Internal Audit

Internal Audit Plan
2017/18

Devon County Council
Audit Committee

March 2017

Not Protectively Marked

Robert Hutchins
Head of Audit Partnership

CUSTOMER SERVICE EXCELLENCE
CSE

Auditing for achievement

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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.	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.
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 .	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

Internal auditing is defined by the Public Sector Internal Audit Standards (PSIAS) which set out the requirements of a 'Board' and of 'senior management'. For the purposes of the internal audit activity within the Council the role of the Board within the Standards is taken by the Council's Audit Committee and senior management is the Council's Leadership Group. The Audit Committee, under its Terms of Reference contained in the Council's Constitution, is required to consider the Internal Audit Plan to provide assurance to support the governance framework (see Appendix 2).

This Council's Internal Audit Charter formally describes the purpose, authority, and principal responsibilities of the Council's Internal Audit Service, which is provided by the Devon Audit Partnership (DAP) as represented in the audit framework at Appendix 1, and the scope of Internal Audit work. The PSIAS make reference to the role of "Chief Audit Executive". For the Council this role is fulfilled by the Head of Devon Audit Partnership.

The chief audit executive is responsible for developing a risk-based plan which takes into account the organisation's risk management framework, including using risk appetite levels set by management for the different activities or parts of the organisation as represented in Appendix 3.

The audit plan represents the proposed internal audit activity for the year and an outline scope of coverage. At the start of each audit the scope is discussed and agreed with management with the view to providing management, the County Treasurer (Section 151) and members with assurance on the control framework to manage the risks identified. The plan will remain flexible and any changes will be agreed formally with management and reported to Audit Committee.

Expectations of the Audit Committee for this annual plan

Audit Committee members are requested to consider:

- the annual governance framework requirements;

- the basis of assessment of the audit work in the proposed plan;

- the resources allocated to meet the plan;

- proposed areas of internal audit coverage in 2017/18.

In review of the above the Audit Committee are required to consider the proposed audit plan.

Robert Hutchins
Head of Audit Partnership

Annual Service Level Plans - Adult Care and Health; Children's Services; Communities, Public Health, Environment and Prosperity; Corporate Services; Highways, Infrastructure Development and Waste

Adult Care and Health

Audits within this area include three reviews regarding recommissioning: (Residential & Nursing Care along with the Supporting Independence and Caring Well at Home procurements) with the aim of providing assurance that such recommissioning exercises will have a beneficial impact on sufficiency, quality and activity / cost / spend. The scope for the Short Term Interventions audit links to the risk register concern of underdeveloped short term service solutions leading to increased demand for long term services adversely impacting on costs. The review of Spend on Individuals will seek to ascertain what the authority spends on service users individually and in aggregate, ensuring practitioners are aware of all SLAs applicable and no duplication of SLAs exists for different service types meeting the same need.

Children's Services

Work within Children's Services will include how Devon works with the district councils in tackling homelessness amongst 16/17 year olds looking at how the protocols and practices implemented are working in practice and their compliance with legislation. The audit review upon Legal Care Proceedings has also been requested by both Plymouth City Council and Torbay Council and it is hoped a joint piece of work can be undertaken allowing best practice between authorities to be shared.

Communities, Public Health, Environment and Prosperity

Our work with regard Domestic Homicide Reviews along with Channel and Prevent will consider where these functions sit within the authority. Channel and Prevent form part of the government's counter terrorism strategy aiming to stop people being drawn into or supporting terrorism. The cost effectiveness of spend within the Young People's Substance Misuse

Service will be reviewed; this will assist in informing the commissioning plan for the 2018/19 public health grant.

Within Environment, audit work will look at Total Transport to review how the £40m Devon spends within this area works with and links to that provided by employers and the health, education and voluntary sectors.

The Learn Devon enrolment process will be reviewed from three possible entry points; website, phone or centre visit. Administrative processes and IT matters will be reviewed along with payment methods available for persons enrolling with the aim of seeking possible improvements to the enrolment process and learner journey.

Corporate Services

Assurance work will be undertaken on areas termed as material systems that process the majority of income and expenditure of the Authority, and which have a significant impact on the reliability and accuracy of the annual accounts.

In addition to work on material systems, our work will include various other specific functions and projects within Human Resources, Payroll and Finance, and support to major system developments in relation to the new Payment Gateway and the HRMS.

Highways, Infrastructure Development and Waste

A range of audits from across Highways, Infrastructure Development and Waste are included in 2017/18 plan. Audits relating to the risk register areas of 'Failure to maintain C class and unclassified roads effectively' and 'Shared savings (Waste)' have been requested; the latter audit will provide assurance upon the value of disposal costs shared with the district councils. The review of civil parking enforcement (CPE) will look at whether there is any link between the level of formal complaints received and CPE staff behaviour.

Value Added

We will undertake the annual follow up on all audit areas identified as 'Improvements Required' or 'Fundamental Weaknesses' in 2016/17. Work will be undertaken upon the data matching reports received at the end of January 2017 from the authority's participation in the National Fraud Initiative exercise.

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Service Area Overview of Audit Coverage				Major Projects	Value Added
Adult Care & Health	**Children's Services**	**Communities, Public Health, Environment & Prosperity**	**Highways, Infrastructure Development and Waste**		
Safeguarding Practice Quality Review Preparing for Adulthood Strategy Outcomes Based Commissioning of Personal Care Promoting Independence Assistive Technology Management Information	Placement Stability Legal Care Proceedings Homelessness in 16/17 year olds Preventing adolescents from coming into care Children Asylum Seekers SEN - High Needs Funding Schools & SFVS	Channel & Prevent Domestic Homicide Reviews Young People's Substance Misuse Service Careers South West Total Transport Learn Devon Industrial Estate Portfolio	Exeter EFW Plant Shared Savings (Waste) Infrastructure Highways Civil Parking Enforcement Effective maintenance of C class and unclassified roads Footway maintenance	Online Payments Gateway HR Management System	Tax Compliance Forum Teachers' Pensions Return Corporate Risk Management Group (CRMG) Fraud Prevention and Investigation National Fraud Initiative Advice Audit Follow Up

(Left vertical label: Thematic Overview Audit Coverage)

Core Assurance

Business Processes & Governance - Ethics & Culture, Payroll & HR functions, Budgeting System, VAT, Procurement, Supplier Resilience, Contract Lifecycle, Grant Certification, Audit Assurance Planning & Reporting, and other Related Bodies.

