

Phil Norrey  
Chief Executive

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To: The Chair and Members of the  
Devon Audit Partnership  
Committee

County Hall  
Topsham Road  
Exeter  
Devon  
EX2 4QD

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(see below)

Your ref :  
Our ref :

Date : 28 June 2019  
Please ask for : Dan Looker, 01392 382232

Email: dan.looker@devon.gov.uk  
Fax :

## **DEVON AUDIT PARTNERSHIP COMMITTEE**

**Monday, 8th July, 2019**

A meeting of the Devon Audit Partnership Committee is to be held on the above date, at 10.30 am in the Committee Suite - County Hall to consider the following matters.

PHIL NORREY  
Chief Executive

## **AGENDA**

### **PART I - OPEN COMMITTEE**

- 1 Apologies
- 2 Election of Chair  
The Chair should be held on a rotational basis with each Council having a Member serve alternately for one year. Torridge District Council have recently held the Chair and it is therefore Mid Devon District Council's turn to hold the post of Chair for one year from the date of this meeting.
- 3 Election of Vice-Chair  
The Vice-Chair shall be elected from a Council other than that which currently holds the Chair.
- 4 Minutes (Pages 1 - 4)  
Minutes of the meeting held on 11 March 2019, attached.

- 5 Items Requiring Urgent Attention  
Items which in the opinion of the Chair should be considered at the meeting as matters of urgency.
- 6 Devon Audit Partnership - Analysis of Business by Sector (Pages 5 - 6)  
Report of the Head of Devon Audit Partnership (CT/19/56), attached.
- 7 Devon Audit Partnership - Revenue Outturn Position 2018/19 (Pages 7 - 14)  
Report of the Head of Devon Audit Partnership (CT/19/57), attached.
- 8 Devon Audit Partnership - Annual Report 2018/19 (Pages 15 - 28)  
Report of the Head of Devon Audit Partnership (CT/19/58), attached.
- 9 Future Meetings  
The next meeting is scheduled for 11 November 2019.

**PART II - ITEMS WHICH MAY BE TAKEN IN THE ABSENCE OF PRESS AND PUBLIC ON THE GROUNDS THAT EXEMPT INFORMATION MAY BE DISCLOSED**  
Nil

***Part II Reports***

*Members are reminded that Part II reports contain exempt information and should therefore be treated accordingly. They should not be disclosed or passed on to any other person(s).*

*Members are also reminded of the need to dispose of such reports carefully and are therefore invited to return them to the Democratic Services Officer at the conclusion of the meeting for disposal.*

**Membership – Comprising two Members from Devon County Council, Plymouth City Council, Torbay Council, Mid Devon District Council and Torridge District Council**

County Councillors

Councillors J Clatworthy and G Gribble

Torbay, Plymouth, Mid Devon and Torridge Councils

Councillors R Heyse, R Loxton, M Corvid, L Parker-Delaz-Ajete, P Hackett, B Evans, C Hodson and A Moore

**Declaration of Interests**

Members are reminded that they must declare any interest they may have in any item to be considered at this meeting, prior to any discussion taking place on that item.

**Access to Information**

Any person wishing to inspect any minutes, reports or lists of background papers relating to any item on this agenda should contact Dan Looker, 01392 382232.

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Induction loop system available

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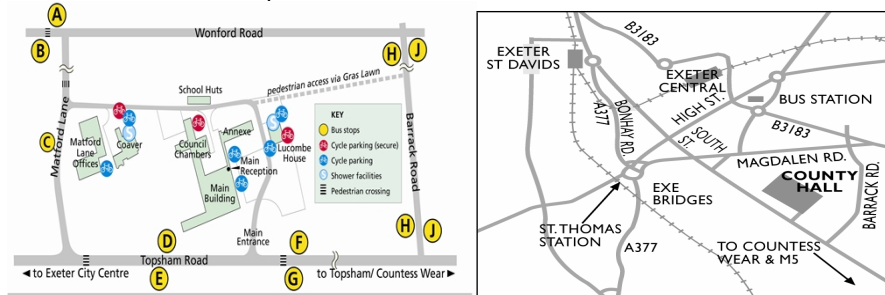
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**NB**   Denotes bus stops

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### **First Aid**

Contact Main Reception (extension 2504) for a trained first aider.

## DEVON AUDIT PARTNERSHIP COMMITTEE

11 March 2019

Present:-

Devon County Council:-

Councillors J Mathews and J Clatworthy

Other Council Representatives

Councillor Margaret Corvid, Plymouth City Council  
Councillor Lorraine Parker-Delaz-Ajete, Plymouth City Council  
Councillor Philip Hackett, Torridge District Council  
Councillor Alan Tyerman, Torbay Council  
Councillor James O'Dwyer, Torbay Council  
Councillor James Hellyer, Torridge District Council  
Councillor Bob Evans, Mid Devon District Council  
Councillor Bob Deed, Mid Devon District Council

\* **39**      **Minutes**

**RESOLVED** that the Minutes of the meeting held on 12 November 2018 be signed as a correct record.

\* **40**      **Items Requiring Urgent Attention**

There was no item raised as a matter of urgency.

