

Risk, Internal Audit, Counter
Fraud & Assurance

Update Report - 2024

Partnership Management
Committee

14th March 2024



Support, Assurance and Innovation

Report of the Head of DAP

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 influencing operations.

The impact of the wider global events such as those in Ukraine and the middle east, alongside the pressure on household and public sector budgets continues. These maintain an effect on our Partners, Clients and our Team and so the work we deliver continues to be ever more valuable in providing assurance.

As noted in November we are in the processes of reviewing our premises requirements as we are now clear that we will not be returning to pre pandemic working practices. Through a process of evolution hybrid working is our new normal and so we will continue to maximise the opportunities and benefits that it provides. We are aware of the impact this can have on people at personal level and their wellbeing, and so there will always be an opportunity to be in the office with someone. We will continue to support staff to achieve the appropriate balance and support needed.

Our workforce has continued to change with one retirement and three staff arriving since June and we have continued to seek transferable skills in our recruitment, within the three we welcome another apprentice. This is one of our biggest risk areas and addressing it forms a key part of the plans for the near and medium term, however the budget position for 2024/25 will mean that we are unlikely to recruit another apprentice until 2025 at the earliest.

As previously advised to the committee our age profile means that staff will continue to retire in the coming years, but we continue to plan for effective succession across the team, this includes increased training support for new and existing team members.

Due to the November 2023 meeting not being quorate we are bringing back a number of items that were positively endorsed at that meeting for formal approval.

We continue to work with both our Partners and Non Partners across the Devon region to provide a range of Assurance Services.

Tony Rose
Head of Devon Audit Partnership

Contents

Page 3 – Finance, New Business and New Staff

Page 4 - Adding Value

Page 5 – Customer Service Excellence (CSE)

Page 6 - Internal Audit Performance

Page 7 – Counter Fraud Activity Summary

Finance, New Business and Staff

Budget position

We have been aware of expected unbudgeted costs such as the increased 2023/24 pay award which has now been implemented. The Partnership continues to remain within budget and has managed to offset some of the additional costs though the delivery of additional services for both partners and external clients. 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, but anticipate achievement of a small surplus for 2023/24.



New Business

To ensure that we can continue to provide high quality services at the lowest possible cost to our Partners we need to seek increases in income from both Partners and external clients. This is also a fundamental aspect of supporting the growth in skills and diversity across the team. Since the previous report we have submitted bids for work in a variety of areas, be that local councils or the charity sector and Totnes Town Council have signed up for services.

We continue to receive positive feedback where we are not successful with a bid and know that remaining financially competitive in external markets risks becoming more challenging in the current financial context.

New staff

Since June we had appointed Jonathan Saull, Kirsty Harrison as Auditors and Morven Richards as a Trainee Assurance Practitioner. They bring experience from areas such as Counter Terrorism and Insurance as well as fresh ideas to contribute to the team.

These appointments help to build resilience across the Partnership and offer opportunities to expand the Integrated Assurance Approach, aiming to increase the value of our work through the integration of Audit, Counter Fraud and Risk Management.

Our team has since remained stable with the last person leaving at the end of August 2023, we wish them a long and enjoyable retirement. In order to meet the demands of our Partners and Clients, and ensure we have a good level of continuity as staff look to retire, we need to have an active recruitment approach to ensure that we can continue to deliver as the demand changes.



Adding Value

Adding value is inherent in our approach and in our partner and customer 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 assurance 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 assurance process. We set out below some comments received, more can be found [published on our website](#).

Payroll and Assurance Maps

Thanks very much for this xxxx – and the insightful assurance map which I’ve just reviewed at great lengths! I genuinely like it, and it’s definitely helpful in seeing high-level status for the different areas audited.

I really enjoyed working with you on this audit, thanks for all your efforts! 😊

Information Governance – External Charity

“Overall this project has been a positive experience and we would recommend using DAP.”

Highway Audit

The audit delivery phase was particularly helpful and positive.

The process that was audited is quite complex and unique so it was helpful to have this assessed.

There were opportunities to discuss the process openly and it was good to receive timely feedback / suggestions on this.

Arm’s Length LA Company

Yes, very much so - the best practice advice combined with a sense of reality and interest/appreciation of our business and particular challenges means the added value is relevant and applicable

Information Governance

The whole process has been a great experience as always.

The team listened and understand the challenges we currently face were always supportive.

County

Staff undertaking the audit were very committed, knowledgeable and professional -thank you for their time in conducting this work.

