

Internal Audit

Audit Committee In-Year Monitoring Report 2022/2023

Devon County Council

November 2022
Official



Support, Assurance and Innovation

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Devon Audit Partnership

The Devon Audit Partnership has been formed under a joint committee arrangement comprising of Plymouth, Torbay, Devon, Mid Devon, North Devon, Torrington, South Hams and West Devon councils. We aim to be recognised as a high-quality assurance service provider in the public sector. We work with our partners by providing a professional internal audit service that will assist them in meeting their challenges, managing their risks and achieving their goals. In carrying out our work we are required to comply with the Public Sector Internal Audit Standards along with other best practice and professional standards. The Partnership is committed to providing high quality, professional customer services to all; if you have any comments or suggestions on our service, processes or standards, the Head of Partnership would be pleased to receive them at tony.d.rose@devon.gov.uk

Confidentiality and Disclosure Clause

This report is protectively marked in accordance with the Government Security Classifications. It is accepted that issues raised may well need to be discussed with other officers within the Council, the report itself should only be copied/circulated/disclosed to anyone outside of the organisation in line with the organisation's disclosure policies.

This report is prepared for the organisation's use. We can take no responsibility to any third party for any reliance they might place upon it.

Introduction

This report provides a summary of the performance against the Internal Audit plan to date for the 2022/23 financial year, highlighting the key areas of work undertaken and summarising our main findings and recommendations aimed at improving controls where our work has been finalised.

The key objectives of the Devon Audit Partnership (DAP) have been to provide assurance to Devon County Council on the adequacy, security and effectiveness of the systems and controls operating across the Council and to provide advice and assurance to managers and staff.

The Internal Audit plan for 2022/23 was presented to, and approved by, the Audit Committee in February 2022. The following report and appendices set out the position to November 2022.

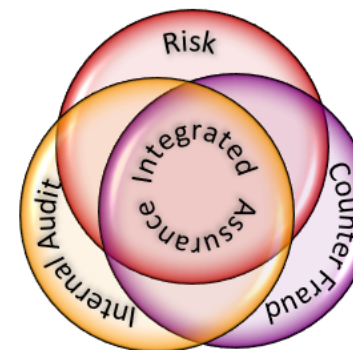
The Public Sector Internal Audit Standards require the Head of Internal Audit to prepare a report providing an opinion at the end of each year that can be used by the organisation to inform its governance statement, this report provides a position statement on the progress towards that.

The level of risk associated with each of the areas in Appendix 1 has been determined either from the Local Authority's Risk Register (LARR), or the Audit Needs Assessment (ANA) carried out at the planning phase. Where the audit was undertaken at the request of the client it has not been risk assessed. Assurance and recommendations should be considered in light of these risk levels and the impact this has on achievement of corporate / service goals.

Expectations of the Audit Committee from this report

Members are requested to consider: -

- The opinion statement within this report.
- The completion of audit work against the plan.
- The scope and opportunity of audit to complete the audit work.
- Any audit findings provided.
- The overall performance and customer satisfaction on audit delivery.



In review of these the Audit Committee are required to consider the assurance provided alongside that of Corporate Risk Management and satisfy themselves from this assurance that the internal control framework continues to be maintained at an adequate level to mitigate risks and inform the Executive for governance requirements.

Tony Rose
Head of Devon Audit Partnership

Audit Assurance Statement

Overall, based on work performed during 22/23 to date and our experience from the previous year's audit, the Head of Internal Audit's Opinion is of "**Reasonable Assurance**" on the adequacy and effectiveness of the internal control framework within the County Council

Where weaknesses have been identified management have agreed these findings and have either agreed the recommendations or accepted the associated risks.

Where management actions have been agreed, as appropriate we shall undertake follow up work to ensure that the identified risks have been mitigated.

Leadership have been provided with details of Internal Audit's opinion on each audit review carried out in 2022/23.

All audit reports include an action plan which identifies responsible officers, and target dates, to address control issues identified during a review.

If significant weaknesses have been identified in specific areas, these will need to be considered by the Council in preparing its Annual Governance Statement for the Statement of Accounts for 2022/23.

Internal Control Framework

The control environment comprises the Council's policies, procedures and operational systems including processes in place to establish and monitor the achievement of the Council's objectives; facilitate policy and decision making; ensure economical, effective and efficient use of resources, compliance with established policy, procedure, law and regulation; and safeguard the Council's assets and interests from losses. Core financial and administrative systems were reviewed by Internal Audit.

Risk Management

Risk Management process at strategic and operational levels remain in place. The production of a DCC Strategic Plan allows the new and existing risks to be directly linked to the achievement of the core objectives.

Governance Arrangements

Governance arrangements have been considered in all our audits but with opportunities to improve consistency or alignment to business need. We will continue to review the improvements to governance and control arrangements in 2022/23.

Performance Management

Performance is subject to monitoring at management level.

