



Audit Update Note

Future of Public Audit

Devon County Council



**Auditing for achievement**

## INTERNAL AUDIT UPDATE NOTE

The formal abolition of the Audit Commission took a further step on the 13th May with the announcement in the Queen's Speech of the Local Audit and Accountability Bill.

Ministers claim the Bill could save the public purse up to £1.2bn and increase the accountability of councils.

The main provisions in the draft Local Audit Bill are:

- The repeal of legislation setting up the Audit Commission (the Audit Commission Act 1998) and provision to transfer assets, liabilities and continuing functions to other bodies.
- A requirement on local public bodies to appoint an external and independent auditor on the advice of an independent auditor panel.
- The creation of a new regulatory framework for local public audit, whereby the Financial Reporting Council and professional accountancy bodies would regulate the provision of local public audit services.
- The transfer of responsibility for setting the high level Code of Audit Practice to the National Audit Office.
- Powers for the National Audit Office to undertake studies of thematic value for money issues relating to local government, and to access information needed to do so.

The draft local audit bill also includes consultation on who will operate the NFI in the future. The draft Bill transfers the Commission's current data-matching powers to the Secretary of State, who in practice will delegate them to the new operational owner of the National Fraud Initiative which will transfer to a new organisation. The National Fraud Authority, the Department for Work and Pensions and the Cabinet Office (ERG) have expressed an interest in taking on operational ownership of the National Fraud Initiative

Internal Audit Report

Internal Audit  
Annual Report

Devon County Council

2012-13

**Restricted**

# Auditing for achievement

## INTERNAL AUDIT ANNUAL REPORT 2012/13

### 1 INTRODUCTION

- 1.1 The Audit Committee, under its Terms of Reference contained in Devon County Council's Constitution, is required to consider the Chief Internal Auditor's annual report, to review and approve the Internal Audit programme, and to monitor the progress and performance of Internal Audit.
- 1.2 The Internal Audit plan for 2013/14 has already been presented and approved by the Audit Committee in March 2013. The following report and appendices set out the background to audit service provision; reviews work undertaken in 2012/13, and provides an opinion on the overall adequacy and effectiveness of the Authority's internal control environment.
- 1.3 The Accounts and Audit (Amendment) (England) Regulations 2006 introduced the requirement that all Authorities need to carry out an annual review of the effectiveness of their internal audit system, and need to incorporate the results of that review into their Annual Governance Statement (AGS), published with the annual Statement of Accounts.

### 2 BACKGROUND

#### 2.1 *Service Provision*

- 2.1.1 The Internal Audit (IA) Service for Devon County Council is delivered by the Devon Audit Partnership (DAP). This is a shared service arrangement between Devon County Council, Torbay Council and Plymouth City Council constituted under section 20 of the Local Government Act 2000. The Partnership undertakes an objective programme of audits to ensure that there are sound and adequate internal controls in place across the whole of the Council. It also ensures that the Council's assets and interests are accounted for and safeguarded from error, fraud, waste, poor value for money or other losses.

#### 2.2 *Regulatory Role*

- 2.2.1 There are two principal pieces of legislation that impact upon internal audit in local authorities:
  - **Section 6 of the Accounts and Audit Regulations (England) Regulations 2011** which states that ".....a relevant body must undertake an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control ....."
  - ".....a larger relevant body must, at least once in each year, conduct a review of the effectiveness of its internal audit ....."
  - **Section 151 of the Local Government Act 1972**, which requires every local authority to make arrangements for the proper administration of its financial affairs.
- 2.2.2 There are also professional guidelines which govern the scope, standards and conduct of Internal Audit, including CIPFA's Code of Practice for Internal Audit in Local Government and the Institute of Internal Auditors' Standards and Guidelines.

- 2.2.3 In addition, Internal Audit is governed by policies, procedures, rules and regulations established by the Authority. These include standing orders, schemes of delegation, financial regulations, conditions of service, anti-fraud and corruption strategies, fraud prevention procedures and codes of conduct, amongst others.
- 2.2.4 The Internal Audit Strategy sets out how the service will be provided and the Internal Audit Charter describes the purpose, authority and principal responsibilities of the audit function.

### **3 OBJECTIVES AND SCOPE**

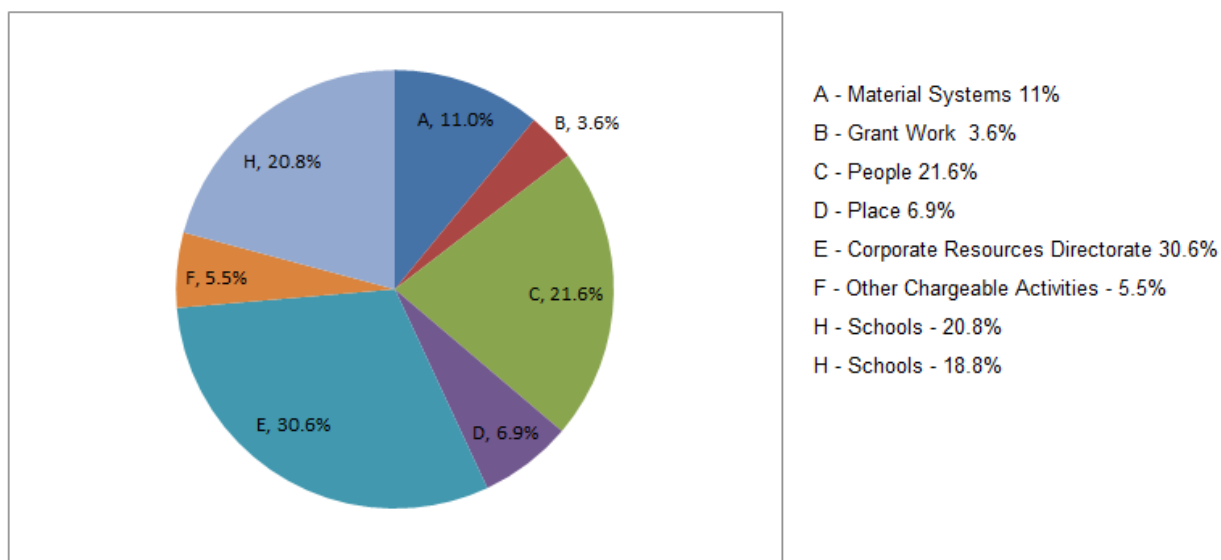
- 3.1 This report compares the work carried out with the work that was planned; presents a summary of the audit work undertaken; includes an opinion on the adequacy and effectiveness of the Authority's internal control environment; and summarises the performance of the Internal Audit function against its performance measures and other criteria. The report outlines the level of assurance that we are able to provide, based on the internal audit work completed during the year. It gives:
- a comparison of internal audit activity during the year with that planned, placed in the context of internal audit need;
  - a summary of significant fraud and irregularity investigations carried out during the year and anti-fraud arrangements; and
  - a statement on the effectiveness of the system of internal control in meeting the Council's objectives.
- 3.2. The Chief Internal Auditor is required to provide the Council with an assurance on the adequacy and effectiveness of its accounting records and its system of internal control in the Council. In giving our opinion, it should be noted that this assurance can never be absolute. The most that the internal audit service can do is to provide reasonable assurance, based on risk-based reviews and sample testing, that there are no major weaknesses in the system of control. In assessing the level of assurance to be given the following have been taken into account:
- all audits completed during 2012/13, including those audits carried forward from 2011/12;
  - any follow up action taken in respect of audits from previous periods;
  - any significant recommendations not accepted by management and the consequent risks;
  - the quality of internal audit's performance;
  - the proportion of the Council's audit need that has been covered to date;
  - the extent to which resource constraints may limit this ability to meet the full audit needs of the Council;
  - any limitations that may have been placed on the scope of internal audit.