**41**      **Partnership Working with South Hams District and West Devon Borough Councils**

The Committee received the Report of the Head of the Devon Audit Partnership (CT/19/31) setting out the work of the Partnership with South Hams District and West Devon Borough councils.

The Head of Partnership and members discussed and noted, in particular:

- inviting South Hams District and West Devon Borough councils to join in the first instance as 'non-voting' partners with the option to become 'full' partners should that be desirable.
- DAP have been working with South Hams District and West Devon Borough since 2014. The current contract is for 5 years with a 2-year extension option.
- the need for the Committee to approve any prospective move to 'full' member status.

It was **MOVED** by Councillor Tyerman, **SECONDED** by Councillor Mathews

- i. that the Committee notes and agrees to both South Hams District Council and West Devon Borough Council becoming a non-voting partner of the Partnership with effect from April 2019.
- ii. that the Committee approve any prospective move to 'full' member status for both South Hams District Council and West Devon Borough Council.

# Agenda Item 4

- iii. that to leave the Partnership 'non-voting' partners be required to provide a rolling year's notice.

\* **42**      **Nine Month Update Report 2018/19**

The Committee received the Report of the Head of Devon Audit Partnership (CT/19/32) summarising the Partnership's activity in the first nine months of 2018/19.

Members noted:

- DAP received the accolade of 'Highly Commended' for second place at the recent Government Counter Fraud Awards.
- the small operating surplus of £5,000 projected for 2018/19.
- new business for the Partnership with the contract secured for Cornwall Council's data security and data protection reviews at independent care homes in the County.
- work with Audit South West, on health-related cyber security, business continuity and data security protection.
- the unsuccessful bid to Dorset and Wiltshire Fire Service.
- a dip in internal audit performance, which had primarily been due to staffing issues. Members were reassured by the steps the Head of Devon Audit Partnership had taken to address this matter.

It was **MOVED** by Councillor O'Dwyer, **SECONDED** by Councillor Deed and

**RESOLVED**

that a breakdown per sector of the audit work undertaken by Devon Audit Partnership be presented to the next meeting of the Committee.

\* **43**      **Budget Monitoring 2018/19 - Month 10**

The Committee received the report of the County Treasurer (CT/19/33) monitoring the Budget of the Partnership at month 10, indicating a slight underspend at the year end due to increased work undertaken, but this had been offset by the increase in staff to complete the work.

Members noted:

- the small income surplus of £5000.
- efficiency savings from the Plymouth Counter Fraud Team being brought over to Devon Audit Partnership. £5,000 in 2018/19.

It was **MOVED** by Councillor Hackett, **SECONDED** by Councillor Evans.

**RESOLVED**

that the Committee note the projected outturn, variances and reason.

\* **44**      **Devon Audit Partnership Budget 2019/20**

(Councillor J Mathews declared a Personal Interest in this item by virtue of being a Member of the Devon & Somerset Fire and Rescue Service)

# Agenda Item 4

The Head of Devon Audit Partnership presented the budget for 2019/20, which included the full year impact of the transfer of the Counter Fraud Team from Plymouth City Council to the Partnership.

Members noted:

- the Partnership is aware of the agreed 2% pay award for staff and the impact it will have on payroll related costs.
- the impact Brexit could have on EU grant funding the Partnership receives.
- additional costs that the Counter Fraud Team could incur and the budgetary implications this could result in.

It was **MOVED** by Councillor Clatworthy, **SECONDED** by Councillor Hackett and

**RESOLVED**

that the Committee agrees the proposed budget for 2019/29 and the areas of uncertainty within the budgeted income figure.

\* 45

## **Future Meetings**

The Committee agreed to meetings at 10.30am on 24 June 2019, 11 November 2019 and 10 March 2020.

**\*DENOTES DELEGATED MATTER WITH POWER TO ACT**

The Meeting started at 10.30 am and finished at 11.20 am

# Agenda Item 4



## DEVON AUDIT PARTNERSHIP – Analysis of business by sector Report of the Head of Devon Audit Partnership

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

**Recommendations: That the committee note the analysis as set out below showing internal audit business by sector.**

### 1. Analysis of business by sector

- 1.1 At the last Devon Audit Partnership Committee members requested “that a breakdown per sector of the audit work undertaken by Devon Audit Partnership be presented to the next meeting of the Committee”.
- 1.2 The majority of our work is in respect of internal audit services; we carry out Risk Management support for Devon County Council and in May 2018 took on the Counter Fraud team from Plymouth City Council who, currently, predominantly provide services to Plymouth, but the majority of our work is in internal audit. As a consequence, an analysis of the internal audit work completed by sector in 2018/19 has been completed. This analysis is shown in the table 1 below.
- 1.3 It should be noted that the Partnership has been set up as a Teckal compliant organisation. This means that trading with non-partner organisations is possible, but it is expected that this will be limited to around 20% of turnover each year. As members will see (table 2 below) our turnover is within that limit enabling us to continue to operate as a Teckal compliant organisation.
- 2 Tables showing analysis of internal audit work by sector.

