



devonassurancepartnership  
Support, Assurance and Innovation

# Internal Audit Plan 2025-26

## Torbay Council Audit Committee

March 2025

Official



**Tony Rose**  
Head of Devon Assurance Partnership

**Jo McCormick**  
Deputy Head of Devon Assurance  
Partnership

**Lynda Sharp-Woods**  
Audit Manager



<b>INTRODUCTION</b>	<b>2</b>
<b>HIGH LEVEL AUDIT PLAN 2025/26</b>	<b>3</b>
<b>SUMMARY AUDIT PLAN FOR 2025/26</b>	<b>ERROR! BOOKMARK NOT DEFINED.</b>
<b>RESERVE LIST</b>	<b>6</b>
<b>FRAUD PREVENTION AND DETECTION AND INTERNAL AUDIT GOVERNANCE</b>	<b>6</b>
<b>APPENDIX 1 - AUDIT FRAMEWORK</b>	<b>7</b>
<b>APPENDIX 2 - ANNUAL GOVERNANCE FRAMEWORK ASSURANCE</b>	<b>8</b>
<b>APPENDIX 3 - AUDIT NEEDS ASSESSMENT</b>	<b>9</b>
<b>APPENDIX 4 - OUR AUDIT TEAM AND THE AUDIT DELIVERY CYCLE</b>	<b>10</b>
<b>APPENDIX 5 - PROFESSIONAL STANDARDS AND CUSTOMER SERVICE</b>	<b>11</b>

## Devon Assurance Partnership

The Devon Assurance Partnership has been formed under a joint committee arrangement comprising of Plymouth, Torbay, Devon, Mid Devon, North Devon, Torridge, South Hams, West Devon councils and Devon and Somerset Fire and Rescue. We aim to be recognised as a high-quality assurance service provider in the public sector. We work with our partners by providing a professional internal audit service that will assist them in meeting their challenges, managing their risks and achieving their goals. In carrying out our work we are required to comply with the Public Sector Internal Audit Standards along with other best practice and professional standards.

The Partnership is committed to providing high quality, professional customer services to all; if you have any comments or suggestions on our service, processes or standards, the Head of Partnership would be pleased to receive them at [tony.d.rose@devon.gov.uk](mailto:tony.d.rose@devon.gov.uk).

## Confidentiality and Disclosure Clause

This report is protectively marked in accordance with the Government Security Classifications. It is accepted that issues raised may well need to be discussed with other officers within the Council, the report itself should only be copied/circulated/disclosed to anyone outside of the organisation in line with the organisation's disclosure policies.

This report is prepared for the organisation's use. We can take no responsibility to any third party for any reliance they might place upon it.

## Introduction

Internal auditing is defined by the Public Sector Internal Audit Standards (PSIAS) which set out the requirements of a 'Board' and of 'senior management'. For the purposes of the internal audit activity within the Council the role of the Board within the Standards is taken by the Council's Audit Committee and senior management is the Council's Senior Leadership Team. The Audit Committee, under its Terms of Reference contained in the Council's Constitution, is required to consider the Internal Audit Plan to provide assurance to support the governance framework (see Appendix 2).

This Council's Internal Audit Charter formally describes the purpose, authority, and principal responsibilities of the Council's Internal Audit Service, which is provided by the Devon Assurance Partnership (DAP) as represented in the audit framework at Appendix 1, and the scope of Internal Audit work. The PSIAS refer to the role of 'Chief Audit Executive'. For the Council this role is fulfilled by the Head of DAP.

The Chief Audit Executive is responsible for developing a risk-based plan which considers the organisation's risk management framework, including using risk appetite levels set by management for the different activities or parts of the organisation as represented in Appendix 3.

The need for robust and effective controls to ensure that resources are used to best effect and deliver the authority's objectives has never been greater. National factors largely beyond the control of the Authority, including rapidly rising energy costs, demand pressures and costs in social care has placed unprecedented pressures on the budget and Internal Audit will help provide independent assurance that risks are known, understood and addressed, and that systems and procedures are sound, effective and efficient.