## 4 INTERNAL AUDIT COVERAGE and RESULTS 2012/13

### 4.1 Delivery Against Plan

4.1.1 The pie chart below shows the breakdown of audit days delivered by service area / type of audit support provided.

Devon County Council - Analysis of Internal Audit Input 2012/13



4.1.2 Appendix 1 shows the actual days of audit delivery in 2012/13 against the audit plan. It will be noticed that there was a small shortfall in the total number of audit days provided during the year; we provided 2,127 days (including audits at Devon schools) against a plan of 2,148 days. When we prepare our plans we make an educated assessment of the number of days that an audit is likely to take. When the fieldwork is actually completed there is inevitably a variance from the planned days. In addition we provide an allowance for work on areas such as fraud and corruption; in some years the requirement will exceed the planned budget and in others the need for our resource will be less than planned. It should also be noted that some audits required a richer mix of staff resource due to the complexity / sensitivity of the area under review. In such instances we expect that a more senior officer will be able to complete the review in less time than a junior and also the need for managerial review of working papers will be less.

4.1.3 Appendix 2 to this report provides a summary of the audits undertaken during 2012/13, along with our assurance opinion. Where a “high” or “good” standard of audit opinion has been provided we can confirm that, overall, sound controls are in place to mitigate exposure to risks identified; where an opinion of “improvement required” has been provided then issues were identified during the audit process that required attention. We have provided a summary of some of the key issues reported that are being addressed by management. It should be pointed out that we are content that management are appropriately addressing these issues.

### 4.2 Corporate Services

4.2.1 In our opinion, and based upon our audit work completed during the 2012/13 financial year and in previous years, we consider that adequate controls are in place to control operations

in this group of services. 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 and as appropriate, we shall undertake follow up work to ensure that the identified risks have been mitigated.

- 4.2.2 Good progress has been made against the plan. A small number of audits are in progress, however related audit work is substantially complete, and we will issue final assurance opinions for these areas in quarter 1 of 2013/14.
- 4.2.3 Based on audits completed and on indications from on-going work, we are able to report that material systems controls have been either been maintained, or improvements have been made to address previously identified weaknesses. Whilst a number of weaknesses exist, management are aware of these issues, and have either accepted the related risk, or are taking action to address them.
- 4.2.4 For audits relating to other operational departments of the Council, although a significant proportion are deemed to be 'good standard' or above, some improvement areas have been identified, and we will be monitoring the implementation of the agreed recommendations made over the coming financial year. In addition to these key areas, audits were undertaken of specific functions / elements and also a 'watching brief' was maintained, or direct advice provided, for a number of on-going projects.
- 4.2.5 From the audits completed to date, no significant concerns have been identified, and previous year's work found that the overall control environment was effective.
- 4.2.6 There has been an increase in requests for advice and consultancy which has affected completion of the planned work and has resulted in a number of audits being deferred until 2013/14; this has been with the agreement of management.
- 4.2.7 In consultation with the client amendments were made to the Corporate Services – HR section of the audit plan. These changes have been reflected within this report.
- 4.2.8 Irregularities - During 2012/13, Internal Audit have carried out, or assisted in a total of 17 new irregularity investigations within the Corporate Services Directorate. Analysis of the types of investigation and the number undertaken shows the following:-

<u>Issue</u>	<u>Number of Cases</u>
IT Misuse	10
Financial Irregularity	3
Theft	2
Employee Conduct	1
Poor Procedures	1

- 4.2.9 As can be seen from above, the majority of irregularity work has been in respect of suspected misuse of the Council's email and internet facilities. Audit has received requests from management asking for the email accounts and/or internet logs of employees to be examined. In all but one case, Audit have been able to provide management with reports evidencing usage together with our findings which have then been used in deciding whether to take further action against individuals.
- 4.2.10 Preparations for the 2012/13 NFI Data Matching Exercise commenced during the first half of this year, with data from pensions, creditor payments, salaries, blue badges, care homes and parking permits administered by the Authority, uploaded (via the secure upload portal) to the Audit Commission's NFI website in early October 2012. The exercise, which is run every two years by the Audit Commission, requires all councils to provide data for cross-

matching with information supplied by other organisations, such as the Department for Works and Pensions and the NHS, to identify potential cases of fraud and error.

4.2.11 The subsequent matching reports were received at the end of January and are currently being examined.

### **4.3 People Directorate**

4.3.1 In our opinion, and based upon our audit work completed during the 2012/13 financial year and in previous years, we consider that adequate controls are in place to control operations within People. Where weaknesses have been identified and recommendations made to strengthen controls, management have provided response to the recommendations reported. Where appropriate, we shall undertake follow up work to ensure that risks continue to be suitably controlled.

4.3.2 Very good progress has been made against the plan agreed with management for the 2012/13 financial year. We have been involved, and continue to be involved where necessary, with a number of critical projects for the People service area. Interim audit reports have been produced as work has progressed, and our findings and recommendations aimed at reducing risk and improving control have been discussed and agreed with management.

4.3.3 The audit of Fostering, in keeping with that of Adoption Services in the previous financial year, identified fundamental weaknesses in respect of IT based business systems. We concluded that a lack of IT equipment was preventing practitioners undertaking their work efficiently and effectively. We consider that changes to systems and procedures could result in considerable efficiencies being achieved.

4.3.4 The audit of the Chances Programme was commissioned part way through the 2012/13 financial year further to a review by Babcock LDP; audit were asked to review the current financial make-up of the service with the aim of reviewing cost recovery issues with schools using the service. Our findings found both programmes (Chances and Extended Chances) running at a loss with staff costs far exceeding the fees charged to schools. Comparison show current rates charged by both Chances programmes were significantly lower than those of DPLS. It was identified there was no robust clear rationale supporting the current fee structure.

4.3.5 Reviews of the Atkinson Unit and Daw Vale and possible concerns regarding practices in other establishments, led to the addition to the audit plan of further residential homes. As such, a total of seven further residential establishments were subject to audit review and report prior to financial year end.

4.3.6 In addition to audits undertaken as per the plan, advice and guidance has been provided to managers and staff at all levels within the People service area.

