

Internal Audit

# Annual Audit Report 2017-18

Torbay Council  
Audit Committee

May 2018



Robert Hutchins  
Head of Audit Partnership



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 2017/18 was presented and approved by the Audit Committee in March 2017. The following report and appendices set out the background to audit service provision; a review of work undertaken to date in 2017/18, and provides an 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;
- 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 Executive, 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.

**Robert Hutchins**  
**Head of Devon Audit Partnership**

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## Opinion Statement

**Overall, based on work performed to date during 2017/18 and our experience from previous years', the Head of Internal Audit's Opinion is of "Significant Assurance" on the adequacy and effectiveness of the majority of the Authority's internal control framework. The exceptions to this are Public Health and Children's Services, where opinions are of 'Limited Assurance'; engagement with these service areas has greatly improved, as shown in the overall direction of travel.**

*This opinion statement will provide Members with an indication of the direction of travel for their consideration for the Annual Governance Statement see appendix 4. Assurance over arrangement for adult social care is mainly provided by colleagues at Audit South West, the Internal Audit provider for Health Services, who provides a separate letter of assurance.*

The Authority's internal audit plan for the current year includes specific assurance, risk, governance and value added reviews which, with prior years audit work, provide a framework and background within which we assess the Authority's control environment. These reviews have informed the Head of Internal Audit's Opinion on the details of Internal Audit's opinion on each audit review carried out in 2017/18 to date. If significant weaknesses have been identified in specific areas, these will need to be considered by the Authority in preparing its Annual Governance Statement later in the year when preparing the Statement of Accounts for 2017/18.

In carrying out systems and other reviews, Internal Audit assesses whether key, and other, controls are operating satisfactorily within audit reviews, 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.

We have included a new Summary Assurance Opinions chart on page 3 which provides a "Themed" overview. We have RAG rated the audit areas covered to identify what our assurance is relative to the audit plan.

### 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 the economical, effective and efficient use of resources;
- Ensure compliance with established policies, procedures, laws and regulations;
- Safeguard the Council's assets and interests from losses of all kinds, including those arising from fraud, irregularity or corruption.

During the year, core financial and administrative systems were reviewed by Internal Audit either through specific reviews (e.g. debtors, creditors, payroll & Main Accounting) or generally in the reviews undertaken in respect of directorate systems. The Council's overall internal control framework operated effectively during the year. Where internal audit work has highlighted instances of none or part compliance, none are understood to have had a material impact on the Authority's affairs.

#### Risk Management

Risk Management process at Strategic level remains in place and is currently subject to a revised process through an ongoing project, which incorporates inclusion of ICT Continuity and Disaster Recovery, Corporate Business Continuity and Emergency Planning. There remains work to be done to integrate all of this at operational level.

#### Governance Arrangements

Governance arrangements have been reviewed in the areas of Transformation (including an ongoing review of Investment Committee), System Implementation, Projects and Procurement and Contract, where opportunities were found for improvement. The Information Security Group continues to provide governance in relation to management of information.

#### Performance Management

The Transformation Programme performance is monitored by the Transformation Board. For other contracts, monitoring and governance is variable across the Authority and opportunities for improvement identified. Performance of ICT provision is monitored and is currently undergoing a review of the service delivery model.

<b>Full Assurance</b>	Risk management arrangements are properly established, effective and fully embedded, aligned to the risk appetite of the organisation. The systems and control framework mitigate exposure to risks identified & are being consistently applied in the areas reviewed.	<b>Limited Assurance</b>	Inadequate risk management arrangements and weaknesses in design, and / or inconsistent application of controls put the achievement of the organisation's objectives at risk in a number of areas reviewed.
<b>Significant Assurance</b>	Risk management and the system of internal control are generally sound and designed to meet the organisation's objectives. However, some weaknesses in design and / or inconsistent application of controls do not mitigate all risks identified, putting the achievement of particular objectives at risk.	<b>No Assurance</b>	Risks are not mitigated and weaknesses in control, and /or consistent non-compliance with controls could result / has resulted in failure to achieve the organisation's objectives in the areas reviewed, to the extent that the resources of the Council may be at risk, and the ability to deliver the services may be adversely affected.

# Summary Assurance Opinions

Service Area Overview of Audit Coverage				
Joint Commissioning Team			Joint Operations Team	
Children's Services	Adult Services and Housing	Public Health	Commercial Services and Transformation	Corporate Services and Operations
Business Processes / workforce strategy	NRS Joint Equipment Store	Commissioned Services - Contracts Management and Monitoring (Drugs & Alcohol and Public Health Nursing including 0-5 Activities - Health Visitors)	Income	Fair Decision Making
School Transport Provision	Commissioning and Performance Management		Treasury Management	IBS System Admin
Placement Activity			FIMS System Admin	Benefits
Schools - Financial Value Standards			Asset Register	TOR2 Commissioning
Schools - Maintained Schools Audit Programme			Procurement & Contract	Safer Communities
Torbay Safeguarding Childrens Board			FIMS Upgrade Project	Commissioning by the Council of the TDA
Looked After Children - Referrals			Asset & Facilities Management system project	Coroner
Schools Forum / DSG			Transformation	Human Resources - Exit Packages
PARIS			Digitalisation	Food Safety, H&S and Licensing
Legal Care Proceedings	Information Security Group		ICT - Website Content	
	PCC Planning Collaborative Arrangements	ICT - Material Systems		
	Grant Certification	HR/Payroll Self-service System Implementation		
		GDPR Project		
		Risk Management & BCP Review		
		Port Marine Safety Code		
		Benefits Subsidy - additional testing		

Key: **Green** = High or Good Standard    **Amber** = Improvements Required    **Red** = Fundamental Weaknesses    **Blue** = Opportunity or Value Added

## Value Added

We know that it is important that the internal audit service seeks to "add value" whenever it can. We obtained feedback from those audited during the year who considered we were able to add value, for example one manager commented:

*'points us in the direction for improvements in control and can also now discuss how other customers may have adapted procedures etc'.*

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.

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

We further trust that our work has provided specific added value benefits in key areas and in mitigating key risks. For example:-

## Public Health

- combining audit areas and delivery to better suit customer requirements;
- the development of future years audit plans to cover new and emerging risk.

## Adult Services

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

## Children's Services

- supporting the organisation in relation to the future of the PARIS system within a routine audit
- Improvements to the process for obtaining pupil attendance figures in relation to the provision of school transport via the use of EMS;
- assistance in maintaining the impetus in management action plans to address previously identified risks through an annual and robust follow up exercise;

- assistance in maintaining appropriate engagement with the internal function through regular management liaison meetings;
- development of the current year's and future years audit plans to incorporate flexibility to meet changing and developing business demands and to cover existing and new or emerging risks.

## Corporate Services & Operations, Commercial Services & Transformation

- ongoing support to the transformation programme, including further horizon scanning; an exercise around fees and charges cost recovery; ongoing support to various projects including Library Services; ICT Service delivery model analysis and appraisal; review of potential collaboration arrangements with Plymouth City Council for Spatial Planning; and the Sefas/Hubmail project. We have also commenced our review of governance arrangements and supporting processes in relation to both the Housing Company and Investment Committee. Our support will continue throughout 2018-19.
- additional support in relation to the external audit requirement for benefit subsidy;
- support to the ongoing GDPR project;
- ongoing support to projects, e.g. HR Self Service and FIMS upgrade;
- continued advice, guidance and challenge to the Information Security Group;
- advice and support to the development of risk management and its wider integration with business continuity and Transformation;
- the identification of new procurement issues for escalation and action;
- confirmation of Tor Bay Harbour Authority Port Marine Safety Code Compliance;
- undertaking additional reviews of the Brixham Express Ferry contract and Neighbourhood Planning.