Substantial Assurance	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.	Limited Assurance	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
Reasonable Assurance	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.	No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

High Level Summary Audit Plan 2022/23					Strategic Risks and Projects	Client and Audit Governance																
Adult Care & Health		Children's Services	Communities, Public Health, Environment & Prosperity	Highways, Infrastructure Development & Waste																		
Prioritised Risk Areas	Home is Best	Ofsted/Improvement Plans	Migration & Resettlement		Health Inequalities	Audit Committee																
	Supported Living Tender	Education Support Services	Food Insecurity	Street Lighting System			Budget Monitoring – financial pressures	Corporate Governance														
Adaptive Plan	Care Home Fee Model	Education - Academies and LA Statutory Duties	Roundswell Enterprise Centre – The Node	- UAT Advice	Climate Change	Follow Up Reviews																
	Liberty Protection Safeguards	SEND - recovery plans	Animal Disease Emergency/Cont Plans	- System Review			Business Continuity	Client Service Support and Development (Head Accountants)														
	Effective Replacement Care	Insufficient capacity of the High Needs Block to meet demand	Community Renewal Funds	Highways Contract					Core Systems Replacement -Finest – CareFirst 6	Audit Planning and Coordination												
	Pandemic Response	MASH IT System	Sustainable Urban Drainage System	- KPI's							Counter Fraud	Contingency										
	Care Provider Failure – lessons Learnt	Public Health Nursing - Insufficient Staffing Capacity	SEN Transport	- Financial control/Schedule of Rates									Core Assurance									
	ASC Systems Programme	Challenges in Recruitment	COVID 19 - Cross service strategy and engagement, BCP	- Financial Reconciliation											Key Financial Systems (Material Systems)							
	Unscheduled Resource, Options:	Unscheduled Resource, Options:	Unscheduled Resource, Options:	- Governance Arrangements													Grants					
	Developing Disability Practice	Public Health Nursing	Population Health Management - Trusted advisor	Tree Management System – Ash Dieback															Corporate Services			
	OT and SW Recruitment	Safeguarding	Domestic Abuse																		ICT	
		Transitions																				
				- Cyber Security, Business Service Continuity, Remote Working, BCP & Disaster Recovery, Cloud Services, Data Storage.																		

Adaptive Plan – areas of review (priorities)

Corporate and Strategic

- Health Inequalities
- Climate Change, Risk vs Opportunity – How embedded is this within the decision-making process and business as usual?
- Budget Monitoring – Financial Pressures
- Core Systems Replacement – Finest – CareFirst 6
- External Audit – Relationships/Processes
- Client Financial Services – Financial Assessments
- Data sharing – Dashboard
- Court of Protection - Pop-Up Cards
- Banking Review - Process
- HR – Workforce – temp recruitment, succession planning, Safeguarding – Covid-19

Adult Care and Health

- Home is Best
- Supported Living Tender
- OT and SW Recruitment
- Liberty Protection Safeguards
- Care Home Fee Model
- Effective Replacement Care
- Pandemic Response
- Care Provider Failure – Lessons Learnt
- ASC Systems Programme
- OT and SW Recruitment
- Developing Disability Practice

Children’s Services

- Ofsted/Improvement Plans
- Education Support Services
- Education – Academies & LA Statutory Duties
- SEND – Recovery Plans
- Insufficient capacity of the High Needs Block to meet demand
- MASH IT System

- Public Health Nursing – Insufficient Staffing Capacity
- Challenges in Recruitment
- Public Health Nursing
- Safeguarding
- Transitions

Public Health

- Covid-19 – cross service strategy and engagement, BCP
- Population Health Management – trusted advisor
 - Prevention.
 - Support
 - Response
- Embedding Mental Health into Corporate Strategies

Economy, Communities, Planning

- Communities
 - Migration & Resettlement
 - Food Insecurity
 - Domestic Abuse
- Economy:
 - Roundswell Enterprise Centre – The Node
 - Animal Disease Emergency/Cont Plans
 - External Funding – Community Renewal Funds
- Transport:
 - Sustainable Urban Drainage
 - SEN Transport

Highways, Infrastructure Development & Waste

- Street Lighting System
 - UAT Advice
 - System Review
- Highways Contract
 - KPI's
 - Financial Control/Schedule of Rates

Financial Reconciliation

- Tree Management System – Ash Dieback

Digital Transformation & Business Support

- BCP and Disaster Recovery
- ICT – Cyber Security (Focus Governance Arrangements)
- ICT – Scomis (Education) – Business/Service Continuity
- ICT – Project Management
- ICT – Data Storage
- ICT Change Management
- ICT – Partnership Working – Engagement with ICT380
- ICT – Incident & Problem Management
- GDPR/Data Protection Compliance

Progress Against Plan

There has been a growing trend in the sector towards more flexible audit plans to enable internal audit to be more responsive to changing risks, in turn maximising resource focus to clients' needs as and when needed – *Agile Auditing*. This principle looks set to continue and has several benefits with ever changing priority and related risks. Key benefits provide for:

- Reduction in non-productive resource planning - current pandemic circumstances require significant plan changes.
- Improved opportunity to keep plan aligned to current risks within Service Areas and as a whole for the Authority.
- More effective and timely pre-audit engagement with Service Leads.
- Greater and more regular discussion with client leads – supporting current risk and work priorities.
- The current trend for more flexible audit plans – agile auditing.
- Experience that plans change regularly.
- Changes in external risk drivers are more easily picked up in audit assurance needs.