4.3.7 During 2012/13, Internal Audit have carried out, or assisted in a total of 16 new irregularity investigations within the People Directorate. Analysis of the types of investigation and the number undertaken shows the following:-

<u>Issue</u>	<u>Number of Cases</u>
Financial Irregularity	2
Employee Conduct	4
IT Misuse	4
Theft	6



4.3.8 The above include the alleged mis-claiming of Appendix E mileage, alleged time keeping/ recording irregularities, inappropriate behaviour of staff, alleged unauthorised amendment of records, as well as the alleged divulging of confidential information relating to an on-going conduct investigation. In addition, we were notified of a number of thefts involving equipment or small amounts of cash from various offices or establishments. In two cases the thefts were of jewellery belonging to clients.

#### **4.4 Place**

4.4.1 In our opinion, and based upon our audit work completed during the 2012/13 financial year to date and in previous years, we consider that adequate controls are in place to control operations within Place. Where weaknesses have been identified and recommendations made to strengthen controls, management have provided response to the recommendations reported. Where appropriate, we shall undertake follow up work to ensure that risks continue to be suitably controlled.

4.4.2 Overall, good progress has been made against the plan agreed for the Place Directorate for the 2012/13 financial year. Our work included involvement with various projects such as the VJV Partnership working group which was tasked with reviewing and updating the Highway Term Maintenance contract and initial discussions have been had with the Council's Project Manager regarding project governance surrounding the South Devon Link Road scheme. Internal Audit will continue to maintain a watching brief on progress with the construction.

4.4.3 No significant concerns have been identified from our work and management have responded positively to any recommendations for improvement.

4.4.4 Irregularities - During 2012/13, we have carried out an investigation into the events and processes that led to a ex-employee in the library service still receiving salary payments 14 months after leaving the Council. The investigation highlighted a number of control weaknesses within the leavers process and with budget monitoring and as a result of our work, a number of changes have been proposed and actioned.

4.4.5 In addition, we continue to provide management with advice on courses of action to take in cases of alleged irregularity including a case involving the accuracy of waste related tonnages at a recycling centre and alleged misuse of a highway maintenance vehicle.

#### **4.5 Special Investigations and Anti-Fraud Work**

4.5.1 Throughout the year, Internal Audit have been informed of instances of possible fraud or irregularities which have either led to advice being given to management on courses of action and improvements to controls, or auditors conducting formal investigations into the allegations.

4.5.2 The Whistleblowing Policy aims to encourage staff to raise any legitimate concerns they may have in relation to the Council's activities. This policy, which supports the Council's Anti Fraud and Corruption Policy, makes it clear that concerns can be raised without fear of reprisals.

4.5.4 Data matching investigation work associated with the 2012/13 National Fraud Initiative (NFI) exercise commenced in January 2013. The exercise, which is run every two years by the Audit Commission, requires all councils to provide data for cross-matching with information supplied by other organisations, such as the Department for Work and Pensions and the NHS, to identify potential cases of fraud and error.

## **4.6 Consultancy / Advice**

- 4.6.1 Internal Audit was consulted by all sections of the Authority on many and varied topics including, for example, document retention, tenders, financial procedures and good practice etc.
- 4.6.2 The pro-active involvement of Internal Audit in control issues relating to new systems and changes assists in protecting the Authority from loss, fraud and abuse. This early involvement is also intended to prevent unnecessary criticism when a formal audit review is undertaken and Departments are actively encouraged to seek advice at the outset of any changes.

## **4.7 Schools**

- 4.7.1 The original audit plan set for 2012/13 included an internal audit of 92 primary schools, 6 secondary schools and 4 special schools, however, as a result of either schools requesting deferment, them joining a federation, or conversion to academy, the number of planned schools has been reduced to 86 primary, 5 secondary and 3 special schools. Of this revised number, all schools were visited by 31 March 2013.
- 4.7.2 It continues to be a challenging time with the full implementation of the Schools Financial Value Standard (SFVS), academy school transfers, the creation of trust schools through the co-operative trust vehicle and the continuing national challenges that face maintained schools, their local authority through new initiatives and changes coming from the Department for Education (DfE).
- 4.7.3 We have made good progress in the delivery of our audit plan to schools and schools have again been very appreciative of the quality of our service. The requirements to meet the challenges through change to the SFVS are significant. We are focusing all of our effort to achieve the targets and support schools to the fullest of our ability.
- 4.7.4 Our overall opinion is one of Good Standard. In general, the systems and controls in schools mitigate the risks identified in many areas. However, there are risks exposed in key areas which reduce overall assurance.
- 4.7.5 The key matters arising from the audits are the:
- understanding of financial management by governors as evidenced by the requirements of the Standard
  - demonstrable financing of plans for raising standards and attainment;
  - income collection and banking;
  - petty cash, and,
  - inventories and asset management.
- 4.7.6 Recommendations have been made to reduce risks and in other areas, recommendations made serve to strengthen what are reasonably reliable procedures.
- 4.7.7 At year end Devon Local Authority should have received self-assessment returns against the SFVS from the maintained schools. However as at 31st March 2013, some signed returns had still not been submitted. We are in the process of chasing the remaining returns from those who had failed to submit a return by this date. The Head of Learning in conjunction with the County Treasurer will need to consider what remedial actions should be taken for the schools who failed to submit their return on time.

- 4.7.8 Based on the information available, the Partnership has completed the Chief Finance Officer Assurance Statement 2012-13 on behalf of the LA. This statement has to be signed by the County Treasurer and submitted to the DfE by 31 May 2013.
- 4.7.9 Other related audits and advice - The Partnership continues to attend the School Administrators / Bursars briefings and provide advice to individual schools, the Schools Funding Team, Babcock LDP Financial Consultants and Devon Governor Support on the Standard and general financial and administrative procedures.
- 4.7.10 Irregularities - One of the team gave evidence at a Teaching Agency professional conduct hearing held in Coventry in February 2013 in respect of a former Headteacher. The outcome of the hearing has been published on the Teaching Agency website and was very complimentary of the investigation carried out and stated that the auditor was a very credible witness. The outcome of the hearing was a lifetime disqualification order, prohibiting the former head from teaching practice.
- 4.7.11 The Partnership completed its investigation into the governance arrangements and financial management an Exeter School. There has been significant change in the senior leadership and governance where the Headteacher and Deputy both resigned as did the Chair of Governors. The school has now settled after the events. Our report was provided to the Police for investigation of possible criminal action. The report has also been passed to the Teaching Agency who are currently undertaking their own investigation which we are supporting

## 5. INTERNAL AUDIT PERFORMANCE

- 5.1.1 There are no national Performance Indicators in existence for Internal Audit, but the Partnership does monitor the following Local Performance Indicators LPI's:

<b>Local Performance Indicator (LPI)</b>	<b>2012/13</b>	<b>2012/13</b>
	<b>Target</b>	<b>Actual</b>
Percentage of Audit plan Commenced (Inc. Schools)	95%	97.75%
Percentage of Audit plan Completed (Inc. Schools)	90%	94.3%
Actual Audit Days as percentage of planned (Inc. Schools)	90%	99.7%
Percentage of fundamental / material systems reviewed annually	100%	100%
Percentage of chargeable time	65%	66.1%
Customer Satisfaction - % satisfied or very satisfied as per feedback forms	90%	94.5%
Draft Reports produced within target number of days (currently 15 days)	90%	79.7%
Final reports produced within target number of days (currently 10 days)	90%	86.4%
Average level of sickness absence (DAP as a whole)	2%	2.9%
Percentage of staff turnover (DAP as a whole)	5%	8.5% (3 people)
Out-turn within budget	Yes	Yes

- 5.1.2 Overall, performance against the indicators has been very good. We are aware that some of our draft and final reports were not issued to the customer within the agreed timeframes (15 working days for draft report and 10 working days for final report). We have identified areas where performance has been poor, and are working with our staff to ensure improvement is achieved.