## Schools

Continued assurance through the routine internal audit visits that systems and controls are in place to ensure compliance with Department for Education and Council requirements are being met.

## Audit Coverage and performance against plan

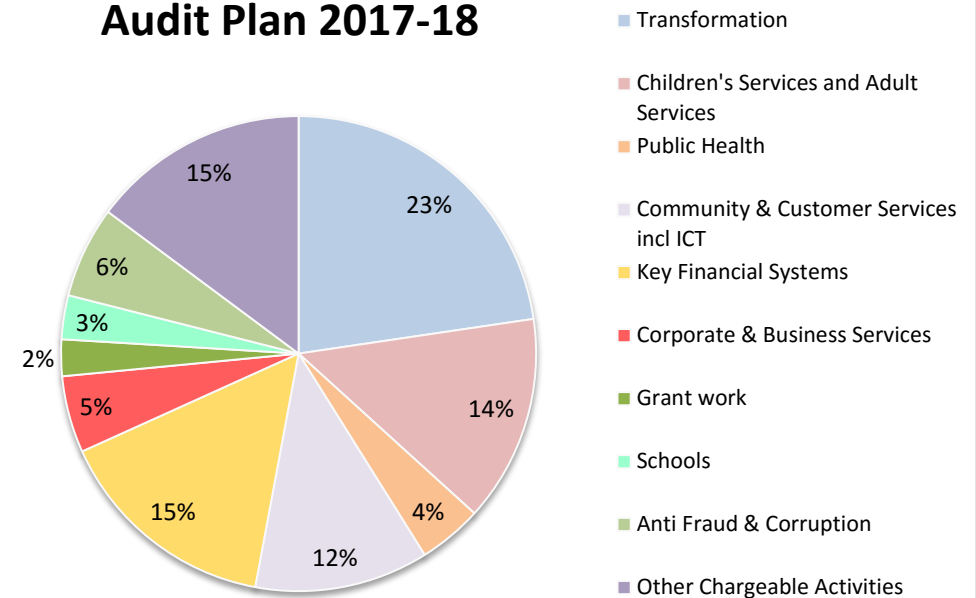
The pie charts right shows the breakdown of audit days planned by service area / type of audit support provided. The balance of work has varied slightly during the year as can be seen from comparison with the second chart, and variations have been with full agreement of the client.

Appendix 1 to this report provides a summary of the audits undertaken during 2017/18, along with our assurance opinion. Where a “high” or “good” standard of audit opinion has been provided we can confirm that, overall, sound controls are in place to mitigate exposure to risks identified; where an opinion of “improvement required” 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. It should be pointed out that we are content that management are appropriately addressing these issues.

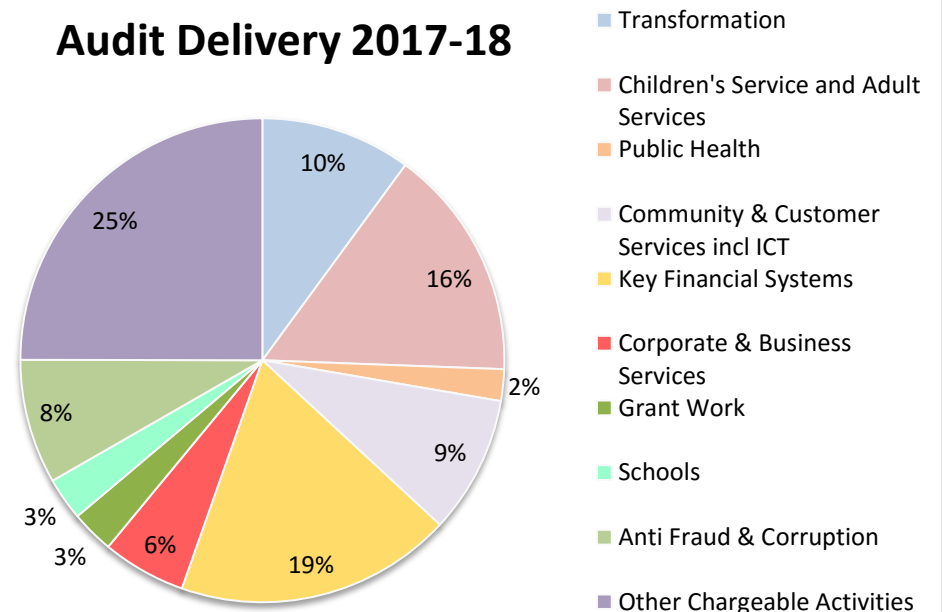
Appendix 6 shows the performance indicators for audit delivery in 2017/18 against the revised audit plan. It will be noticed that there was a small variation in the total number of audit days provided during the year. When we prepare our plans we make an educated assessment of the number of days that an audit is likely to take.

When the fieldwork is actually completed there is inevitably a variance from the planned days. In addition we provide an allowance for work on areas such as fraud and corruption; in some years the requirement will exceed the planned budget and 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 2017-18



### Audit Delivery 2017-18



## Fraud 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) have taken on a liaison role with the corporate fraud officer; the key outcomes of this role are the identification and investigation of external frauds.

The Cabinet Office now run the national data matching exercise (National Fraud Initiative – NFI) every two years. The majority of data matching for this involves the investigation of potential external fraud committed against the Authority, i.e. individuals or bodies external to the Council. This area of NFI is now shared with the corporate fraud officer, with advice and assistance from DAP as required and with DAP undertaking the internal matching investigations i.e. Payroll and Creditors.

DAP have assisted the corporate fraud officer in producing the Council Policy on Blue Badge fraud. DAP has continued to undertake an annual monitoring of staff internet use and to date found no significant concerns. This provides assurance that action has been effective and such use remains within policy. The Council's Whistleblowing Inbox is also monitored daily. Periodic fraud bulletins are also produced and published on DAP's website.

**Irregularities** – During the 2017/18 year, Internal Audit have carried out, or assisted in fourteen irregularity investigations. Analysis of the types of investigation and the number undertaken shows the following:-

Issue	17/18 Number	16/17 Number
Poor Procedures	8	5
Employee Conduct	4	6
Misappropriation of Income	1	0
Financial Irregularities	1	3
IT Misuse	0	1
Tenders and Contracts	0	1

### Summary details as follows:-

The irregularities have included reviewing officer conduct following allegations, reviews of historical records to clarify planning issues, reviews of payments and payroll processes / data transfer, income anomalies, email review re possible data breach, review of certain arrangements for respite care and whistleblower reviews.

### Freedom of Information and Subject Access Requests:-

We were asked to assist with six requests under Freedom of Information and Data Protection requirements.

## Appendix 1 – Summary of audit reports and findings for 2017/18

### Risk Assessment Key

LARR – Local Authority Risk Register score Impact x Likelihood = Total & Level  
 ANA - Audit Needs Assessment risk level as agreed with Client Senior Management  
 Client Request – additional audit at request of Client Senior Management; no risk assessment information available

### Direction of Travel Assurance Key





**Green** – action plan agreed with client for delivery over an appropriate timescale;  
**Amber** – agreement of action plan delayed or we are aware progress is hindered;  
**Red** – action plan not agreed or we are aware progress on key risks is not being made.  
 \* report recently issued, assurance progress is of managers feedback at debrief meeting.

