

Internal Audit

Annual Audit Report 2015-16

Devon County Council  
Audit Committee

June 2016



Auditing for achievement

# Contents

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## Devon Audit Partnership

The Devon Audit Partnership has been formed under a joint committee arrangement comprising of Plymouth, Torbay and Devon councils. We aim to be recognised as a high quality internal audit service in the public sector. We work with our partners by providing a professional internal audit service that will assist them in meeting their challenges, managing their risks and achieving their goals. In carrying out our work we are required to comply with the Public Sector Internal Audit Standards along with other best practice and professional standards.

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](mailto:robert.hutchins@devonaudit.gov.uk).

## Confidentiality and Disclosure Clause

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.

# Contents

## **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 2015/16 was presented and approved by the Audit Committee in March 2015. The following report and appendices set out the background to audit service provision; a review of work undertaken in 2015/16, 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 1) and satisfy themselves from this assurance for signing the Annual Governance Statement.

**Robert Hutchins**  
**Head of Devon Audit Partnership**

# Assurance Statement

This statement of opinion is underpinned by :

**Overall, based on work performed during 2015/16 and our experience from the current year progress and previous years audit, the Head of Internal Audit's Opinion is of "Significant Assurance" on the adequacy and effectiveness of the Authority's internal control framework.**

*This assurance statement will support Members in their consideration for signing the Annual Governance Statement see appendix 1.*

Internal Audit assesses whether key, and other, controls are operating satisfactorily within audit reviews, 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 control issues identified. Implementation of action plans is the responsibility of management yet may be reviewed during subsequent audits or as part of a specific follow-up process.

Directors have been provided with details of Internal Audit's opinion on each audit review to assist them with compilation of their individual annual governance assurance statements. If significant weaknesses have been identified in specific areas, these have been considered by the Authority in preparing its Annual Governance Statement which will be accompany the published Statement of Accounts for 2015/16.

Work has been affected by notable planned changes early in the year for People and a number of Place audits were postponed. This has reduced planned assurance work, however we consider, based on this and previous years work, that the framework of control remains in operation. Further explanation is provided in the sections on Basis for Opinion and the Consequences of Change & Risk.

## 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 & through to members. Key risks are recorded in Risk Registers, allowing a co-ordinated & consistent approach to minimise exposure and to ensure objectives are met. Key changes are escalated through the Corporate Risk Management Group. Further development is planned to 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 & contracts new services.

<b>Full Assurance</b>	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.	<b>Limited Assurance</b>	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.
<b>Significant Assurance</b>	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.	<b>No Assurance</b>	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.

## Basis for Opinion

The Chief Internal Auditor is required to provide the Council with an assurance on the adequacy and effectiveness of its accounting records and its system of internal control in the Council. In giving our opinion, it should be noted that this assurance can never be absolute. The most that the internal audit service can do is to provide reasonable assurance, based on risk-based reviews and sample testing, that there are no major weaknesses in the system of control.

This report compares the work carried out with the work that was planned through risk assessment (see appendix 2); presents a summary of the audit work undertaken; includes an opinion on the adequacy and effectiveness of the Authority's internal control environment; and summarises the performance of the Internal Audit function against its performance measures and other criteria. The report outlines the level of assurance that we are able to provide, based on the internal audit work completed during the year. It gives:

- a comparison of internal audit activity during the year with that planned, placed in the context of internal audit need;
- a summary of significant fraud and irregularity investigations carried out during the year and anti-fraud arrangements; and
- a statement on the effectiveness of the system of internal control in meeting the Council's objectives.

The extent to which our work has been affected by changes to audit plans has been notable this year and we have not been able to meet the original audit plan for the People Services, and some of the Place Services work. This has been due to changes in operational business needs and investigation work.

Work has been deferred to future year's audit plans in consultation with the client and taking into account the related risk.

The scope of our audit this year has been adversely affected for People Services as a consequence of investigations and reduces the level of assurance that we are able to offer in relation to these areas.

The overall audit assurance will have to be considered in light of this position.

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



# Audit Authority

## Service Provision

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

## 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.

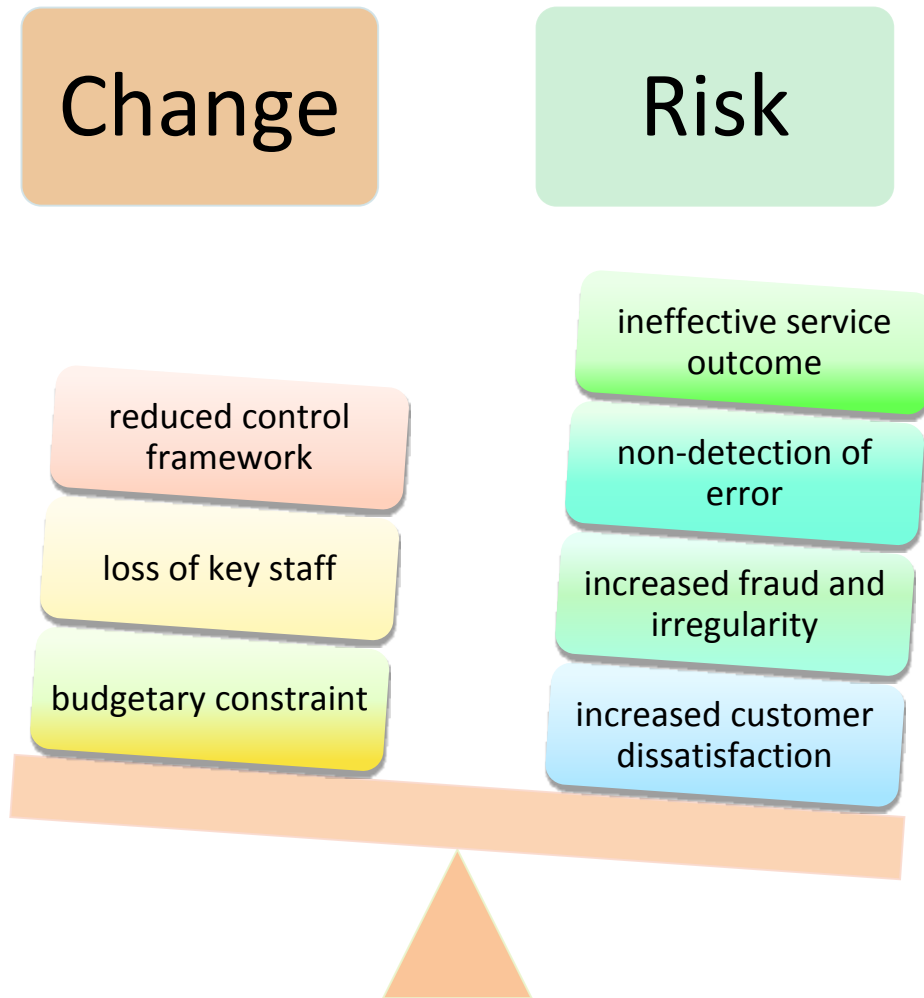
## Professional Guidelines

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. We have been assessed as “conforming” to these standards and have completed our annual self-assessment against PSIAS requirements.

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.



## The consequences of change and risk



Change remains a constant; the expectation of the public for services provided by the public sector has never been greater; yet the money that is available for these services needs to be reduced. All public sector organisations are looking at how services can be transformed; what worked in the last decade may not meet new challenges. The use of, and dependency on, IT for service delivery will only increase further; this brings rewards but also carries its own risk.

The Internal Audit function has a key role in helping management fully understand their risks and in designing effective and efficient controls that mitigate these risks to an acceptance level; a consistent application of a quality internal audit opinion assists the organisation to develop alternative and new delivery solutions that will deliver the service required.

Our work this year has been tailored to meet the changing requirements of the Authority throughout the year. All of the changes and risks within this graphic have been observed and the impact of these has been of varying significance. Some key areas of change that has seen audit involvement include:

- performance management systems;
- personal care contract review ;
- introduction of new accounts payable process;
- introduction of new budget planning process;
- tendering for the new Highways contract working jointly with Somerset and Plymouth Councils;
- transfer of the library service to Libraries Unlimited;
- initial development of the new risk management database.

Audit are able to report that in these areas the potential risks have been carefully managed throughout the period of change so that their impact has been mitigated.

The number of irregularity investigations has remained constant this year compared to 2014/15, as the Council continues to face the consequences of continued reduction in the Authority's resources due to budgetary constraint, resulting in a perpetuating cycle of a reducing control framework. In some cases Audit has recommended changes to controls as a result of its investigations and management has taken disciplinary action where appropriate.



