

Risk, Internal Audit, Counter
Fraud & Assurance

Nine Month Update Report
2019/20

Partnership Management
Committee

February 2020



Auditing for achievement

Report of the Head of Audit Partnership

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

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

Key initiatives since October 2019

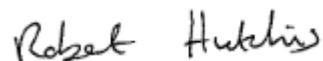
We have continued to work with North Devon Council staff to ensure that they can become a partner from April 2020. The process does require contracts to be drawn up; this is likely to involve TUPE arrangements, and so a fair amount of time is required to make sure we “get it right”.

Our Counter Fraud Team have continued to work with partners. The work of the team has assisted Torridge Council to identify those households claiming a single person discount, where other evidence exists that would suggest more than one person in the household. This has resulted in 45 discounts being removed with a value of £35,160 being re-billed.

The work of our Counter Fraud Team was also picked up by the [local press](#), with a headline saying “Plymouth City Council fraud team save £1.4m”. The team dealt with 262 allegations of fraud last year, resulting in 15 prosecutions and 44 sanctions including formal cautions.

We have developed a [Linkedin](#) page that we use to help inform partners and client about our work. The use of LinkedIn, and other social media platforms, has become increasingly important over the years and has become a valuable way of reaching our customers and clients.

We are very conscious that partners, customers and council tax payers in our area expect and demand the very best from public officers. Our reports to audit (and equivalent) committees are in the public domain and are often reported in the [press](#); we need to ensure we strike the right balance between robustly reporting our findings and ensuring that we do not unnecessarily raise concerns that are already being addressed. This can be a difficult challenge, but we will must aim to get this right.



Robert Hutchins
 Head of Devon Audit Partnership
 February 2020

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Finance and new business

Budget position

The Partnership has consistently remained within budget and at the end of 2018/19 carried forward a very healthy reserve of £212k. Our projected financial position for 2019/20 shows a projected operating surplus of circa **£10k**. However, we know that things can, and do, change quickly and so constantly monitor the financial position to ensure we stay on track and within budget.



New Business

Yeovil academy – an academy in the Yeovil area has been in contact and we are looking to agree an internal audit service with them. We are always happy to work outside of our Devon borders and hope that we can continue growth in neighbouring counties.

Charitable sector – a national charity, locally based, has expressed an interest in working with us to provide assurance services. We offer a range of products, that we aim to tailor to each clients needs, and so aim to work with them to develop a service offering that meets their requirements.

We were successful in our bid to Plymouth University for their Intereg **Circular Seas project** and are waiting to hear from Plymouth City Council on another of their new projects, **“2050 ClimMob Cities”**.

We were also successful with our bid to **Westcountry Rivers Trust** for their “Triple C” project; a 4 claim project with the 1st claim due next April.



Adding Value

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

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

Grant Certification, October 2019

The auditor was thorough, prepared and understands our business. Comments back were fair and accurate and the process went smoothly. The audit **added value** as it highlighted areas for us to review and improve.

Mental Health Strategic Partnerships, December 2019

I would like to commend you and give some feedback on your positive and friendly attitude, willingness to travel/work with Audit West, and your **valued contributions** so far...it was a pleasure working with you.

Plymouth – Data Quality Audit, January 2020

Really pleased that the report not only details what was found but provides detailed feedback and clear recommendations to support improvements. The **audit added value** in that the finding and recommendations have been laid out perfectly to allow me to plan improvements.

The consultation during the planning phase allowed time for everything to be considered in detail. The auditor was really helpful; very clear and would define any elements we didn't understand at the outset. He has a collaborative style which is useful to put anyone taking part at ease

Schools, October 2019

The planning process was really good. The Auditor was really easy to communicate with and the de-brief was very polite. The audit **added value** as the auditor is always looking to improve our processes. Very positive.

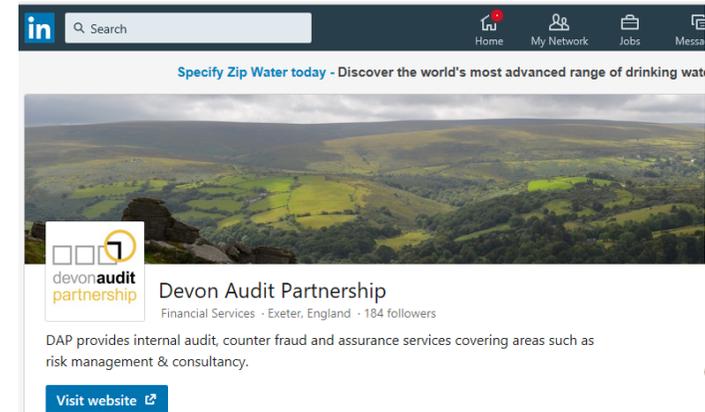
Schools, October 2019

The audit took place over two days and I was left time in between the process to carry out normal school duties. Overall a **very satisfying experience with good advice** given

DAP, Partner and Staff Development

[LinkedIn](#) – we have made a concerted effort to increase our reach via social media. We have asked all the team to look out for relevant, useful and informative posts that may be of use and interest to our partners and clients. We have considerably increased our LinkedIn following from (a paltry) 16 followers in September to a much better 184 at the start of February.

