

Risk, Internal Audit, Counter
Fraud & Assurance

Update Report – March 2023

Partnership Management
Committee



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.

Key initiatives since October 2022

The impact of the wider global events in Ukraine, and the pressure on budgets across the public sector resulting from the wider cost increases have continued. These maintain an effect on the Partnership, not just in our own budget but the support we need to provide with ever more value coming from our assurance activities.

Since October we have commenced the annual external inspection of our processes in respect of Customer Service Excellence, and we anticipate being able to update the committee on the outcome when we meet in July. In addition following the external PSIAS inspection in late 2021 we are undertaking a self-assessment against the criteria that we again aim to update the Committee in 2023/24.

Our workforce has remained stable, with three staff leaving since October and some internal secondment recruitment activity underway. We hope that this approach ensures that the staff are given the necessary exposure to show their skills and capacity whilst gaining greater experience.

A central aim of this meeting will be the ratification of the budget for 2023/24 which has been drawn up with support from DCC as the Partnerships host Authority and following individual conversations with Partners on funding levels for 2023/24.

We continue to work with both our Partners and Clients across to provide a range of Assurance Services.

Tony Rose

Tony Rose
 Head of Devon Audit Partnership and Chief Internal Auditor

March 2023

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Finance, new business and new staff

2022/23 Budget position

The Partnership continues to remain within budget based on current income projections but in year increases are placing increased pressure on the overall position. We have offset some additional costs though the delivery of additional services and vacancy management. 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 October Annual Report we reported the ongoing bids for Grant based work and this continues. Noting the reduction that will take place in 2023/24 we are taking the opportunity to continue to revise our education assurance offering and seek increased levels of work amongst Multi Academy Trusts. We have been successful in bids to provide services to three more Multi Academy Trusts, Parish Councils, Bristol City Council and Gloucester Council. These bids provide an opportunity to learn from and develop the proposals that we put forward for future work.

New staff and Staff Changes

To meet the demands of our partners and clients, and also to ensure we have a good level of continuity as staff look to retire, we have taken on further new staff to help deliver our assurance services. Since October we have had a successful recruitment to the Vacant Senior Assurance Manger role, Hannah Hellier being the successful internal candidate.

This completes the initial work to refine the wider management structure and ensure that we are well placed to deliver our services in 2023/24 and beyond. Due to the broader nature of services that we now offer, we will also be looking at the structures relating to their delivery to see if further refinement and evolution is required.

2023/24 Budget Ratification

As 2022/23 draws to a close we have been working on finalising the Partnership Budget for the next financial year. This is being presented to the Committee under a separate agenda item.



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, more can be found [published on our website](#).

DSFRS

The delivery aspect was particularly helpful as it provided an early insight into some of the areas for improvement and demonstrated alignment in our way of thinking which was beneficial. This has since enabled me to scope out an internal project to make the required changes as provided within the report.

Unitary Council

Provided the opportunity to review the current practices and whether there was anything we could change or make better at an early stage.

Unitary Council

The final report was exactly as expected and discussed. The action plan and timescales were accurate and timely and most importantly achievable.

All the recommendations supported the need for this Service to be modernised and supported more pro-actively by the wider Council.

County Council

Co-design, early discussions to make sure we were on the same page.

Unitary Council

Showed a practical and empathetic approach to the needs of the business

District Council

It was a great customer experience.

MAT

X conducted the audit in an organised and professional manner, recognising the team's need to also undertake routine work in parallel to responding to requests for information, or indeed their availability due to part-time working.

