Internal Audit

Annual Report 2017/18

Devon County Council
Audit Committee

May 2018

devon **audit** partnership

Robert Hutchins
Head of Audit Partnership

Auditing for achievement

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Introduction

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.

The Accounts and Audit (Amendment) (England) Regulations 2015 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.

The Internal Audit plan for 2017/18 was presented to, and approved by the Audit Committee in March 2017. The following report and appendices set out the background to audit service provision; a review of work undertaken in 2017/18, and provides an opinion on the overall adequacy and effectiveness of the Authority's internal control environment.

The Public Sector Internal Audit Standards require the Head of Internal Audit to provide an annual report providing an opinion that can be used by the organisation to inform its governance statement. This report provides that opinion.

Expectations of the Audit Committee from this annual report

Audit Committee members are requested to consider:

- the assurance statement within this report;

- the basis of our opinion and the completion of audit work against the plan;

- the scope and ability of audit to complete the audit work;

- audit coverage and findings provided;

- the overall performance and customer satisfaction on audit delivery.

In review of the above the Audit Committee are required to consider the assurance provided alongside that of the Executive, Corporate Risk Management and external assurance including that of the External Auditor as part of the Governance Framework (see appendix 4) and satisfy themselves from this assurance for signing the Annual Governance Statement.

Robert Hutchins
Head of Devon Audit Partnership

Opinion Statement

Overall, based on work performed during 2017/18 and our experience from previous years', the Head of Internal Audit's Opinion is of 'Significant Assurance' on the adequacy and effectiveness of the Authority's internal control framework.

This opinion statement will provide Members with an indication of the direction of travel for their consideration for the Annual Governance Statement see appendix 4.

The internal audit plan for the current year included specific assurance, risk, governance and value-added reviews which, with prior years audit work, provide a framework and background within which we assess the Authority's control environment. These reviews have informed the Head of Internal Audit's Opinion on the internal control framework. Heads of Service have been provided with details of Internal Audit's opinion on each audit review carried out in 2017/18 to date. Any significant weaknesses identified will need to be considered by the Authority in preparing its Annual Governance Statement for the Statement of Accounts for 2017/18.

In carrying out systems and other reviews, Internal Audit assesses whether key, and other, controls are operating satisfactorily and an opinion on the adequacy of controls is provided to management as part of the audit report. All final audit reports include an action plan which identifies responsible officers, and target dates, to address any control issues identified. Implementation of action plans rests with management and these are reviewed during subsequent audits or as part of a specific follow-up.

We have included a new Summary Assurance Opinions chart on page 3 which provides a "Themed" overview of the audit coverage. We have then RAG rated the audit areas covered to identify what our assurance is relative to the proposed plan at the beginning of the year.

Internal Control Framework

The control environment comprises the Council's policies, procedures and operational systems and processes in place to:
- Establish and monitor the achievement of the Council's objectives;
- Facilitate policy and decision making;
- Ensure the economical, effective and efficient use of resources;
- Ensure compliance with established policies, procedures, laws and regulations;
- Safeguard the Council's assets and interests from losses of all kinds, including those arising from fraud, irregularity or corruption.

During the year, core financial and administrative systems were reviewed by Internal Audit either through specific reviews (e.g. debtors, creditors, payroll & Main Accounting) or generally in the reviews undertaken in respect of directorate systems. The Council's overall internal control framework operated effectively during the year. Where internal audit work has highlighted instances of none or part compliance, none are understood to have had a material impact on the Authority's affairs.

Risk Management

Risk Management is utilised widely across the Council and monitored by officers and through members. Key risks are recorded in Risk Registers, allowing co-ordinated approach to minimise exposure and to ensure objectives are met. Devon Audit Partnership has taken a lead role in supporting and facilitating the process to further enhance and embed risk management.

Governance Arrangements

Scrutiny Committees have sought audit assurance and are developing links with audit plans and progress reviews alongside their planned business. Governance arrangements are considered in audit of key areas including contracting and commissioning of services to ensure that the County Council's interests are protected.

Performance Management

The strategy is key to the successful delivery of services and is established for 'business as usual' and transformation programmes. Reporting is made regularly to management, leadership and the Council should ensure effective management. This is of particular importance as the Council commissions and contracts new services.

Full Assurance	Risk management arrangements are properly established, effective and fully embedded, aligned to the risk appetite of the organisation. The systems and control framework mitigate exposure to risks identified & are being consistently applied in the areas reviewed.	Limited Assurance	Inadequate risk management arrangements and weaknesses in design, and / or inconsistent application of controls put the achievement of the organisation's objectives at risk in a number of areas reviewed.
Significant Assurance	Risk management and the system of internal control are generally sound and designed to meet the organisation's objectives. However, some weaknesses in design and / or inconsistent application of controls do not mitigate all risks identified, putting the achievement of particular objectives at risk.	No Assurance	Risks are not mitigated and weaknesses in control, and /or consistent non-compliance with controls could result / has resulted in failure to achieve the organisation's objectives in the areas reviewed, to the extent that the resources of the Council may be at risk, and the ability to deliver the services may be adversely affected.

Summary Assurance Opinions

Green = High / Good Stnd; **Amber** = Imps Reqd
Blue = Opportunity / Value Added

	Service Area Overview of Audit Coverage					Opportunity / Value Added
Summary of key audit reviews	**Adult Care and Health**	**Children's Services**	**Corporate (Finance/HR/Digital Trnsformation & Business Support)**	**Communities, Public Health, Environment & Prosperity (CoPHEP)**	**Highways, Infrastructure Development and Waste**	
	Recommissioning of Residential and Nursing Care	Unaccompanied Asylum-Seeking Children (UASC)	Accounting for VAT	Early Help for Mental Health	Civil Parking Enforcement	Early Help for Families Grant (Troubled Families)
			Apprenticeship Levy			Grant Certification
	Recommissioning of unregulated care through the Supporting Independence procurement	SEN - High Needs Block - Independent Placements	Construction Industry Scheme	Total Transport - Patient Transport Advice Service (PTAS)	Shared Savings (Waste)	HRMS Project - Procurement & Implementation
	Safeguarding	Maintained Schools audit programme		Y-Smart Substance Misuse Service		
			Consultants / Interims and employment status			New Payments Gateway
	Forecasting future spend adult social care transitions	Legal Care Proceedings		Learn Devon - Enrolment Process		Schools Financial Value Standard
			Off Payroll Working			Tender Evaluation Tool
		Placement Stability		Management of Industrial Estate Portfolio		Tax Compliance Forum

Core Assurance						
Key Financial Systems		Bank Reconciliation, Creditors, Debtors	Fixed Asset Register, Finest System Admin	Income Collection	Main Accounting System	Payroll, Treasury Management
Governance & Business Processes		Business Continuity Project	Ethics & Ethical Governance			Debt Mapping
ICT		Corporate Information Cyber Security	Service Operation Processes (Incident and Problem)	Cyber Security (Technical)	Service Strategy	ICT Legacy Systems

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Value Added

We know that it is important that the internal audit service seeks to "add value" whenever it can. We obtained feedback from those audited during the year who considered we were able to add value, e.g.:

'points us in the direction for improvements in control and can also now discuss how other customers may have adapted procedures etc'.

We believe internal audit activity can add value to the organisation and its stakeholders by:

- providing objective and relevant assurance;
- contributing to the effectiveness and efficiency of the governance, risk management and internal control processes.

We trust that Senior Management has found our engagement, support as a "trusted advisor" effective and constructive in these significantly changing times.

We consider our work has identified specific added value benefits in key areas and in mitigating key risks. For example: -

Adult Care and Health

- providing objective and relevant assurance;
- assistance in maintaining appropriate engagement with the internal function through regular management liaison meetings;
- contributing to the effectiveness and efficiency of the governance, risk management and internal control processes.