We see [LinkedIn](#) as a way to reach current and potential clients and staff and to promote the work of internal audit, risk management and counter fraud.



We wish to further develop working relationships across the south west, in particular in the peninsula. We met with Holly Sykes and the Cornwall team in February to discuss audit planning, key and emerging risks, how each audit team could work with the other to maximise the benefit of internal audit.



As part of our corporate social responsibility we encourage staff to make charitable donations if they are able to do so. This year staff in the Plymouth office forego the normal “secret santa” presents and instead collected and donated a whopping £160 to the Macmillan Cancer Charity.

Other staff decided not to buy Xmas cards for each other, and were able to collect and donate £50 to the Devon Air Ambulance.



We have recently employed Simon Water to aid in our IT audit delivery. Simon brings with him a wealth of technological knowledge. He led his former employer through several rounds of ISO 27001 and through Cyber Essentials Plus. He will assist DAP in encouraging a more structured approach to security in our clients and can assist with vulnerability testing and security assessment of products, and services.

We have recently advertised for a new Audit Manager. The role is required, in part, to support our new work at North Devon, and in our growing client base overall. Interviews are planned in early February, and we hope the successful candidate will join us early in the new financial year.

Customer Service Excellence (CSE)

DAP holds the Customer Service Excellent award.

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

However, the real value in seeking feedback is to identify at an early stage where we have not met expectations and take action to address this. In this period, we have had one feedback form where the majority of scores were "poor". We have spoken to the auditor involved and provided training, support and guidance and expect performance to suitably improve.

We seek feedback from customers from all sectors. An extract from some of the feedback received since October is shown below :-

DAP – Customer Survey Results first 9 mths of 2019/20



- **Waste Management**, January 2020 We were fully involved in shaping the audit and proposed timescale. Thanks for a very helpful report. Improvements identified are helpful in reviewing the existing scheme and signing up new partners.
- **IBS System Administration**, October 2019 - As always, I appreciate the work undertaken and the assurance it provides.
- **Housing – Health & Safety**, October 2019 - The Auditor identified an opportunity for improvement. The customer service and manner of the Auditor was excellent.
- **Primary authority process** - Process diagrams to help us understand the system were particularly helpful. The audit highlighted the areas we need to develop and work on and would like a follow up audit in a couple of years' time

Internal Audit Performance

Our analysis of performance for the first nine months of 2019/20 indicates that, overall, performance is generally expected. However, there remains a lot of work to complete and all staff are very aware of their roles and responsibilities in this.

We are aware that some staff are feeling / displaying signs of stress – we do consider that this is a temporary blip due to need to finish off 19/20 work, but we will closely manage staff performance and wellbeing to ensure we support staff, complete work and meet clients and partners expectations.

Devon Audit Partnership - Performance monitoring 2019/20					
Nine month performance (end of December 2019) Inc Schools					
Local Performance Indicator (LPI)	Full year Target	9 mth Target	Quarter 3 2019/20	Quarter 3 2018/19	Direction of Travel (where applicable)
Percentage of Audit Plan Started	100	73	84%	76.37%	↑
Percentage of Audit plan Completed	90%	65%	57%	55.20%	↑
Percentage of chargeable time	68%	68%	65%	65.79%	↔
Customer Satisfaction - % satisfied or very satisfied as per feedback forms	90%	90%	98%	98.00%	↔
Draft Reports produced within target number of days (currently 15 days)	90%	90%	92%	90.47%	↑
Final reports produced within target number of days (currently 10 days)	92%	92%	99%	98.67%	↔
Average level of sickness absence	2.4%	2.4%	2%	2.19%	↑
Percentage of staff turnover (annual)	5%	5%	7% (2 people)	7% (2 people)	↓
Out-turn within budget	Yes	Yes	Yes	Yes	↔

Appendix 1 - Customer Service Excellence Results – first 9 months 2019/20

Customer Survey Results April 2019 to December 2019

Summary of 46 response

