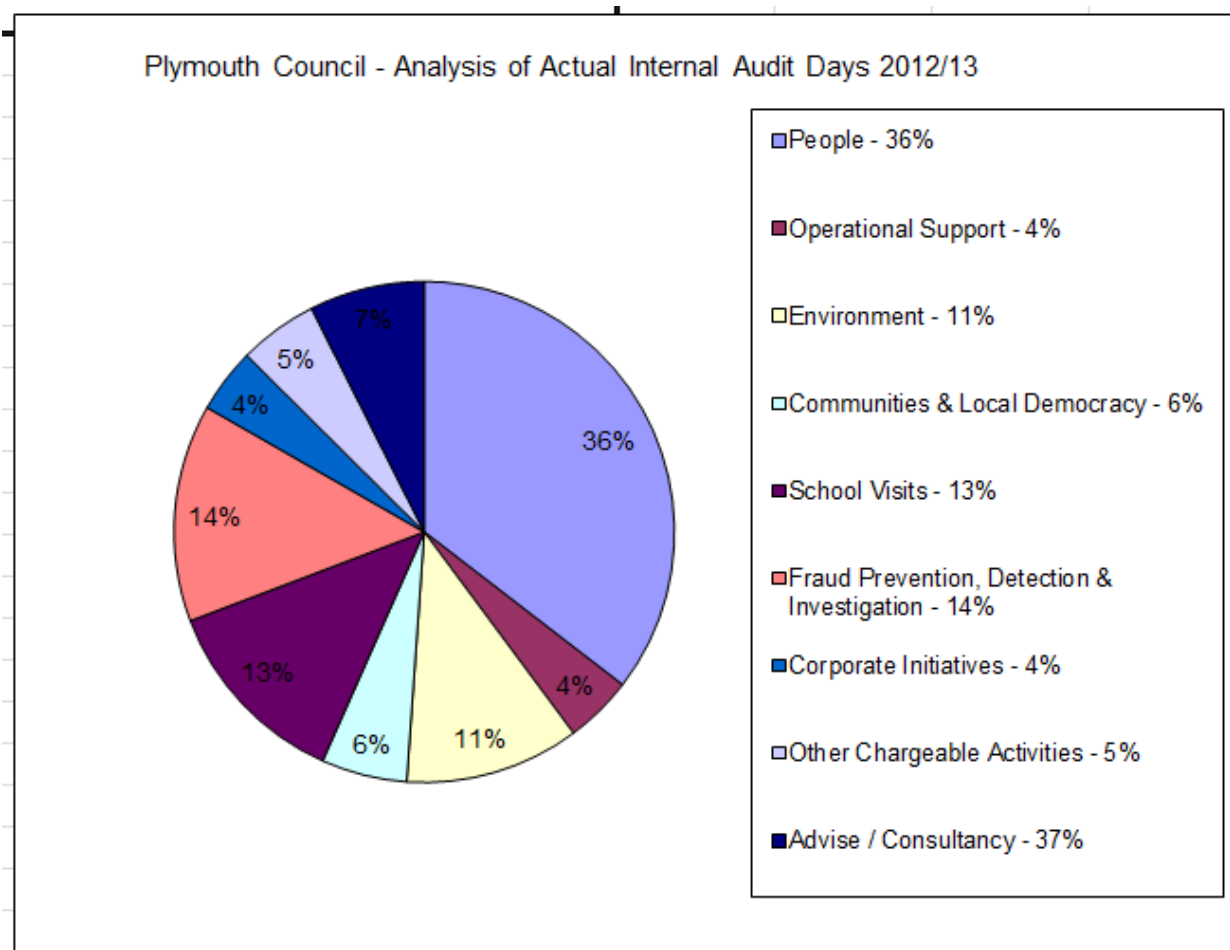
3.2. The Chief Internal Auditor is required to provide the Council with an assurance on the adequacy and effectiveness of its accounting records and its system of internal control in the Council. In giving our opinion, it should be noted that this assurance can never be absolute. The most that the internal audit service can do is to provide reasonable assurance, based on risk-based reviews and sample testing, that there are no major weaknesses in the system of control. In assessing the level of assurance to be given the following have been taken into account:

- all audits completed during 2012/13, including those audits carried forward from 2011/12;
- 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.