Children's Services

- development of the current year's and future years audit plans to incorporate flexibility to meet changing and developing business demands and to cover existing and new or emerging risks.

Communities, Public Health, Environment and Prosperity

- development of the current year's and future years audit plans to incorporate flexibility to meet changing and developing business demands and to cover existing and new or emerging risks.

Corporate Services

- ongoing involvement in HR / Payroll system development projects ensuring that control issues are highlighted and resolved before implementation;
- ongoing ad hoc advice provided to HR / Payroll relating to internal process controls, outside of system development projects;
- cyber security and assurance upon IT processes supporting the Council's key financial systems.
- continued involvement with the Tax Compliance Forum.

Highways, Infrastructure Development and Waste

- providing objective and relevant assurance.

Schools

The provision of internal audit's performance data provides a greater focus on schools causing concerning in the wider control environment.

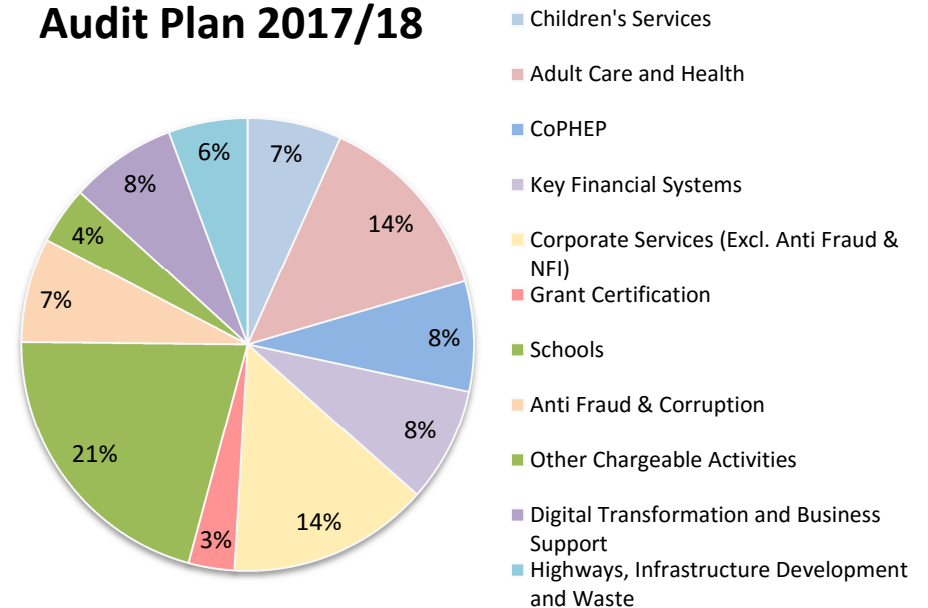# Audit Coverage and performance against plan

The pie charts right shows the breakdown of audit days planned by service area / type of audit support provided. The balance of work has varied slightly during the year as can be seen from comparison with the second chart, and variations have been with full agreement of the client.

Appendix 1 to this report provides a summary of the audits undertaken during 2017/18, 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.
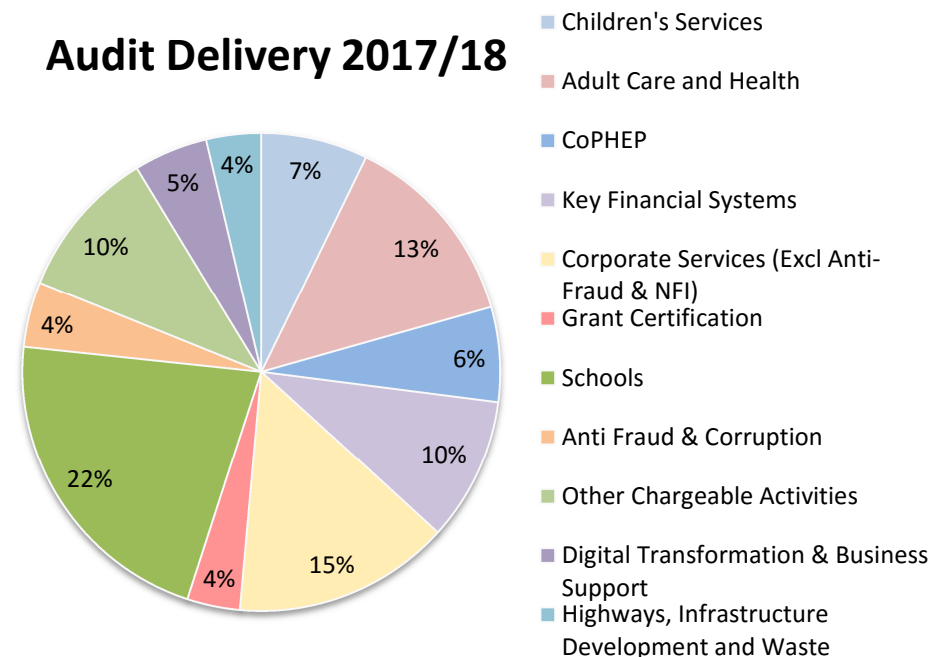
Appendix 6 shows the performance indicators for audit delivery in 2017/18 against the revised audit plan. When we prepare our plans we make an educated assessment of the number of days that an audit is likely to take.

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.

Audit Plan 2017/18

Children's Services — 7%
Adult Care and Health — 14%
CoPHEP — 8%
Key Financial Systems — 8%
Corporate Services (Excl. Anti Fraud & NFI) — 14%
Grant Certification — 3%
Schools — 21%
Anti Fraud & Corruption — 7%
Other Chargeable Activities — 4%
Digital Transformation and Business Support — 8%
Highways, Infrastructure Development and Waste — 6%

Audit Delivery 2017/18

Children's Services — 7%
Adult Care and Health — 13%
CoPHEP — 6%
Key Financial Systems — 10%
Corporate Services (Excl Anti-Fraud & NFI) — 15%
Grant Certification — 4%
Schools — 22%
Anti Fraud & Corruption — 4%
Other Chargeable Activities — 10%
Digital Transformation & Business Support — 5%
Highways, Infrastructure Development and Waste — 4%

Fraud Prevention and Detection

Counter-fraud arrangements are a high priority for the Council and assist in the protection of public funds and accountability.

National Fraud Initiative (NFI) - Work continued during 2017/18 coordinating the review of the various data matching reports provided resulting from participation in the 2016/17 NFI exercise. All data matching reports have now been reviewed.

Review of the NFI Duplicate Creditor matches has identified two duplicate payments, £1,554 and £2,146. Review of a separate report resulted in £373 of VAT corrections being made in relation to overpaid VAT.

Proactive anti-fraud work - Two Fraud Bulletins produced and published on DAP's website (June & October 2017) were sent to all staff through the weekly Friday 'Inside Devon' email.

Review of Accounts Payable data: some minor duplicate payments paid in 2015/16, now confirmed as recovered. Some further potential duplicate payments have been referred to the Payments team for further investigation and feedback awaited.

Review of a sample of Suppliers VAT Registration Numbers upon the December 2017 'Published Over £500 Payments', found a number of invalid VAT numbers stored upon the authority's finance system current supplier records. These have been referred to the VAT Team and feedback awaited.

Irregularities - During the 2017/18 financial year, Internal Audit have carried out, or assisted in seventeen investigations. Analysis of the types of investigation and the number undertaken shows the following: -

Issue	No of cases
Employee Conduct	4
Financial Irregularity	3
IT Misuse	2
Poor Procedures	1
Theft	7

Appendix 1 - Summary of audit reports and findings for 2017/18

Risk Assessment Key
LARR – Local Authority Risk Register score Impact x Likelihood = Total & Level
ANA - Audit Needs Assessment risk level as agreed with Client Senior Management
Client Request – additional audit at request of Client Senior Management; no risk
assessment information available

Direction of Travel Assurance Key
Green - action plan agreed with client for delivery over an appropriate timescale;
Amber - agreement of action plan delayed or we are aware progress is hindered;
Red - action plan not agreed or we are aware progress on key risks is not being made.
* report recently issued, assurance progress is of managers feedback at debrief meeting.

