

Tuesday, 12 January 2021

AUDIT COMMITTEE

A meeting of **Audit Committee** will be held on

Wednesday, 20 January 2021

commencing at **2.00 pm**

The meeting will be held remotely via Zoom (the links to the meeting are set out below)

<https://us02web.zoom.us/j/88600525426?pwd=MklvajBkZG5pMEpvVjJpZzltZ3dqUT09>

Meeting ID: 886 0052 5426 Passcode: 366876

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Meeting ID: 886 0052 5426 Passcode: 366876

Members of the Committee

Councillor Loxton (Chairman)

Councillor Dart

Councillor Kennedy

Councillor Hill

Councillor O'Dwyer

Councillor Howgate

Councillor Brooks

Together Torbay will thrive

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Lisa Antrobus, Town Hall, Castle Circus, Torquay, TQ1 3DR

Email: governance.support@torbay.gov.uk - www.torbay.gov.uk

AUDIT COMMITTEE AGENDA

1. **Apologies**
To receive any apologies for absence, including notifications of any changes to the membership of the Committee.
2. **Declarations of interests**
 - (a) To receive declarations of non pecuniary interests in respect of items on this agenda
For reference: Having declared their non pecuniary interest members may remain in the meeting and speak and, vote on the matter in question. A completed disclosure of interests form should be returned to the Clerk before the conclusion of the meeting.
 - (b) To receive declarations of disclosable pecuniary interests in respect of items on this agenda
For reference: Where a Member has a disclosable pecuniary interest he/she must leave the meeting during consideration of the item. However, the Member may remain in the meeting to make representations, answer questions or give evidence if the public have a right to do so, but having done so the Member must then immediately leave the meeting, may not vote and must not improperly seek to influence the outcome of the matter. A completed disclosure of interests form should be returned to the Clerk before the conclusion of the meeting.

(**Please Note:** If Members and Officers wish to seek advice on any potential interests they may have, they should contact Governance Support or Legal Services prior to the meeting.)
3. **Urgent Items**
To consider any other items that the Chairman decides are urgent.
4. **Follow Up Report on Areas Requiring Improvement - Internal Audit Report** (Pages 4 - 20)
To consider a report that sets out progress made by areas previously identified as 'improvements required'.
5. **Internal Audit - Half Year Audit Report 2020-21** (Pages 21 - 45)
To consider a report that provides an update to the agreed Internal Audit Plan due to Covid-19 and reviews the work undertaken to date in 2020/21.
6. **The Annual Audit Letter for Torbay Council** (Pages 46 - 63)
To consider a report that summarises the key findings arising from the work that Grant Thornton have carried out at Torbay Council for the year ended 31 March 2020.
7. **Oversight of Investigations** (Pages 64 - 65)
To note the exempt appendix and to give consideration to any

further information or action that Audit Committee may require.

Instructions for the Press and Public for joining the meeting

If you are using an iPad you will need to install Zoom which can be found in the App Store. You do not need to register for an account just install the software. You only need to install the software once. For other devices you should just be taken direct to the meeting.

Joining a meeting

Click on the link provided on the agenda above and follow the instructions on screen. If you are using a telephone, dial the Zoom number provided above and follow the instructions. (**Note:** if you are using a landline the call will cost up to 13p per minute and from a mobile between 3p and 55p if the number is not covered by your inclusive minutes.)

You will be placed in a waiting room, when the meeting starts the meeting Host will admit you. Please note if there are technical issues this might not be at the start time given on the agenda.

Upon entry you will be muted and your video switched off so that only the meeting participants can be seen. When you join the meeting the Host will unmute your microphone, ask you to confirm your name and update your name as either public or press. Select gallery view if you want see all the participants.

If you have joined the meeting via telephone, your telephone number will appear on screen and will be displayed for all to see until the Host has confirmed your name and then they will rename your telephone number to either public or press.

Meeting Etiquette - things to consider when attending a virtual meeting

- Background – the meeting is public and people will be able to see what is behind you therefore consider what you will have on display behind you.
- Camera angle – sit front on, upright with the device in front of you.
- Who else is in the room – make sure you are in a position where nobody will enter the camera shot who doesn't want to appear in the public meeting.
- Background noise – try where possible to minimise background noise.
- Aim to join the meeting 15 minutes before it is due to start.



Internal Audit Report

Follow Up Report on
Areas Requiring
Improvement

Torbay Council

December 2020

OFFICIAL



Devon Audit Partnership

The Devon Audit Partnership has been formed under a joint committee arrangement comprising of Plymouth, Torbay and Devon councils. 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.

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 robert.hutchins@devonaudit.gov.uk.

Confidentiality and Disclosure Clause

This report is protectively marked in accordance with the National Protective Marking Scheme. Its contents are confidential and, whilst it is accepted that issues raised may well need to be discussed with other officers within the organisation, the report itself should only be copied/circulated/disclosed to anyone outside of the organisation in line with the organisation's disclosure policies.

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

Introduction

The 2019/20 Annual Internal Audit outturn report was published on the 28th May 2020. Appendix 1 of that report provided a summary of the audits undertaken during 2019/20, along with our assurance opinion. Where a “high” or “good” standard of audit opinion was provided we confirmed that, overall, sound controls were in place to mitigate exposure to risks identified; where an opinion of “improvements required” was provided then issues were identified during the audit process that required attention. We provided a summary of some of the key issues reported that were being addressed by management and pointed out that we were content that management were appropriately addressing these issues.

Members have previously found it beneficial to receive a report on progress on the “improvements required” areas highlighted in Appendix 1 to the 2019/20 annual report.

As part of adding value, Devon Audit Partnership has completed follow up reviews to provide updated assurance to members. The results from this process are contained in this report at Appendix A.

This report reflects the Council structure prior to the November 2020 change.

Assurance Statement

Our assurance opinion remains as reported in our Annual Audit Report 2019/20. However, it should be recognised that there is potential for this assurance opinion to be adversely affected should the lack of progress made against certain individual audit management action plans continue.

However, we do recognise that the Covid-19 pandemic response has been a priority for the Council, with impacts across all service areas. As such progress may not be as would be expected in a “normal year”, and our report and findings should be read in that context.

Progress Impact Assessment

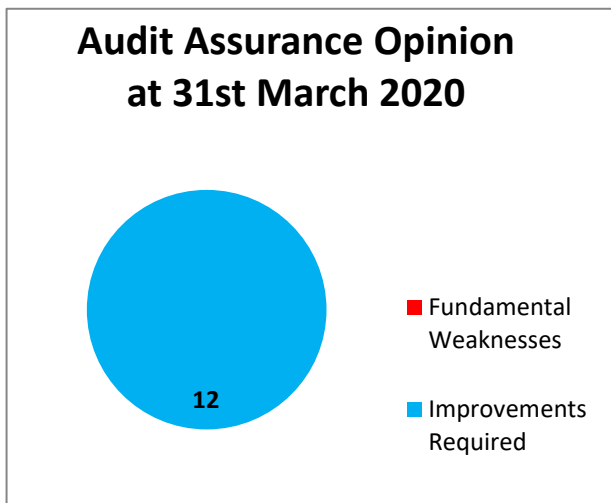
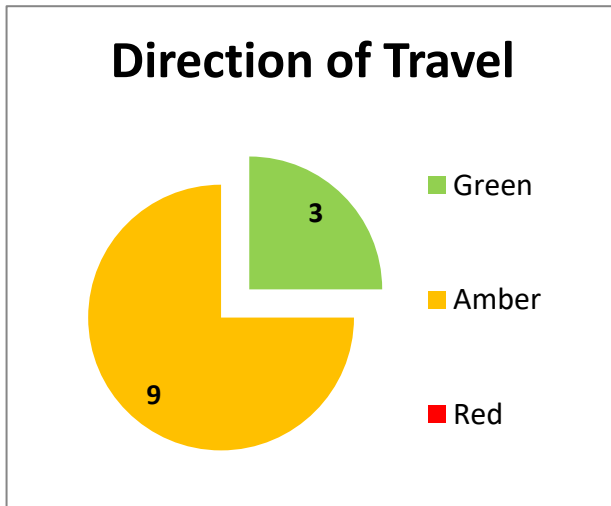
The progress made in some areas means the previously identified risks are being minimised or mitigated where appropriate. However, the lack of progress made in the majority of action plans means a number of the risks previously identified and highlighted to management continue to remain.

Progress has been limited in most areas. We have found that this is primarily due to either capacity, ongoing implementation of the process changes to address the actions, or the impact of higher priority activities such as strategic projects and response to the Covid-19 pandemic. Further, although Management responses indicate that progress has been made, the lack of supporting evidence means that we are unable to confirm that associated risks are being addressed in all cases.

This follow up activity was an opportunity to facilitate, review and expedite progress for individual audits, to inform Management of the current position and to integrate the outcomes into the organisation’s strategic management arrangements.

Progress

Where progress has been made against the agreed action plans, this is shown in the 'Direction of Travel' chart. The subsequent charts record the resulting change in audit assurance opinion based upon the follow up work undertaken.



Although the audits previously followed up in 2019/20 are not subject to further formal audit follow up, for continuity and the avoidance of doubt we have analysed the previous year's output to provide an indication of areas that may require further Management input. Please refer to table over page.

To note, an audit of Health and Safety was due to be undertaken as part of the 2020/21 plan, however due to required plan changes requested by S151 Officer, this audit has now been deferred 2021/22 audit plan, and the findings from the 2019-20 report will be followed up within that audit.

Total audits still at Improvements Required from 2019/20 annual follow up report		
Areas subject to follow up activity within 20/21 planned audit work		Areas (potentially) requiring Management review of progress against previous audit recommendations
Material Systems (annual audits)	20/21 audits	
2 (Debtors and Corporate Debt; Council Tax and NNDR)	1 (Special Guardianship Orders)	<ul style="list-style-type: none"> • Legal Services – cross council use of legal advice • Covert surveillance of Social networking sites • Printing Services and Post • Contracted Services – careers south west (CSW) • Section 17 Payments • Children’s Services Medium Term Financial Plan/ Improvement Plan • Concessionary Fares • S106 * • Sports Pitch Leases • Contract Monitoring – Public Toilet provision • Parking Services • Neighbourhood forums • Brixham Ferry <p><i>*Note: S106 was due for Audit within the 2020/21 audit plan, however this has now been deferred to early 2021/22 as a result of changes to the audit plan due to Covid-19.</i></p>

Internal Audit Coverage and Results

Overall, we can report that Management responses indicate that progress has been made in some areas, but for the majority of reviews the rate of progress is not as good as expected and this is shown in the direction of travel chart above and in Appendix A of this report. A significant number of opinions remain unchanged at this time and this, although not in all cases, reflects the lack of action.

Although departments were given a two-month window to respond to our request for information in support of their management response, this was in a number of cases either not provided or was incomplete. As such, we were unable to effectively undertake the follow up exercise, and therefore unable to re-assess our assurance opinions. We do however recognise that service areas have been under significant pressure in relation to the Council’s response to the Covid-19 pandemic, and appreciate that this may have impacted their ability to address the recommendations previously made and also respond at this time for our follow up exercise.

It should be noted that in a number of instances we understand that action is being taken to address the issues identified, but this is ongoing and therefore we have been unable to provide a new overall assurance opinion. It is acknowledged that the need to make changes to some processes can take time to achieve, and as a consequence not all recommendations have been completed, but this is as expected. Some agreed actions have not been implemented for a variety of reasons including the need to prioritise resource in other directions.

Appendix A of this report sets out the audits at the end of 2019/20 which were identified as ‘improvements required’ or ‘fundamental weaknesses’. The appendix shows the current (updated) assurance opinion following our follow up work, and a ‘direction of travel’. We have also provided some more detailed commentary on progress being made. Appendix B provides a definition of the assurance opinion categories.

Annual Governance Statement

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

These should be considered along with the conclusions from the Annual Audit Report 2019/20 published in May 2020.

Process

For each service area where an overall audit opinion of “improvements required” or “fundamental weaknesses” was provided at the end of 2019/20 we completed a follow up review. The follow up review was undertaken to provide assurance to management and those charged with governance, that the agreed actions identified at our initial audit visit had been implemented, or suitable progress is being made to address the areas of concern.

Our approach was to initially write to the appropriate service manager to obtain an update on progress being made against agreed audit recommendations. The level of assurance we requested was dependent upon the priority of the agreed recommendation.

For recommendations of "low" priority we required written confirmation that the action had been enacted upon, or an update on the progress being made.

For "medium" priority recommendations we required written confirmation that the action has been enacted upon, or an update on the progress being made, plus some evidence to support this. For example, if the recommendation was for a monthly imprest reconciliation to be produced and signed as correct, then a copy of the most recent reconciliation was required.

For "high" priority recommendations we required written confirmation that the action had been enacted upon, or an update on the progress being made, plus some evidence to support this (as above) plus, and depending upon the nature of the recommendation, we considered a physical visit to confirm that the recommendation was operating as expected and that the identified risk had been reduced to an acceptable level.

Following the completion of our review we considered the progress made against of the agreed recommendations. This then enabled us to reconsider our assurance opinion against each of the risk areas identified and has enabled us to reconsider our overall assurance opinion enabling an updated opinion to be provided where appropriate.