4 INTERNAL AUDIT COVERAGE and RESULTS 2012/13

4.1 Delivery Against Plan

4.1.1 The pie chart below shows the proportion of direct days provided in the year ended 31 March 2013, by type of audit.



4.1.2 Appendix 1 shows the actual days of audit delivery in 2012/13 against the audit plan. It will be noticed that there was a small shortfall in the total number of audit days provided during the year; we provided 1699 days against a plan of 1829 days. When we prepare our plans we make an educated assessment of the number of days that an audit is likely to take. When the fieldwork is actually completed there is inevitably a variance from the planned days. In addition we provide an allowance for work on areas such as fraud and corruption; in some years the requirement will exceed the planned budget and in others the need for our resource will be less than planned. It should also be noted that some audits required a richer mix of staff resource due to the complexity / sensitivity of the area under review. In such instances we expect that a more senior officer will be able to complete the review in less time than a junior and also the need for managerial review of working papers will be less.

4.1.3 Appendix 2 to this report provides a summary of the audits undertaken during 2012/13, along with our assurance opinion. Where a “high” or “good” standard of audit opinion has been provided we can confirm that, overall, sound controls are in place to mitigate exposure to risks identified; where an opinion of “improvement required” has been provided then issues were identified during the audit process that required attention. We have

provided a summary of some of the key issues reported that are being addressed by management. It should be pointed out that we are content that management are appropriately addressing these issues.

4.2 Corporate Services

- 4.2.1 In our opinion, and based upon our audit work completed so far this year and in previous years, we consider that adequate controls are in place to mitigate operational risks in this Directorate.
- 4.2.2 Overall, good progress was made against the plan agreed with management for the 2012/13 financial year. Progress has included completion of work carried forward from 2011/12, undertaking follow up audits on areas where significant findings were made in the previous year, and in completing assignments in accordance with timescales agreed with management. A table showing the status of planned audits and their associated reported executive summaries is contained at Appendix 2.
- 4.2.3 DAP has continued to attend and support a number of Project Boards and Project Teams set up to oversee significant and high profile procurement, construction, or system / service implementations projects.
- 4.2.4 Project work has included continued involvement with the South West Devon Waste Partnership Waste PFI project in particular advising on governance and risk issues.
- 4.2.5 Other project worked involved the implementation of new systems or services including the new HR / Payroll systems. DAP assist in identifying any key project risks and issues, and monitors the way these have been managed and controlled as well as ensuring that good project governance is established and maintained.

4.3 People Directorate

- 4.3.1 In our opinion, and based upon our audit work completed during this year and in previous years, we consider that adequate controls are in place to control operations in the People Directorate.
- 4.3.2 Where reports have been finalised management have agreed with findings and recommendations made and where appropriate, we shall undertake follow up work to ensure that risks continue to be suitably controlled
- 4.3.3 Overall, good progress has been made against the audit plan for the People Directorate agreed with management for the 2012/13 financial year. The work for the year included completion of work carried forward from 2011/12, undertaking follow up audits on areas where significant findings were made in the previous year, and completing assignments in accordance with timescales agreed with management. A table showing the status of planned audits and their associated reported executive summaries is contained at Appendix 2.
- 4.3.4 The Commissioning & Contracting audits in respect of both Children and Adults sampled a selection of contracts. Officers involved with these contracts had a good understanding and knowledge of their areas of work along with good working relationships with other members of the Team and with the Strategic Procurement Team. Where officers were unsure on how they should proceed they were comfortable in seeking advice from either the Commissioning Manager or from Strategic Procurement to ensure they were following corporate procedures.