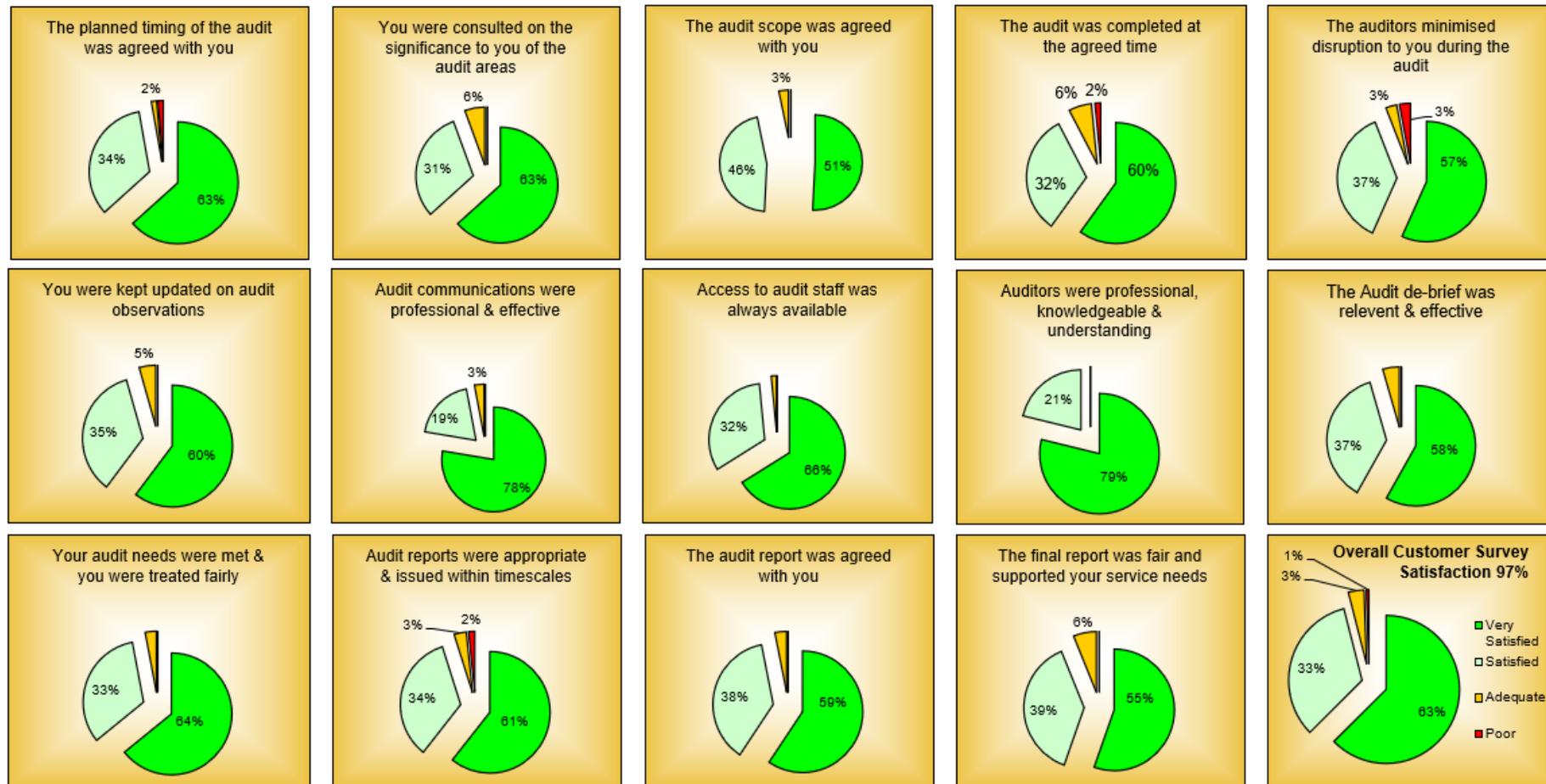
District Council

Very flexible and not intrusive even though this process occurred at the time of very high demand

Customer Service Excellence (CSE)

The Partnership 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 2023 as noted above. 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 97% 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 - December 2022



DAP - Internal Audit Performance

Our analysis of performance for the first nine months of 202/23 shows that, overall, performance is in line expectations and the wider impacts of Partners day to day activity, detailed information is shown in the table below. The Partnership Management Team is aware of the areas of challenges, and we continue to improve our Management Information to help us ensure that we meet the performance levels we aspire to. In addition we have reviewed 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 2022/23, but this should be considered against the backdrop of the ongoing need to respond to the “new normal” ways of working. We continue to look at how we can develop the workforce to meet the needs now and, in the future, taking time to ensure the right approach, training and development for staff so that they can help drive up performance even further.

Devon Audit Partnership - Performance Indicators for Quarters 1 – 3 (2022 – 23)					Comments
Performance Indicator	Full Year Target	Quarter 3 Position	Projected Outturn	Direction of Travel vs 2021/22	
Percentage of work Commenced (Ex Schools)	100%	74%	98%	↑	<p>The “percentage of work commenced” is on track despite pressures on clients as our they respond to the ongoing national and local issues.</p> <p>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.</p> <p>Draft Report production is improved from Quarter 2, and we will work with our team to ensure that this improvement continues. As noted previously our increased MI will help to identify and address areas such as this.</p> <p>Staff Turnover. We have approx. 45 staff working across DAP. During the first nine months of 2022/23 we have had 4 staff leave (1 x Head of DAP, 2 x Level 2 Auditor and one Senior Auditor) and were joined by 1 x Senior Assurance Manager and 1 x Assurance Apprentice.</p>
Percentage of Work Completed	90%	52 %	90%	↔	
Customer Satisfaction	90%	97%	98%	↔	
Draft Reports Issued in Target Days	90%	90%	90%	↑	
Final Reports Issued in Target Days	90%	91%	90%	↓	
Staff Turnover	5%	10%	13%	↑	
Out Turn within Budget	Yes	Yes	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 - a pound less in the pocket of criminals.

Reactive Work Stats 2022/23 - (1 st April 2022 – 27 th January 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
50 Cases 40 Blue Badge 1 Concessionary Travel 7 Internal 2 Other	236 Cases 8 Blue Badge 9 Concessionary Travel 114 Council Tax and CTS 15 Grants 2 Internal 6 NNDR 8 Other 16 Permit 1 Social Care 57 Social Housing Fraud	7 Cases 7 Social Housing Fraud	2 Cases 2 Social Housing Fraud	6 Cases 1 Council Tax and CTS 1 Grant 3 NNDR 1 Social Housing Fraud	2 Cases 1 Council Tax and CTS 1 Social Housing Fraud
Ongoing Cases – Specific details cannot be provided and not all referrals result in identification of wrongdoing.					
12 Cases 4 Blue Badge 4 Internal 4 Other	40 Cases 1 Concessionary Travel 9 Council Tax and CTS 3 Internal 5 NNDR 2 Other 6 Permit 14 Social Housing Fraud	2 Cases 1 Internal 1 Tenancy Fraud	1 Case 1 Internal	6 Cases 3 Grant 3 Tenancy Fraud	N/A

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.