- 5.1.3 It is very pleasing to see that customer satisfaction remains very high, which is much to the credit of the audit staff involved. The customer feedback is drawn from 50 customer survey forms that have been returned by our customer during the year.
- 5.1.4 During 2012/13 we completed a restructure exercise with the aim of reducing our costs by 10% in 2012/13 and a further 10% in 2013/14. We reduced our management team by three and restructured our operations to ensure that we can continue to deliver the high standard of work expected by our customers.

## **6. OVERALL INTERNAL AUDIT OPINION**

- 6.1.1 In carrying out systems and other reviews, Internal Audit assesses whether key, and other, controls are operating satisfactorily within the area under review, and an opinion on the adequacy of controls is provided to management as part of the audit report.
- 6.1.2 All final audit reports also include an action plan which identifies responsible officers, and target dates, to address control issues identified during a review. Implementation of action plans are reviewed during subsequent audits or as part of a specific follow-up process.
- 6.1.3 Directors have been provided with details of Internal Audit's opinion on each audit review carried out in 2012/13 to assist them with compilation of their individual annual governance assurance statements. If significant weaknesses have been identified in specific areas, these have been considered by the Authority in preparing its Annual Governance Statement which will be accompanying its published Statement of Accounts for 2012/13.
- 6.1.4 Overall, and based on work performed during 2012/13, Internal Audit is able to provide reasonable assurance on the adequacy and effectiveness of the Authority's internal control environment.

Robert Hutchins

Head of Devon Audit Partnership

**Devon County Council - Analysis of Revised Planned Days v Actual Audit Days 2012/13**

Area	Revised Planned Days	%	Actual Days	%
Material Systems	172	8%	233	11%
Grant Work	51	2%	76	4%
People	440	20%	460	22%
Place	200	9%	146	7%
Corporate Resources Directorate (inc Irregularity I	686	32%	651	31%
Other Chargeable Activities	140	7%	118	6%
Schools	459	21%	443	21%
Total for DCC including Schools	2148		2,127	

## Summary of Audit work completed and Audit Opinions

Corporate Services				
Audit Area	Year	Status	Assurance Opinion	Executive Summary
<b>Corporate Services - Finance - Material Systems</b>				
Bank Reconciliation	2012/13	Final	Good Standard	
Duplicate Payments	2012/13	Completed	Good Standard	
Income Allocation & Collection	2012/13	Final	Good Standard	
Debtors	2012/13	Final	Good Standard	
Main Accounting System	2012/13	In progress		The audit work is on-going and it is anticipated that the report will be issued and agreed in the first quarter of 2013/14. No issues of major concern have been identified from our fieldwork to date.
Routine Maintenance System (RMS)	2012/13	In progress		The audit work is on-going and it is anticipated that the report will be issued and agreed in the first quarter of 2013/14. No issues of major concern have been identified from our fieldwork to date.
Fixed Asset Register	2012/13	In progress		The audit work is on-going and it is anticipated that the report will be issued and agreed in the first quarter of 2013/14. No issues of major concern have been identified from our fieldwork to date.
Creditors	2012/13	In Progress		The audit work is on-going and it is anticipated that the report will be issued and agreed in the first quarter of 2013/14. No issues of major concern have been identified from our fieldwork to date.
Treasury Management	2012/13	Draft	Improvements Required	The scope of the audit has increased from previous audit activity to allow a consistent approach across the Devon Audit Partnership client groups, and enable the sharing of best practice. Whilst this provides an enhancement in the audit service provision, it has resulted in a larger number of recommendations than previously would have been the case.  Although an overall 'Improvements Required' opinion has been given, there are

				<p>areas where the processes and controls in place are deemed to be effective.</p> <p>We have identified issues with the investment placing process itself, in terms of recording the initial decision made and obtaining and checking confirmations from counter parties. We have also recommended that that a formal, approved list of those authorised to place an investment deal is produced.</p> <p>Although there are comprehensive Treasury Management Practice Schedules in place, there is no further procedural documentation setting out how day to day tasks should be performed.</p>
<b>Corporate Services - Finance - Other</b>				
VAT Claim	2012/13	Final	Good Standard	
Direct Debits	2012/13	Final	Good Standard	
ASH Debt Management System	2012/13	N/A	N/A	This audit was merged into the Debtors Audit (see above).
Lodged Purchase Cards	2012/13	In progress		The audit work is substantially complete, and it is anticipated that the report will be issued and agreed in the first quarter of 2013/14. No issues of major concern have been identified from our fieldwork to date.
Barclaycard	2012/13	Deferred	N/A	Agreed to be brought forward into the 2013/14 audit plan.
Financial Workforce Planning	2012/13	Cancelled	N/A	This audit was cancelled at the request of the client.
PLUSS	2012/13	Cancelled	N/A	This audit was cancelled at the request of the client.
<b>Corporate Services – Finance – Additional Work</b>				
Business Master – file corruption	2012/13	Final	High Standard	
CM2000 Project and interface with payroll	2012/13	In Progress		This is additional work to that originally agreed in the plan and relates to a new system which is being developed to process expenses and mileage claims for care workers. The system will directly interface with the Payroll System and thus this will be reviewed in more detail when this part of the system is ready for testing.

Corporate Services - Human Resources – Material System				
Payroll	2012/13	Draft	Improvements Required	<p>Although an overall 'improvements required' opinion has been given, most processes and controls in place are deemed to be effective. There are clear policies and procedures in place for all the key functions within the department, including recovery of overpayments; and all officers have been appropriately trained.</p> <p>Recommendations have been made in relation to disaster recovery and the ability to restore lost data, monitoring overpayment recovery and write-offs, and ensuring that leaver notifications from schools and colleges are submitted on time. In addition, the timetable for clearing suspense and controls accounts relating to the process of transferring payroll expenditure from PRISM to the main accounting system has not been adhered to this year.</p>
Corporate Services - Human Resources				
Auto Enrolment	2012/13	Completed	N/A	Project involvement in line with the Authority's requirement to commence auto enrolment under the Governments new pension legislation for February 2013. The initial stages of the project have now been completed and the Authority was ready to begin with new staff in February 2013. Further involvement in projects around auto enrolment will be as required by the organisation.
PRISM upgrade	2011/12	Draft	Good Standard	
Salary Overpayments	2012/13	In progress	N/A	This audit was merged into the Payroll audit (see above).
Real Time Information HMRC	2012/13	Deferred	N/A	Project involvement in line with the HMRC's new requirements for real time information on tax from April 2013. This was delayed at the request of the client as the HMRC moved the staging date to June 2013, and hence will be reviewed in the first quarter of 2013/14.
On line Pay Advices	2012/13	Deferred	N/A	This was delayed at the request of the client due to changes in project timescales. This will be reviewed in 2013/14 under the audit entitled Payroll – Benefits realisation of improvements to the Oracle Platform.
External Contracts and Renewal	2012/13	Deferred	N/A	This audit has been deferred into the 2013/14 audit plan with the agreement of the client.
Managing	2012/13	Deferred	N/A	This audit has been deferred into the 2013/14 audit plan with the agreement of the