Very useful discussions and I found DAP to be very flexible and accommodating in terms of rescheduling when it has been required.

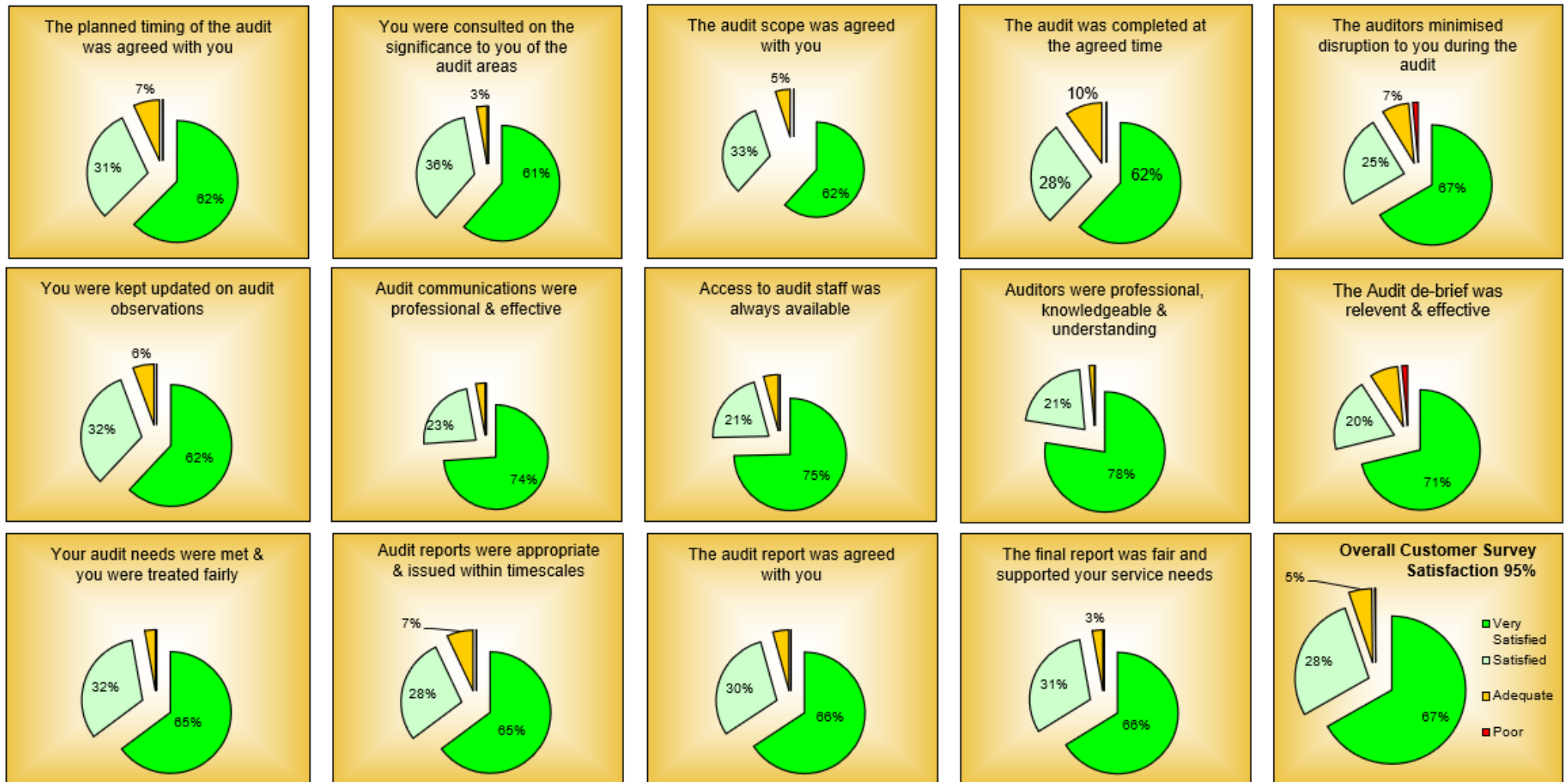
External Client

A great deal of food for thought to be included in future business planning

Customer Service Excellence (CSE)

The Partnership holds the Customer Service Excellent award, and we have a rolling annual external assessment process, with the next assessment phase due to be carried out in late 2024. After every formal piece of work we issue client survey forms and the results returned remain very good and positive.