## Business objectives – audit assurance overview

From consideration of the Authority’s key challenges and opportunities it is facing we have provided assurance in these area through our work over the year.

<b>Transformational Change</b> <ul style="list-style-type: none"> <li>• new ways of working - delivering more with less</li> <li>• one stop shops</li> <li>• meeting customer needs</li> <li>• alternative service delivery vehicles</li> </ul>	<b>Partnering and Collaboration</b> <ul style="list-style-type: none"> <li>• governance arrangements</li> <li>• Public Sector Network (PSN)</li> <li>• information governance</li> </ul>	<b>Commissioning</b> <ul style="list-style-type: none"> <li>• developing an effective market place</li> <li>• flexible contracting, focused on outputs not inputs</li> <li>• flexible payment structures to reflect reduced budgets</li> </ul>	<b>Information Technology</b> <ul style="list-style-type: none"> <li>• infrastructure resilience</li> <li>• information security</li> <li>• desktop availability</li> <li>• cloud computing</li> <li>• channel shift</li> </ul>	<b>Financial &amp; operational constraint</b> <ul style="list-style-type: none"> <li>• reduction of control framework</li> <li>• loss of experienced staff</li> <li>• income generation</li> </ul>	<b>Compliance &amp; Regulatory</b> <ul style="list-style-type: none"> <li>• key financial systems</li> <li>• Ofsted</li> <li>• Data Protection</li> <li>• Annual governance arrangements</li> </ul>
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## Internal Audit Consideration

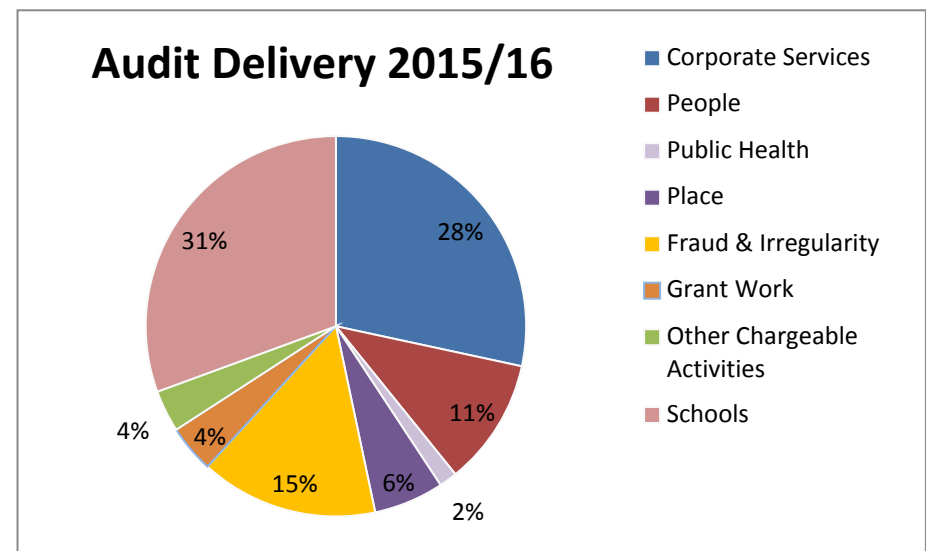
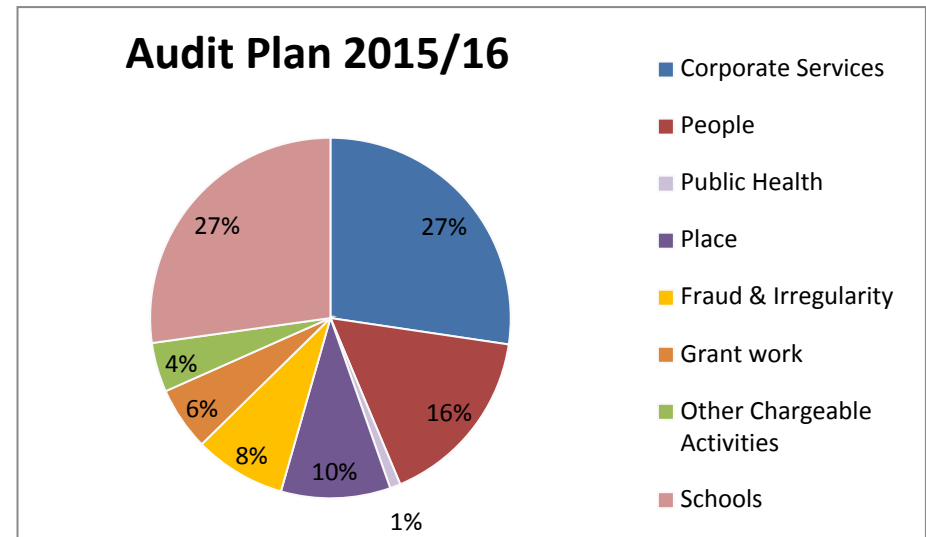
<b>We will support the implementation Boards</b> <ul style="list-style-type: none"> <li>• re-engineer internal controls</li> <li>• advise on delivery plans</li> </ul>	<b>Review partner contracts</b> <ul style="list-style-type: none"> <li>• test performance monitoring arrangements</li> <li>• review governance arrangements</li> </ul>	<b>Advise on procurement processes</b> <ul style="list-style-type: none"> <li>• 'best practice' for procurement arrangements</li> <li>• transparency and consistency of approach</li> <li>• wider 'peninsula' approach</li> </ul>	<b>Undertake service management review</b> <ul style="list-style-type: none"> <li>• review information governance</li> <li>• review strategic infrastructure roadmap</li> <li>• test data security and compliance</li> </ul>	<b>Advise on reduction in control framework</b> <ul style="list-style-type: none"> <li>• use of automated controls</li> <li>• use of continuous auditing approaches</li> <li>• managing residual risks</li> <li>• determine 'cost of control'</li> </ul>	<b>Compliance reviews on all material systems</b> <ul style="list-style-type: none"> <li>• follow-up implementation plans on material systems reviews</li> <li>• review performance progress on action plans</li> <li>• contribute to Annual Governance Statement</li> </ul>
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## Audit Coverage and performance against plan

The pie charts right shows the breakdown of audit days delivered by service area / type of audit support provided. The balance of work has varied during the year as can be seen from comparison with the second chart. Variations have been with full agreement of the client, key amongst these are People and Irregularity which are related and offset each other.

Appendix 3 shows the actual days of audit delivery in 2015/16 against the revised audit plan. It will be noticed that there was a small variation in the total number of audit days provided during the year. 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.

Appendix 4 to this report provides a summary of the audits undertaken during 2015/16, 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.



## Customer Value

### 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 2016. This is supported through DAP self-assessment of conformance with Public Sector Internal Audit Standards & Local Government Application note.

**Quality Assessment** - the Head of Devon Audit Partnership 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. External Assessment provides assurance that against the Institute of Internal Auditors (IIA) Quality Assessment & Public Sector Internal Audit Standards (PSIAS) "DAP is considered to be operating in conformance with the standards" as reported to the Partnership Committee in November 2014 and will be subject to peer review in November 2016.

**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 2015.

### Performance Indicators

Overall, performance against the indicators has been very good with improvements made on the previous year (see appendix 3). 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 areas where performance in this area can be improved.

### Customer Service Excellence

DAP has been successful in re-accreditation by G4S Assessment Services of the CSE standard during the year.

During the period we issued client survey forms with our final reports. 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 99% being "satisfied" or better across our services, see appendix 5. 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.

### Added Value

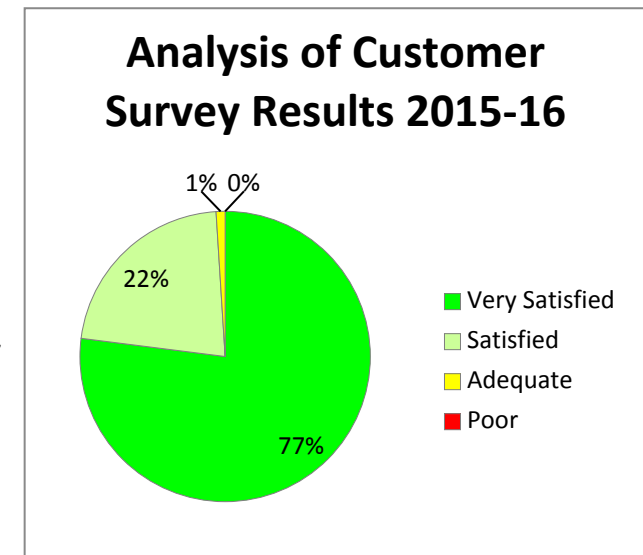
We have had some very complimentary feedback some of the specific examples of where our team have been able to add value to the Council include:-

*'It was useful to have the opportunity to discuss areas for development and have confirmation that standards are being met through the use of our new income management software'.*

*'The auditor was very professional and balanced in their observations which made the process very useful - especially as a newly appointed manager'*

*'We feel more secure in our knowledge of procedures and statutory requirements – knowing that what we are doing is right, but also the reasons behind it'*

*'The planning and conduct of the review was informative and allowed for some self-reflection on processes'.*



## Value Added

Our internal audit activity has added 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

Senior Management has found our engagement, support as a “trusted advisor” effective and constructive in these significantly changing times.

