

Internal Audit

Annual Audit Report 2018-19

Plymouth City Council
Audit & Governance Committee

July 2019



Robert Hutchins
Head of Audit Partnership



Auditing for achievement

Introduction

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

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

The Internal Audit plan for 2018/19 was presented and approved by the Audit Committee in March 2018. The following report and appendices set out the background to audit service provision; a review of work undertaken in 2018/19 and provides an opinion on the overall adequacy and effectiveness of the Authority's internal control environment.

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

Expectations of the Audit Committee from this annual report

Audit Committee members are requested to consider:

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

In review of the above the Audit and Governance Committee are required to consider the assurance provided alongside that of the Executive, Corporate Risk Management and external assurance including that of the External Auditor as part of the Governance Framework (see appendix 1) and satisfy themselves from this assurance for signing the Annual Governance Statement.

Robert Hutchins
Head of Devon Audit Partnership

Contents	Page
Introduction	1
Opinion Statement	2
Summary Assurance Opinions	3
Value Added	4
Audit Coverage & Progress Against Plan	5
Fraud Prevention & Detection	6
Appendices	
1 - Summary of Audit Reports & Findings	7
2 - Professional Standards and Customer Service	27
3 - Audit Authority	28
4 - AGS Assurance Framework	29
5 - Basis for Opinion	30
6 - Performance Indicators	31
7 - Customer Service Excellence	32

Opinion Statement

This statement of opinion is underpinned by :

Overall, based on work performed during 2018/19 and our experience from the current year progress and previous years' audit, the Head of Internal Audit's Opinion is of "Substantial Assurance" on the adequacy and effectiveness of the Authority's internal control framework.

This opinion statement will support Members in their consideration for signing the Annual Governance Statement see appendix 1.

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

All final audit reports include an action plan which identifies responsible officers, and target dates, to address control issues identified. Implementation of action plans is the responsibility of management yet may be reviewed during subsequent audits or as part of a specific follow-up process.

Directors have been provided with details of Internal Audit's opinion on each audit review 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 accompany the published Statement of Accounts for 2018/19.

The Summary Assurance Opinions chart on page 3 provides a high level "Themed" and RAG rated overview of audit coverage for 2018/19.

Internal Control Framework

The control environment comprises the Council's policies, procedures and operational systems and processes in place to:

- Establish and monitor the achievement of the Council's objectives;
- Facilitate policy and decision making;
- Ensure the economical, effective and efficient use of resources;
- Ensure compliance with established policies, procedures, laws and regulations;
- Safeguard the Council's assets and interests from losses of all kinds, including those arising from fraud, irregularity or corruption.

During the year, core financial and administrative systems were reviewed by Internal Audit either through specific reviews (e.g. debtors, creditors, payroll & Main Accounting) or generally in the reviews undertaken in respect of directorate systems. The Council's overall internal control framework operated effectively during the year. Where internal audit work has highlighted instances of none or part compliance, none are understood to have had a material impact on the Authority's affairs.

Risk Management

Risk management is now embedded and integrated within business planning processes and more closely aligned with performance management. Benefits are being realised within service management teams through the provision of optimised management information tools that have strengthened Corporate Governance and enabled effective decision making.

Governance Arrangements

Governance arrangements are considered in key areas such as the Integrated Fund (Livewell and PCC) to ensure that the Council's interests are protected. Management also make very specific requests such as the review of the governance arrangements / relationships, both financial and legal for the Plymouth Energy Community (PEC).

Performance Management

The strategy is key to the successful delivery of services and is established for 'business as usual' and change programmes. Regular reporting to management, leadership team and the Council should ensure effective performance management. This is of particular importance as the Council continues to develop new ways of working.

Full Assurance	Risk management arrangements are properly established, effective and fully embedded, aligned to the risk appetite of the organisation. The systems and control framework mitigate exposure to risks identified & are being consistently applied in the areas reviewed.	Limited Assurance	Inadequate risk management arrangements and weaknesses in design, and / or inconsistent application of controls put the achievement of the organisation's objectives at risk in a number of areas reviewed.
Substantial Assurance	Risk management and the system of internal control are generally sound and designed to meet the organisation's objectives. However, some weaknesses in design and / or inconsistent application of controls do not mitigate all risks identified, putting the achievement of particular objectives at risk.	No Assurance	Risks are not mitigated and weaknesses in control, and /or consistent non-compliance with controls could result / has resulted in failure to achieve the organisation's objectives in the areas reviewed, to the extent that the resources of the Council may be at risk, and the ability to deliver the services may be adversely affected.

Summary Assurance Opinions

Service Area Overview of Audit Coverage										
Customer & Corporate and Finance		People & Children's Services		Place		ODPH		Executive Office		Cross Cutting
Summary of key audit reviews	Business Rates Pool	Integrated Fund		Highways Works Ordering		Bereavement Service		Risk Management		Contract Management
	Purchasing Cards Follow-Up	Care Leavers (Payments)		Concessionary Fares		Licensing		Community Grants		Finance & Assurance Review Group
	Schools Financial Value Standards	Fostering (Payments)		Building Control		Public Protection Service				Travel & Subsistence
	e-Budgeting	Pre-Paid Cards – Direct Payments		Trade Waste Follow-Up		Plymouth Energy Community				Client Financial Assessments (End to End Process)
Core Assurance	Business Processes & Governance	Corporate Information Management			Grant Certification			Annual Governance Statement		
	Key Financial Systems	Main Accounting	Treasury Management	Payroll	Debtors	Creditors	Council Tax	Business Rates	Housing Benefits	
	ICT	IT Material Systems								

Note: Assurance opinions are 'RAG' rated to support the overall assurance opinion for the year (Red = fundamental weaknesses, Amber = improvements required, Green= good and high standard). The ratings are relevant at the time of the audit review and assurance may have improved since that time. Areas shaded blue denote opportunity or value added work.

Value Added

We know that it is important that the internal audit service seeks to "add value" whenever it can and we believe internal audit activity has added 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.

We trust that officers have found our engagement, support as a "trusted advisor" effective and constructive in these significantly changing times.

Detailed below is some of the feedback received from those audited during 2018/19.

Customer & Corporate (inc Exec Office & Finance)

"This year's Payroll Audit needed to closely reflect the change in operating model, responsibilities and roles between the former in-house Payroll Service now delivered through Delt and the Council as the client. The Auditors were keenly aware of this new supplier / customer relationship and the methods used were cognisant of this shift. The independent input from DAP allowed relevant changes to be introduced which formalised the retained Client and Performance reporting mechanisms allowing both parties to gain clarity on a suitable methodology to monitor and report."

Other feedback comments include:

"The provisions of suggestions that will help shape the service in the future" is particularly helpful and that the audit process added value by "highlighting areas that may need attention".

"Clarification we are working to a good standard".

"The audit team always on hand to provide advice and support".

"The auditor was particularly helpful and supportive, and I was able to be honest about the situation with a partner and we can now move forward confidently".

Place

Building Control – "I think this is an excellent report that captures a lot of the issues being experienced in the team and will really help clarify how we move things forward".

Continued support, advice and challenge on the contract management arrangements relating to the South West Devon Waste Partnership, to ensure that the City Council's interests are protected.

People (inc Children's Services)

"The audit was carried out in a professional, sensitive and inclusive manner listening to all views and comments and acted independently with no pre-judgements to provide a well-balanced report."

"Report and recommendations were very helpful, always good to have feedback on the job you are undertaking and positive outcomes. Very good experience - thank you."