CORPORATE SERVICES

Risk Area / Audit Entity	Audit Report		Direction of Travel Assurance
	Assurance opinion	Residual Risk / Audit Comment	
Corporate Services - Finance			
Accounting for VAT Risk / ANA - Medium	Good Standard Status: Draft	Last year's audit on Partnerships and VAT highlighted issues around a lack of up to date documentation and guidance being available to staff. Significant progress has been made in this area, with new VAT guidance and VAT self-assessment tools distributed for Head Accountants, and there is evidence that this is starting to be utilised.	G *
Bank Reconciliation Risk / ANA - Medium	Good Standard Status: Draft	Our review of three of the main bank accounts provides a 'Good Standard' assurance rating.	G *
Business Continuity Project Risk / ANA - Client request	Value Added Status: Draft	An overarching Business Continuity Plan (BCP) for Finance has been produced which includes relevant information from the individual finance section BCP's. A critical process spreadsheet has also been produced which provides a record of critical finance processes (taken from the BCPs) that FLG could monitor periodically and link in with the Risk Management process, for example, to identify any emerging risks that may impact the Council's ability to maintain delivery of those critical processes. Additionally, it provides a monitor for ensuring appropriate BCPs are in place along with the date of the last review and whether they have been subject to testing.	N/A
Construction Industry Scheme (CIS) Risk / ANA - Low	Good Standard Status: Final	The authority has developed good processes within the payments systems and teams to enable the identification of payments which may require a CIS deduction. This includes the setting up of exception reports which are run daily through Finest and also	G

Risk Area / Audit Entity	Audit Report		Direction of Travel Assurance
	Assurance opinion	Residual Risk / Audit Comment	
		the new P2P system. Further improvement to guidance notes and staff training is required along with defined Service responsibilities.	
Creditors Risk / ANA - Medium	Good Standard Status: Final	We have no significant concerns in relation to the operation of key controls within the creditors system or the P2P system. One-time Creditors are not currently reviewed for validity to prevent misuse of this option within the system, but can be reported. Our audit reviewed samples of both low value and values > £500 and all were found to be satisfactory. The introduction of P2P has mitigated a number of previous control weaknesses, for example lack of use of the Goods Received Note (GRN) function in Finest, additionally the introduction of the 3-strike rule within P2P will prevent officers bypassing its use and continuing to raise orders, or pay invoices as general claims, on Finest, or make inappropriate use of the one-time creditors function.	⬆G
Debtors / Debt Recovery Risk / ANA - Medium	Good Standard Status: Final	Debtor processes are operating well within a reasonably sound control environment. The Debt Management Group have discussed the possibility of benefits from establishing a more effective process for dealing with disputes. There are some areas relating to debtor recovery where consideration and implementation of additional measures would enhance the existing control framework.	⬆G
Finest System Administration Risk / ANA - Low	Good Standard Status: Final	Continued use of the Finest system has been strengthened following discussions held with Software AG (SAG) has resulted in an extended SAG Software and Maintenance Agreement which now covers the current contract extended from 1st April 2018 to 31st March 2023. Controls within the Finest system are designed to prevent unauthorised access, and detect errors, omissions or other inappropriate amendments. Some weaknesses do exist particularly in relation to segregation of duty, but the resultant risks have been accepted by management due to the business need and resource constraints.	⬆G
Fixed Asset Register Risk / ANA - Low	High Standard Status: Final	Controls in relation to property assets are robust, with adequate procedures in place for additions, disposals, and ensuring that asset register entries are complete and accurate. An effective revaluation programme is in place, and sample testing evidenced that Real Asset Management system (RAM) is appropriately updated as a result.	⬆G

CORPORATE SERVICES

Risk Area / Audit Entity	Audit Report		Direction of Travel Assurance
	Assurance opinion	Residual Risk / Audit Comment	
		The asset register is reviewed annually for high value individual items and fleet. The Authority does not routinely dispose of in-life assets and makes suitable accounting estimates of useful lives.	
Income Collection Risk / ANA - Medium	Good Standard Status: Final	Assurance was reported in the November 2017 report, please refer to that report for details.	⬆ G
Main Accounting System Risk / ANA - Medium	Good Standard Status: Draft	The main accounting system continues to be operated within a sound overall control environment. Prior recommendations included the need for consistency across the directorates in relation to budget virements, independent authorisation of journals under £200k, and more timely clearance of suspense. A replacement system for virements was being developed within the Financial Forecasting and Reporting system and due to be implemented 1.4.18. This has unfortunately been delayed due to other more urgent pressures, but continues to remain on the Finance Technology Team development list and will be completed as soon as practicable. Risks regarding independent authorisation of journals under £200k remain and have been accepted. The clearing of suspense accounts remains a priority, particularly at year end and work continues to improve the timeliness of this process.	⬆ G *
New Payments Gateway Risk / ANA - Low	Value Added Status: Final	We engaged with the project in relation to a review of project management arrangements and supporting documentation, for example the project initiation document, business case, risk and issues logs, project plans etc. We have also undertaken a top-level review of System Administration responsibilities that will remain in-house. There are some concerns, namely sufficiency of the level of resource to support the project whilst also maintaining business as usual; and the lack of specific accountability caused through dual project management. The project will continue into 2018/19 and we will undertake a walkthrough of the system in terms of its functionality and control environment, and will integrate the local system administration processes within this.	N/A

CORPORATE SERVICES

Risk Area / Audit Entity	Audit Report		Direction of Travel Assurance
	Assurance opinion	Residual Risk / Audit Comment	
Payroll Risk / ANA - High	Good Standard Status: Ongoing	The processes introduced provide good temporary control until the new online system of automated authorisation is in place. This does not fully mitigate the risks but does limit the risk of inappropriate payments being made. Payroll suspense accounts continue to be monitored in detail and historic balances have reduced and continue to be investigated.	G ⬆ *
Tax Compliance Forum Risk / ANA - Client Request	Value Added Status: Final	The Group discusses HMRC 'hot topics' and their implications on the authority and the impact of organisational and systems changes on tax compliance. No significant unmitigated risks have been identified to date.	N/A
Treasury Management Risk / ANA - Low	High Standard Status: Final	Assurance was reported in the November 2017 report, please refer to that report for details.	G ⬆
Financial Forecasting and Reporting - Collaborative Planning Risk / ANA - Medium	Status: Ongoing / Draft	The system has been rolled out fully to finance staff but there remain inconsistencies in use across Finance Service Departments. Spreadsheets are still maintained in areas such as Education, Adults and Children's Services, with this data then being uploaded into CP for budget monitoring. This is partly due to volumetrics remaining an issue for these services and resolutions are being investigated and internal audit are assisting with this which has led to the delay in reporting. Detailed training is currently under development to provide all budget holders with the skills to utilise the system and they will then gain update access which will enable instant update of known changes and hopefully provide further efficiencies.	G ⬆ *
Debt Mapping Risk / ANA - Client Request	Status: Ongoing	Initial work has commenced and will be reported upon during the first half of 2018/19.	N/A
Grants x 7 Risk / ANA: n/a	Certified Status: Complete	Grants certified without amendment - Active Devon, Bus Subsidy, Careers and Enterprise, Local Growth Fund, Local Transport Capital Block Funding, NHS Healthy New Towns and Targeted Family Support Programme.	N/A

