

Internal Audit, Counter Fraud,
& Risk Management -
Assurance

Update Report 2022

Partnership Management
Committee

December 2022



Support, Assurance and Innovation

Report of the Head of Audit Partnership

Please note that the following recommendations are subject to confirmation by the Committee before taking effect.

Recommendation: that the Committee notes the current status of the Partnership and current issues influencing operations.

Key initiatives since June 2022

The impacts of the Covid pandemic are being surpassed and also compounded at present by wider global events in Ukraine, and the pressure on budgets across the public sector resulting from the wider cost increases. This does affect the Partnership, not just in our own budget management but the support we need to provide to our Partners, with ever more value coming from our assurance activities. Public reporting indicates that cases of Covid are rising and so an awareness of the impact coming into Autumn and Winter will need to be maintained.

It remains unlikely that we will fully return to working practices pre pandemic and we are progressing with maximising the opportunities and benefits that will be provided by more flexible working locations. We know that there are still challenges as we adjust to new ways of working, but I am sure that the Partnership Team are well equipped to rise to these. We will continue to support staff to achieve the appropriate balance and support needed.

We continue to have seen considerable change in our workforce and this is now settling with the most recent changes including a New Head of Partnership, Deputy Head of Partnership and Senior Assurance Manager. Our age profile means that staff will continue to retire in the coming years and we need to plan for effective succession planning of key staff. Supporting our Apprentices is a good start to ensuring this succession is managed proactively, in addition we have revised our management structure to create more flexibility as we evolve and grow.

We are pleased to confirm that Devon and Somerset Fire and Rescue has joined the Partnership for the delivery of Internal Audit Services, effective from 01st October 2022. We continue to work with both our Partners and Non Partners to provide a range of Assurance Services.

Tony Rose
Head of Devon Audit Partnership

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Finance, New Business and Staff

Budget position

The Partnership continues to remain on target to achieve a balanced budget as advised in the budget update item, having managed to offset some additional costs through the delivery of additional services. We have seen a number of Partners and Clients wishing to purchase further services and we are keen to support such requests. This leads to the need for additional staff (often on a temporary or short-term basis) to support that work. We know that things can, and do, change quickly and so constantly monitor the financial position to ensure we stay on track and within budget.



New Business

In our June Annual Report we reported the ongoing bids for EU Grant work, and this continues. However this work will start to reduce during 2023/24 and so in response we are taking the opportunity to revise our Education Assurance offering and will seek increased levels of work amongst Multi Academy Trusts. Furthermore, we have been successful in bids to join the Government of Jersey Internal Audit Delivery Framework and are looking at how we can maximise the opportunity arising from increased remote working practices.

We continue to receive positive feedback where we are not successful with a bid. Remaining financially competitive in external markets risks becoming more challenging in the current financial context.

New staff

A number of staff have recently retired from the Partnership, and we wish them a long and enjoyable retirement; this, coupled with extra work requests, has given the opportunity for us to recruit a number of new staff.

We have appointed Jo McCormick as our Deputy Head of Partnership; Jo was previously a Senior Assurance Manager leading Internal Audit Delivery for our DCC Partner. Brad Hutton has joined as a Senior Assurance Manager with responsibility for Risk Management, and Yassin Razzouk El Attrach as a Trainee Assurance Practitioner focusing on Counter Fraud.

These appointments help to build resilience across the Partnership and offer opportunities to expand the Integrated Assurance Approach, aiming to increase the value of our work through the integration of Audit, Counter Fraud and Risk Management.



Adding Value

Adding value is inherent in our approach and in our Partner and customer expectations. We know that senior management and those charged with governance very much value our independent assurance & welcome our identification of untreated risk or control weaknesses, but they also want an assurance service that “adds value”.

Added value will mean different things to different people at different times; it is not about a “buy one get one free” approach, but it is about using our professionalism and ability to apply a unique and independent approach to help organisations and managers provide their services in the best possible fashion. We employ staff who can make a difference and encourage them to “add value” at every step in the assurance process. We set out below some comments received in the various elements of our service since June, more can be found [published on our website](#).

Reporting was Timely and Accurate

Thank you for providing a professional service, in a timely fashion with clear instructions guidance and feedback throughout

Added Value

The audit has since enabled me to scope out an internal project to make the required changes.
The audit added value as it provided the supporting evidence to demonstrate areas for improvement which we can now look to address.

Done in a very friendly and professional manner with little disruption to the Service

Excellent planning from the start...meetings were always useful and done in a very friendly and professional manner with little disruption to the Service.

I found the Auditor to be an excellent communicator and I thoroughly enjoyed the process as it was very useful and informative...

