

Risk, Internal Audit, Counter
Fraud & Assurance

Update Report October 2021

Partnership Management
Committee

October 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.

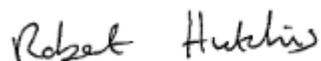
Key initiatives since June 2021

The Covid pandemic is still uppermost in our minds, but there are more and more signs that the country, and our partners, are starting to return to a level of 'normality'. I do think that we will never fully return to working practices pre pandemic – but this may not be a bad thing. There are lots of opportunities and benefits that will be provided by a more flexible and less static working location; we know that there are still challenges as we adjust to new ways of working, but I am sure that the Team at DAP are well equipped to rise to these.

We continue to see a considerable change in our workforce – since June we have been successful in recruiting three new apprentices (including apprentices in Cyber Security and Data Analytics) as well as taking on two new senior auditors. Our age profile means that staff will continue to retire in the coming years, and we need to plan for successful succession planning of key staff – bringing in new apprentices is a good start to ensuring this succession.

We are pleased that our contract with the Devon and Somerset Fire and Rescue Service has been extended – feedback on our work, and how we have conducted our work during the pandemic, has been very positive.

During November we will welcome Russ Banks and Alix Wilson who will undertake an assessment of DAP against the Public Sector Internal Audits Standards – we will report the results from the assessment as soon as they are known.



Robert Hutchins
Head of Devon Audit Partnership October 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. So far in 2021/22 we have seen a number of partners and clients wishing to purchase additional services; we are keen to support such requests, and this leads to the need for additional staff (often on a temporary or short-term basis) to support that work. 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 – in our June report we reported that we had submitted tenders for three Academies; unfortunately, we were unsuccessful in our bids. Feedback we have received is that our bids were competitive, but others were able to offer delivery in less days, and thus less cost. We will look further at the feedback and see how to react to this.

However, we have won four further Interreg projects, two with Plymouth Council (BRIC and C-CARE) and two with Plymouth University (ReConSoil & FISH INTEL).

New staff

A number of staff have recently retired from the Partnership and we wish them a long and enjoyable retirement; this, coupled with extra work requests, has given the opportunity for us to recruit a number of new staff.

We have recently recruited senior auditors (Hannah Hellier and Naomi Whitmore) a new auditor in Sarah Bradley.

We have also extended the number of apprentices that work with us. These apprentices will be supported to learn about assurance work (internal audit, risk management and counter fraud) and will also aid us as we look to further modernise and develop our services.

- Arby Jones – will be joining us in November and will be taking an ICT / Cyber training route.
- Adam Squire – will be joining us in mid-November and will be studying in Data Analytics / data usage.
- Ola Niemiowicz – will complete her Business Admin Level 3 training and move on to the Level 4 Institute of Internal Audit (IIA) around April next year.
- Ethan Shears – will also complete his Level 3 training, after which he will move on to the Level 4 IIA.



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

Employee Services

It's always useful having the fresh perspective and this time was particularly helpful in highlighting improvements made since last year' audit.

National Park

Provided opportunity to review and reflect on our work to date and identify key areas we need to address.

Learn Devon

Yes, and has led to a direct change in our approach to annualised contracting and assurance, which we will be rolling out from Autumn 2021.

The team has specifically supported us to understand the gaps previous processes had, and design new systems and approaches that we are now implementing.

School

Yes - it reassured me that we are managing things appropriately. Any queries I had I felt confident in asking (the auditors) questions.

Management Information (Adult Care and Health)

Yes. It enabled us to look at the things we did well, and also those that could have been improved.

Customer Service Excellence (CSE)

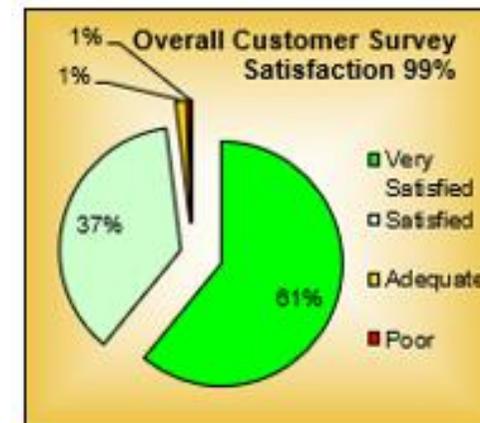
DAP holds the Customer Service Excellent award.

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 99% 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.

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

DAP – Customer Survey Results
First six months of 2021/22



- **School** – The auditor was happy to answer any queries or questions I had and offer advice.
- **Learn Devon** - The Audit Team have been great with us over the past year, and really added to what we have been doing. It is very much appreciated.
- **Peninsula Pensions** – The Auditor was excellent
- **Secondary School** - Team had excellent knowledge regarding schools and where able to advise and support in making our current practices even better.

DAP - Internal Audit Performance

Our analysis of internal audit performance for the first six months of 2021/22 shows that, overall, performance is acceptable, but that there is room for improvement in a number of areas. The DAP Management Team is aware of the issues and will look to ensure such improvement is achieved.

Some of the indicators show a slight deteriorating in performance from the previous year, but this should be considered against the backdrop of the ongoing need to respond to the Covid pandemic, and also a relatively high level of staff turnover in the period. We continue to recruit new staff (apprentices and more experienced staff) but it will take time to train and fully develop these staff.

Devon Audit Partnership - Performance monitoring 2021/22					
Six month performance (end of September 2021)					
Local Performance Indicator (LPI)	Full year Target	6 mth Target	Quarter 2 2021/22	Quarter 2 2020/21	Direction of Travel (where applicable)
Percentage of Audit Plan Started	100%	45%	41%	48.2%	↓
Percentage of Audit plan Completed	90%	40%	26.7%	27.7%	↓
Percentage of chargeable time	65%	65%	62.0%	65.1%	↓
Customer Satisfaction - % satisfied or very satisfied as per feedback forms	90%	90%	99%	98.0%	↑
Draft Reports produced within target number of days (currently 15 days)	90%	90%	81%	95.0%	↓
Final reports produced within target number of days (currently 10 days)	90%	90%	82%	95.0%	↓
Average level of sickness absence	2%	2%	2.6%	4.9%	↓
Out-turn within budget	Yes	Yes	Yes	Yes	↔
Percentage of staff turnover (5 staff (3 leavers & 2 starters) of circa 40 staff = 12.5%)	13%	8%	12.5%		

The “**percentage of plan started**” is slightly down on expected levels, but this is mainly due to delays requested by the client as our partners respond to the ongoing Covid issues.

Percentage of **Audit Plan Completed** – compares similarly with this time last year – audits are taking a little longer to complete as partner staff take greater time to respond to our reports and findings due to Covid pressures.

Draft and **Final** report production is a little slower than we would like – we will work with our team to ensure that this improves.

Staff Turnover.

We have approx. 40 staff working across DAP. During the first six months of 2021/22 we have had 3 staff leave (1 x Dep Head and 2 x Senior Auditors) and 1 Audit Manager and 1 Audit Senior commence.

Appendix 1 - Customer Service Excellence Results – 2021/22

Customer Survey Results April 2021 to September 2021

Summary of 30 responses

Customer Survey Results April 2021 - September 2021

The charts below show a summary of 30 responses received.