CORPORATE SERVICES

Risk Area / Audit Entity	Audit Report		Direction of Travel Assurance
	Assurance opinion	Residual Risk / Audit Comment	
Corporate Services - Human Resources			
Consultants / Interims and employment status Risk / ANA - Medium	Good Standard Status: Draft	The audit has revealed significant improvements in the policy for the hiring of temporary staff, agency workers, interims and consultants and improvement in compliance with the revised policy. The policy incorporates the legislation on Off Payroll Working IR35 and it is pleasing to note that employment checks have been completed on all of our sample tested. Compliance with Policy could be further improved in terms of full completion of business cases, costings and accounting codes and recommendations have been made to address these issues.	G ↑ *
Disclosure & Barring Service (DBS) Update Service Risk / ANA - Medium	Status: Ongoing	The DBS Update Service is an annual service offered under the Disclosure & Barring Service whereby an annual fee is paid for an annual update to an employee's DBS check. This would report any changes to their original DBS check results. DBS checks do not have an end date, so DCC set a policy to renew all DBS checks every 3 years. Children's Services felt that given the risks in their area an annual update would be beneficial and based on costings be slightly cheaper than the 3-yearly fee. The aim of this audit was to consider the implications and agreements required to go ahead with annual DBS updates to ensure associated risks have been considered. This was found to be satisfactory and it is our understanding that this is now being rolled out to Children's Services.	N/A
Ethics & Ethical Governance Risk / ANA - Medium	High Standard Status: Final	The review undertaken has confirmed that the Council has a robust ethical framework in place which is set out in the Code of Corporate Governance (Constitution). The Constitution takes account of statutory obligations, Government guidance as well as its local Code of Ethics. The framework is based on both the principles and sub-principles of corporate governance contained within the CIPFA/SOLACE Framework (2016). There was found to be clear dissemination, delivery, monitoring and maintenance of the ethical standards throughout. Particular areas of strength identified were the monitoring being carried out by the Standards Committee of compliance with the Ethical Governance Framework, and Member induction training.	G ↑
New Electronic Leaver Process Risk / ANA - Low	Status: Ongoing	Processes were found to be sound and well controlled. Final testing is near completion and a report will be issued in early 2018/19.	N/A

CORPORATE SERVICES

	Audit Report		
Risk Area / Audit Entity	**Assurance opinion**	**Residual Risk / Audit Comment**	**Direction of Travel Assurance**
Off Payroll Working Risk / ANA - Low	Improvements Required Status: Draft	The revised Hiring of Temporary Workers Policy and procedures are comprehensive and incorporate the new legislation fully. Improvements could be made to supporting documentation in some areas and to the retention of the documentation to support decisions. Services involved in their own recruitment and schools would benefit from further training particularly in relation to requirements for agency workers.	G ↑ *
Apprenticeship Levy Risk / ANA - Low	Good Standard Status: Final	An overview was completed in 2017/18 looking at the processes for recording and monitoring apprenticeships within the apprenticeship team. Processes are considered well controlled and effective; the overview found nothing that required action or consideration. This is based purely on an overview and thus no testing has been completed. Further reviews will be completed as part of the 2018/19 audit plans, incorporating Payroll and Finance processing of the levy, and reported accordingly.	G ↑

Payroll - Online Adjustments (Earllier Year Updates) will be commenced in the first quarter of 2018/19.
Redundancy / Exit Cap Changes is deferred to 2019/20; the Government has not brought in a timescale for implementation as yet.
New Recruitment Process is deferred due to agreement to include recruitment in new HRMS; included as part of HRMS audit in 2018/19 plan.

Digital Transformation and Business Support

Corporate Information Cyber Security Risk / ANA - Critical	Improvements Required Status: Final	Our report from the 2016/17 audit programme considered the Council's technical controls across the six areas highlighted by the "Cyber Essentials" scheme published by the National Cyber Security Centre (NCSC) and found that these controls were operating at a Good Standard; our 2017/18 work looked more closely at the non-technical aspects of cyber-security. We reviewed controls across three areas: policy framework, personal accountability and education and awareness. Policy framework The Council recently shifted the emphasis of its policy framework in this area from data protection to cyber-security. Consequently, although several streams of work are underway to consolidate existing policies and update content to comply with the General Data Protection Regulation (GDPR) and the Cyber Security Essentials (CSE) scheme, it is too early in the process for any significant improvements to have been	G ↑

CORPORATE SERVICES

Risk Area / Audit Entity	Audit Report		Direction of Travel Assurance
	Assurance opinion	**Residual Risk / Audit Comment**	
		developed and implemented. Personal accountability Personal accountability should be clearly defined and managed around the three critical elements in cyber defence. Education and awareness An established current and evolving education and awareness programme based around the three critical elements in cyber defence should ensure that all staff are aware of their responsibilities and how to act in the event of a cyber-security incident occurring. The Council has only recently begun to shift its focus from purely a data protection focus to a wider, more encompassing approach to cyber security. Consequently, we found that only limited progress in each of the three areas that we examined.	
Cyber Security (Technical) Risk / ANA - Critical	Good Standard Status: Draft	A high-level review was undertaken against the Government Cyber essentials scheme published by NCSC. ICT Services satisfy a majority of the baseline requirements; however, there are areas where compliance and associated controls could be further enhanced. We undertook a follow up of our previous report and have noted that there are a few recommendations that remain outstanding which we have re-reported. Given the nature of importance and speed of change it is essential that an effective action plan is progressed and monitored to ensure security is maintained. **Boundary firewalls and internet gateways** We found that controls are robust and provide adequate protection. There are a small number of areas where controls could be further enhanced and strengthened. **Secure configuration** We found that secure configuration processes and controls are such that computers and network devices are appropriately configured to reduce the level of inherent vulnerabilities and provide appropriate services. **Access controls**	G *

CORPORATE SERVICES

	Audit Report		
Risk Area / Audit Entity	**Assurance opinion**	**Residual Risk / Audit Comment**	**Direction of Travel Assurance**
		Processes and controls in place around management of access controls are robust and provide adequate protection. **Malware protection** Malware protection arrangements are such that computers exposed to the internet are protected against malware infection through the use of malware protection software. Malware protection software installed is kept up to date via the enabled auto update, and is configured to scan files and webpages automatically at point of access. It is also configured to perform regular 'quick' and 'full' scans. Definitions are updated automatically prior to a scan. **Patch management** Our opinion based upon management updates in relation to the patch management processes currently in operation along with confirmation and update of the previous year's findings is that patch management continues to operate effectively. **Backup and business continuity** Controls provide a reasonable level of protection but require further enhancement and strengthening in some areas to provide an effective mechanism for maintaining business and service operation. It is understood that backup arrangements for each business system have been agreed with the business area and are aligned with Business Continuity Plans (BCPs). A Scomis BCP has been drafted but requires formal adoption and integration into operational practice. The Disaster Recovery (DR) contract has been renewed. A process to confirm the completeness of the daily database backup exists as part of daily ICT housekeeping procedures.	
ICT Legacy Systems Risk / ANA - Client request	Value Added Status: Draft	The Council has a number of systems that are on old technology and as a result may not easily be integrated into modern digital platforms. This also includes those applications that although are supportable with an upgrade path or are deemed cloud ready, they may still constitute a legacy system. Due to their age and technology they were developed upon they do not lend themselves to compatibility with the new Digital Platform, Standards and the future Technical (Target) Architecture. Consequently, this may be an inhibitor to the level of progress in relation to the Council's Digital Transformation Agenda. The digital industry moves at a high pace and scale, and we	G *