- 4.3.5 ASC commissioning plans clearly demonstrate how commitments in local strategic plans have been used to inform the services that will meet the needs of local people; the introduction of the Market Position Statement (MPS) has also supported this. The development of a Joint Health and Wellbeing Strategy will further develop this by enabling the direct translation of joint commitments into joint commissioning plans. Commissioning plans were found to have been based upon sound evidence and reflect national policy, guidance, local strategic plans, research and best practice.
- 4.3.6 The School Census audit found that the City Council is reliant on all schools, (maintained and academy) to collect, verify and input accurate data into their pupil databases. The process for the collection of school data has greatly improved over the years with the introduction of COLLECT. However, from discussions with officers, it is apparent that the school data submitted as part of the School Census may not always be accurate when compared to data held on other corporate systems such as Capita One and the social services database, CareFirst. The Children's Integrated Disability Service (CHIDS) may maintain a number of paper based files on a child depending on input from the various teams within CHIDS in addition to the electronic filing system. Paper filing structures do not necessarily mirror those on the electronic system.
- 4.3.7 During 2012/13, Internal Audit have carried out, or assisted in, a number of irregularity investigations within the People Directorate. Investigations included work on the alleged submission of false claims for mileage and additional hours by a social worker, alleged misuse of the internet, the inappropriate use of the Council's IT network to store a large number of personal photos contrary to Council policies, as well as an allegation from a member of the public regarding the inappropriate obtaining of personal data by an officer. Work has also been undertaken following receipt of a detailed letter by the Council Leader in the area of adult social care.
- 4.3.8 Internal Audit have continued to provide resource to a complex on-going investigation within a Plymouth school, supporting the police in the run up to a court case which has now been rescheduled for late 2013. Audit received allegations regarding poor security of IT systems at the same school and, following examination of the processes and procedures, a number of recommendations were made to strengthen the controls.
- 4.3.9 In addition to audits undertaken as per the plan, advice and guidance has been provided to managers and staff at all levels within the Directorate.

4.4 Place Directorate

- 4.4.1 In our opinion, and based upon our audit work completed during this year and in previous years, we consider that adequate controls are in place to control operations within the Place Directorate.
- 4.4.2 Where weaknesses have been identified, management have agreed these findings and have either agreed the recommendations or accepted the associated risks. Where appropriate, we shall undertake follow up work to ensure that risks continue to be suitably controlled.
- 4.4.3 Overall, good progress has been made against the plan agreed for the Place Directorate for the 2012/13 financial year. The work for the year has included completion of work carried forward from 2011/12, undertaking follow up audits on areas where significant findings were made in the previous year, and in completing assignments in accordance with timescales agreed with management. A table showing the status of planned audits and their associated reported executive summaries is contained at Appendix A.

- 4.4.4 DAP reviewed the evidence compiled by officers to support the City Council's annual CRC Energy Efficiency Scheme submission, as required by the Environment Agency. We were able to provide assurance that the Council has fulfilled its obligations with regard to its annual submission prior to the submission deadline of 31st July 2012.
- 4.4.5 DAP has continued to support the South West Devon Waste Partnership Waste PFI project which has achieved successful financial close on the contract. DAP continue to attend the Project Executive Board, monitoring governance and risks. In addition, Audit has had involvement in establishing the process for monitoring and reporting the contractor's compliance with planning conditions and constraints during its site activities. Audit has also been involved in discussions around the adoption of a formal Financial Allocation Mechanism that will outline the financial arrangements for the allocation of costs as part of the Joint Working Agreement.
- 4.4.6 During 2012/13, Internal Audit have carried out, or assisted in a number of irregularity investigations within the Place Directorate. Allegations included the alleged acceptance of gifts from a supplier; a breach of the Council's internet policy by signing up to receive emails from non-work related websites; and two reports of thefts, one involving the misappropriation of monies from parking machines which resulted in the arrest of a member of the public by police. In addition, DAP received allegations concerning two officers in relation to their work as canvassers for the Electoral Roll exercise and provided assistance in the subsequent investigation which resulted in one officer being dismissed and the other given a final written warning. We also assisted an investigating officer by providing information and support in a case involving a member of staff's alleged conflict of interest.
- 4.4.8 We also provided management with advice and support on courses of action or improvements to controls in addition to specific investigations that have been carried out.

