

Risk, Internal Audit, Counter
Fraud & Assurance

Six Month Report 2020/21

Partnership Management
Committee

October 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.

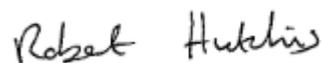
***Recommendation:** that the Committee notes the current status of the Partnership and current issues.*

Key initiatives since June 2020

Since June, the Covid-19 pandemic has continued to be uppermost in all our minds and, quite rightly, our partners and clients have prioritised responding to the crisis. As previously reported, we recognise that DAP is not a “front line” service and therefore we made available all our staff to assist our partners with responding to the crisis; a number of our staff have been called upon to assist. The level of Covid-19 support required has reduced since June, but with the risk of a “second wave” we are aware that further requests for support and assistance may be made.

We have further supported our partners as they have developed workarounds to normal business practices to enable a swift and effective response to Covid-19. We have been proactive in providing input, advice and assurance to services on any proposed changes. However we know that, despite our best efforts, Covid has impacted on our work – for this reason we are looking to re-assess our internal audit plans to ensure that we can be realistic and effectively deliver a balanced assurance service for all our partners and clients.

During a crisis the risk of fraud is known to increase. We have encouraged all staff at all partners (and clients) to contact us when proposing changes to systems; if they have any concerns about what they are doing, or are concerned about the risk of fraud, then they are requested to contact us.



Robert Hutchins
 Head of Devon Audit Partnership October 2020

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Finance, new business and Covid-19 approach

Budget position

We work hard to ensure that the Partnership operates within its mean and stays within budget. Covid-19 will present significant challenges for us, not least as we anticipate that requests for additional work from non-partners will be limited, as funds are diverted away from internal audit reviews to front line services. However, we have taken action to manage our costs and are still projecting a (very!) small surplus of around £1k in this year.



New Business - We continue to win work in respect of our approved role as a First Level Controller of EU projects. We have recently been asked to provide this service for the following schemes.



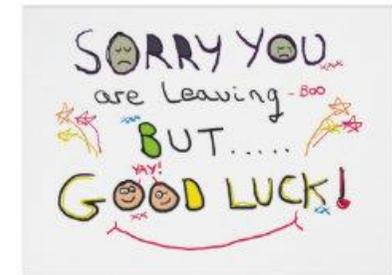
Interreg Programme	Project	Partner
Channel	RanTrans – Rapid Reduction of Nutrients in Transitional waters	<ul style="list-style-type: none"> • Bournemouth University
Channel	PACCo - Promoting Adaptation to Changing Coastlines	<ul style="list-style-type: none"> • Environment Agency • Defra
2sea's	Polder2C's – To prepare the 2 Seas Region for the emerging trend in Climate Change	<ul style="list-style-type: none"> • Environment Agency
Channel	PPP – Preventing Plastic Pollution	<ul style="list-style-type: none"> • Environment Agency • Defra • Westcountry Rivers Trust • Plymouth City Council
Channel	INDIGO – INnovative fishing Gear for Ocean	<ul style="list-style-type: none"> • Plymouth University
Atlantic	DiadES - Assessing and enhancing ecosystem services provided by diadromous fish in a climate change context	<ul style="list-style-type: none"> • Plymouth University

But we also recognise that we operate in a very competitive field.

We are pleased that so many academy schools have chosen to use our audit and advisory services, but we know that our competitors offer different offers to us which may be more appealing at a moment in time.

It is with sadness that Plymouth CAST have chosen a new provider. Feedback from the interview process stated *“your organisation had the requisite skills and expertise to fulfil the contract, but the panel felt that your wider national contacts were limited, which could impact on your ability to keep the committee abreast of pending changes in the wider sector landscape”*.

Being a south west based organisation the ability to compete with national providers is always going to be an issue for us, yet we will take on board these comments and see how we can engage with other partners to further strengthen our knowledge and service offering.



Adding 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 June** who agreed that we have achieved this aim.

Debtors

Added value - yes - noted areas where we are performing quite well but also highlight areas where we could further improve with recommendations on how to do this.