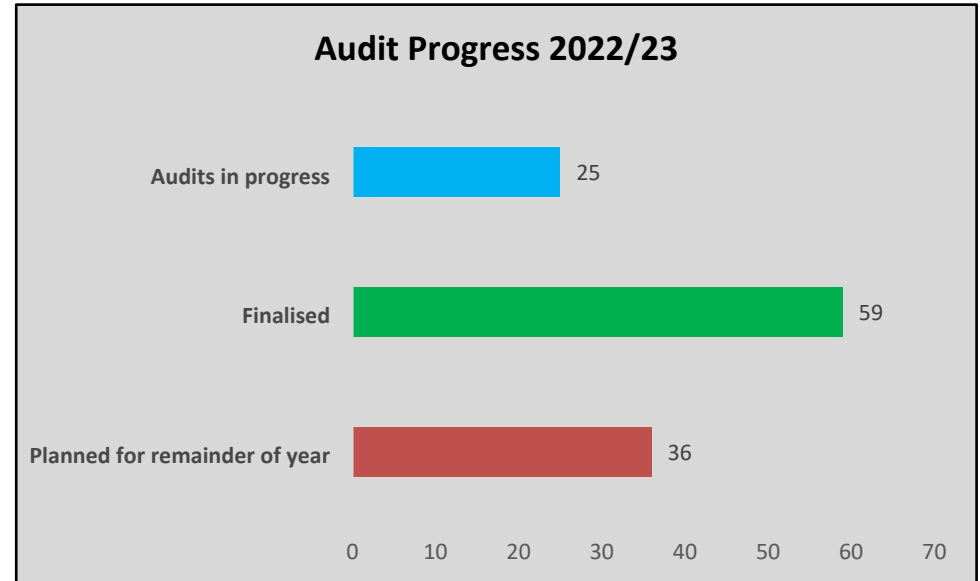
Our audit plans are always built around the Risks identified through Risk Management, audit needs and perceptions of current issues and in discussion with client management. The audit resource delivery envelope has been set to provide opportunity for greater depth of coverage and further extension of counter fraud work.

In 2021/22 the approach was changed to scope, schedule and resource plans throughout the year with Service Leads in an agile way incorporating risk changes as necessary. This was effective and this approach is continuing in 2022/23. Resource allocation will be decided based on need at this time.

We endeavour to ensure that sufficient coverage across the Council is maintained to ensure that we can provide an inclusive end of year annual assurance opinion.

This report shows a progress summary to date (as at 14/11/2022). It shows the number of audits completed so far during 22/23 financial year, audits

currently in progress and finally audits that are due to commence during the remainder of the year.



Value Added

We know that it is important that the internal audit services seek to "add value" whenever it can. We obtained feedback from those audited during the year to date who considered we were able to add value by:

- Providing objective and relevant assurance.
- Contributing to the effectiveness and efficiency of the governance, risk management and internal control processes.
- Linking across Risk, Counter Fraud and Audit to respond to issues that occur.

Summary Audit Results

Integrated Adults Social Care

We have undertaken some non-assurance work over the last two months reviewing firstly the mental health support provided in North Devon and a review of the services response to the pandemic whilst identifying any lessons learnt. It is a very valuable exercise looking back and reflecting on the decisions made to ensure improvement and clear action plans if the service needed to respond to a pandemic in the future. These reviews have provided valuable information for the service to take forward.

Public Health, Communities & Prosperity

A follow-up piece of work has taken place on Health Inequalities due to this area being one of the Council's Strategic aims. It was clear that progress has been made by the service area to identify and record actions to be taken to work towards the priorities within the strategic plan. In addition, a dashboard is in the process of being created which will be able to draw data from Devon County Council, District Councils and community organisations to enable better performance monitoring against the priorities identified within the Joint Health and Wellbeing Strategy for Devon 2020-25.

Children and Young People's Futures

We were requested by the Interim Chief Executive to carry out further work on Direct Payments with a specific focus on the analysis of spend. A review of spend on the cards was undertaken from 1st July 2021 – 30th June 2022 where it was evident that there is spend that is not in line with agreed care plans or government legislation. With the assistance of Devon Finance Services, the service are planning to implement a new system offering a 'Virtual Wallet' to administer Direct Payments from 1st April 2023. A review of the Virtual Wallet has shown that if implemented as intended this would eliminate the ability to spend as freely as the current system, which will in turn reduce ineligible spend.

Key Financial Systems

The majority of our work in this area is underway with planned completion for November/December 2022. Since our last report we have completed work on the Creditors system and Reasonable Assurance has been provided to support the good controls in this area.

Transformation, Performance & Resources

We have reported on three audits completed in this area which remain at draft report stage. Cyber Security Governance, Change Management and Project Management have all achieved limited assurance. Whilst the client has been informed and verbally in agreement with the audit findings it has not been possible to move these audits to the final stage. We continue to work with the client to progress these reviews as tighter controls are required in all areas to ensure key risks are mitigated.

Climate Change, Environment & Transport

A follow-up review on Highways Infrastructure has demonstrated that sound controls have been implemented. Further progress has been made by the service since the previous Internal audit review (2019/20) in responding to the 'Well Managed Highways Infrastructure' Code of Practice.

There are a number of others reviews underway in this area for Highways, a follow-up on Climate Change and some work on SEN Transport in line with the Financial Sustainability Programme.