## CORPORATE SERVICES & OPERATIONS, COMMERCIAL SERVICES & TRANSFORMATION



Risk Area / Audit Entity	Audit Report		
	Assurance opinion	Residual Risk / Audit Comment	Direction of Travel Assurance
<b>Transformation</b>			
Transformation Programme - project 'trusted advisor' role (ANA – Critical) Risk / ANA - Critical	Added Value Status: Draft	<p>Our support has included further horizon scanning, with particular focus upon potential areas for income generation, and the provision of relevant transformation information from Local Government publications providing a broader view of projects and associated activities at other Local Authorities.</p> <p>We provided support to various Transformation projects including the Libraries project, the ICT Service delivery model analysis and options appraisal, a review of the proposed arrangements for a potential Plymouth City Council / Torbay Council Spatial Planning collaborative approach, and support to the SEFAS/Hubmail project.</p> <p>We also reviewed the Transformation Governance aspects; in particular the Board Terms of Reference and provision of Governance review against a defined model. We undertook a revenue income optimisation exercise around the council's fees and charges across a three year period and provided an analysis in relation to council tax and NNDR collection rates.</p> <p>We have also commenced our review of both the Housing Company and the Investment Committee in terms of Governance and supporting process arrangements which we anticipate will continue into 2018-19. Our work within the Treasury Management Audit (see next page) included sample testing of borrowings in relation to an Investment Committee purchase.</p> <p>Given the scale and breadth of the programme and the importance of the budget driver for the organisation, our concern remains the size of the team and we have identified capacity issues in terms of their resource. However, we understand that some project drivers are being more focussed upon service resilience and capacity as part of a project rationalisation review.</p> <p>Arrangements for audit support going forward through 2018-19 have been agreed.</p>	N/A



**CORPORATE SERVICES & OPERATIONS, COMMERCIAL SERVICES & TRANSFORMATION**

Audit Report			
Risk Area / Audit Entity	Assurance opinion	Residual Risk / Audit Comment	Direction of Travel Assurance
<b>Material Systems and Grants</b>			
Income Collection Risk / ANA - Medium	High Standard Status: Final	The Income Collection team continues to maintain effective procedures and systems for receiving, recording, allocating and processing income, albeit that these are heavily reliant on reconciling a number of systems, using complex, manual paper based processes. Relevant receipting practices ensure that every transaction is uniquely identifiable and effective reconciliation processes ensure that all income is accounted for accurately.	
Treasury Management Risk / ANA - Low	Good Standard Status: Final	A comprehensive Treasury Management Strategy is in place and complies with the current CIPFA Code of Practice; however we understand that due to a recent change in the investment approach, an updated Strategy, along with updated Treasury Management Practices (TMPs) will soon be approved.  As in previous years, high operational standards continue to be maintained, with only minor issues being identified, though we note that some of these remain outstanding from previous years.	
FIMS System Administration Risk / ANA - Critical	Good Standard Status: Final	The control environment relating to FIMS System Administration is robust. There are comprehensive procedures and processes in place and system training is mandatory for users with transactional capability. With the exception of the system administrators, access to the system is appropriately controlled and restricted; and we continue to report the lack of full segregation of duty between the system administration and finance roles.  Changes to system parameters as well as system modifications and fixes are effectively controlled, and there are appropriate business continuity arrangements in place. Routine verification processes ensure that the system is operating correctly and that the General Ledger remains properly reconciled to other FIMS modules.	
IBS* System Administration Risk / ANA – High *International Business Systems	Good Standard Status: Final	IBS System management and the related control environment are, in the main, being effectively maintained.  The acknowledged lack of segregation of duty remains, as do a number of other issues including a lack of robust audit trail retention in relation to parameter changes. We have also recommended that reconciliation and balancing procedures are reviewed as there seems to be some duplication, and hence inefficiency in this area.	




**CORPORATE SERVICES & OPERATIONS, COMMERCIAL SERVICES & TRANSFORMATION**

Risk Area / Audit Entity	Audit Report		
	Assurance opinion	Residual Risk / Audit Comment	Direction of Travel Assurance
Benefits Risk / ANA - Medium	Good Standard Status: Final	<p>This year's sample testing approach has not identified many issues in terms of accuracy of processing, and there have been improvements in the application of the Risk Based Verification (RBV) framework.</p> <p>At the time of the audit, the QC process was not working effectively. The target number of accuracy checks had not been met for Q2, and we are unable to determine if the target number of checks relating to RBV is being adhered to. There were no checks being undertaken on claims that relate solely to council tax support at the time of the audit, although we have since been informed that these are now being performed; and no training had been undertaken as a result of the QC results found. We understand that this is due to the newly appointed QC officer not having been in post for a sufficient length of time to be able to establish common themes and devise a training schedule accordingly.</p> <p>There were still a number of issues outstanding from previous year, particularly in relation to self-employed earnings calculations and we recommended that these are resolved as soon as possible.</p>	
Asset Register Risk / ANA -Medium	Good Standard Status: Final	<p>Access to the asset system (RAM) is appropriately restricted to authorised users, and there are mitigating controls in place to reduce the risk of the lack of separation of duty between system admin rights and input / edit functionality. A small number of minor issues were identified in terms of the valuation process.</p> <p>The asset register is regularly and effectively reconciled to other relevant systems, including Torbay On-line Asset Database and the General Ledger.</p>	
Grants x 7 Risk / ANA: N/A	Certified Status: Complete	<p>Grants certified comprise; Bus Subsidy, Local Transport Capital Block Funding, Pothole Funding, Local Growth Fund and 3 x Troubled Families.</p> <p>A number of minor issues were identified and reported to the relevant funding body</p>	N/A
Benefit Subsidy Claim – additional 40+ testing. Risk / ANA: N/A	Added Value Status: Complete	A number of minor issues were identified in relation to rent allowance income calculations, and results have been passed over to Grant Thornton.	N/A

The following audits are currently in progress:

- General Ledger and Bank Reconciliation (ANA – Medium)
- Creditors and POP (ANA – High)
- Payroll (ANA – Critical)
- Debtors and Corporate Debt (ANA – High)
- Council Tax and National Non-Domestic Rates (ANA – Medium)