It should be noted that this updated opinion is based upon the assumption that systems and controls as previously identified at the original audit remain in operation and are being complied with in practice. The purpose of our follow up exercise has not been to retest the operation of those previously assessed controls, but to consider how management have responded to the agreed action plans following our previous work.


Summary of Audit Follow and Findings 2019-20



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 - Key


Green – action plan implemented or being implemented within agreed timescales;
Amber – implementation of action plan not complete in all areas or overdue for key risks;
Red – implementation of action plan not complete and we are aware progress on key risks is not being made.
 * report recently issued, opportunity for progress has been limited


Corporate Services and Financial Services					
Risk Area / Audit Entity	Risk Assessment / Audit Needs Assessment	Audit Report			Direction of Travel RAG Score
		Audit Assurance Opinion as at 31 March 2020	Updated Audit Assurance Opinion as at 30 November 2020	Commentary and residual risk	
Housing Services	Risk / ANA - Medium	Improvements Required	Improvements Required	We understand that progress has been limited due to the impact of Covid-19, which saw a 140% increase in temporary accommodation demand due to Government policy changes. Progress was also impacted by emergency responses which has been significant on the Housing Options team, resulting in the team focusing on managing demand, prevention activity and business resilience. We have been advised that additional resource has been recruited into the team to address capacity issues. Implementation of the top up scheme has been delayed until April 2021 due to the impact of the ongoing pandemic. We understand that guidance in relation to the bond scheme will be finalised in December 2020. File markers within Locata will be reported upon and reviewed commencing December 2020. The review of the Housing Options website has commenced and again, delayed due to the pandemic, however we understand that will be recommenced in February 2021.	


Corporate Services and Financial Services					
Risk Area / Audit Entity	Risk Assessment / Audit Needs Assessment	Audit Report			Direction of Travel RAG Score
		Audit Assurance Opinion as at 31 March 2020	Updated Audit Assurance Opinion as at 30 November 2020	Commentary and residual risk	
ICT Investment in the Service	Risk / ANA – High	Improvements Required	Good Standard	<p>It is pleasing to note that a majority of recommendations have been either completed or are ongoing. The IT Strategy has been linked to the newly agreed Corporate plan and will be subject to regular review and update as necessary; risk management is in place at strategic and operational level and linked to ITIL (Information Technology Infrastructure Library) which is considered industry standard best practice; action tracking is in place and monitored through the Council's Information Governance Steering Group; and logging in relation to network security monitoring is in place.</p> <p>There remains scope for the Council to explore compliance with ITIL, however at the current time this is considered cost prohibitive. In our opinion risks still remain in relation to resourcing, albeit that there has been progress since the last audit; proactive monitoring of network security logs, although as noted above logging is now in place; and the supplier contract review. However, we understand that this had been delayed due to the Covid-19 pandemic but is now in progress with deadlines tied to CRM (Customer Relationship Management) go live planned for October 2021.</p>	
Contract Monitoring - Library Service	Risk / ANA – Medium	Improvements Required	Improvements Required	<p>We understand that although action was commenced by the previous Library Commissioner, various factors, including the requirement to make significant budget savings, has meant that there has been little progress since. We understand a new Library Commissioner has been appointed with effect from September 2020 who will now take forward the recommendations.</p>	



Children's Services					
Risk Area / Audit Entity	Risk Assessment / Audit Needs Assessment	Audit Report			Direction of Travel RAG Score
		Audit Assurance Opinion as at 31 March 2020	Updated Audit Assurance Opinion as at 30 November 2020	Commentary and residual risk	
Contracted Services / Commissioned Services	Risk / ANA: High	Improvements Required	Improvements Required	<p>As much of the work is ongoing, we are unable at this stage to change our level of audit assurance, although we acknowledge the significant level of work already undertaken.</p> <p>Since our audit we understand that there is a newly formed Procurement, Contract and Commissioning structure and supporting strategy, that includes a Contract Management Team to address performance monitoring and reporting, and intention to recruit a dedicated Education Procurement specialist. A number of processes that have been established within PARIS will be transferred to the new Children's Services System, Liquid Logic, including the process for spend approval, decision transparency regarding contract award. Analysis of spend and contract arrangements within Children's services has commenced and remains an ongoing process. A number of practices have been put place including ongoing recording and review of compliance with associated escalation processes. To address a number of non-compliances, the recommendation was made to ensure staff completion of the associated i-learn training modules. However, we understand that following legislative changes, the i-learn module is currently subject to review and update and as such the training enforcement has been delayed.</p> <p>The now ongoing monitoring, the sufficiency strategy, and completion of i-learn training all support a change in culture in relation to the attitude to spend within Children's Services. All of which is intended to improve compliance with Procurement and Contract Standing orders.</p>	


Children's Services					
Risk Area / Audit Entity	Risk Assessment / Audit Needs Assessment	Audit Report			Direction of Travel RAG Score
		Audit Assurance Opinion as at 31 March 2020	Updated Audit Assurance Opinion as at 30 November 2020	Commentary and residual risk	
Disability Services	Risk / ANA: Medium	Improvements Required	Improvements Required	<p>Since our audit a new Children's Services Performance Monitoring Framework has been established which includes dip sampling of records and performance workshops which we understand is being driven by the recent appointment of a permanent service manager within regulated service, and is aimed at assisting in driving and improving practice. Although it is pleasing to note that this is now in place, the findings of the performance monitoring by Children's Services support that issues identified in our original audit in relation to completeness of records and compliance with procedures remain. We acknowledge that procedures in relation to various aspects of children with disabilities have now been updated, published and available via Tri.x, although some remain outstanding. We understand that other process changes and data validation, completeness and cleansing will be part of the ongoing Liquid Logic implementation project to ensure accurate and complete data is transferred, with aspects of performance monitoring and management linked to the Children's Services Improvement plan.</p>	
Early Help (EH) Strategy	Risk / ANA: Medium	Improvements Required	Improvements Required	<p>We have been advised that PeopleToo have completed their modelling of the EH strategy and the implementation is in progress. We understand that a new Early Help Board has been established, incorporating subgroups delivering against the Early Help Agenda. We understand that our other recommendations in relation to areas such as performance monitoring, level 2 response process; drift monitoring / escalation process; local assessment of need; QA framework for monitoring and development; and clarity around the Council's involvement in assisting the promotion and development of more specific local early help services within the EH strategy, are all being addressed through the ongoing work of PeopleToo.</p>	

Children's Services					
Risk Area / Audit Entity	Risk Assessment / Audit Needs Assessment	Audit Report			Direction of Travel RAG Score
		Audit Assurance Opinion as at 31 March 2020	Updated Audit Assurance Opinion as at 30 November 2020	Commentary and residual risk	
Legal Care Proceedings (Review of operation of new process)	Risk / ANA: Medium	Improvements Required	Improvements Required	<p>Our original findings did support the then conclusion of Ofsted, being that pre-proceedings process timing was not yet timely enough for some children. We have confirmed that the Legal Gateway Panel terms of reference and care proceeding procedures have been updated and published. We note that Legal Services were invited to engage with the Liquid Logic project but were unable to due to availability at the time.</p> <p>We understand that the previously identified delays in the frequency of supervision meetings is being managed across the service through PARIS performance reporting, driven by the then newly appointed SAF's (Single Assessment Framework) Service Manager. The Innovations Team cases were reallocated in December 2019; however, we cannot confirm whether the inconsistencies in caseload allocation have been addressed. We are unable to confirm improvement in care proceeding practice and the timely provision of information to Legal Services at this time without undertaking another audit to evaluate the current position.</p> <p>The Service noted some areas of opportunities and concluded that they were either content with the existing practices or determined that they could not be taken forward at that time.</p>	

Children's Services					
Risk Area / Audit Entity	Risk Assessment / Audit Needs Assessment	Audit Report			Direction of Travel RAG Score
		Audit Assurance Opinion as at 31 March 2020	Updated Audit Assurance Opinion as at 30 November 2020	Commentary and residual risk	
Permanency Planning	Risk / ANA: High	Improvements Required	Improvements Required	<p>Although no evidence has been provided, we understand that the Permanency Plan is now embedded and feeds into the Sufficiency Strategy and financial model. In addition, we have been advised that work on a transition and through care policy is underway with multi agency collaboration including areas such as finance, commissioning foster carers, housing, and adult services.</p> <p>In terms of capacity within Children's Services to deliver Permanency Planning policy requirements, we have been advised that this is supported by various initiatives, including by fostering campaigns and the development of an edge of care provision, which involves working with multiple partners, and with progress overseen by the sufficiency board. We further understand that development or training and career pathways for all staff within children's services is being strengthened by the recruitment and retention policy and introduction of a newly formed learning academy.</p> <p>We have been advised that the issues Internal Audit previously identified in relation to compliance with policy requirements are in part being addressed through the newly developed performance monitoring and management framework. However, unlike other areas within Children's Services we have not as yet been provided with supporting evidence and therefore unable to comment on the effectiveness of the new arrangements or uplift the assurance opinion.</p>	

Children's Services					
Risk Area / Audit Entity	Risk Assessment / Audit Needs Assessment	Audit Report			Direction of Travel RAG Score
		Audit Assurance Opinion as at 31 March 2020	Updated Audit Assurance Opinion as at 30 November 2020	Commentary and residual risk	
Transition of Children with Disabilities to Adult Services	Risk / ANA - Medium	Improvements Required	Improvements Required	<p>Since the audit, it is pleasing to note that performance management arrangements have been established, supported by the appointment of a service manager within regulated service. These include dip sampling of case files and ongoing performance reviews. Although, review of outcomes of this activity identified that issues previously reported by Audit in relation to completeness, accuracy and timeliness of aspects of the process remain.</p> <p>We understand that the procedures related to Transition of Children with Disabilities to Adults have been updated, published and are available on Tri.x.</p> <p>We understand that there is ongoing work being undertaken in respect of developing a through care policy to address the issues we identified in relation to pathway plans, and that this policy change also links into the sufficiency strategy and the improvement plan.</p> <p>As with all areas across Children's Services, the data accuracy and completeness is intended to be addressed through the Liquid Logic implementation project.</p>	

Place					
Risk Area / Audit Entity	Risk Assessment / Audit Needs Assessment	Audit Report			Direction of Travel RAG Score
		Audit Assurance Opinion as at 31 March 2020	Updated Audit Assurance Opinion as at 30 November 2020	Commentary and residual risk	
Tor Bay Harbour Authority - Income	Risk / ANA – Medium	Improvements Required	Good Standard	<p>It is pleasing to note that progress has been made against a number of the recommendations, including in relation to performance targets for fish tolls; improvements to the recovery process; some elements of recharging; risk assessment for cash carrying; further policy development in relation to income types; and an ongoing review of leases / rent arrangements.</p> <p>There remain some areas where action is still required, including establishment of fees and charges for 2021/22 using the corporate framework to ensure cost recovery; gas, electricity and maintenance recharging.</p>	
Local Transport Implementation Plan / Strategic Transport (LTIP)	Risk / ANA - Medium	Improvements Required	Improvements Required	<p>We have been advised that due to ongoing resource issues and the impact of Covid-19 there has been little progress against the previously agreed actions which may be addressed through additional resource of planning officers; discussions have taken place, but no specific additional transport resource has been identified.</p> <p>It was agreed that there should be periodic reporting on the LTIP to senior management and Members responsible for its original approval. We understand that progress is very limited in relation to reporting to the Capital and Growth Board. In addition, the Transport and Parking Working Panel has been set up recently, first meeting in September and we understand is intended to provide further oversight on progress of schemes. We understand that verbal updates to Cabinet Lead continue. We also note that the LTIP relating to the 2021-26 period has been reviewed by SLT and is going to Cabinet in January 2021, following which we would hope to see evidence of the agreed actions being fully addressed and this is reflected in our direction of travel arrow.</p>	

Adult Services					
Risk Area / Audit Entity	Risk Assessment / Audit Needs Assessment	Audit Report			Direction of Travel RAG Score
		Audit Assurance Opinion as at 31 March 2020	Updated Audit Assurance Opinion as at 30 November 2020	Commentary and residual risk	
Care Act – Better Care Fund (BCF) / Section 256 monies, follow up	Risk / ANA – Critical	Improvements Required	Good Standard	<p>Although we have uplifted the Assurance Opinion, it should be noted that this is only based upon single examples provided within the follow up process and does not confirm that the changes are as yet fully embedded and consistently applied.</p> <p>It is pleasing to note that since our audit a Programme and Project Management framework and supporting governance structure has been established. This includes financial tracking via the tracker spreadsheet, project highlight reporting and comprehensive project workbooks, that include key areas such as the project plan, project summary, governance, task logs, risk register, communications plan, engagement and lessons log.</p> <p>The top-level governance structure details the hierarchy that sits below the Torbay Council ASC Improvement Board, and associated reporting, with detailed governance being defined within each project workbook.</p> <p>Although the above addresses the original recommendations made, we have only been provided with a small selection of examples for this follow up exercise, and until we can undertake another full audit we are unable to confirm that the use of this framework and supporting documentation is consistent for all projects.</p> <p>However we would note that we were not provided with a terms of reference for the top level Governance framework; and, although we were able to evidence an example of transparency in relation to Procurement evaluation and selection, the evidence did not allow us to confirm that the Procurement team themselves had been engaged in all procurements.</p>	

Definitions of Audit Assurance Opinion Levels

Assurance	Definition
High Standard.	The system and controls in place adequately mitigate exposure to the risks identified. The system is being adhered to and substantial reliance can be placed upon the procedures in place. We have made only minor recommendations aimed at further enhancing already sound procedures.
Good Standard.	The systems and controls generally mitigate the risk identified but a few weaknesses have been identified and / or mitigating controls may not be fully applied. There are no significant matters arising from the audit and the recommendations made serve to strengthen what are mainly reliable procedures.
Improvements required.	In our opinion there are a number of instances where controls and procedures do not adequately mitigate the risks identified. Existing procedures need to be improved in order to ensure that they are fully reliable. Recommendations have been made to ensure that organisational objectives are not put at risk.
Fundamental Weaknesses Identified.	The risks identified are not being controlled and there is an increased likelihood that risks could occur. The matters arising from the audit are sufficiently significant to place doubt on the reliability of the procedures reviewed, to an extent that the objectives and / or resources of the Council may be at risk, and the ability to deliver the service may be adversely affected. Implementation of the recommendations made is a priority.