Our work has identified specific added value benefits in key areas and in mitigating key risks. Notable benefits have been reported in the following areas:

### Corporate Services

- involvement in HR One / Payroll system development projects ensuring that control issues are highlighted and resolved before implementation;
- supporting HR One in resolving prior year issues regarding Teachers Pensions contribution;
- supporting Finance in the Transport Infrastructure Asset Project;
- ICT Service Strategy Plan – direction of travel for new plan;
- helping to improve the SLA with Torbay Council and Plymouth City Council with respect to recharging of Coroners costs and standardising the information received;
- providing assurance that Blue Badge complaints and appeals are handled in an effective and efficient manner;
- reviewing the tender evaluation process for a significant contract within People and making recommendations for improvements;
- providing advice on how the Council conducts financial appraisals of prospective contractors and suppliers;
- providing challenge and advice to the Corporate Risk Management Group (CRMG) in further embedding risk management across the Authority;
- attending and supporting the recent Business Continuity Flu Pandemic exercise, and
- supporting Finance in regards to training for new financial systems.

## People

- Providing assurance during the evaluation and moderation of the Living Well at Home tender submissions
- Reviewing the tender evaluation process used in the original tendering of the DILIS contract, which resulted in a number of recommendations for improvements;
- Providing advice and support to the project responsible for the re-running of the DILIS procurement exercise.

## Public Health

- Sharing best practice from GP surgeries in identifying & undertaking NHS Health Checks was found to be where the surgeries used a combination of a targeted approach and utilising opportunities when patients presented themselves for other reasons.

## Place

- Providing support, challenge and advice to the Corporate Risk Management Group on an ongoing basis and on the development of the new risk database.
- Supporting the transfer of library services to the new organisation 'Libraries Unlimited'.
- Providing challenge, advice and best practice guidance on the schedule of rates, the evaluation model and general procurement and contract controls associated with the tender process for a new Highways Maintenance contract due to commence in April 2017
- Continued audit presence on the Highway TMC Cost Monitoring Board to provide real time support and challenge as the Partnership strives to improve the efficiency of works under the Highways Contract and achieve savings through the target costing mechanism.

## Schools

We provided financial management data to support the School Information Dashboard to improve the performance information. This has highlighted schools intervention requirements from governor support, school improvement and internal audit.

Completion of the follow-up programme of 9 reviews for 2015-16 showed improvement in all schools.

## Internal audit coverage and results

### Corporate Services

In our opinion, and based upon our audit work completed during 2015/16, 'trusted partner' and direct advice provided for on-going projects, we are able to report that internal controls continue to operate effectively and where recommendations for improvements have been made, action plans have been agreed with management.

Based on audits completed and on indications from previous and on-going work, we are able to report that material systems controls have either been maintained, or improvements are being made to address previously identified weaknesses. Whilst a number of weaknesses exist, management are aware of these issues, and have either accepted the related risk, or are taking action to address them. Audit resources will continue to support ICT in the establishment and development of the new ICT Commissioning Model and in meeting the financial and technological challenges that lie ahead.

No significant concerns have been identified from our work, including that on grants, and management have responded positively to any recommendations for improvement. The Appendix 4 details the assurance opinions for individual audits.

### People

In our opinion, and based upon our audit work completed we are able to report that internal controls continue to operate effectively and where recommendations for improvements have been made, action plans have been agreed with management.

DAP has been involved both with the tender preparation for the five year £200m 'Living Well at Home' personal care contract and also providing assurance during evaluation of the tender bids submitted back to the Authority. We found the evaluation and moderation of the bids was conducted in an appropriate manner and had been accurately recorded.

The Virtual School report identified PEPs being completed for all Children in Care up to 16 years of age but little or no system in place for those CIC over 16 years of age. The Virtual Head stated this was a task in hand to ensure a continuity of care or receipt of support required.

Any concerns identified through our work leading to recommendations for improvement are responded to positively by management.

Findings from work in connection with our involvement in the various safeguarding alerts in which Audit has been involved are being collated and will shortly be provided in the form a report to management.

### Public Health

NHS Health Check Best Practice Guidance (February 2015) states that, "Legal duties exist for local authorities to make arrangements for each eligible person aged 40-70 to be offered a NHS Health Check once in every five years". They are also required to continuously improve the percentage of eligible individuals taking up their offer of an NHS Health Check. Commissioning and monitoring the risk assessment element of the NHS Health Check is a mandatory public health function in the Health and Social Care Act 2012.

Devon County Council suspended NHS Health Checks from the 1<sup>st</sup> April 2016 with reduction in public health grant given as the reason. GP Practices were asked to cease offering the NHS Health Checks with immediate effect.

An outreach NHS Health Checks programme provided by Access Healthcare is tasked with undertaking 1,000 NHS Health Checks in 2016/17. GP Practices undertook 25,543 NHS Health Checks in 2014/15.

Although the NHS health checks programme has currently been suspended a review is being carried out with options for appraisal for completion of the programme in the final year and a half.

### Place

In our opinion, and based upon our audit work completed during 2015/16 and the 'watching briefs' and direct advice provided for on-going and new projects, we are able to report that internal controls continue to operate effectively and where recommendations for improvements have been made, action plans have been agreed with management.

We are pleased to be able to report good and high standards in reports completed during the year and particularly for the Development Management Approval of Planning Applications where performance has improved and now exceeds national targets. Also, performance is

improving in areas of Civil Parking Enforcement with many more planned developments identified.

We supported various strategic changes during the year including the transfer of library services to 'Libraries Unlimited' and the tendering process for the new joint Highways contract. We provided challenge, advice and best practice guidance on the schedule of rates, the evaluation model and general procurement and contract controls, as well as attending the evaluation panels for the Highways contract.

Watching briefs included attending Corporate Risk Management Group and the virtual joint venture Term Maintenance Contract meetings.

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

## Schools

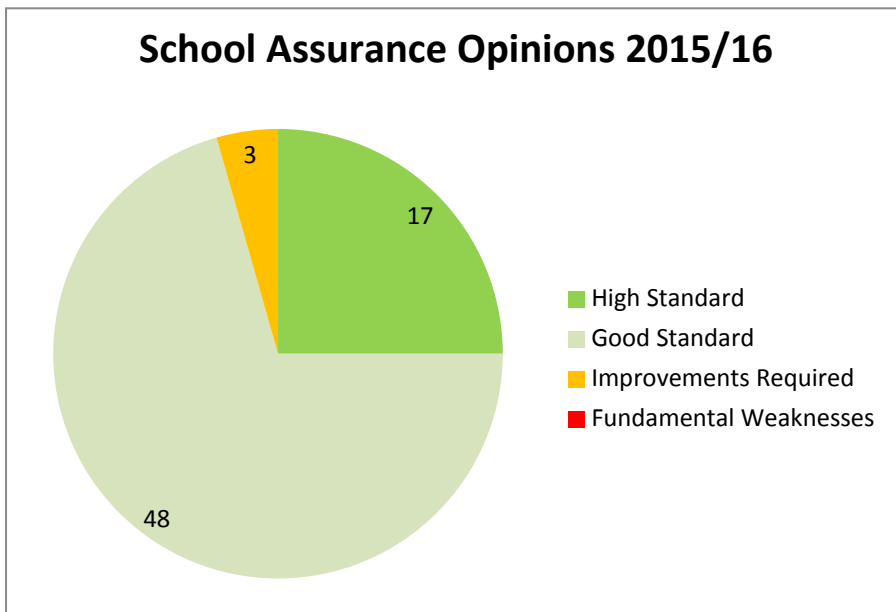
Our overall opinion is one of Good Standard. In general, the systems and controls in schools mitigate the risks identified in many areas. However, there are risks exposed in key areas which reduce overall assurance.