"Thank you for this Xxxxx. It is a really comprehensive report and I will be tracking actions."

"The audit provides a good foundation for an improvement action plan."

A school found the "review of financial propriety always helpful to have pointers in improving practice. As always, the audit process is a dialogue."

Nursery – "conversations during the audit process and the de-brief afterwards gave an opportunity to ask questions and to gain further understanding. Very well organised, professional and really useful."

Office of the Director of Public Health (ODPH)

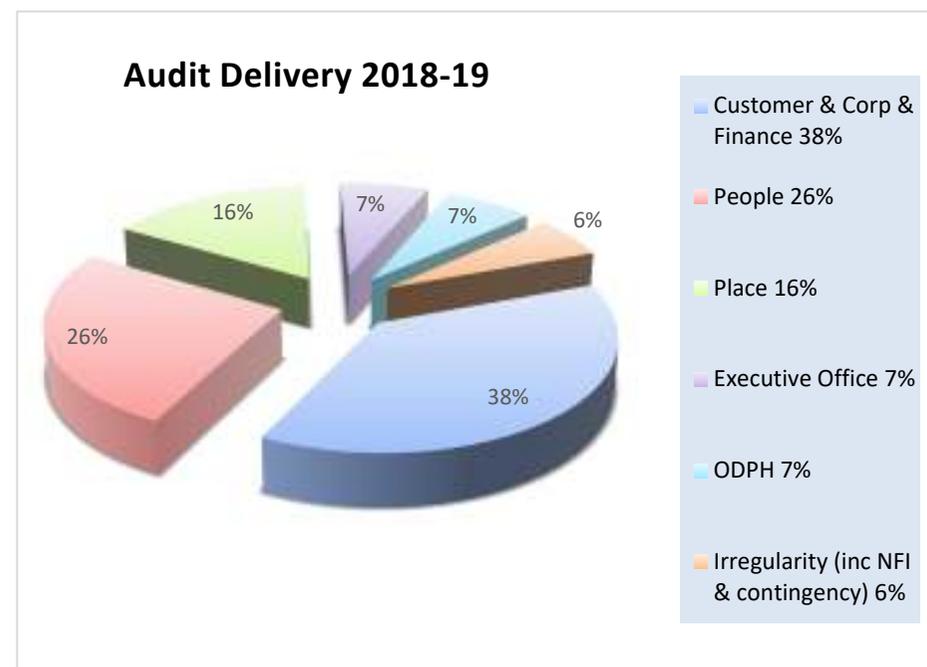
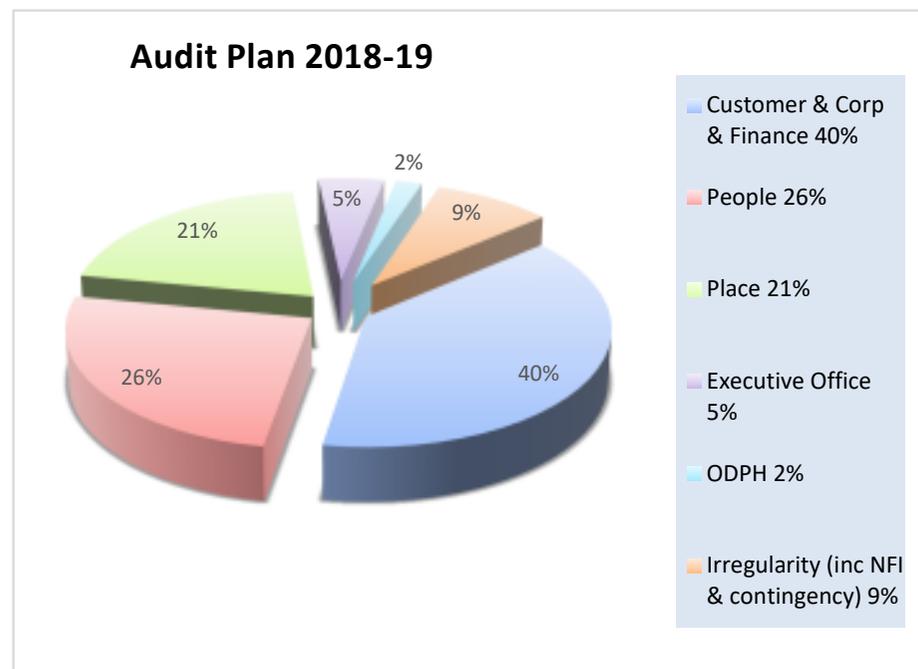
We have been advised that our work within the Public Protection Service has supported and added further weight to the service's aspiration to further develop its commercial offering and maximise potential income streams. The Service is currently working with Commercial Finance on a detailed business case with which to assess the benefits that further investment could provide.

Audit Coverage and Performance Against Plan

The pie charts on the right shows the breakdown of audit days planned by service area / type of audit support provided. The balance of work has varied during the year as can be seen from comparison with the second chart. Variations have been with the agreement of the client.

Appendix 4 to this report provides a summary of the audits undertaken during 2018/19, 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.

Appendix 5 shows the performance indicators for audit delivery in 2018/19 against the revised audit plan. It will be noticed that there was a small variation in the total number of audit days provided during the year. When we prepare our audit plans, we make an educated assessment of the number of days that an audit is likely to take. When the fieldwork is 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.



Fraud Prevention and Detection

Counter-fraud arrangements are a high priority for the Council and assist in the protection of public funds and accountability. The Cabinet Office runs a national data matching exercise, The National Fraud Initiative (NFI), every two years. For the 2018/19 exercise, DAP have co-ordinated the extract of relevant Council datasets, as defined by the Cabinet Office. Departments have supplied their datasets (listed below) and these were uploaded onto the NFI secure website in October in accordance with the NFI timetable. The subsequent matching reports were received back in February 2019 and are currently being reviewed by departments across the Council. It is anticipated that the work being undertaken will be completed by the end of September 2019.

NFI datasets:

- Council Tax;
- Creditor Payments;
- Housing Benefits;
- Payroll / Pensions;
- Housing Waiting Lists;
- Payment to Residential Care Homes;
- Personal Budgets – Direct Payments;
- Licencing (including taxi licences and personal alcohol licences);
- Market Traders; and
- Transport Passes (including blue badges and concessionary bus passes).

Irregularities – DAP have provided management with a range of advice and support on courses of action or improvements to controls including assisting with an investigation into employee conduct (which concluded that there was no cause for concern) and reviewing security and storage arrangements following the loss of a high-spec laptop.

Active Counter Fraud Investigation - On 01/05/2018 the Plymouth City Council Corporate Fraud Team was transferred to the Devon Audit Partnership (DAP) and is now known as the Counter Fraud Services Team within DAP. The team continue to offer a full and comprehensive investigation service to Plymouth, whilst offering a commercialised service to other DAP partners in an attempt to give Plymouth City Council a return on its investment.

The Counter Fraud Team Manager has prepared a separate report summarising work undertaken during 2018/19.