Definition of Recommendation Priority

Priority	Definitions
High	A significant finding. A key control is absent or is being compromised; if not acted upon this could result in high exposure to risk. Failure to address could result in internal or external responsibilities and obligations not being met.
Medium	Control arrangements not operating as required resulting in a moderate exposure to risk. This could result in minor disruption of service, undetected errors or inefficiencies in service provision. Important recommendations made to improve internal control arrangements and manage identified risks.
Low	Low risk issues, minor system compliance concerns or process inefficiencies where benefit would be gained from improving arrangements. Management should review, make changes if considered necessary or formally agree to accept the risks. These issues may be dealt with outside of the formal report during the course of the audit.

Confidentiality under the National Protective Marking Scheme

Marking	Definitions
Not Protectively Marked or Unclassified	Documents, information, data or artefacts that have been prepared for the general public or are for the public web pages or can be given to any member of the public without any exemptions or exceptions to release applying, have the classification NOT PROTECTIVELY MARKED. Some organisations will also use the word UNCLASSIFIED for publicly available information.
Official	The majority of information that is created or processed by the public sector. This includes routine business operations and services, some of which could have damaging consequences if lost, stolen or published in the media, but are not subject to a heightened threat profile.
Secret	Very sensitive information that justifies heightened protective measures to defend against determined and highly capable threat actors. For example, where compromise could seriously damage military capabilities, international relations or the investigation of serious organised crime.
Top Secret	The most sensitive information requiring the highest levels of protection from the most serious threats. For example, where compromise could cause widespread loss of life or else threaten the security or economic wellbeing of the country or friendly nations.

Internal Audit

Half Year Audit Report
2020-21

Torbay Council
Audit Committee

Page 21

January 2021

Robert Hutchins
Head of Audit Partnership

Auditing for achievement

Agenda Item 5

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 2020/21 was presented and approved by the Audit Committee in March 2020. The following report and appendices set out the background to audit service provision; an update to the agreed plan due to Covid-19, a review of work undertaken to date in 2020/21 and provides our current 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 progress report provides a summary of work completed in the first six months of the year that will help to inform that annual assurance opinion.

Expectations of the Audit Committee from this six-month progress 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;
- performance and customer satisfaction on audit delivery.

Opinions

Internal Audit is governed by PSIAS, and in April 2020 the CIPFA Special Interest Group (SIG) for Internal Audit considered and proposed a common practice of using four standard internal audit assurance opinions, which DAP has adopted. This replaces the previous High Standard, Good Standard, Improvements Required and Fundamental Weaknesses ratings that we have used when reporting on each audit assignment in previous years. Corresponding updated organisational assurance ratings related to the overall organisational and directorate opinions are described on the next page.

Robert Hutchins

Head of Devon Audit Partnership

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Opinion Statement

Overall, and based on work performed to date during 2020/21, our experience from previous years, and the outcome of the Annual Follow Up exercise as separately reported, the Head of Internal Audit's Opinion is one of "Reasonable Assurance" on the adequacy and effectiveness of much of the Authority's internal control framework. The exception to this is Children's Services Directorate, although we acknowledge a positive direction of travel. In the case of both the Public Health, and Adults Directorates our assurance opinion is based on work undertaken in 2019/20 and prior years. Our audit planning process is risk based and as such our report will inevitably focus upon higher risk areas.

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 2020/21 includes specific assurance, risk, governance and value-added reviews which, together with prior years audit work, provide a framework and background within which we can assess the Authority's control environment. The audit plan has been significantly changed on the instruction of the S151 Officer in order that we could operationally support Torbay Council's Covid-19 response and undertake other requested work.

The reviews in 2020/21 to date have informed the Head of Internal Audit's Opinion. If significant weaknesses have been identified in specific areas, these will need to be considered by the Authority in preparing its Annual Governance Statement as part of the 2020/21 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 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 and 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 non or part compliance, none are understood to have had a material impact on the Authority's affairs.

Risk Management

We are aware that arrangements for Risk Management are in development. Until these are implemented and embedded this area remains a risk. Our ongoing involvement in Council projects/programmes, including Transformation, continues to evidence consideration of risk. There is opportunity for the Council to review its position in terms of broadening Portfolio Management. Ongoing involvement by the Council in response to the Covid-19 pandemic presents financial and service risks.

Governance Arrangements

Governance arrangements have been reviewed in Transformation projects.

The Information Governance Steering Group provides overarching governance in relation to information security, management and compliance, with local responsibility for compliance delegated to service areas, where risks have been identified.

Financial Ethical and Probity (FEP) maintain governance over issues within their remit including Health & Safety where it relates to irregularities.

Performance Management

We are aware that arrangements for Performance and Risk Management are in development; these are monitored by SLT (Senior Leadership Team) and Audit Committee. Until embedded this area remains a risk.

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 Medium Term Financial Plan (MTFP) is monitored by SLT.

Significant 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.

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

- operational support to the Council's Covid-19 response in relation to Business Grant processing;
- changes to the plan to accommodate audit examination and assurance in relation to various Covid-19 grants awarded;
- ongoing engagement in various Transformation programmes and projects, Council Redesign Programme and associated projects; We also continue to provide relevant information and practices from Local Government articles and guidance;
- change in the audit plan to support the external audit requirement for benefit subsidy audit;
- support to the ongoing GDPR project, including development of the Council's Information Asset Register (IAR);
- continued advice, guidance and challenge to the 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; and input to the Information Commissioners Office Audit;
- Data Quality audits as required, to support the Council's Data Security and Protection Toolkit (DSPT) submission.

Place

- review of the Technology Forge system implementation;
- follow up of Port Marine Safety Code compliance audit;
- support to the TOR2/SWISCo transition.

Children's Services

- ongoing engagement in relation to the Liquid Logic implementation;
- assistance in maintaining the impetus in management action plans to address previously identified risks through an annual and robust follow up exercise;
- certification of Troubled Families grants.

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.
- maintained schools' visits delayed until November 2020 as a result of the Covid-19 pandemic with all planned visits to maintained schools now taking place in the second half of the year.

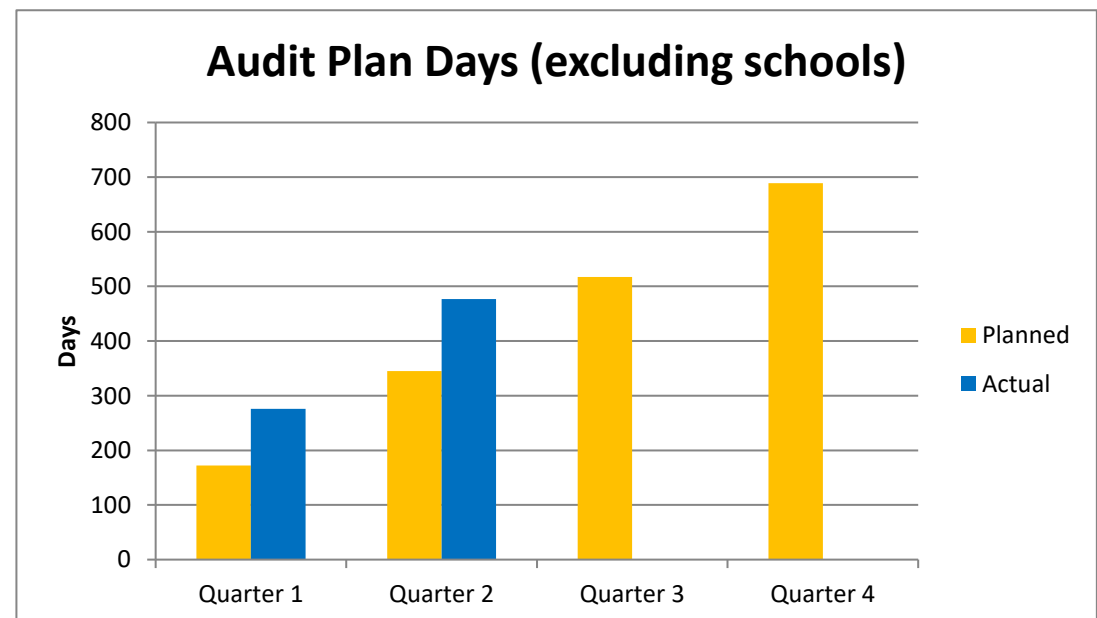
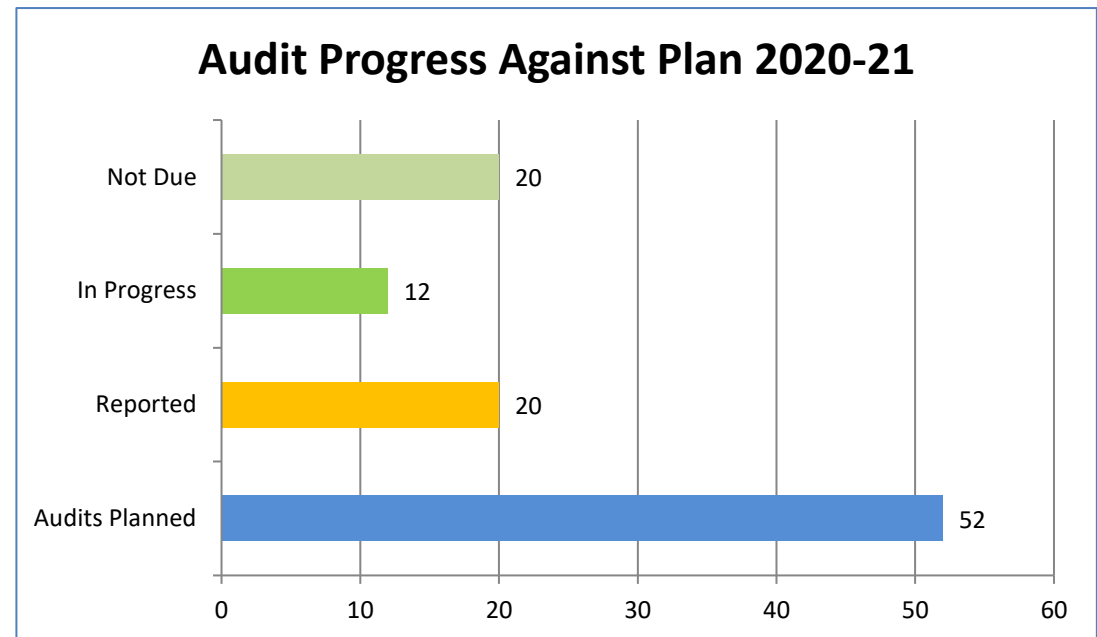
Progress Against Plan

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

There has been a need to change the 2020/21 agreed audit plan due to the Covid-19 pandemic; to accommodate operational involvement in business grants processing to support the Covid-19 response, benefits subsidy testing; and investigative work in relation to irregularities. Some of our work supports projects and hence completion will be in accordance with project timescales.

The bar charts right show the status of audit progress against plan and audit days delivered against target planned. The charts demonstrate that progress is largely in line with expectations, except in relation to audits reported which is due to the changes to the plan, and that the number of audit days delivered is greater than planned. The latter will even up with planned days in Quarters 3 and 4, as a result of the audit team taking their annual leave.



Summary audit results

This report reflects the Council structure prior to the November 2020 change. The annual outturn report will reflect the revised structure.

Place

Due to the impact of Covid-19, we have not been able to complete all the planned work for the first six months of the year, and as such we are unable to provide an update to our assurance opinion. Our **assurance opinion at the end of 2019/20** was one of **'Reasonable Assurance'** and we have planned work in the coming months to enable us to provide an assurance opinion at the end of the financial year.

As noted on page 2 the Place plan has been subject to change.

We have undertaken a follow up exercise of two Audits within Place, the outcomes of which are reported separately. It was pleasing to note that following this we were able to uplift our assurance opinion in relation to the Tor Bay Harbour Authority – Income audit.

Based upon audit work completed in 2020/21 and that undertaken in previous years we can comment that the framework of control remains in operation. We have certified two grants; Local Transport Capital Block Funding, and Local Growth Fund. It was pleasing to note that during finalisation of the Technology Forge Asset and FM implementation review, several recommendations made had already been addressed.

Although our report in relation to Commissioning and Performance Monitoring by the Council of the TDA currently remains in draft, we understand that an action plan will be provided imminently, however this remains a risk until changed practice is embedded.