**CORPORATE SERVICES & OPERATIONS, COMMERCIAL SERVICES & TRANSFORMATION**

Audit Report			
Risk Area / Audit Entity	Assurance opinion	Residual Risk / Audit Comment	Direction of Travel Assurance
<b>IT Audit</b>			
Corporate Information Management Risk / ANA - Medium	Added Value Status: Final	Assurance was reported in last year's annual report; please refer to that report for details	
Website Content Management Risk / ANA - Medium	Improvements Required Status: Draft	<p>The processes around management and update of the content management system (CMS) were found to be effective with a number of recommendations being made to further strengthen the control environment and maintain security. A new EU web accessibility directive is due to come into force in September 2018 which will need consideration to ensure ongoing compliance.</p> <p>The CMS is supported by a knowledgeable and appropriately skilled team, although the level of team resource has seen a reduction in line with associated budgetary reductions. The capacity of the team to not only maintain existing levels of service requirement but to expand this to maximise income generation will require review. This would then inform the appropriateness of income targets and direction of service development.</p> <p>Maximising the use of web technology would benefit from a review at strategic level to ensure continued alignment with the Council's corporate direction of travel, and consistent support throughout the organisation to maintaining web content and maximising the potential of this type of media. There is opportunity for the Web Team to generate income.</p>	
ICT Material Systems Processes Risk / ANA - Critical	Improvements Required Status: Draft	<p>We reviewed the Council's compliance and organisational controls and found them to be generally sound in terms of security policies, Data Protection, licencing and compliance with current Public Services Network (PSN) requirements; however there are issues that must be addressed urgently in order to maintain PSN compliance going forward.</p> <p>The Council's physical and environmental controls are reasonably effective. However, there remains a potential environmental risk and a security risk to the data centre, which require further investigation.</p> <p>Whilst the Council operates some ICT change management processes, these are not consistent or robust; the associated risks have been accepted subject to the intended organisation changes.</p> <p>Business Continuity and Disaster Recovery arrangements would benefit from further strengthening. The key resilience issues are in relation to the level of IT support available to support the systems. However, the ICT service is currently subject to a review which is seeking to identify an alternative delivery method that would provide sustainability and resilience.</p>	

**CORPORATE SERVICES & OPERATIONS, COMMERCIAL SERVICES & TRANSFORMATION**

Audit Report			
Risk Area / Audit Entity	Assurance opinion	Residual Risk / Audit Comment	Direction of Travel Assurance
Digitalisation - Transformation Risk / ANA - Client Request	Added Value Status: Draft	<p>ICT has delivered a large number of projects that enhance service delivery through the use of digital technology. It is recognised that there is further work required to fully digitise the Council's services.</p> <p>Giving citizens and service users the ability to transact effectively online with their local service providers is important however modern digital technologies offer a much broader range of 'transformational' possibilities which are being explored.</p> <p>In order to support organisational transformation, provide a resilient service and allow greater exploration and use of digital technologies, the ICT delivery model is currently under review, with potential models being investigated.</p>	N/A
General Data Protection Regulations (GDPR) Project Risk / ANA - Client Request	Added Value Status: Draft	<p>The requirements of GDPR compliance are being raised and managed through a GDPR project group, of which Audit continues to provide a QA / project assurance role. Of concern remains the issue of ensuring sufficient resource to not only maintain business as usual, but also actively manage and implement the requirements of the GDPR within the required timescales and thereafter.</p> <p>At a top level, there are some 'red and amber flag' items which are being managed through the project team, these being the Information Asset Register and the Privacy Notices; Individual's rights, data breaches and DP Impact Assessments.</p> <p>It is pleasing to note that a project has been initiated with supporting project documentation being maintained. The Council has purchased a system to aid development, formulation and ongoing maintenance of an Information Asset Register, this being a critical element of compliance. Audit will be providing operational support in relation to development of the Information Asset Register in 2018-19, as agreed with the Head of Service.</p>	N/A







The following audits have been deferred or cancelled at the request of the client:

- Service Strategy (ANA – High)\*
- ICT Knowledge Management (ANA – High)\*
- Service Operation (Service desk data review using IDEA) (ANA – High)\*
- Service Design (ANA – Medium)\*



- Shared Services and Partnership Working (ICT Systems) (ANA – Medium)\*

\*These audits have been replaced by two new audits, GDPR Project and Digitalisation - Transformation


**CORPORATE SERVICES & OPERATIONS, COMMERCIAL SERVICES & TRANSFORMATION**

Risk Area / Audit Entity	Audit Report		
	Assurance opinion	Residual Risk / Audit Comment	Direction of Travel Assurance
<b>Other</b>			
Fair Decision Making Risk / ANA - High	Good Standard Status: Final	Assurance was reported in the July 2017 report; please refer to that report for details.	
TOR2 Commissioning Risk / ANA – Critical	Improvements Required Stratus: Final	Assurance was reported in the July 2017 report; please refer to that report for details.	
Safer Communities Risk / ANA – Medium	Improvements Required Status: Final	Assurance was reported in the January 2018 report; please refer to that report for details.	
Procurement and Contracting Arrangements Risk / ANA - High	Improvements Required Status: Final	Assurance was reported in the January 2018 report; please refer to that report for details.	
Commissioning by the Council of the TDA (trading name of the Torbay Economic Development Company Ltd) – Service Level Agreement Risk / ANA - High	Improvements Required Status: Final	Assurance was reported in the January 2018 report; please refer to that report for details.	
Human Resources (HR) - Exit Packages Risk / ANA - Medium	Improvements Required Status: Final	<p>Although the majority of settlement agreements tested were found to have been effectively drafted and appropriately authorised, with the proper process having been followed, one agreement was identified where significant issues were found in terms of appropriate authorisation and completeness of content.</p> <p>The process, generally, could be improved by providing an overall methodology document for HR advisors to follow, and we have recommended that supporting documentation is held in a more central, secure location.</p> <p>In terms of the payments themselves, only a small number of minor issues were found in this area.</p>	

**CORPORATE SERVICES & OPERATIONS, COMMERCIAL SERVICES & TRANSFORMATION**

Audit Report			
Risk Area / Audit Entity	Assurance opinion	Residual Risk / Audit Comment	Direction of Travel Assurance
Coroner Service Risk / ANA - Low	Improvements Required Status: Final	<p>Current arrangements for indirect and direct cost recording and recharging by Plymouth City Council (PCC) were found to be effective and accurate. However, there may be advantage in greater use of the case recording system in relation to direct cost recording given the increase in recharging and associated monitoring of costs following the introduction of the new arrangements.</p> <p>Whilst direct costs are checked to source documents, there is no similar checking to source for the indirect costs; such checking will become more important under the new arrangements where invoices and costs will be new and different.</p> <p>The main concern arising from our work is the risk associated with the introduction of the new Service Level Agreement (SLA) arrangements given the change in the recharge process / mechanism from the existing practices, as without effective dissemination of requirements there may be over or under recharging. In addition, the changes to arrangements may cause unforeseen budgetary pressure to either of the authorities.</p>	
Food Safety, Safety and Licensing Risk / ANA - High	Improvements Required Status: Draft	<p>The service was found to be supported by a policy and procedural framework, operated by knowledgeable staff. It is pleasing to note that the recent FSA (Food Standards Agency) Audit report commented upon staff competency. However, the FSA have reported that the current resources are not sufficient to fulfil the service plan. The sheer nature of the service, having both planned and reactive service requirements placed upon it, makes accurate resource forecasting and prioritising problematic. The level of proactive work has reduced due to resources, which may in turn be impacting the level of required reactive work.</p> <p>As seen from the level of Food Safety inspections and also identified by the FSA, there remain concerns in relation to the relatively low percentage of planned inspections achieved on lower risk premises and the increase in un-rated premises, both of which could result in a potential risk to the public. We support the need for a further resource review within the service area; however we understand that this will be undertaken following some planned short term interim measures relating to medium risk premises. We also note that the FSA premises rating is driving self-regulation, and is intended to result in more high rated premises thereby reducing the inspection frequency and consequent resource impacts on the service area.</p> <p>In addition, recommendations have been made in relation to consistent central retention of data on FLARE for all areas including Health &amp; Safety and Licensing, and the implementation of the corporate cost recovery methodology for fee setting.</p> <p>It is pleasing to note that the Business Continuity Plans are being progressed. We understand that these have been reviewed and subject to testing and going forward these will form part of the revised Business Continuity Strategy processes, linked to the Council's critical processes and Risk Management processes.</p>	