The audit plan for 2025-26 is a high-level plan which outlines areas for coverage. In collaboration with senior management, we will prioritise areas, issues, and risks for review as the year progresses. This will ensure that the focus of audit coverage is targeted according to the needs and priorities of the Council at that point in time enabling us to add most value. At the start of each audit the scope is discussed and agreed with management with the view to providing management, the Director of Finance (Section 151) and Members with assurance on the control framework to manage the risks identified. Delivery of the plan will continue to be reported, and any changes agreed formally with management and reported to Audit Committee.

## Expectations of the Audit Committee for this annual plan

Audit Committee members are requested to consider: -

- the annual governance framework requirements;
- the basis of assessment of the audit work in the proposed plan;
- the resources allocated to meet the plan;
- proposed areas of internal audit coverage in 2025-26.

Following consideration of the above the Audit Committee are required to note the proposed audit plan.

**Tony Rose**  
**Head of Devon Assurance Partnership**

### High Level Audit Plan 2025/26

There has been a growing trend in the sector towards more flexible audit plans to enable internal audit to be more agile and responsive to the rapidly changing risks, in turn maximising resource focus to clients' needs as and when needed – *Agile Auditing*. This principle looks set to continue and has several benefits with ever changing priority and related risks. Key benefits provide for:

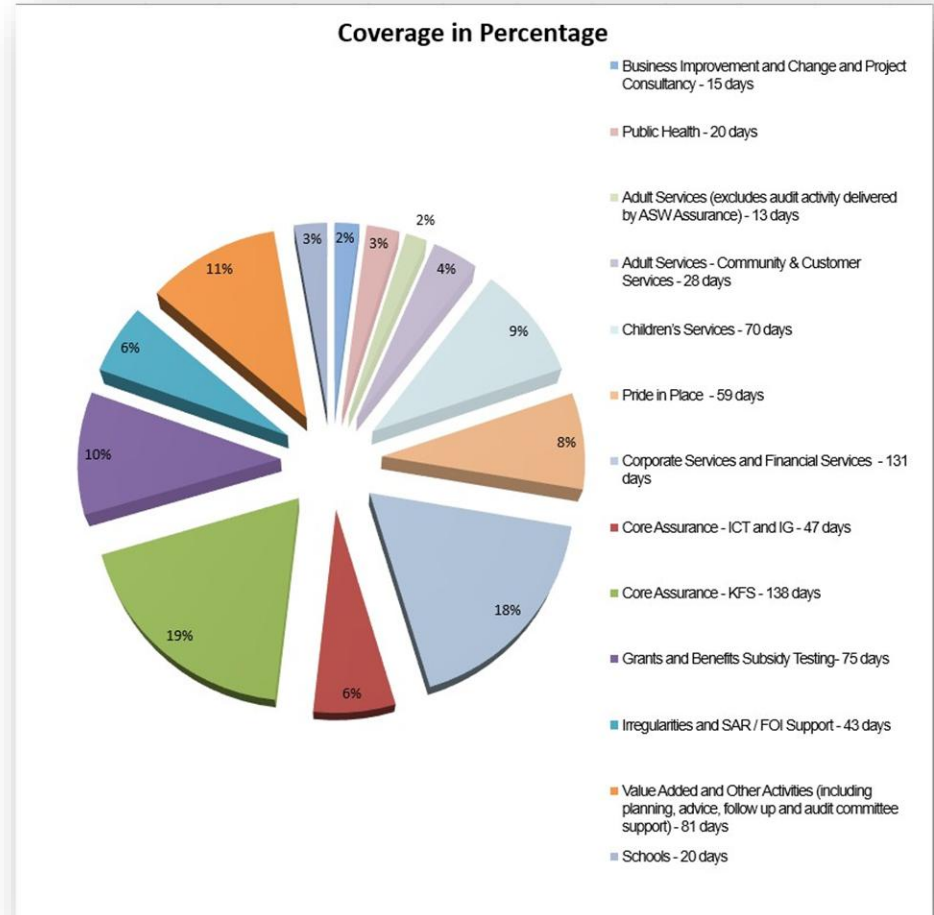
- reduction in non-productive resource planning which subsequently require significant plan changes.
- improved opportunity to keep plan aligned to current risks within Service Areas and as a whole for the Authority.
- more effective and timely pre-audit engagement with Service Leads.
- greater and more regular discussion with client leads – supporting current risk and work priorities.
- agile auditing.
- experience that plans change regularly.
- changes in external risk drivers are more easily picked up in audit assurance needs.