We have noted that there continues to be irregularities in relation to the Tor Bay Harbour Authority and we remain concerned about the land-based Health and Safety practices.

Public Health

Based on areas audited in previous years, our opinion is one of **'Reasonable Assurance'** on the adequacy and effectiveness of the internal control framework.

There are no audits planned for the 2020-21 year within the Public Health directorate, due to changes to the plan made by the S151 Officer.

Corporate Services and Financial Services

As a result of our audit work completed so far during the 2020/21 year and in previous years, our opinion remains as one of **'Reasonable Assurance'**.

The plan for Corporate Services and Financial Services has been significantly changed on the instruction of the S151 Officer to include the review of business grants payments and undertake benefits subsidy testing. We followed up three audits within this Directorate, the outcomes of which are reported separately.

Based on indications from previous and on-going work, we can report that material systems controls have either been maintained, or improvements are being made to address previously identified weaknesses. Whilst some weaknesses exist, management are aware of these issues, and have either accepted the related risk, or are taking action.

The Transformation Portfolio is critical to the organisation; it is pleasing to note that the Team resource has increased with engagement of additional project management support. Although not specific to Transformation, we are still of the opinion that there is opportunity for the Council to review its position in terms of a broader Portfolio Management perspective across the Council, particularly considering the size and complexity of key projects.

The resource and associated capacity to support both 'business as usual' and the level of Council projects continues to present associated risks.

The Council has a Data Protection Officer and in line with GDPR requirements, continues to develop and maintain the Information Asset Register. We understand that the volume of subject access requests and reported data breaches remain high, and this continues to put significant pressure on the team and their ability to achieve statutory deadlines. We are aware that the Council is currently awaiting outcomes of a recent Information Commissioners Office Audit.

Our earlier work in relation to Information Governance and Data Quality identified areas where improvements are required. However, to date we have not received a complete management action plan

We are aware that new arrangements for Performance and Risk Management are currently in development. Until these are implemented and embedded this area remains a risk.

Children's Services

Due to the impact of Covid-19, we have not been able to complete all the planned work for the first six months of the year, and as such we are unable to provide an update to our assurance opinion. Our **assurance opinion at the end of 2019/20** was one of '**Limited Assurance**' and we aim to be able to provide an assurance opinion at the end of the financial year.

The plan for Children's Services has been changed on the instruction of the S151 Officer. We have undertaken a follow up of a number of audits within the Children's Services directorate and the outcomes are reported separately.

We understand that for the 2020/21 year, Children's Services spend remains within the budget envelope. Significant change is underway through structured change initiatives such as the new system implementation, Children's services Transformation projects, and delivery of associated strategies and plans.

We are very aware of the priorities in Children's Services and always endeavour to work around these, however, there remains opportunity for improvement in relation to audit engagement; the outcomes from which would support Children's Services on their improvement journey.

In relation to risk, we remain concerned about the resource and capacity related to the Liquid Logic implementation project, and capacity to maintain business as usual whilst supporting the significant improvement plans and the extensive inspection regime

Adult Services

The key functions and risks are audited by the NHS Trust Provider, and wider assurance is provided by via Health audit colleagues (Audit South West) who provide a separate letter of assurance.

Based on areas we audited in previous years, our opinion is one of '**Reasonable Assurance**' on the adequacy and effectiveness of the internal control framework.

We undertook a follow up of BCF/iBCF, as reported separately, and were able to improve our assurance opinion.

We recognise that there has been a structure change affecting Adult Services and Corporate Services with effect from November 2020 and our annual outturn report for 2020/21 will reflect this revised structure.

This structure change will result in there being some audits within Community and Customer Services undertaken which will be reported within the overall Adult Services Directorate. However, there are no other Adult Services audits planned for the 2020-21 year, due to changes to the plan made by the S151 Officer.

Schools

Due to the Covid-19 pandemic, no routine internal audit visits were made to the maintained schools in the first seven months of this financial year. Arrangements have been put in place to recommence these visits from November 2020.

The Schools Financial Value Standard is now an established tool for maintained schools and are required to annually submit their self-assessment to their local authority no later than 31st March.

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) liaise with the Corporate Fraud Officer as required; 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. NFI activity on behalf of the Council is now undertaken by the Corporate Fraud Officer.

DAP has continued to undertake daily monitoring and management the Council’s Whistleblowing Inbox. We have provision to interrogate the Council’s email archive system to support investigations, FOI’s and SAR’s. Periodic fraud bulletins are also produced and published on DAP’s website.

Irregularities – During the first six months of 2020/21, Internal Audit have carried out, or assisted in six new irregularity investigations. Analysis of the types of investigation and the number undertaken, and as compared with the total investigations for previous years shows the following:

Issue	20/21 Number Half Year	19/20 Number Whole Year	18/19 Number Whole Year	17/18 Number Whole Year
Poor Procedures	0	4	2	8
Employee / Member Conduct	4	9	9	4
Financial Irregularities	2	1	3	1
Misappropriation of Income	0	0	0	1
IT Misuse	0	0	2	0
Theft	0	0	1	0
Tenders & Contracts	0	1	0	0
Total	6*	15	17	14

**This is less than the 2019/20 year, where we had received 11 referrals at the six-month point, however investigative work continues from matters raised in previous years.*

Summary details as follows: -

Most irregularity investigations (six in number) are as a result of allegations made by whistle blowers, including in relation to Health and Safety. In addition, we have supported Information Governance with the provision of emails in relation to a Local Government and Social Care Ombudsman enquiry

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

We have not been asked to assist with requests under Freedom of Information and Data Protection requirements or the Unacceptable Behaviour Policy during the first six months of 2020-21.

Appendix 1 – Summary of audit reports and findings for 2020/21

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

 - 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.

CORPORATE SERVICES and FINANCIAL SERVICES

Risk Area / Audit Entity	Audit Report		Direction of Travel Assurance
	Assurance opinion	Residual Risk / Audit Comment	
Transformation			
Transformation Portfolio	Status: Ongoing	As requested, we undertake a dual role in both Audit assurance and support to operational delivery in line with programme and project timescales.	N/A
Page 29	Added Value	<p>We continue to provide input to Transformation Programmes and associated projects, providing a Project Assurance role, reporting to respective Boards. We provide formal project assurance and year end outturn reports, and interim review/comment throughout. These provide our opinion on specific areas along with either recommendations or our suggestions on where we feel controls/aspects of the projects could be strengthened.</p> <p>In relation to specific Transformation Programmes and Projects, we have provided the following:</p> <ul style="list-style-type: none"> Children’s Services ICT – we continue to provide a Project Assurance role in relation to the Liquid Logic system implementation; Council Redesign Programme – attendance at and participation in Council Redesign Board along with engagement within associated projects as required; TOR2/SWISCO transition – provision of Project Assurance in relation to the ongoing Project, transitioning TOR2 to SWISCO. Assurance issues are highlighted to Project Board and Project Management; <p>We undertake ongoing horizon scanning through provision of information/articles from Local Government and other relevant publications identifying projects and programmes that may be of interest to Torbay Council.</p> <p>We remain of the opinion that the Council review its position in terms of a broader Portfolio Management perspective integrating other Council projects that fall outside of the Transformation remit. This would provide the organisation with greater clarity on all projects and identify interdependencies, priorities and a method for identifying peaks in resource requirement. Of key ongoing concern is the resource and associated capacity to maintain both business as usual and support the vast number of projects.</p>	

CORPORATE SERVICES and FINANCIAL SERVICES

Risk Area / Audit Entity	Audit Report		Direction of Travel Assurance
	Assurance opinion	Residual Risk / Audit Comment	
IT Audit			
ICT Information Governance (IG) and Data Quality (ANA - High)	<p>Status: Draft Improvements Required</p> <p><i>Draft Report Issued 15/4/2020 Awaiting client response</i></p>	<p>Assurance was reported in last year's annual report; please refer to that for details.</p> <p>We have received responses from the IG team but are awaiting one outstanding response from Human Resource, following which we will pursue responses to two recommendations made to Children's Services within the report.</p>	
Mobile Device Management (ANA – High)	<p>Status: Final Reasonable Assurance</p>	<p>The Council now has an approved 2019-2022 IT Strategy. Mobile devices are an integral part of the strategic direction in terms of mobile and agile working. The mobile device controls have been particularly pertinent with a significant increase in mobile / homeworking in response to the Covid-19 pandemic. During this time, it is pleasing to note the ongoing level of technical support that IT continues to provide. We understand that there is an intention to increase this through video tutorials to maximise user self-help capabilities.</p> <p>It is also pleasing to note that progress has been made against the recommendations previously made in an Advice Note. Mobile device controls have been strengthened and are generally operating well. In particular, the key issue relating to the excessive charges incurred through misuse (accidental or malicious) of mobile network provider data usage is now being addressed through a 'data pool' approach. Devices are recorded, monitored and managed through both a manual inventory and an established Mobile Device Management (MDM) System (MobileIron). The level of control the MDM affords is significant and greatly reduces associated risks. However, not all device specifications are suitable for enrolment on the MDM, and these then require manual management and control. Regardless of device management method, there is significant reliance on service areas providing timely notification to IT of user changes and leavers, which remains an ongoing issue and continues to present associated risks.</p> <p>There are several opportunities to enhance device controls, in particular a review of device provisioning / baseline acceptance criteria to potentially force all devices through MDM control; and a potential for wider integration with other IT inventory systems to provide a single source. There are additional controls at device level and via the mobile device network provider that also minimise risks.</p> <p>It is disappointing to note that Corporately, recovery of costs from employees to replace peripheral items (chargers / leads etc) not returned to IT is still not being progressed by Service Areas, despite clear policy requirement and instruction from SLT. We understand that the cost of replacements is notable.</p>	

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CORPORATE SERVICES and FINANCIAL SERVICES

Risk Area / Audit Entity	Audit Report		Direction of Travel Assurance
	Assurance opinion	Residual Risk / Audit Comment	
ICT Continuity and Disaster Recovery (ANA – High)	<p>Status: Draft</p> <p>Reasonable Assurance</p> <p><i>Draft Report Issued 11/11/2020</i></p> <p><i>A majority of client responses received – awaiting some technical aspects only</i></p>	<p>Generally, we found the IT processes supporting key financial systems to be well operated and managed, especially given the acknowledged historic resource issues and more recently the impact of Covid-19 requiring ICT solutions; the fast and effective response by IT Services enabled continued service provision. It is noted that there has been recent investment in IT Services, although the benefits have been diluted by the necessary Covid-19 ICT response. particularly given the known resource issues within ICT and more recently the impact of the prompt and effective response ICT provided to the Covid measures and required solutions. Without such a response the Council would undoubtedly have struggled to maintain consistent service provision. We do recognise the recent investment the Council has made in ICT and would fully support ongoing investment to ensure resilience and business continuity.</p> <p>Key areas for concern are in relation to resilience, in particular, ICT resource, sole reliance on key officers and the associated need for structured knowledge management. The reliance on a single data centre also presents risks to the Council in terms of business continuity, however we recognise that a fully resilient solution would be cost prohibitive. A more joined up approach to business continuity planning between departments responsible for key financial systems and the IT Services BCP could mitigate the risks associated with the current fragmented approach.</p> <p>Change control is also an area that would benefit from further strengthening. There is a need for a change governance structure and associated management and recording of change.</p> <p>Systems themselves were found to be generally well managed by ICT, both from a network perspective and at database level. Some policy and procedural documents are in place and would benefit from update to ensure they reflect required practice.</p>	<p>A *</p>
Information Governance Steering Group (including GDPR - trusted advisor) (ANA – High)	<p>Status: Ongoing</p> <p>Added Value</p>	<p>The Information Governance Steering Group (IGSG) operates within a defined term of reference, attended by an appropriate cross representation of Council service areas with the Council’s Head of ICT as Senior Information Risk Owner (SIRO) and the Data Protection officer (DPO) / Information Governance Manager as Chair. The group provides a framework within which existing and emerging information security matters are reviewed, evaluated and managed. This now incorporates the ongoing management of the GDPR project.</p> <p>The focus on other responsibilities such as GDPR and Information Governance requests does impact the resource available to undertake certain IGSG tasks, however the governance process is in place, and in our opinion, operates on a risk basis, prioritising the groups work and focus.</p> <p>We continue to provide support to the GDPR project as required where we note that resources and associated capacity continues to present a risk.</p>	<p>N/A</p>


CORPORATE SERVICES and FINANCIAL SERVICES

Risk Area / Audit Entity	Audit Report		Direction of Travel Assurance
	Assurance opinion	Residual Risk / Audit Comment	
	<p>The following audits are not due to commence until the second half of the year:</p> <ul style="list-style-type: none"> • Cyber Essentials (ANA – High) • General Data Protection Regulations (GDPR) – Information Asset Register (ANA – Client Request) • Information Governance – Data Quality and Records Management (ANA – High) 	<p>The following audits have been deferred / cancelled due to the Covid-19 pandemic and at the agreement / request of the s151 officer:</p> <ul style="list-style-type: none"> • ICT Project Management (ANA – High) 	