CORPORATE SERVICES

Risk Area / Audit Entity	Audit Report		Direction of Travel Assurance
	Assurance opinion	Residual Risk / Audit Comment	
		understand that there is a programme in place within the ICT Roadmap to review and risk assess legacy systems to ensure alignment to the new Digital Platform which is intended to simplify and accelerate the creation of new digital services for staff and citizens.	
Service Operation - Processes (Incident & Problem) Risk / ANA - High	Good Standard Status: Final	IDEA Data Analysis work was undertaken leading to analysis of the data to identify if there are 'problems' occurring that are being missed by the human intervention approach.	⬆G
Service Operation - Function Risk / ANA - High	Status: Ongoing	Fieldwork remains in progress. Client unable to respond due to other operational priorities. Work will be completed during the first quarter of 2018/19.	N/A
Service Strategy Risk / ANA - High	Good Standard Status: Draft	We found a good level of overall control to be in place with effective controls covering the creation of programmes and projects to deliver solutions that will support services. There are also sound arrangements governing the relationship between ICT Commissioning and the Council's business areas. This is now nearing the end of an initial 'bedding-in' process that began a year ago. Whilst we found the fundamentals to be operating satisfactorily, some enhancements will be required to measure customer satisfaction, respond as necessary to dissatisfaction or poor performance and facilitate mediation where appropriate.	⬆G *
HRMS Project - Procurement & Implementation Risk / ANA - High	Added Value Status: Final	In our opinion the project is progressing well with a defined project governance structure. Engagement with audit has been positive and we continue to provide a project assurance role. Project documentation is being maintained, however we understand that there is not always the capacity to maintain records in a timely manner. As with any project of this nature, project documentation provides a framework to maintain a control environment necessary in maximising the potential for the project to be delivered within both timescales and budget. Our key concern related to project timescales which were initially ambitious, however it is pleasing to note that the go-live date has now been adjusted to later in the year. Resource to sufficiently support the project and maintain business as usual remains an issue and will require careful monitoring and management.	N/A

CORPORATE SERVICES

Risk Area / Audit Entity	Audit Report		Direction of Travel Assurance
	Assurance opinion	Residual Risk / Audit Comment	
Procurement: Tender Evaluation Tool Review Risk / ANA - Medium	Added Value Status: Final	Assurance was reported in the November 2017 report, please refer to that report for details.	

The following audits have been deferred until 2018/19: -
- Procurement: Contract Management strategy and process (ANA - High)
- Procurement: Resilience of significant / strategic suppliers to ensure service provision in face of Public Sector cuts (ANA - High)
- Procurement: Governance protocols in relation to contract award procedures and contract lifecycle (ANA - High)

ADULT CARE AND HEALTH

Risk Area / Audit Entity	Audit Report		Direction of Travel Assurance
	Assurance opinion	Residual Risk / Audit Comment	
Safeguarding Risk / ANA - Medium; Client request	Good Standard Status: Final	Assurance was reported in the November 2017 report, please refer to that report for details.	
Practice Quality Review Risk / ANA - Low; Client request	N/A Status: Draft	Assurance was reported in the November 2017 report, please refer to that report for details. Further tranche of testing schedule for the first quarter of 2018/19 after which the report will be finalised.	*
Forecasting future spend adult social care transitions Risk / ANA - Low; Client request	Improvements Required Status: Draft	Assurance was reported in the November 2017 report, please refer to that report for details.	
Recommissioning of Residential and Nursing Care Risk / ANA - Medium; Client request	Good Standard Status: Final	The residential and nursing homes new fee model update and risk analysis presented to a joint SLT meeting at the end of January 2018 covered financial impact; the current Resource Allocation System (RAS) had been interrogated to help understand the financial impact of the new fee model based on acuity. The report highlighted an increase of £5.48m if all cases are increased with immediate effect with no resulting decreases being identified. Alternatively, there could be savings of £4.4m if all cases are matched to the new model with immediate effect (i.e. some go up, some go down). It is envisaged that the financial impact will be somewhere in the middle, depending on the transition plan. Currently there is no capacity to undertake the review and transition of legacy cases on a whole home basis. It has been proposed a team of staff will be recruited to carry out this work (10fte, 38 weeks).	
Recommissioning of unregulated care through the Supporting Independence procurement Risk / ANA - Low; Client request	Good Standard Status: Final	Assurance was reported in the November 2017 report, please refer to that report for details.	

ADULT CARE AND HEALTH

Risk Area / Audit Entity	Audit Report		Direction of Travel Assurance
	Assurance opinion	Residual Risk / Audit Comment	
Living Well at Home (LWAH) Supply Chain and Finance Risk / ANA - High, Client request	Status: Ongoing	Work has commenced and will be reported upon during the first half of 2018/19.	N/A
Promoting Independence Risk / ANA - Low; Client request	Status: Ongoing	Work has commenced and will be reported upon during the first half of 2018/19.	N/A
Spend on Individuals / Management Information Risk / ANA - Medium; Client request	Status: Ongoing	Work has commenced and will be reported upon during the first half of 2018/19.	N/A

CHILDREN'S SERVICES

Risk Area / Audit Entity	Audit Report		Direction of Travel Assurance
	Assurance opinion	Residual Risk / Audit Comment	
Legal Care Proceedings Risk / ANA - Medium	Improvements Required Status: Final	Assurance was reported in the November 2017 report, please refer to that report for details.	⬆G
Placement Stability Risk / ANA - Medium	Improvements Required Status: Final	Assurance was reported in the November 2017 report, please refer to that report for details.	⬆G
Special Education Needs (SEN) - High Needs Block - Independent Placements Risk / ANA - Medium; Client request	Good Standard Status: Draft	Devon has a sound framework in place to meet the duties laid down in Section 9 of the SEN Code of Practice. Sample testing confirmed overall compliance with the framework across all geographical areas. Budget management and monitoring was found to be robust and closely monitored both within 0-25 team and by the service accountant. SEN High Needs Block budgets are scored as 'high risk' under the DCC Collaborative Planning Framework, due to ongoing budgetary overspend and pressures; under this model, monitoring and budget re-modelling is undertaken monthly. Recommendations made in this report will serve to further improve the framework, including enhancing evidence held of the consultation process with key stakeholders, strengthening the working relationship with Adult Services around post 19 provision and preparing for adulthood, and setting up of a joint commissioning arrangement, similar to Children's Services. Section 8 of the SEN Code of Practice focusses on 'preparing for adulthood from the earliest years', and the duties of the local authority. It is therefore essential this is being fully met, to minimise any adverse reputational impact. An area cited during the audit was around the process of 'ceasing children who no longer need to be in education', which needs to become more robust, and is an area that SEN management are looking to address.	⬆G *
Unaccompanied Asylum-Seeking Children (UASC) Risk / ANA - Medium; Client request	Good Standard Status: Final	To meet the needs of any unaccompanied asylum-seeking children (UASC) coming into care in Devon, and preparing them for adulthood, a sound framework is in place; this includes an awareness of and good access to statutory national guidance, policies in relation to UASC, local and multi-agency procedures, dedicated staff and access to other care professionals. The framework could be further improved by strengthening the UASC training which has, until recently been limited.	⬆G

CHILDREN'S SERVICES

Risk Area / Audit Entity	Audit Report		Direction of Travel Assurance
	Assurance opinion	Residual Risk / Audit Comment	
		All UASC referrals undergo assessment to either confirm that they are unaccompanied and are under the age of 18, and to identify specific need. Once confirmed as an unaccompanied minor, they fall under "looked after child" status, and are processed in accordance with Devon's procedures. Testing of a sample of cases has confirmed this, although the audit trail could be improved by having a more consistent and uniformed approach to where / how electronic records are stored in CareFirst (and its successor Eclipse). The Local Authority needs to ensure that it has suitable mitigation in place to minimise the risk of reputational damage in the event of any UASC having been refused asylum or only granted a temporary stay, over staying in the UK. UASC funding claim returns to the Home Office were found to be accurate, and there are sufficient checks and balances in place to ensure that all UASC information is collated and the risk of financial loss is minimised.	
Early Help for Families Grant (Troubled Families)	Certified Status: Complete	DAP have verified and certified four claims during this financial year.	N/A
Schools Financial Value Standard (SFVS)	Good Standard	SFVS Dedicated Schools Grant Chief Finance Office assurance statement for 2016/17 was submitted to the Department for Education in May 2017.	⬆G
Maintained Schools audit programme	Good Standard	The overall opinion for routine school audit visits has been maintained as 'good standard' (refer to summary data below). The provision of internal audit's performance data provides a greater focus on schools causing concerning in the wider control environment.	⬆G
Maintained Schools Summary Data			**Assurance Opinion**
The key matters arising from the audits are: • Specific areas related to the Standard including governance, business continuity and benchmarking; • Financial controls around income collection and banking and the inventory records; • Purchasing and procurement including the reconciliation of the imprest account.			Good Standard