The table on the following page details our proposed high-level overview of audit coverage, this should be considered alongside the pie chart to the right, showing indicative allocation of resource to meet this summary plan. Audit coverage is spread across service areas to ensure provision of assurance on the wider control framework to inform our annual assurance opinion.

The high-level plan has been developed around the risks identified through risk management, audit needs and perceptions of current issues, through robust consultation with client Senior Leadership Team, the S151 Officer and Audit Committee in line with expectations of PSIAS.

Audit work in the most high-risk areas is underpinned by our core assurance work on the main financial systems, numerous grant certifications and work to evaluate management of the Council's ICT and Cyber risks. We also continue to provide an internal audit service to the maintained schools within Torbay.

Audit coverage for the year, based on the priority areas for review referred to in the table below shows a good spread of coverage across service areas enabling us to provide assurance on the wider control framework from which we will build our annual assurance opinion. More detailed terms of reference will be drawn up and agreed with management prior to the start of each individual assignment which may include input from the Council's Counter Fraud Manager – in this way we can ensure that the key risks to the operation or function are considered during our review.



### High Level Summary Audit Plan

Prioritised Risk Areas

Adult Services and Community Services	Public Health	Children's Services	Pride in Place	Corporate Services Financial Services
ASC Transformation Plan (QA role) <b>Q2-3 ANA Critical</b>  ASC – Client Debt Follow Up <b>Q3 ANA High</b>  <b>ASW Assurance</b> <i>The Director of Adult Services works with ASW Assurance to devise an audit plan covering Adult Services delivered by the Trust.</i>  Cost of Temporary Accommodation Follow Up <b>Q3 ANA High</b>  Housing Stock <b>Q2-3 ANA High</b>  Licensing <b>Q3-4 ANA Medium</b>	Pandemic / Infectious Disease Outbreak <b>Q2 ANA Critical</b>  Winter Planning <b>Q2 ANA Critical</b>	Safety Valve (QA role) <b>Q1-4 ANA Critical</b>  Placements <b>Q3 ANA High</b>  Section 17 <b>Q2 ANA High</b>  Performance and Data <b>Q1 ANA Medium</b>  PFI Schools <b>Q4 ANA High</b>	Economic Growth <b>Q2 ANA High</b>  Planning Development Management <b>Q1 ANA High</b>  Harbours Follow Up <b>Q2 ANA Medium</b>  Climate Change - follow up <b>Q3-4 ANA Medium</b>  Transport (Strategic and Public) <b>Q1-2 ANA High</b>  S106 and CIL (including follow up) <b>Q1 ANA Medium</b>  SWISCo Commissioning follow up <b>Q4 ANA Medium</b>	Health & Safety Follow Up <b>Q4 ANA Medium</b>  Coroner <b>Q4 ANA Medium</b>  Legal Services (Agency) <b>Q3 ANA Medium</b>  IG & DQ CCTV Follow Up <b>Q4 ANA Medium</b>  Financial Resilience <b>Q1 ANA High</b>  Procurement (inc Events Festival Follow Up) <b>Q4 ANA High</b>  Supply Chain Management <b>Q4 ANA High</b>  Counter Fraud (Risk Assessments) <b>Q1 ANA High</b>  Revs and Bens integration (QA role) <b>Q1-4 ANA Medium</b>  Asset Management <b>Q1-2 – ANA High</b>