Highways – Data Breaches

Added value - It's useful to have an independent review of issues to help establish links between and any root cause

Procurement – Financial Resilience

Very consultative, good listening, felt a very professional and objective peer challenge which helpfully highlighted the specific area we wanted to review / bring out.

Added value? - Yes, helps verify to our teams the importance of this area, good practices in how to approach getting the particular service area right, and adding weight as we encourage wider Service areas to adopt the same good practices also.

Secondary School

Added value - Yes, sensible suggestions made.

Academy School

Added value Yes I am kept up with all the latest legislation
The audit is always conducted well.
I would prefer to keep having a visit as I do not have time to scan in all the documents to send.

DAP, Partner and Staff Development

New apprentices to the Partnership.

We welcomed 3 x new apprentices to the Partnership. Whilst these new staff will take some time to train, we are looking to the medium & longer term and ensure that we have a good crop of new people coming through who can replace those who have left and indeed may leave in the new future.



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Flexing our resources

it is unfortunate, but unavoidable and inevitable, that, due to the impact of Covid, the audit plans for our partners will suffer from some reduction.

We would normally expect to complete one half of the agreed plan by end of September, but completion in this first half of the year has been impacted by the pandemic. The Team has made good progress in delivering audits, albeit via a remote working approach, which has been made possible where partner staff return to the normal duties.

However, whilst we would, ideally, like to make up lost time in the rest of the year this will be unachievable. We have therefore proposed that, for each Partner of DAP, we re-assess each internal audit plan for 2020/21. Each allocated Audit Manager will provide an updated position on work completed in each partner's plan as at 30th September, and will adjust the plan for the rest of the year to reflect the resources remaining. This process will also take into account the changes enforced by Covid, and the resulting changes in your risks.

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 June 2020 is shown below:-

- Academy – XX was professional and friendly during the audit. XX is very helpful and is always able to answer and help with any queries I have
- School - Excellent service, polite, efficient and practical
- Incident Problem Management - The service is professional and the auditor very knowledgeable XX was professional and knowledgeable
- School - Both XX and YY acted in a professional but friendly manner which is appreciated by all....
- Debtors – excellent interactions - able to discuss any aspect without judgement and also feedback on recommendations

DAP – Customer Survey Results for 2020/21



Internal Audit Performance

Our analysis of performance for the first six months of 2020/21 shows that, overall, performance is OK, but the percentage of audit plan completed is less than expected. This is primarily due to the impact of Covid, where DAP staff have been assisting partners as they respond to the pandemic, but also due to some sickness experienced as some of the team contracted Covid, and also due to some audits taking a little longer than expected as the team have got used to working from home on a continual basis.,

Devon Audit Partnership - Performance monitoring 2020/21

Six month performance (end of September 2020)

Local Performance Indicator (LPI)	Full year Target	6 mth Target	Quarter 2 2020/21	Quarter 2 2019/20	Direction of Travel (where applicable)
Percentage of Audit Plan Started	100%	45%	48%	57.0%	↓
Percentage of Audit plan Completed	90%	40%	27.7%	35.1%	↓
Percentage of chargeable time	68%	68%	65.1%	64.3%	↑
Customer Satisfaction - % satisfied or very satisfied as per feedback forms	90%	90%	98%	98.0%	←
Draft Reports produced within target number of days (currently 15 days)	90%	90%	95%	94.3%	↑
Final reports produced within target number of days (currently 10 days)	90%	90%	95%	100.0%	↓
Average level of sickness absence	2%	2%	4.9%	2.9%	↑
Out-turn within budget	Yes	Yes	Yes	Yes	↔
Percentage of staff turnover (4 staff (2 leavers & 2 starters) of 30 staff = 13%)	13%	8%	20.0%	3 leavers and 3 starters (+ apprentice)	

Appendix 1 - Customer Service Excellence Results – 2020/21

Customer Survey Results April 2020 to October 2021 - Summary of 22 responses

Customer Survey Results April 2020 - October 2020

The charts below show a summary of 22 responses received.