Absence				client.
Self Service	2012/13	Deferred	N/A	This was delayed at the request of the client due to changes in project timescales and hence will be reviewed in 2013/14.
Criminal Records Bureau (CRB).	2012/13	Deferred	N/A	This audit has been deferred into the 2013/14 audit plan with the agreement of the client.
Replacement of Carplan	2012/13	Deferred	N/A	This audit has been deferred with the agreement of the client due to changes in project timescales. This will be reviewed in 2013/14 under the audit entitled Payroll – Integration of Benefits and Expenses within PRISM (project).
<b>Corporate Services - IT Audit</b>				
Project Management	2011/12	Draft	Good Standard	
ICT SWGFL – Telehouse link	2011/12	Draft	Good Standard	
Hosted Services	2012/13	Final	N/A - consultancy	A review of the Council's current strategy towards the use of externally hosted services has been carried out and the procedures that are in place for acquiring such services examined. We found the Council does have sound procedures in place for the development of ICT business systems but if individual service departments fail to comply with these corporate procedures, their actions could have a significant impact on Council's ICT network and its other corporate systems. It could also place the reputation and finances of the Council at risk. It is therefore vital that all potential users of externally hosted ICT services comply with the Council's approved business systems development procedures and address all of the key issues involved. The output from this exercise has been to provide a checklist or 'Tool Kit' that potential users of externally hosted computer system can use to demonstrate that they have considered the risks involved and that they have complied with the Council's approved policies and procedures for acquiring such systems.
Database Administration	2012/13	Final	Improvements Required	The majority of the key findings of the audit do not relate to database availability and capacity in terms of ITIL definitions, but have been identified when using three of DCC's business solutions for audit testing purposes. Some recommendations have been made in respect of capacity and availability management, and ICT Management need to consider what value they would add to service provision. There are issues with regard the medium term sustainability of the Software AG Finest business application and this represents a corporate risk. It should be noted that DCC have contractual arrangements with Software AG to 2018.

Upgrade to Devon Pensions System (AXISe)	2012/13	Final	Good Standard	
ICT backups	2012/13	Draft	High Standard	
Finest Application	2012/13	Draft	Good Standard	
Website and Web Services	2012/13	Draft	Improvements Required	The delivery of the Council's website and web services is the shared responsibility of two teams: the Digital Communications Team (DCT) in Corporate Communications and the Application Support Team (AST) in ICT Services. There are some examples of good practice in the management arrangements surrounding the delivery of the Council's website and web services such as the adoption of an Agile-type approach to development by both teams. However, whilst the DCT appears well resourced in terms of staff, there is a significant shortfall in this regard within the AST and this is likely to impact on their ability to make satisfactory progress with their planned work programme. To date this has adversely affected the delivery of a strategy and adequate project management oversight. Whilst there is effective collaboration within each team, the introduction of Microsoft SharePoint will facilitate better collaboration between the teams and both should prioritise the migration of their existing collaborative content to this new platform when it becomes available.
Telephony	2012/13	Draft	Good Standard	
New Desktop Rollout	2012/13	Draft	Good Standard	
Storage Area Network (SAN)	2012/13	Draft	Improvements Required	Since the start of this audit, significant progress has been made in addressing the key issues identified by management when the audit commenced. The Storage Array Network (SAN) in place in the main data centre at County Hall is still currently running at approximately 70% capacity, and capacity needs to be significantly further extended to cope with present and future demand. It is estimated that data storage capacity requirements will increase at some 50% compound for the foreseeable future. Action has now been taken to acquire an additional parallel Storage Array Network

				that will significantly reduce current capacity levels, and assist in removing existing processing bottlenecks. This was commissioned in January 2013, with an on-going roll-out extending over two to three months
Application Development (ACS)	2012/13	Ongoing	N/A	On-going project involvement in the 'Accounts Payable Automation 2' project, including provision of consultancy / advice.
PRISM upgrade to FUSION	2012/13	Deferred	N/A	This was delayed at the request of the client due to changes in project timescales. This will be reviewed in 2013/14.
Internet Banking	2012/13	Deferred	N/A	Provision of project consultancy / advice. It is understood that there will shortly be an opportunity for Internal Audit to review work done on access and account groups. Timings are dependent on the project timescales.
<b>Corporate Services - Business Strategy and Support</b>				
Procurement	2012/13	Ongoing	N/A	Ongoing provision of project consultancy / advice as requested by the client. Specific areas have been included in the 2013/14 audit plan.
Car Hire Booking System	2012/13	Deferred	N/A	This was delayed at the request of the client due to changes in project timescales. This will be reviewed in 2013/14.
Procurement - Failure of Supply Market	2012/13	Cancelled	N/A	The audit was cancelled at the request of the client
<b>Corporate Services – Legal Services</b>				
Registrars	2012/13	In progress		This audit was started in late March upon agreement with the client and thus is still in progress. It is anticipated that the work will be completed, and report issued in the second quarter of 2013/14. No issues of major concern have been identified from our fieldwork to date.
<b>Corporate Services – Other</b>				
Risk Management incl. Partnership Registers	2012/13	Draft	Working	The Risk Management Framework follows recommended best practice and would if implemented completely ensure the effective management of risk to council objectives. However the current risk management framework is not completely embedded within the culture of the organisation. This evaluation has found that Council Leadership and Senior Management respond to risk as part of day to day management, with the Corporate Leadership Team and Audit Committee effectively challenging the management of high level risks, however