Business Projects & Value Added
Business Improvement and Change (QA role) <b>Q1-4 ANA Critical</b>  Subject access and freedom of information requests  Audit Advice  Annual Follow Up Activity  Irregularity Investigations
Audit Process
Audit Plan Preparation and Monitoring Audit Committee Reporting External Audit liaison (information provision) AGS (supporting information) Counter Fraud Liaison

<b>Organisational Assurance</b>	<b>ICT ANA Critical</b> – IT Risk Management (Q2); Firewall (Q2); IT Asset Management (Follow Up) (Q4); IT User Management (Follow Up) (Q4); ICT KFS (Follow Up) (Q3); Patch Management (Q3-4)
	<b>Key Financial Systems (KFS) ANA High</b> – Open Revs & Civica W2 System Admin (follow up) (Q1); FIMS System Admin (Q1); Treasury Management (Q1); Payroll (Q4); Income Collection (Q2); Creditors and POP (Q4); Working Age Council Tax Support Scheme (follow up) (Q2); Main Accounting System and Bank Rec (Q2); Housing Benefits (Q3); CTAX and NDR (follow up) (Q3); Debtors (Q3); Asset Register (Q3)
	<b>Business Governance, Schools Assurance, Grant Certifications ANA High (Q1-4)</b> – Finance, Ethics and Probity Group; Information Governance Steering Group; Grant Certifications; HB Subsidy; Schools audits

The above diagram shows the planned audit coverage in the coming year underpinned by defined, core assurance work. ANA is described in Appendix 3.

**Reserve List**

**Service Area Overview of Reserve Audit Areas**

Adult Services and Community Services	Public Health	Children’s Services	Pride in Place	Corporate Services Financial Services
ASC Care Home Framework	N/A	Intentional Homeless Decisions and Impact on Children’s Services  Recruitment and Retention of Social Workers and Agency Costs	Harbours Land Charges Housing Delivery Events Service	Torbay Investment Fund Portfolio  Communications  Key Priorities Focus  Information Governance and Data Quality  Elections  Performance Management  Employment Status (off payroll working and tax)  LGA Peer Review  Digital Disruption, New Technology, AI  Transforming IT / Technology  Procurement of IT Solutions

The above diagram shows the areas discussed and agreed with Directors and Audit Committee during the audit planning process which have subsequently been placed on a reserve list by the Section 151 Officer, as they could not be accommodated within the commissioned audit plan days. The areas on the reserve list will be reviewed should any of the planned work be deferred in year, or in response to changing priorities.

## **Fraud Prevention and Detection and Internal Audit Governance**

Counter-fraud arrangements are a high priority for the Council and assist in the protection of public funds and accountability. Devon Assurance Partnership will continue to investigate instances of potential fraud and irregularities as requested by the Financial, Ethics and Probity (FEP) Group, and will also carry out pro-active anti-fraud and corruption testing of systems considered to be most at risk to fraud as directed by FEP. In recognition of the guidance in the Fraud Strategy for Local Government “Fighting Fraud Locally”, and the TEICCAF (The European Institute for Combatting Crime and Fraud) publication “Protecting the English Public Purse 2016”, DAP will liaise with the Council’s Counter Fraud Manager, to enable resource to be focussed on identifying and preventing fraud before it happens. Additionally, new guidance introduced by CIPFA, in their ‘Code of practice on managing the risk of fraud and corruption’, and also the Home Office ‘UK Anti-Corruption Plan’, will further inform the direction of counter-fraud arrangements going forwards. The collaborative working arrangements between the Internal Audit and Counter Fraud teams, enables intelligence to be shared and resources focussed on higher risk areas to prevent a fraud occurring.