4.5 Special Investigations and Anti-Fraud Work

- 4.5.1 Throughout the year, Internal Audit have been informed of instances of possible fraud or irregularities which have either led to advice being given to management on courses of action and improvements to controls, or auditors conducting formal investigations into the allegations.
- 4.5.2 The Whistleblowing Policy aims to encourage staff to raise any legitimate concerns they may have in relation to the Council's activities. This policy, which supports the Council's Anti Fraud and Corruption Policy, makes it clear that concerns can be raised without fear of reprisals.
- 4.5.3 A limited number of Whistleblowers came forward during the year; we have worked with management to ensure that these concerns have been appropriately investigated and results communicated back to the whistleblower.
- 4.5.4 Throughout 2012/13, a significant amount of audit resource has been provided to a complex on-going investigation into alleged major financial irregularities within a Plymouth school (see also 4.7.8 below). The case was passed to the police and auditors have continued to assist them during their subsequent investigations. The case has received a large amount of media coverage and is currently going through the court process.
- 4.5.5 Data matching investigation work associated with the 2012/13 National Fraud Initiative (NFI) exercise commenced in January 2013. The exercise, which is run every two years by the Audit Commission, requires all councils to provide data for cross-matching with information supplied by other organisations, such as the Department for Works and Pensions and the NHS, to identify potential cases of fraud and error.

4.6 Consultancy / Advice

- 4.6.1 Internal Audit was consulted by all sections of the Authority on many and varied topics including, for example, document retention, tenders, financial procedures and good practice etc.
- 4.6.2 The pro-active involvement of Internal Audit in control issues relating to new systems and changes assists in protecting the Authority from loss, fraud and abuse. This early involvement is also intended to prevent unnecessary criticism when a formal audit review is undertaken and Departments are actively encouraged to seek advice at the outset of any changes.

4.7 Schools

- 4.7.1 The audit plan to schools has been completed in full; the plan included reviews of 22 primary schools, 3 secondary schools and 3 special schools, all schools and federations were visited by 31 March 2013.
- 4.7.2 The requirements to meet the challenges through change to the Schools Financial Value Standards (SFVS) are significant. We are focusing our efforts to achieve the targets and support schools to the fullest of our ability.
- 4.7.3 Good Standard - our opinion is that the systems and controls in schools mitigate the risks identified in many areas. However, there are risks exposed in key areas which reduce overall assurance. The key themes arising from our audits are the:
- understanding of financial management by governors as evidenced by the requirements of the Standard
 - demonstrable financing of plans for raising standards and attainment; and,
 - inventories and asset management.
- 4.7.4 Recommendations have been made to reduce risks and in other areas, recommendations made serve to strengthen what are reasonably reliable procedures.
- 4.7.5 Schools Financial Value Standard (SFVS) - As at 31 March 2013, there were 76 maintained schools within Plymouth City Council and all school submitted their self-assessment to the Partnership on behalf of the Local Authority by this date.
- 4.7.6 Based on this information, the Partnership has completed the Chief Finance Officer Assurance Statement 2012-13 on behalf of the LA. The Statement shows that 76 out of the 76 schools submitted a self-assessment by 31 March 2013 and confirms that a system of audit is in place giving adequate assurance over the standard of financial management and the regularity and propriety of spending in the maintained schools.
- 4.7.7 Other related audits and advice - In the first half of the year, a review was undertaken of the governance and related arrangements of the Plymouth Association of Primary Headteachers (PAPH) and the establishment of a Co-operative Interest Company (CIC). This review highlighted issues in relation to the legal arrangements, the employment of staff and the relationship with the City Council.
- 4.7.8 Irregularities - Work has continued on providing support to the Devon and Cornwall Constabulary as part of their investigation at St Boniface's Catholic College. The court case was scheduled to take place in April 2013 but due to circumstances this has now been delayed to at least December 2013. In addition, further work was undertaken at St Boniface's to review the security of their ICT systems. This work has been carried out in

conjunction with ScoMis with additional support being provided by the Council's ICT Services.

5. INTERNAL AUDIT PERFORMANCE

5.1.1 There are no national Performance Indicators in existence for Internal Audit, but the Partnership does monitor the following Local Performance Indicators LPI's:

Local Performance Indicator (LPI)	2012/13	2012/13
	Target	Actual
Percentage of Audit plan Commenced (Inc. Schools)	95%	98.5%
Percentage of Audit plan Completed (Inc. Schools)	90%	94.1%
Actual Audit Days as percentage of planned (Inc. Schools)	90%	93%
Percentage of fundamental / material systems reviewed annually	100%	100%
Percentage of chargeable time	65%	66.1%
Customer Satisfaction - % satisfied or very satisfied as per feedback forms	90%	94.5%
Draft Reports produced within target number of days (currently 15 days)	90%	75%
Final reports produced within target number of days (currently 10 days)	90%	83%
Average level of sickness absence (DAP as a whole)	2%	2.9%
Percentage of staff turnover (DAP as a whole)	5%	8.5% (3 people)
Out-turn within budget	Yes	Yes

