

Internal Audit

Annual Audit Report
2022-23

**Torbay Council
Audit Committee**

July 2023

Official



Tony Rose
Head of Devon Audit Partnership

Lynda Sharp-Woods
Audit Manager



Auditing for achievement

Introduction

The Audit Committee, under its Terms of Reference contained in Torbay Council's Constitution is required to consider the Chief Internal Auditor's annual report, to review and approve the Internal Audit programme, and to monitor the progress and performance of Internal Audit.

The Accounts and Audit (Amendment) (England) Regulations 2015 introduced the requirement that all Authorities need to carry out an annual review of the effectiveness of their internal audit system and need to incorporate the results of that review into their Annual Governance Statement (AGS), published with the annual Statement of Accounts.

The Internal Audit plan for 2022/23 was presented and approved by the Audit Committee in March 2022. The following report and appendices set out the background to audit service provision; any updates to the agreed plan; a review of work undertaken in 2022/23 and provides our opinion on the overall adequacy and effectiveness of the Authority's Internal Control Environment.

The Public Sector Internal Audit Standards require the Head of Internal Audit to provide an annual report providing an opinion that can be used by the organisation to inform its governance statement. This report provides that opinion.

Expectations of the Audit Committee from this annual report

Audit Committee members are requested to consider:

- the assurance statement within this report;
- the basis of our opinion and the completion of audit work against the plan;
- changes to the plan and the scope and ability of audit to complete the audit work;
- audit coverage and findings provided;
- the overall performance and customer satisfaction on audit delivery.

In review of the above the Audit Committee are required to consider the assurance provided alongside that of the Senior Leadership Team, Corporate Risk Management and external assurance including that of the External Auditor as part of the Governance Framework (see appendix 4) and satisfy themselves from this assurance for signing the Annual Governance Statement.

Contents	Page
Introduction	1
Opinion Statement	2
Summary Assurance Opinions	3
Assurance Map	4
Value Added	8
Audit Coverage Performance Against Plan	9
Irregularities	10
Appendices	
1 – Summary of Limited Assurance Audit Reports and Findings	11
2 – Professional Standards and Customer Service	21
3 – Audit Authority	22
4 – AGS Assurance Framework Audit Authority	23
5 – Basis for Opinion	24
6 – Performance Indicators	25
7 - Customer Service Excellence	26

Overall Opinion Statement

Based on work performed during 2022/23, our experience from previous years, the outcome of the Annual Follow Up exercise (as separately reported) and the findings of the first phase of the Assurance Mapping exercise, the Head of Internal Audit's Opinion on the adequacy and effectiveness of the Authority's internal control framework is one of "Reasonable Assurance".

Our audit planning process is both risk based and agile, as such our resources, and consequently our annual report will inevitably focus upon higher risk areas.

This opinion statement provides Members with an indication of the direction of travel for their consideration for the Annual Governance Statement see appendix 4. Assurance over arrangements for adult social care is mainly provided by colleagues at Audit South West, the Internal Audit provider for Health Services. They provide a letter and statement of assurance to the Council which is separately shared with Audit Committee.

The Authority's internal audit plan for 2022/23 included specific assurance, risk, governance, and value-added reviews which, together with prior years audit work, provided a framework and background within which we assessed the Authority's control environment.

The reviews in 2022/23 have informed the Head of Internal Audit's Opinion. If significant weaknesses have been identified, these will need to be considered by the Authority in preparing its Annual Governance Statement as part of the 2022/23 Statement of Accounts. In carrying out reviews, Internal Audit assesses whether key, and other, controls are operating satisfactorily and an opinion on the adequacy of controls is provided to management as part of the audit report. All final audit reports include an action plan which identifies responsible officers, and target dates, to address control issues identified. Implementation of action plans rests with management, and these are reviewed during subsequent audits or as part of a specific follow-up.

This statement of opinion is underpinned by:

Internal Control Framework

The control environment comprises the Council's policies, procedures and operational systems and processes in place to establish and monitor the achievement of the Council's objectives; facilitate policy and decision making; ensure economical, effective, and efficient use of resources, compliance with established policy, procedure, law and regulation; and safeguard the Council's assets and interests from losses of all kinds. Core financial and administrative systems were reviewed by Internal Audit.

The Council's overall internal control framework is considered to have operated effectively during the year. Where internal audit work has highlighted instances of non or part compliance, none are understood to have had a material impact on the Authority's affairs.

In some areas we are still seeing the ongoing impact of Covid-19 measures that have resulted in a significant level of challenge to the Council and put pressure on the expected control environment; the need for prompt and urgent action by officers has required changes to some procedures and control arrangements. In respect of this report, it has not been possible to fully quantify the additional risk that may have arisen from such emergency and associated measures or fully determine the overall impact on the framework of governance, risk management and control.

Risk Management

We are aware that Risk Management has significantly developed within the Performance and Risk Framework (PRF) and that the strategic risks have been reset following a risk workshop with SLT.

The audit of this area is planned for 2023-24 to allow for the ongoing embedding of new practices. However, we maintain involvement through DAP's Risk Management arm when support is requested. PRF continues to be reported to Senior Leadership Team (SLT) and Audit Committee. We note that from April 2023 these are also reported to Overview and Scrutiny. The ongoing Covid-19 response continues to present financial and service risks.

Governance Arrangements

Arrangements are generally reviewed within our Project Assurance provision. As described in the Business Case, there is opportunity to further broaden a formal Portfolio Management role.

The Information Governance Steering Group provides overarching governance in relation to information security, cyber governance, management, and compliance,

Finance, Ethics and Probity (FEP) maintain governance over issues within their remit.

Performance Management

As detailed under Risk Management, the Performance Framework has seen significant development, with monitoring arrangements continuing, and includes outcome mapping and business planning.

Irregularity and whistleblowing complaints, alongside the work of the Corporate Fraud Officer are also reported to Audit Committee.

Budget performance is monitored by SLT and full Council.

Children's Services Sufficiency Strategy and Medium-Term Financial Plan (MTFP) are monitored by SLT.

Substantial Assurance	A sound system of governance, risk management and control exist across the organisation, with internal controls operating effectively and being consistently applied to support the achievement of strategic and operational objectives.	Limited Assurance	Significant gaps, weaknesses or non-compliance were identified across the organisation. Improvement is required to the system of governance, risk management and control to effectively manage risks and ensure that strategic and operational objectives can be achieved
Reasonable Assurance	There are generally sound systems of governance, risk management and control in place across the organisation. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of some of the strategic and operational objectives.	No Assurance	Immediate action is required to address fundamental control gaps, weaknesses or issues of non-compliance identified across the organisation. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of strategic and operational objectives.

Summary Assurance Opinions

Service Area Overview of Audit Coverage				
Corporate and Financial Services	Pride in Place	Children's Services	Adult Services including Community and Customer Services	Public Health
ICT Audits: ICT Key Financial Systems; Cyber Security Covid Response Audits (x3) Legal Services - Cross Council Use of Legal Advice Key Financial Systems: GL and Bank Rec; Creditors & POP; Payroll; Benefits and CT support; FIMS Sys Admin; Asset Register; Treasury Management; IBS Sys Admin; Income Collection; Corporate Complaints system Change, Problem and Incident Management Covid Response Audits (x9) Key Financial Systems: Council Tax and NNDR; Civica W2 System Admin; Debtors & Corporate Debt Apprenticeship Levy Coroners Business Improvement and Change IG Steering Group Covid Grant Certification (x4) HB Subsidy Assurance Mapping	Harbour Mooring System Contract Monitoring Public Toilets Contract Monitoring Torbay Harbour Authority ICT Asset Management / TF System Parking Port Marine Safety Code Bus Subsidy Grant x2 Home to School Grant Travel Demand Management Grant Local Transport Capital Block Grant Local Growth Fund (EPIC) Grant Local Growth Fund (Torquay Gateway) Grant Local Growth Fund (Torbay Business Centre) Grant	CP Planning and Conference Young Devon Contract Monitoring Recruitment, Retention and Learning Academy QA and Audit Framework Schools Financial Value Standards (SFVS) Maintained Schools Audit Programme Virtual School (PEP Process) Troubled Families Grant (x4) School Condition Allocation Grant Basic Need Funding Grant	Client Debt Monitoring Precept Use Vulnerable Renters	0-19 Service Commissioning and Performance Management Universal Drug Grant Adult Weight Management Services Grant (x2)

Key: Green = Substantial or Reasonable

Amber = Limited

Red = No Assurance

Blue = Opportunity or Value Added

Assurance Map

This is Phase 1 of the assurance mapping exercise and represents the work that was completed in the days commissioned in the 2022-23 Audit Plan. It should be noted that the results are based on the managers own assessment of their area.