Key Financial Systems




<p>The following audits are currently in progress:</p> <ul style="list-style-type: none"> • General Ledger & Bank Reconciliation (ANA – Medium) • FIMS System Administrator (ANA – High) • Asset Register (ANA – Medium) • Treasury Management (ANA – Medium) • IBS Open system Administration (ANA – High) • Housing Benefits – Subsidy testing (ANA – High) 	<p>The following audits are not due to commence until the second half of the year:</p> <ul style="list-style-type: none"> • Creditors & POP (ANA – High) • Debtors and Corporate Debt (ANA – High) • Income collection (ANA – Medium) • Payroll (ANA – High) • Benefits and Council Tax Support Scheme (ANA – High) • Council Tax and National Non – Domestic Rates (ANA – Medium)
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Covid-19 Response

Business Grants – Operational Support	Status: Complete Added Value	The Devon Audit Partnership provided operational support to the processing of business grants through the provision of one auditor to work full time for five months in the Exchequer & Benefits team in the role of a business grants processor.	N/A
Business Grants - Pre-Award Advice Note	Status: Complete Added Value	<p>Although processes are still at the development stage, we have reviewed them as far as possible, given current distancing restrictions and the pressure on officers to ensure eligible claimants receive payments quickly at this difficult time, and are pleased to report that we have no significant concerns at this early stage of development.</p> <p>Procedure notes in terms of the Council’s administration of the scheme have yet to be finalised so we have been unable to obtain detailed guidance on all relevant aspects. As a result, we have made a relatively large number of recommendations, though we acknowledge that management may have already considered many of these areas and may already putting additional processes in place.</p>	N/A
Council Tax Reduction Scheme - Post Award Assurance	Status: Final Substantial Assurance	<p>The timescale for implementing the reduction scheme was tight, however despite this the Systems Team undertook appropriate software testing, test reconciliations and reported identified software errors to the supplier.</p> <p>Policies and procedures were defined and communicated by the Systems Team, which we found to be clear and concise.</p>	





CORPORATE SERVICES and FINANCIAL SERVICES

CORPORATE SERVICES and FINANCIAL SERVICES			
Audit Report			
Risk Area / Audit Entity	Assurance opinion	Residual Risk / Audit Comment	Direction of Travel Assurance
		<p>We found that reductions had been accurately applied, albeit with the Systems Team having to account for some software errors, and that the total awards were correctly reconciled.</p> <p>At the time of the audit, the Council spend on the CT Reduction Scheme remained within the grant allocation with plans in place to use the remaining allocation for ongoing automatic system application of the reduction to appropriate claims until the Scheme is ceased.</p>	
The following audits are currently in progress: <ul style="list-style-type: none"> • Business Grants - Post Award Assurance • Discretionary Business Grants - Post Award Assurance 		The following audits are not due to commence until the second half of the year: <ul style="list-style-type: none"> • Test & Trace Support Payments & Discretionary Fund • Local Restrictions Support Grants (Tier 2) • Local Additional Restrictions Support Grants • Local Restrictions Support Grants (Closed) • Local Restrictions Support Grants (Sector) • National Lockdown Support Grants • Wet-Led Pub Christmas Grants 	
Other			
Community Protection – Prevention (ANA – High)	Status: Final Improvements Required	Assurance was reported in last year’s annual report; please refer to that for details.	
The following audits are not due to commence until the second half of the year: <ul style="list-style-type: none"> • Performance and Risk Management (ANA – Medium) 		The following audits have been deferred / cancelled due to the impact of the Covid-19 pandemic and at the agreement / request of the s151 officer: <ul style="list-style-type: none"> • Democratic Services and Member Allowances (ANA - Medium) • Corporate Complaint System (ANA – Medium) • Capital Programme (including new Financial Code and IR35 - Council and Companies) (ANA – Medium, client request) • Health & Safety (ANA – High) • Elections (ANA – Medium) • Emergency Planning and Business Continuity (ANA – Medium) • Legal Services (cross Council use of Legal Advice) (ANA – Medium) 	



PLACE			
Risk Area / Audit Entity	Audit Report		
	Assurance opinion	Residual Risk / Audit Comment	Direction of Travel Assurance
Technology Forge – Asset and FM Implementation Project (ANA – Medium)	Improvements Required Status: Final	<p>It is pleasing to see that the system is now in place and operational. The Project Manager has consistently provided us with information throughout our ongoing review within the Project, demonstrating an excellent level of knowledge.</p> <p>Of key concern is the over reliance on the Project Manager, who is both the Asset Registrar and single user with input access to the Property and Estates modules, and the System Administrator. This results in a lack of contingency for those roles/system functions and creates a lack of segregation of duty.</p> <p>There are some opportunities for improvement in relation to user management, in particular the need for a formal leaver process for users that don't utilise the single-sign-on functionality of the system; and undertaking regular user reviews. It is pleasing to note that during the audit system functionality was expanded to further strengthen password controls. In addition, we have made recommendations in relation to system amendments, primarily the need for stronger pre-input authorisation controls, and greater use of system provided functionality around input validation and mandatory fields where deemed necessary.</p>	
Commissioning and Performance Monitoring by the Council of the TDA (ANA – High) 1809 34	Improvements Required Status: Draft <i>Draft Report Issued 06/05/2020</i> <i>Awaiting client response</i>	<p>Assurance was reported in last year's Annual Report.</p> <p>In summary, we were pleased to report that there is now a Commissioning Agreement that provides an adequate framework for performance management and ensuring value for money for the Council. However, we found a lack of knowledge of it, and the split between Core and Additional Services at an operational level by commissioning officers.</p> <p>We found that the detailed provisions within the Agreement that are determined annually, including the apportionment of the budget across the eleven service categories and banding rates, are not mutually agreed and timely i.e. before the start of the financial year.</p> <p>We also noted that performance measures are not all being actively monitored and the monitoring that is in place is not being adequately evidenced by the Council. There was also a lack a lack of information to support compliance with the governance expectations within the Agreement, and to support compliance with Financial Regulations and Procurement Standing Orders in the Council's related transactions with the TDA.</p>	
Port Marine Safety Code – Follow up of 2019-20 (ANA-Medium)	Compliant Status: Final	<p>Due to the Covid-19 pandemic for the 2020/21 year, we have only undertaken a follow up of the previous findings and recommendations made in relation to 2019/20 without any site visit. Within the remit of the follow up we examined a restricted sample of records and compliance with the requirements of the Port Marine Safety Code in order to evidence the status of previously agreed actions.</p> <p>To the best of our knowledge and belief, having carried out appropriate checks within the remit of the follow up exercise, and considered responses provided to us by relevant Harbour staff, in our opinion the Tor Bay Harbour Authority remains compliant with the Port Marine Safety Code. We continue to have significant concerns in relation to land-based Health and Safety (H&S), however these are outside of the scope of the Code.</p>	

PLACE			
Risk Area / Audit Entity	Audit Report		
	Assurance opinion	Residual Risk / Audit Comment	Direction of Travel Assurance
Grants x 2 <ul style="list-style-type: none"> Local Transport Capital Block Funding Local Growth Fund 	Status: Complete	No issues identified	N/A
The following audits are currently in progress: <ul style="list-style-type: none"> Events (ANA – High) Grant - Bus Subsidy 		The following audits are not due to commence until the second half of the year: <ul style="list-style-type: none"> Governance of the Safety Camera Partnership (ANA – Low, client request) 	
The following audits have been deferred / cancelled due to the Covid-19 pandemic and at the agreement / request of the s151 officer: <ul style="list-style-type: none"> Housing Companies (client role / management) (ANA – Medium) Housing (including joint working of fragmented service) (ANA – Medium) Public Toilets (contract monitoring) (ANA – Low, client request) Beach Services (ANA - Low, client request) Spatial Planning – s106 and CIL (ANA – Medium) 		<ul style="list-style-type: none"> Tor Bay Harbour Authority (ANA – Medium) Tor Bay Harbour Authority – Mooring system (contract management) (ANA - Medium) Asset Management Strategy / Plan (ANA – High) Technology Forge system review (ANA – Medium) 	

CHILDREN'S SERVICES

Risk Area / Audit Entity	Audit Report		
	Assurance opinion	Residual Risk / Audit Comment	Direction of Travel Assurance
Use of Agency staff and control of Safeguarding employee costs (follow up) (ANA – Medium)	Status: Final Good Standard	Assurance was reported in last year's Annual Report. Our report found that the majority of the recommendations made in the previous audit have now been implemented.	
Special Education needs (SEN) / Higher Needs (ANA – Medium)	Status: Final Improvements Required	Assurance was reported in last year's Annual Report. In summary, we found that procedures were in place for SEN officers and clear information published, and that Education and Health Care Needs Assessments were generally being undertaken effectively. Measures put in place since the previous audit regarding the timeliness of additional information received from Health and Social Care are proving effective. However, we found that Educational and Health Care Plans were not always timely (i.e. within 20 weeks) albeit that delays are not significant. Similarly, the annual reviews were not found to be timely due to capacity issues. We understand that measures put in place since September 2019 have significantly improved the situation since our audit.	
Adoption (Client monitoring of the Regional Adoption Agency) (ANA - Medium) 36	Status: Final Improvements required	Assurance was reported in last year's Annual Report. . Actions have either been addressed or planned dates for completion agreed. In summary, we noted that the Regional Adoption Agency (RAA) Partnership Agreement includes details of service delivery expectations, and annual performance monitoring arrangements, however Procurement were not involved in its production. We understand from work on behalf of Devon County Council that these were not being used to drive performance improvement. Clear governance arrangements are in place, and there is a robust protocol for the sharing of information between partners, however other aspects of data protection would benefit from clarification, although we understand that this may be covered by standard legal regulations for all adoption cases with legislation being clear that the retention of files is the responsibility of the child's resident Local Authority. There was no clear guidance for officers in terms of the adoption process, though we understand that an instruction manual was being drafted at the time of the audit. Assessment of adopters was found to be effective and timely, however, we are unable to verify this due to the legal requirements relating to access to adoption case files.	
Early Help – Prevention (linked to the Future Model – Improved Outcomes) (ANA - High)	Status: Draft Good Standard <i>Draft Report Issued 06/05/2020</i>	Assurance was reported in last year's Annual Report. In summary, we noted that Children's Services are engaged in a complex and significant scale of service review and change including the Sufficiency Strategy. Within this, prevention processes / initiatives are being developed and progressed, and we understand that a large proportion of these are statutory.	

CHILDREN'S SERVICES

Risk Area / Audit Entity	Audit Report		
	Assurance opinion	Residual Risk / Audit Comment	Direction of Travel Assurance
		<p>In relation to the statutory Multi-Agency Service Hub (MASH) and the signposting initiative, we recommended engagement with the Council's Redesign Programme, albeit that MASH is statutory.</p> <p>Our wider work on Prevention identified the significant work being undertaken to understand drivers for services, with, in many cases drivers being very closely linked and have recommended considering whether integrated working in relation to prevention would be beneficial.</p>	
Early Education / Nursery Funding (ANA – High)	Status: Final Substantial Assurance	<p>We are pleased to report that the control environment in relation to funding of early years childcare is robust. Information in place for officers, providers and parents is clear and complies with statutory guidance. Sample testing found that payments are made in line with the guidance, and only where eligibility has been properly confirmed and provision is deemed to be of sufficiently high quality.</p> <p>We have only made a small number of minor recommendations for management consideration.</p>	
Admissions and Place Planning (ANA – High)	Status: Final Substantial Assurance	<p>We are pleased to report that the control environment in relation to ensuring the school admissions process is fair, and that places are allocated in line with statutory guidance, is robust. Information available to officers and parents is clear, including the application and appeals process, and arrangements formally agreed with schools after appropriate consultation. Sample testing confirmed that the admissions Code is being adhered to in practice, and an annual report has been produced as required.</p> <p>The approach to school place planning is also robust, and there is a clear and appropriate forecasting methodology in place. Suitable planning areas have been determined, and the accuracy of previous forecasts used to improve the precision of estimates going forwards.</p> <p>We have not made any recommendations for either of the areas covered.</p>	
Troubled Families Grant Claims x 2	Status: complete	1 claim removed from one of the submissions; otherwise, no issues identified	N/A
<p>The following audits are not due to commence until the second half of the year:</p> <ul style="list-style-type: none"> • Sufficiency Strategy Progress (ANA – High) • Special Guardianship Orders – Follow up (ANA – Medium) • Troubled Families Grant Claims x2 (January and March) 		<p>The following audits have been deferred / cancelled due to the impact of the Covid-19 pandemic and at the agreement / request of the s151 officer:</p> <ul style="list-style-type: none"> • Fostering and connected care (ANA – Medium) 	

CHILDREN'S SERVICES

CHILDREN'S SERVICES			
Audit Report			
Risk Area / Audit Entity	Assurance opinion	Residual Risk / Audit Comment	Direction of Travel Assurance
Schools Financial Value Standards (SFVS)	No opinion given	Due to the Covid-19 pandemic, the 2019/20 Schools Financial Value Standard Chief Finance Officer Statement was not required by the Department of Education.	N/A
Maintained Schools audit programme	No opinion given	Due to the Covid-19 pandemic, no routine school audits have been carried in the period April to October 2020. The routine visits recommenced in November, albeit remotely, i.e. by not visiting schools.	N/A
Maintained Schools Summary Data			Assurance Opinion
The key matters arising from the audits are: <ul style="list-style-type: none"> • None • With the recommencement of audits, key issues will be commented upon in the next report. 			No opinion given

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 2019. This is supported through DAP self-assessment of conformance with Public Sector Internal Audit Standards & Local Government Application note.