Key Financial Systems (Material Systems) - Bank Reconciliation, Creditors, Debtors, Finest System Admin, Fixed Asset Register, Income Collection, Main Accounting System, Payroll, Treasury Management.

ICT - Service Strategy, Service Transition, Service Operation, Service Design

The elements proposed for audit for the coming year are those identified through risk assessment and discussion with Senior Management. This overview is supported by the proposed audit reviews and associated risks.

High Level Audit Plan 2017/18

This table shows a summary of planned audit coverage for the year totalling 1,060 direct days. It should be borne in mind that, in accordance with the Public Sector Internal Audit Standards, the plan needs to be flexible to be able to reflect and respond to the changing risks and priorities of the Authority and, to this end, it will be regularly reviewed with directorates, and updated as necessary, to ensure it remains valid and appropriate. As a minimum, the plan will be reviewed in six months to ensure it continues to reflect the key risks and priorities of the Council given the significant changes across the public sector.

Detailed terms of reference will be drawn up and agreed with management prior to the start of each assignment - in this way we can ensure that the key risks to the operation or function are considered during our review. The following pages give a brief overview of the focus of proposed audit coverage for the year.

A detailed analysis of proposed audit reviews is provided in the following schedule.

Core Activity for Internal Audit Review	Coverage in Days
Material Systems	110
Corporate Services - (Excluding Anti-Fraud & NFI)	193
Adult Care and Health	185
Children's Services	90
Communities, Public Health, Environment and Prosperity	105
Digital Transformation and Business Support	102
Highways, Infrastructure Development and Waste	76
Grant Certification	44
Anti-Fraud and Corruption including NFI	100
Other Chargeable Activities	55
Total internal audit plan for Devon County Council	**1060**
Schools (estimated)	281

Proposed audit reviews and associated risks

SRR / ORR – Local Authority Strategic or Operational Risk Register reference
ANA - Audit Needs Assessment risk level

Risk Area / Audit Entity	Risk / Audit Needs Assessment (ANA) – an assessment of the priority of the planned review	Proposed Audit Work / Scope		Proposed Timings (Quarter)	Estimated Audit Effort (Days)
Material Systems					
Core Assurance - Key Financial System *					
Payroll	ANA - High	* A rolling programme of audits is adopted for material systems whereby although the planned days are likely to remain stable each year, the work programmes may differ, with each audit having varying amounts of system review, testing or a combination of the two. This approach enables us to deliver a more cost-effective service, whilst providing sufficient assurance as to the adequacy of the Authority's material system control environment.	Sample testing	Q2	19
Debtors / Debt Recovery	ANA - Medium		Walkthrough / sample testing	Q4	15
Bank Reconciliation	ANA - Medium		Sample testing	Q3	8
Finest System administration	ANA - Low		Walkthrough	Q4	9
Creditors	ANA - Medium		Sample testing	Q4	15
Fixed Asset Register	ANA - Low		Sample testing	Q3	7
Income Collection	ANA - Medium		Walkthrough / sample testing	Q3	12
Treasury Management	ANA - Low		Sample testing	Q2	8
Main Accounting System	ANA - Medium		Walkthrough / sample testing	Q4	12
Advice, planning, monitoring and performance reporting				Q1-4	5
Corporate					
Finance - New Payments Gateway	ANA - Low; client request	Input including in relation to control considerations as the project progresses from the procurement to the development through to implementation stages.		Q1-4	15

Risk Area / Audit Entity	Risk / Audit Needs Assessment (ANA) – an assessment of the priority of the planned review	Proposed Audit Work / Scope	Proposed Timings (Quarter)	Estimated Audit Effort (Days)
Finance - Construction Industry Scheme	ANA - Low; client request	Review operation of the scheme, included at the request of the VAT team. More detailed scope to be determined nearer the time.	Q1 or 2	10
Finance - Tax Compliance Forum	ANA - Medium; client request	Input to Forum and contingency to allow for projects that arise from meetings. Agreed as a result of HMRC visit October 2014 and changes to their auditing of tax.	Q1-4	5
Finance - Usage of new Budget Monitoring System	ANA - Medium; client request	Review of usage of new Collaborative Planning system. More detailed scope to be determined nearer the time.	Q1 or 2	10
Finance - Accounting for VAT (People)	ANA - Medium; client request	Review partnership working processes and practices, in regard to financial arrangements for accounting for VAT, in respect of partnerships within the People service area (further to a 2016-17 audit which was largely focused on Place service area partnerships). Audit included at the request of the DCC Tax Compliance Group.	Q2	15
HR - Mini temp banks operating outside of HR	ANA - Medium; client request	Review on whether services outside of HR One who run their own 'temp banks' are complying with corporate requirements and relevant legislation. More detailed scope to be determined nearer the time.	Q1 or 2	10
HR - Off Payroll working	ORR ANA - Low; client request	Application of regulations /guidance relating to off-payroll workers which it is understood is due to come into effect in April 2017. Including tax implications thereof.	Q3 or 4	10
HR - New recruitment process	ANA - Low; client request	Review of the new 'systems thinking' recruitment process once embedded. This audit is requested to test/provide assurance in relation to new processes implemented.	Q2 or 3	10
HR - New electronic leaver process	ANA - Low; client request	Review of the new electronic leaver process once embedded. This audit is requested to test/provide assurance in relation to new processes implemented.	Q2 or 3	10
HR - Redundancy / exit cap changes	ANA - Low; client request	Review application of government framework relating to exit cap changes and 'clawback' of redundancy compensation where applicable. Including tax implications thereof.	Q3 or 4	10