Phase 2 would seek to map the remainder of the Council and verify the managers assessment with the Council's second line of defence. The Map thus far has enabled the identification of some trends and common themes.

Torbay Council - Assurance Map - Functional Areas			Corporate Governance / Audit Committee											Senior Management							Independent Assurance - 3rd line							Regulators							External audit										
The key risks for this service / area may be defined in the services risk register. Otherwise use the Risks from the work programme in MKI together with the associated assurance opinions to assess and score control and assurance elements of this assurance map.			Business Operation - 1st line								Financial, Corporate and Governance - 2nd line											Independent challenge & audit. Reporting on assurance. Audit of assurance providers. Expiry level assurance.							Legal, Government other inspection and							External audit									
			Internal Control Measures				Management controls				Assurance oversight, management and financial policies, setting direction, risk management, ensuring compliance.											RAG RAG RAG RAG RAG RAG RAG																							
Departments/Services	Critical Area	Responsible Officer	1	2	3	4	5	6	7	1	2	3	4	5	6	7	8	1	2	3	4	5	6	7	8	9	10	11	1	2	3	4	5	6	7	1	2	3	4	5	6	7			
Whole Council		Anne-Marie Bond																																											
Chief Executive Support		Susan Wiltshire																																											
HR		Tania Hutchings/Lee Haywood																																											
HR Business Services - Payroll and Pensions	H																																												
HR Operational	H	Gila Wilson	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G																								
HR Policy, OD and Wellbeing	H	Jo Sandbrook	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G																								
HR Specialist Services - Pay/Reward/Job Evaluation	H	Julia Baldie	A	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G																								
Governance Support		Jane Gurry																																											
Democratic Services	H	Teresa Buckley	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G	G																											
Torbay Lottery - outsourced to Gathenwell Limited, overseen by Democratic Services	L	Teresa Buckley	G	G	A																																								
Corporate Services		Matthew Fairclough-Kay																																											
Business Improvement and Change	H	Lisa Chittenden	G	G	G	G	G	G	G	G	G	G	A	A	D	N/A	N/A	G	G																										
Libraries (outsourced to Libraries Unlimited)	M	Matthew Fairclough-Kay	G	G	G	G				G	G	G	G	G	G	G	G	G	G	G	A																								
Coroner (shared service since 2013) - PCC/DCC/TC. PCC are the lead	H	Matthew Fairclough-Kay/Philip Taylor	G	G	G	G	G	G	G	G	A	G	G	G	G	A	G	A	G	G	G																								

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			Identifying risks and improvement actions, implementing controls, Reporting on progress, Management assurance														Assurance oversight, management and financial policies, setting direction, risk management, ensuring compliance											Independent challenge & audit, Reporting on assurance. Audit of assurance providers. Entry level assurance.							Legal, Government other inspection and																						
			Internal Control Measures							Management controls																		RAG	RAG	RAG	RAG	RAG	RAG	RAG	RAG	RAG	RAG	RAG	RAG	RAG	RAG																
9 Departments/Services	Critical Area	Responsible Officer	1	2	3	4	5	6	7	1	2	3	4	5	6	7	8	1	2	3	4	5	6	7	8	9	10	11	1	2	3	4	5	6	7	1	2	3	4	5	6	7															
39 Childrens Services		Nancy Meehan																																																							
40 Children's Safeguarding		Becky Thompson																																																							
41 Front Door	High	Elie Clerk/Brenda Nakamya	G	G	G	G	G	G	G	G	G	G	G	A	G	G	G	G	G	N/A	G	G	G	G	G	G	G	N/A	N/A	G	G	G	G	N/A	Limited	G	N/A	N/A																			
42 Operational	High	Brenda Nakamya/Mimi Taylor	G	G	G	G	G	G	G	G	G	G	G	A	G	G	G	G	G	N/A	G	G	G	G	G	G	N/A	N/A	G	G	G	G	N/A	Limited	G	N/A	N/A																				
43 Regulated Services incorporates placement and commissioning elements of wider CS.	High	Colin Shumaker/Kellie Gosney/Gina Powell (meet together)	G	G	G	G	G	G	G	G	G	G	G	A	G	G	G	G	G	N/A	G	G	G	G	G	G	N/A	N/A	G	G	G	G	N/A	Limited	G	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
44 Safeguarding, Early Help, Business Intelligence, and Performance	High	Shaun Evans/Emma Thomas/Lisa Pitcher/Matt Gifford (meet separately include Shaun in all meetings)	G	G	G	G	G	G	G	G	G	G	G	A	G	G	G	G	G	N/A	G	G	G	G	G	G	N/A	N/A	G	G	G	G	N/A	Reasonable	G	N/A	N/A																				
45 Business Support	High	Becky Thompson/Matt Gifford/Mark Richards - meet together	A	G	G	G	G	G	G	A	G	G	G	G	G	G	N/A	G	G	N/A	G	G	G	N/A	N/A	N/A	N/A	N/A	N/A	G	N/A	G	N/A	Reasonable	G	N/A	N/A																				
46 Learning Academy (also includes a QA function which covers whole of children services)	High	Rachael Setter/Louisa Jones	G	G	G	G	A	G	G	G	G	A	G	G	G	G	G	G	N/A	G	G	A	G	G	G	N/A	N/A	G	G	G	N/A	G	Substantial	G	G																						
47 Education, Learning and Skills		Rachael Williams																																																							
48 Vulnerable Pupils	High	Dan Hamer	A	A	N/A	G	G	G	G	G	G	G	G	G	G	N/A	G	G	N/A	G	G	G	G	G	G	N/A	N/A	N/A	G	G	N/A	N/A	Substantial	G	N/A																						
49 Early Years	High	Sheena Wight/Emma Kerridge	G	G	G	G	G	G	G	G	G	A	A	G	G	A	G	G	N/A	G	G	G	G	G	G	N/A	N/A	N/A	G	G	N/A	N/A	Substantial	G	N/A																						
50 SEN and Disabilities	High	Hannah Spencer/Rachael Williams	G	A	G	G	A	A	A	G	A	A	A	G	G	A	G	G	N/A	G	G	G	G	G	G	N/A	N/A	N/A	N/A	G	G	N/A	Reasonable	G	N/A																						
51 Virtual School	High	Jane Inett	A	A	N/A	G	G	A	G	G	G	G	A	G	G	G	G	N/A	G	G	G	G	G	G	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Limited	G	N/A																							

Torbay Council - Assurance Map - Functional Areas

			Corporate Governance / Audit Committee											Senior Management							Regulators							External audit																																		
			Business Operation - 1st line								Financial, Corporate and Governance - 2nd line								Independent Assurance - 3rd line							Regulators																																				
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Public Health (most are commissioned services)		Lincoln Sargeant																																																												
Public Health Improvement	M	Ian Tyson	G	G	G	A	G	G	G	G	G	G	G	G	G	G		G	G	G		G		G		G																																				
Health Care Public Health	M	Julia Chisnell																																																												
Health Protection	H	Julia Chisnell	G	G	G	N/A	G	N/A	N/A	G	G	G	G	G	A	N/A	N/A	G	G	G	N/A	G	N/A	G	G	G																																				
Partnerships - to deliver joint strategies e.g. Community Engagement	M	Bruce Bell	G	G	G	G	G	N/A	N/A	G	G	G	G	G	N/A	G	N/A	G	G	G	G	G		G		G																																				
Place																																																														
Planning, Housing, and Climate Emergency		David Edmondson																																																												
Development Management	H	Wendy Ormby	A	A	A	G	G	G	G	G	G	A	A	G	G	A	A		G		G		A																																							
Enforcement		Wendy Ormby	A			A	A		A	A	G	G	A	A	G	G		A		G		G		A																																						
Technical Support to Planning Function	H	Mark Irving	A	A	G	G	G	G	G	G	A	A	A	A	G	G	A	A		G		G																																								
Section 106	H	Mark Irving	A	A	G	G	A	G	G	G	A	A	A	A	G	G	G	G		G		G																																								
CIL	H	Mark Irving	A	G	G	G	A	G	G	G	A	A	A	A	G	G	G	G		G		G																																								
Land Charges	H	Mark Irving	A	A	G	G	G	G	A	G	A	A	A	A	G	X	A	A		G																																										

The Institute of Internal Auditors provides a summary of the benefits of Assurance Mapping:

- An assurance map brings an organisations risk appetite to life. At the same time as highlighting assurance gaps, it also shows where there is duplication or too much assurance. It is a simple way of aligning assurance resource, risk, and internal control.
- It improves awareness of the control environment by looking across the organisation rather than at individual reports which can lead to siloed thinking.
- It drives positive behaviours by enabling robust discussions about risk, educating on the value of assurance and aiding collaboration between functions.

- Collectively, the assurance community of an organisation often has a more powerful voice when it works together; an assurance map is a practical platform benefiting all parties.