Finance & Public Value

Over the past few months, we have been reactive to additional work as requested by the Director of Finance and carried out audit reviews on spending on Venue Hire, Car Hire and Credit Card usage. Whilst spend in these areas appears appropriate, we have recommended ways in which spend could be reduced in line with the Eight Point Plan.

We continue to provide advice and support as requested. We are currently providing advice on the Finest Replacement Project which will be on-going through to implementation.

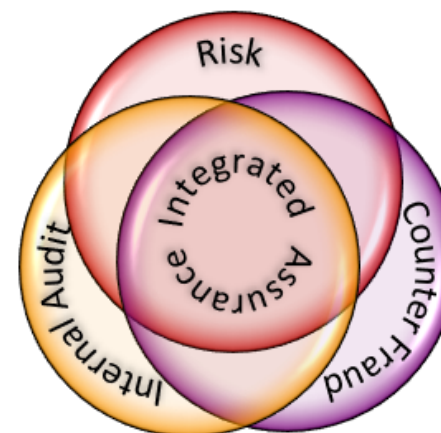
Appendix 1 of this report details the assurance opinions for individual audits, for which definitions of the assurance opinion ratings are in Appendix 2.

Investigations and Irregularities

To date during 2022/23 financial year Devon Audit Partnership was made aware of 50 irregularities across the Council. Analysis of the types of investigation and the number undertaken is shown in the following table.

Fraud / Irregularity Summary		
Case classification	Number of cases	Summary Details
Theft / Loss of IT equipment	17	These cases mainly relate to loss or potential theft of mobile phones/laptops.
Tenders & Contracts	1	Claim of discrimination following a procurement process which was not upheld.
Financial Irregularities	1	This case related to a suspected benefit fraud that is currently under investigation.
Employee Conduct	2	A current investigation into the procurement process is currently underway. A further investigation into employee conduct as part of a wider police investigation.
Blue Badge Misuse	40	Customer Services record instances where Blue Badge have been misused, these are passed to DAP and recorded. DAP Fraud team review and investigate where appropriate.

Further detail of the DAP Counter Fraud activity can be found in the Counter Fraud Annual Report Provided separately by DAP.



Customer Value

Public Sector Internal Audit Standards (PSIAS)

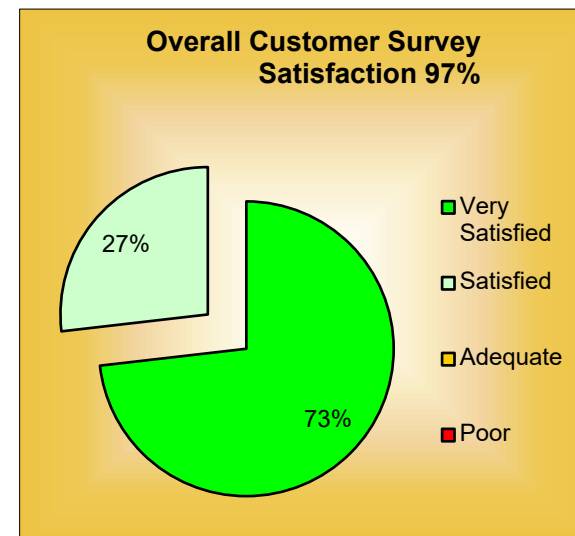
Conformance - Devon Audit Partnership conforms to the requirements of the PSIAS for its internal audit activity. The purpose, authority and responsibility of the internal audit activity is defined in our internal audit charter, consistent with the *Definition of Internal Auditing*, the *Code of Ethics* and the *Standards*.

Our internal audit charter was approved by senior management and the Audit Committee in February 2022. 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 2021 'DAP is continuing to operate 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 are 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 have had some very complimentary feedback of where our team have been able to add value to the Council these may be found upon our [webpage](#). The chart on the right of this page summarises the customer satisfaction results received to date during 2022/23.

Inherent Limitations

The opinions contained within this report are based on our examination of restricted samples of transactions / records and our discussions with officers responsible for the processes reviewed.

Appendix 1 - Summary of audit reports and findings from September to November 2022/23 (since last Audit Committee meeting)


Integrated Adult Social Care

Risk Area / Audit Entity	Audit Report		
	Assurance opinion	Residual Risk / Audit Comment	Direction of Travel Assurance

The following audits from 2022/23 have been completed and finalised since September 2022


North Devon Link Centre	Advisory piece of work Status: Final	This was a non-assurance piece of work with the scope being to consider what non-statutory services other Local Authorities provide to their communities in relation to mental health support and to further consider how these non-statutory services are provided.	N/A
Pandemic Response	Advisory piece of work Status: Final	<p>A 'lessons learned' exercise was carried out after the second wave from which an action plan was derived to help inform responses to any subsequent waves or future pandemics. To help take this forward, Devon Audit Partnership facilitated a session with management to gain their views on what went well, what did not go so well and what learning can be taken forward. There were good conversations had during the session and although it was felt that the response from Devon was good, there were areas where it was felt it could have been better. The main area to consider going forward is ensuring there is an appropriate and up to date response plan in place, which is reviewed regularly with the key elements of the plan tested. Other areas where it was considered learning could be taken forward was around staffing and ensuring there is appropriate support for staff during and after the event.</p> <p>We would like to add that it was evident that staff went 'above and beyond' during this period of unknown to do their utmost for the residents of Devon. Decisions were made under extreme pressure and in very short timeframes to help protect the people of Devon and staff who were working in these situations should be proud of the work they have carried out and achieved.</p>	N/A