The audit did add value as it uncovered some aspects of the Service that I needed to investigate further and also put some of the modernisation requirements that are absolutely imperative to be known by a wider audience.

It was a positive experience

Drilling down in to certain subjects was useful as it made me/the organisation see where there were some gaps and how they needed to be filled.

Honest feedback, particularly during a time of uncertainty has been helpful

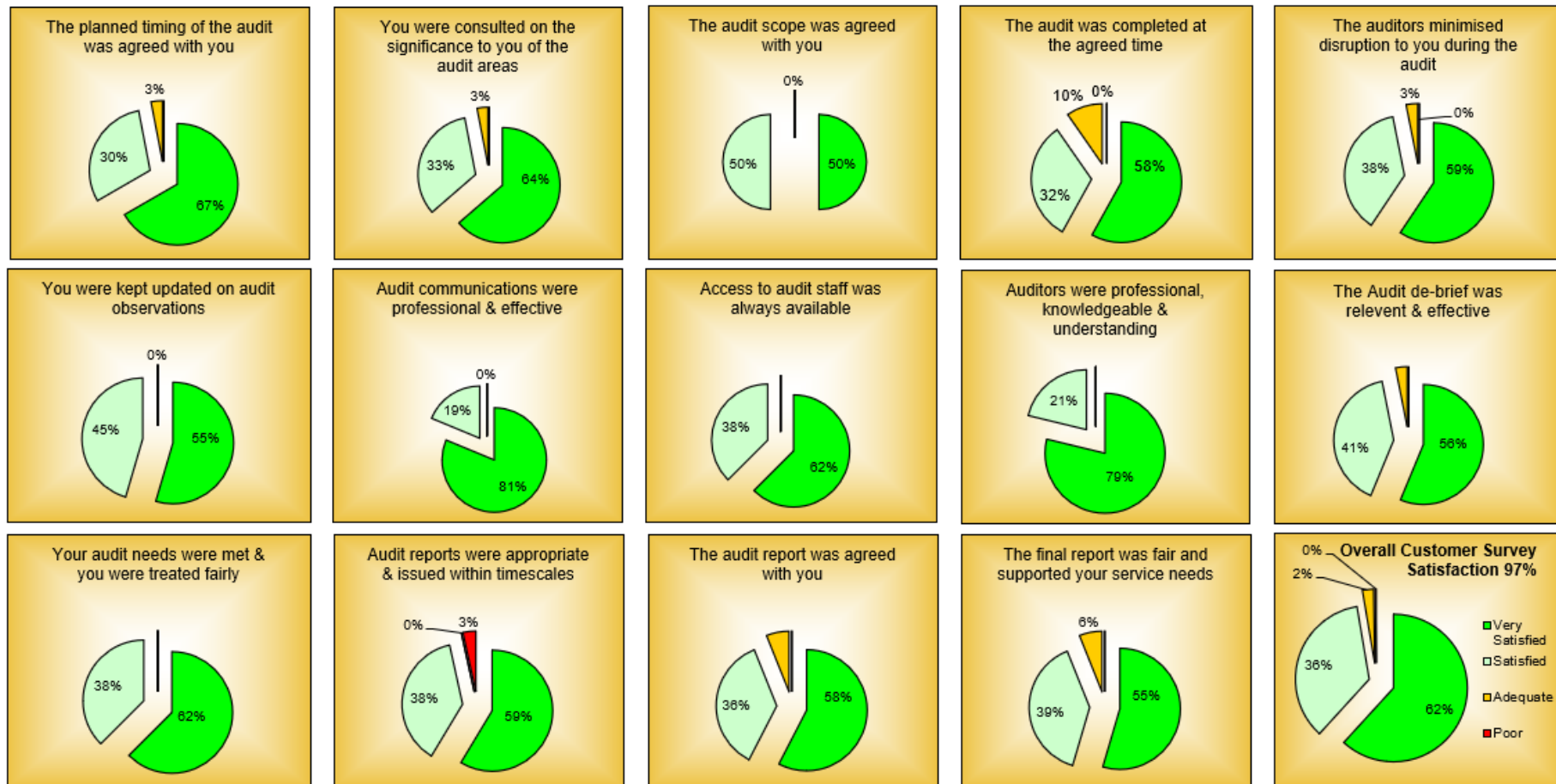
Identifying gaps, risks and ensuring these are well documented (and has also helped with pushing for decisions to be made on the future of the service) has added value.

We thank the Auditor for being open, honest, patient and incredibly approachable

Customer Service Excellence (CSE)

DAP holds the Customer Service Excellent award, and we have a rolling annual external assessment process, with the next assessment phase due to be carried out in late 2022. After every audit we issue client survey forms and the results of the surveys returned remain very good and positive. The overall result is very pleasing, with 98% being "satisfied" or better across our services, see below. It is very pleasing to report that our partners and clients continue to rate the services we provide highly.