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.

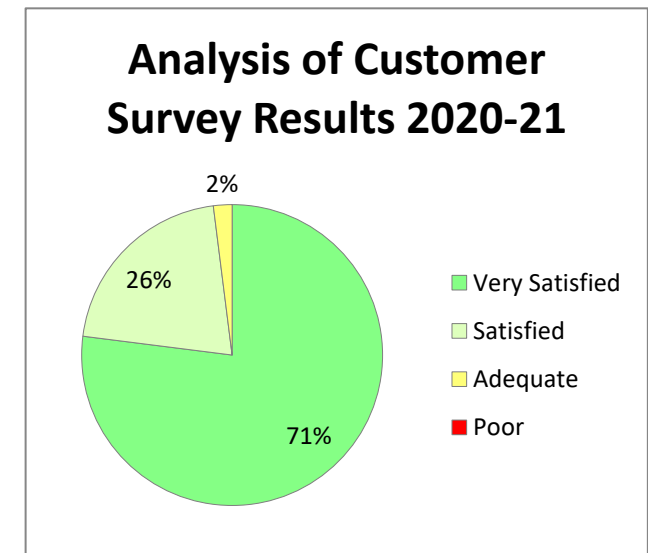
Improvement Programme – DAP maintains a rolling development plan of improvements to the service and customers. All recommendations of the external assessment of PSIAS and quality assurance were included in this development plan and have been completed. This will be further embedded with revision of our internal quality process through peer review. Our development plan is regularly updated, and a status report was reported to the Management Board and Partnership Committee in October 2020.

Performance Indicators

Overall, performance against the indicators has been good with some improvements made on the previous year (see Appendix 6). To note that certain areas of the audit plan relate to project work and will not be complete until the end of the year. As already mentioned on page 4, the plan has changed significantly due to the need to accommodate operational involvement in business grants processing to support the Covid-19 response, benefits subsidy testing and investigative work in relation to irregularities.

Customer Service Excellence (CSE)

In June 2019, 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 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.

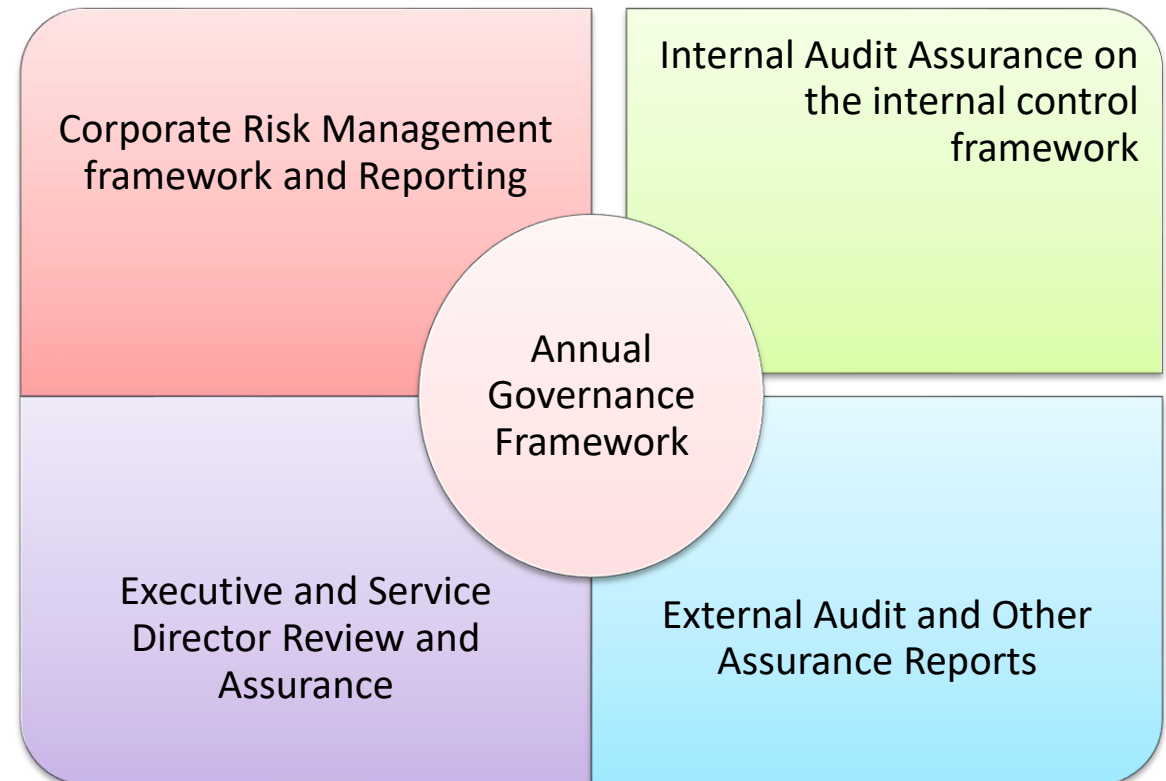
The Annual Governance Statement (AGS) provides assurance that

- 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.

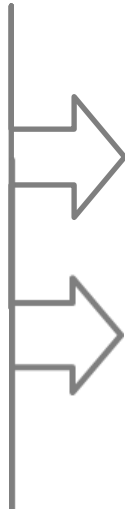
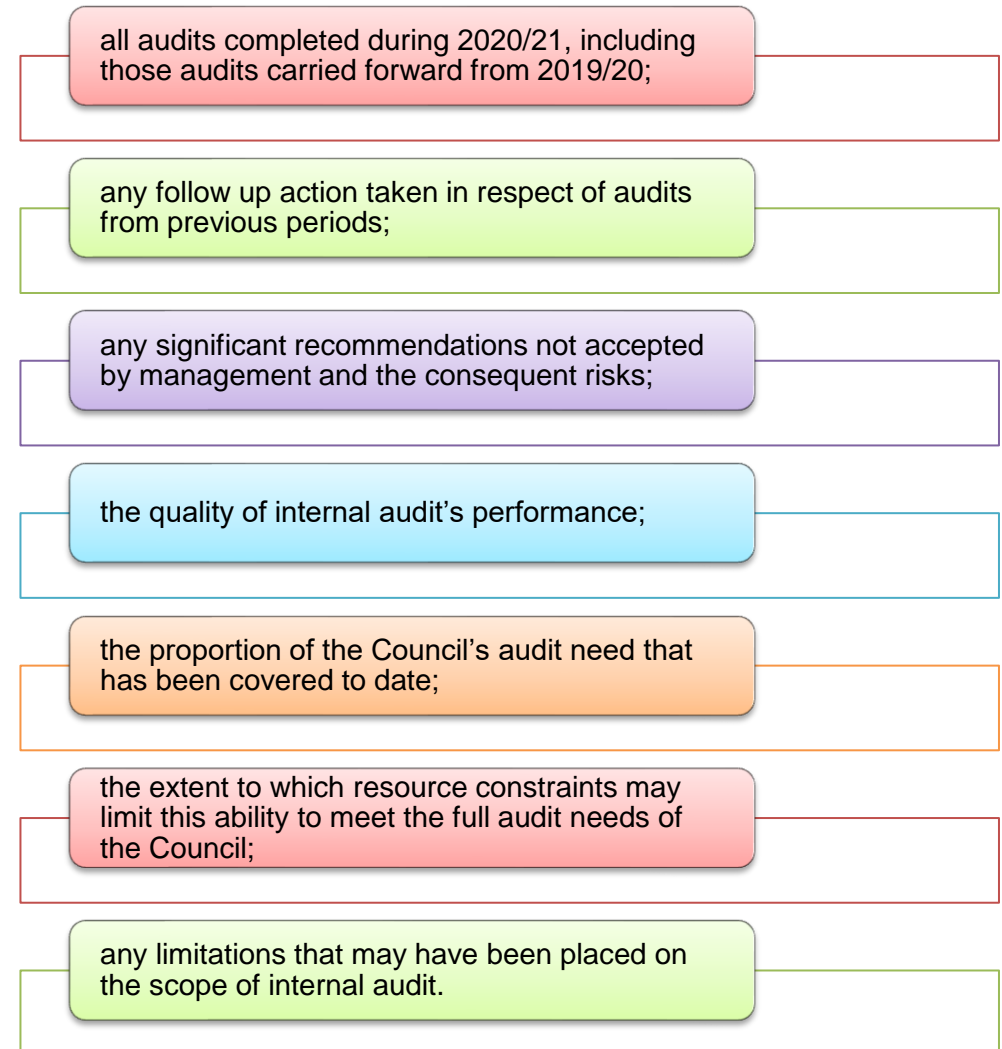
This report compares the work carried out with the work that was planned through risk assessment; presents a summary of the audit work undertaken; includes an opinion on the adequacy and effectiveness of the Authority's internal control environment; and summarises the performance of the Internal Audit 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 audit plans has been notable and any changes 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:

Local Performance Indicator (LPI)	2018/19	2018/19	2019/20	2019/20	2020/21	2020/21
	Target	Actual	Target	Actual	Full Year Target	Six Month Actual
Percentage of Audit plan Commenced (Inc. Schools)	100%	100%	100%	100%	100%	61.2%
Percentage of Audit plan Completed (Inc. Schools)	93%	91%	93%	97%	93%	31.3%
Actual Audit Days as percentage of planned (Inc. Schools)	95%	94%	95%	104%	95%	66.7%
Percentage of fundamental / material systems reviewed annually	100%	100%	100%	100%	100%	On target
Percentage of chargeable time	65%	66%	65%	67%	65%	65.1%
Customer Satisfaction - % satisfied or very satisfied as per feedback forms	90%	97%	90%	99%	90%	98%
Draft Reports produced within target number of days (currently 15 days)	90%	81%	90%	83%	90%	100%
Final reports produced within target number of days (currently 10 days)	90%	100%	90%	99%	90%	100%
Average level of sickness absence (DAP as a whole)	2%	3%	2%	3%	2%	4.9%
Percentage of staff turnover (DAP as a whole)	5%	4%	5%	4%	5%	20%*
Out-turn within budget	Yes	Yes	Yes	Yes	Yes	Yes

DAP 2020/21

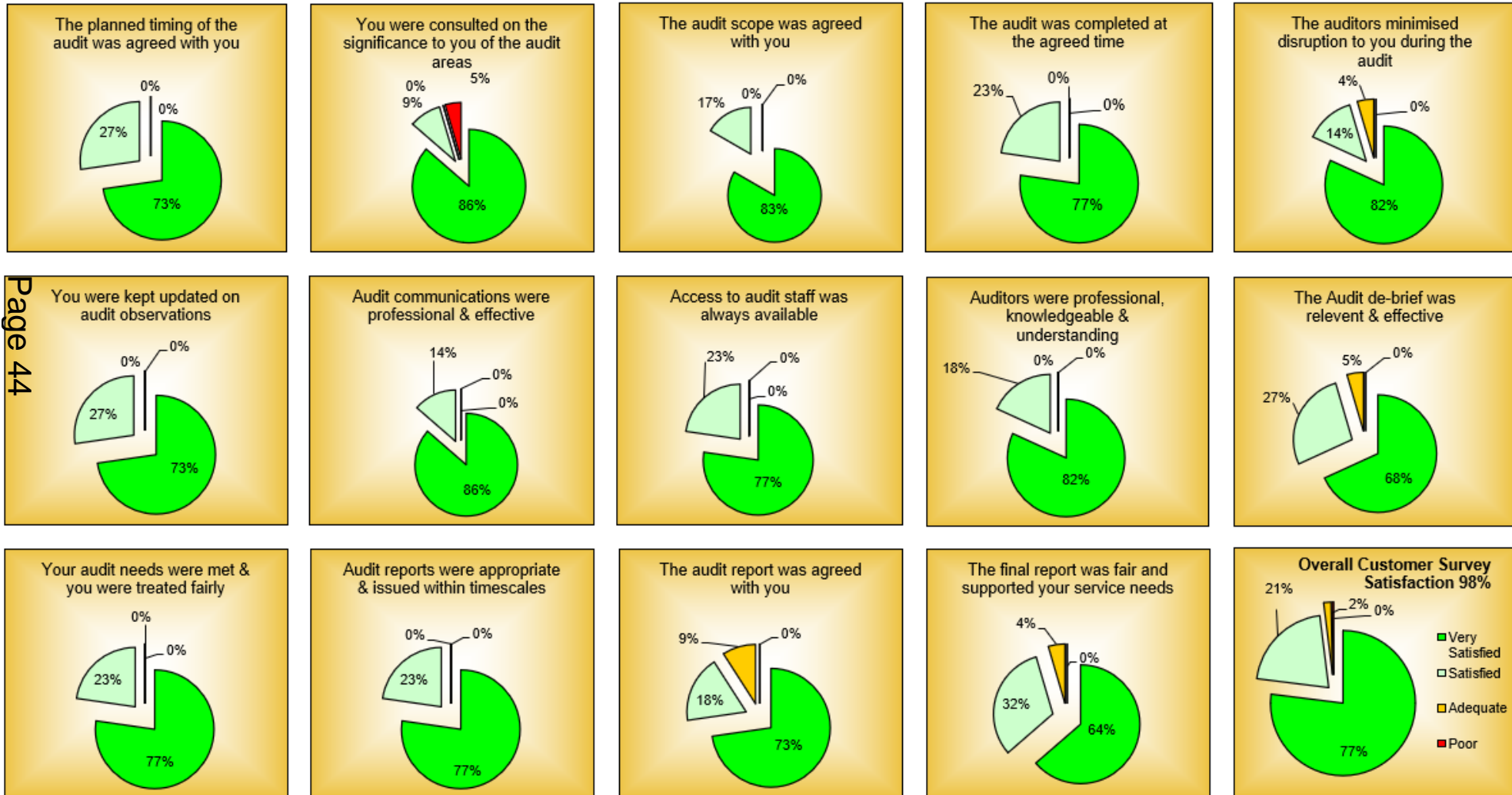
* Turnover – 3 leavers and 3 starters (+ apprentice).