**Table 1 - DAP - Internal Audit work by Sector (2018/19)**

			Percent	
	<u>Days</u>	<u>Value</u>	<u>Days</u>	<u>Value</u>
Academy Schools	144	£42,740	2.83%	2.98%
Blue Light services	143	£38,900	2.82%	2.71%
Charities	6	£1,770	0.12%	0.12%
EU Funded Schemes	173	£52,330	3.41%	3.65%
Grant Maintained Schools	440	£126,253	8.67%	8.80%
Health	72	£24,675	1.42%	1.72%
Local Authority	264	£80,254	5.20%	5.59%
National Parks	42	£11,760	0.83%	0.82%
Other Authorities	12	£3,332	0.24%	0.23%
Partner	3739	£1,040,251	73.61%	72.50%
Other	16	£4,160	0.31%	0.29%
Local Authority Company	28	£8,400	0.55%	0.59%
<b>Total</b>	<b>5080</b>	<b>£1,434,825</b>	<b>100.00%</b>	<b>100.00%</b>



# Agenda Item 7

CT/19/57  
Devon Audit Partnership Committee  
8th July 2019

## DEVON AUDIT PARTNERSHIP - 2018/19 – Revenue Outturn Position Report of the Head of Devon Audit Partnership

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

### Recommendations: That the committee:-

- Note the DAP 2018/19 revenue outturn position.
- Note the DAP balance sheet as at 31 March 2019 and the balances contained
- Note the Accounting Statement at appendix 1, prepared in accordance with the (former) small bodies return format
- Approve the chair to sign the Annual Governance Statement as shown at appendix 2
- Note the Annual Internal Audit Report for 2018/19 shown at appendix 3

### 1. Budget Monitoring – Revenue Outturn Position

- 1.1 The Budget monitoring at month 10 indicated a potential for a slight under spend (£5,000) at the year end. We have now prepared our financial outturn figure and our operating **surplus** has been confirmed at **£26,446**. This is made up of £6,398 with regards our Internal Audit and Risk Management services and £20,048 with regards Counter Fraud Services.
- 1.2 The small operating surplus from Internal Audit and Risk Management was mainly due from undertaking additional work at external clients. There have been some changes between the month 10 projection and year end actual, and these are due to additional costs associated with additional work.
- 1.3 The operating surplus for Counter Fraud work has been mainly due to expenditure being less than budgeted for. This has been the first year that we have worked with the Counter Fraud Team and it is pleasing to note a high degree of control over spending to produce this saving. In future years the Team is expected to deliver further financial savings, either by increasing in come generation or by reducing costs and it is pleasing to note that there does appear to be scope to contain costs below budgeted figures.
- 1.3 The Revenue Outturn position for 2018/19 is as follows:-

#### 1.3.1 Internal Audit & Risk Management

	<b>2018/19 Base Budget</b>	<b>2018/19 Outturn</b>	<b>Variance</b>	<b>Mth 10 Projection</b>	<b>Mth 10 to year end variance</b>
	<b>£</b>		<b>£</b>		<b>£</b>
Employees	1,155,800	1,210,583	54,783	1,230,900	(20,317)
Premises	42,100	40,355	(1,745)	43,100	(2,745)
Transport	28,200	32,466	4,266	28,700	3,766
Supplies & Services	63,500	62,217	(1,283)	76,000	(13,783)
Support	21,600	20,963	(637)	21,600	(637)
Income	(1,311,200)	(1,372,983)	(83,367)	(1,405,300)	32,317
<b>Total</b>	<b>0</b>	<b>Page 7</b>	<b>(6,398)</b>	<b>(5,000)</b>	<b>(1,398)</b>

# Agenda Item 7

Expenditure on employees (including temporary staff shown on “Supplies and Services” line) was less than expected. We looked to recruit extra staff to deliver work, but were unable to recruit suitable candidates. As a consequence some work, planned for completion by 31 March 2019 has been rolled forward to 19.20, with the corresponding income also rolling forward. In 19/20 we will have resources available to us from 3 employees returning from maternity leave, and so will have these resources available to us to complete this work.