The key matters arising from the audits are the:

- quality of financial management by governors and skills assessment as evidenced by the requirements of the Standard;
- purchasing and procurement;
- financial controls around income collection and banking and the inventory records.

There are three schools where overall assurance is of concern, with opinions of improvements required. These schools will receive support through a follow-up audit. Recommendations have been made to reduce risks and in other areas, recommendations made serve to strengthen what are reasonably reliable procedures.

At year end Devon Local Authority had received most of the school financial standards - self-assessment returns from the maintained schools. However there were 27 schools / federations that did not submit their self-assessment by 31 March 2016. In May 2016, 22 of these schools / federations submitted their self-assessment, leaving 5 outstanding. The Head of Learning, through the financial Intervention Panel are considering what remedial actions should be taken for the schools who failed to submit their return on time.



## Fraud Prevention and Detection

Counter-fraud arrangements are a high priority for the Council and assist in the protection of public funds and accountability. Work has continued in 2015/16 reviewing the various data sets involved with the National Fraud Initiative (NFI). Most of the data matches have been reviewed but a small number have yet to be completed. These relate mainly to Blue Badges and Direct Payments. We are still awaiting the results of the investigations by the relevant teams within the Council. There are a small number of queries outstanding on some of the other reports but these are not significant. A meeting has recently taken place with the appropriate officers to move forward the review of the Direct Payment data matches.

**Proactive anti-fraud work** has been undertaken during 2015/16. A Fraud bulletin has been produced and published on DAP's website. 2014/15 accounts payable data has been reviewed in order to identify duplicate payments. We identified £11,000 of previously unidentified duplicate payments. We have been advised that this has now been recovered. We review overdrawn imprest accounts in order to identify establishments that may be experiencing issues. There is ongoing work regarding the raising of awareness of fraud risks through documentation and the DAP website. DAP also takes part in regional networking activities representing its partners (Devon, Plymouth and Torbay) e.g. West of England Chief Auditors Fraud Sub Group.

**Irregularities** - During 2015/16, Internal Audit has carried out or assisted in 36 investigations throughout the combined service areas of DCC. Analysis of the types of investigation and the number undertaken shows the following:-

Issue	Total
Financial Irregularity	14
IT Misuse	13
Employee Conduct	3
Tenders & Contracts	2
Bribery and Corruption	1
Conflict of Interest	1
Poor Procedures	1
Thefts	1

DAP have completed investigations into potential IT mis-use with evidence of inappropriate activity provided to management. These involved personal use in work time and cases relating to incidents in public libraries of members of the public accessing inappropriate material; one of which was proven. Appropriate management action has been taken in all cases

Internal Audit has assisted with the investigation of alleged financial irregularities. These have included potentially fraudulently claimed concessionary travel reimbursements by an external transport provider and alleged overcharging by Community Care providers which identified over £20,000 of potential overcharges and currently no more clients are being allocated to the provider.

Other incidents involved two suspected instances of individuals fraudulently claiming a pension which are now being investigated by the Police. One case was identified via the NFI exercise and the other by Peninsula Pensions when completing normal checks. In addition, an individual outside of the Authority attempted to fraudulently use a Council corporate credit card by registering it on a website. Barclaycard became concerned, contacted the Authority and the card has now been cancelled an unidentified cash withdrawal from the Authority's bank account which was subsequently established to be genuine and related to a cheque refund for a blue badge payment.

## Appendix 1 - Annual Governance Framework Assurance

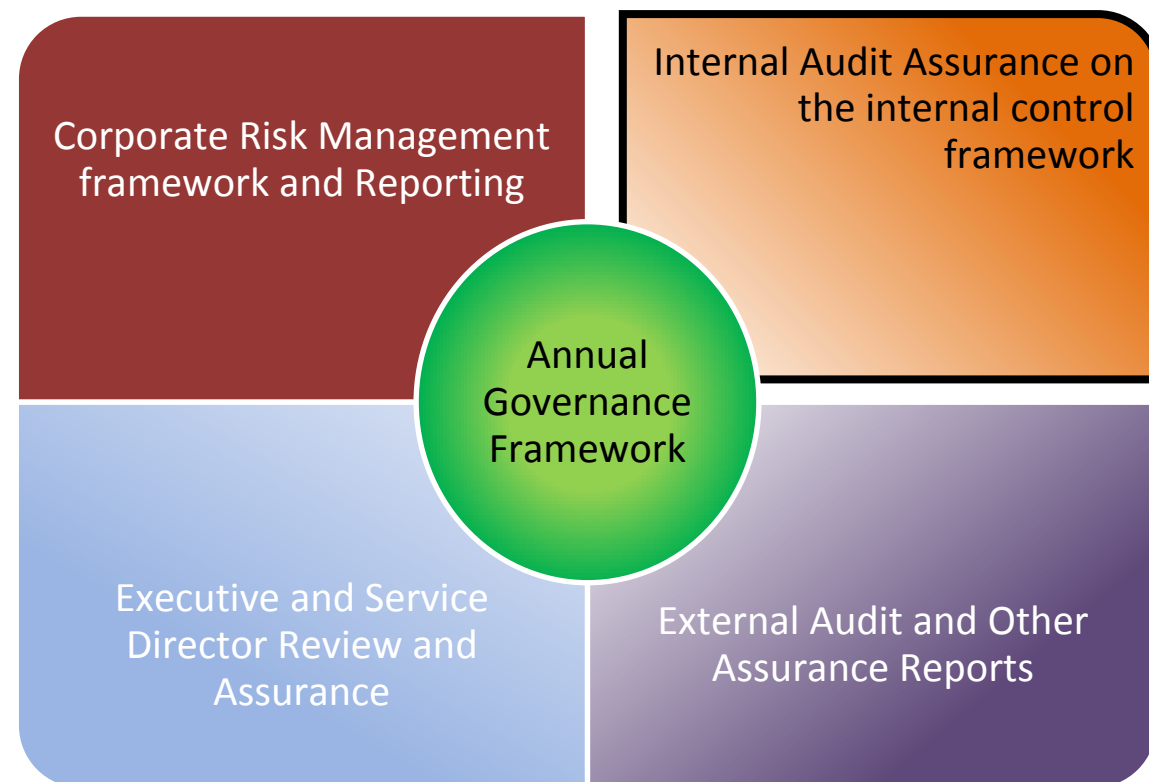
***The conclusions of this report provide the internal audit assurance on the internal control framework necessary for the Committee to consider when reviewing the Annual Governance Statement.***

The Annual Governance Statement provides assurance that

- the Authority's policies have been complied with in practice;
- high quality services are delivered efficiently and effectively;
- ethical standards are met;
- laws and regulations are complied with;
- processes are adhered to;
- performance statements are accurate.

The statement relates to the governance system as it is applied during the year for the accounts that it accompanies. It should:-

- be prepared by senior management and signed by the Chief Executive and 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;
  - The Authority;
  - Audit Committee;
  - Risk Management;
  - Internal Audit
  - 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



