

Risk, Internal Audit, Counter
Fraud & Assurance

Annual Report 2020/21

Partnership Management
Committee

June 2021



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.*

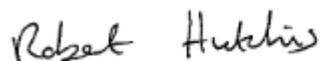
Key initiatives since February 2021

Looking back, I am sure that 2020/21 will be a year that none of us will forget. It has been an immense challenge at times, but also a privilege to work with partners as they have responded to the crisis in our communities - I hope that our team have been able to support both front-line and back-office services in some small way.

We are all now recognising that a return to previously (mainly) office-based jobs is not going to happen for some time; remote and hybrid working is the model that we will be adopting for 2021/22 and beyond. We know that this brings with it advantages and also challenges – it is crucial that the DAP management team maximise the benefits that this will bring whilst recognising, and then effectively dealing with, the challenges presented.

2020/21 saw a significant turnover of staff. We said good-bye to a number of experienced and skilled individuals, but welcomed in new staff, with new ideas and a fresh outlook, that will help ensure we continue to develop our services.

In July, further staff will retire from DAP, including two of our most experienced senior auditors and my Deputy, David Curnow; we will miss them all, and wish them all a long and happy retirement. I must give my specific thanks to David for supporting, challenging, pushing and restraining me at various times over the years; David has part of the reason why DAP has been (and continues to be) a success and his assistance has been invaluable to me.



Robert Hutchins
Head of Devon Audit Partnership June 2021

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Finance, new business and new staff

Budget position

I am pleased to report that the Partnership continues to remain within budget and even with all the challenges that Covid 19 brought, we were able to “break even” in the 2020/21 financial year. This means that our cumulative overall surplus remains at a healthy **£221k**. 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 – We are pleased that we have been asked to provide the internal audit service to SWISco, a new joint enterprise delivering services in the Torbay area.

We continue to win work in respect of our service to Academies and Multi-Academy Trusts (MAT’s). We have recently entered into new agreements with the following academies:

Combe Pafford – Devon; Bradworthy Primary – Devon; Brixham College – Torbay
Huish Episcopi – Somerset; Preston Primary – Somerset

In addition, we have recently submitted tenders for three Academies, one existing client (COAST) and two new large MAT’s and are waiting to hear back. We have also prepared a tender for WAVE Academy, a MAT for pupils with special needs and medical conditions

As for Interreg work, the UK has now left the EU, and so there are very few opportunities for new First Level Controller (FLC) work. However, we were recently appointed by Great Yarmouth Borough Council to be their replacement FLC for the next year (up until Apr 22) to cover an extension that their existing project has been given.

New staff

We recently recruited a new Audit Manager to support our work at one of our major partners, Devon County Council; Joanne McCormick joined us in April and brings with her a wealth of experience in not just internal audit but external audit as well. Jo has an approach that “puts the customer first” and we believe that she will relish the challenge of working with a large, diverse complex and rewarding organisation such as the County Council.



Adding Value

We are well aware that “doing an audit” is not enough to meet our customers’ expectations; 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 February** who agreed that we have achieved this aim.

Purchasing Cards, May 2021

The auditors were very professional and approachable throughout the entire process. The depth and breadth of the audit, not just looking at high level data but delving in to find out underlying reasons was particularly helpful.

Procurement Governance, May 2021

Good communications between service and DAP team, meetings planned, efficient programme timescales and overall good planning approach. Good levels of research, and consultation

System Administration, May 2021

Needless to say that the past twelve months has proved to be a challenging period as we have adapted to new ways of working. Even so, this audit was completed in timely manner and with minimum fuss.

Equality and Diversity.

Yes the audit added value.. A useful summary and overview of where we currently are as an organisation with regards E & D

Schools, May 2021

The audit added value in that it identified areas for improvement in processes and supported us to be able to make these improvements, particularly valuable as the entire Administration Team is relatively new in post and individuals haven’t worked in school before.

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 February is shown below:-

DAP – Customer Survey Results for 2020/21



- **Key Financial Systems, May 2021** - The audit was conducted fairly and in a helpful manner and didn't involve unnecessary interference with normal work patterns
- **Schools, May 2021** - The Auditor was extremely professional as always. It was a very positive and useful process
- **Payroll April 2021** - Key contacts were a pleasure to work with and it felt very collaborative. I appreciated K's efforts to minimise disruption to me/the team. All positive - thank you!
- **Asset Register April 2021** - As mentioned in previous questions the audit was conducted fairly and in a helpful manner and didn't involve unnecessary interference with normal work patterns

DAP - Internal Audit Performance

Our analysis of internal audit performance for 2020/21 shows that, overall, performance is generally as expected.

Some of the indicators show a slight deteriorating in performance from the previous year, but this must be considered against the backdrop of responding to the Covid pandemic. The team have adapted well to home working and remote auditing, but there was always going to be some development and teething issues related to how we obtained audit evidence and how we tested for compliance.

In addition, we were most mindful of the need for front line service areas to concentrate upon the Covid response, and so, wherever possible, we tried to undertake our work in non-intrusive way that enabled the front line response to continue in the best way.

The performance figures for 2020/21 exclude our work in schools – due to the pandemic schools were either shut or operating in a restricted manner for a large percentage of the year; as a consequence the work on schools has been excluded from these performance figures.

Devon Audit Partnership		Year end performance (end of March 2021)		
Performance to end of March 2021 (Excludes Schools).				
Local Performance Indicator (LPI)	Full year Target	Full year Performance	Outturn 19 / 20	Direction of Travel (where applicable)
Percentage of (Adjusted) Audit Plan Started (exc Schools)	100%	97.7%	97.0%	↑
Percentage of Audit plan Completed (exc Schools)	90%	91.3%	96.1%	↓
Percentage of chargeable time	65%	65.7%	64.8%	↑
Customer Satisfaction - % satisfied or very satisfied as per feedback forms	93%	99%	98.0%	↑
Draft Reports produced within target number of days (currently 15 days)	90%	84%	90.8%	↓
Final reports produced within target number of days (currently 10 days)	90%	89%	99.1%	↓
Percentage of staff turnover	5%	20%	3.7%	↑
Out-turn within budget	Yes	Yes	Yes	→

The “**percentage of plan started**” reflects the fact that the plans for most of our partners were changed during the year. The team have responded positively and flexibly to these changes, with the aim of providing assurance and assistance where it has been most needed. The 97.7%% started figure is considered most positive in this year of Covid and resulting change.

Staff Turnover.

We have approx. 40 staff working across DAP. During 2020/21 we have 4 staff leave (1 x Audit, 1 x Auditor 2 and 2 x Senior Auditor) and 4 staff commence (3 x apprentice and 1 x manager). Although this is higher than in previous years, a turnover of staff does allow for a re-fresh in ideas and approaches, and allows for progression of staff within the team.

Appendix 1 - Customer Service Excellence Results – 2020/21

Customer Survey Results April 2020 to March 2021

Summary of 36 responses

Customer Survey Results April 2020 - April 2021

The charts below show a summary of 36 responses received.