To fit the assurance map into the document below we have removed column headings and replaced with them reference digits. For the purposes of cross reference, a list of column headings against the substitute numbers has been defined.

The following page sets out the details of the column headings linked to the references above.

Original Column Headings from the Full Assurance Map

First Line of Defence - Internal Control Measures	<ol style="list-style-type: none"> 1. IT Systems: Administration Access Standing Data Updates 2. Data Quality: Input/Output/Accounting/Arithmetic 3. Fraud: Prevention/Detection 4. Authorisation 5. Supervisory 6. QA Activities 7. Separation of Duties 	First Line of Defence - Management Controls	<ol style="list-style-type: none"> 1. Governance: Strategies, business plans, policies, procedures 2. Governance: Organisations structure, reporting lines, delegated responsibilities 3. Monitoring: Management information 4. Personnel: Staffing levels, competencies, training, performance 5. Resilience: Business Continuity Plans and testing 6. Risk Registers 7. Performance: Measures, indicators, benchmarking 8. Supply chain: Third party, partner resilience, contracts
Second Line of Defence	<ol style="list-style-type: none"> 1. Finance: Budget Monitoring; Reconciliations; Reporting; Statutory Returns 2. Compliance: H&S 3. Compliance: Emergency Planning 4. Compliance: Information Governance/Complaints 5. Security: IT Systems 6. Security: Physical Security 7. Corporate Governance: Strategy and Policy Development 8. Committee Oversight 9. Project Boards 10. Risk Management 11. Other 	Third Line of Defence	<ol style="list-style-type: none"> 1. Accreditation: e.g., ISO9001/27001 2. Compliance: Security, resilience, quality 3. ICT: Pen testing, resilience, compliance 4. Peer/Strategic Partner Reviews 5. Consultant Reviews 6. Other third-party reviews 7. Internal Audit

Value Added

We know that it is important that the internal audit service seeks to "add value" whenever it can.

We believe internal audit activity can add value to the organisation and its stakeholders by:

- providing objective and relevant assurance,
- contributing to the effectiveness and efficiency of the governance, risk management and internal control processes.

Senior Management has found our engagement, support as a "trusted advisor" effective and constructive in these significantly changing times.

Our work has identified specific added value benefits in key areas and in mitigating key risks. Notable benefits have been reported in the following areas.

Corporate Services and Financial Services

- Ongoing engagement in Business Improvement and Change programmes and projects.
- We provide relevant information and practices from Local Government articles and guidance.
- Administrative support to Finance, Ethics and Probitry Group.
- Attendance at and support to the Council's Information Governance Steering Group.
- Support to the Council's Data Protection Officer in the provision of Freedom of Information (FOI) and Subject Access Request (SAR) data.
- Advice prior to implementation in relation to the expected controls to support the Housing Support Fund scheme.
- Identification of a significant overpayment of Housing Support Fund.
- Completion of additional prior year Housing Benefits subsidy testing.
- ICT horizon scanning, including identification of available grant monies for Cyber defences; Cyber-attack simulation tools; and IE11 retirement considerations.
- Drafting of a Business Case to support a formal Portfolio Management role across the Council.
- Support to a Risk Management presentation and workshop with SLT and the Risk Manager.

- Phase 1 assurance mapping to support the annual governance statement and risk management development.
- Quarterly meetings with Counter Fraud.

Place

- Annual Port Marine Safety Code compliance audit.
- In addition to the planned grant work, inclusion of the Local Growth Fund Grant (Torquay Gateway, EPIC and Torbay Business Centre) certifications.
- Flexibility around completion of the prior year Grants –
 - Home to school and College.
 - Travel Demand Management.
 - Bus Subsidy.
- Evaluation of the Harbour system functionality.

Children's Services

- Engagement with the Liquid Logic project post go-live.
- Quarterly certification of Troubled Families grants.
- Worked with the service to audit the Troubled Families Q4 re-submission to ensure the deadline was met and funding loss avoided.

Covid-19 Response

- Changes to the plan to accommodate grant certification.
- Additional grant certification for Test and Trace Support payments.

Schools

- The SFVS Dedicated Schools Grant Chief Finance Office assurance statement for 2022/23 was submitted to the Department for Education.
- Completion of all maintained Schools Audits as planned.

Audit Coverage and performance against plan

The pie charts right show the breakdown of the audit days planned by service area / type of audit support provided.

The balance of work has varied slightly during the year as can be seen from comparison with the second chart.

The Summary Assurance Opinions table on page 3 provides details of the audits undertaken in 2022-23. Where a 'Substantial' or 'Reasonable' standard of audit opinion has been provided we can confirm that overall, sound controls are in place to mitigate exposure to risks identified.

Appendix 1 to this report provides a summary of the Limited Assurance audits undertaken during 2022-23.

Where an opinion of "Limited assurance" has been provided then issues were identified during the audit process that required attention.

We have provided a summary of some of the key issues reported that are being addressed by management. We are content that management are appropriately addressing these issues.

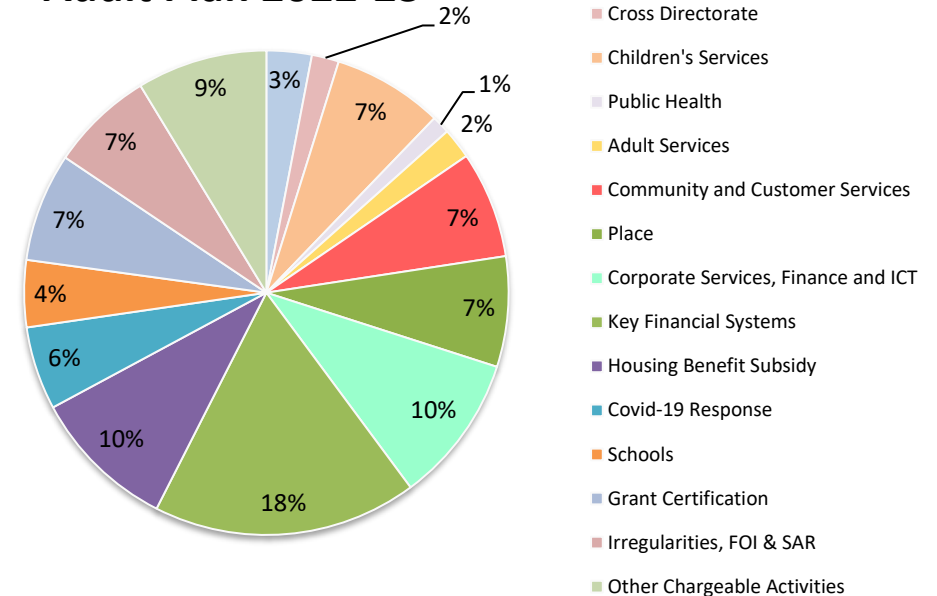
Appendix 6 shows the performance indicators for audit delivery in 2022/23. It will be noted that there was a small increase in the total number of audit days that we provided during the year.

When we prepare our plans, we assess the number of days that an audit is likely to take. When the fieldwork is completed, there is inevitably a variance from the planned days.

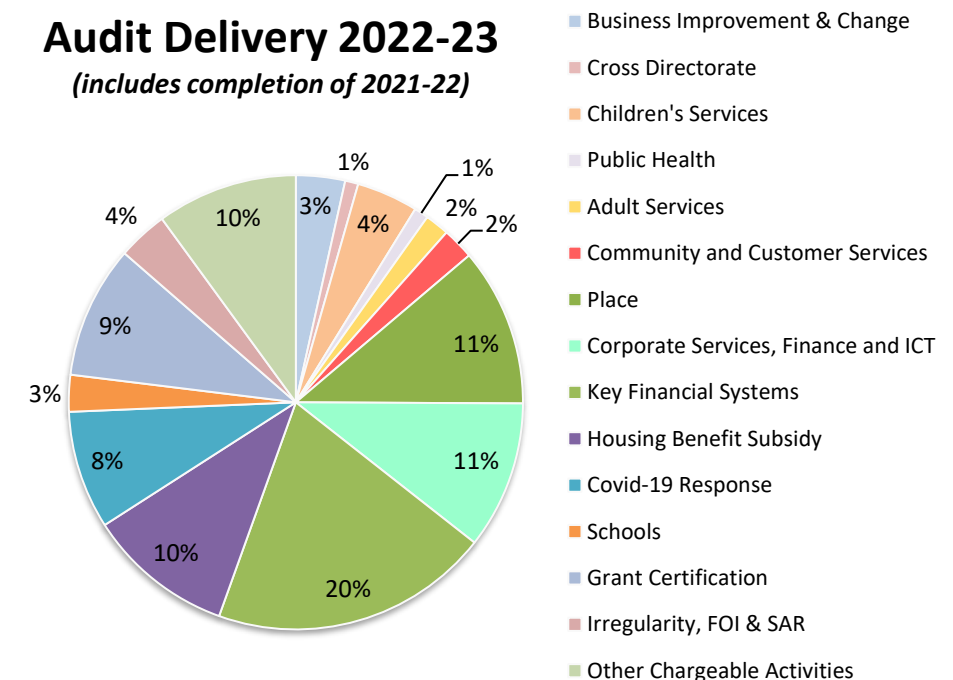
In addition, we provide an allowance for work on areas such as irregularities and in some years the requirement will exceed the planned budget, in others the need for our resource will be less than planned.