Public Health, Communities & Prosperity

Risk Area / Audit Entity	Audit Report		
	Assurance opinion	Residual Risk / Audit Comment	Direction of Travel Assurance
Health Inequalities F/Up	Advisory piece of work	At the time of this follow-up piece of work, it had been nine months since the original audit on Health and Wellbeing Inequalities was undertaken. This follow up was carried out to ascertain	

	<p>Status: Final</p>	<p>whether any of the opportunities identified within the original audit had been taken on board and implemented. We met with management to discuss what had been implemented to date.</p> <p>From these discussions and testing carried out we can see that progress has been made by the service area to identify and record actions to be taken to work towards the priorities within the strategic plan. In addition, a dashboard is in the process of being created which will be able to draw data from Devon County Council, District Councils and community organisations to enable better performance monitoring against the priorities identified within the Joint Health and Wellbeing Strategy for Devon 2020-25. There is also now a link between the Corporate Risks and the corporate priorities with further improvements to reporting to be introduced in Autumn 2022. At the time of this audit, improvements to the way in which the quality impact assessments are completed and utilised was being trialled by Public Health.</p>	
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Children and Young People’s Futures

Audit Report			
Risk Area / Audit Entity	Assurance opinion	Residual Risk / Audit Comment	Direction of Travel Assurance
The following audits from 2022/23 have been completed and finalised since September 2022			
Direct Payments Spend Analysis	<p>Limited Assurance</p> <p>Status: Final</p>	<p>Our observations from our sample testing found over 12% of Direct Payments spend was not in line with the care plans. Furthermore, over 54% of all care plans we sampled were overdue for review increasing the risk of insufficient or incorrect support for the child and/or potential misuse of funds.</p> <p>We also concluded that potential savings could be made with an update to the Direct Payments policy and introduction of care plans focussed more on short breaks support rather than payments for everyday expenses such as activities and travel costs for parents. This is also in line with national guidance on Direct Payments.</p> <p>Following our audit in 2021-2022, we acknowledge that improvements have been made to the retrieval process of surplus funds with a new automated process introduced, and we understand that further data-tidying is ongoing to increase the efficiency of this procedure. Although this will reduce the risk of fraudulent spend on accounts with excessive balances, there remains the issue of repeated surplus retrieval from the same clients unless the care and support plans are monitored/updated in line with national guidance and reviewed regularly.</p>	

Key Financial Systems

Risk Area / Audit Entity	Audit Report		
	Assurance opinion	Residual Risk / Audit Comment	Direction of Travel Assurance


The following audits from 2022/23 have been completed and finalised since September 2022

Creditors	<p>Reasonable Assurance</p> <p>Status: Final</p>	<p>Based on our review of the key system controls within FINEST, P2P and payment feeder systems we conclude that generally orders and payments made by the Council are effectively controlled.</p> <p>We have identified some areas where controls could be improved. Monitoring of duplicate payments is limited which results in a higher risk of inaccurate payments being held and paid within the FINEST system, however this is somewhat mitigated by internal controls within P2P and FINEST. The data warehouse produces a potential duplicate payment report however it is not reviewed by Officers. As part of this audit Devon Audit Partnership undertook a review of the accounts payable data of 21/22. We identified 6 previously unidentified duplicate payments totalling £42,402.92 which are now being recovered. A further duplicate was identified that was already recovered but had been in unallocated income and has now been coded to the correct budget code, totalling £1,413.</p> <p>In last year’s Creditors audit we gave an overall audit opinion of “Reasonable Assurance” and it is pleasing to see that controls remain effective.</p>	
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Transformation, Performance & Resources

Risk Area / Audit Entity	Audit Report		
	Assurance opinion	Residual Risk / Audit Comment	Direction of Travel Assurance

The following audits from 2021/22 & 2022/23 have been completed and remain at draft report status due to client delays

Transformation, Performance & Resources			
Risk Area / Audit Entity	Audit Report		
	Assurance opinion	Residual Risk / Audit Comment	Direction of Travel Assurance
ICT – Cyber Security Governance	<p>Limited Assurance</p> <p>Status: Draft Report – Client not responded to report</p>	<p>Cyber Security awareness by staff is part of the Digital and Technology Service Strategy. The D&TS Strategy sets out the intention/plan to keep all infrastructure and software up to date and secure. This supports the strategic goals of the DCC Strategic Plan of being more resilient.</p> <p>DCC has not fully established an "Information Security Management System", a formal regime or structured approach to cyber security and resilience, which guides both its activities and expenditure. The lack of a formal structured approach increases the risk of Cyber Security risks not being effectively managed.</p> <p>Key areas where improvements in the governance arrangements should be made;</p> <ul style="list-style-type: none"> • There is a lack of established and documented policy and processes in place to support effective Cyber Security decision making. • Cyber Security roles and responsibilities have not been fully assigned, for example to the Strategic Leadership Team (SLT). • We have found there to be limited reporting mechanisms in place to appropriately report on the Cyber Security status of the organisation. • We also note that there are some areas where policies, with regard to the NCSC 10 Steps, could be further developed. • There is no documented/established policy/process/mechanism for approving an acceptable Cyber Security appetite or how identified risks will be managed. • The Reporting of Cyber Security risks is limited. All Cyber Security risks are not currently routinely reported to SLT/the Board. • There isn't currently a Cyber Security Risk Register that identifies all Cyber Security risks. <p>We have recently, September 2022, followed up on previously agreed management actions from the most recent Cyber Security audit we completed in March 2021 and followed up in March 2022. The follow up has confirmed that there are seven outstanding management actions to address areas where improvements to mitigating controls are required, six are of high/medium risk/priority. That report was issued to the Strategic Cyber Security Manager and the Strategic Lead for Digital Transformation.</p>	


