

Risk, Internal Audit, Counter
Fraud & Assurance

Update Report - February 2022

Partnership Management
Committee



Support, Assurance and Innovation

Report of the Head of Audit Partnership

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

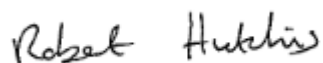
Recommendation: that the Committee notes the current status of the Partnership and current issues.

Key initiatives since October 2021

The Covid pandemic is still very relevant, and we continue to operate in a way to “stay safe” and keep other safe. As spring approaches, we do look forward to a change and relaxation in rules, but are not expecting a wholesale 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 maximise the benefits that can be achieved.

During November we received two significant external inspections. This first of these was in respect of the Public Sector Internal Audit Standards. We welcomed Russ Banks (CMIIA) Head of Orbis and Alix Wilson (BA/IPFA) Head of the South West London Shared Audit Service (SWLAP) who completed an external validation of our own self-assessment. They concluded that DAP is a well-regarded internal audit partnership, delivering professional and quality services to its partner organisations with a high-level conformance with Public Sector Internal Audit Standards. Russ and Alix helpfully provided further insight, based on their own experiences, and we shall be working through their suggestions as to how we can further improve our services.

Secondly, we welcomed June Shurmer who examined our processes in respect of Customer Service Excellence. I am pleased to report that we have retained our accreditation for this standard, with the assessor identifying areas where we are rated as “compliance plus” – i.e. where our practices are seen as excellent.



Robert Hutchins
 Head of Devon Audit Partnership February 2022

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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 – we have been asked to provide support for Teignbridge Council in completing their agreed internal audit plan. We have worked with Teignbridge over the years, and it is pleasing that they continue to come to DAP to provide additional support as and when needed.

New staff and Staff Changes

To meet the demands of our partners and clients, and also to ensure we have a good level of continuity as staff look to retire, we have taken on further new staff to help deliver our assurance services. Since October we have welcomed Lee Elson, Hannah Elliott and Nathan Leng to the Team and we wish them great success in their career with DAP.

With changes in our staffing, and changes in the services requested by Partners and Clients, we will take the opportunity to re-consider our staffing structure. We wish to embed the need to effectively deliver wider “assurance” services (for example not limited to Internal Audit) and to ensure that all our staff become “assurance officers” albeit with specialisms in certain areas. We will follow the expected consultation processes for any changes, but expect that the impact of any cost changes will be at most minimal. Changes to our structure will take place during the Spring.



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

Multi Academy Trust

Yes (it added value) - provided external evidence to make some processes consistent across the Trust.

Finance Team

Yes, (it added value) in that It clarified that the work undertaken the last 2 years has provided the service we wanted to achieve.

District Council

Yes - suggestions were made that will be taken on board, such as recruitment flow charts, which will help ensure that our managers understand the process. This will save us time in explaining this and mean we will be able to direct managers and other staff members to this should they have any queries

School

Yes, it added value as it made me aware of what I have learnt and do well, and areas I need to focus on.

Payroll Team

The auditors (S and H) were a pleasure to work with. They identified suggestions that weren't made in previous audits.

Externally funded projects

Yes (it added value), we had already planned to implement a more robust project management system and it confirmed that we were approaching it correctly

Customer Service Excellence (CSE)

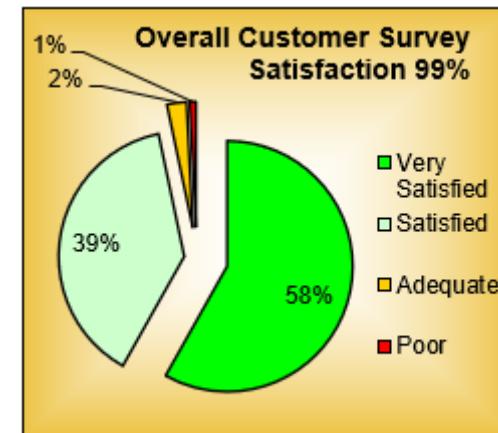
DAP holds the Customer Service Excellent award.

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 October is shown below:-

DAP – Customer Survey Results
 Q1 – Q3 2021/22 First nine months of 2021/22



- **School** –Super ladies and understood the current environment in which office staff are having to work due to the pandemic - less staff, more tasks which take away from the routine.
- **Pensions** - This is the first time (I have) experienced Audit Service and they made me feel at ease and were very approachable, helpful and informative. Positive experience and process, with optional suggestions to look at in the future for further development.
- **HR** - Professional and supportive experience
- **National Park** - The Audit Team are always very accommodating and understanding
- **District Council** - The process was completed quickly, and we felt that we were able to put our views across easily.
- **Council** - xx was great, really helpful.

DAP - Internal Audit Performance

Our analysis of internal audit performance for the first nine 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 in some areas 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.

Nine month performance (end of December 2021) Inc Schools					
Local Performance Indicator (LPI)	Full year Target	9 mth Target	Quarter 3 2021/22	Quarter 3 2020/21	Direction of Travel (where applicable)
Percentage of Audit Plan Started	100	73	64.0%	66.50%	↓
Percentage of Audit plan Completed	90%	65%	45.4%	43.87%	↑
Percentage of chargeable time	68%	68%	66.7%	63.20%	↑
Customer Satisfaction - % satisfied or very satisfied as per feedback forms	90%	90%	99%	98.00%	↔
Draft Reports produced within target number of days (currently 15 days)	90%	90%	83.0%	82.77%	↔
Final reports produced within target number of days (currently 10 days)	92%	92%	92.0%	88.33%	↑
Percentage of staff turnover (annual)	5%	5%	30% (12 people; 7 starters, 5 leavers)	7.00%	↓
Out-turn within budget	Yes	Yes	Yes	Yes	↔

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 favourably 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 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 nine months of 2021/22 we have had 5 staff leave and 7 new starters.

Appendix 1 - Customer Service Excellence Results – 2021/22

Customer Survey Results April 2021 to December 2021

Summary of 38 responses

Customer Survey Results April 2021 - December 2021