Overall, performance against the indicators has primarily been maintained, the exception to this being 'Percentage of Audit plan completed'; certain areas of the audit plan relate to project work and will not be complete until the end of the year in line with project timescales. It should also be noted that the level of resource required to undertake irregularity investigations has been greater than anticipated which has had an adverse impact on the overall completion of the plan. In addition, operational support in relation to business grants processing, and work in relation to benefits subsidy testing has also adversely impacted completion of the plan. It should also be acknowledged that the figures above include maintained Schools for which audit activity has been delayed until November 2020 due to Covid-19, which therefore also impacts the percentage of the plan completed.

Appendix 7 - Customer Service Excellence

Customer Survey Results April 2020 - October 2020

The charts below show a summary of 22 responses received.



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Devon Audit Partnership	Confidentiality and Disclosure Clause
<p>The Devon Audit Partnership has been formed under a joint committee arrangement comprising of Plymouth, Torbay and Devon councils. 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 robert.hutchins@devonaudit.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>



The Annual Audit Letter for Torbay Council

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Year ended 31 March 2020
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8 January 2020



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2. Audit of the Financial Statements	5
3. Value for Money conclusion	11

Appendices

A Reports issued and fees

Executive Summary

Purpose

Our Annual Audit Letter (Letter) summarises the key findings arising from the work that we have carried out at Torbay Council (the Council) and its subsidiaries, joint ventures and associates (the group) for the year ended 31 March 2020.

This Letter is intended to provide a commentary on the results of our work to the group and external stakeholders, and to highlight issues that we wish to draw to the attention of the public. In preparing this Letter, we have followed the National Audit Office (NAO)'s Code of Audit Practice and Auditor Guidance Note (AGN) 07 – 'Auditor Reporting'. We reported the detailed findings from our audit work to the Council's Audit Committee as those charged with governance in our Audit Findings Report on 23 November 2020.

Outwork

Materiality

We determined materiality for the audit of the group's financial statements to be £5,720,000, which is about 2% of the group's gross cost of services.

Financial Statements opinion

We gave an unqualified opinion on the group's financial statements on 30 November 2020.

We included an emphasis of matter paragraph in our report in respect of the uncertainty over valuations of the Council's land and buildings and investment properties, and the property assets of its pension fund given the Coronavirus pandemic. This does not affect our opinion that the statements give a true and fair view of the Council's financial position and its income and expenditure for the year.

Whole of Government Accounts (WGA)

We completed work on the Council's consolidation return following guidance issued by the NAO.

Use of statutory powers

We did not identify any matters which required us to exercise our additional statutory powers.

Respective responsibilities

We have carried out our audit in accordance with the NAO's Code of Audit Practice, which reflects the requirements of the Local Audit and Accountability Act 2014 (the Act). Our key responsibilities are to:

- give an opinion on the Council and group's financial statements (section two)
- assess the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources (the value for money conclusion) (section three).

In our audit of the Council and group's financial statements, we comply with International Standards on Auditing (UK) (ISAs) and other guidance issued by the NAO.

Executive Summary

Value for Money arrangements	We were satisfied that the Council put in place proper arrangements to ensure economy, efficiency and effectiveness in its use of resources except for in relation to understanding and using appropriate and reliable financial and performance information to support informed decision making and performance management in children's services and for planning, organising and developing the workforce effectively to deliver strategic priorities. We therefore qualified our value for money conclusion in our audit report to the Council on 30 November 2020.
Certificate	We certified that we have completed the audit of the financial statements of Torbay Council in accordance with the requirements of the Code of Audit Practice on 30 November 2020.

Working with the Council

The outbreak of the Covid-19 coronavirus pandemic has had a significant impact on the normal operations of the Council. The Council have been significantly impacted by Covid-19, with front-line challenges, administration of significant volumes of grants to businesses, closure of schools and car parks, and the additional challenges of reopening services under new government guidelines.

The impact on the core finance team has been more limited, with minimal changes to staff sickness rates, and remote working already being part of the normal course of business. The finance team were well set up for remote working and there were no changes in key financial processes that impacted on our approach to the audit. Restrictions for non-essential travel has meant both Council and audit staff have had to work remotely throughout the audit visit, utilising screen-sharing software in order to gain sufficient assurance over the data being provided to the audit team. In addition, alternative procedures (such as the use of photographic evidence for physical verification of assets) have been used where necessary. Inevitably in these circumstances resolving audit queries takes longer than a face to face discussion. Both teams utilised a query log to track and resolve outstanding items. Regular meetings were held with senior finance staff to highlight key outstanding issues and findings to date ensuring that the audit process was as smooth as possible.

We would like to record our appreciation for the assistance and co-operation provided to us during our audit by the Council's staff .

Grant Thornton UK LLP
December 2020

Audit of the Financial Statements

Our audit approach

Materiality

In our audit of the group's financial statements, we use the concept of materiality to determine the nature, timing and extent of our work, and in evaluating the results of our work. We define materiality as the size of the misstatement in the financial statements that would lead a reasonably knowledgeable person to change or influence their economic decisions.

We determined materiality for the audit of the group financial statements to be £5,720,000, which is about 2% of the group's gross cost of services. We determined materiality for the audit of the Council's financial statements to be : £9,634,000, which is about 2% of the Council's gross cost of services. We used this benchmark as, in our view, users of the group and Council's financial statements are most interested in where the group and Council has spent its revenue in the year.

We also set a lower level of specific materiality for senior officer remuneration at £100,00 due to particular public interest

We set a lower threshold of £281,7000, above which we reported errors to the Audit Committee in our Audit Findings Report.

The scope of our audit

Our audit involves obtaining sufficient evidence about the amounts and disclosures in the financial statements to give reasonable assurance that they are free from material misstatement, whether caused by fraud or error. This includes assessing whether:

- the accounting policies are appropriate, have been consistently applied and adequately disclosed;
- the significant accounting estimates made by management are reasonable; and
- the overall presentation of the financial statements gives a true and fair view.

We also read the remainder of the Statement of Accounts to check it is consistent with our understanding of the Council and with the financial statements included in the Statement of Accounts on which we gave our opinion.

We carry out our audit in accordance with ISAs (UK) and the NAO Code of Audit Practice. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach was based on a thorough understanding of the group's business and is risk based.

We identified key risks and set out overleaf the work we performed in response to these risks and the results of this work.

Audit of the Financial Statements

Significant Audit Risks

These are the significant risks which had the greatest impact on our overall strategy and where we focused more of our work.

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
<p>Covid-19</p> <p>The global outbreak of the Covid-19 virus pandemic has led to unprecedented uncertainty for all organisations, requiring urgent business continuity arrangements to be implemented. We expected current circumstances would have an impact on the production and audit of the financial statements for the year ended 31 March 2020, including and not limited to:</p> <ul style="list-style-type: none"> • Remote working arrangements and redeployment of staff to critical front line duties may impact on the quality and timing of the production of the financial statements, and the evidence we can obtain through physical observation; • Volatility of financial and property markets will increase the uncertainty of assumptions applied by management to asset valuation and receivable recovery estimates, and the reliability of evidence we can obtain to corroborate management estimates; • Financial uncertainty will require management to reconsider financial forecasts supporting their going concern assessment and whether material uncertainties for a period of at least 12 months from the anticipated date of approval of the audited financial statements have arisen; and • Disclosures within the financial statements will require significant revision to reflect the unprecedented situation and its impact on the preparation of the financial statements as at 31 March 2020 in accordance with IAS1, particularly in relation to material uncertainties. <p>We therefore identified the global outbreak of the Covid-19 virus as a significant risk, which was one of the most significant assessed risks of material misstatement</p>	<p>We have:</p> <ul style="list-style-type: none"> • worked with management to understand the implications the response to the Covid-19 pandemic has had on the organisation's ability to prepare the financial statements and update financial forecasts, and assessed the implications for our materiality calculations; • liaised with other audit suppliers, regulators and government departments to co-ordinate practical cross sector responses to issues as and when they arose; • evaluated the adequacy of the disclosures in the financial statements that arose in light of the Covid-19 pandemic; • evaluated whether sufficient audit evidence could be obtained in the absence of physical verification of assets through remote technology; • evaluated whether sufficient audit evidence could be obtained to corroborate significant management estimates such as asset valuations, pension fund liability valuations and recovery of receivable balances; and • evaluated management's assumptions that underpin the revised financial forecasts and the impact on management's going concern assessment. 	<p>Our audit work did not identify any significant issues in relation to Covid 19.</p>

Audit of the Financial Statements

Significant Audit Risks - continued

These are the significant risks which had the greatest impact on our overall strategy and where we focused more of our work.

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
<p>Valuation of land and buildings</p> <p>The valuation of land and building is a key accounting estimate which is sensitive to changes in assumptions and market conditions.</p> <p>You revalue your land and buildings on a quinquennial basis to ensure that carrying value is not materially different from fair value. This represents a significant estimate by management in the financial statements.</p> <p>We therefore identified valuation of land and buildings, particularly revaluations and impairments, as a significant risk.</p>	<p>As part of our audit work we have:</p> <ul style="list-style-type: none"> evaluated management's processes and assumptions for the calculation of the estimate, the instructions issued to the valuation experts and the scope of their work; evaluated the competence, capabilities and objectivity of the valuation expert; written to the valuer to confirm the basis on which the valuations were carried out; challenged the information and assumptions used by the valuer to assess completeness and consistency with our understanding; tested, on a sample basis, revaluations of the Council's operational properties and investment properties during the year to ensure they have been input correctly into the Council's asset register and financial statements; evaluated the assumptions made by management for any assets not revalued at 31 March 2020, and how management has satisfied themselves that the carrying value of these assets in the balance sheet is not materially different to their current value 	<p>Our audit work did not identify any significant issues in relation to the valuation of land and buildings.</p>

Audit of the Financial Statements

Significant Audit Risks - continued

These are the significant risks which had the greatest impact on our overall strategy and where we focused more of our work.

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
<p>Valuation of net pension liability</p> <p>The Council's pension fund net liability, as reflected in its balance sheet as the net defined benefit liability, represents a significant estimates in the financial statements.</p> <p>The pension fund net liability is considered a significant estimate due to the size of the numbers involved and the sensitivity of the estimate to changes in key assumptions.</p> <p>We therefore identified valuations of the Authority's pension fund net liability as a significant risk, which was one of the most significant assessed risks of material misstatement.</p>	<p>As part of our audit work we have:</p> <ul style="list-style-type: none"> • updated our understanding of the processes and controls put in place by management to ensure that the Council's pension fund net liability is not materially misstated and evaluated the design of the associated controls; • evaluated the instructions issued by management to their management expert (an actuary) for this estimate and the scope of the actuary's work; • assessed the competence, capabilities and objectivity of the actuary who carried out the Council's pension fund valuation; • assessed the accuracy and completeness of the information provided to the actuary to estimate the liability; • tested the consistency of the pension fund asset and liability and disclosures in the notes to the core financial statements with the actuarial report from the actuary; and • completed procedures to confirm the reasonableness of the actuarial assumptions made by reviewing the report of the consulting actuary (as auditor's expert) and performing any additional procedures suggested within that report. 	<p>Our audit work did not identify any significant issues in relation to the valuation of pension liabilities</p>

Audit of the Financial Statements

Significant Audit Risks - continued

These are the risks which had the greatest impact on our overall strategy and where we focused more of our work.

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
<p>Management override of internal controls</p> <p>Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities.</p> <p>We therefore identified management override of control, in particular journals, management estimates and transactions outside the course of business as a significant risk, which was one of the most significant assessed risks of material misstatement.</p> <p>The main mechanism through which this could occur is through the posting of manual journals amending the reported financial performance. We therefore review the controls established relating to manual journals, including those for authorisation of manual journals.</p>	<p>As part of our audit work we completed;</p> <ul style="list-style-type: none"> • evaluated the design effectiveness of management controls over journals; • analysed the journals listing and determined the criteria for selecting high risk unusual journals; • tested unusual journals recorded during the year and after the draft accounts stage for appropriateness and corroboration; • tested 'top-side' journals between the general ledger and the financial statements for appropriateness and corroboration; • gained an understanding of the accounting estimates and critical judgements applied and made by management and considered their reasonableness with regard to corroborative evidence; • evaluated the rationale for any changes in accounting policies, estimates or significant unusual transactions 	<p>We have noted in during our testing that the s151 Officer has posted various journals around the year end. We tested all journals posted by s151 officer to ensure no management override of control issue. However this is not good practice and increases the risk of management override of controls. We recommend that senior financial reporting personnel should not have the ability to post journal entries, due to increased risk of management override of control. The management has accepted our recommendation.</p>

Audit of the Financial Statements

Audit opinion

We gave an unqualified opinion on the group's financial statements on 30 November 2020.