## 1.3.2 Counter Fraud Team

	<b>2018/19 Base Budget</b>	<b>2018/19 Outturn</b>	<b>Variance</b>	<b>Mth 10 Projection</b>
	<b>£</b>		<b>£</b>	
Employees	207,300	215,017	7,717	221,000
Transport	1,700	1,123	(577)	1,700
Supplies & Support	45,200	14,300	(30,900)	31,400
Income	(254,200)	(250,488)	3,712	(254,200)
<b>Total</b>	<b>0</b>	<b>(20,048)</b>	<b>(20,048)</b>	<b>(100)</b>

1.4 Balance Sheet - We prepare a revised balance sheet each year, which sets out our reserves. Reserves have slightly increased this year (due to the operating surplus) and now stand at a healthy £212k. These reserves belong to our partners, both founding and more recent partners (such as Torridge & Mid Devon). The reserve is allocated as per the partnership agreement, which, in summary, allocates any surplus (or deficit) in relation to the funding provided. For any surplus (or deficit) for Counter Fraud work 50% of the surplus figure is allocated to Plymouth, with the remaining 50% then being allocated across all partners.. The reserve and allocations are set out below:-

<b>DAP Balance Sheet as at 31/03/19</b>						
Unrounded per DCC Accounts	Check	Plymouth	Torbay	Devon	Torridge	Mid Devon
Allocation as at 1/4/18		32.42%	20.16%	34.09%	4.63%	8.70%
	£	£	£	£		
Original set up allocation	100,000.00	32,090.61	26,663.52	41,245.87		
Cumulative surplus as at 31/3/18	85,815.32	40,356.84	- 6,078.34	51,298.80	238.02	
<b>Current assets and Liabilities</b>	<b>185,815.32</b>	<b>72,447.45</b>	<b>20,585.18</b>	<b>92,544.67</b>	<b>238.02</b>	<b>-</b>
Activity		<b>P0081</b>	<b>P0082</b>	<b>P0083</b>	<b>P0094</b>	<b>P0095</b>
		Plymouth	Torbay	Devon	Torridge	Mid Devon
Internal Audit Surplus 18/19	6,398.48	2,074.14	1,289.80	2,181.23	296.53	556.78
50% of Counter Fraud surplus to be returned to Plymouth 18/19	10,024.20	10,024.20				
Counter Fraud Team Surplus 18/19	10,024.20	3,249.46	2,020.67	3,417.22	464.56	872.29
Reserve 31/3/19	<b>212,262.20</b>	<b>87,795.25</b>	<b>23,895.64</b>	<b>98,143.12</b>	<b>999.12</b>	<b>1,429.07</b>

## 2 Small Bodies Return

- 2.1 In previous years the committee has received a “small bodies return” which has reported the financial performance of the partnership, provided an Annual Governance Statement and incorporated the views of the Internal Auditor.
- 2.2 The requirement for a small bodies return has been removed, however the return contained some good elements of governance and enabled effective year on year comparisons to take place. For this reason we set out below key information that formed the basis of the return and which, we consider, is "good practice" to continue.
- 2.4 We also provide three appendices that capture the key elements of the return:-
- Appendix 1 – Accounting Statements for 2019/19 – which contains the signature of Mary Davis, the S151 officer of DAP (this should be read in conjunction with the revenue outturn position at section 1)
  - Appendix 2 – Annual Governance Statement – to be approved by the Committee Chair.
  - Appendix 3 – Annual Internal Audit report for 2018/19as prepared by Chris Gunn of SWAP

Robert Hutchins – Head of Devon Audit Partnership

18 June 2019

Robert Hutchins

Electoral Divisions: All  
Local Government Act 1972

Contact for Enquiries: Robert Hutchins  
Tel No: (01392) 382437 Larkbeare House

Background Paper	Date	File Ref
Nil		
There are no equality issues associated with this report		

# Agenda Item 7

Appendix 1

## Devon Audit Partnership - Accounting Statement for 2018/19

	Year ending		Notes & guidance
	31 March 2018 (£)	31 March 2019 (£)	
Balances brought forward	181,324	185,815	
+ Income	1,323,267	1,623,471	From partners and clients for all our services
+ other receipts			None for DAP
- staff costs	1,151,596	1,425,600	Salaries, wages, PAYE, NI and pension costs for all employees (Internal Audit & Counter Fraud)
- All other payments	167,181	171,424	
= Balances carried forward	185,815	212,262	
Total cash	-119,675	106,086	We have been able to raise invoices more promptly in 18/19, enabling a positive cash figure to be achieved. (please note we do not hold a bank account; this is held and administered by Devon CC).
Total fixed assets	0		We do not hold any land, buildings, or substantial fixed assets (out ict is provided by DCC ICT services and not "owned" by DAP).

I certify that for the year ended 31 March 2019 the accounting statements in this annual return present fairly the financial position of the body and its income and expenditure.