It should also be noted that some audits required a richer mix of staff resource due to the complexity / sensitivity of the area under review.

Audit Plan 2022-23



Audit Delivery 2022-23 (includes completion of 2021-22)



Irregularities Prevention and Detection

Counter-fraud arrangements are a high priority for the Council and assist in the protection of public funds and accountability. Devon Audit Partnership (DAP) regularly liaise with the Corporate Fraud Officer; the key outcomes of this role are the identification and investigation of external frauds.

Assessments state that there is an epidemic of fraud cases. Fraud now accounts for 40% of all crimes; it is anticipated that this will further increase by 25% in the coming years ([see Fraud and the Justice System](#)). The government has responded with formation of the Public Sector Fraud Authority. Given this landscape, it is important for councils to have effective measures to reduce the risk and impact of fraud. Management is aware that they can refer any suspected issues to the Corporate Fraud Officer, Internal Audit or the Finance, Ethics & Probity Group.

The Cabinet Office now run the national data matching exercise (National Fraud Initiative – NFI) every two years. Most data matching for this involves the investigation of potential external fraud committed against the Authority, i.e., individuals or bodies external to the Council. NFI activity on behalf of the Council is now undertaken by the Corporate Fraud Officer.

We have continued to provide support to the Council’s Finance, Ethics and Probity Group; and undertake daily monitoring and management of the Council’s Whistleblowing Inbox. We interrogate the Council’s email archive system to support investigations, Freedom Of Information and Subject Access Requests.

Irregularities – During 2022/23 Internal Audit have carried out or assisted in **15** new irregularity investigations. Analysis of the types of investigation and the number undertaken compared with previous years is as follows:

Issue *	2022/23	2021/22	2020/21
Poor Procedures	11	2	0
Employee / Member Conduct	1	7	9
Financial Irregularities	0	2	4
IT Misuse	1	1	0
Tenders & Contracts	0	2	2
Support to IG and HR Investigations	2	4	N/A
Total	15	18	15

* The ‘Issue’ title relates to the allegation made and may not be reflective of the investigation outcomes/findings. Outcomes are summarised below:

- Support to IG and HR investigations - this work is limited to provision of emails from the archive solution, and we have no further involvement.
- IT Misuse – no evidence to support allegation
- Employee / Member Conduct – work ongoing
- Poor Procedures – of the 11 referrals, 7 were found to have no evidence to support the allegation; 3 were substantiated or part substantiated; and 1 remains ongoing. Regardless of outcomes, in a majority of cases, where necessary, recommendations were made to improve procedures.

Summary details as follows: - Some irregularity investigations are as a result of allegations made by whistle blowers. In addition, we have supported Information Governance and Human Resources with the provision of emails in relation to their investigations.

Freedom of Information / Subject Access Requests and Referrals made under the Unacceptable Behaviour Policy: -




We assisted with three requests under Freedom of Information and Data Protection requirements or the Unacceptable Behaviour Policy during 2022-23.

Appendix 1 – Summary of Limited Assurance audit reports and findings for 2022/23

Risk Assessment Key


- ANA - Audit Needs Assessment risk level as agreed with Client Management
- Client Request – audit at request of Client Senior Management

Direction of Travel Assurance Key

-  action plan agreed with client for delivery over appropriate timescales & is progressing
-  action plan agreed and is being progressed though some actions are outside of agreed timescales or have stalled
-  action plan not fully agreed, or we are aware progress has stalled or yet to start
* report recently issued; assurance progress is of managers feedback at debrief meeting

The table below excludes all the Audit areas examined where the Assurance Opinion was ‘Reasonable’ or ‘Substantial’, or where our work was deemed ‘Added Value’. A full representation of our work and the resulting assurance opinions can be seen in the chart on page 3 of this report.

Where the Assurance Opinion column is coloured, this is to highlight that the audit report has been agreed and issued in Final. Those in grey remain in draft.

CORPORATE SERVICES and FINANCIAL SERVICES			
Risk Area / Audit Entity	Audit Report		
	Assurance opinion	Residual Risk / Audit Comment	Direction of Travel Assurance
ICT and IG Audit			
Change Management (ANA – High)	Status: Final	As both ICT Change Management and Problem and Incident Management are inextricably linked, we have reported the outcomes of each of these audits into this single report. Based upon the information provided and opinions obtained, we would conclude that although there is a baseline for Change Management, and Problem and Incident Management, there are aspects which need to be strengthened to provide assurance to the organisation that Changes, Problems, and Incidents are managed consistently and to an appropriate standard.	
Incident and Problem Management (ANA – High)			
	Limited Assurance	<p>Industry standard IT Service Management practices are available through the Information Technology Infrastructure Library (ITIL) framework, which include both Change Management, and Problem and Incident Management. These frameworks would provide a robust and consistent approach. We understand that IT Services does not have the capacity or resourcing to adhere to ITIL standards fully, yet elements of these practices are applied throughout both functions, with knowledge of the practices known by Officers.</p> <p>In relation to Change Management, we noted some good practices embedded into operations, albeit different processes operated by different ICT Teams, with some supporting policy requirements relating to IT infrastructure change having been defined. There is opportunity to further strengthen the Change</p>	


CORPORATE SERVICES and FINANCIAL SERVICES

Risk Area / Audit Entity	Audit Report		
	Assurance opinion	Residual Risk / Audit Comment	Direction of Travel Assurance
		<p>Management practices, notably implementing a centralised ICT Change Management framework and function; implementing and operating a central IT Change Advisory Board (CAB); and defining and operating standard operating procedures. Without a centralised Change Management function, there is a risk that changes are implemented without appropriate engagement across IT Services, resulting in potential impacts on other operational areas.</p> <p>The Council continues to use an open-source product to record and manage all Problems and Incidents, and although operation of the system does not follow the ITIL framework and lacks some operational functionality, we understand it is a cost-effective solution for the council at present. Some positive practices were identified such as definition of FAQ's held on the system to record incident resolution. However, it is apparent that use of and reference to these are primarily limited to PC Support / Service Desk staff. There are opportunities to strengthen the control framework, notably, enforcing a consistent user route for reporting problems and incidents; establishing formal procedural guidance; investigating wider system functionality, including an effective reporting mechanism.</p>	




The following audit was deferred to the 2023-24 year at the request of the client:

- Information Governance – Data Quality and Records Management (ANA – High)


Key Financial Systems

Council Tax and Non-Domestic Rates (ANA – Medium)	<p>Status: Final</p> <p>Limited Assurance</p>	<p>Action against prior year recommendations had still not taken place, though we note that in the majority of instances, agreed target dates are linked to the implementation of the CRM system. We also acknowledge the number of Covid grants that the Team has been required to administer over the last few years, and the ongoing impact this is having on the resources available in terms of improving the areas we have highlighted.</p> <p>Sample testing carried out as part of this year's audit found a number of instances where compliance against the control framework in place could be improved, and also in terms of the accuracy of data entry. Recommendations include ensuring circumstances are regularly reviewed, requiring evidence when requesting confirmation of ongoing entitlement, not initially applying disregards unless the required evidence is supplied, prompt inspection of empty properties and clarifying some procedures. In addition, we found that there were delays in processing, particularly in relation to death notifications and VOA schedules for NNDR.</p> <p>Implementing prior year recommendations relating to re-starting the QA process and the introduction of a rolling programme of review of ongoing entitlement to discounts, reliefs, etc, should reduce these instances. We understand that a rolling programme of review of entitlements has now been commenced by the Counter Fraud team.</p>	
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CORPORATE SERVICES and FINANCIAL SERVICES