Transformation, Performance & Resources			
Risk Area / Audit Entity	Audit Report		
	Assurance opinion	Residual Risk / Audit Comment	Direction of Travel Assurance
ICT Change Management	<p>Limited Assurance</p> <p>Status: Draft Report – Client not responded to report</p>	<p>We identified a significant number of areas where, based on the sample we reviewed, improvements to the level of compliance with the expected internal guidelines/policy should be made. The internal guidelines/policy and MyScomis generally provide the framework and opportunity, if complied with, to reduce the risks associated with making changes.</p> <p>Some of the key areas of non-compliance or limited documented evidence includes;</p> <ul style="list-style-type: none"> • Changes are not being linked to Problems and Incidents in MyScomis as would be expected. • Test Plans were found to be either not completed or were limited. A lack of an appropriately rigorous test plan is essential in minimising the risk of an unsuccessful change. • The status of changes not being updated promptly. • Within our sample there were a number (2 of 11) of changes where they had been treated/processed as “Emergency Changes” rather than as “Non-Standard” changes as they should have been as per the guidelines/policy. Therefore, these changes are not recorded as being approved by CAB or TAB as they should have been. • Additionally, we identified 16 changes categorised as an Emergency Change logged in MyScomis for 21/22. None of these was linked to a Major Incident as is stated should be the case in the guidelines. • For approximately 70% of our sample the change was not linked to a Configuration Item (CI) where such a link would be expected. • Implementation plans were found to be generally lacking in sufficient detail. • For approximately 70% of our sample there was no entry on the Communications tab regarding a communications plan. 	

Transformation, Performance & Resources			
Risk Area / Audit Entity	Audit Report		
	Assurance opinion	Residual Risk / Audit Comment	Direction of Travel Assurance
ICT – Project Management	<p>Limited Assurance</p> <p>Status: Draft Report – Client not responded to report</p>	<p>There are established governance arrangements and a control framework in place. However, there are significant areas where improvements to the governance arrangements and supporting processes and procedures can be made to provide greater control and reduce the risk of unsuccessful project delivery and the associated benefits.</p> <p>It is noted that the Project Management Office, along with ICT colleagues, are working to improve aspects of the control framework. Current activity includes:</p> <ul style="list-style-type: none"> • Developing documentation regarding roles and responsibilities of different project roles. • Internal discussions regarding challenges being faced with projects/project management. The issues being discussed internally have become apparent or have been raised in discussions with Officers during our audit review/work. • Initial steps taken with regard to improving resource management – system to identify Business as Usual (BAU) commitments of operational teams in order to identify availability for project work. • Have a Project Management software solution (PM3) which is currently a work in progress with regard to establishing the use of it. <p>One of the key factors in designing an effectively managed approach, to support business and digital and technology changes, is that there isn't a "one size fits all". There is need for Digital Transformation/ICT to be supported by appropriate governance and control framework in running major change programmes, projects, work packages (streams) as part of wider business change programmes and to work in agile ways to respond quickly and work in innovative ways. DCC is an organisation, like many, where change is constant and certain and where Digital Transformation/ ICT need to respond with a level of consistency but without having a one size fits all approach.</p>	

Climate Change, Environment & Transport

Risk Area / Audit Entity	Audit Report		
	Assurance opinion	Residual Risk / Audit Comment	Direction of Travel Assurance

The following audits from 2022/23 have been completed and finalised since September 2022

Highways Infrastructure F/Up	<p>Reasonable Assurance</p> <p>Status: Final</p>	<p>Further progress has been made by the service since the previous Internal audit review (2019/20) in responding to the 'Well Managed Highways Infrastructure' Code of Practice.</p> <p>This includes development of a basic project timeline to monitor and track progress of the HIAMP review against the code of practice. The service has also recently commissioned independent assessment of their asset management systems and approach ('Asset Management Review – Data and Systems' & 'Asset Management Maturity Gap Analysis'). These reviews should be useful to inform the forthcoming HIAMP review.</p> <p>We consider that further work is required to demonstrate compliance with the code of practice. This would include (but not limited to) being able to demonstrate where risk-based decisions have been made, and further development of risk management approach and risk management policy.</p> <p>The HIAMP is due to be reviewed/approved by DCC Cabinet. This should provide an opportunity to ensure that DCC members fully understand the benefits of adopting the HIAMP, as well to get an understanding of current progress that has been made by the service in complying with the code of practice.</p>	
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Finance & Public Value

Risk Area / Audit Entity	Audit Report		
	Assurance opinion	Residual Risk / Audit Comment	Direction of Travel Assurance

The following audits from 2022/23 have been completed and finalised since September 202