Risk Area / Audit Entity	Risk / Audit Needs Assessment (ANA) – an assessment of the priority of the planned review	Proposed Audit Work / Scope	Proposed Timings (Quarter)	Estimated Audit Effort (Days)
HR - Consultants / Interims and employment status	ORR ANA - Medium; client request	Further to the 2016-17 audit follow-up. A more detailed scope to be determined nearer the time.	Q2	10
HR - New HRMS	ORR ANA - High; client request	Input including in relation to control considerations as the project progresses from the procurement to the development through to implementation stages.	Q1-4	20
HR - DBS Update Service	ORR ANA - Medium; client request	Review application of the Disclosure and Barring Service (DBS) process, taking account the changes for people who have signed up to the update service.	Q3	10
Payroll - Teachers Pension Return	ANA - Medium; client request	Support Payroll team in preparation for certification by GT.	Q3 or 4	5
Payroll - Apprenticeship Levy	ANA - Low; client request	Application of regulations and guidance relating to payment of an apprenticeship levy, which it is understood is due to come into effect in April 2017 where applicable. Including tax implications thereof.	Q4	10
Payroll - Online Adjustments (Earlier Year Updates)	ANA - Medium; client request	Review of the new 'streamlined' process relating to on-line Payroll adjustments which incorporates a check of Earlier Year Updates (EYU) data balances.	Q3 or 4	10
Ethics & Culture	ANA - Medium	Scope to be determined.	Q1	10
Advice, planning, monitoring and performance reporting			Q1-4	13

Adult Care and Health

Adult Care Operations and Health

Risk Area / Audit Entity	Risk / Audit Needs Assessment (ANA)	Proposed Audit Work / Scope	Proposed Timings (Quarter)	Estimated Audit Effort (Days)
Safeguarding	ANA - Medium: client request	To assure changes to safeguarding process and practice in the safeguarding and wider care management function have been successfully implemented: • Have we implemented everything from the independent	Q1	15

Risk Area / Audit Entity	Risk / Audit Needs Assessment (ANA) – an assessment of the priority of the planned review	Proposed Audit Work / Scope	Proposed Timings (Quarter)	Estimated Audit Effort (Days)
		report by David Taylor? • Are we compliant with 'Making Safeguarding Personal'?		
Practice Quality Review	ANA - Low; client request	To assure that the Practice Quality Review process is embedded and having an impact: • Are managers and staff complying with Practice Quality Review? • Are the right practice standards being assessed? • Is the assessment of managers consistent? • Is feedback given to individuals? • Are lessons learned leading informing senior management decision making?	Q1	15
Forecasting future spend on adult social care for cases in transition	ANA - Low; client request	To assure that the future impact of cases in transition from Children's Services is quantified, accurately built into financial planning and monitoring processes. • Are cases in transition identified and communicated early enough? • Is their potential future financial impact quantified? • Does this inform financial planning? • Does this inform financial monitoring? To include any relevant learning from Plymouth and Torbay. This should inform the subsequent audit of implementation of the 'Preparing for Adulthood' strategy.	Q1	15
Preparing for Adulthood Strategy	ANA - Low; client request	To assure that the 'Preparing for Adulthood' strategy and action plan are being implemented: • Does the new SEND strategy incorporate 'promoting independence' and 'preparing for adulthood' as priorities? • Is practice in Children's Services changing accordingly? • Is practice in Adult Services changing accordingly?	Q2-3	15

Risk Area / Audit Entity	Risk / Audit Needs Assessment (ANA) – an assessment of the priority of the planned review	Proposed Audit Work / Scope	Proposed Timings (Quarter)	Estimated Audit Effort (Days)
		Is the transition from Children's Services to Adult Services better managed?		
Services for people with sensory disabilities	ANA - Medium: client request	To assure that current arrangements for meeting the needs of people with sensory disabilities are fit for the future: • What are the arrangements for the care management of and provision of support to people with sensory disabilities? • How do these work if people have sensory disabilities and other needs? • Does it achieve good outcomes? Is spend on the service proportionate to population need and equitable compared with other client groups?	Q2-3	10
Promoting Independence	ANA - Low; client request	To assure that 'promoting independence' is a whole council initiative: • Has the council's 'promoting independence' policy informed the strategy and planning of all relevant parts of the council: health and care, public health, communities, communications? • Does the council's 'promoting independence' strategy articulate how the whole council and its partners should put this policy into practice? Is the strategy being successfully implemented through the 'promoting independence' programme?	Q2-3	10
Independent Reviews	ANA - Low; client request	To assure that the business case for investing in external case review capacity is sound in practice: • Was the business case the procurement was based on reasonable? • Did the procurement process lead to a solution that met the requirement laid out in the business case? • Did the external review capacity undertake the required number of reviews?	Q3-4	10

Risk Area / Audit Entity	Risk / Audit Needs Assessment (ANA) – an assessment of the priority of the planned review	Proposed Audit Work / Scope	Proposed Timings (Quarter)	Estimated Audit Effort (Days)
		• Were those reviews undertaken to the specified practice standards? • Did those reviews lead to the envisaged financial benefits? Is there a business case for extending the arrangement?		
Spend on individuals	ANA - Medium; client request	To assure that the authority knows who it serves and what it spends on them individually and in aggregate? • Is the relationship between people and service agreements on the authority's care management system sound? • Are practitioners working with people aware of the service level agreements applying to that person and considering all services received in review? • Is the authority's financial and performance monitoring clear in differentiating people and service level agreements and specifying which it is reporting on? Is there any duplication of service level agreements for different service types (eg. direct payments and individualised support) meeting the same need?	Q4	10
Adult Commissioning and Health				
Outcomes Based Commissioning of Personal Care	ANA - High; client request	To assure that there is a business case for the introduction of outcomes-based commissioning through the Living Well at Home contract for the provision of domiciliary care: • Is there an evidence-based business case? • Is the relationship with lead providers enabling of this business case? Is the business case being delivered in practice?	Q2-3	15
Recommissioning of Residential and Nursing Care	ANA - Medium; client request	To assure that the recommissioning of residential and nursing care for older people will have a beneficial impact on sufficiency, quality and	Q1-2	10