COMMUNITIES, PUBLIC HEALTH, ENVIRONMENT AND PROSPERITY

Risk Area / Audit Entity	Audit Report		Direction of Travel Assurance
	Assurance opinion	Residual Risk / Audit Comment	
Early Help for Mental Health Risk / ANA - Client Request	Good Standard Status: Final	The contract does not request budget reporting other than the annual accounts and thus benefit may be gained from more regular & detailed reporting. Also KPI's in relation to Impact and outcomes have not been agreed. The contract stipulated that these would be agreed between both parties prior to the commencement of the 2nd year of the contract. These are now well overdue and require investigation.	G ⬆
Learn Devon - Enrolment Process Risk / ANA - Medium	Improvements Required Status: Final	Assurance was reported in the November 2017 report, please refer to that report for details.	G ⬆
Management of Industrial Estate Portfolio (IEP) Risk / ANA - Medium	Improvements Required Status: Draft	The financial performance of the IEP is reported as part of the Economy, Enterprise and Skills budget. Meetings with NPS re the Industrial Estate Portfolio take place approximately every 6 weeks, however due to capacity at NPS there has been a break in these update meetings; however, agreement has been reached to recommence meetings bi monthly shortly. We were unable to obtain a definitive list of sites which comprise the Industrial Estate Portfolio; DAP have composed a list of sites, based on information in the 2016/17 accounts. However, this may not be a complete list, as there may be pieces of land held in the portfolio which do not appear in the 2016/17 accounts. Reviewing the lease agreement for a Duchy Square Centre unit, the lease stipulates a deposit is to be paid equal to two months' annual rent; yet review identified a tenancy where no deposit appears to have been taken and another tenancy where the deposit has been used to offset overdue rent.	G ⬆ *
Total Transport - PTAS Risk / ANA - High	Good Standard Status: Final	The role of the Patient Transport Advice Service (PTAS) Team is well defined with good systems and processes in place. Under current arrangements PTAS must use the First Care Cleric System when booking transport for the Devon contract and the loss of this system would prove challenging. The service has already identified this issue and are investigating new systems which will cover all Planning Coordination Service needs including the PTAS element. This will enable bidding for further contracts and prove more efficient. The Service have also identified the need to update	G ⬆

COMMUNITIES, PUBLIC HEALTH, ENVIRONMENT AND PROSPERITY

Risk Area / Audit Entity	Audit Report		Direction of Travel Assurance
	Assurance opinion	Residual Risk / Audit Comment	
		their risk registers and have sought internal audit assistance. The service will continue to work with internal audit to update Risk registers and provide Business Continuity Planning.	
Y-Smart Substance Misuse Service Risk / ANA - Medium; client request	Good Standard Status: Draft	The audit has confirmed that spending on the budget for substance misuse service for children and young persons, including the use of public health funding has been used solely for the delivery of the service. The service spending needs to be seen as a whole service provision, and does not differentiate between that of treatment services, prevention & raising awareness, and Y-project work. It was clear from reviewing the internally produced quarterly and annual reports that they provide such a breakdown on service delivery overall. The main finding relates to the transferring of the commissioning responsibility to Children's Services where there does not appear to be formalised framework in place between Children's Services and Public Health, who are the main funding contributors. As a result, performance monitoring and reporting has become disconnected, and needs to be re-established. A few recommendations have been made which should help provide for improved connectivity between Children's Services and Public Health (as a significant stakeholder).	G *

HIGHWAYS, INFRASTRUCTURE DEVELOPMENT AND WASTE

Risk Area / Audit Entity	Audit Report		Direction of Travel Assurance
	Assurance opinion	Residual Risk / Audit Comment	
Shared Savings (Waste) Risk / ANA - Medium; Client Request	High Standard Status: Final	Assurance was reported in the November 2017 report, please refer to that report for details.	G ↑
Civil Parking Enforcement Risk / ANA - Medium; Client Request	Good Standard Status: Draft	We reviewed a number of complaints made against individual Civil Enforcement Officers (CEOs) in the last two financial years. Overall the number of complaints has reduced since the service transferred in 2014 with the service receiving a low volume of Stage 2 complaints in the last two financial years. Overall, we found there were established processes to enable the service to review and respond to complaints. However, we were unable to find evidence to support that individual complaints relating to officer conduct had been discussed with relevant CEOs as part of their monthly performance reviews. The Operations Team (CEOs) are looking to instigate supervisions with CEOs on an ongoing basis. These supervisions may help to ensure practices are being adopted consistently, as well as identifying any potential conduct/behavioural issues.	G ↑ *
Failure to maintain C class and unclassified roads effectively Risk / ANA - CRR HTM1, Medium, Client Request	Status: Ongoing	Work has commenced and will be reported upon during the first half of 2018/19	N/A
Footway Maintenance Risk / ANA - Medium; Client Request	Status: Ongoing	Work has commenced and will be reported upon during the first half of 2018/19	N/A

Appendix 2 - Professional Standards and Customer Service

Conformance with Public Sector Internal Audit Standards (PSIAS)

Conformance - Devon Audit Partnership conforms to the requirements of the PSIAS for its internal audit activity. The purpose, authority and responsibility of the internal audit activity is defined in our internal audit charter, consistent with the *Definition of Internal Auditing,* the *Code of Ethics* and the *Standards.* Our internal audit charter was approved by senior management and the Audit Committee in March 2017. This is supported through DAP self-assessment of conformance with Public Sector Internal Audit Standards & Local Government Application note.

Quality Assessment – through external assessment December 2016 "DAP is considered to be operating in conformance with the standards". External Assessment provides independent assurance against the Institute of Internal Auditors (IIA) Quality Assessment & Public Sector Internal Audit Standards (PSIAS). The Head of Devon Audit Partnership also maintains a quality assessment process which includes review by audit managers of all audit work. The quality assessment process and improvement is supported by a development programme.

Improvement Programme – DAP maintains a rolling development plan of improvements to the service and customers. All recommendations of the external assessment of PSIAS and quality assurance were included in this development plan and have been completed. This will be further embedded with revision of our internal quality process through peer review. Our development plan is regularly updated and a status report was reported to the Management Board in October 2016.

Performance Indicators
Overall, performance against the indicators has been very good with improvements made on the previous year (see Appendix 6). 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 continue to review where performance in this area can be improved.

Customer Service Excellence
In June 2017, DAP was successful in re-accreditation by G4S Assessment Services of the CSE. We continue to issue client survey forms with our final reports and the results of the surveys returned are, although low in number, very good and again are very positive. The overall result is very pleasing, with near 98%being "satisfied" or better across our services, see appendix 7. 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.

Analysis of Customer Survey Results 2017/18

- Very Satisfied — 76%
- Satisfied — 22%
- Adequate — 2%
- Poor — 0%

Appendix 3 – Audit Authority

Service Provision

The Internal Audit (IA) Service for Mid Devon Council is delivered by the Devon Audit Partnership (DAP). This is a shared service arrangement 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.

Strategy

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.