The Cabinet Office runs a national data matching exercise (The National Fraud Initiative - NFI) run every two years, which is managed by Torbay Council’s Counter Fraud Manager. The NFI programme has identified cumulative savings since its creation in 1996. The outcomes exclude the non-financial benefits also experienced by participants, such as improvements in the accuracy of records, or a greater knowledge of the extent and types of risks their organisations might face.

## **Internal Audit Governance**

An element of our work is classified as ‘audit process’ - this is work that ensures effective and efficient audit services are provided to the Council and the internal audit function continues to meet statutory responsibilities. In some instances, this work will result in a direct output (i.e. an audit report) but in other circumstances the output may simply be advice or guidance. Some of the areas that this may cover include: -

- Preparing the internal audit and counter fraud plans and monitoring implementation;
- Preparing and presenting monitoring reports to Senior Management and the Audit Committee;
- Assistance with the Annual Governance Statement;
- Liaison with other inspection bodies e.g. External Audit (Grant Thornton) and ASW Assurance (Internal Audit for NHS);
- Support to the Council’s internal Risk Management team.
- On-going development within the Partnership to realise greater efficiencies in the future.

## **Partnership working with other auditors**

We will continue to develop and maintain effective partnership working arrangements between ourselves and other audit agencies where appropriate and beneficial. We participate in a range of internal audit networks, both locally and nationally which provide for a beneficial exchange of information and practices with the aim of improving the effectiveness and efficiency of the audit process, through avoidance of instances of “re-inventing the wheel” in new areas of work.



## Appendix 1 - Audit Framework

Internal Audit is a statutory service in the context of The Accounts and Audit (England) Regulations 2015 (revised 2021), which state:  
 'A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, considering public sector internal auditing standards (PSIAS) or guidance'.  
 DAP, through external assessment, demonstrates that it meets the Public Sector Internal Audit Standards (PSIAS).

The Standards require that the Chief Audit Executive must 'establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation's goals. When completing these plans, the Chief Audit Executive should take account of the organisation's risk management framework. The plan should be adjusted and reviewed, as necessary, in response to changes in the organisation's business, risk, operations, programs, systems and controls. The plan must take account of the requirement to produce an internal audit opinion and assurance framework.

This audit plan has been drawn up, therefore, to enable an opinion to be provided at the end of the year in accordance with the above requirements.



We will seek opportunity for shared working across member authorities. In shared working Devon Assurance Partnership will maximise the effectiveness of operations, sharing learning and best practice, helping each authority develop further to ensure that risk remains suitably managed.



## Appendix 2 - Annual Governance Framework Assurance

The Annual Governance Statement provides assurance that

- The Authority's policies have been complied with in practice;
- high quality services are delivered efficiently and effectively;
- ethical standards are met;
- laws and regulations are complied with;
- processes are adhered to;
- performance statements are accurate.

The statement relates to the governance system as it is applied during the year for the accounts that it accompanies. It should: -

- be prepared by senior management and signed by the Chief Executive, Leader of the Council and Chair of the Audit Committee;
- highlight significant events or developments in the year;
- acknowledge the responsibility on management to ensure good governance;
- indicate the level of assurance that systems and processes can provide;
- provide a narrative on the process that is followed to ensure that the governance arrangements remain effective. This will include comment upon:
  - The Authority;
  - Audit Committee;
  - Risk Management;
  - Internal Audit;
  - Other reviews / assurance;

Provide confirmation that the Authority complies with CIPFA recently revised International Framework – Good Governance in the Public Sector. If not, a statement is required stating how other arrangements provide the same level of assurance.



The AGS needs to be presented to, and approved by, the Audit Committee, and then signed by the Chair.