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

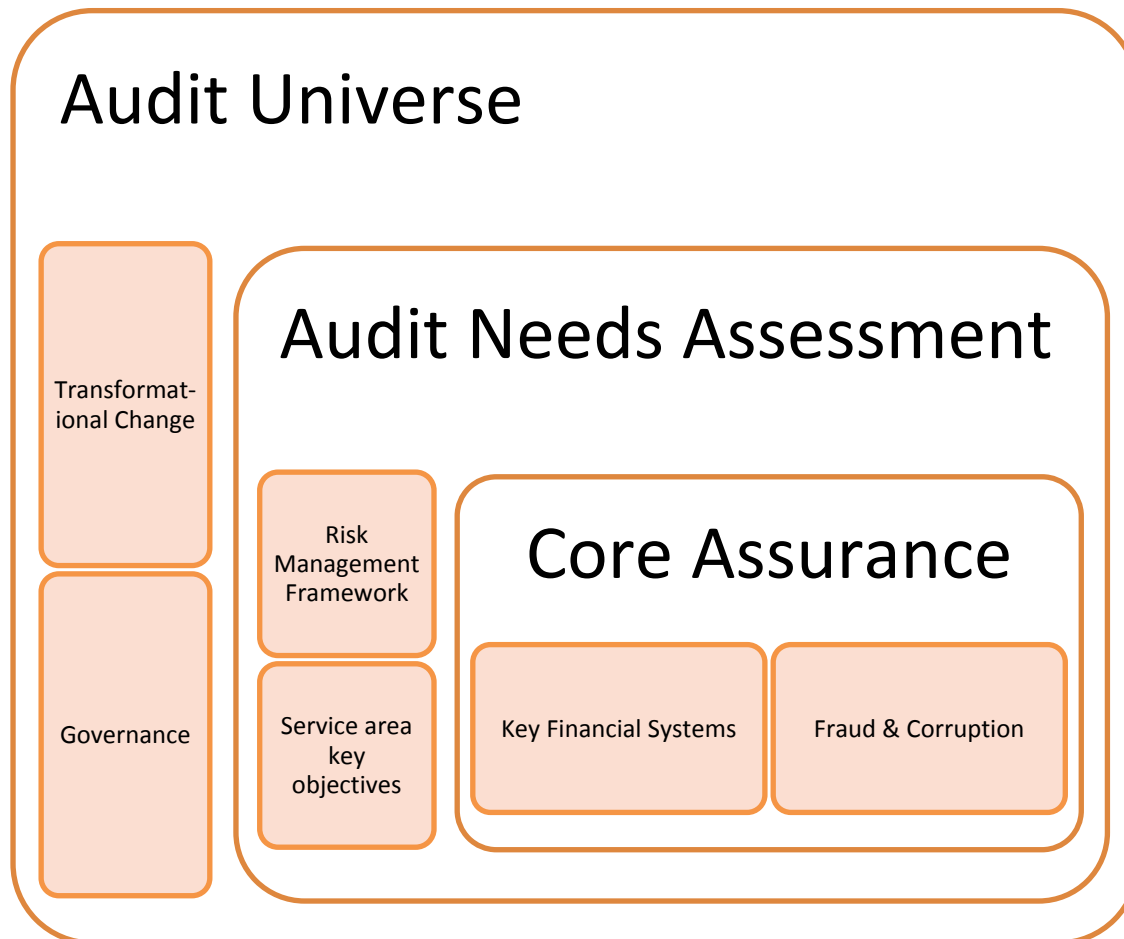
The Committee should satisfy themselves, from the assurances provided by the Corporate Risk Management Group, Executive and Internal Audit that the statement meets statutory requirements and that the management team endorse the content.



## Appendix 2 - Audit Needs Assessment

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

The resultant Internal Audit Plan for 2015/16 was built from this assessment.



The audit plan for 2015/16 plan has been created by:

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

Review and update of the audit universe

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

Taking into account results of previous internal audit reviews

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

Requirements to provide a “collaborative audit” approach with the external auditors

## Appendix 3 – Performance Indicators

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

<i>Local Performance Indicator (LPI)</i>	<i>2014/15</i>	<i>2014/15</i>	<i>2015/16</i>	<i>Devon 2015/16</i>	<i>DAP 2015/16</i>
	<b>Target</b>	<b>Actual</b>	<b>Target</b>	<b>Actual</b>	<b>Actual</b>
Percentage of Audit plan Commenced (Inc. Schools)	100%	100%	100%	100%	100%
Percentage of Audit plan Completed (Inc. Schools)	93%	96.2%	93%	97%	94%
Actual Audit Days as percentage of planned (Inc. Schools)	95%	97.7%	95%	101%	95%
Percentage of fundamental / material systems reviewed annually	100%	100%	100%	100%	100%
Percentage of chargeable time	65%	67.8%	65%	69%	68%
Customer Satisfaction - % satisfied or very satisfied as per feedback forms	90%	99%	90%	99%	99%
Draft Reports produced within target number of days (currently 15 days)	90%	84.5%	90%	87%	87%
Final reports produced within target number of days (currently 10 days)	90%	94.9%	90%	94%	96%
Average level of sickness absence (DAP as a whole)	2%	5.5%	2%	2%	5.9%
Percentage of staff turnover (DAP as a whole)	5%	16.6%	5%	5%	4%
Out-turn within budget	Yes	Yes	Yes	Yes	Yes

Overall, performance against the indicators has been very good and has maintained improvement on 2014/15 in relation to the issue of draft and final reports to the customer within the agreed timeframes.




## Appendix 4 – Summary of audit reports and findings for 2015/16

### 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

### Assurance Progress 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	Risk Assessment / Audit Needs Assessment	Audit Report			Assurance Progress RAG Score
		Status	Assurance Opinion	Executive Summary	
<b>Corporate Services – Finance</b>					
Treasury Management	ANA – Low	Final	High Standard	Testing of the overall control environment within the Treasury Department found that it is sufficiently robust in relation to the inherent risks present.	
VAT Return	ANA – Low	Final	Improvements Required	<p>The current process for compiling the VAT return is in itself adequate, however, the audit identified a number of errors in terms of data entry into the spreadsheet used to generate the return, and in the formulae within this spreadsheet. In addition, we feel that it would benefit from a detailed review in order to reduce its complexity.</p> <p>Additional checks by the VAT Team would improve the process. For the restricted sample of VAT Returns tested, the errors identified did not affect the accuracy of the amount of VAT claimed.</p>	
Accounting for Infrastructure Assets	ANA – Medium	Final	Improvements Required	<p>Although a brief project plan has been prepared, it is insufficiently detailed to ensure that CIPFA requirements will be met by the deadline; and a number of relevant officers seem unclear on the latest requirements, as they have not been effectively communicated.</p> <p>The majority of the asset groups are managed within WDM based systems, which provide the necessary data formats to meet the toolkits' input requirements; there are reasonably adequate controls in place to manage the addition, deletion or changes made to the information held on them though notable work remains for completeness. The exception to this is the Sigs Inventory system, which does not currently hold</p>	

## CORPORATE SERVICES

Risk Area / Audit Entity	Risk Assessment / Audit Needs Assessment	Audit Report			Assurance Progress RAG Score
		Status	Assurance Opinion	Executive Summary	
				<p>sufficiently detailed information.</p> <p>In terms of completeness and accuracy of the inventory and condition data held on the systems, we do not have any major concerns, although management may wish to take a view on the completeness of the structures database.</p>	
Finest System Administration	ANA – Low	Final	Good Standard	<p>The control environment relating to the administration of the Council's Finest system is generally robust. System reconciliation processes continue to be effective and the system is subject to regular back up, although the Business Continuity Plan remains to be reviewed and tested and there is some improvement in segregation of duties.</p> <p>We have previously noted the risks associated with the continued use of the Finest by the Council, both in relation to the age of the system and system user base; these risks have been noted and accepted by management.</p>	
Creditors	ANA – Medium	Draft	Good Standard	<p>With the exception of low value payments relating to general claims and one time creditors, we have no significant concerns in relation to the operation of key controls within the creditors system. A small number of recommendations have been made to further improve the control environment, for example ensuring that amendments to the entities master-file are subject to evidenced checks; and in relation to ongoing weaknesses.</p> <p>We understand that a number of these weaknesses have been addressed as a result of the introduction of P2P, however, this came late in the financial year, and we will not be able to assess its impact until next year.</p>	 *
Debtors	ANA – Medium	Draft	Good Standard	<p>The overall control environment in relation to the debtors function, including debt recovery and write-off, is considered generally effective.</p> <p>There are some areas where consideration and implementation of additional measures would enhance the existing control framework; management have previously accepted the associated risks due to operational need</p>	 *

**CORPORATE SERVICES**

Risk Area / Audit Entity	Risk Assessment / Audit Needs Assessment	Audit Report			Assurance Progress RAG Score
		Status	Assurance Opinion	Executive Summary	
Bank Reconciliation	ANA – Low	Draft	Good Standard	Reconciliations for the Council’s four main bank accounts have been effectively undertaken throughout the year, and independently authorised. Those relating to Local Payment Schools were also found to be effective, and we have no recommendations in this area.	 *
Income Collection	ANA – Medium	Draft	Good Standard	<p>As was the case last year, income collection and allocation processes are operating effectively within a reasonably sound overall control environment. Transactions are uniquely identified within the system and reconciliation processes ensure that income is completely and accurately recorded in Finest.</p> <p>There is a lack of separation of duty in some areas and management have previously accepted the related risk</p>	 *
Accounts Payable System	ANA - Medium	Completed	Value Added	Implementation of the live solution was completed at the beginning of March 2016. Since then further problems have been encountered, requiring daily status calls with the supplier. The severity of the issues being encountered is reducing, but work is ongoing. Of most concern is that despite there being a clear corporate commitment to the new way of working, there are some issues with uptake and compliance. Support is being provided to users who require further assistance, but senior management need to take a firm stance where staff do not fully embrace the new solution.	
Budgeting System	ANA – High	Ongoing	Value Added	The financial monitoring and forecasting system (Collaborative Planning) has now been successfully implemented with all basic functionality for monitoring financial information in place. There will be a progressive approach adopted in order for users of the new solution to develop expertise and understand its capabilities. This is considered to be an appropriate approach and allows for a measured development of skills, enhancement of the system and reporting automation. It is expected that as the solution is developed increased volumetric information regarding service information (e.g. number of Looked After Children, unit costs) will be added. This may expose, some data quality issues in service	