Customer Survey Results April 2022 - September 2022





DAP - Internal Audit Performance

Our analysis of performance for the first six months of 2022/23 shows that, overall, performance is acceptable and in line with the impacts of partners still undertaking remote working, detailed information is shown in the table below. The Partnership Management Team is aware of the areas with challenges, and we are working hard to improve our MI to help us ensure that we meet the performance levels we aspire to. In addition we are reviewing all of our existing measures in advance of 2023/24 to ensure that they are relevant, informative and in line with industry best practice.

The majority of the indicators show a positive direction for travel compared to this point in 2021/22, but this should be considered against the backdrop of the ongoing need to respond to the “new normal” ways of working following the Covid pandemic. We continue to recruit new staff (apprentices and more experienced staff) but it will take time to train and fully develop these staff so that they can help drive up performance further.

Devon Audit Partnership - Performance Indicators for Quarters 1 and 2 (2022-23)					Comments
Performance Indicator	Full Year Target	Mid-Year Position	Projected Outturn	Direction of Travel vs 2021/22	
Percentage of work Commenced (Ex Schools)	100%	52%	98%	↑	The “percentage of work commenced” is at expected levels but is under pressure. This is mainly due to delays requested by the client as our Partners respond to the ongoing national and local issues.
Percentage of Work Completed	90%	29%	90%	↑	
Percentage of Chargeable time	65%	76%	70 – 80 %	↑	Percentage of Audit Plan Completed – Compares similarly with this time last year. Audits are taking a little longer to complete as Partner staff take greater time to respond to our reports and findings due to other pressures.
Customer Satisfaction	90%	98%	98%	↑	Percentage of Chargeable time this varies according to the when the team take their leave.
Draft Reports Issued in Target Days	90%	84%	90%	↑	Draft Report production is a little slower than we would like. We will work with our team to ensure that this improves, and our increased MI will also help to identify and address this challenge.
Final Reports Issued in Target Days	90%	98%	99%	↑	Staff Turnover. We have approx. 45 staff working across DAP. During the first six months of 2022/23 we have had 2 staff leave (1 x Head of DAP, 1 x Level 2 Auditor) and were joined by 1 x Senior Assurance Manager and 1 x Assurance Apprentice. We anticipate further movement in our workforce in the second half of the year.
Staff Turnover	5%	8%	10%	↓	
Out Turn within Budget	Yes	Yes *2022/23 Pay Award Impact Pending	Yes	↔	

DAP Counter Fraud Update

Counter Fraud Service Mission statement – Ensure that every pound of taxpayers’ money saved in fighting fraud is a pound invested in our public services or back in the pocket of the taxpayers we serve.

Reactive Work Stats 2022/23 - (1 st April 2022 – 05 th October 2023)					
Completed / Closed Cases – Specific details cannot be provided and not all referrals result in identification of wrongdoing.					
Devon County Council	Plymouth City Council	Mid Devon District Council	North Devon Council	South Hams / West Devon Council	Torbay Council
38 Cases <ul style="list-style-type: none"> • 33 Blue Badge • 3 Internal • 2 Other 	115 Cases <ul style="list-style-type: none"> • 72 Council Tax • 23 Tenancy • 14 Grants • 1 Permit • 1 Social Care • 1 Internal • 1 Other 	1 Case <ul style="list-style-type: none"> • 1 Tenancy 	1 Case <ul style="list-style-type: none"> • 1 Other 	1 Case	1 Case
Ongoing Cases – Specific details cannot be provided and not all referrals result in identification of wrongdoing.					
13 Cases <ul style="list-style-type: none"> • 5 Internal • 6 Other • 1 Blue Badge • 1 Concessionary Travel 	101 Cases <ul style="list-style-type: none"> • 35 Tenancy • 22 Council Tax • 11 Grant • 2 Social Care • 16 Permits • 7 Blue Badge • 4 Concessionary Travel • 1 Internal • 3 Other 	9 Cases <ul style="list-style-type: none"> • 8 Tenancy • 1 Internal 	1 Case <ul style="list-style-type: none"> • 1 Internal 	3 Cases <ul style="list-style-type: none"> • 3 Grant 	(Nil)

Proactive Counter Fraud Work – This includes work such as the review of Single Person Council Tax Discounts, support for the completion of the Bi-Annual National Fraud initiative and increased work on Data Matching within partners organisations.

The DAP Counter Fraud Services Teams’ mission is aligned to that of the newly created [Public Sector Fraud Authority](#), to support provide and integrated assurance offer to all partners and clients.