Risk Area / Audit Entity	Audit Report		
	Assurance opinion	Residual Risk / Audit Comment	Direction of Travel Assurance
Civica W2 (ANA – High)	Status: Final Limited Assurance	The Civica W2 system have established user management processes in place. However, we identified a number of weaknesses that would benefit from strengthening in order to provide a more robust framework. In particular, the need for consistent application of user request authorisations; management and ongoing review of accounts, including leavers, generic accounts, and those with elevated privileges; and establishing reporting on elevated privilege accounts to ensure segregation of duty is being maintained. Given the scale of the Civica W2 system, there may be benefit in a more in-depth Audit review during 2023/24, and Management may wish to consider commissioning such a review.	
Debtors and Corporate Debt (ANA – High)	Status: Final Limited Assurance	<p>As has been the case over the last few years, there has been little progress in terms of implementing prior year recommendations. With Covid-19 now having less of an impact, it would be good to see some of these long-standing issues resolved, particularly in relation to the monitoring and reporting of debt at an overall level. To this end, whilst management had previously accepted some of the risks, we have been advised that they will be engaging with Internal Audit during 2023-24 to work up a realistic improvement plan.</p> <p>Other issues mainly relate to Corporate Debt, and we understand that current staff pressures are preventing many of the recommended improvements from being made in this area, though we note that there has been remedial action taken in relation to procedures for special payment arrangements.</p> <p>We also found issues in relation to credit notes, monitoring performance of external debt collectors, reviewing accounts where recovery had been suppressed, and in relation to write-offs and the adherence to Financial Regulations. These were equally applicable to both Sundry Debtors and Corporate Debt.</p>	
Other			
Apprenticeship Levy (ANA – client request)	Status: Final Limited Assurance	<p>Whilst our evaluation of the standard apprenticeship processes (non-STEM) found these to primarily comply with both DfE and local guidance, we did identify some areas where the control framework can be further strengthened and opportunity to align internal process and procedure documents with a newly implemented system operated within the MyView system.</p> <p>In relation to the STEM application processes, we would conclude that internal practices are not yet sufficiently robust to prevent the STEM funding error from recurring. We have made several recommendations including clarification surrounding any statutory guidance and establishing appropriate internal practices. Whilst DfE funding is available for STEM apprenticeships, it is not routinely utilised by the Council, instead choosing to use the Council's own levy fund. By utilising the DfE funding for all STEM apprenticeships this would result in greater funds available within the Council Levy Fund.</p> <p>This audit also identified that the Council does not yet operate a formal Levy Transfer Scheme. In our opinion there is scope for such a scheme, particularly if the Council made greater utilisation of the DfE STEM funding, which would then have clear benefits to the local economy and associated benefit to supporting the Council's visions.</p>	


CORPORATE SERVICES and FINANCIAL SERVICES

Risk Area / Audit Entity	Audit Report		
	Assurance opinion	Residual Risk / Audit Comment	Direction of Travel Assurance
Coroner (agreement monitoring) (ANA-Medium)	Status: Final Limited Assurance	<p>We understand that both the Coroners Service and NHS support services have experienced a significant impact as a result of the pandemic and as such progression and finalisation of the draft SLA for the combined coronial area is yet to be fully agreed and signed by all parties. We have been advised that parties are working to the spirit of the SLA, however given the nature of the service and the associated charging mechanisms in place, it is vital that the draft SLA and any supporting contracts are reviewed, updated, and agreed by all parties.</p> <p>Included within the draft SLA is the associated charging schedule, however, although invoicing and payments are up to date, the charging is one aspect of the draft SLA that requires agreement. Our findings would support the need for further clarity and additional charging aspects being included in the SLA to ensure all charges applied by Plymouth City Council and the method by which they apply them are clear, fair, and accurate</p>	
The following audits are currently in progress: <ul style="list-style-type: none"> Capital Programme (focussed on Town Deal and Future High Streets) (ANA – Medium) 		The following audit was deferred to the 2023-24 year: <ul style="list-style-type: none"> Health & Safety (ANA – High) 	

COVID-19 RESPONSE

Risk Area / Audit Entity	Audit Report		
	Assurance opinion	Residual Risk / Audit Comment	Direction of Travel Assurance
Business Grants - Post Award Assurance Discretionary Business Grants - Post Award Assurance Local Additional Restrictions Support Grants Local Restrictions Support Grants (Closed) and Closed Business Lockdown Payments	Status: Final Limited Assurance	<p>Assurance was reported in last year's annual report; please refer to that report for full summaries of findings for individual audits.</p> <p>For information, in response to COVID-19, the Government provided support for businesses who suffered financial hardship due to local and national restrictions. There were several schemes under which grants were being made available to such businesses, depending on the specific restrictions that were in place over certain time periods</p> <p>The audits of the Covid-19 Response grant schemes were at client request to address the associated emerging risks with the audit plan being revised in-year to accommodate this requirement which spanned the 2020-21 and 2021-22 years.</p> <p>Management action plans are in place to address the findings and recommendations made in relation to specific claims and where lessons can be learnt for any future similar schemes. We note that reporting to government was addressed post the audits due to delays in receipt of templates from the government.</p>	

COVID-19 RESPONSE

Risk Area / Audit Entity	Audit Report		
	Assurance opinion	Residual Risk / Audit Comment	Direction of Travel Assurance
Local Restrictions Support Grants (Open) Local Restrictions Support Grants (Sector) Christmas Support Payments for Wet led Pubs Business Restart Grants		<p>We acknowledge the impact of the number of schemes, the speed of implementation required by the government, delays in scheme information from the government, the volume of applications and the known capacity issues on the Council's ability to implement and operate the required framework in addition to business as usual and during the pandemic.</p> <p>We raised issues with the design of the processing frameworks established in relation to the control environment and consistency with the government scheme requirements. These concerns have been noted by management and will be considered for any future similar grant schemes.</p> <p>Whilst we recognise the impacts on the service areas in implementing and operating these grants, the outcomes of our audits resulted in Limited Assurance being provided. This is primarily due to various factors, including inconsistencies in application assessment and awards; quality, accuracy, and availability of supporting evidence; instances of potential duplicate payments, albeit that this issue was not across all schemes.</p>	
Household Support Fund (ANA – High, Client Request)	Status: Final Limited Assurance	<p>The audit identified many lessons to be learnt from the first schemes (October 2021 to September 2022) that are applicable to the new scheme effective October 2022.</p> <p>In our opinion the scheme design would have provided a more robust framework and subsequently reduced the risk of the issues and errors had the pre scheme advice and recommendations from Internal Audit been implemented. However, this does not negate the impact of the advised capacity issues, scheme timing requirements, and volume of applications on the Council's ability to fully implement and operate the required framework.</p> <p>We identified a number of issues, notably a significant overpayment to one applicant, and a lack of service agreements for third party processing of funds, particularly the Citizen Advice Bureau. This has led to the need for discussions between the Council and the Citizens Advice Bureau in relation to the return of monies, identified during the Audit.</p> <p>Whilst we were aware of the process for Pensioner Credit applications and the introduction of a QC process, due to the timing of these being taken forward i.e., August 2022, they were not examined within this audit. We did however note a potential risk in relation to Pensioner Credit applications in that reliance was placed on provision of a listing from DWP which was a point in time listing and therefore could have been subject to change through the timing of the scheme.</p>	



CROSS DIRECTORATE

Risk Area / Audit Entity	Audit Report		
	Assurance opinion	Residual Risk / Audit Comment	Direction of Travel Assurance



The following audit is currently in progress:

- Service Delivery Interdependencies and related Improvement Plans (Adult Services, Children's Services and Public Health) (ANA – High, Client request)

PRIDE IN PLACE

Risk Area / Audit Entity	Audit Report		
	Assurance opinion	Residual Risk / Audit Comment	Direction of Travel Assurance
Public Toilets (contract monitoring) (ANA – Low, client request)	Status: Final Limited Assurance	<p>There has been progress against the previous audit agreed actions, with one action currently outstanding in relation to a discrepancy between the supplier's system (MOXI) and the Council's finance system (FIMS). The contract clearly defines the required aspects of the Public Toilet provision, however there are some areas where this could be strengthened, for example the requirement for further contract variations where additional requirements have been added.</p> <p>Due to an advised capacity and staff availability issue at SWISCo, the provision of supporting evidence has been limited and as such, whilst we have been able to provide some aspects of assurance in relation to the contract content itself, we have been very limited in relation to being able to provide assurance regarding the practical operational contract management processes operated by SWISCo, and as such, are unable to fully confirm the suppliers compliance with the contract. We have made a number of recommendations requiring SWISCo to provide the Council with assurance that the required contract management processes are being effectively operated and that the supplier is compliant with contract terms.</p>	
Tor Bay Harbour Authority (ANA – Medium)	Status: Final Limited Assurance	<p>We undertook a top-level review of most of the Harbour IT systems, with more detailed focus and evaluation of the key system. Most of the IT systems are provided through third party contractual arrangements and as such, there is a greater level of reliance upon suppliers for key IT controls such as security, data integrity, Information Governance compliance, and system resilience and contingency.</p> <p>There is scope for Tor Bay Harbour Authority to improve assurance through greater contract monitoring practices. This would give them assurance that the critical IT and IG service arrangements are being met.</p> <p>There are some local practices that would benefit from strengthening, in particular some aspects around Business Continuity detail, and system user management controls.</p> <p>We have also noted the advised issues in relation to the data feed between the Harbour System and the Council's Financial Management System. We have recommended that management from Harbours and Finance work together to determine the options and therefore the best way to address this issue.</p>	