Signed by Responsible Financial Officer

M. C. Davis

19/6/19

**Date**

### Devon Audit Partnership – Annual Governance Statement 2018/19

We acknowledge as the members of Devon Audit Partnership our responsibility for ensuring that there is a sound system of internal control, including the preparation of the accounting statements. We confirm, to the best of our knowledge and belief, with respect to the accounting statements for the year ended 31 March 2018 that:

	Agreed		"yes" means that DAP
	Yes	No	
1. We approved the accounting statements prepared in accordance with the requirements of the Accounts and Audit Regulations and proper practices	Y		Prepared its accounting statements in the way prescribed by law.
2. We maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	Y		Made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.
3. We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and proper practices that could have a significant financial effect on the ability of DAP to conduct its business or on its finances.	Y		Has only done what it has the legal power to do and has complied with proper practices in doing so.
4. We carried out an assessment of the risks facing DAP and took appropriate steps to manage those risks.	Y		Considered the financial and other risks it faces and has dealt with the properly.
5. We maintained throughout the year an adequate and effective system of internal audit of DAP's accounting records and control systems.	Y		Arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether the internal controls meet the needs of DAP.
6. We took appropriate action on all matters raised in reports from auditors.	Y		Responded to matters brought to its attention by auditors.
7. We considered whether any litigation, liabilities, commitments, events or transactions, occurring either during or after the year-end, have a financial impact on the body and where appropriate have included them in the accounting statements.	Y		Disclosed everything it should have about its business activity during the year including events taking place after the year-end if relevant.

<p><b>Signed by</b></p> <p>Chair</p>   <p>Dated</p>
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Direct Line:  
01935 848541  
Email:  
Chris.gunn@swapaudit.co.uk

18 June 2019

Robert Hutchins  
Devon Audit Partnership

Rob,

Please find attached Internal Audit Summary following completion of the Internal Audit of the 2018/19 Devon Audit Partnership Accounts.

Please pass on my thanks to your staff for their time and commitment in completing the audit process.

Regards

A handwritten signature in black ink, appearing to read 'Chris Gunn'.

Chris Gunn  
South West Audit Partnership Limited



## Financial Regulations and Scheme of Delegation

The Partnership Financial Regulations follow those of the Lead Partner and reflect good practice in financial administration.

## Risk Register

The Partnership Strategic and Operational Risk Register was examined and there was clear evidence of periodic review to reflect the changes in the operational environment.

## Budget Management

Budget management procedures were examined and found to be soundly based. The Head of Partnership is well supported by financial services in tracking of the Partnership budget throughout the year. Given the fine balance between income and costs in running the Partnership being able to accurately predict budget outturn is key. Periodic Budget Monitoring reports are produced and performance against the budget is reported to the Devon Audit Partnership Committee.

## Expenditure

From a review of the FIMS system, sample checking of invoices and payments, the internal control framework is satisfactory and that the accounts will fairly represent the transactions of DAP for the 2018/19 financial year.

## Payroll

Tight control of staffing levels is key to the management of costs with the Head of Partnership balancing Partnership staffing with Agency support. Examination of payroll transactions provided assurance that staff costs are effectively managed and correctly charged to the Partnership budget.

## Income

The Head of Partnership has highlighted the risk that not all the predicted income may be achieved if audits are delayed or cancelled. However, with an expanding client base there is also an increased risk of not being able to collect all income due.

The Partnership has sought to carry out client invoicing regularly and promptly in line with audit completion.

## Cash

The Partnership cash balance included in the year-end Balance Sheet agreed with the balance included within the DCC main bank account the make up and reconciliation of which was reviewed.

# Agenda Item 7

## **DEVON AUDIT PARTNERSHIP ANNUAL REPORT 2018/19** **Report of the Head of Devon Audit Partnership**

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

### **Recommendations:**

- i. That members note the progress made by the Devon Audit Partnership during the period the 2018/19 financial year.
  - ii. That members note the successful transfer of the Counter Fraud Service to the Partnership during 2018/19.
  - iii. That members note the continued high level of customer satisfaction achieved by the Partnership.
1. The Update Report, available separately, describes the performance of Devon Audit Partnership during the period the financial year 2018/19 and some of the key achievements during this period.

Robert Hutchins

Electoral Divisions: All  
Local Government Act 1972

### List of Background Papers

Contact for Enquiries: Robert Hutchins  
Tel No: (01392) 382437 Larkbeare House

<u>Background Paper</u>	<u>Date</u>	<u>File Ref</u>
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Nil

There are no equality issues associated with this report



# Internal Audit & Assurance

## Annual Report 2018-19

### Partnership Management Committee

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June 2019



Auditing for achievement

# Report of the Head of Audit Partnership

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

*Recommendation: that the Committee notes the current status of the Partnership and current issues.*

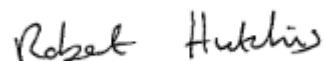
## Review of Devon Audit Partnership 2018/19

It is with great pride that I write this annual report as Head of DAP as we enter our tenth year as a partnership. The previous ten years has seen considerable change; we have been set some very hard targets which we have accepted and achieved. We have been able to reduce the internal audit costs for our founding partners, and we have been able to pass on our competitive daily rates to new partners and other clients and customers. We have expanded the services we supply to include Risk Management and Counter Fraud offerings, and we provide services to a range of organisations across the south west and beyond. We have recently expanded our service offering to include charities, and are providing EU grant auditing services for housing associations, colleges and universities.

What will the next ten years bring? As always there are uncertainties, both at a national and local level, that will impact on what our partners and clients need. We aim to be at the forefront in developing wider assurance services for not-for-profit organisations, pro-actively identifying their assurance needs and developing our service to meet these needs professionally, effectively and with the customer at the heart of what we do.