**CORPORATE SERVICES & OPERATIONS, COMMERCIAL SERVICES & TRANSFORMATION**


Audit Report			
Risk Area / Audit Entity	Assurance opinion	Residual Risk / Audit Comment	Direction of Travel Assurance
Port Marine Safety Code Risk / ANA – Client Request	Added Value Status: Complete	To the best of our knowledge and belief, and having carried out appropriate checks, in our opinion the Tor Bay Harbour Authority continues to be compliant with the Port Marine Safety Code.  It is pleasing to note that progress has been made against the previous year's recommendations although some remain outstanding and have been re-reported.	
HR / Payroll System - new modules implementation project Risk / ANA - Critical	Added Value Status: Complete	We continue to provide support to the project as requested by the client and have provision to attend any project meetings as required. We will continue to provide support as required throughout 2018-19.	N/A
Risk Management and Business Continuity Review Risk / ANA – Client Request	Added Value Status: Complete	We have provided ongoing support to the project team through active participation at project meetings and providing advice and guidance as requested. The outcomes of the project have been a revised Business Continuity Management Strategy and supporting processes, and Risk Management Strategy. We will continue to provide support as required throughout 2018-19.	N/A
Information Security Group Risks / ANA - N/A	Added Value Status: Complete	We maintain membership of, and attendance at, the Council's Information Security Group. Our role continues to provide advice, guidance and challenge in terms of active participation within the group. Of concern is the level and nature of data breaches. The resource requirement to investigate and respond to these is significant and currently impacts upon the other operational duties of the team, significantly, the GDPR project.	N/A
FIMS Upgrade Risk / ANA - Medium	Added Value Status: Final	The upgrade has been implemented and operational since February 2018. We provided support, advice and guidance throughout the project on both project management and system controls as required. From a project perspective all relevant documentation was found to be in place and in our opinion the project was well managed and operated, with a clear governance structure and work stream leads. As is often expected with this type of upgrade, there were some issues that impacted the go/no-go status, however these issues were well documented and managed and project timescales were adjusted accordingly, to ensure the system operation was as required at implementation.	N/A
Torbay Online Asset Database (TOAD) Replacement and FM System Implementation Risk / ANA - Medium	Added Value Status: Draft	This project has encountered issues which have delayed progress, primarily, a requirement to re-tender excluding a room booking module, due to a lack of suppliers of an integrated system; and agreement to financing of the system. Outcomes of the procurement exercise have only recently been finalised with contract arrangements being effective from 1st March 2018. Consequently we have only had opportunity to comment upon the Procurement stage and can confirm that we found the process to be in line with expected practice. We anticipate our support throughout implementation stages being in 2018-19.	N/A

**CORPORATE SERVICES & OPERATIONS, COMMERCIAL SERVICES & TRANSFORMATION**

Audit Report			
Risk Area / Audit Entity	Assurance opinion	Residual Risk / Audit Comment	Direction of Travel Assurance
Spatial Planning - Development and Planning Risk / ANA - High	Added Value Status: Draft	<p>In our opinion, based upon information provided, we conclude that the Council is not yet at a stage to make an informed decision on the merits of progressing a collaborative arrangement with Plymouth City Council (PCC) for Spatial Planning.</p> <p>Evidence would suggest that other potential options have not been fully examined, and objectives have yet to be defined, making it difficult to accurately establish whether this option is the most viable one. There are a number of factors within the 'due process' that require either consideration or expansion to ensure Torbay Council has a detailed evaluation. Our concern is that to date there is no clear tangible 'benefit' to Torbay Council in progressing the arrangement as it stands apart from in terms of addressing immediate service capacity needs.</p> <p>In addition, we understand that the Project is subject to some joint Project Management practices; however these appear to be driven by PCC. Whilst this has some benefits to Torbay Council in relation to the resource intensive nature of Project Management being picked up by PCC, it results in a lack of control and direction in what remains a Torbay Council project within the Transformation Programme. It is therefore vital that Torbay Council operates its own Project Management processes to ensure all relevant factors are considered, managed, delivered and measured, to maximise outcomes and potential benefits to the Council.</p>	N/A
The following audits are currently in progress: <ul style="list-style-type: none"> <li>• Spatial Planning - Section 106 - follow up, including Community Infrastructure Levy (ANA – Medium)</li> <li>• Covert Surveillance of Social Networking Sites (Client Request)</li> <li>• Concessionary Fares - follow up (ANA – Medium)</li> <li>• Printing Services and Post Room (ANA – Medium)</li> <li>• Sports Pitch Leases - follow up (ANA – Medium)</li> <li>• Neighbourhood Forums (Client Request)</li> <li>• Brixham Ferry (Client Request)</li> </ul>		The following audits have been cancelled by the client or deferred until next year: <ul style="list-style-type: none"> <li>• Housing Services – follow up (ANA – Low)</li> <li>• Parking Services (ANA – High)</li> <li>• Commissioning and Performance Monitoring of the TDA (ANA – High)</li> <li>• Transport Infrastructure Highways Network Asset Valuations (ANA – High)*</li> </ul> <p>*Replaced by new Covert Surveillance of Social Networking Sites audit</p>	










## PUBLIC HEALTH

Risk Area / Audit Entity	Audit Report		
	Assurance opinion	Residual Risk / Audit Comment	Direction of Travel Assurance
<p>Commissioned Services - Contracts Management and Monitoring (Drugs &amp; Alcohol and Public Health Nursing including 0-5 Activities - Health Visitors)</p> <p><i>Note: this audit was planned as two separate audits but was completed as a single combined audit.</i></p>	<p style="text-align: center;">Good Standard</p> <p>Status: Final</p>	<p>The current Public Health Services Contract has been let in accordance with approved Council and statutory requirements. Effective working relationships with the Procurement team and Legal Services ensure that compliance is maintained.</p> <p>Contract management arrangements are effective, and supported by detailed contract service specifications, quality outcomes indicators, and a quality review meetings (QRM) process. Data provision by the provider is complete and timely linked in the main to the data requirements dictated by Public Health England, who also undertake data verification processes providing a degree of independent verification. Public health team officers ensure that the QRM process is adhered to, and performance outcomes reviewed appropriately.</p> <p>The service is currently undertaking a re-commissioning review across the three main areas. The re-commissioning work will seek to ensure that the services continue to meet existing needs, and / or develop to meet the changing needs of the Council, users and other stakeholders, as well as ensuring continued compliance with Public Procurement Regulations. However, venturing into new commissioning models does not come without risk and we have made recommendations regarding the commissioning of public health and substance misuse services.</p>	


The following audit has been cancelled by the client:

- Public Health / NHS Links (ANA – High)