Appendix 1– Assurance Opinion and extract Executive Summaries for 2018/19

Risk Assessment Key

SRR /ORR – Local Authority Strategic or Operational Risk Register reference

ANA - Audit Needs Assessment risk level

Client Request - no risk assessment information available

Assurance Progress Key Where Report Issued

Green – action plan agreed with client for delivery over an appropriate timescale

Amber – agreement of action plan delayed or we are aware progress is hindered

Red – action plan not agreed or we are aware progress on key risks is not being made

* report recently issued, assurance progress is of managers feedback at debrief meeting

Assurance Progress Key for Project Work

Green – progressing well

Amber – continuing to progress but some issues to address

Red – significant delays or issues to address

Risk Area / Audit Entity	Audit Report		
	Assurance Opinion	Residual Risk / Audit Comment	Direction of Travel Assurance
Finance, Customer & Corporate			
Core Assurance – Key Financial System			
Main Accounting ANA - High	Good Standard Status: Final	<p>The need to closely monitor and challenge budgets within service areas has been recognised by Senior Finance Officers who have undertaken a significant amount of work to improve and better align budget information. The E-Budgeting process went live in April 2018 and provides budget holders with automated monthly reports and the ability to ‘drill down’ to all of the relevant supporting data. This process should provide budget-holders and accountants with the information and tools to more efficiently and effectively manage the budget monitoring process, however, our findings are that this new way of working has not been fully embraced by users. Management will be considering how best to drive this process forward.</p> <p>Cabinet receive quarterly Capital and Revenue monitoring reports that outline the finance monitoring position, highlighting how the Council is delivering against its financial measures using its capital and revenue resources as well as relevant budget variations and virements that require formal approval. However, there remains insufficient evidence that virements are approved in accordance with financial regulations and as such management will be considering how best to ensure that staff are fully aware of this requirement.</p> <p>The Financial Planning and Reporting team actively monitor all ledger</p>	

Risk Area / Audit Entity	Audit Report		
	Assurance Opinion	Residual Risk / Audit Comment	Direction of Travel Assurance
		<p>transactions with a value of over £500k. Checks are undertaken to ensure journals have the necessary supporting information attached and that the correct journal type has been used. Where this is not the case the originator of the journal is contacted to ensure supporting information is attached and / or as a reminder of the specific ^£500k journal type that should be used (to ensure independent authorisation)</p> <p>Cash and bank is routinely reconciled to the main accounting system each month with supporting evidence retained. Overall data from feeder systems transferred via interface to the main accounting system is well controlled with reconciliations found to be completed in a timely manner and variances identified, investigated and resolved. However, reconciliation of the Civica Tranman system has not been undertaken during 2018/19.</p> <p>A central record of reconciliations previously maintained has now become out of date and will be reviewed and refreshed by The Financial Planning and Reporting team during quarter one of 2019/20.</p>	
Treasury Management ANA - Medium	High Standard Status: Final	<p>TM processes are driven by the management of cash flow as derived from a detailed understanding of account balances and daily need. The focus remains on using short term borrowing facilities as this is currently the cheapest way to satisfy the financial requirements of the Council. The records held to support the loans and investments made were found to be complete and accurate.</p> <p>The Treasury Management Strategy and Treasury Management Practices reflect CIPFA best practice and provide a comprehensive policy framework in which to operate. The strategy which is subject to annual review and approval by the Audit Committee and Full Council sets out the risk appetite of the Council.</p>	
Payroll ANA - Medium	High Standard Status: Final	<p>The Payroll Operation Team and the Pensions Control Team have a robust process of control and agreement to ensure the accuracy and completeness of payroll expenditure.</p> <p>Segregation of duties remain in place and effective with payroll data uploaded to the General Ledger being subject to independent reconciliation by the Finance</p>	

Risk Area / Audit Entity	Audit Report		
	Assurance Opinion	Residual Risk / Audit Comment	Direction of Travel Assurance
		<p>Team.</p> <p>Self-service continues to operate across the Council with amendments to payroll data being input by employees and approved by their designated Manager. Access to self-service is controlled through strict user access profiles driven by organisational structure.</p> <p>The relationship between DELT Payroll Services and the client, Plymouth City Council is open and trusting with the more formalised governance arrangements continuing to evolve; the most recent example being the setting up of the Retained Client Group.</p>	
Creditors ANA - High	Good Standard Status: Final	<p>Purchasing and Creditor system controls and user profiles continue to ensure orders are placed with approved suppliers and best value is achieved; separation of duty between the raising and authorisation of purchase orders; separation between the input and authorisation of invoices for payment and payments are checked for accuracy, completeness and are appropriately approved in line with financial regulations.</p> <p>Whilst the actual internal control system design is considered to be of a high standard, controls are not always complied with. Although the Transaction Centre and Financial Controller have continuously challenged non-compliance with internal control and sought to develop processes to further minimise the risk of non-compliance by service areas, to drive any further improvements in compliance, service areas need to be accountable. Opportunities should now be found to raise awareness of non-compliance within service areas and the impact this can have on financial management, this could potentially be achieved through reporting to Departmental Management and Corporate Management Teams.</p>	
Debtors ANA - Medium	Good Standard Status: Final	<p>Automated controls and the use of exception and management information reports ensure the accuracy and completeness of financial data. Effective debt management policies and procedures remain in place.</p> <p>Audit testing highlighted some delays in cases where Adult Social Care debt had</p>	

Risk Area / Audit Entity	Audit Report		
	Assurance Opinion	Residual Risk / Audit Comment	Direction of Travel Assurance
		<p>been referred to Legal Services for recovery, this may in part be due to resource shortfall as a result of long-term sickness. This is a difficult and sensitive area of recovery and consideration needs to be given to how these cases can be given a higher priority.</p> <p>A review is underway to re-evaluate the use of the various management reports being produced with a view to streamlining them into a single report, removing duplication of effort.</p> <p>As at January '19 the percentage of sundry debt recovered against the general fund was at 95.2% (against a target of 95%).</p>	
Business Rates ANA - Low	Good Standard Status: Final	<p>System parameters and automated controls have ensured accurate billing and the effectiveness of the debt recovery procedures is reflected in the collection rate, which at the end of January '19 stood at 94.40%. This exceeds the target figure of 91.60%, despite continuing difficulties posed by the economic climate.</p> <p>There are a very small number of business rates accounts which have been returned by the Enforcement Agents as "Returned for Committal". We recognise that committal proceedings only apply to sole traders and not companies but have highlighted the matter in our report as a possible course of action if all other methods of recovery have failed.</p> <p>Decisions to award relief, exemptions and discounts have evidence to support them and are made in accordance with regulatory requirements and Council policy.</p> <p>Refunds are subject to authorisation but are currently only paid by BACS. To protect from the risk of payment card scam we recommend that where a ratepayer makes payment by credit or debit card, any subsequent refund is made back to that payment card.</p>	
Council Tax ANA - Medium	Good Standard Status: Final	Periodic reviews of single person's discount (SPD) and student exemptions are in place, however accounts showing as both SPD and disabled do not form part of	

Risk Area / Audit Entity	Audit Report		
	Assurance Opinion	Residual Risk / Audit Comment	Direction of Travel Assurance
		<p>any review. Households where everyone is a full-time student do not have to pay Council Tax but it is noted that in 2018/19 the checks undertaken only confirmed that one student was resident in each property; Audit has been advised that this was due to the level of resource required to confirm 100% of students. In addition, there is no periodic review of any other discounts or exemptions and audit testing found anomalies in some areas. A recommendation made in the previous audit report that a review should be undertaken on Single Disregards has not been implemented. Supporting evidence was found to be available in respect of the discounts and exemptions awarded except for aged awards which have not been reviewed; this is due to the evidence being archived from W2 once more than six years old.</p> <p>The Accounts in Credit report as at 11 February 2019 totalled £1.5m. This matter has previously been viewed by the service as low priority, however the team are currently working on auto write-ons for accounts that are 6 years or older with credits that are under £50. Action is also being taken to identify accounts where credit(s) can be transferred to in-year accounts. We acknowledge these positive steps, but it should be noted that the batch write-ons will only address around 10% of credits for each financial year.</p> <p>Like Business Rates, Council Tax refunds are currently only paid by BACS. To protect from the risk of payment card scam we recommend that where a taxpayer makes payment by credit or debit card, any subsequent refund is made back to that payment card.</p>	
Housing Benefits Overpayment Recovery Follow-Up Audit & Governance Committee Request	Value Added Status: Final	Reported to July Committee with further work being undertaken on the administration of housing benefit overpayments as part of the annual audit of housing benefits. See below for details.	
Housing Benefits ANA - High	Good Standard Status: Final	The department has continued to monitor performance closely, with weekly performance meetings focussed on productivity and outstanding workloads. DWP published performance statistics (for quarters one and two) show that the Council are performing just below the average processing times for new claims (22 days against 22.5 days) and just over the average processing times for change events	