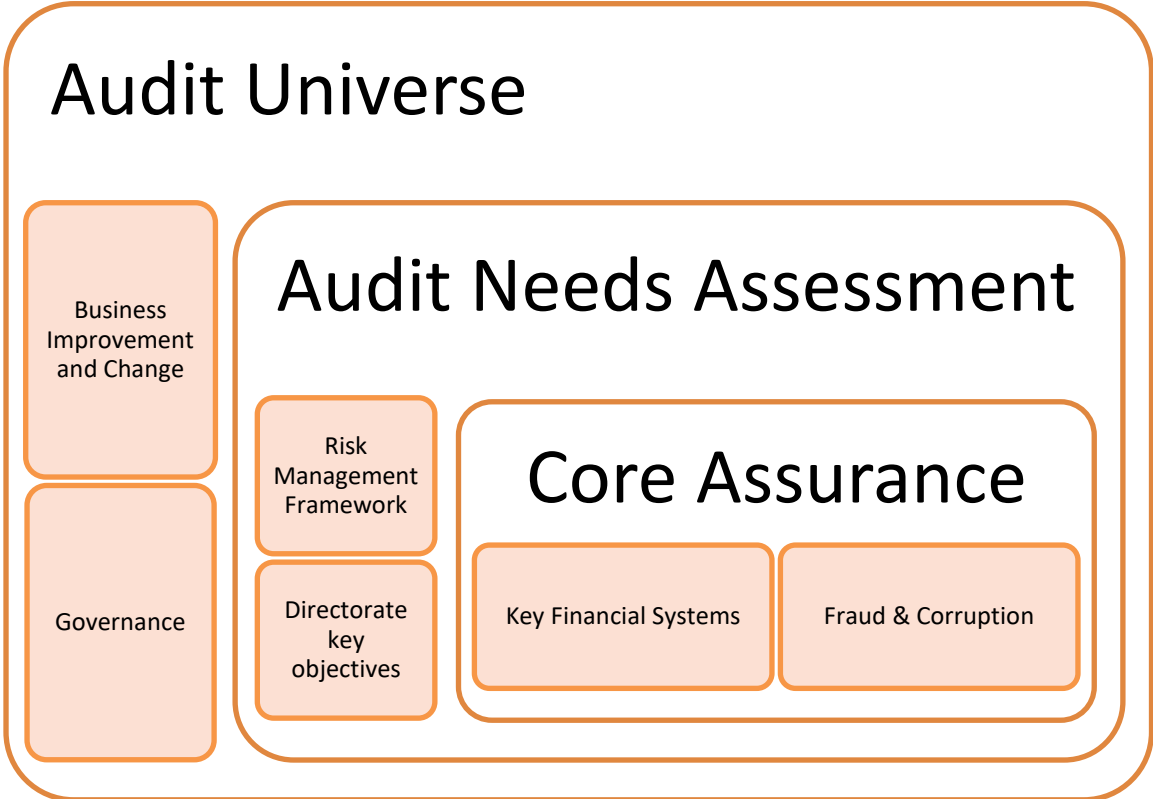
The Committee should satisfy themselves, from the assurances provided by the Annual Governance process, SLT, Internal Audit, and other assurance providers (e.g., ASW Assurance) that the statement meets statutory requirements.

## Appendix 3 - Audit Needs Assessment

We work closely with the Section 151 Officer, Directors, and Members to employ a risk-based priority audit planning approach to identify those areas where audit resources can be most usefully targeted.

This involves consideration of global risk themes, the Council’s risk register, budget consultation information, and Internal Audit assurance mapping. The plan consultation process recorded areas considered but excluded from the plan in accordance with PSIAS.

The result is the Internal Audit Plan set out within the plan on page 3 of this report. A number of areas are placed on a reserve list for future consideration (page 4).