The overall result is very positive, with 96% being "satisfied" or better across our services, see below. It is pleasing to be able to report that our Partners and Clients continue to rate the services we provide highly.





DAP - Internal Audit Performance

Our analysis of performance for the year 2023/24 shows that, overall, performance is in line expectations and the wider impacts of partners day to day activity, detailed information is shown in the table below.

The Partnership Management Team is aware of the areas of challenges, and we continue to improve our Management Information to help us ensure that we meet the performance levels we aspire to. In addition we reviewed our existing measures in advance of 2023/24 to ensure that they are relevant, informative and in line with industry best practice.

The majority of the indicators show a positive direction for travel compared to 2021/22, but this should be considered against the backdrop of the ongoing need to respond to the “new normal” ways of working. We continue to look at how we can develop the workforce to meet the needs now and, in the future, taking time to ensure the right approach, training and development for staff so that they can help drive up performance even further.

Devon Audit Partnership - Performance Indicators for Quarters 1, 2 and 3 (2023-24)				<p>Comments - This is also the first year where we have been able to separate the completion of Prior year work</p> <p>The “percentage of work commenced” is lower than a numerical midyear target. This due to the completion of 2022/23 work that rolls past the 31st of March 2023, as well as the impact of staff leave during the spring and summer period.</p> <p>Percentage of Audit Plan Completed – Audits are taking a little longer to complete as Partner staff take greater time to respond to our reports and findings due to other pressures. This figure will rise there are 11 pieces of work at the debrief phase and 32 at Draft Report.</p> <p>Draft Report production is an area where we have worked to make improvement following feedback from Partners and Clients.</p> <p>Staff Turnover. We have approx. 45 staff working across DAP. During the first nine months of 2023/24 we have had 5 staff leave (1 x Senior Assurance Manager, 1 x Senior Auditor, 3 x Auditor) and were joined by 2 x Auditors and 1 x Assurance Apprentice.</p>
Performance Indicator	Full Year Target	Position	Projected Outturn	
Percentage of work Commenced (Ex Schools)	100%	76%	98%	
Percentage of Work Completed	90%	48%	90%	
Customer Satisfaction	90%	95%	96%	
Draft Reports Issued in Target Days	90%	91%	90%	
Staff Turnover	5%	17%	10%	
Out Turn within Budget	Yes	Yes	Yes	

DAP Counter Fraud Update

Counter Fraud Service Mission statement – Ensure that every pound of taxpayers’ money saved in fighting fraud is a pound invested in our public services or back in the pocket of the taxpayers we serve - a pound less in the pocket of criminals.

Reactive Work Stats 2023/24 - (1 st April 2023 – 22 nd January 2024)					
Completed / Closed Cases – Specific details cannot be provided and not all referrals result in identification of wrongdoing.					
Devon County Council	Plymouth City Council	Mid Devon District Council	North Devon Council	South Hams / West Devon Council	Torbay Council
8 Cases <ul style="list-style-type: none"> • 6 Other • 2 CTS/Ctax 	139 Cases <ul style="list-style-type: none"> • 62 CTS/Ctax • 48 Tenancy • 10 Other • 9 Permit • 4 Grants • 2 Blue Badge • 2 Social Care • 2 Concessionary Travel 	6 Cases <ul style="list-style-type: none"> • 5 Tenancy • 1 CTS 	1 Case <ul style="list-style-type: none"> • 1 Other 	4 Cases <ul style="list-style-type: none"> • 2 Grants • 1 Other • 1 Tenancy 	(Nil)
Ongoing Cases – Specific details cannot be provided and not all referrals result in identification of wrongdoing.					
4 Cases <ul style="list-style-type: none"> • 4 Other 	35 Cases <ul style="list-style-type: none"> • 4 Parking • 19 CTS/Ctax • 9 Tenancy • 2 Other • 1 Blue Badge 	3 Cases <ul style="list-style-type: none"> • 1 Tenancy • 1 CTS/Ctax • 1 Other 	(Nil)	• (Nil)	3 Cases <ul style="list-style-type: none"> • 1 CTS/Ctax • 2 Other

Proactive Counter Fraud Work – This includes work such as the review of Single Person Council Tax Discounts, support for the completion of the Bi-Annual National Fraud initiative and increased work on Data Matching within partners organisations.

The DAP Counter Fraud Services Teams’ mission is aligned to that of the newly created [Public Sector Fraud Authority](#), to support provide and integrated assurance offer to all partners and clients.