				to be effective the process is reliant on the flow of complete and accurate risk information. This review has found that the true benefit of Risk Management is not currently being realised. Due to the sensitivity, complexity of risk and a lack of capacity to own and manage them, there is a reluctance to capture completely all risks to strategic and service objectives. This is preventing the flow and utilisation of risk information which may put the council at risk of the “glass ceiling” effect. (an invisible barrier that prevents the flow of risk information between operational and strategic decision makers).
Data Protection (Compliance and Improvement)	2012/13	In Progress	N/A	The audit work is ongoing, and it is anticipated that the report will be issued and agreed in the second quarter of 2013/14. No issues of major concern have been identified from our fieldwork to date.
Information Governance	2012/13	Ongoing		Internal Audit has attended meetings of the Information Governance Forum during 2012/13 and has provided advice and comments on revisions to policies and procedures including FOI. In addition, an assessment of the quality of the arrangements the Council has put in place to ensure compliance with the Data Protection Act 1998, is currently being concluded. Similar assessments are being conducted by DAP at Plymouth and Torbay Councils in response to recent fines being imposed by the Information Commissioner following breaches of information.
Future Landscape Group	2012/13	Ongoing		Initial meetings with responsible Head of Service in Summer 2012. Subsequent watching brief as the programme moves forward.
Emergency Planning	2012/13	N/A	N/A	The time was used to carry out an unplanned review of Trading Standards tconnect Team as agreed with Head of Services for Communities. Related information can be found within the ‘Place’ section of the report.
Health and Safety	2012/13	Deferred	N/A	This was deferred and has been included as a specific element of Health & Safety in the 2013/14 Audit Plan under the audit entitled ‘HR - Health & Safety - Ill Health Referrals’.
Freedom Of Information	2012/13	Deferred	N/A	This was deferred and will be reviewed in 2013/14 under the audit entitled ‘Strategic and Operational Internal Information Management’.
Strategic Intelligence Information	2012/13	Deferred	N/A	This was deferred and will be reviewed in 2013/14 under the audit entitled ‘Strategic and Operational Internal Information Management’.
<b>Corporate Services – Advice or additional work requested</b>				
Cheque	2012/13	Final	Improvement	Weaknesses occurred in the new system testing processes that led to the error in

Printing Error			required	<p>the cheque template not being identified before the live cheque payment run.</p> <p>There is a lack of evidence of the testing undertaken as part of the test run of the PCF system before the upgrade went "live", and, it is considered that the testing might not have been sufficiently extensive.</p> <p>However as at the end of March 2013, the cheque printing error does not appear to be causing any further problems and therefore it can be concluded that the Payments Team correctly identified, cancelled and reissued all the erroneous cheques created and that the fix implemented by PCF has been effective in resolving the error going forward.</p>
Payment of Invoices via statements	2012/13	Completed	N/A	<p>Audit was asked their opinion of the process that had been established for the payment of invoices via statement. This was reviewed for each supplier where this method was adopted and found to be satisfactory and complied with VAT requirements. Some minor improvements were suggested and these were agreed and adopted.</p>
Emergency Payments	2012/13	Completed	N/A	<p>An issue was identified whereby the Payments Team were processing emergency payments for Adult and Community Services (ACS) where contracts had not yet been agreed and thus the client was not on the care first system. This meant that payments were registering, certifying and authorising a payment which they had no knowledge of other than a request via email. Various discussions and meetings were able to formalise a new process which it is hoped will ensure that these payments are dealt with by ACS. Progress will be monitored in 2013/14.</p>
Payments to Individuals	2012/13	On-going	N/A	<p>Audit were asked to attend a group to discuss payments to individuals and how the Authority might further protect itself. The group comprised of members from Payroll, Payments, Finance and Audit and met throughout the 3<sup>rd</sup> and 4<sup>th</sup> quarter of the year. Enhancements to the new entity form have been agreed and are in progress as well as improved sharing of data between Payroll and Payments. This will remain on-going during 2013/14.</p>
Payment of Tutors	2012/13	On-going	N/A	<p>A meeting was requested by the Head of Business Resources, Services for Communities to discuss the processing of payments to tutors. The aim was to reduce the immediate testing and reconciliation of tutors claim forms to provide efficiencies without compromising the risk to the Authority.</p>

				An outline plan was agreed which moves toward achieving the aim and these are being documented into a flowchart. This project will be reviewed again as it progresses.
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<b>Grants</b>				
Growing Places Fund	2012/13	Completed	N/A	The funding was not received until 2012/13, so the 2011/12 audit involved confirming the nil spend and that it did not contravene the capital ringfence on the Growing Places Fund grant. The confirmation was provided within the deadline.
Local Transport Capital Block Funding	2012/13	Completed	N/A	The audit involved confirming the amount of capital expenditure during the financial year, and that this had been defrayed in accordance with the conditions attached to the funding. The confirmation was provided within the deadline.
Teachers Pensions Return	2012/13	Completed	N/A	Grant audited, certification signed by County Treasurer and agreed by the external auditor. Records to support the return were found to be of a good standard and complied with the Teachers Pensions Agency requirements.
Active Devon	2012/13	Completed	N/A	Records were found to be of a very good standard and the claim was approved within required timescales.
Making It Local	2012/13	Completed	N/A	This involved providing post payment supervisory checks on a number of Making It Local schemes prior to return to DEFRA. Records to support the funding were found to be of a good standard and complied with scheme guidelines.
Adult & Community Learning Skills	2012/13	Completed	N/A	Records were found to be of a very good standard and the claim was approved. A very small adjustment was identified which had no effect on the overall claim
School-centred Initial Teacher Training (SCITT)	2012/13	Completed	N/A	Records were found to be of a good standard and the claim was approved within required timescales. This review identified a separate issue with the budget in DCC's Finance System which is currently being investigated. This had no effect on the SCITTS returns.
East of Exeter DFT	2012/13	Completed	N/A	Records were found to be of a very good standard and the claim was approved within required timescales.
Local Sustainable Transport Fund	2012/13	Deferred	N/A	Not required by Client. To be audited in 2013/14.

Early Intervention (formerly sure start)	2012/13	Cancelled	N/A	Internal audit review no longer required.
Blackdown Hills AONB	2012/13	Cancelled	N/A	Internal audit review no longer required.
North Devon AONB	2012/13	Cancelled	N/A	Internal audit review no longer required.

<b>Child &amp; Adult Protection</b>				
<b>Audit Area</b>	<b>Year</b>	<b>Status</b>	<b>Assurance Opinion</b>	<b>Executive Summary</b>
Project TEAM - Follow Up	2011/12	Final	Improvements Required	See comments in Six Month Monitoring report presented to Audit Committee in December 2012. We concluded that the post implementation phase would benefit from some form of continued governance. Executive Management are being kept informed of progress, however there was a lack of guidance being given to officers as to whether the action being taken is acceptable or not.
Accommodation / RET Costs for buildings used for FIS / Social work provision	2011/12	Final	Good Standard	
Community Budgets 'Troubled Families' (CY11)	2012/13	On-going		No submission of claim by Devon in early 2013.
Devon Safeguarding Adults Board	2012/13	Final	Good Standard	
Children's Centres	2012/13	Not Started		Scoping meeting held with Val Smith 16 <sup>th</sup> April 2013.
Chances	2012/13	Final	N/A	Youth Services – South currently provides a full-time education programme for