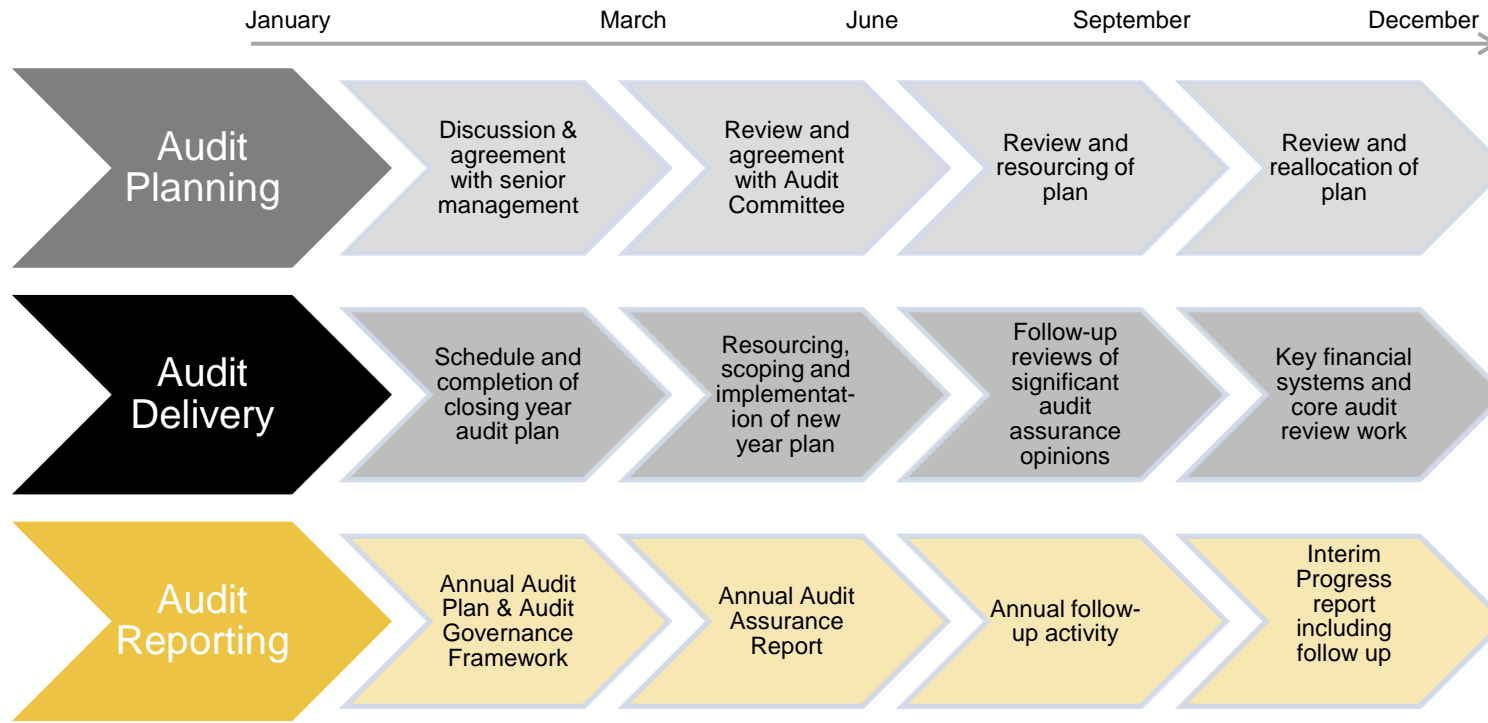


The result is the Internal Audit Plan set out earlier in this report.

The audit plan for the year has been created by:

- Consideration of risks identified in the Authority’s strategic and operational risk registers
- Review and update of the audit universe
- Discussions with the S151 Officer, Senior Leadership Team and Members regarding the risks which threaten the achievement of corporate or service objectives, including changes and / or the introduction of new systems, operations, programs, and corporate initiatives
- Taking into account results of previous internal audit reviews
- Taking into account Internal Audit’s knowledge and experience of the risks facing the Authority, including factors and systems that are key to successful achievement of the Council’s delivery plans
- Requirements to provide a 'collaborative audit' approach with the external auditors