Car Hire Spend Analysis	<p>Advisory piece of work</p> <p>Status: Final</p>	<p>The total hire car spend incurred between April 2022 and August 2022 was £123,251, 73% (£89,487.25) of which was incurred by Children and Young Person's Futures (CYPF), with the spend of the top 11 renters amounted to £52,469 which equated to 42.5% of the total hire car spend.</p>	N/A
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Finance & Public Value			
Risk Area / Audit Entity	Audit Report		
	Assurance opinion	Residual Risk / Audit Comment	Direction of Travel Assurance
		We specifically looked at short journeys, vehicle classification (large and premium cars), car hire charges and length of hire. We have made recommendations in line with the Eight-Point Plan to support a reduction in costs where possible.	
Venue Hire Spend Analysis	Advisory piece of work Status: Final	<p>The venue hire analysis carried out covers the period from 1st October 2022 to 31st October 2022. The objective was to identify whether the spending in this area had reduced in October 2022 in line with the requirements set out in the Eight-Point Plan.</p> <p>The venue spend has been broken down into 2 separate analyses: 1) Invoiced (where hire has already happened and the invoice has been fully paid) and 2) Committed (where there has been an order raised in P2P for forthcoming venue hires, where the commitment was raised after 01/10/2022). The total venue hire cost for October 2022 amounted to amounts to £47,748 (invoiced) over 95 transactions, and £8,665 (committed) over 23 transactions.</p> <p>The outstanding commitments (as reported at the previous review) amounted to £33,500 up to and including 10/10/2022. As at 31st October this reduced to £8,665. The total value of invoices paid since the previous review (between 11th and 31st October) amounted to £36,638. Therefore, the value of the invoices paid between 11th and 31st October was £11,803 higher that had been committed up until 10th October. We have therefore made recommendations to reduce costs in line with the Eight-Point Plan.</p>	
Credit Card Spend Analysis	Advisory piece of work Status: Final	<p>A review of spend on the DCC Credit card was undertaken covering the spending period from September 2021 to August 2022 which amounted to £379,141 by 36 cardholders. A breakdown of card spend by service area, showed that 64.76% (£221,150) spending incurred by Human Resources for recruitment advertising, and staff recruitment which was deemed appropriate.</p> <p>There are currently 40 active cards in circulation, 12 (30%) of which were cards that were issued as temporary cards during 2020 to react to the Covid Pandemic. 6 of the temporary cards issued have not been used in the last 12 months but still remain active, the other 6 have incurred a total spend of £14,438.</p>	

Finance & Public Value

Finance & Public Value			
Risk Area / Audit Entity	Audit Report		
	Assurance opinion	Residual Risk / Audit Comment	Direction of Travel Assurance
		A breakdown of spending was reviewed and recommendations put forward on how spend could be reduced going forward.	

Since September 2022 we have continued to provide advice on risk and controls for the Finest System Replcement.

1. FINEST System Replacement

Grant Claims Certified Since September 2022

Grant Name	Audit Report	
	Grant Certification	Audit Comment – if applicable
Supported Families Programme Sept	Certified	Significant & Sustained Progress: Potential claim 34; Tested 3; Failed 0: Claim made 34 families = £27,200.
Supported Families Programme Oct	Certified	Significant & Sustained Progress: Potential claim 43; Tested 6; Failed 2: Claim made 43 families = £32,800.

Appendix 2 - Definitions

Definitions of Audit Assurance Opinion Levels

Assurance	Definition
Substantial Assurance	A sound system of governance, risk management and control exist across the organisation, with internal controls operating effectively and being consistently applied to support the achievement of strategic and operational objectives.
Reasonable Assurance	There are generally sound systems of governance, risk management and control exist across the organisation, with internal controls operating effectively and being consistently applied to support the achievement of strategic and operational objectives.
Limited Assurance	Significant gaps, weaknesses or non-compliance were identified across the organisation. Improvement is required to the system of governance, risk management and control to effectively manage risks and ensure that strategic and operational objectives can be achieved.
No Assurance	Immediate action is required to address fundamental control gaps, weaknesses or issues of non-compliance identified across the organisation. The system of governance, risk management and control are inadequate to effectively manage risk to the achievement of strategic and operational objectives.




Devon Audit Partnership

The Devon Audit Partnership has been formed under a joint committee arrangement comprising of Plymouth, Torbay and Devon councils. 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 tony.d.rose@devon.gov.uk

Definition of Recommendation Priority

High	A significant finding. A key control is absent or is being compromised; if not acted upon this could result in high exposure to risk. Failure to address could result in internal or external responsibilities and obligations not being met.
Medium	Control arrangements not operating as required resulting in a moderate exposure to risk. This could result in minor disruption of service, undetected errors or inefficiencies in service provision. Important recommendations made to improve internal control arrangements and manage identified risks.
Low	Low risk issues, minor system compliance concerns or process inefficiencies where benefit would be gained from improving arrangements. Management should review, make changes if considered necessary or formally agree to accept the risks. These issues may be dealt with outside of the formal report during the course of the audit.
Opportunity	A recommendation to drive operational improvement which may enable efficiency savings to be realised, capacity to be created, support opportunity for commercialisation / income generation or improve customer experience. These recommendations do not feed into the assurance control environment.