Risk Area / Audit Entity	Risk / Audit Needs Assessment (ANA) – an assessment of the priority of the planned review	Proposed Audit Work / Scope	Proposed Timings (Quarter)	Estimated Audit Effort (Days)
		activity/cost/spend: • Has an options analysis been undertaken that considers all options? • Is it based on evidence from other authorities? • If a dependency tool approach is taken is it aligned with tools used in care management and by providers? • Does it increase or decrease risks regarding sufficiency, quality and cost? • Does it enable outcomes-based commissioning of residential/nursing care?		
Recommissioning of unregulated care through the Supporting Independence procurement	ANA - Low; client request	To assure that the recommissioning of unregulated care will have a beneficial impact on sufficiency, quality and activity/cost/spend: • Is the scope clear, with unregulated care being less easily defined than regulated care? • Has an options analysis been undertaken that considers all options? • Is it based on evidence from other authorities? • If a dependency tool approach is taken is it aligned with tools used in care management and by providers? • Does it increase or decrease risks regarding sufficiency, quality and cost? Does it enable outcomes-based commissioning of residential/nursing care?	Q1	10
Caring Well at Home procurement	ANA - Low; client request	To assure that the recommissioning of unregulated care will have a beneficial impact on sufficiency, quality and activity/cost/spend: • Is the tender and evaluation process well structured? • Will the outcome increase or decrease risks regarding sufficiency, quality and cost?	Q1-2	10

Risk Area / Audit Entity	Risk / Audit Needs Assessment (ANA) – an assessment of the priority of the planned review	Proposed Audit Work / Scope	Proposed Timings (Quarter)	Estimated Audit Effort (Days)
		• Will the outcome embed a Promoting Independence approach for carers, improving strengths-based practice in the provider and related care management functions?		
Short Term Interventions	ORR TG30 ANA - Medium; client request	To assure that our plans to better integrate our short-term interventions offer with the NHS and improve access pathways and triage are coherent across the county while being sensitive to partner and place and will have the desired impact of extending their reach and effectiveness: • Are there plans in place locally and do they cohere across the county? • Are they being implemented to plan? • Will they lead to an improved offer and improved pathways and triage to ensure the right person receives the right intervention at the right time to maximise their independence? • Are they available to all people who would benefit, not just those discharged from hospital or referred by the NHS? • Will they reach more people? Will they be more effective at keeping people out of hospital and minimising their reliance on longer-term services?	Q4	10
Assistive Technology	ANA - Medium; client request	To assure that we are taking the opportunities offered by the new DILIS contract by making better use of assistive technology to find cost-effective solutions to people's needs: • Is the implementation of the DILIS contract realising its potential benefits? • Are we changing our practice to make better use of assistive technology solutions? Is this instead of rather than complementary to other solutions?	Q2-3	10

Risk Area / Audit Entity	Risk / Audit Needs Assessment (ANA) – an assessment of the priority of the planned review	Proposed Audit Work / Scope	Proposed Timings (Quarter)	Estimated Audit Effort (Days)
Management Information	ANA - Low; client request	To assure the quality of data used in statutory returns and other key management information products is sufficient to enable insights to be gained by comparing between authorities and over time: • Does our not collecting information on every contact limit our understanding of flow through the system through the SALT return? • Does our recording of short-term services enable us to monitor their reach and effectiveness through the SALT return? • Does our current accounting structure enable us to complete the ASC-FR return accurately? • Does our recording practice enable us to track sequences of events? Does our recording practice enable us to manage the risks associated with market sufficiency challenges in personal or residential/nursing care?	Q1	10
Adult Care and Health: Advice, planning, monitoring and performance reporting			Q1-4	10
Children's Services				
Children's Social Care				
Children Asylum Seekers	ANA - Medium; client request	Devon will be taking in more children asylum seekers over the next few years. Already taken around 8/10 in recent months. Best practice and arrangements are emerging in Devon. Look at the practices and see if effective. Also review how we deal with outside agencies. Do we have good levels of communication with outside agencies/key contacts such as the NHS.	Q4	10

Risk Area / Audit Entity	Risk / Audit Needs Assessment (ANA) – an assessment of the priority of the planned review	Proposed Audit Work / Scope	Proposed Timings (Quarter)	Estimated Audit Effort (Days)
Homelessness in 16/17 year olds	ANA - Low; client request	New protocols being implemented with district councils to tackle homelessness for 16/17 year olds. Review the protocols and practices. Is the guidance working; are practices compliant with legislation (National Legislation).	Q2	10
Legal Care Proceedings (Possible joint audit with Plymouth and Torbay)	ANA - Medium; client request	Legal Care proceedings in child protection cases. The rate of care proceedings in Devon is around double the national average; any reasons why? What is the process, does it comply with quality standards; legislation and regulations. Include role of council's legal service and assess for quality of service.	Q1	15
Placement Stability	ANA - Medium; client request	Looked after children placement stability – review data on children in terms of placements. Are they being moved too often and are they being placed too far away from family and friends. What protocols/practices are in place to ensure placements are monitored and careful consideration is taken before moving a child. Any approval processes? Note what things are considered if thinking of moving a child. Is it enough? Is support put into place prior to the move to make it easier for the child.	Q1	15
Preventing adolescents from coming into care	ANA - Medium; client request	Pilot scheme in North Devon looking at preventing teenagers/adolescents coming into care for the first time. Using North Devon as pilot due to higher rates of adolescents coming into care. Aim is to create different worker roles to provide more varied hours and thus more available staff. Review and document rates of adolescents coming into care throughout the county to see if any other hot spots requiring more prompt attention.	Q3	10
Education and Learning				