Audit Report			
Risk Area / Audit Entity	Assurance Opinion	Residual Risk / Audit Comment	Direction of Travel Assurance
		<p>(9.5 days against 7.5 days). The reporting of performance data internally, as part of the 'balanced scorecard', was found to be robust, with reported figures agreed against the benefits system.</p> <p>Audit testing in respect of benefit assessments, the calculation and classification of overpayments and the application of the RBV scheme was found to be of a good standard, with no errors identified that would impact on subsidy. The limitations of the audit sample must be noted when considering the assurance that this provides, and it was noted that, in respect of assessment accuracy, the department's own QA process is reporting an error rate, affecting subsidy, of 9%. In view of the above, and a noted reduction in the number of QA checks undertaken compared to 2017/18, it is considered, and has been recommended that a formalised target is set in relation to the number of QA checks required in-year and a corresponding expected accuracy rate in order that the important work of the QA team can be better quantified.</p> <p>The improvement in the administration of housing benefit overpayment recovery has continued. The department has continued to produce comprehensive debt management reports on a monthly basis, providing management with visibility of the level of debt and effectiveness of recovery procedures. The department continue to work hard in minimising the amount of debt on hold and ensuring all debt is in active and appropriate recovery.</p> <p>Audit testing undertaken in respect of debt written off during 2018/19 was unable to evidence that the write off had complied with Financial Regulations and the department's Bad Debt policy. This was a consistent issue with no evidence available within the benefit systems in 60% of the cases tested. Although the department were able to retrieve adequate evidence it is important that this is saved robustly at the time the write off is approved and is readily available should questions arise.</p>	
IT Systems ANA - High	Good Standard Status: Draft	The control environment remains largely of a similar standard to previous years, but some organisational and infrastructure changes were considered to provide real opportunity for service and organisational improvements.	 *

Risk Area / Audit Entity	Audit Report		
	Assurance Opinion	Residual Risk / Audit Comment	Direction of Travel Assurance
		<p>Now in fifth year of operation, Delt does show signs of further strengthening a predominantly forward direction of travel. Of particular note are:</p> <ul style="list-style-type: none"> • HR process links to performance and service improvement; • The potential of the new 'High Availability' environment; • The implementation of the Service Now IT Service Management (ITSM) solution. <p>The Physical and Environmental controls at the Windsor House data centre remain of concern, but a collaborate assessment of these is to be conducted by Delt and key retained function staff from within the Council.</p>	
Core Assurance - Other			
Corp Information Management <ul style="list-style-type: none"> • ILOG, FoI, DPA, Policies & P's, EDRMS, End User Computing ANA - High	Value Added Status: Ongoing	<p>DAP continues to provide "trusted advisor" support to the Information Lead Officers Group (ILOG) and Management Information Security Forum (MISF).</p> <p>The Council continues to face many challenges in the form of ever increasing cyber security threats, managing its data effectively and compliantly. The Corporate Information Manager has successfully managed the transition from the Data Protection Act 1998 to meeting the requirements of the 2018 Act that writes the GDPR into UK law.</p>	
Cyber Security ANA - High	Status: In Progress	Cyber (Security) can be considered to be a body of technologies, processes and practices designed to protect networks, computers, programs and data from attack, damage or unauthorised access. The Councils IT service provider, Delt, continues to manage the basic controls and functions that mitigate the majority of risks posed by common internet based threats.	N/A
Management of Employee Data ANA – High Client Request	Value Added Status: Ongoing	We continue to liaise with HR & OD as they work to develop a corporate framework to ensure that all personnel and supervision records are held securely, formally passed to the employee's new manager if the employee changes their role within the Council and archived when an employee leaves the Authority.	N/A

Risk Area / Audit Entity	Audit Report		
	Assurance Opinion	Residual Risk / Audit Comment	Direction of Travel Assurance
Client Financial Assessment (End to End Process) ANA – High Client Request	Improvements Required Status: Final	<p>Whilst our overall opinion was of "Improvements Required" it should not be underestimated the effort and hard work undertaken by the Team Leader and Service Manager (Customer Services), Client Financial Service Team (CFST) members, Adult Social Care (ASC) Retained Client and Livewell Southwest to continue to improve the service.</p> <p>CFST have suffered with long periods of instability together with a high turnover of Managers/Team Leaders over the past few years. The current Team Leader, Service Manager and the team themselves have engaged fully in the development of CFST's roles and responsibilities. This has included developing a good collaborative working relationship with ASC and Livewell Southwest to ensure that the team continue to improve the quality of its service to both ASC and service users. With restructures having been completed, there should now be a period of stability in both management and staffing which will enable learning across the team to be consolidated and new working practices to embed, thereby improving the resilience of the team and consistency of service.</p> <p>Progress is also being made by the ASC Recovery and Income Collection Project which has been set up to identify and address issues around the collection of ASC debt and the associated problems experienced by CFST, Livewell Southwest and the ASC Retained Function. Representatives from these areas are working together to assist each other in tackling the problems and challenges around collection of income. Regular meetings are held and a project plan is in place and updated at each meeting.</p> <p>A follow-up review will be undertaken in 2019/20.</p>	
Deputyships ANA – Medium Client Request	Improvements Required Status: Final	<p>Assurance was reported in the half year monitoring report in November 2018. Please refer to that report for details.</p> <p>A follow-up review will be undertaken in 2019/20.</p>	
Contract Management ORR – Amber ANA - High	Value Added Status: Final	Assurance was reported in the half year monitoring report in November 2018. Please refer to that report for details.	

Risk Area / Audit Entity	Audit Report		
	Assurance Opinion	Residual Risk / Audit Comment	Direction of Travel Assurance
Purchasing Card Follow-Up ANA – Medium Client Request	Improvements Required Status: Final	<p>Work continues to progress on the implementation of recommendations from the June 2018 review. We have performed some spot checks and found that not all purchases are supported by valid VAT receipts, particularly Amazon transactions. However, improvements have been seen since the last review in respect of hotel bookings where our sampling shows that VAT is now being correctly identified and coded. Where receipts were not attached to the Barclaycard Spend Management system the majority of those tested were supported by manual.</p> <p>Short training sessions for individual areas would enable Purchasing Card users to properly understand their responsibilities and the underpinning regulatory requirements relating to VAT.</p>	
Purchasing Self-Service ANA – Medium Client Request	Value Added Complete	<p>Audit has provided real-time advice to the project team as they developed the controls and guidance for purchases up to £25k.</p> <p>Time has been allowed in the 2019/20 audit plan to check compliance.</p>	N/A
Travel & Subsistence ANA – Medium Client Request	Improvements Required Status: Final	<p>The Employee Self Service system is used to reclaim travel and subsistence costs; the claims are authorised by the line manager via Manager Self Service.</p> <p>Spot checks of more than 500 claims found that retention of VAT receipts in support of travel and subsistence claims was inconsistent putting the Council at risk of criticism by HMRC with the potential of financial penalties and a reduction in the VAT that the Council can reclaim.</p> <p>In response to our findings the Corporate Management Team have considered have cascaded the messages about the need for the retention of receipts down through the various departmental management teams, articles have been published on Staffroom and in Staff News and guidance notes refreshed to provide greater clarity.</p>	
Devon Business Rate Pilot ANA - High	Good Standard Status: Final	A formal agreement is signed by all member authorities and defines the governance arrangements for the pool. The agreement has been revised and updated where necessary since the Pool was set up to take into account legislative and member changes. The governing board for the pool meets twice a	