5.1.2 Overall, performance against the indicators has been very good. We are aware that some of our draft and final reports were not issued to the customer within the agreed timeframes (15 working days for draft report and 10 working days for final report). We have identified areas where performance has been poor, and are working with our staff to ensure improvement is achieved.

5.1.3 It is very pleasing to see that customer satisfaction remains very high, which is much to the credit of the audit staff involved. The customer feedback is drawn from 50 customer survey forms that have been returned by our customer during the year.

5.1.4 During 2012/13 we completed a restructure exercise with the aim of reducing our costs by 10% in 2012/13 and a further 10% in 2013/14. We reduced our management team by three and restructured our operations to ensure that we can continue to deliver the high standard of work expected by our customers.

6. OVERALL INTERNAL AUDIT OPINION

6.1.1 In carrying out systems and other reviews, Internal Audit assesses whether key, and other, controls are operating satisfactorily within the area under review, and an opinion on the adequacy of controls is provided to management as part of the audit report.

6.1.2 All final audit reports also include an action plan which identifies responsible officers, and target dates, to address control issues identified during a review. Implementation of action plans are reviewed during subsequent audits or as part of a specific follow-up process.

6.1.3 Directors have been provided with details of Internal Audit's opinion on each audit review carried out in 2012/13 to assist them with compilation of their individual annual governance

assurance statements. If significant weaknesses have been identified in specific areas, these have been considered by the Authority in preparing its Annual Governance Statement which will be accompanying its published Statement of Accounts for 2012/13.

6.1.4 Overall, and based on work performed during 2012/13, Internal Audit is able to provide reasonable assurance on the adequacy and effectiveness of the Authority's internal control environment.

Robert Hutchins

Head of Devon Audit Partnership

Progress against the Plan - 2012/13

<u>Area</u>	<u>Planned Days</u>	<u>%</u>	<u>Actual Days</u>	<u>%</u>
Corporate Services	570	31%	600	35%
Cross Cutting	80	4%	74	4%
People	335	18%	191	11%
Place	115	6%	94	6%
Fraud Prevention & Investigation	246	13%	238	14%
Corporate Governance	88	5%	71	4%
Grant Claims/ Account Certification	10	1%	6	0%
Other Chargeable activities	108	6%	86	5%
Advice/Consultancy	88	5%	126	7%
Carry forward	0	0%	0	0%
External clients - Schools	189	10%	213	13%
TOTAL	1829		1,699	

Summary of Audit work completed and Audit Opinions

Corporate Services (excluding ICT)				
Audit Area	Year	Status	Assurance Opinion	Executive Summary / Auditor Comments
Loans & Investments	2011/12	Final	Good Standard	
Capital Accounting (Asset Register)	2011/12	Final	Good Standard	
Cash Collection 11/12	2011/12	Final	Good Standard	
Main Accounting System 11/12	2011/12	Final	Good Standard	
NNDR	2011/12	Final	Good Standard	
Creditors	2011/12	Final	Good Standard	
Council Tax system	2011/12	Final	Improvements Required	See comments in six month report.
Housing Benefits	2011/12	Final	Improvements Required	See comments in six month report.
ICT Service Desk - System Admin	2011/12	Final	Improvements Required	See comments in six month report.
Debtors System	2011/12	Final	Good Standard	
Revenues & Benefits Systems Parameters	2012/13	Final	Good Standard	
Main Accounting System	2012/13	Final	Good Standard	