Regulatory Role

There are two principal pieces of legislation that impact upon internal audit in local authorities:
Section 5 of the Accounts and Audit Regulations (England) Regulations 2015 which states that 'a relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance…..''
Section 151 of the Local Government Act 1972, which requires every local authority to make arrangements for the proper administration of its financial affairs

Professional Standards

We work to professional guidelines which govern the scope, standards and conduct of Internal Audit as set down in the Public Sector Internal Audit Standards.
DAP, through external assessment, demonstrates that it meets the Public Sector Internal Audit Standards (PSIAS).
Our Internal Audit Manual provides the method of work and Internal Audit works to and with the 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.

devon**audit**partnership

Support, Assurance and Innovation

Appendix 4 - Annual Governance Framework Assurance

The conclusions of this report provide the internal audit assurance on the internal control framework necessary for the Committee to consider when reviewing the Annual Governance Statement.
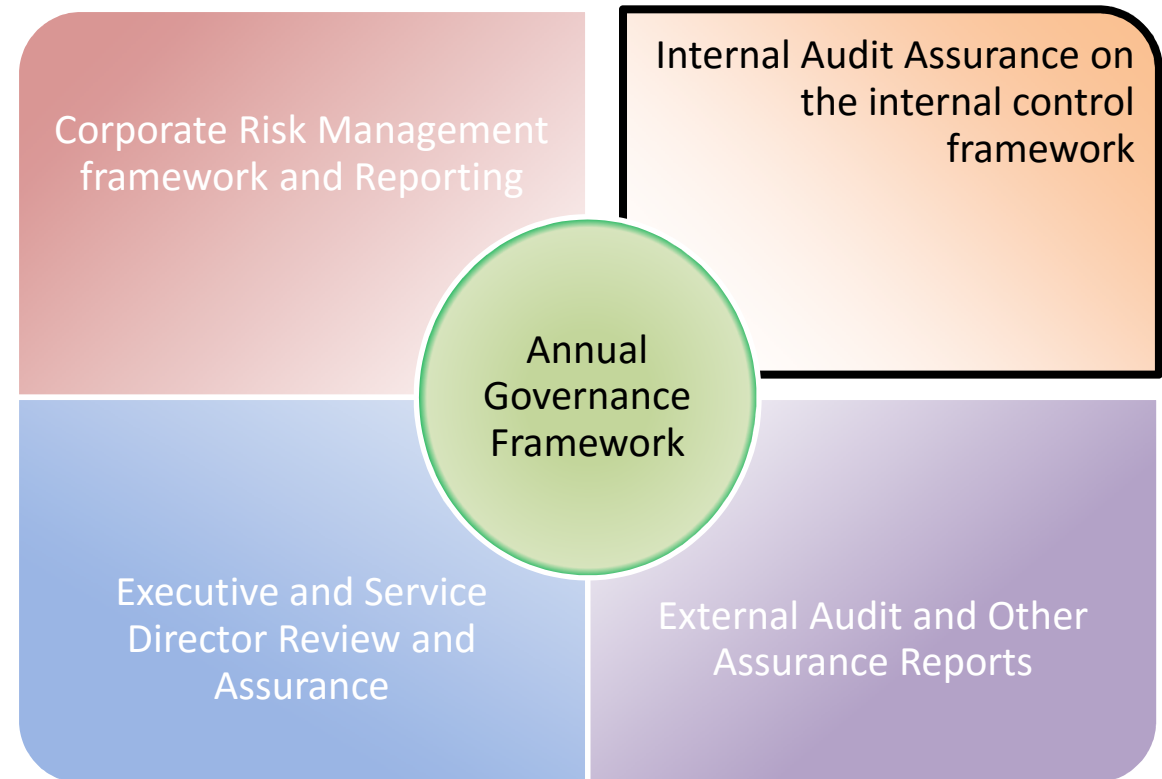
The Annual Governance Statement provides assurance that
- o the Authority's policies have been complied with in practice;
- o high quality services are delivered efficiently and effectively;
- o ethical standards are met;
- o laws and regulations are complied with;
- o processes are adhered to;
- o performance statements are accurate.

The statement relates to the governance system as it is applied during the year for the accounts that it accompanies. It should: -
- • be prepared by senior management and signed by the Chief Executive and Chair of the Audit Committee;
- • highlight significant events or developments in the year;
- • acknowledge the responsibility on management to ensure good governance;
- • indicate the level of assurance that systems and processes can provide;
- • provide a narrative on the process that has been followed to ensure that the governance arrangements remain effective. This will include comment upon;
  - o The Authority;
  - o Audit Committee;
  - o Risk Management;
  - o Internal Audit;
  - o Other reviews / assurance.

Provide confirmation that the Authority complies with CIPFA / SOLACE Framework *Delivering Good Governance in Local Government*. If not, a statement is required stating how other arrangements provide the same level of assurance

Corporate Risk Management framework and Reporting

Internal Audit Assurance on the internal control framework

Annual Governance Framework

Executive and Service Director Review and Assurance

External Audit and Other Assurance Reports

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

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

Appendix 5 - Basis for Opinion

The Chief Internal Auditor is required to provide the Council with an opinion 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, formed from risk-based reviews and sample testing, of the framework of governance, risk management and control.

This report compares the work carried out with the work that was planned through risk assessment; 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 statement on the effectiveness of the system of internal control in meeting the Council's objectives:
- a comparison of internal audit activity during the year with that planned;
- a summary of the results of audit activity and;
- a summary of significant fraud and irregularity investigations carried out during the year and anti-fraud arrangements.
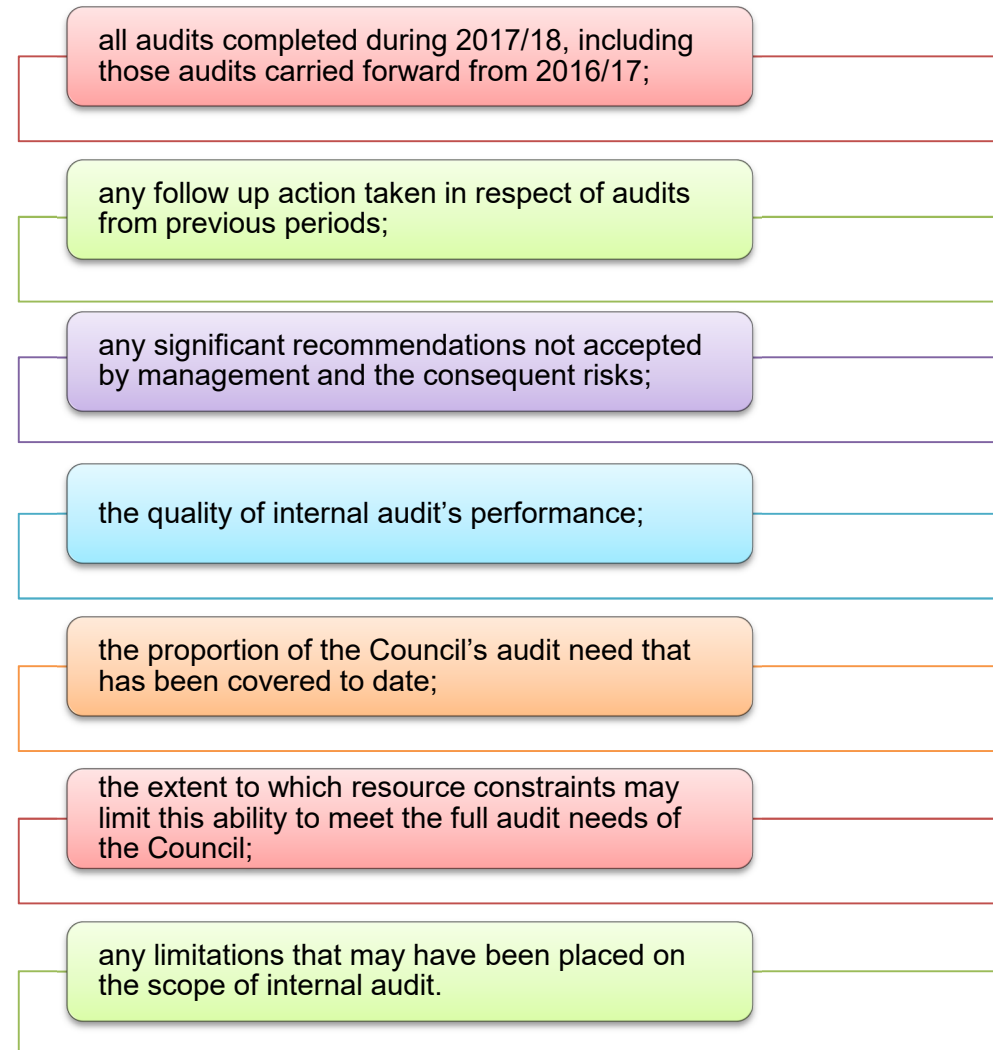
The extent to which our work has been affected by changes to audit plans has not been notable this year as in some previous financial years. Whilst certain changes have been made from the plans originally agreed this has been due to changes in operational business needs.