## Appendix 4 - Our Audit Team and the Audit Delivery Cycle



Date	Activity
Jan 2025 / Feb 2025	Directorate planning meetings
March 2025	Internal Audit Plan presented to Audit Committee
	Internal Audit Governance Arrangements reviewed by Audit Committee
March / April 2025	Year-end field work completed
April / May 2025	Annual Performance reports written
May 2025	Annual Internal Audit Report including outcomes of follow up activity presented to Audit Committee
Jan 2026	Interim Progress report presented to Audit Committee
Jan 2026	2026/27 Internal Audit Plan preparation commences

<p><b>Tony Rose</b>                      Head of DAP                      T 01392 383000                      M 077971 322914                      E <a href="mailto:tony.d.rose@devon.gov.uk">tony.d.rose@devon.gov.uk</a></p>	<p><b>Jo McCormick</b>                      Deputy Head of DAP                      T 01392 383000                      M 079616 50617                      E <a href="mailto:joanne.mccormick@devon.gov.uk">joanne.mccormick@devon.gov.uk</a></p>	<p><b>Lynda Sharp-Woods</b>                      Audit Manager – Torbay Council                      T 01392 382322                      E <a href="mailto:Lynda.Sharp-Woods@devon.gov.uk">Lynda.Sharp-Woods@devon.gov.uk</a></p>
---	--	---

## Appendix 5 - Professional Standards and Customer Service

### Conformance with Public Sector Internal Audit Standards (PSIAS)

**Conformance** - Devon Assurance Partnership conforms to the requirements of the PSIAS for its internal audit activity. The purpose, authority and responsibility of the internal audit activity is defined in our internal audit charter, consistent with the *Definition of Internal Auditing*, the *Code of Ethics* and the *Standards*. Our internal audit charter was approved by senior management and the Audit Committee in March 2024. This is supported through external assessment of conformance with Public Sector Internal Audit Standards & Local Government Application Note.

The Institute of Internal Audit (IIA) are the key body involved in setting out the global standards for the profession which form the basis for the Public Sector Internal Audit Standards (PSIAS) and have been undergoing review and revision. The proposed new standards will take effect in the public sector in April 2025 and provide clarity and raise awareness of the audit committee's governance roles and responsibilities. [2024 Global Internal Audit Standards \(theiia.org\)](https://theiia.org)

**Quality Assessment** - the Head of Devon Assurance Partnership maintains a quality assessment process which includes review by audit managers of all audit work. The quality assessment process and improvement is supported by a development programme.

External Assessment - The PSIAS states that a quality assurance and improvement programme must be developed; the programme should be informed by both internal and external assessments.

An **external assessment** must be conducted at least once every five years by a suitably qualified, independent assessor. For DAP this was recently conducted in 2024 by an IIA qualified ex Assistant Director of an Audit Partnership.

The assessment result was that *“Based on the work carried out, it is our overall opinion that DAP generally conforms\* with the Standards and the Code of Ethics”*. The report noted that *“As a result of our work, a small number of areas where partial conformance was identified. These were minor observations, none of which were significant enough to affect the overall opinion”*. DAP is actively addressing these improvement areas.

\* **Generally Conforms** – This is the top rating and means that the internal audit service has a charter, policies and processes that are judged to be in conformance to the Standards

**Improvement Programme** – DAP maintains a rolling development plan of improvements to the service and customers. All recommendations of the external assessment of PSIAS and quality assurance are included in this development plan which is ongoing. Our development plan is regularly updated and links to our overall strategy, both of which are reported to the DAP Management Board and DAP Committee.

### Customer Service Excellence (CSE)

DAP was successful in re-accreditation by G4S Assessment Services of the CSE standard during 2024. This accreditation is a UK-wide quality mark which recognises organisations that prioritise customer service and are committed to continuous improvement.

During the 2024-25 year we have issued client survey forms for some of our reports, and the results of the surveys returned were very good / positive. The overall result is very pleasing, with near 98% being "satisfied" or better across our services. 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.

This page is intentionally blank