ADULT SERVICES			
Risk Area / Audit Entity	Audit Report		
	Assurance opinion	Residual Risk / Audit Comment	Direction of Travel Assurance
NRS Joint Equipment Store – follow up Risk / ANA - Low	Good Standard Status: Final	<p>Good progress has been made since the last audit was undertaken in 2015-16. Of the seventeen recommendations made in the original report, we are pleased to report that eleven have now been implemented, and five part implemented. Those issues that remain include:</p> <ul style="list-style-type: none"> <li>• technical issues within the virtual budget monitoring spreadsheets are preventing them from being utilised this year;</li> <li>• a number of clients' dates of birth remain as the default, and therefore incorrect on the iRIS database;</li> <li>• a final decision on removing erroneous data on legacy equipment from the database is yet to be taken</li> <li>• the review of specials stock in terms of deciding which can be placed in the main catalogue and which should be recycled has yet to be undertaken</li> <li>• the review of stock management and recording stock movements at peripheral stores has not yet begun.</li> </ul> <p>For the last two issues, the Authority is awaiting the appointment by Torbay and South Devon NHS Foundation Trust of a Lead Occupational Therapist, part of whose role it will be to undertake these reviews.</p>	
Commissioning and Performance Management (non-Integrated Care Organisation) Risk / ANA – High	Good Standard Status: Final	<p>Commissioning needs are changing due to continuing budgetary pressures; we found good liaison between Adult Services and the Procurement team ensuring ongoing compliance with regulations; the initial stage of reviewing future need has begun.</p> <p>Contractual arrangements in place for non-ICO services are supported in the main by detailed and robust contract specifications including performance management requirements.</p> <p>Performance is subject to monitoring arrangements by commissioning officers, although we did identify the need to consistently record this monitoring on a quarterly basis in line with contract requirements. We also noted the intention to formalise regular performance reporting to senior management and the Social Care Programme Board. Other recommendations have been made to address specific contract issues, but do not suggest control weaknesses.</p> <p>Payments for services are accurate and timely, and where necessary reviewed and adjusted to match the Council's changing needs, with appropriate supporting contract variation approval.</p>	
<p>The following audit is currently in progress:</p> <ul style="list-style-type: none"> <li>• Care Act – Better Care Fund / Section 256 monies (ANA – Critical)</li> </ul>			

<b>CHILDREN'S SERVICES</b>			
<b>Risk Area / Audit Entity</b>	<b>Audit Report</b>		
	<b>Assurance opinion</b>	<b>Residual Risk / Audit Comment</b>	<b>Direction of Travel Assurance</b>
Business Processes / Workforce Strategy Risk / ANA: High	Good Standard Status: Final	Assurance was reported in the July 2017 report; please refer to that report for details.	
Torbay Safeguarding Children Board (TSCB) Risk / ANA: Critical, Ofsted	Improvements Required Status: Final	Assurance was reported in the July 2017 report; please refer to that report for details.	
Looked After Children - Referrals Risk / ANA: Medium, Ofsted	Improvements Required Status: Final	Assurance was reported in the July 2017 report; please refer to that report for details.	
School Transport Provision Risk / ANA: High	Good Standard Status: Final	<p>We found the processes and procedures in place regarding School Transport to be effective and well operated. There were a small number of areas where controls can be further strengthened and we have made recommendations to support this. As outlined below, we are pleased to have supported the School Transport team in improving efficiency of the process for obtaining pupil attendance figures.</p> <p>Our findings confirmed that regulatory requirements are being met, with opportunity for comparative benchmarking to be established, which would provide potential for identifying good practice. Performance in relation to service take up is monitored and reported, with remediation plans in place.</p> <p>We found that applications and appeals had been assessed / determined in line with Council policy and statutory requirements; although in a small number of cases supporting evidence in relation to applications requires improvement.</p> <p>In our opinion, the expenditure incurred is deemed to be appropriate and accurate.</p>	
Schools' Forum / use of DSG Risk / ANA: Medium	Improvements Required Status: Final	There are a number of processes in operation which align to expected practice and associated guidelines. Forum meetings are reasonably well attended by the educational community and the Local Authority (LA), with a good level of information provided by the LA to forum members to allow preparatory review, scrutiny and challenge. We identified opportunity for wider engagement from the education community via their representatives feeding into the meetings. Challenge and associated decision making is not appropriately recorded and is itself at risk of subsequent challenge and potential invalidation.	



**CHILDREN'S SERVICES**

Risk Area / Audit Entity	Audit Report		
	Assurance opinion	Residual Risk / Audit Comment	Direction of Travel Assurance
		<p>As required by associated guidance, forum documentation is available publicly on the Torbay website; however the information was very difficult to locate and therefore not easily accessible. In our opinion, it would benefit from a more structured dedicated communications provision that is well signposted so to be visible to the public.</p> <p>Although budget information provided to the forum by the LA is comprehensive, it is in effect short term and does not currently provide a means for long term forecasting and planning. Ordinarily a long term approach would be recommended to provide a more strategic and less reactive approach to budget pressures. However, we understand that ongoing changes in policy and funding by the DfE, and lack of detail provided on the new schools funding formula, make implementation of this type of approach unrealistic. Whilst the forum challenges budget positions, our opinion was that the timeliness of remediating action in relation to a significant increase in overspend was delayed, however we do recognise that it was dealt with given the constraints outlined above</p>	
PARIS - Case Recording / Data Quality / Business Use Risk / ANA: Critical, Ofsted	Improvements Required Status: Final	<p>There have been a number of practices put in place following the last Ofsted visit, in particular the performance framework including a Quality Assurance (QA) process; however, our review of the reports and the level of outstanding items would suggest that this is not yet fully embedded. The system itself appears complex in terms of the background database structure and associated data fields, and also the system functionality has no formal process workflow to enforce staged, accurate and complete data input. As such our concern is that data completeness and accuracy cannot be fully assured.</p> <p>Logical system access controls are reasonably well managed, although the user leaver process would benefit from enhancement to provide a more robust approach. From a business continuity perspective, the system data is subject to regular back up; however, a service business continuity plan was not evident; a lack of which increases the risk of the service areas ability to operate in the event of an issue requiring BCP invocation occurring.</p> <p>There may be a need to consider whether Paris is an appropriate system for use within Children's Services. We understand that Torbay Council is one of a very small number of council's in the UK that use Paris for Children's Services; that in itself raises question as to the effectiveness of the system for this purpose and the priority with the Supplier. The pending strategic organisation changes within the Service area also impact the potential in relation to continued use of the system in relation to integration issues both from a system and back office processing perspective.</p> <p>The lack of adequate engagement, communication and provision of supporting data regarding the use of Dragon Speak, PDA technology and mobile devices made formulation of a robust assurance opinion in this area of the service problematic. This has therefore resulted in a lack of audit assurance and associated recommendation in this regard.</p>	