Risk Area / Audit Entity	Audit Report		
	Assurance Opinion	Residual Risk / Audit Comment	Direction of Travel Assurance
		<p>year and regular communications are in place between the responsible officers of member authorities.</p> <p>The Devon Business Rates Pool distributes pooled funds using a "no worse off" basis with any net gain distributed 50% using baseline funding levels and 50% using NDR baseline. In the five-year period 2013/14 to 2017/18 pooling gains of over £13m have been shared</p> <p>Calculation of the annual pool levy and indicative pooling gain has been undertaken using recognised model formulae. Pool members have been formally advised of payment schedule dates with payments to and from the pool being made on time. Top up and tariff payments have been calculated annually in accordance with CIPFAs NDR Accounting Model and payments have been made on time.</p>	
Schools Financial Value Standards (SFVS)	Good Standard Status: Final	Assurance was reported in the half year monitoring report in November 2018. Please refer to that report for details.	
e-Budgeting	Value Added Status: Final	Our findings were reported as part of the annual review of the Main Accounting system. The E-Budgeting process went live in April 2018 and provides budget holders with automated monthly reports and the ability to 'drill down' to all of the relevant supporting data. This process should provide budget-holders and accountants with the information and tools to more efficiently and effectively manage the budget monitoring process. However, our findings are that this new way of working has not been fully embraced by users. Management will be considering how best to drive this process forward.	
Risk Management	Embedded & Integrated Status: Final	Work that commenced in 2017/18 has been implemented and risk management arrangements are now embedded and integrated within formal business planning processes and closer aligned with risk and performance management processes. Benefits are being realised within service management teams through the provision of optimised management information tools that have strengthened Corporate Governance and enabled effective decision making.	

Risk Area / Audit Entity	Audit Report		
	Assurance Opinion	Residual Risk / Audit Comment	Direction of Travel Assurance
		The re-location of Corporate Risk to the Executive Office has enabled better synergies with business planning and performance management and close working with policy and performance officers has enabled the transfer of knowledge and skills regarding risk management building further resilience into the system of internal control.	
Retained Client ICT	Status: Complete	Due to its maturity, no specific audit work was deemed necessary in respect of the ICT retained client function. DAP and the ICT retained client have an effective relationship with responsible officers within the retained client having reaffirmed that there remains a need for independent assurance from DAP on ICT matters and that the agreement between the Council and Delt Shared Services for DAP to have right of access to Delt officers and information for audit purposes, continues. The scope of ICT audits have all been discussed and agreed with the retained client to ensure that our work meets the needs of the Council.	N/A
Retained Client Shared Services	Added Value Status: Complete	The transfer of the Payroll Team to Delt Shared Services, means that there is a different operating model whereby the former in-house Payroll Service is now delivered through Delt and the Council is the client. DAP has worked with both 'client' and 'contractor' to introduce changes and formalise the Retained Client and Performance reporting mechanisms.	N/A
Health & Safety SRR - Amber ANA – High Client Request	Value Added Status: Ongoing	We have taken the Council's Health and Safety Performance Standard HSP02 - Control of Vibration and HSP10 - Incident Management and developed corresponding audit programmes for use on the newly implemented Occupational Health and Safety Software System. We will continue to work with the HSW Team in 2019/20 to ensure compliance with H&S Standards; including the management of the control of exposure to vibration.	N/A
General Data Protection Regulation (GDPR) ANA – High Client Request	Status: In Progress	The EU General Data Protection Regulation (GDPR) has been written into UK law as the Data Protection Act 2018. We are currently undertaking a high-level review of the progress made by the Council in implementing these regulations. In our work to date, no particular issues have been identified.	N/A

Audit Report			
Risk Area / Audit Entity	Assurance Opinion	Residual Risk / Audit Comment	Direction of Travel Assurance
Executive Office			
Core Assurance - Other			
Community Grants ANA – Medium Client Request	Value Added Status: Draft	<p>Considerable differences were identified between the two schemes in respect of transparency of spend, the timely delivery of proposals and providing recognition and positive publicity for the Council and Members. We consider this to be the result of a combination of resourcing, organisational change, operational processes and the schemes themselves.</p> <p>Eligibility for the Community Grant scheme is clearly defined and, so long as any proposal meets with the scheme's eligibility criteria, Members can generally initiate a process that can be completed in an efficient and timely manner. This is beneficial to the recipients of the grant funding, the individual Councillor and, the Council.</p> <p>Complexities created by Highways regulation, land ownership, hidden costs and the need for technical highway decisions regularly results in the Living Streets scheme a time-consuming process for all involved. Crucially, Members can't be guaranteed ownership of all of their Living Streets proposals from inception to fruition. Recommendations have been made by Internal Audit for consideration.</p>	 *
Data Quality & Customer Feedback ANA – High Client Request	Good Standard Status: Draft	<p>Our work to provide an opinion on the effectiveness of the fifteen individual indicators that form the Customer Experience Theme within the Corporate Plan Indicators has concluded that the indicators are in general, fundamentally accurate and benefit from robust procedures.</p> <p>We also considered the effectiveness of processes in place to gather and gain added value from 'Customer Feedback' and can confirm that excellent progress is being made in this area and in linking to the broader Customer Experience Programme, set up to respond to the findings of the recent Peer Review.</p>	 *

Audit Report			
Risk Area / Audit Entity	Assurance Opinion	Residual Risk / Audit Comment	Direction of Travel Assurance
People			
Core Assurance – Key Financial System			
Income Collection (Deferred Payments) Follow-Up ORR – Amber ANA – High	Good Standard Status: Final	Assurance was reported in the half year monitoring report in November 2018/. Please refer to that report for details.	
Payments (Care Leavers) ANA - Medium	Good Standard Status: Draft	<p>Since the last audit in 2017/18, there has been further restructuring with the Leaving Care Team now part of the Permanency Team and the Care Leavers Team retaining responsibility for monitoring the Leaving Care (Set Up) Grant and the Starting College, Training or Work Grant for those young people over 18.</p> <p>The Council website contains information for young people leaving care and we previously recommended that the Leaving Care guide and some of the links on the Leaving Care page be updated but this remains outstanding.</p> <p>We have also highlighted in our report that in the transition of young people from the social care teams to the Care Leavers 18+ Team and where grants have been drawn for 16 / 17 year olds living independently; these payments have not been recorded by the Care Leavers 18+ Team on the spreadsheets maintained by the individual Personal Advisors.</p> <p>Our recommendations serve to further strengthen a system which is already operating to a good standard.</p>	 *
Payments (Fostering) ANA - Medium	Good Standard Status: Draft	<p>A review of the Foster Carer payments was completed during 2017/18 and a follow-up review has been undertaken to provide assurance to management and those responsible for governance that the agreed actions identified at our audit have been implemented or suitable progress has been made to address the areas of concern.</p> <p>Work has been carried out by the Service Manager (Permanency Service) to review supporting policies and documents for Plymouth Foster Carers and our additional testing of payment procedures has taken into account those changes.</p>	 *