## CORPORATE SERVICES

Risk Area / Audit Entity	Risk Assessment / Audit Needs Assessment	Audit Report			Assurance Progress RAG Score
		Status	Assurance Opinion	Executive Summary	
				information requiring remedial actions to optimise the benefit of reporting capabilities.	
Tax Compliance Forum	Client Request	Ongoing	Value Added	<p>The Group discusses HRMC 'hot topics' and their implications on the authority; and the impact of organisational and systems changes on tax compliance.</p> <p>No significant unmitigated risks have been identified to date.</p>	N/A

The following audits are in currently in progress:




- Main Accounting System (ANA – Medium)

It is anticipated that the reports will be issued & agreed in the first quarter of 2016/17. No issues of major concern have been identified from our fieldwork to date.



The following audits have either been cancelled by the client as they are no longer required, or deferred until 2016-17

- Strategic – Financial Planning (ANA – High)
- Fixed Asset Register (ANA – Low)

### Corporate Services – Human Resources

HR – Settlement Agreements	ANA - Medium	Final	Good Standard	Assurance was reported in the half year report. Please refer to that report for details.	
HR – Consultants & Employment Status - follow up	Client Request	Final	Improvements Required	Assurance was reported in the half year report. Please refer to that report for details.	
Payroll – Travel & Expenses Claims System	ANA – Medium	Final	Improvements Required	<p>The design of Self-Service for claiming Travel and Expenses is generally robust and meets the organisation's original design specification.</p> <p>Opportunities exist to improve the control framework and assist employees and their managers in Policy and HMRC compliance. Further efficiencies could be achieved through removing barriers that prevent all employees using the system and result in the need for the ongoing maintenance of the paper based process.</p> <p>Examination of claims identified a high proportion of non-compliance with expectations of note is inconsistent retention of VAT receipts to support travel and expense claims prevents greater assurance being provided in</p>	

**CORPORATE SERVICES**

Risk Area / Audit Entity	Risk Assessment / Audit Needs Assessment	Audit Report			Assurance Progress RAG Score
		Status	Assurance Opinion	Executive Summary	
				relation to compliance with regulations and unless resolved could result in financial penalties.	
HR – Pension Changes	ANA - Low	Final	High Standard	<p>The implementation of the changes was effectively managed and appropriately controlled. Records exist to support the decisions and resolution of arising issues, along with evidence of successful User Acceptance Testing (UAT) demonstrating action against a previous audit recommendation.</p> <p>The changes have been supported by the production of comprehensive guidance which has been communicated to relevant Payroll staff.</p>	
Payroll	ANA – High	Draft	Improvements Required	<p>The majority of processes and controls in place within the Payroll Department are deemed to be effective. System access is adequately controlled, although we have made a number of minor recommendations to improve processes. Sample testing of data fed into Prism from other systems, for example PCS, found that this had been transferred completely and accurately; and salary payments made by BACS are properly authorised and reconciled back to the payroll system.</p> <p>We are pleased to note that previous issues in relation to the use of suspense / control accounts have now been resolved. Although some work continues to fully eliminate historic balances, they are now sufficiently low to prevent further recommendations being made in this regard.</p> <p>There are opportunities to improve the process for checking signatories on payroll authorisation documents. This is an ongoing issue (reported in previous years) to which there is no simple solution. However, the payroll team have introduced retrospective checking that will aid the control environment, and the introduction of “self service” arrangements planned for the future will help to further strengthen controls.</p>	

## CORPORATE SERVICES

Risk Area / Audit Entity	Risk Assessment / Audit Needs Assessment	Audit Report			Assurance Progress RAG Score
		Status	Assurance Opinion	Executive Summary	
Teachers' Pensions Return	ANA – Medium	Completed	Value Added	Assistance and guidance provided to the client and the external auditor to ensure the claim could be certified unqualified.	N/A

The following audit is currently in progress:



- HR – Absence Management & Recording (ANA – Medium)

It is anticipated that the report will be issued & agreed early in the first quarter of 2016/17. No issues of major concern have been identified from our fieldwork to date.

The following audits have either been cancelled by the client as they are no longer required, or deferred until 2016-17

- Payroll – Self Service – Online Contracts (ANA – Medium)
- Payroll – Online Adjustments (ANA – Medium)
- Payroll – Auto Enrolment - Self Employment (ANA – High)


### Corporate Services – Legal services

Coroners – Recharging of Costs	Client Request	Final	Improvements Required	Assurance was reported in the half year report. Please refer to that report for details.	
Coroners – Expense Claims	Client Request	Final	Improvements Required	Assurance was reported in the half year report. Please refer to that report for details.	

The following audit has either been cancelled by the client as is no longer required, or deferred until 2016-17

- Legal – Operation of the Town & Parish Fund (ANA – Low)

### Corporate Services – Business Strategy and Support

Blue Badges – Complaints and Appeals	Client Request	Final	Good Standard	Assurance was reported in the half year report. Please refer to that report for details.	
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## CORPORATE SERVICES

Risk Area / Audit Entity	Risk Assessment / Audit Needs Assessment	Audit Report			Assurance Progress RAG Score
		Status	Assurance Opinion	Executive Summary	
Procurement – Review of Tender Evaluation Model	ANA – High Client Request	Ongoing	Value Added	<p>The award of a significant contract within People was challenged by an unsuccessful bidder with a counter challenge by the successful bidder.</p> <p>Our findings were reported to Procurement, Finance and People and we facilitated a subsequent workshop to examine the lessons learnt. An action plan was drawn up and Audit continue to review progress made by officers on its delivery.</p>	N/A
Procurement - Evaluation of Living Well at Home Tender	Client Request	Complete	Value Added	<p>Internal Audit was asked to provide assurance during the evaluation of the Living Well at Home tender bids. The evaluation and moderation of bids was conducted in an appropriate manner and recorded accurately. We provided guidance on minor improvements to the recording of scores and evaluator comments.</p>	N/A
Procurement – Financial Appraisal Review	Client Request	Ongoing	Value Added	<p>Internal Audit has continued to provide support to a small working group tasked with examining how the Council financial appraises contractors. This has culminated in a number of Finance staff being given the responsibility for this task. Internal Audit will monitor the effectiveness of this revised way of working.</p>	N/A
Information Governance including PSN	ANA - High	Ongoing	Value Added	<p>On-going support and advice has been provided, including the provision of support for individual business areas in respect of information governance queries.</p>	N/A


The following audits have either been cancelled by the client as they are no longer required, or deferred until 2016-17

- Strategic – Ethics & Culture (ANA – Medium)
- 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)
- Business Strategy & Support – Benchmarking Process for PFI Schools (ANA – High)

**CORPORATE SERVICES**

Risk Area / Audit Entity	Risk Assessment / Audit Needs Assessment	Audit Report			Assurance Progress RAG Score
		Status	Assurance Opinion	Executive Summary	
<b>Corporate Services – IT Audit</b>					
NPS Data Security	Client Request	Final	Improvements Required	Assurance was reported in the half year report. Please refer to that report for details.	
Service Transition (Change Management)	ANA - High	Final	Good Standard	ICT has pro-actively performed a Change Management review with a view to understanding how to make improvement and add value via the change management process and this represents good practice and supports the ITIL ethos of continuous service improvement. Further alignment with corporate information governance requirements and heightened data security awareness within the change process is also considered to be good practice. Work planned to better understand resource availability and requirements should better position ICT to maximise the value of its available resources as the new structure and operating model establish and mature.	
CareFirst (Business Application)	ANA- Critical	Draft	Improvements Required	Governance arrangements are generally of a good standard, although a number of issues undermine the overall level of assurance in this area. The identification of a single formal governance structure to own, administer, maintain and develop the CareFirst solution, and key interdependencies, would better safeguard both information and financial assets. Weaknesses in password quality, Children’s services user training and, CareFirst user groups and profiles, all undermine data security and highlight potential cultural weaknesses with regard to data security awareness. Looking forward to the hosting of the CareFirst system by OLM, management should ensure that the requirements for key processes, including change management and incident management, are appropriately administered.	
Service Operation (Incident & Problem)	ANA - High	Draft	Good Standard	The use of the Hornbill SupportWorks solution was again found to be effective. Self service solutions are being developed and a self-service password reset solution is close to being rolled out. An ICT Commissioning Team has been set up and this team will have responsibility to monitor supplier contracts and manage the relationships and so manage problems that require the supplier to take action. Better	