PRIDE IN PLACE

PRIDE IN PLACE			
Risk Area / Audit Entity	Audit Report		
	Assurance opinion	Residual Risk / Audit Comment	Direction of Travel Assurance
Asset Management Strategy / Plan (ANA – High) Technology Forge system review (ANA – Medium)	Status: Final Limited Assurance	<p>These two areas were combined into one audit given the use of the system to support the Strategy.</p> <p>A suitable framework for Asset Management is in place, which includes the recently introduced and approved Asset Management Strategy and Policy. We also confirmed the existence of an Action Plan, which whilst concise, contains a number of key objectives for the service, which are linked to the Strategy.</p> <p>Elected members were involved in reviewing and approving the Asset Management framework, however we note that formal reporting of progress of the Asset Management Plan in line with the framework is not yet established; we recognise the informal reporting arrangements with the designated Cabinet Member in place. Designated officers are involved in managing and monitoring the delivery of the Strategy, and an experienced Asset Registrar is in place for day-to-day activities such as maintaining the asset register database.</p> <p>We confirmed the known issue of a significant backlog of maintenance work identified through condition surveys. Whilst acknowledging the lack of funding to address this remedial work, it is important that the risk of deteriorating property condition because of the backlog is flagged in reporting to Senior Leadership and Members and within the Council's risk register.</p> <p>In addition, we have recommended improvements to the Asset Management Action Plan in relation to enhancing recorded data and delivery of the Plan including asset rationalisation and disposal and, keeping the Asset Register updated with information such as completion of maintenance jobs. We have also highlighted the need for improved monitoring of funded maintenance activities given the delays noted, and the importance of reviewing performance indicators.</p>	
Parking (ANA-Medium)	Status: Final Limited Assurance	<p>Although there is a Parking Strategy in place, it is dated 2016-21 and has not been reviewed since it was implemented in 2016.</p> <p>It is pleasing to see that many of the recommendations from the previous audit have been implemented and testing has now been able to take place due to reports being produced from the Taranto system. However, there are still a number of issues that were identified this year, hence the opinion still being one of 'limited assurance'.</p> <p>Parking charges are reviewed annually by the Council as part of the budget. In April 2022, an amendment was made to the approved charges, however the proper procedures, as required by the Authority's Financial Regulations were not followed. In addition, for some zones, the published charges are not in line with the approval document as we understand the document was inaccurate when approved.</p> <p>As of 31st March 2022, the level of debts in relation to PCNs had increased significantly on the previous year. It is understood that this figure includes cases that have been returned from the bailiffs as unrecoverable and need to be written off, however staffing issues have meant these write-offs have been unable to take place.</p> <p>Management have advised that areas of weakness identified should in part be attributed to insufficient capacity in the team which we are advised is an ongoing issue.</p>	

PRIDE IN PLACE

Audit Report			
Risk Area / Audit Entity	Assurance opinion	Residual Risk / Audit Comment	Direction of Travel Assurance
The following audits are currently in progress: <ul style="list-style-type: none"> SWISCo (client role / management) (ANA – High) Climate Change (ANA – High) The following audit was cancelled by the client due to an internal oversight process: <ul style="list-style-type: none"> Housing Companies (client role / management) (ANA – High) 		The following grant certification audit was not required this year: <ul style="list-style-type: none"> Grant – Local Growth Fund (Claylands) 	



CHILDREN'S SERVICES

Audit Report			
Risk Area / Audit Entity	Assurance opinion	Residual Risk / Audit Comment	Direction of Travel Assurance
Virtual School – Personal Education Plan (ANA – Medium)	Status: Final Limited Assurance	<p>Our primary focus of the audit was directed at the disparity between PEP performance figures reported from the Virtual School and those reported from the Children's Services LCS System.</p> <p>Our work did not evaluate child/young person outcomes of the Personal Education Plan (PEP) processes, rather it focussed upon the process itself. We examined the process via a walkthrough of a single PEP record and found the information recorded and timing of the PEP review to be in line with requirements, however as this was a walkthrough it should be noted that the sample base was therefore limited.</p> <p>Through discussion with various parties and our evaluation of evidence and documentation provided we concluded that there were a significant number of issues compounding the differences in reporting. These ranged from points of failure within the process itself, to differences in the cohort detail being reported, and potential system issues. We have identified a number of recommendations which we feel will strengthen the process and provide consistent and accurate PEP reporting.</p>	

The following audits have been deferred / cancelled due to the impact of other priorities on the service or due to alternative oversight arrangements:

- Fostering and connected carers (ANA – Medium)
- Sufficiency Strategy Progress (ANA – High)
- Higher Needs / SEND Block Progress (ANA – High)

ADULT SERVICES INCLUDING COMMUNITY AND CUSTOMER SERVICES

Audit Report			
Risk Area / Audit Entity	Assurance opinion	Residual Risk / Audit Comment	Direction of Travel Assurance
Adult Services			
Adult Social Care Client Debt (Monitoring of commissioned function) (ANA – High)	Status: Final Limited Assurance	<p>We acknowledge the clarity within the agreements regarding a significant proportion of adult social care provision, including Trust savings budgeted for financial years 2023/24 and 2024/25. The agreement briefly outlines how the Trust will collect income on behalf of the Council where it has been agreed that charges will be made for social care services. It details how the provision of care and collection of income will be carried out in accordance with all relevant legal and statutory instruments set nationally as well as Council policy. However, the agreement does not specifically refer to arrangements for the service of client debt management, including debt monitoring, recovery, and reporting.</p> <p>We note that the Trust has had a Debt Management audit undertaken in 2021/22 by their own Internal Auditors, however at the time of this Audit, the Council's Director of Adult and Community Services had not been cited on that report. We noted several recommendations being made within the Trust's audit report in relation to the improvement of debt management practices, most notably the recommendation to ensure adequate legal support is available from Torbay Council, so that outstanding adult social care debt can be robustly and consistently pursued.</p> <p>During discussions and review of Adult Social Care Improvement Board (ASCiB) records, whilst we could evidence reporting by the trust of agreed performance indicators, we were unable to evidence the monitoring and pursuing of client debt, nor evidence of the provision of dashboard reports / client debt performance indicators to the Council from the Trust.</p> <p>It was pleasing to note that a project has been established to manage the implementation of the Care Cap of £86k, coming into effect in October 2025. We understand that there has been significant work undertaken to support the implantation. Various media reports have outlined how England's County Councils have urged the government to delay the social care reforms, warning of serious staffing and financial pressures on services. We understand that these concerns are echoed by Torbay Council.</p>	
Adult Social Care Precept Use (Control of Procurement and Spend) (ANA – High)	Status: Final Limited Assurance	<p>Some related aspects of compliance were found to be in place, in particular evidence supporting Member approval of the 1% Adult Social Care (ASC) precept, and associated notification to council taxpayers. The DHLUC has confirmed that the appropriate returns regarding use of precept monies have been submitted by the Council's S151 Officer, however due to staff changes, the Council's copies of these returns could not be located.</p> <p>At the time of the Audit, we were advised that Finance responsibility for monitoring of the budget had not been allocated due to staff movement and changes, and as such there was a period of time when dedicated support was not in place. Due to the staff churn at the time of the audit we had difficulty reconciling the 2022/23 precept value to the FIMS system. Whilst we have subsequently obtained the necessary information to facilitate this reconciliation in full, we have made recommendations to improve</p>	

ADULT SERVICES INCLUDING COMMUNITY AND CUSTOMER SERVICES

Audit Report			
Risk Area / Audit Entity	Assurance opinion	Residual Risk / Audit Comment	Direction of Travel Assurance
		<p>the transactional financial transparency going forward. We can confirm from financial records provided that the overall ASC spend far exceeds the budget digest net expenditure, which includes the precept value, and can confirm that precept monies have been spent on ASC activity. We acknowledge that ASC maintain a record of related schemes and their values, but this is not reflected in the FIMS structure. We can confirm that precept monies are passed over to Health as part of the Integrated Health Contract.</p> <p>We identified several areas where the processes related to contract monitoring could be established and strengthened, notably the need to engage Procurement in purchasing activity to ensure contracts are instigated and monitored; and that contracts are included on the contracts register. We acknowledge that the audit coverage related to the period around the pandemic and as such, we understand that resources, capacity, and the related need for urgent processing of financial support would all have impacted the associated compliance.</p>	
Community and Customer Services			
Vulnerable Renters (use of Homelessness Prevention grant and other grants) (ANA – High)	Status: Draft Limited Assurance	<p>The winter top-up to the Homelessness Prevention grant was coded to a central 'Fix it Fund' from which payments were made for a number of purposes, including on temporary accommodation costs, which is not in line with the conditions of the grant.</p> <p>We note that sample testing of a small number of other payments found that they had been incurred for such purposes as reducing rent arrears and providing deposits, which are deemed to be in accordance with the conditions of the grant.</p> <p>We understand that the only plan in place was to code the grant monies to the Fix it Fund, but this in itself does not ensure the purpose of the grant is achieved and that monies are spent in line with the terms and conditions. There was no other plan in place in relation to the top-up grant, setting out how vulnerable households with rent arrears will be supported in terms of reducing the risk of them being evicted and becoming homeless, so we cannot determine whether the original purpose of the grant has been met.</p> <p>The grant was a 'top-up' to the Homelessness Prevention funding that is received annually. Here, these terms and conditions are less prescriptive than those of the top-op, and we did not find specific evidence that funding had been used for purposes outside of those intended. The funding has been agreed to FIMS.</p>	A
The following audit is currently in progress: <ul style="list-style-type: none"> Housing Options (focussed on Temporary Accommodation) (ANA – High) 		The following audit has been deferred to the 2023-24 year: <ul style="list-style-type: none"> Housing (including cross council joint working) (ANA – Medium) 	