Risk Area / Audit Entity	Risk / Audit Needs Assessment (ANA) – an assessment of the priority of the planned review	Proposed Audit Work / Scope	Proposed Timings (Quarter)	Estimated Audit Effort (Days)
SEN - High Needs Funding	ANA - Medium; client request	Scope to be determined.	Q	20
Children's Services: Advice, planning, monitoring and performance reporting			Q1-4	10
Communities, Public Health, Environment and Prosperity				
Domestic Homicide Reviews	ANA - Medium; client request	Statutory Duty. Multi Agency Statutory Guidance issued December 2016. The Community Safety Partnership (CSP) takes responsibility for conducting review.	Q3	10
Channel & Prevent	ANA - Medium; client request	Approach to Channel and Prevent; statutory work around counter terrorism and extremism.	Q4	10
Public Health - Core Offer	ANA - Low; client request	The Public Health Team have a mandated duty to provide healthcare public health support to CCG's to support the wider commissioning agenda. These are known as core offers. Our review will examine how the provision of core offers has changed since new legislation in 2013 moved the Public Health functions to LA's; ensure core offers are embedded and that access to core offers is timely, at the right level and there is sufficient access.	Q	8
Young People's Substance Misuse Service	ANA - Medium; client request	Review of spend and its cost effectiveness within Young People's substance misuse service. To inform the commissioning plan for the 2018/19 Public Health grant.	Q	10
TCS	ANA - Medium; client request	Scope to be determined.	Q2	10
Total Transport	ANA - High; client request	Scope to be determined.	Q1	17
Learn Devon - Enrolment Process	ANA - Medium; client request	Examine the enrolment process from the three possible entry points 1. Enrolling through the website 2. Enrolling by phone	Q1	10

Risk Area / Audit Entity	Risk / Audit Needs Assessment (ANA) – an assessment of the priority of the planned review	Proposed Audit Work / Scope	Proposed Timings (Quarter)	Estimated Audit Effort (Days)
		3. Enrolling at a centre To follow the data journey through to the point of the ILR return (Individual Learner Returns - Information about learner data which must be collected and returned in the funding year).		
Careers South West	ANA - Low; client request	Scope to be determined	Q	10
Management of Industrial Estate Portfolio	ANA - Medium; client request	Scope to be determined.	Q	10
CoPHEP: Advice, planning, monitoring and performance reporting			Q1-4	10
Digital Transformation and Business Support				
Service Strategy	ANA - High	To continue to monitor progress against the 2014/15 ICT Strategy Report, superseding where appropriate. To measure progress or fit with the evolving strategy and service delivery model.	Q3-4	8
Service Transition (Change Management)	ANA - Medium	To review transition processes and activities that are not as mature as the now embedded Change Management process.	Q2-3	10
Service Operation - Processes (Incident & Problem)	ANA - High	Use of IDEA to interrogate incident records for patterns and potentially missed 'problems'.	Q1	7
Service Operation - Function	ANA - High	To review operational functions processes that are common to all key financial systems.	Q3-4	12
Cyber Security	ANA - Critical	Programme based on Government Cyber essentials Scheme. Potential to conduct subsequent reviews based on the 'Ten Steps' to include wider and non-technical aspects of cyber security.	Q3-4	8
CareFirst / Eclipse - Social Care Business Systems	ANA - Critical; client request	To provide assurance that changing social care business systems are secure and fulfil business requirements. Themes / considerations - CareFirst to hosted service and implementation of OLM 'Eclipse'; Mobile Working; Health Integration; Data Integrity; Data Security;	Q1-4	12

Risk Area / Audit Entity	Risk / Audit Needs Assessment (ANA) – an assessment of the priority of the planned review	Proposed Audit Work / Scope	Proposed Timings (Quarter)	Estimated Audit Effort (Days)
		EDPR.		
Procurement: Contract Management strategy and process.	ANA - High; client request	Holistic type audit; DCC wide. Significantly important, high risk, high profile contracts.	Q2-3	15
Procurement: Resilience of significant / strategic suppliers to ensure service provision in face of Public Sector cuts.	ANA - High; client request	Scope to be determined.	Q1	10
Procurement: Governance protocols in relation to contract award procedures and contract lifecycle.	ANA - High; client request	Review governance protocols; anti-fraud / corruption measures, organised crime, governance and scrutiny.	Q3	10
Advice, planning, monitoring and performance reporting			Q1-4	10

Highways, Infrastructure Development and Waste

Risk Area / Audit Entity	Risk / Audit Needs Assessment (ANA) – an assessment of the priority of the planned review	Proposed Audit Work / Scope	Proposed Timings (Quarter)	Estimated Audit Effort (Days)
Exeter EFW Plant	ANA - Medium; client request	£7m / annum contract. Audit review required of the annual reconciliation payment made to Viridor and how this is done. Currently leading towards dispute regarding this. Audit view required upon the information Viridor have provided or not provided. Already received Legal and financial advice. Audit view needed on what put forward.	Q1	8
Shared Savings (Waste)	ORR ANA - Medium; client request	Districts reliant on DCC. Open to Audit - share disposal costs with Districts, incentive to work with DCC. Spreadsheet costs compared to what should be.	Q2	6
Infrastructure	ANA - Critical; client request	Significant overspend on construction projects. Have external BSI audit. Big chunky schemes - is it inadequate design, mistakes, technical competence. Possible type of contract and way administer this. External parties and behaviours. GEN 3 Route - Hampshire CC framework shared with other local authorities. Choice of contract used.	Q	10

Risk Area / Audit Entity	Risk / Audit Needs Assessment (ANA) – an assessment of the priority of the planned review	Proposed Audit Work / Scope	Proposed Timings (Quarter)	Estimated Audit Effort (Days)
Highways	ANA - Critical; client request	New highways contract. Contractor share mechanism. Assurance required. Target price principles set. How we sort this out. Open book accounting. Similar involvement with SWH contract. Target cost route.	Q	10
Civil Parking Enforcement	ANA - Medium; client request	Front line service, performing well in terms of efficiency, the remit being highly emotive and can be subject to complaints from individuals, some with valid concerns and others simply seeking to overturn a valid Penalty Charge Notice. Are we missing subtleties re staff behaviours? Are complaints dealt with to Corporate standards? Does the culture of the service align with wider DCC priorities?	Q1	8
Failure to maintain C class and unclassified roads effectively	CRR HTM1 ANA - Medium; client request	Backlog - failure to maintain. Are we doing all we can against reduction in maintenance in highway infrastructure.	Q	8
Collaboration with Others	ANA - Low; client request	Internal (to DCC). Schemes promoted - have impact on the authority. ie new bridge - maintenance costs ongoing. Should we be doing this?	Q	8
Footway Maintenance	ANA - Medium; client request	Are sufficient monies being spent upon this? Downside of lack of maintenance - slips / trips / falls, leading to social care requirement, hospitalisation.	Q	8
Advice, planning, monitoring and performance reporting			Q1-4	10
Grants				
Active Devon	n/a	Grant determination requires independent certification of expenditure by Internal Audit.	Q1	5
Bus Subsidy	n/a	Grant determination requires independent certification of expenditure by Internal Audit.	Q2	2
Careers and Enterprise	n/a	Grant determination requires independent certification of expenditure by Internal Audit.	Q2	5