**CORPORATE SERVICES**






Risk Area / Audit Entity	Risk Assessment / Audit Needs Assessment	Audit Report			Assurance Progress RAG Score
		Status	Assurance Opinion	Executive Summary	
				contract management maximises the potential value of contractual relationships and effectively releases internal capacity otherwise utilised on fixing issues that are the responsibility of the supplier.	
Service Strategy	ANA - High	Ongoing	Value Added	Work has been initiated to look at progress being made in the delivery of the new ICT Strategy. Initial findings confirm that the creation of a Commissioning Model has been successfully commenced, whilst successfully maintaining a good level of service. The level of top down buy in and cross organisation support for ICT as an enabler for change has improved and is aided by the Organisational Change Team and a collaborative approach towards changing the 'way we work'. This requires organisational, procedural and technical change as well as delivery of channel shift for public facing functions and processes. The new funding model will ensure that service costs of business solutions are collected by the individual business areas, further improving financial transparency.	
<b>Grants</b>					
Local Transport Capital Block Funding	N/A	Completed	Certified	No issues identified	N/A
Additional Highways Maintenance Funding	N/A	Completed	Certified	No issues identified	N/A
Local Pinch Point Fund x3	N/A	Completed	Certified	No issues identified	N/A
Local Sustainable Transport Fund - Access to Education	N/A	Completed	Certified	No issues identified	N/A
Rural Growth Network	N/A	Completed	Certified	No issues identified	N/A
Dartmoor Granite and Gears	N/A	Completed	Certified	No issues identified	N/A


**CORPORATE SERVICES**



Risk Area / Audit Entity	Risk Assessment / Audit Needs Assessment	Audit Report			Assurance Progress RAG Score
		Status	Assurance Opinion	Executive Summary	
Skills Funding Agency	N/A	Completed	Certified	No issues identified	N/A
Autism Innovation	N/A	Completed	Certified	No issues identified	N/A
Community Capacity	N/A	Completed	Certified	No issues identified	N/A
Transforming Care	N/A	Completed	Certified	1 issue reported	N/A
Rural Enterprise Gateway x2	N/A	Completed	Certified	1 issue reported	N/A
Local Infrastructure Fund	N/A	Completed	Certified	No issues identified	N/A
Targeted Family Support Programme x2	N/A	Completed	Certified	No issues identified	N/A
Active Devon	N/A	Completed	Certified	1 amendment made	N/A


The following audits have been cancelled as they are no longer required



- Adoption Support
- Flood Resilience Community Pathfinder

People					
Risk Area / Audit Entity	Risk Assessment / Audit Needs Assessment	Audit Report			Assurance Progress RAG Score
		Status	Assurance Opinion	Executive Summary	
Charging for Care Team (Corporate Services) / Care Management (People) - Client Contributions - Non Residential Services	ANA - High		Improvements Required	Findings reported in September follow up reviews. Action plan agreed.  Close liaison needed between Care management staff and the Charging for Care Team to ensure good progress continues to be made.  2016/17 DCC Audit plan includes audit of 'Finance - Non Residential Financial Assessments'.	
Personal Care Contract 'Living Well at Home'	ANA - High Client Request	Complete	Value Added	Audit involvement has been requested to support key / significant elements of the tender. This includes <ul style="list-style-type: none"> <li>- 'needs analysis' and forecast of volumes and types of business (personal care, rapid response, learning disabilities);</li> <li>- financial evaluation and</li> <li>- quality of supply</li> </ul> Further support will also be provided around the tender evaluation process and final award recommendation	
Personal Care Contract 'Living Well at Home'  Tender Evaluation Process / Final Award Recommendation	ANA - High Client Request	Complete	Value Added	Internal Audit was asked to provide assurance during the evaluation of the Living Well at Home tender bids. The evaluation and moderation of bids was conducted in an appropriate manner and recorded accurately. We provided guidance on minor improvements to the recording of scores and evaluator comments.	
DAPH / DASH / SHAD	Client Request	Ongoing	Good Standard	The DAPH annual accounts prepared for the four financial years 2012/13 - 2015/16 inclusive.	
The Virtual School - CIC (Children in Care)	ANA - High	Final	Good Standard	PEP's are completed for all Children in Care up to the age of 16 but there seemed to be little or no system in place for those Children in Care who are over the age of 16. The Virtual School Head has confirmed that plans are now in place to ensure a continuity of care and or involvement with these adolescents to ensure they receive the support they need.  The appointment of a separate strategic Head and also a Manager of	

<b>People</b>					
Risk Area / Audit Entity	Risk Assessment / Audit Needs Assessment	Audit Report			Assurance Progress RAG Score
		Status	Assurance Opinion	Executive Summary	
				the Virtual School must be seen as a positive move to enable the Authority achieve its desire of promoting the educational welfare of it's looked after children. Reporting lines for independent reviewing officers and structures are now known and becoming embedded.	
Procurement - Review of Tender Evaluation Model  DILIS	ANA - High Client Request	Ongoing	Value Added	<p>The award of a significant contract within People was challenged by an unsuccessful bidder with a counter challenge by the successful bidder. We were asked to examine the evaluation process and assessments undertaken by members of the evaluation team. Our findings have been reported to management within Procurement, Finance and People and we facilitated a subsequent workshop to examine the lessons learnt.</p> <p>Internal Audit has provided, and will continue to provide, support and challenge during the re-procurement of the DILIS contract, providing comment on price evaluation models and service specification.</p>	
Adult Residential Care Bandings	ANA - High Client Request	Ongoing		Draft report meeting scheduled for early June 2016.	
SEND	ANA - High Client Request	Ongoing			
<b>Grants</b>					
Autism Innovation	N/A	Completed	Certified	No issues identified	N/A
Local Sustainable Transport Fund - Access to Education	N/A	Completed	Certified	No issues identified	N/A
Transforming Care	N/A	Completed	Certified	1 issue reported	N/A
Targeted Family Support Programme x2	N/A	Completed	Certified	No issues identified	N/A
The following audit was cancelled as it was no longer required					
<ul style="list-style-type: none"> <li>Adoption Support</li> </ul>					

Public Health					
Risk Area / Audit Entity	Risk Assessment / Audit Needs Assessment	Audit Report			Assurance Progress RAG Score
		Status	Assurance Opinion	Executive Summary	
NHS Health Checks	Client Request	Draft	Good Standard  Improvements Required	<p>The audit found that there was a good standard of approach to identifying the eligible population and ensuring that robust NHS Health Checks were undertaken and recorded.</p> <p>Overall the best approach for identifying and getting patients into the surgeries for NHS Health Checks was found to be where the surgeries used a combination of a targeted approach and utilising opportunities when patients presented themselves at surgeries for other reasons.</p> <p>Devon has currently however suspended the NHS Health Checks programme due to budget pressures. A review is currently being carried out with options for appraisal about how to ensure completion over the final year and half of the programme.</p>	  

PLACE					
Risk Area / Audit Entity	Risk Assessment / Audit Needs Assessment	Audit Report			Assurance Progress RAG Score
		Status	Assurance Opinion	Executive Summary	
Development Management – Approval of Planning Applications	ANA – High, Client Request	Final Report issued	Good Standard	<p>Devon County Council, as a local Planning Authority, has improved its performance in recent years where it now exceeds the national target of 50% (as set by the Department for Communities and Local Government), with 89% of its planning applications being processed within the agreed 13 week timescales.</p> <p>Recommendations have been made that will reduce risk and strengthen the robustness of current processes and procedures, as well as improving management information, data quality, customer satisfaction and realising further efficiencies through better utilisation of resources and the MasterGov system.</p>	 *

