

Risk, Internal Audit, Counter
Fraud & Assurance

Annual Report – July 2023

Devon Audit Partnership
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 March 2023

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 to our Partners with ever more value coming from our assurance activities.

We concluded the annual external inspection of our processes in respect of Customer Service Excellence. I am pleased to confirm that we maintained our compliance and the 2023 review will take place later this year. Following the external PSIAS inspection in late 2021 we are undertaking a self-assessment against the criteria. This work is being complimented by the formation of a revised medium term strategy, operational plan and objectives which aim to see Partnership set on course for further success.

Our workforce has continued to change with two staff leaving since the last meeting in March, one of which was still training and so we need to ensure that we are able to continue to build our team in a very challenging recruitment environment. This is one of our biggest risks and will form a key part of the plans for the near and medium term.

We concluded an internal secondment recruitment activity linked to a planned retirement in August 2023. This approach has been successful in the last year in helping to ensure that our staff are given the necessary exposure to show their skills and capacity whilst gaining greater experience. In the coming 12 months we will be looking further at the partnership structure to ensure that it remains fit for purpose moving forwards.

A central aim of this committee meeting is to communicate the budget outturn position for 2022/23, where despite challenges including most notably increased inflationary costs and a pay award almost double that set in the initial budget, we have ended the year with a surplus of £4.7k. This has been achieved in the main due to one off savings in staffing vacancies which increased pressure on other team members, also via increased external income and a pause on some training activity whilst we re-establish the skills need for the coming years.

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

Tony Rose

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Head of Devon Audit Partnership

July 2023

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Finance, new business and new staff

Budget position

The Partnership continues to remain within budget for 2023/24 based on current income projections but in year increases and pressures are expected in the areas of Salary and ICT costs. These will place a large amount of pressure on the overall position. We know that things change quickly and therefore constantly monitor the financial position to ensure we stay on track and within budget.



I am pleased to report that the Partnership outturn position for 2022/23 shows a surplus (£4,700).



New Business

To ensure that we can continue to provide high quality services at the lowest possible cost to our Partners we need to seek increases in income from both Partners and external clients. This is also a fundamental aspect of supporting the growth in skills and diversity across the team. Since the previous report we have been successful (as examples) in gaining further work with the Government of Jersey, a Cornwall based Multi Academy trust and a further Parish Council.

Moving through 2023/24 and into 2024/25 we will be looking at slightly larger and longer term opportunities to provide increased stability and opportunity for growth and investment.

New staff and Staff Changes

As previously advised to the Committee, in order to meet the demands of our Partners and Clients, and ensure we have a good level of continuity as staff look to retire, we need to have an active recruitment approach to ensure that we can continue to deliver.

At present we are seeking new staff and new trainees, Ethan Shears, Pandora Saxby (Auditor 1) and Naomi Whitmore (Senior Auditor) have recently moved on to new opportunities, with one other staff member (Auditor 1) due to move on shortly due to relocation and another staff member retiring in the coming months (Senior Assurance Manager).

With changes in our staffing, changes in the services sought by Partners and Clients, we will take the opportunity to re-consider our staffing structure and overall service offering to ensure that it remains fit for purpose. We wish to embed the need to effectively deliver wider “assurance” services and support our workforce to become “assurance officers”, albeit with specialisms in certain areas. We will follow any expected consultation processes for any changes but expect that any financial impact to be minimal.



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](#).

Core Systems -
I really enjoyed working with xxx on this audit - Her experience and knowledge from being involved in last year's audit was very beneficial in reducing the support needed from the service, which I appreciated.

Core Systems - The nature of our service delivery model is not simply that of a supplier/customer. It is a hybrid arrangement with partners working within a service framework. DAP are hugely helpful in acting as a trusted advisor to both xxx as the supplier but more importantly in my view as another channel where perceived risks can be highlighted or additional weight is added to support the effective service for the Council.

Highways - Understanding and patience with management review and action planning to enable a more thorough outcome

Place Based - Very professional outfit with great deliverables.

Education –
I am much in favour of in person audits, as opposed to virtual audits. XXX kindly arranged this for us.

Education - The process was smooth from start to finish and XXX was always available to help with any questions/ queries I had, very promptly. Thank you!