Risk Area / Audit Entity	Audit Report		
	Assurance Opinion	Residual Risk / Audit Comment	Direction of Travel Assurance
		Our testing did identify some instances where the invoice to recover an overpayment was not always raised in a timely manner. This finding has been raised in our report but overall the system is operating to a good standard.	
Core Assurance - Other			
Integrated Fund (Plymouth City Council & Livewell South West) ANA – High Client Request	Good Standard Status: Final	Assurance was reported in the half year monitoring report in November 2018. Please refer to that report for details.	
Pre-Paid Cards - Direct Payments (Adults) Follow-up ANA - Medium	Good Standard Status: Final	Assurance was reported in the half year monitoring report in November 2018. Please refer to that report for details.	
Pre-Paid Cards - Direct Payments Delivery Method (Children's) ANA - Medium	Good Standard Status: Final	Assurance was reported in the half year monitoring report in November 2018. Please refer to that report for details.	
Legal Care Proceedings (Children's) ANA – Medium	Improvements Required Status: Final	Assurance was reported in the half year monitoring report in November 2018. Please refer to that report for details.	
Finance & Assurance Review Group (FARG) ANA – High Client Request	Value Added Status: Ongoing	DAP continue to be a non-voting member of the FARG whose purpose is to provide oversight, scrutiny and assurance of the Integrated Fund on behalf of the Western Locality and Integrated Commissioning Board.	N/A
Carefirst Dashboard ANA - Medium	Value Added Status: Ongoing	DAP continues to monitor and support the implementation of the Children, Young People and Families (CYPF) Performance and Finance Reporting project which includes CYPF Dashboard reporting, CIPs interface, Preloaded Cards for petty cash, CYPF digitalised forms. An initial Situation Report was issued on 22 May 2019 to highlight matters identified and to provide real-time feedback and information to assist in the progress towards full implementation.	N/A
Child Safeguarding Practice Review Panel	Value Added Status: Ongoing	We have been informed that the three statutory partners have agreed a framework for multi-agency safeguarding agreement. It has been out to	N/A

Audit Report			
Risk Area / Audit Entity	Assurance Opinion	Residual Risk / Audit Comment	Direction of Travel Assurance
		consultation and the proposal will be presented to Corporate Management Team and Cabinet Planning on 28 th May 2019. Subject to agreement it will be presented to Full Cabinet on 11 June 2019. The proposal has not yet been made available to DAP but once it has been received the arrangements will be reviewed.	
Community Connections ANA - Medium	Status: Ongoing	In partnership with Independence Community Interest Company (INIC) a former Community Connections Strategic Manager developed a Dynamic Purchasing System to administer adaptations, repairs, maintenance and improvement for those members of the community struggling to get around at home due to disability, long-term illness, visual impairment or old age. The DPS is administered and managed by INCIC. DAP has gained an overview of the system and in 19/20 we will undertake a more detailed evaluation and gap analysis.	N/A
The following audit was deferred or cancelled at the request of the client:			
➤ Extra Care Housing			
Office of the Director for Public Health			
Bereavement Service ANA – Medium Client Request	Good standard Status: Final	The financial controls, processes and procedures operating within the Bereavement Service operate to a good standard with invoices tested as part of this review found to be accurate and timely. There are a number of other services offered which can be purchased and paid for directly by the bereaved. Audit testing of non-invoiced income found that in all cases there was a corresponding entry within the receipt ledgers maintained, that the charge for the service / product agreed with the fees & charges policy and evidence that the payments had been banked With plans in place for new remembrance and crematorium facilities designed to meet modern expectations, our work also considered the effectiveness of the service's interactions with its customers.	

Risk Area / Audit Entity	Audit Report		
	Assurance Opinion	Residual Risk / Audit Comment	Direction of Travel Assurance
		<p>The payment options available to Bereavement Services customers differs from many areas of the Council with cash payments still being accepted but no online payment facility. It is acknowledged that given the highly sensitive nature of the service, customers place considerable value on a more personal, face to face service. Additionally, due to local demographics cash remains a popular method of payment.</p> <p>However, as the service prepares to move away from the Weston Mill site the project team should look to develop the on-line offering, particularly around the ability to order and pay and, making the currently available products and services more prominent and easily accessed on the Council website.</p>	
Licensing ANA – Medium Client Request	Good Standard Status: Final	<p>Our focus was to review the administrative processes within the Licencing service to ensure that they adequately manage risk and meet regulatory requirements whilst being as efficient and streamlined as possible.</p> <p>The completion of the procedural review being undertaken by the service together with the introduction of new processes will increase efficiency through reducing the number of procedural enquiries.</p> <p>The scope for further increasing efficiency is restricted by the current lack of connectivity between the Licensing system (Lalpac) and Firmstep which results in manual data entry of information already provided by customers. The Service Manager is continuing to work with Delt on a potential solution which has the potential to free up a significant amount of staff time.</p>	
Public Protection Service ORR – Amber ANA – Medium Client Request	Improvements Required Status Final	Assurance was reported in the half year monitoring report in November 2018. Please refer to that report for details.	
Business Continuity Within the Supply Chain	Improvements Required	Assurance was reported in the half year monitoring report in November 2018. Please refer to that report for details.	

Audit Report			
Risk Area / Audit Entity	Assurance Opinion	Residual Risk / Audit Comment	Direction of Travel Assurance
ANA - High	Status: Final		
The Business Continuity Follow-Up has been deferred until 19/20 to allow sufficient time for the agreed action plan to be implemented.			
Place			
Concessionary Fares ANA – Medium Client Request	Good Standard Status: Final	<p>There are seven bus operators who provide bus services in Plymouth and the surrounding area with Plymouth City Bus and Stagecoach being the main operators. Information from their systems is submitted on a weekly or monthly basis to enable payment for concessionary fares to be made.</p> <p>The Council has annually reviewed the Scheme in co-operation with the operators and with support from an independent consultant, Integrated Transport Planning Ltd (ITP). In addition, ITP have been contracted to process data collected from the operators to enable the 'Payment per Trip' to be calculated using the Department for Transport's Reimbursement Calculator to set the figure for the following financial year.</p> <p>The various Travel Concession Authority's (TCAs) across the country have established their own concessionary schemes. Plymouth has exercised its discretion to allow residents over the age of 80 or persons who are registered blind to use their passes before 9:30am. With local authorities nationally having to spend over £200m a year to subsidise the scheme whilst facing significant and sustained funding pressures rather than adding discretionary enhancements, many are being forced to scale back services, particularly where they are not commercially viable but this risks isolation to those members of the community (not just those eligible for a concessionary pass) with reliance on those bus routes. Withdrawal of any discretionary enhancements is the only opportunity to reduce costs.</p>	
Building Control ANA – Medium Client Request	Good Standard Status: Final	Assurance was reported in the half year monitoring report in November 2018. Please refer to that report for details.	

