

Devon Audit Partnership – Development Plan

Report of the Head of Devon Audit Partnership

Please note that the following recommendations are subject to confirmation by the Committee before taking effect.

Recommendation:

i That the Committee notes current position as set out in the accompanying report and the associated issues.



Development Plan
Devon Audit Partnership

Version 1.3

January 2014



Auditing for achievement

Document Control

Change Record

<i>Date</i>	<i>Author</i>	<i>Position</i>	<i>Version</i>	<i>Change details</i>
24/5/2013	Robert Hutchins	Head of Partnership	1.0	Amalgamation of various development documents into one single record.
17/7/2013	Robert Hutchins	Head of Partnership	1.1	Update to include links to other document including CSE assessment report; Internal Audit report and IIA quality assessment report.
25/10/2013	Robert Hutchins	Head of Partnership	1.2	Updated to take account of action completed during the summer period
31 Jan 2014	Robert Hutchins	Head of Partnership	1.3	Updated to account of action taken up to 31 Dec 2013 and new issues emerging.

Document Reviewers

<i>Version</i>	<i>Name</i>	<i>Position</i>	<i>Date</i>

Introduction

Our development priorities

Our aim is to continue to provide excellent independent, objective assurance and consulting services designed to add value and protect public resources. We aim to assist in improving the efficiency and operations of our client organisations' in line with corporate values of continuously challenging services and promoting openness, accountability and high standards of risk management, internal control and governance.

We aim to further develop our audit performance by the consistent use and pro-active development of Audit Management Software and other IT solutions where possible.

Our high level objectives are have been summarized into four characteristics: -

Process	People	Customer	Pounds £
Improving the management of our relationship with customers to ensure that audit services are developed and delivered appropriately	Develop HR policies for the partnership to deliver results to support our customers strategic goals	Ensuring the customer is at the heart of what we do; listen and respond to the needs and priorities of our customers.	Delivery of a best value / Value For Money internal audit service
Organizing audit activities to deliver maximum value	Ensuring that all audit staff know what they need to do, and have the skills and competence to do it	Develop our approaches that meet individual customer needs whilst ensuring that a consistent and high quality service is delivered.	Maintaining and increasing customer base and associated revenue for contracted services
Ensuring that each element of the audit process (planning, delivery and reporting) reflects best practice	Develop management practices that support innovation and creativity	Ensure suitable arrangements are in place that engage with the customer and seek and encourage feedback at all stages of our processes.	Promote the efficient use of financial resources in terms of identifying audit deliverables and aligning resources accordingly
Ensuring equality and diversity in service delivery			Manage and control expenditure and maximize income

Key Changes / challenges

The Partnership - The Partners have stated that they appreciate the high quality and effective internal audit service that the Partnership provides and have agreed that the Partnership should be extended for a further 3 years (extension from April 2013 to March 2017)

This contract extension is provided with significant challenges; the Partnership is expected to make 10% cost savings in each of the next 3 years, starting from April 2014. This will result in a reduced capacity and internal audit plan; we need to ensure that we embrace technology and new ways of working to ensure that we can still provide the audit assurance opinion sought from us.

Process - The Public Sector Internal Audit Standards came into operation on the 1st April 2013; the Standards closely follow the Institute of Internal Audit Standards. In October 2012 DAP undertook a self assessment against the IIA standards; our assessment was that we met the standards. This self assessment was subsequently subject to external validations by Helen Maneuf of the Hertfordshire Shared Audit Service; Helen agreed that we met the standards but that there were some areas where further improvement could still be achieved. We aim to capture these thoughts in our development plan.

We constantly review the effectiveness of our ICT; we are working with our current ICT provider to determine how we may be able to further develop our ICT and help maximize efficiency gains.

Customers - In September 2012 we submitted our bid to be accredited for the Customer Service Excellence award. Our assessor, June Shurmer, visited in September 2013 and agreed that we had made the standard. June highlighted areas where we should continue to improve, and these areas are captured in this development plan. June will revisit the Partnership in early 2014 to ensure that we have addressed the small number of weaknesses she identified and that we have continued to improve our customer services.

People – we wish to ensure that we have all the elements of an excellent employer. As a management team we have embarked upon a self assessment process against the criteria for “Investors in People”. Our intention is to identify areas where we need to strengthen / improve our practices to ensure we get the best possible return from our most valuable resource; our employees. Any areas for improvement will be captured in this development plan. We have canvassed the views of all our staff and will interpret the results to help inform where we may need to further develop. At this stage it is unlikely that we will submit ourselves to external validation against this standard, but this may be something we could consider at a later date.