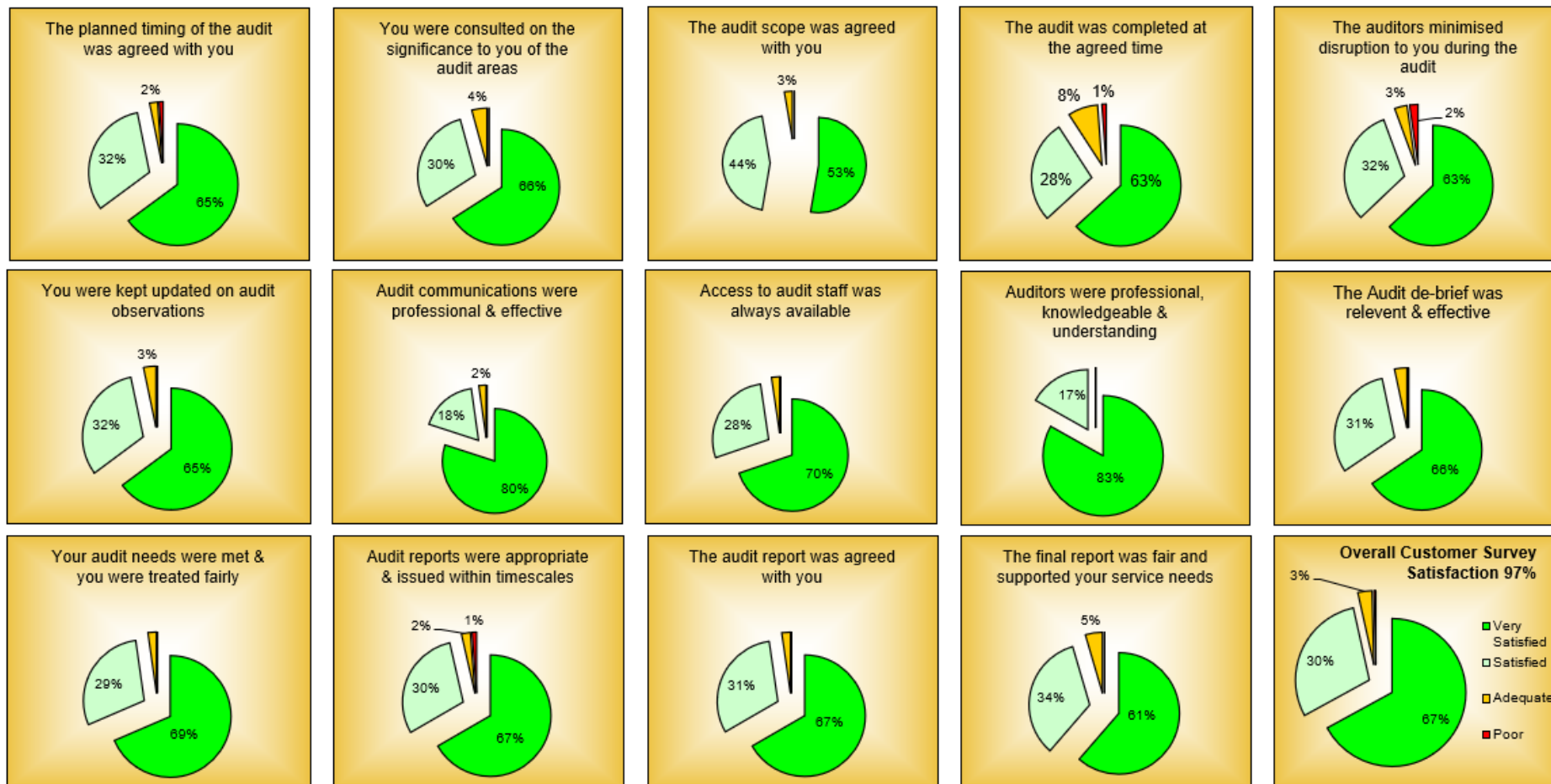
People –
Audit often helps to assist negotiations or outstanding pieces of work, as in this case with our SLA.

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 late 2023 as previously noted. After every formal piece of work we issue client survey forms and the results returned remain very good and positive.

The overall result is very positive, with 97% being "satisfied" or better across our services, see below. It is pleasing to be able to report that our Partners and Clients continue to rate the services we provide highly.

Customer Survey Results April 2022 - March 2023



DAP - Internal Audit Performance



Our analysis of performance for the year 2022/23 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 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 2021/22, 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 2022/23					Comments
Performance Indicator	Full Year Target	End of Year Position	Projected Outturn	Direction of Travel vs 2021/22	
Percentage of work Commenced (Ex Schools)	100%	94%	98%	(97%) ↓	The “ percentage of work commenced ” is slightly down on expected levels. 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%	92%	90%	(91%) ↑	
Customer Satisfaction	90%	97%	98%	(97%) ↔	Percentage of Audit Plan Completed – Compares similarly with this time last year but is improved. 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.
Draft Reports Issued in Target Days	90%	94%	90%	(84%) ↑	
Final Reports Issued in Target Days	90%	98%	90%	(89%) ↑	Draft Report production was a little slower than we would have liked and we have made a very notable improvement in this area. We will continue to work with our team to ensure that this continues.
Staff Turnover	5%	15.5%	13%	(20%) ↓	
Out Turn within Budget	Yes	Yes	Yes	↑	

Staff Turnover.

We have approx. 45 staff working across DAP. During the year we have had 5 staff leave (1 x Head of DAP, 2 x Level 2 Auditor, 1 x Auditor and 1 x Trainee). Were joined by 1 x Senior Assurance Manager and 1 x Assurance Apprentice. We are already aware of further movement in our workforce in 2023/24.