PLACE					
Risk Area / Audit Entity	Risk Assessment / Audit Needs Assessment	Audit Report			Assurance Progress RAG Score
		Status	Assurance Opinion	Executive Summary	
Civil Parking Enforcement – benefits realisation and review of new initiatives	ANA – Medium, Client Request	Final report issued	Good standard	<p>We found there were effective controls including: established procedures for monitoring staff performance; good induction programme for training new CEOs; surpluses only being used for local transport purposes (in accordance to requirements of the Road Traffic Regulation Act 1984).</p> <p>Significant developments are still to be made; a formal risk management process should be utilised to mitigate associated risks.</p>	
2014/15 Connecting Devon and Somerset – assurance on the roll out of Broadband	Client request	Final report	High standard	<p>We found there was a reasonable governance structure in place to manage the Broadband project.</p> <p>At the time this audit was undertaken, as part of Phase 2, the Project had just appointed Airband to complete Dartmoor and Exmoor coverage. This contract will run for 12 months, and will use wireless technology to deliver the desired coverage in these areas.</p> <p>At the conclusion of the audit the main part of Phase 2 of the Broadband programme was expected to be delayed: An offer from BT was rejected by the Project Board on the grounds that it did not offer value for money and did not meet the time scales required for completing the works.</p>	
South West Devon Waste Partnership	ANA - High	Ongoing	Value Added	DAP has continued its presence on the Project Executive Board and working with the Contract Team to establish Audit and Assurance Plans with an assessment of contract management arrangements as well as well as the formalisation of a programme of audit and assurance checks and reporting that can be used by the Contract Manager and Internal Audit in the future.	
Highways Virtual Joint Venture – presence on TMC (Term Maintenance Contract)	ANA – High, Client Request	Ongoing	Value Added	Attendance at the monthly meetings to provide independent and objective advice and input as required to the discussions between management and contractor.	



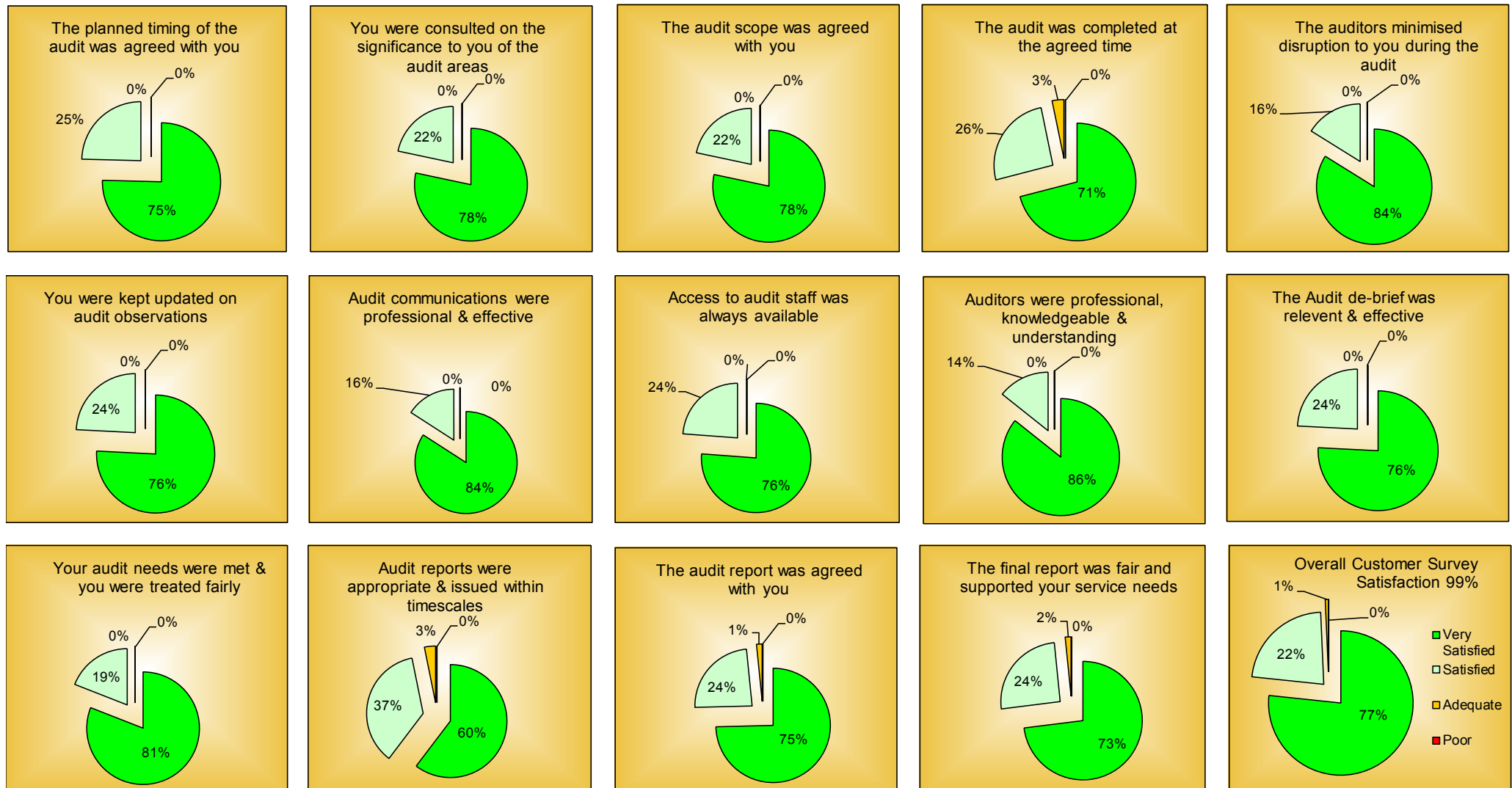
<b>PLACE</b>					
<b>Risk Area / Audit Entity</b>	<b>Risk Assessment / Audit Needs Assessment</b>	<b>Audit Report</b>			<b>Assurance Progress RAG Score</b>
		<b>Status</b>	<b>Assurance Opinion</b>	<b>Executive Summary</b>	
New audit – Advice on the new 2017 Highways Contract	Client Request	Ongoing	Value Added	Challenge, advice and best practice guidance has been provided to officers on the evaluation model and criteria as well as general procurement and contract controls.	
<p>The following audits are in currently in progress:</p> <ul style="list-style-type: none"> <li>Highways TMC (Term Maintenance Contract) – Payment Mechanism review</li> </ul> <p>It is anticipated that the report will be issued &amp; agreed in the second quarter of 2016-17. No issues of major concern have been identified from our fieldwork to date.</p> <p>The following audits have either been cancelled by the client as they are no longer required, or deferred until 2016-17</p> <ul style="list-style-type: none"> <li>Growth Deal / Local Enterprise Partnership – no longer required</li> <li>Civil Parking Enforcement – benefits realisation and review of new initiatives – deferred to 2016/17</li> <li>Public Transport – Dynamic Purchasing Framework – attended one meeting – audit presence no longer required</li> <li>Public Transport – Total Transport Fund – links with Health Integration – no longer required</li> <li>Syrian Vulnerable Person Scheme – deferred to 2016/17</li> <li>Youth Service – Alternative Service Delivery Vehicles – deferred to 2016/17</li> <li>Community Interest/Challenge Panels - no longer required</li> </ul>					
<b>Services for Communities</b>					
Attendance at CRMG (Corporate Risk Management Group)	ANA - High	Ongoing	Value Added	The CRMG continues to embed risk management across the organisation. Internal Audit provides advice and support at CRMG which has delegated authority from the Chief Executive to lead on the development of the Council's approach including the Strategy, the Policy and the guidance materials in the Devon Way for Risk Management. We have also supported the development of the new risk database providing suggestions for areas to strengthen.	
Performance Management – Development and implementation of new Performance Management framework	ANA – High, Client Request	Ongoing	Value Added	Internal Audit has looked to continue supporting and advising the Performance Management team as they develop a new framework for reporting performance.	

<b>PLACE</b>					
<b>Risk Area / Audit Entity</b>	<b>Risk Assessment / Audit Needs Assessment</b>	<b>Audit Report</b>			<b>Assurance Progress RAG Score</b>
		<b>Status</b>	<b>Assurance Opinion</b>	<b>Executive Summary</b>	
Library Service – Alternative Service Delivery Vehicles	Client Request	Complete	Value Added	We attended monthly meetings of the Libraries Board to provide support and challenge to the management discussions and review of progress; reviewed draft contract documents and policies for the new Libraries Unlimited organisation; and sample checked the libraries stocktake at the point of transfer to provide assurance on its completeness and accuracy.	

# Appendix 5 - Customer Service Excellence

## Customer Survey Results April 2015 - Mar 2016

The charts below show a summary of 63 responses received.



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