## CHILDREN'S SERVICES

Risk Area / Audit Entity	Audit Report		
	Assurance opinion	Residual Risk / Audit Comment	Direction of Travel Assurance
Placement Activity Risk / ANA: Medium, Ofsted	Good Standard Status: Draft	<p>Sample testing found operational practices to be effective.</p> <p>The placement activity control framework ensures that appropriate and effective placements are provided for children who need them, within a robust support network; whilst also ensuring that accurate and timely payments are made to related care providers.</p> <p>We identified some areas where operational practices can be enhanced and the control environment strengthened. These were primarily in relation to the need for consistent record retention in a small number of cases and the nature of placement activity that is subject to recording, monitoring and reporting. The service would also benefit from an update to, and test of, the Business Continuity Plan to provide them with assurance that it would be fit for purpose to maintain the service at an appropriate level if required.</p> <p>We would also question the organisations decision that the Placement Team are not required to undertake DBS checks. As officers have access to personal and sensitive information, the current decision should be challenged.</p>	 *
Legal Care Proceedings Risk / ANA: Medium	Added Value Status: Draft	<p>Whilst we have not conducted a full audit, we have held discussions with key officers in both Children's Services and Legal Services, and have provided some initial feedback in relation to areas that may benefit from improvement. This has been devised based upon officer input and suggestions and our knowledge of practices at the two other authorities and comprises:</p> <ul style="list-style-type: none"> <li>• Implementation of the Legal Care Proceedings Tracker</li> <li>• Better joint working with Legal Services, particularly in relation to data security</li> <li>• Improved consistency of record keeping and report provision on PARIS</li> <li>• Consideration of best practice identified at other authorities</li> </ul> <p>Further audit work is planned for in the 2018/19 year.</p>	N/A*
Grants x 3 Risk / ANA: N/A	Certified Status: Complete	Grants certified comprise; Troubled Families first, second and third claims.	N/A
<p>The following audits are currently in progress:</p> <ul style="list-style-type: none"> <li>• Children's Services Medium Term Financial Strategy / Improvement Plan (ANA – High)</li> <li>• Education Services ROI CIPFA Return (Client Request)</li> <li>• Contracted Services (Information, Advice, Guidance) (ANA – Medium)</li> <li>• Section 17 Payments (ANA – Medium)</li> </ul>		<p>The following audits have been cancelled by the client or deferred until next year:</p> <ul style="list-style-type: none"> <li>• Adoption (ANA – Medium)</li> <li>• Early Help Strategy (ANA – Medium)</li> <li>• Early Years / Children's Centre Contract (ANA – Medium)**</li> </ul> <p>**Replaced by new Education Services ROI CIPFA Return audit</p>	

**CHILDREN'S SERVICES**

CHILDREN'S SERVICES				
Risk Area / Audit Entity		Audit Report		
		Assurance opinion	Residual Risk / Audit Comment	Direction of Travel Assurance
Schools Financial Value Standards (SFVS)		Good Standard	SFVS Dedicated Schools Grant Chief Finance Office assurance statement for 2016/17 was submitted to the Department for Education in May 2017.	
Maintained Schools audit programme		Good Standard	The overall opinion for the routine school audit visits has been maintained as 'good standard' (refer to summary data below). The provision of internal audit's performance data provides a greater focus on schools causing concern in the wider control environment.	
<b>Maintained Schools Summary Data</b>			<b>Assurance Opinion</b>	
<p><b>The key matters arising from the audits are:</b></p> <ul style="list-style-type: none"> <li>• All of the necessary governance arrangements and information being published in a readily accessible format of the school website;</li> <li>• Maintenance of the Single Central Record not always compliant with 'Keeping Children Safe in Education';</li> <li>• School inventory records not being fully comprehensive with annual checks taking place, being signed and certified correctly as well as the appropriate asset information being recorded in the record.</li> </ul>			Good Standard	

## 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 2017. This is supported through DAP self-assessment of conformance with Public Sector Internal Audit Standards & Local Government Application note.

**Quality Assessment** – through external assessment December 2016 “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 is supported by a development programme.

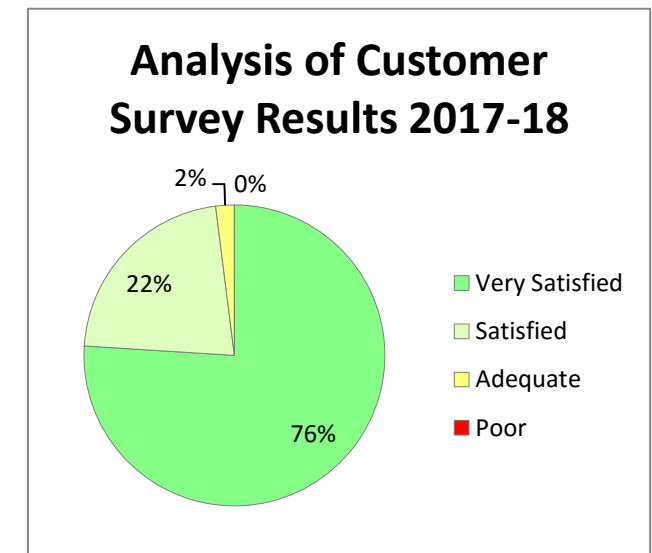
**Improvement Programme** – DAP maintains a rolling development plan of improvements to the service and customers. All recommendations of the external assessment of PSIAS and quality assurance were included in this development plan and have been completed. This will be further embedded with revision of our internal quality process through peer review. Our development plan is regularly updated and a status report was reported to the Management Board in October 2016.

### Performance Indicators

Overall, performance against the indicators has been very good with improvements made on the previous year (see Appendix 6). We are aware that some of our draft and final reports were not issued to the customer within the agreed timeframes (15 working days for draft report and 10 working days for final report). We continue to review where performance in this area can be improved.

### Customer Service Excellence

In June 2017, DAP was successful in re-accreditation by G4S Assessment Services of the CSE. We continue to issue client survey forms with our final reports and the results of the surveys returned are, although low in number, very good and again are very positive. The overall result is very pleasing, with near 98% 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 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.

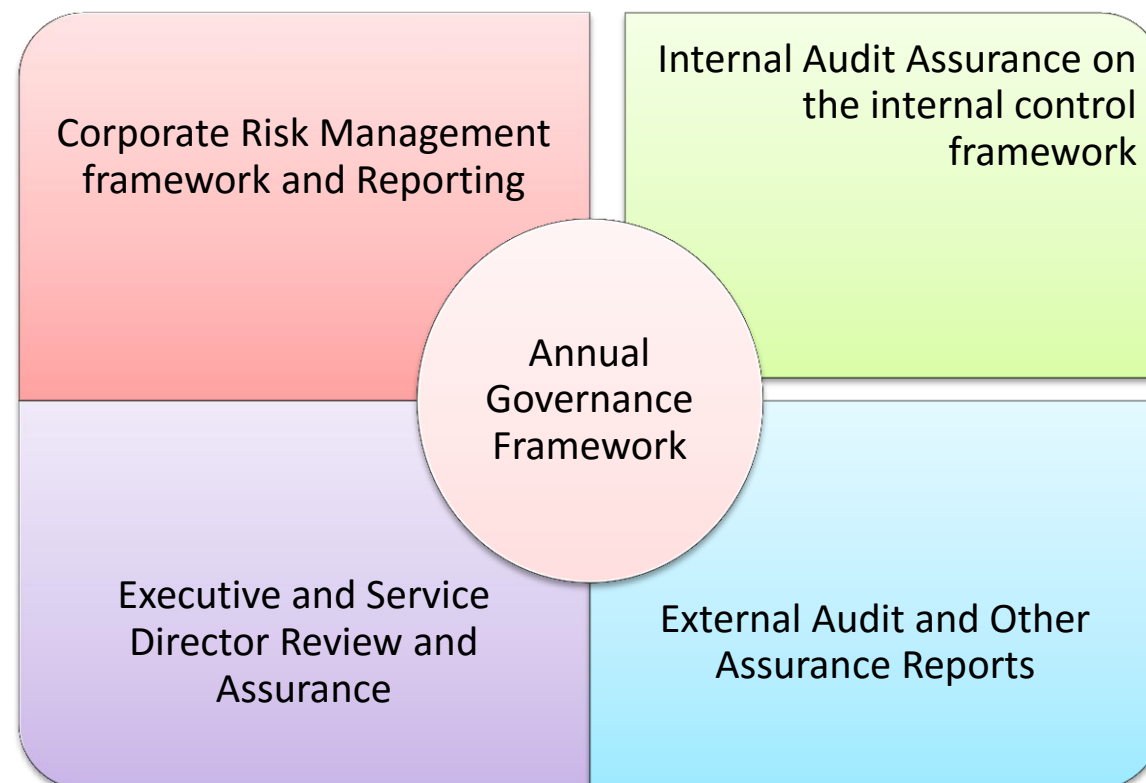
The statement relates to the governance system as it is applied during the year for the accounts that it accompanies. It should:-

- 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 audit plans is not been notable and any changes are shown in Appendix 1. As a result of earlier reporting this year some of our work remains ongoing and will be completed within quarter one of 2018-19.