Appendix 2 - Professional Standards and Customer Service

Conformance with Public Sector Internal Audit Standards (PSIAS)

Conformance - Devon Audit 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 2023. 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 are undergoing review and revision. The proposed new standards which are likely to take effect in 2024 and this document helps clarify and raise awareness of the audit committee's governance roles and responsibilities in respect of this. [IIA Document – Draft Standards](#)

Quality Assessment – Through external assessment “DAP is considered to be operating in conformance with the standards”. External Assessment provides independent assurance against the Institute of Internal Auditors (IIA) Quality Assessment & Public Sector Internal Audit Standards (PSIAS). The Head of Devon Audit Partnership also maintains a quality assessment process which includes review by audit managers of all audit work. The quality assessment process and improvement are supported by a development programme.

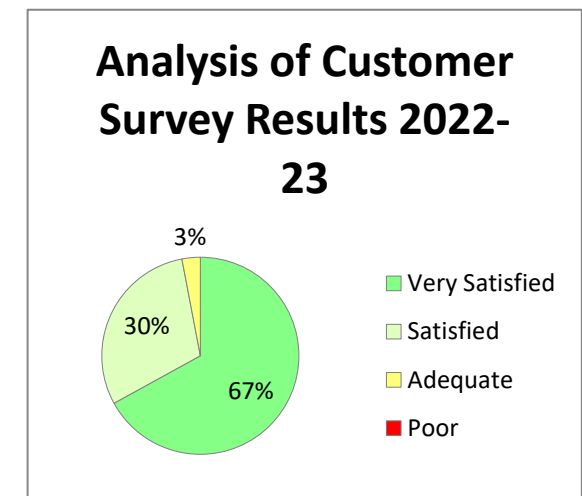
Improvement Programme – DAP maintains a rolling development plan of improvements to the service and customers. All recommendations of the external assessment of PSIAS and quality assurance were included in this development plan and have been completed. This will be further embedded with revision of our internal quality process through peer review. Our development plan is regularly updated and reported to the Management Board and Partnership Committee.

Performance Indicators

Overall, performance against the majority of indicators has been maintained with one exception (see Appendix 6). To note that certain areas of the audit plan relate to project work and completion is driven by project timescales.

Customer Service Excellence (CSE)

DAP continues to maintain accreditation to CSE as assessed by G4S Assessment Services. We continue to issue client survey forms with our final reports and the results of the surveys returned are very good and again are very positive. The overall result is very pleasing, with 97% being "satisfied" or better across our services, see appendix 7. 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.



Appendix 3 – Audit Authority



Appendix 4 - Annual Governance Framework Assurance

The conclusions of this report provide the internal audit assurance on the internal control framework necessary for the Committee to consider when reviewing the Annual Governance Statement.

The Annual Governance Statement (AGS) 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.

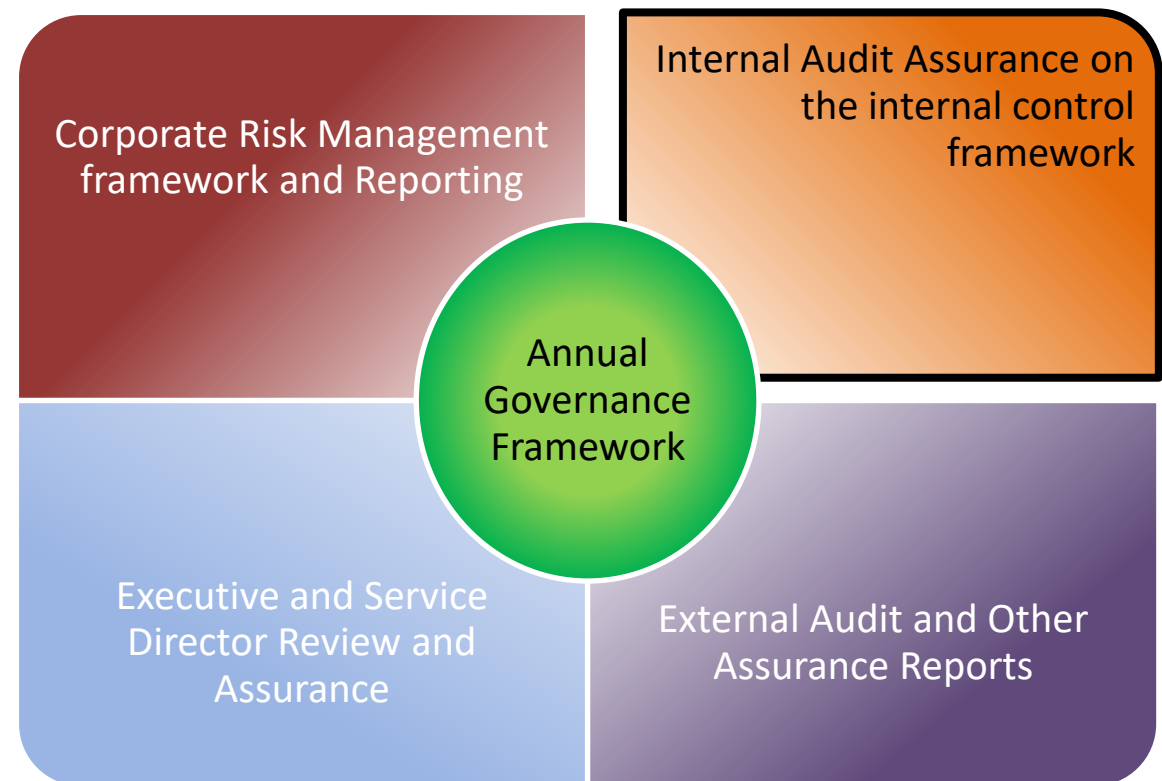
The statement relates to the governance system as it is applied during the year for the accounts that it accompanies. It should:-

- be prepared by senior management and signed by the Chief Executive 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 has been 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 / SOLACE Framework *Delivering Good Governance in Local Government*. 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 Corporate Risk Management Group, Executive and Internal Audit that the statement meets statutory requirements and that the management team endorse the content.

Appendix 5 - Basis for Opinion

The Chief Internal Auditor is required to provide the Council with an opinion on the adequacy and effectiveness of its accounting records and its system of internal control in the Council. In giving our opinion, it should be noted that this assurance can never be absolute. The most that the internal audit service can do is to provide reasonable assurance, formed from risk-based reviews and sample testing, of the framework of governance, risk management and control.