Risk Area / Audit Entity	Audit Report		
	Assurance Opinion	Residual Risk / Audit Comment	Direction of Travel Assurance
Highways Management - Works Ordering SRR – Red ANA – High Client Request	High Standard Status: Final	Assurance was reported in the progress in October 2018. Please refer to that report for details.	
Tranman (Fleet Management System) Follow-Up ANA - Medium	Improvements required Status: Final	<p>The Tranman system provides the Council with a fleet management system that encompasses all activities within the department covering workshop & stores, fuel management, driver, risk & accident management, maintenance scheduling and hire & leasing. Tranman interfaces with the Council's Civica Financial systems to pay creditors, raise invoices and apply internal recharges. Some longstanding and ongoing issues with the system remain, in particular, the interface with Civica Financials; DAP will revisit this issue in 2019/20.</p> <p>Progress has been made in confirming the ongoing requirement for a garage stores with a full stock take having taken place and a stores-person recruited to manage stock replenishment on a demand led basis and migration of the driver licence checking process to the fleet management system has commenced and should be completed during the first quarter of 2019/20.</p>	
Trade Waste Follow-Up ANA - Medium	Improvements Required Status: Final	Assurance was reported in the progress in October 2018. Please refer to that report for details.	
Commercial Properties ANA - Medium	Added Value Status: Complete	Assurance was reported in the progress in October 2018. Please refer to that report for details.	
Plymouth Energy Community ANA – Medium Client Request	High Standard Status: Final	<p>Plymouth Energy Community (PEC) is a legal entity independent of Plymouth City Council and robust governance, financial and operational arrangements have been put in place that ensure its integrity, resilience and benefits are maximised.</p> <p>Although PEC successfully delivers on its objectives to reduce energy bills and fuel poverty, improve energy efficiency and generate a green energy supply in the City it is reliant on the strategic knowledge and expertise of the Council's Low Carbon Team to deliver strategic schemes, access funding and deliver projects</p>	

Audit Report			
Risk Area / Audit Entity	Assurance Opinion	Residual Risk / Audit Comment	Direction of Travel Assurance
		<p>for which it pays Plymouth City Council (PCC) through a comprehensive service level agreement.</p> <p>The current partnership working arrangements are effective and ensure greatest flexibility for PCC to maximise low carbon and climate change funding opportunities as they arise, enabling the Council to realise its objective of being a green, sustainable city that cares about the environment and reducing carbon emissions by 50%.</p> <p>The cashable and non-cashable benefits of the work of the Low Carbon Team and Plymouth Energy Community are not always known, measured or valued. As well as working to reduce the level of carbon emissions and effects of climate change to protect the local environment, the impact of their work helps to reduce the escalation to costlier statutory and health services, by improving living conditions and the health of individuals. Longer term, this will help to reduce budget pressures on public services, whilst significantly helping to improve the lives of the Citizens of Plymouth now and in the future. The City Council has recently committed to Plymouth becoming a carbon neutral city by 2030, 20 years earlier than the target of 2050, the Partnership between PCC and PEC will be key to realising this target.</p>	
Waste PFI Client Request	Status: Ongoing	Audit continues its participation with the South West Devon Waste Partnership, attending meetings of the Project Executive, providing support and advice on contract management issues.	N/A
The following review have been deferred or cancelled at the request of the client.			
➤ Street Services (Financial Management System) - ANA - Medium			
Grants			
Families with a Future (Payment by Results)	Certified Status: Ongoing	DAP have verified and certified twelve claims across the year and continue to work with the Families with a Future Team to ensure the accuracy and completeness of key data and that demonstrable evidence of intervention is	

Risk Area / Audit Entity	Audit Report		
	Assurance Opinion	Residual Risk / Audit Comment	Direction of Travel Assurance
		maintained.	
Grants x 10	Certified Status: Complete	Grants certified without amendment <ul style="list-style-type: none"> • Derriford Transport Scheme – Growth Fund • Derriford Hospital Interchange – Growth Fund • Northern Corridor Improvement – Growth Fund • Eastern Corridor SCN – Growth Fund • Oceansgate – Growth Fund • Ocean Studio - Arts Council • Highways Maintenance Challenge Fund • Pothole Action – Local Transport Block Fund • National Productivity Investment – Local Transport Block Fund • Integrated Transport & Highway Maintenance – Local Transport Block Fund 	

Appendix 2 - Professional Standards and Customer Service

Conformance with Public Sector Internal Audit Standards (PSIAS)

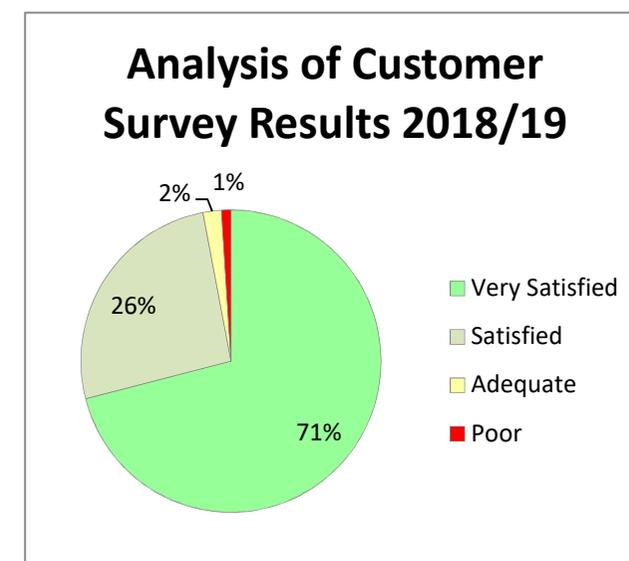
Conformance - Devon Audit Partnership conforms to the requirements of the PSIAS for its internal audit activity. The purpose, authority and responsibility of the internal audit activity is defined in our internal audit charter, consistent with the *Definition of Internal Auditing*, the *Code of Ethics* and the *Standards*. Our internal audit charter was approved by senior management and the Audit Committee in March 2018. This is supported through DAP self-assessment of conformance with Public Sector Internal Audit Standards & Local Government Application note.

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

Improvement Programme - DAP maintains a rolling development plan of improvements to the service and customers. All recommendations of the external assessment of PSIAS and quality assurance were included in this development plan and have been completed. This will be further embedded with revision of our internal quality process through peer review.

Customer Service Excellence

DAP maintains accreditation by G4S Assessment Services of the CSE standard during the year. We continue to issue client survey forms with our final reports and the results of the surveys returned are, although low in number, very good and again are very positive. The overall result is very pleasing, with 97% being "satisfied" or better across our service, see appendix 7. It is very pleasing to report that our clients continue to rate the overall usefulness of the audit and the helpfulness of our auditors highly.