Accommodation – we are looking at how we can ensure we can provide modern and effective office accommodation that meets our needs but also minimize costs to the partnership

Partners – partners from other organisations (e.g. SWAP, Southern Internal Audit, district councils in Devon etc.) are facing similar challenges. We wish to work closely with them to develop sound and effective responses to the challenges we face; we aim to share our solutions and will provide resources t projects that will look at how efficiencies can be gained.

Using this document

This document is expected to be a “live” document – i.e. actions identified will be taking place at all time during the year.

At certain points it is appropriate to monitor what has been achieved, and what is still outstanding.

We do not want to wish sight of what was achieved or what has changed, and so completed actions are separated from the main body of the report and are shown at Appendix B.

The main report (Appendix A) then attempts to use a colour coding system which shows what the status is of actions *at a moment in time* – i.e. the last time the plan was updated.

Appendix A

Devon Audit Partnership Plan – Key Priorities Development Plan

Specific tasks	Target Date	Resources (Days)	Person(s) responsible	Outcome / Measure of Success	Action / Progress
Process					
Further develop and enforce time and performance management with clear targets for quality, time to deliver audits, target dates etc	During 13/14			Performance Targets achieved and audit plan delivered on time and on budget.	Time performance improved. Peer reviews of work will further help – to be introduced.
Continued development of a professional and effective internal audit service for all our clients.	On - going		DAP Managers		Working with SWAP to further develop Mki. Attendance at regular training events (IIA, CIPFA etc.) to ensure we are capturing
Identify and recognise efficiencies and ensure we deliver what we say we will deliver.	On - going		DAP Management team		Year on year financial savings made.
Improve the use of technology. Further develop our use of MKI Software to secure efficiency improvements.	September 2013	15	Tony Rose	MKi to be the key data source and store for audit assignment work and performance data	Joint development of Mki with SWAP and Southern Internal Audit Partnership. Initial meeting took place 31 May 2013. "Clean up" of Mki data completed. Report formats being developed.
Audit programmes in MKi to be reviewed to ensure that they are "deliverable in a world of reducing resources" – need to make sure that key risks are included, but that staff do not slavishly work to the programme at the risk of missing operational risks.	November 2013 Revised to Feb 2014	15	Carolyn Moody		Still in progress

Specific tasks	Target Date	Resources (Days)	Person(s) responsible	Outcome / Measure of Success	Action / Progress
Audit programmes to be embedded into MKI and greater use made of MKI, IDEA and Forensic Software	March 2014		DAP Managers		Vast majority of work programmes now in MKI. One area not fully intergrated = Fraud work. Action still required. IDEA software being used. Training provided to 3 DAP staff to ensure better roll-out. Forensic software being widely used for all clients.
Embed Performance Management into the Partnership to ensure we deliver as promised and achieve our targets, including processes to capture added value.	Ongoing		DAP Management team		Monitoring s'sheets include an area to capture added value. To be re-inforced at Away Day in Feb.
Process / People					
People					
Measure ourselves against the Investors in People standard. We want to know our gaps and weaknesses against this benchmark, and then set out to address these areas. Going forward, we may decide to submit an application to obtain the standard, but this will need to be confirmed.	During 2013		Chris Elliott	Identification of areas where we (DAP) do not meet the IIP standard. Action to address these areas to be included within this development plan.	Survey completed of all staff. Results to be fed back at staff Away Day Feb 2014. Action plan then required.
Continued development of audit staff and assessment of training	Summer 2013		Managers	Well trained and motivated staff as demonstrated by	Actioned. Appraisals completed for all staff.

Specific tasks	Target Date	Resources (Days)	Person(s) responsible	Outcome / Measure of Success	Action / Progress
needs via appraisals and use of skills matrix and competencies. Identify skill gaps <ul style="list-style-type: none"> Identify skill needs to meet Partnership work commitments Staff Skills Audit Create training programme 				high retention and positive feedback via staff surveys	
People / Customer					
Undertake customer and staff surveys / focus groups to determine current view of DAP and actions required to address any issues	March 2014				Customer survey sent out after each audit. Results communicated in six month reports. Annual survey in development.
Customer					
Identify opportunities for expansion of client base to generate additional income to reinvest in the organisation and provide returns and savings to the founding partners	March 2014		Management Team		New clients include:- <ul style="list-style-type: none"> Plymouth University Academy schools
Ensure continued compliance with CSE requirements. Ensure that actions arising out of CSE assessment visit are addressed. See CSE action plan P:\DFS\Devon Audit Partnership\Partnership Admin\Customer Service Excellence\G4S\Rolling Programme November 2013\Action plan from Oct 2012 visit.xlsx	Ongoing – review Oct/ Nov 2013. Summer 2013		Management team Management team		CSE action plan completed. Updated external assessment arranged for March 2014.
We will continue to develop and foster a culture of all working	End of 2013	5			