Risk Area / Audit Entity	Risk / Audit Needs Assessment (ANA) – an assessment of the priority of the planned review	Proposed Audit Work / Scope	Proposed Timings (Quarter)	Estimated Audit Effort (Days)
Disabled Facilities Grant	n/a	Grant determination requires independent certification of expenditure by Internal Audit.	Q2	2
Local Growth Fund	n/a	Grant determination requires independent certification of expenditure by Internal Audit.	Q1	5
Local Transport Capital Block Funding	n/a	Grant determination requires independent certification of expenditure by Internal Audit.	Q2	2
Skills Funding Agency	n/a	Grant determination requires independent certification of expenditure by Internal Audit.	Q2	8
Troubled Families Programme	n/a	Grant determination requires independent certification of expenditure by Internal Audit.	Q1-4	10
Grants: Advice, planning, monitoring and performance reporting			Q1-4	5
Other Chargeable Activities (not incorporated above)				
Corporate Governance	n/a	Support for Audit Committee, annual follow up for Audit Committee, corporate governance, internal audit standards, customer service excellence, audit development, liaison with external audit etc	Q1-4	55

Fraud Prevention and Detection and Internal Audit Governance

Fraud Prevention and Detection and the National Fraud Initiative

Counter-fraud arrangements are a high priority for the Council and assist in the protection of public funds and accountability. Internal Audit will continue to investigate instances of potential fraud and irregularities referred to it by managers, and will also carry out pro-active anti-fraud and corruption testing of systems considered to be most at risk to fraud. In recognition of the guidance in the Fraud Strategy for Local Government "Fighting Fraud Locally" and the TEICCAF (The European Institute for Combatting Crime and Fraud) publication "Protecting the English Public Purse 2016". Internal Audit resources will be allocated to allow a focus on identifying and preventing fraud before it happens. Nationally these areas include Procurement, Payroll, Blue Badges, Direct Payments and Pensions.

The Cabinet Office runs a national data matching exercise (National Fraud Initiative - NFI) every two years. Work on the 2016/17 exercise has already commenced with resulting data matches available from early 2017. We will work with Council departments to ensure that the matches are reviewed and action taken as may be necessary.

Internal Audit Governance

An element of our work is classified as "other chargeable activities" – this is work that ensures effective and efficient audit services are provided to the Council and the internal audit function continues to meet statutory responsibilities. In some instances this work will result in a direct output (i.e. an audit report) but in other circumstances the output may simply be advice or guidance. Some of the areas that this may cover include:-

- Preparing the internal audit plan and monitoring implementation;
- Preparing and presenting monitoring reports to Senior Management and the Audit Committee;
- Assistance with the Annual Governance Statement;
- Liaison with other inspection bodies (e.g. External Audit, Audit South West);
- Corporate Governance - Over recent years Internal Audit has become increasingly involved in several corporate governance and strategic issues, and this involvement is anticipated to continue during the year;
- On-going development within the Partnership to realise greater efficiencies in the future.

Partnership working with other auditors

We will continue to work towards the development of effective partnership working arrangements between ourselves and other audit agencies where appropriate and beneficial. We will participate in a range of internal audit networks, both locally and nationally which provide for a beneficial exchange of information and practices. This often improves the effectiveness and efficiency of the audit process, through avoidance of instances of "re-inventing the wheel" in new areas of work which have been covered in other authorities.

We have developed sound working arrangements with Grant Thornton, the authority's external auditors and have regular liaison meetings to understanding their requirements and to provide the information they require, maximising the benefits of close working. We have also developed an effective working relationship with Audit South West (NHS Internal Audit) and anticipate more opportunities to work collaboratively together as integration between the Council and Health progresses.

Appendix 1 - Audit Framework

Internal Audit is a statutory service in the context of The Accounts and Audit (England) Regulations 2015, which state: "A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards (PSIAS) or guidance".

DAP, through external assessment, demonstrates that it meets the Public Sector Internal Audit Standards (PSIAS).

The Standards require that the Chief Audit Executive must "establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation's goals". When completing these plans, the Chief Audit Executive should take account of the organisation's risk management framework. The plan should be adjusted and reviewed, as necessary, in response to changes in the organisation's business, risk, operations, programs, systems and controls. The plan must take account of the requirement to produce an internal audit opinion and assurance framework.

This audit plan has been drawn up, therefore, to enable an opinion to be provided at the end of the year in accordance with the above requirements.