Programme				<p>students in years 7 – 11 who are on roll at seven schools in South Devon. Students from Torbay and from the DPLS are also referred to the centres.</p> <p>Audit were asked to review the current financial make-up of the service with the aim of reviewing the cost-recovery issue with schools.</p> <p>Our audit findings show that both Chances and Extended Chances are running at a loss with staff costs far exceeding the fee charged to schools. In addition, the current rate charged by Chances and Extended Chances is significantly lower than that of DPLS.</p> <p>We also identified that there is not a robust, clear rationale supporting the current fee structure for the Chances and Extended Chances programme and we recommend that one should be put in place that allows full cost recovery of the provision. In addition, there should be a comprehensive service level agreement put in place that details the service requirements by both parties including the need to transfer any additional funding and/or support assigned to the individual pupil.</p>
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<b>Education &amp; Learning</b>				
<b>Audit Area</b>	<b>Year</b>	<b>Status</b>	<b>Assurance Opinion</b>	<b>Executive Summary</b>
LDP - Joint Venture	2012/13	Final	High Standard	
Governance of budgets for SHAD, DAPH, DASH and DAG	2011/12	Final	Improvements Required	See comments in Six Month Monitoring report presented to Audit Committee in December 2012. The audit identified that funding sections in the draft terms of reference were minimal and should be enhanced so that the financial procedures are transparent and accountable to the bodies represented.
Devon Personalised Learning Service	2011/12	Final	Improvements Required	See comments in Six Month Monitoring report presented to Audit Committee in December 2012. The “improvements required” opinion related, in particular, to governance and budget management in which the existing arrangements were not deemed to be robust in their current format.
Headteachers & SLT Pay	2012/13	On-going		



Review				
Children Missing in Education (CME)	2012/13	Draft	Improvements Required	<p>Systems and processes are currently being reviewed by the CME Steering Group with the aim of documenting the updated policies, procedures and guidance in one document. The former document was revised in August 2009.</p> <p>It is anticipated that the revised policies, procedures and guidance document will include clear and comprehensive guidance to all maintained schools and academies. We recommend that this guidance is expanded to include independent schools as currently there is little formal communication about pupil movement in and out of independent schools.</p> <p>Identifying CME who have moved into the Devon area, or who has never entered the school system is a challenge for all local authorities. The success can be dependent on a number of factors as identified in the Ofsted review. We appreciate that the Education and Learning Team 'don't know what they don't know' but further improvements could be made to help identify these CME, namely;</p> <ul style="list-style-type: none"> <li>• A representative from the early years' service should be invited to attend the CME working group..</li> <li>• The membership and purpose of the CME Steering group should be reviewed to ensure that all key partners are present and that the ToR remains appropriate. The group may want consider health representation from Devon CCG and/or Public Health team.</li> <li>• The Education and Learning team increase their efforts to systematically and regularly involve the independent sector e.g. by consulting the independent sector on Devon CME Policy, inviting a representative to the CME Steering group, agreeing a protocol between the independent sector and the local authority.</li> </ul> <p>Devon funds a number of educational placements in the independent sector (in and outside of Devon) for a number of children. Weaknesses have been identified with the current processes for tracking and monitoring these children. The Education and Learning team are developing comprehensive service level agreements with their independent providers to increase the robustness of the processes.</p>
Access to Education	2012/13	Ongoing		

Services				
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<b>Social Care Commissioning</b>				
<b>Audit Area</b>	<b>Year</b>	<b>Status</b>	<b>Assurance Opinion</b>	<b>Executive Summary</b>
Targeted Support Review (was SP) (P17)	2012/13	Final	Good	
Framework Contracts including CM2000 (P8)	2012/13	Ongoing		
Performance Management	2012/13	Not Started		LTP agreement to carry forward to 2013/14 financial year
Direct Payments - Pre Paid Cards	2012/13	Ongoing		Provision of audit support to Project Group.

<b>Social Care Provision</b>				
<b>Audit Area</b>	<b>Year</b>	<b>Status</b>	<b>Assurance Opinion</b>	<b>Executive Summary</b>
Daw Vale	2011/12	Final	Fundamental Weaknesses	<p>Of the ten system areas reviewed it was disappointing to find most had significant weaknesses. Our review identified a number of non-compliance issues requiring immediate management action to ensure improvements are made to reduce the level of unnecessary risk. Examples of non-compliance issues identified are detailed below:</p> <ul style="list-style-type: none"> <li>○ Access to the safe key is not suitably restricted being retained in the key safe and the key to the key safe held in an unlocked drawer;</li> <li>○ Un-receipted and unidentified money held in the safe;</li> <li>○ A number of client suspense accounts with overdrawn balances;</li> </ul>

				<ul style="list-style-type: none"> <li>○ Deceased clients personal possessions not discharged;</li> <li>○ Orders are not processed properly as they are not signed; prices or quantities are not entered;</li> <li>○ No evidence the Amenity Fund has been audited;</li> <li>○ No stock control system leaving stock open to loss or misappropriation;</li> </ul> <p>All relevant staff have verbally been advised of the findings from the audit review.</p>
Care Leavers	2011/12	Final	Improvements Required	<p>See comments in Six Month Monitoring report presented to Audit Committee in December 2012.</p> <p>Policy &amp; Procedures were found to be in place for Care Leavers but need to include specific detail in certain areas such as further education and claiming Housing Benefit.</p>
Fostering	2012/13	Final	<p>Fundamental Weaknesses - ICT</p> <p>Good Standard - Staff resourcing</p>	<p>See comments in Six Month Monitoring report presented to Audit Committee in December 2012.</p> <p>The CareFirst application had not been developed to be used by the Fostering Service, necessitating:-</p> <ul style="list-style-type: none"> <li>• the creation of a multitude of bespoke 'database' solutions in order for the service to operate; and</li> <li>• provide the necessary central government returns.</li> </ul> <p>This resulted in information being fragmented, disparate and, crucially, not providing a 'single source of the truth'.</p>
Atkinson Unit - follow up	2012/13	Final	Improvements Required	<p>See comments in Six Month Monitoring report presented to Audit Committee in December 2012.</p> <p>For several systems and processes only an "Improvements required" opinion could be given; namely Amenity Fund, Suspense Account, Purchasing and Payments and the single Central CRB record</p>
Assistive Technology - Residential Care Homes	2012/13	Final	N/A	
Use of Agency Staff - arrangements with Temp	2012/13	Final	Improvements Required	<p>There have been a number of reviews considering the best solution for effectively and efficiently staffing the residential care homes owned by Devon County Council. Our audit has identified that the recommendations within these reviews have either not been fully implemented or remain in draft format. This is mainly as a result of the</p>

Solutions re Residential Care Homes				significant staffing restructures that have occurred in recent times. We recommend that a new project plan is implemented, in accordance with the 'Devon Way' and a clear timetable is set up and adhered to. This will ensure that all information and recent changes are robustly considered and challenged so that a workable solution can be achieved.
Rifford Road	2012/13	Final	Improvements Required	Audit review of capital scheme works.
Quality Improvement Programme (RCH and Personal Care)	2012/13	Not Started		LTP agreement to carry forward to 2013/14 financial year.
Reablement (P18)	2012/13	Ongoing		Our work in this area is underway. Performance Management data has been received and is being reviewed. Further testing to be undertaken at locality level to verify effectiveness of controls and accuracy of data capture. Fieldwork expected to be completed in first quarter of 13/14.
Administrative Support	2012/13	Draft	Improvements Required	<p>Administration support is provided to a number of services across Adult Social Care provision and as part of this audit review we considered whether there is a consistent approach to the provision of administration support throughout the various functions.</p> <p>We identified that there are inconsistencies across the various functions and within the same functions across Adult Social Care provision. The inconsistencies relate to the number of hours per week, the actual tasks undertaken by the clerks, their reporting structure and how their time is being apportioned to the appropriate budgets.</p> <p>Owing to the forthcoming restructure of LD and OP day services this would be a good opportunity for current administration support duties to be aligned under one job description.</p>
Residential Care Homes	2012/13			Establishment audits, based around the key financial systems, undertaken in nine care homes.
Arthur Roberts		Final	Good Standard	
New Tree Tops		Final	Good Standard	