This report compares the work carried out with the work that was planned through risk assessment; presents a summary of the audit work undertaken; includes an opinion on the adequacy and effectiveness of the Authority's internal control environment; and summarises the performance of the Internal Audit function against its performance measures and other criteria. The report outlines the level of assurance that we are able to provide, based on the internal audit work completed during the year. It gives:

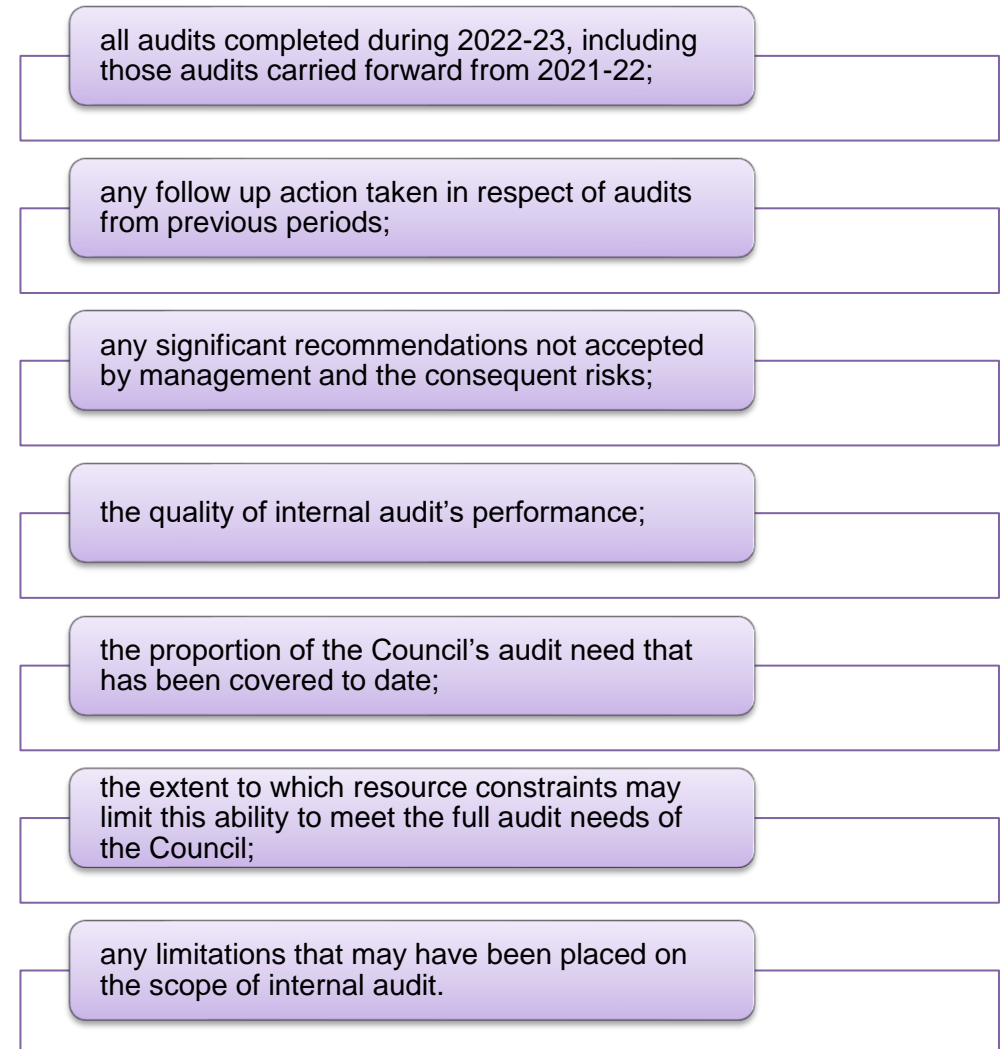
- a statement on the effectiveness of the system of internal control in meeting the Council's objectives;
- a comparison of internal audit activity during the year with that planned;
- a summary of the results of audit activity and;
- a summary of significant fraud and irregularity investigations carried out during the year and anti-fraud arrangements.

The extent to which our work has been affected by changes to the audit plan are shown in Appendix 1.

The overall audit assurance will have to be considered in light of this position.



In assessing the level of assurance to be given the following have been taken into account:



Appendix 6 – Performance Indicators

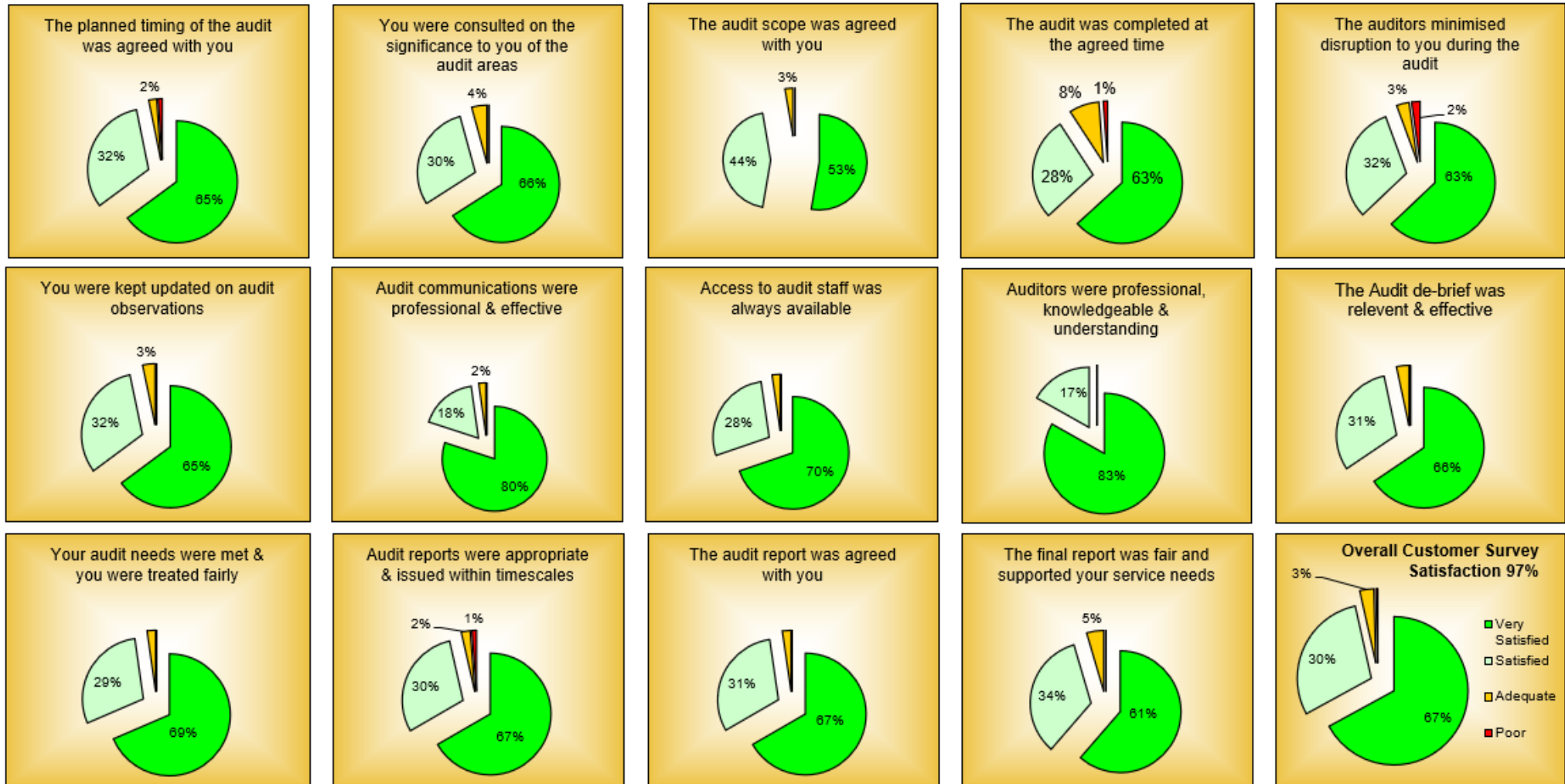
There are no national Performance Indicators in existence for Internal Audit, but the Partnership does monitor the following Local Performance Indicators LPI's:

<i>Local Performance Indicator (LPI)</i>	<i>2020/21</i>	<i>2020/21</i>	<i>2021/22</i>	<i>2021/22</i>	<i>2022/23</i>	<i>2022/23</i>
	<i>Target</i>	<i>Actual</i>	<i>Target</i>	<i>Actual</i>	<i>Target</i>	<i>Actual</i>
Percentage of Audit plan Commenced (Inc. Schools)	100%	100%	100%	100%	100%	100%
Percentage of Audit plan Completed (Inc. Schools)	93%	95%	93%	83%	93%	95%
Actual Audit Days as percentage of planned (Inc. Schools)	95%	108%	95%	86%	95%	102%
Percentage of fundamental / material systems reviewed annually	100%	100%	100%	100%	100%	100%
Customer Satisfaction - % satisfied or very satisfied as per feedback forms	90%	96%	90%	97%	90%	97%
Draft Reports produced within target number of days (currently 15 days)	90%	90%	90%	92%	90%	74%
Final reports produced within target number of days (currently 10 days)	90%	100%	90%	98%	90%	100%

Overall, performance against most indicators has been maintained, the exception to this being 'Percentage of Draft Reports Produced within Target Number of Days'. This has been impacted by capacity within the Team which has now been resolved. As expected, certain areas of the audit plan relate to project work, the completion of which is aligned to project timescales.

Appendix 7 - Customer Service Excellence

Customer Survey Results April 2022 - March 2023



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Devon Audit Partnership	Confidentiality and Disclosure Clause
<p>The Devon Audit Partnership has been formed under a joint committee arrangement. We aim to be recognised as a high-quality internal audit service 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.</p> <p>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</p>	<p>This report is protectively marked in accordance with the National Protective Marking Scheme. 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.</p> <p>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.</p>