Devon Audit Partnership
Auditing for achievement
- **shared working across authorities**
- **in accordance with our internal audit charter**

We will seek opportunity for shared working across member authorities. In shared working Devon Audit Partnership will maximise the effectiveness of operations, sharing learning & best practice, helping each authority develop further to ensure that risk remains suitably managed.
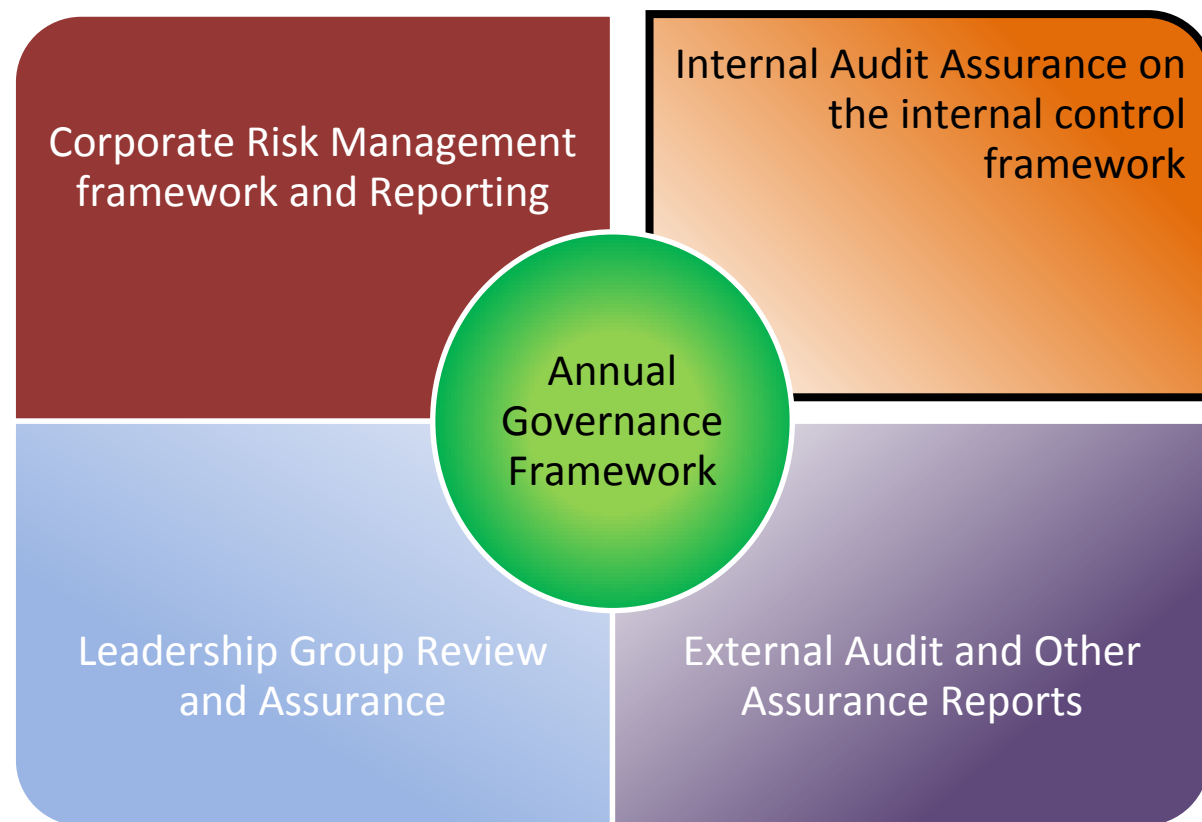
Appendix 2 - Annual Governance Framework Assurance

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 Leader of the Council;
- 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 is followed to ensure that the governance arrangements remain effective. This will include comment upon;
  - The Authority;
  - Audit Committee;
  - Risk Management;
  - Internal Audit
  - Other reviews / assurance
- Provide confirmation that the Authority complies with CIPFA recently revised International Framework – Good Governance in the Public Sector. If not, a statement is required stating how other arrangements provide the same level of assurance.

Corporate Risk Management framework and Reporting

Internal Audit Assurance on the internal control framework

Annual Governance Framework

Leadership Group Review and Assurance

External Audit and Other Assurance Reports

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

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

Appendix 3 - Audit Needs Assessment

We employ a risk based priority audit planning tool to identify those areas where audit resources can be most usefully targeted. This involves scoring a range of systems, services and functions across the whole Authority, known as the "Audit Universe" using a number of factors/criteria. The final score, or risk factor for each area, together with a priority ranking, then determines an initial schedule of priorities for audit attention.

The result is the Internal Audit Plan set out earlier in this report.
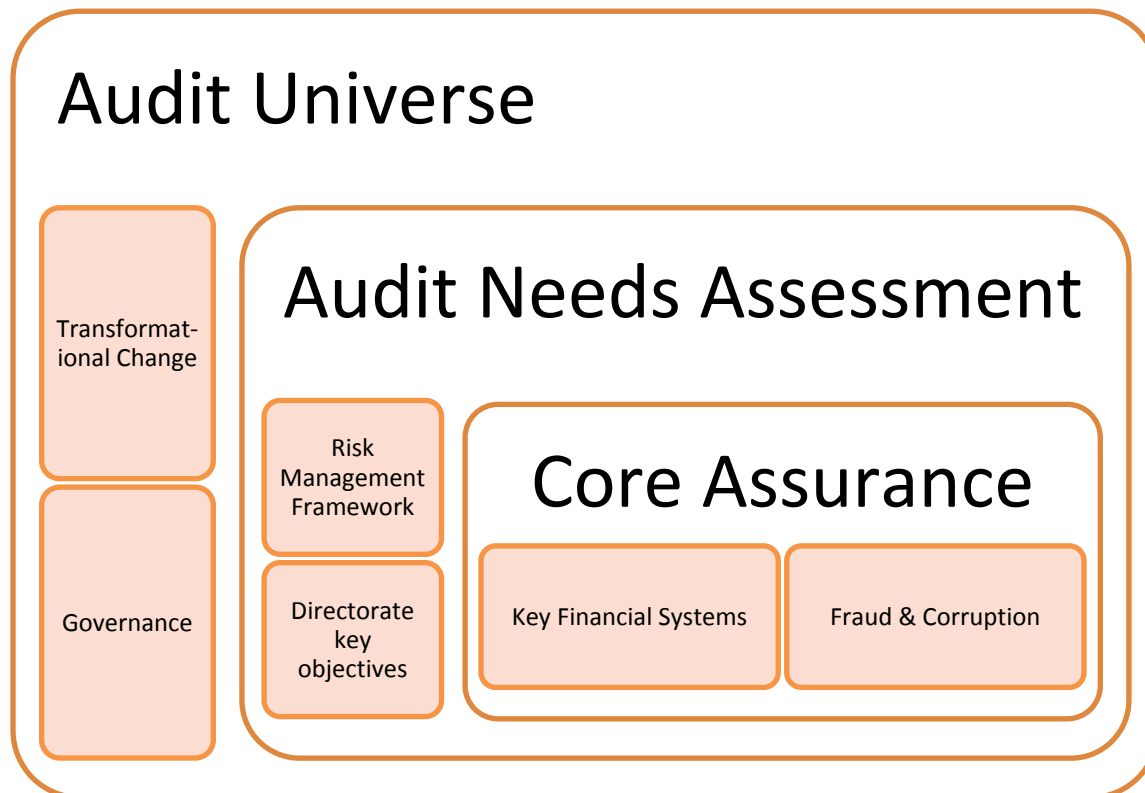
The audit plan for the year plan has been created by:

Consideration of risks identified in the Authority's strategic and operational risk registers

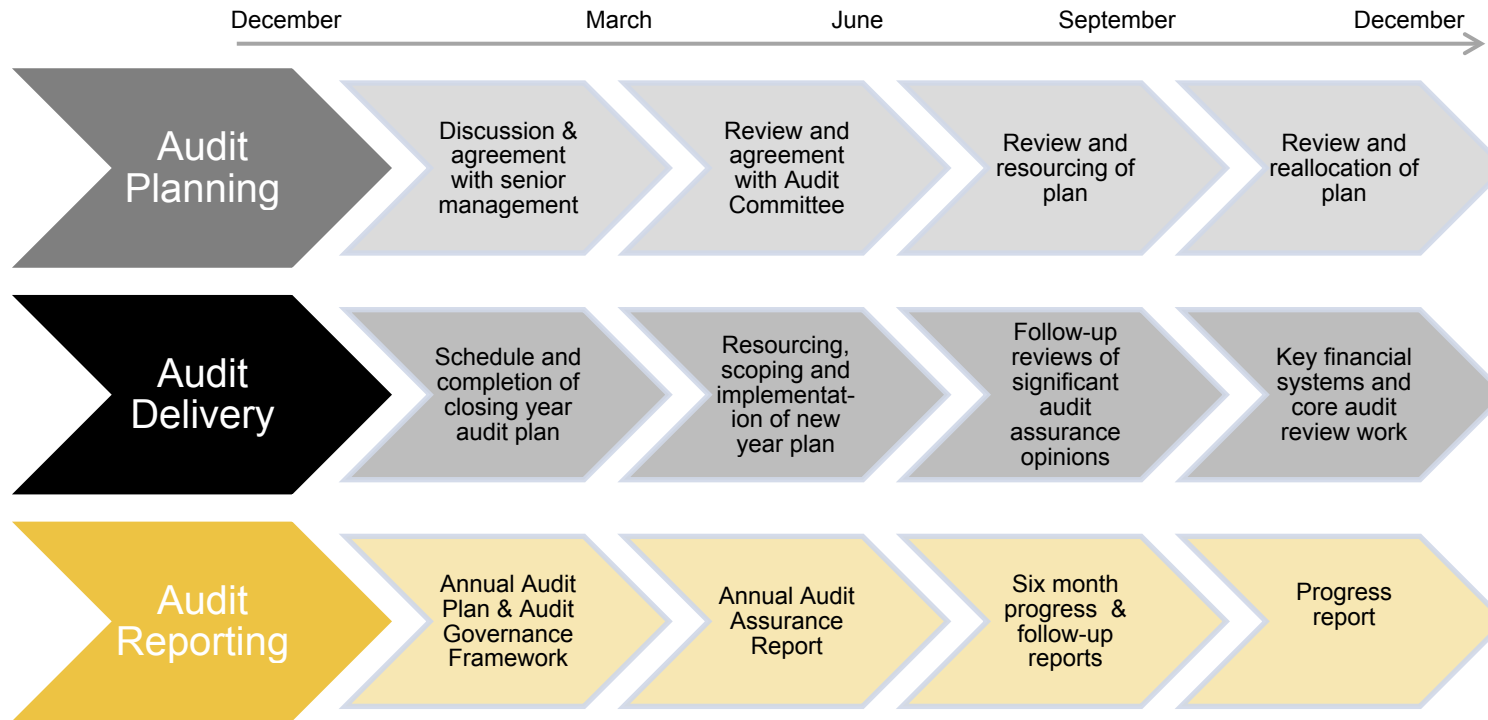**Review and update of the audit universe**

Discussions and liaison with Directors and Senior Officers regarding the risks which threaten the achievement of corporate or service objectives, including changes and / or the introduction of new systems, operations, programs, and corporate initiatives

Taking into account results of previous internal audit reviews

Taking into account Internal Audit's knowledge and experience of the risks facing the Authority, including factors and systems that are key to successful achievement of the Council's delivery plans

Requirements to provide a "collaborative audit" approach with the external auditors

Audit Universe

Transformational Change

Governance

Audit Needs Assessment

Risk Management Framework

Directorate key objectives

Core Assurance

Key Financial Systems

Fraud & Corruption

Appendix 4 - Our Audit Team and the Audit Delivery Cycle

Date	Activity
Dec / Jan 2017	Directorate planning meetings
March 2017	Internal Audit Plan presented to Audit Committee
	Internal Audit Governance Arrangements reviewed by Audit Committee
	Year end field work completed
Apr / May 2017	Annual Performance reports written
June 2017	Annual Internal Audit Report presented to Audit Committee
	Follow - up work of previous year's audit work commences
Sept 2017	Follow-up and progress reports presented to Audit Committee
Dec 2017	Six month progress reports presented to Audit Committee
	2018 Internal Audit Plan preparation commences

Robert Hutchins
Head of Audit Partnership
T 01392 383000
M 07814681196
E robert.hutchins@devonaudit.gov.uk

David Curnow
Deputy Head of Audit Partnership
T 01392 383000
M 07794201137
E david.curnow@devonaudit.gov.uk

Dominic Measures
Audit Manager - Specialist Services and Schools
T 01752 306722
E dominic.measures@devonaudit.gov.uk

Chris Elliott
Audit Manager - Devon County Council
T 01392 382416

E chris.elliott@devonaudit.gov.uk