Greenfields		Final	Improvements Required	
Whipton Barton		Final	Improvements Required	
Kenwyn		Final	Improvements Required	
Orchard Lee		Final	Good Standard	
Burrow House		Final	Good Standard	

<b>Integrated Children's Services and Adult Care Management</b>				
<b>Audit Area</b>	<b>Year</b>	<b>Status</b>	<b>Assurance Opinion</b>	<b>Executive Summary</b>
South Hams & West Devon LD Community Team	2011/12	Final	Good Standard	
Personalisation	2011/12	Final	Improvements Required	<p>See comments in Six Month Monitoring report presented to Audit Committee in December 2012.</p> <p>Management have started to transform systems, processes, staff and services to ensure they are in-line with the Personalisation agenda. However, our audit identified that significant progress still needs to be made to enable it to meet the target of all social care users having an 'authentic' personal budget, with the majority on direct payments.</p> <p>Uptake of direct payments remains relatively low, resulting in targets having to be revised. Various actions have been proposed to ensure that the Government targets for 1st April 2013 are met.</p>
Care Direct Plus (CDP)	2011/12	Draft	Good Standard	
ICS (Integrated Children's Services)	2012/13	Final	N/A	Five joint DAP/Audit SW reports issued during 2012/13 to Project Board. Reports to DCC Cabinet and Cluster Board in Sept 12 and Feb 13 re. award of contract and due diligence process.

continuation (CY13)				
Health & Wellbeing Board	2012/13	Ongoing		
SEND Pathfinder (CY10)	2012/13	Not Started		LTP agreement to carry forward to 2013/14 financial year.
County Panel work	2012/13	Not Started		LTP agreement to carry forward to 2013/14 financial year.

<b>All Heads</b>				
<b>Audit Area</b>	<b>Year</b>	<b>Status</b>	<b>Assurance Opinion</b>	<b>Executive Summary</b>
Finance Risks	2012/13	Not Started		LTP agreement to carry forward to 2013/14 financial year.
Savings Plans in People	2012/13	Not Started		LTP agreement to carry forward to 2013/14 financial year.

<b>Directorate: Place</b>				
<b>Audit Area</b>	<b>Year</b>	<b>Status</b>	<b>Assurance Opinion</b>	<b>Executive Summary</b>
<b>Highways and Traffic Management</b>				
Deterioration of the highway due to funding cuts or extreme weather	2011/12	Draft	High Standard	
Civil Parking Enforcement – Validation of	2011/12	Final	Improvements Required	See comments in Six Month Monitoring report presented to Audit Committee in December 2012. Following our review, new operating arrangements have been agreed which will

agency claims				require district council colleagues to provide a full narrative of overheads which exceed an agreed de-minimus figure
Peninsula Safety Camera Partnership	2011/12	Complete	Good Standard	
Virtual Joint Venture (VJV) Partnership (Highways)	2012/13	On-Going		There is Audit representation on the working group which is tasked with reviewing and updating the Highway Term Maintenance contract to a target price regime from reimbursement being driven from Bills of Quantity work.
SWH Invoicing	2012/13	Completed	N/A	Our work involved performing checks on payments to confirm that there continues to be adequate separation of duties within the SWH ordering and payment process. No issues were identified.  In addition, work was also carried out relating to “unpaid invoices” and a position statement provided to Finance in January 2013.
Highway Improvements including KKW by pass	2012/13	On-Going		Internal Audit have had initial discussions with the Council’s Project Manager regarding project governance surrounding the South Devon Link Road scheme and will continue to maintain a watching brief on progress with the construction.
Dangerous Trees	2012/13	Completed	Improvements Required	A follow-up review has been carried out and we are pleased to report that some progress has been made with regards to improving the reporting capabilities of the commercial software.  Time has been included in the 2013/14 plan to carry out a more detailed review of the Environmental Landscape Management System (ELMS) in the second half of the year.
Planning, Transportation and Environment				
Climate Change – Carbon Reduction Scheme	2012/13	Complete	High Standard	

Fuel Cards	2012/13	In-Progress		Some initial work was undertaken but it was not completed due to time being spent on SWH unpaid invoices review (unplanned additional work).
Deviant Purchasing	2012/13	Deferred	N/A	Time included in the 2013/14 audit plan.
Capital Development & Waste Management				
Exeter EfW Project	2012/13	On-Going	N/A	We have kept a watching brief as this project progresses through its construction phase.
Waste disposal in North of County	2012/13	In Progress		The audit work is in-progress and it is anticipated that the findings will be reported in the first quarter of 2013/14.
Body Removal Contract	2012/13	Completed	N/A	Audit were involved in this retendering exercise as part of the project group which included evaluation scoring of tenders received. Given our close involvement with this project, it was decided that we would not issue a formal audit report unless there were any issues to report. We can confirm that contract re-tendering was carried out correctly and in a manner which should identify cost savings.
Capital Development & Waste Management – Additional Work				
DAWRRC - Waste recycling	2012/13	Final	High Standard	
Recycling Centre Contract	2012/13	Deferred	N/A	Time included in the 2013/14 audit plan.
In Vessel Composting	2012/13	Final	High Standard	



Jacobs Contract KPI's (WEATS)	2012/13	Draft	N/A	<p>The focus of this work was to consider the adequacy of existing KPI's for benchmarking of performance and in providing suitable data to enable or the client team to justify any decisions taken relating to an extension of the contract.</p> <p>The review found that there is a good standard of compliance with overarching contractual requirements and the recommendations in the report, if implemented, will significantly improve the robustness of performance information which will facilitate informed decision making by management.</p>
Services for Communities				
Section 106 & Community Infrastructure Levy	2012/13	No longer	required	This is still very much a moving feast and once details agreed, will be subject to external inspection. Agreed with management for future review.
Making IT Local	2012/13	Final	N/A	This involved providing post payment supervisory checks on a number of "Making It Local" schemes prior to return to DEFRA. Records to support the funding were found to be of a good standard and complied with scheme guidelines
Libraries	2012/13	Draft	Good Standard	
Trading Standards – Strategic intelligence Unit	2011/2	Final	High Standard	
Members Locality Budgets	2012/13	Deferred		It was agreed with management that the scope of the work is to be extended to include discretionary funding and to be included in the 2013/14 plan.