Direction of Travel Indicators

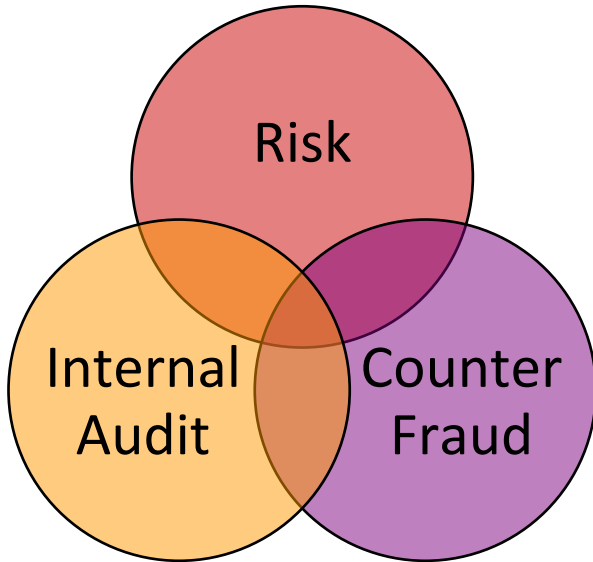
Indicator	Definitions
	No Progress has been made. The action plan is not being progressed at this time; actions remain outstanding.
	Progress has been made but further work is required. The action plan is being progressed though some actions are outside of agreed timescales or have stalled.
	Good Progress has/is being made. Good Progress has continued.

Appendix 3 – Audit Authority



Our Vision

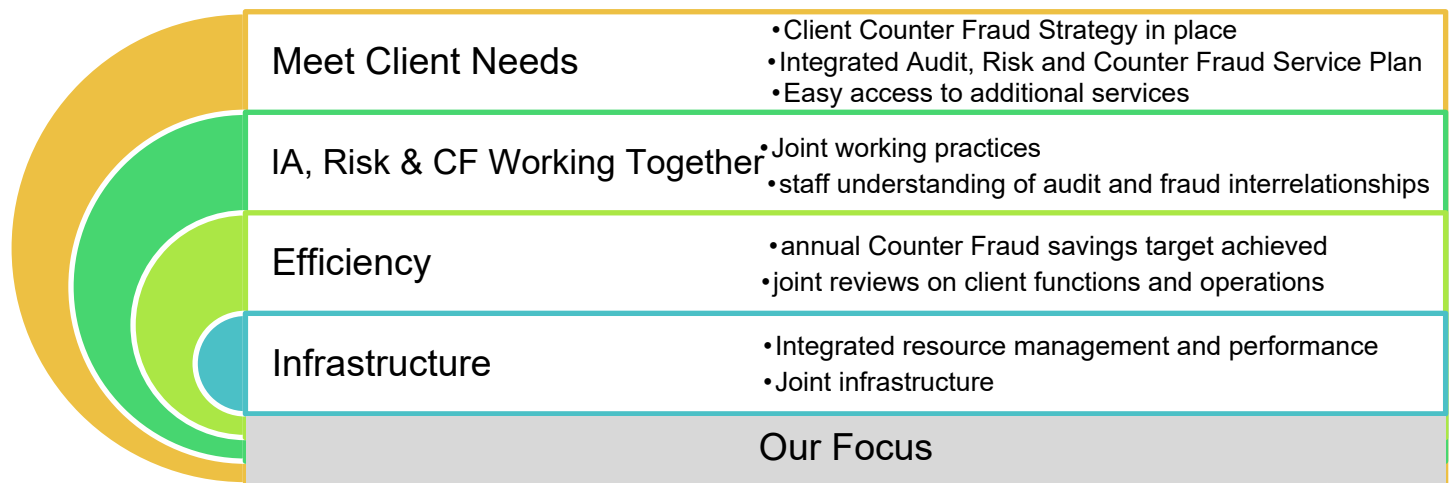
To be a leading provider of internal audit, counter fraud, risk management and other assurance services to public and not-for-profit organisations in the South West and beyond.



Operational delivery

- CFT to co-ordinate / undertake irregularities work coming through the audit plan
- Potential irregularities are triaged to fraud or audit for review
- Proactive fraud work e.g. NFI, developing delivery plan at client level
- Investigation work to be completed jointly (where appropriate) to progress possible fraud review and strengthen internal control frameworks
- Audit scoping to include counter fraud input
- Three-way liaison confirming risk and control
- Integrated reporting to be delivered on a case basis

Our Goals



Client Services

Counter Fraud Strategy with each client
Regular client liaison Mtgs.
POC access to additional integrated services
CF Service plan with each client for both pro-active and re-active services
Joint Partner CF work e.g. SPD
Client training on Fraud Awareness

IA, Risk & CF Working Together

Joint Working Practices
Joint scoping of audit and Irregs
CF Risk Assessment Review - CIFAS
Joint IA, Risk & CF plan
Pro-active **Prevention** work
Pro-active **Detection** work
Effective **Investigation**
NFI work co-ordinated by CFT

Efficiency

Savings Plan £55k by year three
Restructure of PCC Team work plan (releasing resources)
Joint working practices
Single Point of Contact for Fraud and Irregs

Infrastructure

Budget - Costcentre focused
Laptops for CFT
ICT Platform & common network access
Data Sharing Agreements updated
Terms and Conditions review