Payroll	2012/13	Final	High Standard	
Housing Benefits	2012/13	Draft	Improvements Required	<p>Although the audit opinion remains as 'improvements required', it is pleasing to note that the direction of travel is positive, and overall, an effective service is being provided to City residents. This is particularly commendable as it has been achieved during a time of increasing caseload, the average caseload has risen from 30,633 in 2011/12 to 31,011 in 2012/13, and implementing significant change brought about through National Welfare Reforms.</p> <p>Processing times for new claims have reduced significantly this year from 28.23 in 2011/12 to 21.00 in 2012/13 (target 15 days), and although this has been at the expense of processing times for changes in claimants' details, which show a clear deterioration from 17.33 in 2011/12 to 26.08 in 2012/13. It should be recognised that actual performance for March 2013 indicates that target were achieved with processing times for new claims at 12.71 days and changes at 4.29.</p>
KFS Access Controls	2012/13	In Progress		<p>Field work complete and initial findings set out below</p> <p>User access to key financial systems is not granted without line management approval and samples tested have shown that the access levels provided to the users was in accordance with requests made.</p> <p>However, some procedural improvements would strengthen the system and ensure not only the integrity of user access but that the service provided by the Service Desk is both timely and accurate.</p>
Creditors	2012/13	Final	Good Standard	
'Carefirst' Creditors	2012/13	Draft	Improvements Required	<p>The Transaction Centre has faced difficulty resolving issues with incomplete and inaccurate data coming from Carefirst; this has resulted in payments being delayed and in some cases incorrect payments being made.</p> <p>Management are aware of the issues and are taking action to resolve.</p>
Council Tax System	2012/13	Draft	Good Standard	
Debtors System	2012/13	Final	Good Standard	
Loans & Investments	2012/13	Draft	High Standard	

Capital Accounting (Asset Register)	2012/13	Draft	Good Standard	
NNDR	2012/13	In Progress		Field work nearing completion, no significant issues identified to date.
Income Collection	2012/13	In Progress		Field work now complete and initial findings indicate that there continues to be a good level of control within the processes in operation.
CRB 10/11 Follow-Up	2011/12	Final	Good standard	
Capital Programme	2011/12	Final	Good Standard	
Payroll System Procurement and Transfer from SAP	2012/13	On-Going		Support and advice to this project started with assistance during the accelerated procurement of consultancy and implementation services for the project and DAP was able to give assurance that the process was conducted in line with policy and procedures. DAP continues its involvement during the implementation phase of the project ensuring the solution incorporates sufficient business and ICT controls, as well as monitoring project governance and the management of risks.
Revenues & Benefits - Policy Changes	2012/13	On-going		At the request of management, DAP provided support and advice to the Revenues & Benefits Service project team responsible for the development of the localised council tax support scheme and the setting up of the Emergency and Welfare Scheme, both of which came into effect in April 2013.
Risk Management	2012/13	Final	Embedded & Integrated	See comments in six month report.
Schools Loan Scheme	2012/13	Final	Good Standard	.
Schools Financial Value Standard	2012/13	On-Going		Outturn for 2011-12 DSG CFO Statement. Review of school submissions for 2012/13.
New Procurement Policies & Strategies inc Management and Monitoring of Contracts	2012/13	On-Going		On-going advice and support as appropriate.
P2P Project	2012/13	On-Going		Recent involvement in the P2P Project Board to provide real-time advice and support on

				project implementation and the review of processes.
Corporate Services - ICT				
Service Level Management	2011/12	Final	Improvements Required	See comments in six month report.
Access Management	2011/12	Final	N/A	<p>A briefing note has been issued identifying the key issues that will impact on PCC's access management in the near future.</p> <p>The new AX platform being implemented as part of the new Transformational Change HR/Payroll system project, provides the opportunity to capture all logical and physical access requirements as part of a "role based" approach.</p>
Capacity and Availability	2011/12	Final	Improvements Required	See comments in six month report.
New Data Centre (inc storage & backup)	2012/13	On-going		DAP have continued to be involved in the project tasked with introducing the new data centre at Windsor House, attending Project Board meetings and providing advice to the project as required.
CRM Dynamics AX2012	2012/13	On-going		DAP have kept an on-going watching brief and have provided advice and support. This has included an Auditor deployed as part of testing resource for AX iTrent interface and the new process for BACS processing.
Information Security	2012/13	On-going		DAP continue to attend and support the Management Information Security Forum (MISF) which also reports to the Information Lead Officers Group (ILOG) established in 2011/12, in which Internal Audit has a role. DAP has also provided support and advice to officers on individual cases.