Specific tasks	Target Date	Resources (Days)	Person(s) responsible	Outcome / Measure of Success	Action / Progress
<p>together seamlessly in a customer focussed approach. We aim to further improve our customer engagement through the introduction of the following methods:</p> <ol style="list-style-type: none"> 1. Introduce a staff training programme; 2. Establish Customer care champions throughout the partnership; 3. Consult with our customers and continuously evaluate our engagement methodologies. 4. Regular customer care and service meetings in the workplace. 5. Review Option Appraisal Paper on Forums and Focus Groups and implement decisions made 6. Identify and investigate other engagement methodologies; 7. Evaluate and develop the use of technological solutions to customer engagement; 8. Communication methods / customer standards analysis 9. Introduce regular staff surveys 10. Publish FAQ's (Frequently Asked Questions) 					
<p>Maintain Website as an essential communication tool for existing and potential customers.</p>	<p>¼ ly review</p>		<p>Management Team</p>		<p>Website in place. Regularly updated – e.g. with Fraud Bulletins, customer satisfaction results, annual accounts, customer testimonials.</p>

Specific tasks	Target Date	Resources (Days)	Person(s) responsible	Outcome / Measure of Success	Action / Progress
Develop and promote the potential to deliver new services such as consultancy, BPR, VFM, Lean Systems advice and support etc	March 2014		RH / DC / AP and managers		Not yet due.
Customer / Pounds					
Maintain existing client base and respond flexibly to changes in client needs and structure changes (e.g. Commissioning / Outsourcing/ reducing direct provision of services)	On-going		All		All existing clients retained. Need to make 10% + 10% + 10% savings in the next 3 years. Will be a tough task.
Investigate possibility of relocation to new premises in Plymouth including assessment of costs and benefits including timescales	January 2014		RH / DC		Plymouth – potential sites identified and visited (May 2013) Needs to link with IT
Pounds					
Retain net expenditure within overall budget target and identify further efficiencies to help address possible reductions in resources as a result of government spending targets.	Each year		RH		2013/14 projected small surplus of £5k.
Pounds / Process					
Review office processes and streamline where possible / appropriate	March 2014		DAP Management team		

Actions completed as at Jan 2014

Specific tasks	Target Date	Resources (Days)	Person(s) responsible	Outcome / Measure of Success	Action / Progress
Process					
<p>Ensure that DAP fully complies with the PSIAS. Enact the recommendations made by Helen Manuef.</p> <p>P:\DFS\Devon Audit Partnership\PSIAS & IIA Quality Assessment\DAP Self Assessment\External Validation\Devon Audit Partnership Peer Review - conclusion.doc</p> <p>See specific issues below</p>	November 2013		Managers All staff		Actioned – see below.
Client and staff feedback suggests that there is more work to be done to develop a single DAP identity.	Nov 2013		Managers		Completed. We have re-branded DAP (logo, report page etc.). New format for audit planning adopted. Head office of Larkbeare introduced.
Client feedback suggests that there are often pieces of work of very high quality and of value; however sometimes individual pieces are not of this quality.					Completed We have used customer feedback to inform where services did not meet expectations and have, and will continue to, address these. Staff development – identify development issues and opportunities. Staff encouraged to “self develop[“ i.e. identify what they need to deliver.

Specific tasks	Target Date	Resources (Days)	Person(s) responsible	Outcome / Measure of Success	Action / Progress
The assessor's discussions with clients indicated that not all of them fully understand the role of internal audit, in particular how it contributes to good governance and adds value.					Completed Developed and delivered training sessions to new and existing members of the audit committee (particularly at Devon)
Client feedback suggests there is an opportunity to approach the audit planning round as an equal – bringing to the table the audit perspective on potential areas of coverage.					Completed Audit planning approach developed. Draws from Risk register and risk management arrangements at client, but also audit knowledge and audit knowledge gained from other partners / clients. Enables a more rounded planning approach.
Discussion with DAP team members suggests ...there is a need to build ..commercial skills...and consider a business development role.					Completed Manager allocated to specific responsibility for External Clients and business development.
Staff feedback suggests that the team skills analysis undertaken at the establishment of DAP is now in need of an update.					Completed Now updated on a quarterly basis.
Continued development of Risk Based audit planning and refining current risk assessment methodology together with continued promotion of Risk Management and Corporate Governance throughout our client organisations including reviewing emerging risks with clients.	March 2013				Achieved. Plans now risk based.and reflect organisational risk assessments. Audits carried out on risk management processes (e.g. at DCC)