The excellence of our services continues to be recognised with the Counter Fraud Team recently receiving the Fighting Fraud Locally national award. At a national level, our work with Dartmoor National Park has been recognised as is included within CIPFA's recent guidance note to support Heads of Internal Audit in their roles.

As always, the success of the Partnership is down to the professionalism and hard work of all the team. At the end of the day they provide professional independent assurance on risk and control, helping the many and varied organisations we support achieve their objectives in an effective way.



Robert Hutchins  
Head of Devon Audit Partnership  
June 2019

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## Finance and new business

### Budget position

The Partnership has consistently remained within budget and at the end of 2018/19 carried forward a reserve of £212k. The out-turn for 2018/19 shows that a small surplus was achieved (£26k). This has been achieved through careful monitoring of the budget and careful use of fixed term and contract staff to deliver the changing work pattern of our clients.



### Devon & Somerset Fire & Rescue Service

In March we submitted our tender bid to Devon and Somerset Fire and Rescue Service for internal audit support. We were invited to present our bid, and how we considered we could meet the Service's needs; we are pleased to confirm that our bid has been accepted.

We look forward to working with Fire Service colleagues over the coming years and in developing further our services for them.

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### Other New business

We have been successful in our bid to be the First Level Controller of the Compete IN Interreg Project being led by Plymouth Marjon University.....



.....And have been appointed the internal audit provider for the Tarka Learning Partnership, a new academy school based in Barnstaple.



## Adding Value

We know that “doing an audit” is not enough for our customers these days; we know that senior management and those charged with governance very much value our independent assurance, & welcome our identification of untreated risk or control weaknesses, but they also want an audit service that “adds value”.

Added value will mean different things to different people at different times; it is not about a “buy one get one free” approach, but it is about using our professionalism and ability to apply a unique and independent approach to help organisations and managers provide their services in the best possible fashion. We employ staff who can make a difference and encourage them to “add value” at every step in the audit process. We set out below some comments received from customers **since the start of 2019** who agreed that we have achieved this aim.

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**Culture** – we were provided with thorough pre-audit discussions to ensure all the relevant risks were audited and in a way which suited both auditors and organisation. The audit provided clear evidence of issues which were easy to understand and use to build a **case for change**.

**Secondary School** - The way Clare went about the audit was great; she put staff at ease. Audits can feel intrusive by nature but Clare was so helpful. It helped lead us in the right direction for areas we were weaker in. In difficult financial times for schools spending additional money on the audit service was a hard decision, but **well worth the money**. I cannot commend Clare highly enough, she really changed the whole financial team’s idea of ‘auditors’

**Client Finance Services** - The audit was carried out in a professional, sensitive and inclusive manner listening to all views and comments and acted independently with no pre-judgements to provide a well balanced report. The audit **added value** in that it provided an opportunity to look from the outside at the whole process rather than just individual areas.

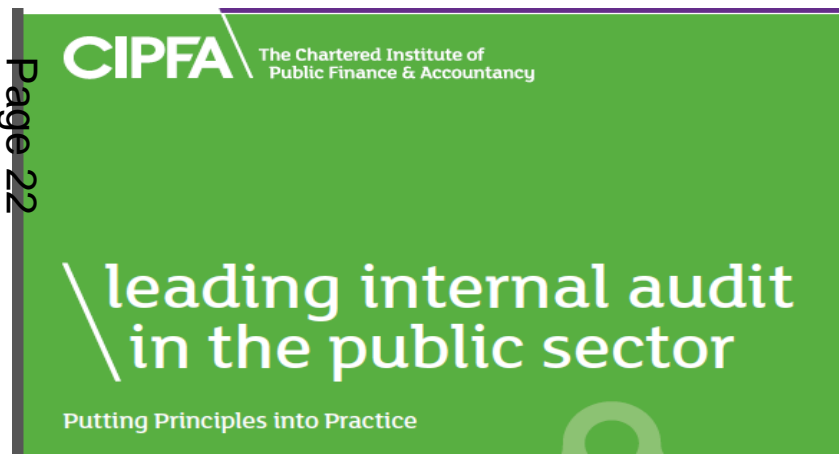
**Sensory Team** - The time spent illustrating cases and being able to talk one to one through the process used was very valuable. The audit **added value** through a flow diagram that helped to clarify how we deal with referrals and it was reassuring that there were no major problems identified. The recommendations were also useful and achievable.

**Building Control** - Helpful feedback on the partnership arrangements to date and risks to the organisation. It **added value** by providing helpful suggestions over way forward via recommendations.

## An Award Winning and Sector Leading Service

### Counter Fraud Service

Our Counter Fraud Team has been successful in winning the **Fighting Fraud and Corruption Award**. The standards of entrants were really high and all of the 'Big Hitters' across the country were there, so the recognition is well earned and well respected by peers up and down the country.