CareFirst 6	2012/13	Final	Good Standard	
ICT Service Strategy	2012/13	Final	Improvements Required	See comments in six month report.
Academy (HB Self Serv Portal)	2012/13	Complete	N/A	Internal Audit have performed a watching brief over the past eighteen months and intervened prior to the original go-live date in April 2012, in order to mitigate a range of risks. A successful release into live operation has now been achieved.
Material Systems IT Issues	2012/13	Final	Good Standard	
Release & Deployment	2012/13	Deferred		Following preliminary meetings it became apparent that a formal audit did not represent good value for money as any recommendations made in respect of the ITIL v3 framework would not be implemented in the near future due to existing work pressures and priorities. The audit days were allocated to audit of ICT Financial Management.
Corporate Telephony System	2012/13	Not started		Delays in the completion of the Corporate Accommodation Strategy have had a negative impact on the ability for ICT to de-commission legacy telephony systems. This has resulted in additional revenue costs. The completion of CAS related ICT projects has now been identified as a priority.
ICT Financial Management	2012/13	In Progress		Field work on this review is now complete and a draft report is due to be issued imminently. PCC's ICT Service has drastically reduced its costs over recent years which provides greater value for money and potentially permits it to be more commercially viable at a time when ICT services become increasingly open to competition from the private sector. Capital spend is well governed, but both the ICT Service and its customers would benefit from improvements in managing both capital costs and associated the associated year on year revenue impact.
ICT Compliance Board & Follow-up of previous audits	2012/13	On-going	N/A	Regular meetings are held with ICT managers to discuss progress with agreed action plans that resulted from recommendations made in audit reports.

Cross Cutting				
Payment to Consultants & Advisors	2011/12	Final	Improvements Required	See comments in six month report.
Carbon Management	2012/13	Complete	N/A	DAP have been able to certify that the Council has fulfilled its obligations with regard the submission of data and compilation of supporting evidence for the CRC Energy Efficiency Scheme.
Accommodation Strategy	2012/13	On-going		DAP has continued its watching brief of the Accommodation Strategy project, to provide support and assurance on project governance and the management of risks facing the project.
Corporate Information Management	2012/13	In Progress		DAP continue to attend and support the Information Lead Officers Group (ILOG) set up in 2011/12. In addition, an assessment of the quality of the arrangements the Council has put in place to ensure compliance with the Data Protection Act 1998, is currently being concluded. Similar assessments are being conducted by DAP at Devon County and Torbay Councils in response to recent fines being imposed by the Information Commissioner following breaches of information.
Business Continuity	2012/13	Final	Improvements Required	DAP continue to attend the Authority's Business Continuity Strategy Group to provide advice and support. A review of a selection of Business Continuity Plans has been carried out and the findings, together with a number of recommendations have been fed back to the Strategy Group.
Use of Purchasing Cards	2012/13	In Progress		Spot checking of a sample of purchasing cards nearing completion.
Payment to Consultants & Advisors 11/12 Follow-Up	2012/13	Final	Good Standard	

People Directorate				
Audit Area	Year	Status	Assurance Opinion	Executive Summary
Commissioning & Contracting (Children)	2011/12	Final	Good Standard	
Commissioning & Contracting (Adults)	2011/12	Final	High Standard	
Non Residential Services Billing (NSIBS)	2011/12	Final	Good Standard	
CareFirst Fostering	2011/12	Final	Improvements Required	See comments in six month report.
Data Quality Children's EMS Follow / Up	2011/12	Final	N/A	Progress has been made since the original audit review with the continued migration of version 3 to version 4 and the implementation of B2B. This has all been done with limited resources by staff working on temporary contracts. However, there are still key issues outstanding which, although started, do not have an action plan or target date for implementation. Without an action plan in place it is likely that these partially implemented processes will be abandoned in favour of other priorities.
Safeguarding Adults Follow / Up	2011/12	Final	Good Standard	
PAPH / Community Interest Company / Co-ordinator Arrangements	2012/13	Final	N/A	The Assistant Director commissioned Legal and HR to carry out further work in these specialised areas. This review can be considered as part of the due diligence that the LA needs to be carrying out. Our briefing note has highlighted issues that need to be considered as Education moves forward.
School Census	2012/13	Final	High Standard	
Life Centre, Leisure Management, Pavilions Projects	2012/13	On-going	N/A	DAP continued to support and advise the various project teams as well as the Culture, Sport and Leisure Programme Board throughout 2012-13. Audit has provided assurance on project governance, the management of risks facing each project as well as the compliance with procurement practices and procedures, particularly where Competitive Dialogue has been utilised.
School Construction Projects	2012/13	On-going	N/A	DAP provided support and advice on a number of construction projects including Tor Bridge High, High View and Boringdon Primary.
Basic Needs Programme	2012/13	On-going	N/A	DAP have been able to support the Basic Needs Programme, offering advice and assurance on process and procedures involving procurement, risk and governance.