Levels of sickness amongst staff within the team has unfortunately meant certain reviews have been deferred into future years audit plans.

The scope of our audit work this year has not been adversely affected by investigatory works required to be undertaken and does not reduce the level of assurance able to be offered.

In assessing the level of assurance to be given the following have been taken into account:

all audits completed during 2017/18, including those audits carried forward from 2016/17;

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.

Appendix 6 - Performance Indicators

There are no national Performance Indicators in existence for Internal Audit, but the Partnership does monitor the following Local Performance Indicators LPIs:
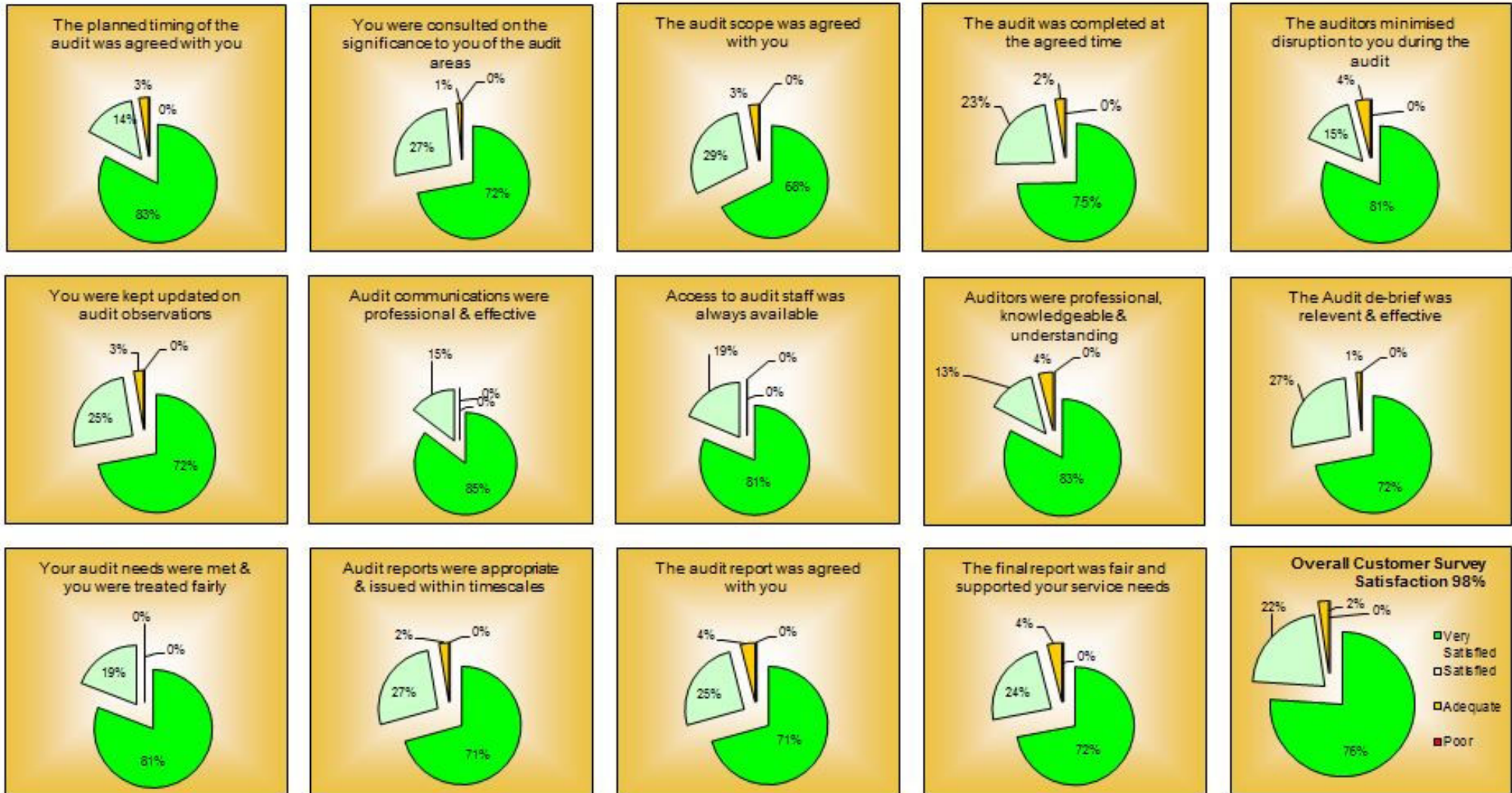
Local Performance Indicator (LPI)	2015/16	2015/16	2016/17	2016/17	2017/18	2017/18
	Target	Actual	Target	Actual	Target	Actual
Percentage of Audit Plan Commenced (Inc. Schools)	100%	100%	100%	99%	100%	100%
Percentage of Audit Plan Completed (Inc. Schools)	93%	97%	93%	96%	93%	91%
Actual Audit Days as percentage of planned (Inc. Schools)	95%	101%	95%	113%	95%	99%
Percentage of fundamental / material systems reviewed annually	100%	100%	100%	100%	100%	100%
Percentage of chargeable time	65%	69%	65%	70%	65%	71%
Customer Satisfaction - % satisfied or very satisfied as per feedback forms	90%	99%	90%	98%	90%	98%
Draft Reports produced within target number of days (currently 15 days)	90%	87%	90%	85%	90%	89%
Final Reports produced within target number of days (currently 10 days)	90%	94%	90%	100%	90%	97%
Average level of sickness absence (DAP as a whole)	2%	2%	2%	3.2%	2%	4%*
Percentage of staff turnover (DAP as a whole)	5%	5%	5%	21%	5%	11% **
Out-turn within budget	Yes	Yes	Yes	Yes	Yes	Yes

* Sickness relates to DAP overall
** Staff turnover relates to 1 starters and 2 leavers

Appendix 7 - Customer Service Excellence

Customer Survey Results April 2017 - March 2018

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Devon Audit Partnership	Confidentiality and Disclosure Clause
The Devon Audit Partnership has been formed under a joint committee arrangement. We aim to be recognised as a high quality internal audit service in the public sector. We work with our partners by providing a professional internal audit service that will assist them in meeting their challenges, managing their risks and achieving their goals. In carrying out our work we are required to comply with the Public Sector Internal Audit Standards along with other best practice and professional standards. The Partnership is committed to providing high quality, professional customer services to all; if you have any comments or suggestions on our service, processes or standards, the Head of Partnership would be pleased to receive them at robert.hutchins@devonaudit.gov.uk .	This report is protectively marked in accordance with the National Protective Marking Scheme. It is accepted that issues raised may well need to be discussed with other officers within the Council, the report itself should only be copied/circulated/disclosed to anyone outside of the organisation in line with the organisation's disclosure policies. This report is prepared for the organisation's use. We can take no responsibility to any third party for any reliance they might place upon it.