### Advising on the terms of reference of the audit committee and its role within the authority

Robert Hutchins, Head of Internal Audit

The head of internal audit worked with the section 151 officer to compare the terms of reference with similar organisations. They looked to identify 'best practice' that would help formulate future committee structures.

**CIPFA** has recently issued updated guidance with regards the role of the Head of Internal Audit. We contributed an article to the advisory note, reflecting the work we have undertake with officers and members of Dartmoor National Park as they considered the role and responsibilities of the Audit Committee.



## Customer Service Excellence (CSE)

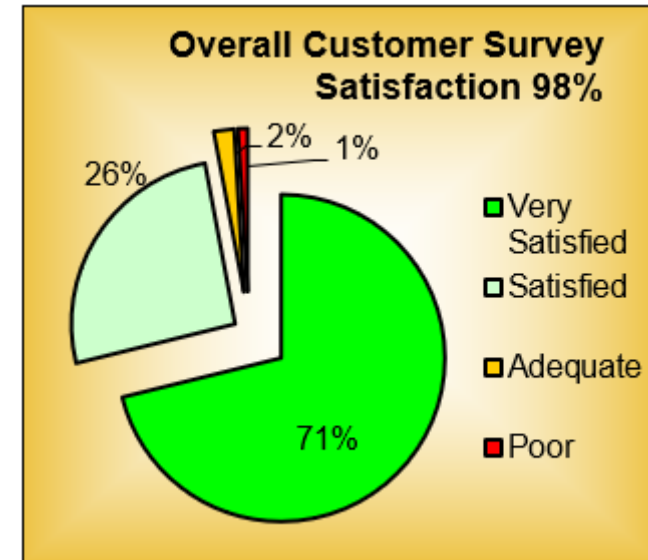
DAP was successful in re-accreditation of the CSE standard during the year.

In May 2018, June Shurmer, our assessor, visited the team to evaluate our customer services against a rolling programme; we await the results of her work. The CSE standard expects and requires “continuous improvement”. June will re-visit us on 19<sup>th</sup> and 20<sup>th</sup> June – if you wish to feed any comment to June please let Robert Hutchins know.

During the year we issued client survey forms with our final reports. The results of the surveys returned remain very good and very positive. The overall result is very pleasing, with near 98% being "satisfied" or better across our services, see appendix 1. It is very pleasing to report that our clients continue to rate the overall usefulness of the audit and the helpfulness of our auditors highly.

We seek feedback from customers from all sectors that we work in, but receive a good rate of return from schools, be these grant maintained or academy. An extract from some of the feedback received since Christmas is shown below :-

DAP – Customer Survey Results 2018/19



- School – March 2019 David was very knowledgeable and supportive in his approach, thank you.
- Schools – Feb 2019 - We have a good working relationship with (the auditor) and continuity with (the auditor) helps with the efficiency of the audit and our experience. Just very pleased with the experience.
- Schools – Feb 2019 - The audit was carried out very well and we were happy with the manner of our auditor. We were very satisfied with every aspect of the audit.
- Schools – March 2019 - We couldn't have asked for a better service. The whole process was helpful as it made me confident that the systems we have in place are robust.
- Fire – March 2019 – “Good service”