In previous years, other service priorities have impacted audit delivery in Children's Services and Public Health, and this continues to impact our Assurance Opinion for these areas.

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:

all audits completed during 2017/18, including those audits carried forward from 2016/17;

any follow up action taken in respect of audits from previous periods;

any significant recommendations not accepted by management and the consequent risks;

the quality of internal audit's performance;

the proportion of the Council's audit need that has been covered to date;

the extent to which resource constraints may limit this ability to meet the full audit needs of the Council;

any limitations that may have been placed on the scope of internal audit.



## 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:

<b>Local Performance Indicator (LPI)</b>	<b>2015/16</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2017/18</b>
	<b>Target</b>	<b>Actual</b>	<b>Target</b>	<b>Actual</b>	<b>Target</b>	<b>Actual</b>
Percentage of Audit plan Commenced (Inc. Schools)	100%	100%	100%	99%	100%	100%
Percentage of Audit plan Completed (Inc. Schools)	93%	97%	93%	96%	93%	87%
Actual Audit Days as percentage of planned (Inc. Schools)	95%	101%	95%	113%	95%	96%
Percentage of fundamental / material systems reviewed annually	100%	100%	100%	100%	100%	100%
Percentage of chargeable time	65%	69%	65%	70%	65%	71%
Customer Satisfaction - % satisfied or very satisfied as per feedback forms	90%	99%	90%	98%	90%	98%
Draft Reports produced within target number of days (currently 15 days)	90%	87%	90%	85%	90%	91%
Final reports produced within target number of days (currently 10 days)	90%	94%	90%	100%	90%	97%
Average level of sickness absence (DAP as a whole)	2%	2%	2%	3.2%	2%	4%*
Percentage of staff turnover (DAP as a whole)	5%	5%	5%	21%	5%	11% **
Out-turn within budget	Yes	Yes	Yes	Yes	Yes	Yes

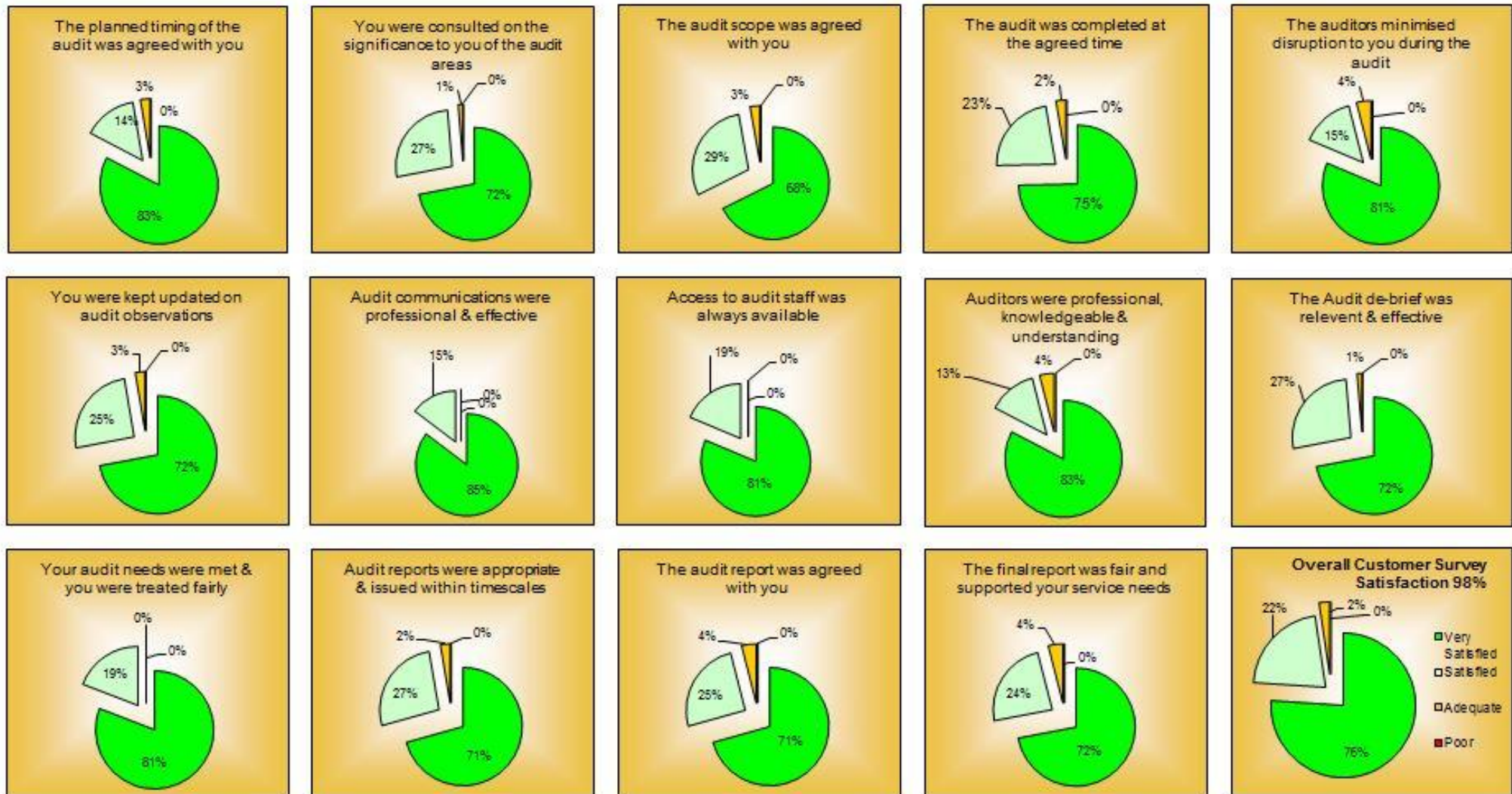
\* Sickness relates to DAP overall

\*\* Staff turnover relates to 1 starter and 2 leavers

Overall, performance against the indicators has generally been maintained; the reduction in the percentage of audit plan completion is due to the earlier reporting to the Senior Leadership Team and Audit Committee. It is pleasing to note that draft reports are now usually issued in line with performance indicator targets.

## Appendix 7 - Customer Service Excellence

### Customer Survey Results April 2017 – March 2018



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<b>Devon Audit Partnership</b>	<b>Confidentiality and Disclosure Clause</b>
<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 <a href="mailto:robert.hutchins@devonaudit.gov.uk">robert.hutchins@devonaudit.gov.uk</a> .</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>