Specific tasks	Target Date	Resources (Days)	Person(s) responsible	Outcome / Measure of Success	Action / Progress
Improve the use of technology. Further develop our use of MKI Software to secure efficiency improvements.	September 2013	15	Tony Rose	MKI to be the key data source and store for audit assignment work and performance data	Joint development of Mki with SWAP and Southern Internal Audit Partnership. Initial meeting took place 31 May 2013. "Clean up" of Mki data completed. Report formats being developed.
Audit programmes to be embedded into MKI and greater use made of MKI, IDEA and Forensic Software			DAP Managers		Vast majority of work programmes now in MKI. One area not fully intergrated = Fraud work. Action still required. IDEA software being used. Training provided to 3 DAP staff to ensure better roll-out. Forensic software being widely used for all clients.
Process / People					
People					
Professional and on the job training to be investigated for all staff and priorities established based on business and individual needs (link to above)	Summer 2013		Managers / Brenda Davis	Well trained and motivated staff as demonstrated by high retention and positive feedback via staff surveys	July 2013 – detailed record of all ongoing training prepared – matched against budget. Identified that one new person can start professional training in 2013. RH / DC to write to all staff.
Organise and deliver co-ordinated training events for DAP staff with trainers coming to our premises to provide training in specific areas / subjects.			Managers	Cost effective training for staff which is relevant to DAP and our clients	Developed use of Webinars for both in house training (Leadership development for managers) and external courses (fraud). Procurement course for WoECIA group to be delivered at Exeter (Dom) Support for IDEA training being run by Exeter as part of the Devon Audit Group (3 DAP members to attained)

Specific tasks	Target Date	Resources (Days)	Person(s) responsible	Outcome / Measure of Success	Action / Progress
People / Customer					
Share achievements with staff and customers via team briefings, newsletters, etc.	May 2013				Away Days (June 2013)
Ensure all staff have an understanding of the priorities and issues facing all of our clients to ensure they are able to deliver a consistent and meaningful service	On-going		DAP Management team		Away Days Team briefing meetings (monthly updates)
Customer					
Identify opportunities for expansion of client base to generate additional income to reinvest in the organisation and provide returns and savings to the founding partners	March 2014		Management Team		New clients include:- <ul style="list-style-type: none"> • Plymouth University • Academy schools
Maintain Website as an essential communication tool for existing and potential customers.	¼ ly review		Management Team		Website in place. Regularly updated – e.g. with Fraud Bulletins, customer satisfaction results, annual accounts, customer testimonials.
Production of marketing and promotional materials for the Partnership including marketing strategy	December 2013		AP & Management Team		Marketing material developed includes <ul style="list-style-type: none"> • Flyer • Website • Banners • Pens • Usb sticks • Lanyards

Specific tasks	Target Date	Resources (Days)	Person(s) responsible	Outcome / Measure of Success	Action / Progress
Be proactive and meet potential partners, commissioners and purchasers	On-going		RH / DC / AP		See "new clients" above
Maintain and improve our knowledge of our clients business through maintaining links with networks such as CCAN, WoECIA and develop links with other networks as appropriate.	WOECIA Ongoing	17 per year	Management team and seniors		Regular attendance at all WoECIA group meetings and sub meetings.
	CCAN - ongoing	5 per year	Head of Partnership		Regular attendance at CCAN meetings
Customer / Pounds					
Pounds					
Determine how we can save 10% each year in each of the next three years.			RH/ DC and managers		Outline budget for 14/15 prepared.
Retain net expenditure within overall budget target and identify further efficiencies to help address possible reductions in resources as a result of government spending targets.	Each year		RH		2013/14 projected small surplus of £5k.
Pounds / Process					
Ensure findings from Internal Audit review (by SWAP) are fully enacted upon. P:\DFS\Devon Audit Partnership\Partnership Admin\Budget2012-13\Year end accounts 1213\Devon Audit Partnership 2012-13 Audit Closing Letter.doc	Sept 2013		RH / DC / SO & others.		Actioned.