## Internal Audit Performance

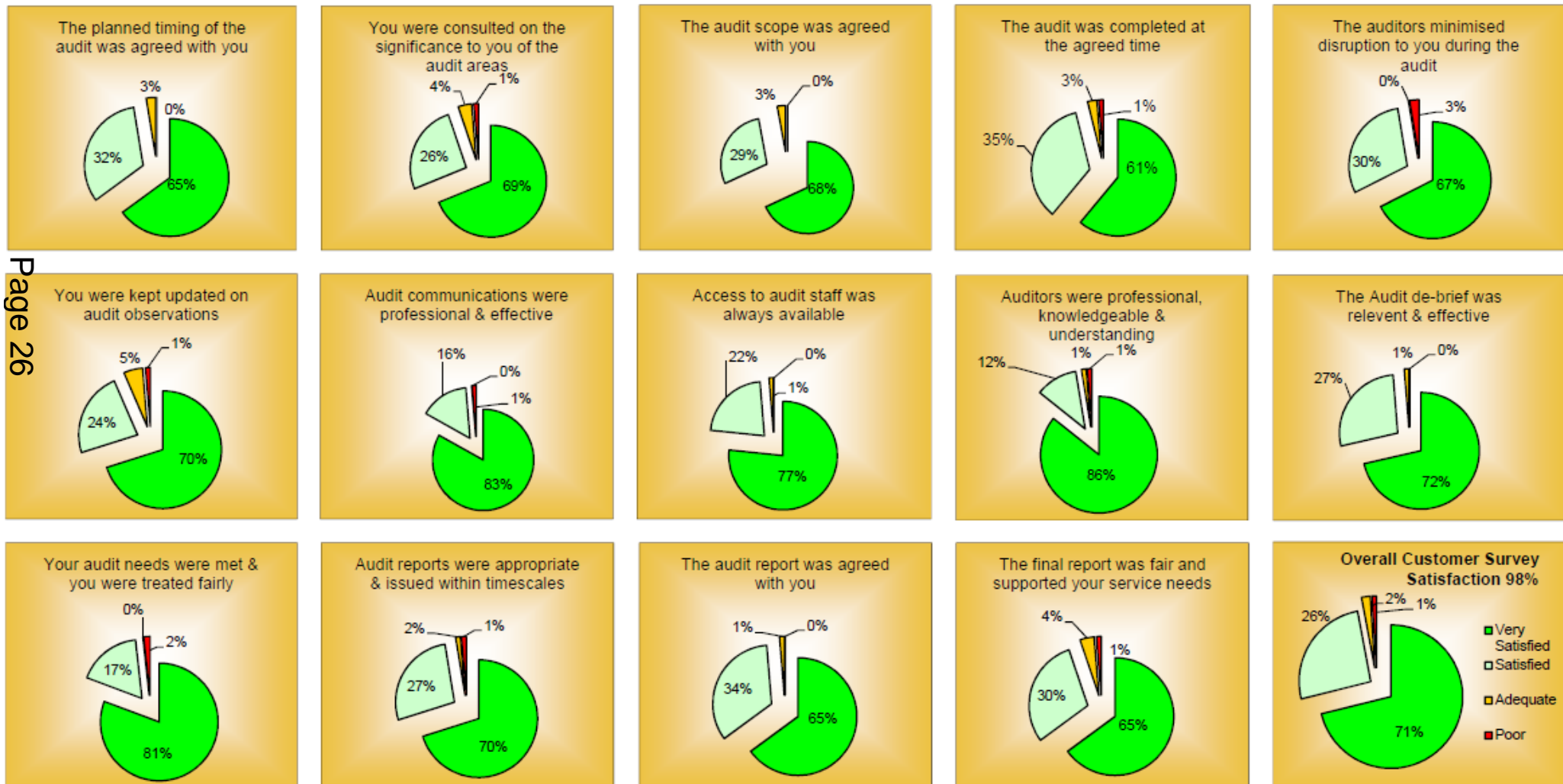
Our outturn analysis of performance for the year ended 31<sup>st</sup> March 2018 indicates that overall performance was good and generally exceeded our targets. 91.3% of the respective audit plans were completed (against a target of 90%) and customer satisfaction levels of 98% across the partnership are noteworthy. A breakdown of performance across all partners is shown in Appendix 2.

Devon Audit Partnership		Year end performance (end of March 2019) Inc Schools			Notes
Performance to end of March 2019 Inc Schools					
Local Performance Indicator (LPI)	Full year Target	Full year Performance	Outturn 2017/18	Direction of Travel (where applicable)	
Percentage of Audit Plan Started	100%	99.7%	100%	↓	<p><b>Percentage of Chargeable Time</b> has reduced from last year, but this is mainly due to 3 x employees being on Maternity leave. (the slight quirk of our system is that maternity leave days need to be recorded to ensure a continuous record for that individual, but this has had an impact on the reported “chargeable days” value.</p> <p>There is a slight reduction in the <b>production of Draft reports in target days</b>, and this is very slightly below our target. We will look to improve this area in the coming 12 months.</p>
Percentage of Audit plan Completed	90%	92.8%	91%	↑	
Percentage of chargeable time	65%	66.1%	72%	↓	
Customer Satisfaction - % satisfied or very satisfied as per feedback forms	93%	98%	98%	→	
Draft Reports produced within target number of days (currently 15 days)	90%	88%	92%	↓	
Final reports produced within target number of days (currently 10 days)	90%	98%	98%	↑	
Percentage of staff turnover	5%	4%	20%	↑	
Out-turn within budget	Yes	Yes	Yes	→	

# Appendix 1 - Customer Service Excellence Results – 2018/19

## Customer Survey Results April 2018 - March 2019

The charts below show a summary of 77 responses received.



## Appendix 2 – Local Performance Indicators 2018/19

### Breakdown of Performance by Client

<i>Local Performance Indicator (LPI)</i>					
	<b>Plymouth</b>	<b>Torbay</b>	<b>Devon</b>	<b>Mid Devon</b>	<b>Torrige</b>
Percentage of Audit plan Completed	91.7%	91.2%	93.1%	95%	93.2%
Percentage of chargeable time *	75.0%	65.4%	61.5%	74%	68.3%
Customer Satisfaction - % satisfied or very satisfied as per feedback forms	98%	98.4%	98%	97%	92.2%
Draft Reports produced within target number of days (currently 15 days)	98.2%	80.7%	89.4%	88%	85%
Final reports produced within target number of days (currently 10 days)	100%	100%	100%	82%	100%

\* Percentage of chargeable time – the figures shown are base don the “main location” of staff, and so not fully relate to that partner. For example, apprentices are based at Devon, but have a much lower productivity rate than other staff. Maternity leave for 3 x staff has also had an impact on figures for Torbay, Devon and Mid-Devon.