Appendix 3 – Audit Authority



Appendix 4 - Annual Governance Framework Assurance

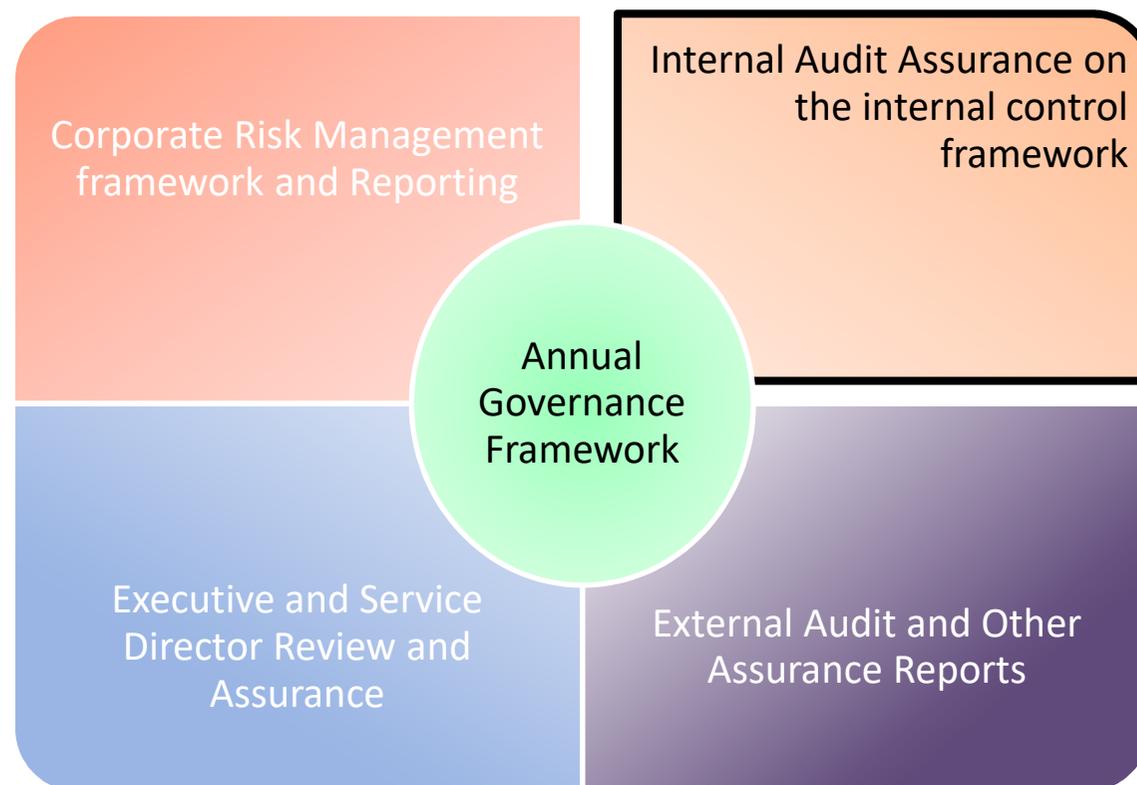
The conclusions of this report provide the internal audit assurance on the internal control framework necessary for the Committee to consider when reviewing the Annual Governance Statement.

The Annual Governance Statement provides assurance that

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

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

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



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

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

Appendix 5 - Basis for Opinion

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

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

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

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

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

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

all audits completed during 2018/19, including those audits carried forward from 2017/18;

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 – Performance Indicators

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)	2017/18	2017/18	2018/19	2018/19
	Target	Actual	Target	Actual
Percentage of Audit plan Commenced (Inc. Schools)	100%	100%	100%	100%
Percentage of Audit plan Completed (Inc. Schools)	93%	96%	93%	92%
Percentage of fundamental / material systems reviewed annually	100%	100%	100%	100%
Percentage of chargeable time	65%	71.5%	65%	66%
Customer Satisfaction - % satisfied or very satisfied as per feedback forms	90%	98%	90%	97%
Draft Reports produced within target number of days (currently 15 days)	90%	97%	90%	98%
Final reports produced within target number of days (currently 10 days)	90%	100%	90%	100%
Average level of sickness absence (DAP as a whole)	2%	4% *	2%	3% *
Percentage of staff turnover (DAP as a whole)	5%	11% **	5%	4% **
Out-turn within budget	Yes	Yes	Yes	Yes

*% of Chargeable Time affected by three maternity leaves

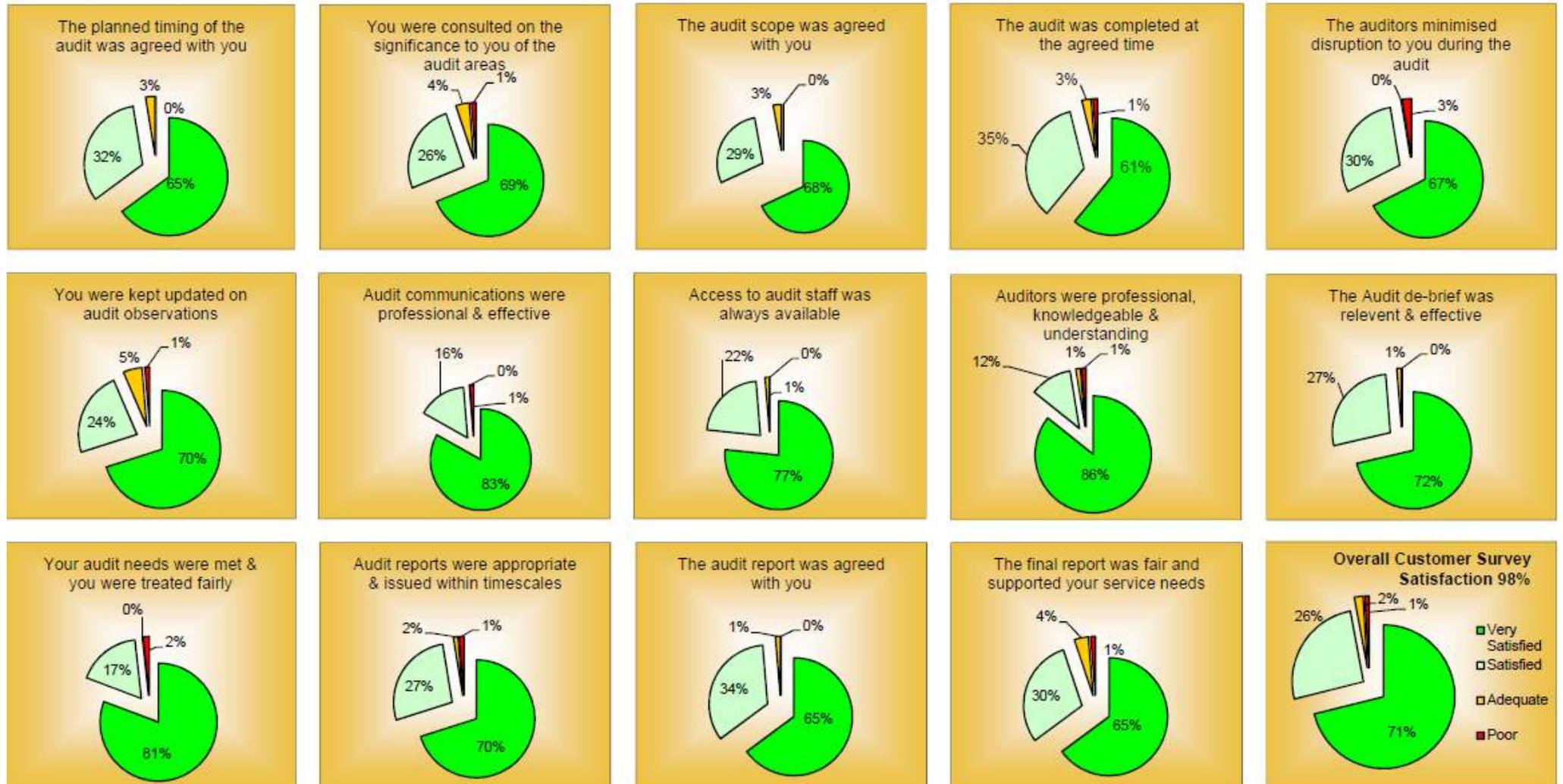
**Sickness relates to DAP overall and varies at the different DAP locations

***Staff Turnover relates to one leaver

Appendix 7 - Customer Service Excellence

Customer Survey Results April 2018 - March 2019

Summary of 77 responses received.



This page is intentionally blank.

Devon Audit Partnership

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

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