Academies Delivery Project	2012/13	On-going	N/A	DAP were invited onto the Project Board overseeing the delivery of £21m investment at two of the city's Academy schools, as well as the University Technical College (UTC) Project. DAP have been providing assurance over project governance, risk management and compliance with procurement practices and procedures.
Children's Disability Service (Integrated)	2012/13	Final	Good Standard	
Troubled Families Programme	2012/13	On-going	January Claim Verified	As part of the verification audit of the January claim walkthrough testing was carried out on five families to ensure that their identification as a troubled family complied with the DCLG identification criteria. All data was agreed back to supporting system data reports held by the Troubled Families co-ordinator. Each family had been identified correctly in accordance with the specified criteria
Client Finance Services 11/12 Follow Up	2012/13	Final	N/A	Of the 4 recommendations made in the report, one has been cleared but 3 are dependent on the new ways of working in ASC following restructure. Follow up only - implementation of all recommendations is part of the ASC restructuring.
Care First - Fostering 11/12 Follow Up	2012/13	Final	Good Standard	
Transfer of Public Health	2012/13	In Progress		Draft report due shortly.
Health & Wellbeing Board	2012/13	In Progress		Draft report due shortly.
Fostering & Adoption Panel Processes / EDRMS	2012/13	In Progress		Completion expected early 13/14.
CareFirst - Children Independent Placements	2012/13	In Progress		Completion expected early 13/14.
Special Education Needs	2012/13	In Progress		Draft report issued May 2013.
CareFirst - Residential Care Payments	2012/13	In Progress		Completion expected early 13/14.
Localities Co-ordination	2012/13	Not Started		Project did not start. Audit resources used for other People reviews.
Commissioning &	2012/13	Delayed		DAP have been requested to delay this work until the first quarter of the 2013/14

Contracting (Adults) 11/12 Follow Up				financial year.
Commissioning & Contracting (Children) 11/12 Follow Up	2012/13	Delayed		DAP have been requested to delay this work until the first quarter of the 2013/14 financial year.

Place				
Audit Area	Year	Status	Assurance Opinion	Executive Summary
Smart Ticketing LSP	2012/13	Not Started		Audit input not required – no longer a requirement by DfT for sign-off by the Chief Internal Auditor.
Waste Management - SWDWP - (Waste PFI)	2012/13	On-Going		DAP continues to support the South West Devon Waste Partnership Waste PFI project, advising on governance and risk issues.
Sale of Civic Centre	2012/13	On-going		DAP has been providing advice, support and assurance to the team tasked with the sale of the Civic Centre. Subsequently, Audit was present at the opening and evaluation of PQQ, ISS and CfT submissions and competitive dialogue sessions with prospective bidders.
History Centre	2012/13	On-going		DAP has begun to provide support and advice to the Project set up to oversee the development of a History Centre for the City. Audit have been present at Board meetings as the vision and solution options, including the suitable procurement route, are being developed and assessed.
Plymouth Market 11/12 Follow-Up	2012/13	Draft	Good Standard	
Blue Badges	2012/13	Final	Good Standard	
Public Protection Services	2012/13	Draft	Good Standard	
Commercial Leases	2012/13	Final	Good Standard	
Planning Applications	2012/13	Final	High Standard	

and Appeals 11/12 Follow-Up				
Section 106 11/12 Follow-Up	2012/13	In Progress	Good Standard	
Mt Edgcumbe Accounts 11/12	2012/13	Final	Good Standard	
New Growth Point Grant 2011/12	2012/13	Complete		Grant certification.