Preparation of the financial statements

The group presented us with draft financial statements in August in accordance with the agreed timescale, and provided a good set of working papers to support them. The finance team responded promptly and efficiently to our queries during the course of the audit.

Issues arising from the audit of the financial statements

We reported the key issues from our audit to the group's Audit Committee on 30 November 2020.

Annual Governance Statement and Narrative Report

We are also required to review the Council's Annual Governance Statement and Narrative Report. It published them on its website alongside the draft Statement of Accounts within the national deadlines.

Both documents were prepared in line with the CIPFA Code and relevant supporting guidance. We confirmed that both documents were consistent with the financial statements prepared by the Council and with our knowledge of the Council.

Whole of Government Accounts (WGA)

We carried out work in line with instructions provided by the NAO . We issued an assurance statement which confirmed the Council was below the audit threshold.

Certificate of closure of the audit

We certified that we have completed the audit of the financial statements of Torbay Council in accordance with the requirements of the Code of Audit Practice on 30 November 2020.

Value for Money conclusion

Background

We carried out our review in accordance with the NAO Code of Audit Practice, following the guidance issued by the NAO in April 2020 which specified the criterion for auditors to evaluate:

In all significant respects, the audited body takes properly informed decisions and deploys resources to achieve planned and sustainable outcomes for taxpayers and local people.

Key findings

Our first step in carrying out our work was to perform a risk assessment and identify the risks where we concentrated our work.

The risks we identified and the work we performed are set out overleaf.

As part of our Audit Findings report agreed with the Council in November 2020, we agreed recommendations to address our findings.

Overall Value for Money conclusion

We are satisfied that, in all significant respects, except for the matter we identified overleaf, the Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2020.

Value for Money conclusion

Value for Money Risks

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
<p>Budget delivery and savings</p> <p>The Council forecast an overspend of £2.87m in 2019/20, due to budget pressures in Children's Services. While the budget for 2020/21 was based on a balanced budget, the Council needed to identify savings in the region of £11m for 2020/21 and 2021/22 in order to achieve a balanced budget.</p> <p>We reviewed the Council's latest MTRP and the 2019/20 budget, considering the assumptions that underpin the figures within them. We will also review the 2019/20 savings achieved against those originally planned.</p>	<p>We reviewed the Council's latest MTRP and the 2019/20 budget, considering the assumptions that underpin the figures within them. We will also review the 2019/20 savings achieved against those originally planned.</p> <p>From our review of Council papers there is evidence the Council has a robust and well developed budget setting process. This process incorporates an appropriate level of challenge and scrutiny from member committees to ensure budgets are achievable operationally, input from a range of stakeholders to ensure the budget remains relevant and a good level of support from finance to ensure budgets are achievable from a resourcing perspective. Committee papers also demonstrate the Council has been suitably proactive and challenging in how it has monitored ongoing budgets and updated assumptions as new information becomes available to ensure budgets remain appropriate.</p> <p>The Council holds general fund reserves of £4.4m (4.1% of net budget) and other earmarked reserves of £8m. This is relatively low and the funding gap identified pre COVID-19 over the next three years until March 2024 is £16.1m. We also note the recommendation that this reserve is to be reduced to £3m going forward.</p> <p>The impact of Covid-19 on the revenue outturn for 2019/20 was minimal, due to the pandemic only arising within the final few weeks of the financial year. However, the impact on the 2020/21 budget is significant both in respect of increased expenditure and loss of income and may also have a significant impact on the Council's ability to realise planned savings and transformation programmes. The government is providing grants to offset COVID-19 costs and income losses and to date the Council has received £10.4m however as others are finding, there is a gap between central government funding and actual budget shortfalls that cannot be necessarily claimed.</p>	<p>On that basis, we have concluded that the level of savings needed represents a significant challenge for you when the Council's level of reserves are considered but at the present time the risk is sufficiently mitigated. However the Council has very little headroom to cope with any further cost pressures or income reduction and should it need to utilise reserves in 2020/21.</p> <p>The pandemic and associated restrictions caused a significant financial pressure and whilst the Council is projecting that it does not need to utilise reserves in 2020/21 it does highlight how vulnerable the Council's financial sustainability is due to the low level of reserves it can fall back on. The Council already has a timetable for revising its MTRP including the actions it will take to close the £16.1m funding gap. Should it become apparent these actions will not close the gap the Council may need to assess the level of services it is providing and whether alternative strategies are required.</p>

Value for Money conclusion

Value for Money Risks

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
<p>OFSTED inspection of children's services</p> <p>Ofsted report issued in August 2018 rated Children's Services in Torbay as inadequate. There were some signs of improvement following the April 2019 visit but these were described as fragile. The monitoring visit in January 2020 concluded that very recent changes and actions are starting to create a culture of high expectation and an environment in which understanding the child's world is central to all activity and practice.</p> <p>In year the Director of Children's Services was appointed. This appointment follows her interim role as Director of Children's Services. Previously the post was shared with Plymouth City Council.</p>	<p>We have reviewed the progress being made by in addressing the recommendations raised by OFSTED in relation to Children's Services.</p> <p>Your Children's Services were rated as inadequate in January 2016 and you then entered a contractual arrangement with Plymouth City Council, with a Joint Director for Children's Services (DCS) for Torbay Council and Plymouth City Council.</p> <p>Ofsted subsequently completed an inspection visit in July 2018, in which the inadequate rating remained in place. The report concluded that overall, the pace of change has been too slow and some recommendations from the previous inspection are not met. It stated fundamental weaknesses remain in management oversight and supervision and in identification of and response to risk, as well as workforce development and capacity.</p> <p>Subsequently there were monitoring visits in January 2019, April 2019, October 2019 and January 2020.</p> <p>The most recent report and the fourth since the Council was rated inadequate in July 2018 again noted there were positives stating 'the newly appointed interim deputy director has a realistic understanding of the challenges and scale of poor practice and outcomes for vulnerable children in Torbay. Together with managers and social workers, she is taking urgent action to begin to address the long-standing concerns'. However the report concluded that 'it is too soon to evaluate the impact of these changes, but inspectors are encouraged about the scale of the work that has been achieved since their monitoring visit in October 2019'.</p>	<p>The last two visits from Ofsted have indicated a positive direction of travel and we note you have ended the joint arrangement with Plymouth City Council bringing the services back fully 'in house'. However the most recent conclusions are clear that whilst changes are being made that these are not embedded yet and consequently our conclusion is that as in the prior year there is evidence of weaknesses in proper arrangements for understanding and using appropriate and reliable financial and performance information to support informed decision making and performance management, and for planning, organising and developing the workforce effectively to deliver strategic priorities.</p>

Value for Money conclusion

Value for Money Risks

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
<p>Investment arrangements / commercialisation</p> <p>The Investment Strategy has been approved by Full Council and enables the Council to invest £300 million in opportunities and assets, to generate income to reinvest in its services. The Investment Fund has been financed by PWLB borrowing and large commercial property portfolio may expose the Council's investments to volatility, especially in light of Covid-19.</p>	<p>We reviewed the due diligence and scenario planning undertaken by the Council when considering its commercial property investments. We will also review the legal advice obtained by the Council, and the appropriateness of using PWLB borrowing to fund investment activity, considering the Prudential Code and the Council's statutory powers.</p> <p>Our review of arrangements in 2018/19 considered the governance regarding the monitoring and management of the investments and we note these remain unchanged in substance apart from the change in reporting lines during the year following the commencement of the Leader and collective Cabinet decision making model of governance. We note from reviews of minutes there is scrutiny of decision making in relation to the investment portfolio which has become increasingly important due to the increased risks arising from the impact of COVID-19 on property investments. The Council has also included a contingency of £0.5m in the 2021/22 budget for the impact of the economic uncertainty on all Council rental income although at present only one asset has been impacted as a result of COVID-19.</p>	<p>Whilst no issues have been identified that impact on our VFM conclusion we recommend the Council revisits its legal advice to confirm its Strategy has been updated appropriately to comply with relevant legislation. We have not identified any weaknesses in the monitoring or scrutiny of the management of the investment portfolio but the Council should continue to monitor performance against investment parameters set out in the Strategy to ensure the portfolio is delivering the income levels intended and whether there are any changes to circumstances relating to specific assets which might change their risk profile from the assessment made during the original due diligence process.</p>

Value for Money conclusion

Value for Money Risks

Risks identified in our audit plan	How we responded to the risk	Findings and conclusions
<p>Transformation</p> <p>The Council is progressing a number of projects including redesign and commission some of existing services through its Transformation Programme as it seeks alternative methods of service delivery. The need for the Council to consider if it has adequate capacity to support and deliver its transformation programme was raised in our Audit Findings Report for the past 2 years.</p>	<p>We reviewed the arrangements being put in place by the Council for these projects, including whether appropriate advice has been taken. This will include new initiatives such as the Housing Company as well as the work being done by the Council on the TOR2 Ltd, as well as SWISCo, a private limited company wholly owned by, and delivering services on behalf of, Torbay Council, which was launched on 1st July 2020 following the end of TOR2 contract. We also considered whether the restructure and recruitment actions proposed by the Council in response to our 2018/19 recommendation were successful in creating additional capacity. to support the transformation programme.</p>	<p>The Council's approach to transformation has continued into 2019/20 albeit with a re-set and publication of a revised 'Redesign Programme'. We have concluded there remain adequate arrangements in place for managing and monitoring your transformation programme but we recommend there is a particular focus on the changes made in relation to the affordable housing project. As the Council is in the initial stages or developing it affordable housing plans the subsidiaries operations are relatively low risk and we can see there are procedures in place for ensuring the Council's has ultimate approval for decision making. However as other Council's have found, the establishment of these types of arrangements can be risky from both a finance and governance perspective especially if there is poor or insufficient monitoring and scrutiny. The Council therefore needs to ensure it does not lose sight of the importance of ensuring these subsidiaries are operating in line with the objectives of the Council.</p>

A. Reports issued and fees

We confirm below our final reports issued and fees charged for the audit and provision of non-audit services.

Reports issued

Report	Date issued
Audit Plan	29 July 2020
Audit Findings Report	30 November 2020
Annual Audit Letter	8 January 2021

Fees

Page 6	Planned £	Actual fees £	2018/19 fees £
Statutory audit	103,081	103,081	78,581
Additional fee - Covid- 19		15,500	9,000
Total fees	103,081	118,581	87,581

Audit fee variation

As outlined in our audit plan, the 2019-20 scale fee published by PSAA of £103,081 assumes that the scope of the audit does not significantly change. There are a number of areas where the scope of the audit has changed, which has led to additional work. These are set out in the following table.

Fee variations are subject to PSAA approval.

Area	Reason	Fee proposed
Revisiting planning	We have needed to revisit our planning and refresh risk assessments, materiality and testing levels. This has resulted in the identification of a significant risk at the financial statements level in respect of Covid-19 necessitating the issuing of an addendum to our original audit plan as well as additional work on areas such as going concern and disclosures in accordance with IAS1 particularly in respect to material uncertainties.	4,000
Management's assumptions and estimates	There is increased uncertainty over many estimates including property, pension and other investment valuations. Many of these valuations are impacted by the reduction in economic activity and we are required to understand and challenge the assumptions applied by management. There are similar challenges for management and ourselves on areas such as credit loss allowances, financial guarantees, and other provisions. We have include an Emphasis of Matter in the Audit Report in respect of the material uncertainty on property values.	4,000
Financial resilience assessment	we have been required to consider the financial resilience of audited bodies. Our experience to date indicates that Covid-19 has impacted on the financial resilience of all local government bodies. This has increased the amount of work that we need to undertake on the sustainable resource deployment element of the VFM criteria necessitating enhanced and more detailed reporting in our ISA260.	4,000
Remote working	the most significant impact in terms of delivery is the move to remote working. We, as other auditors, have experienced delays and inefficiencies as a result of remote working, including the delays in receiving accounts, quality of working papers, and delays in responses. These are understandable and arise from the availability of the relevant information and/or the availability of key staff (due to shielding or other additional Covid-19 related demands). In many instances the delays are caused by our inability to sit with an officer to discuss a query or working paper. Gaining an understanding via Teams or phone is more time-consuming.	3,500
Total		15,500

A. Reports issued and fees continued

Fees for non-audit services

Service	Fees £
Audit related services	
- Certification of 2019/20 Housing benefits grant	£13,250*
- Teacher's Pension	£5,000
Non-Audit related services	1,500
Harbour authority audit	

*This fee is the 2019/20 core price, which should only be used indicatively for the upcoming 19/20 fees. It does not include the cost of any additional '40+' work.

Non- audit services

- For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the group. The table above summarises all non-audit services which were identified.
- We have considered whether non-audit services might be perceived as a threat to our independence as the group's auditor and have ensured that appropriate safeguards are put in place.

The above non-audit services are consistent with the group's policy on the allotment of non-audit work to your auditor.



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Meeting: Audit Committee

Date: 20 January 2021

Wards Affected: All

Report Title: Oversight of Investigations

Cabinet Member Contact Details: Councillor Christine Carter,
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Director/Assistant Director Contact Details: Anne-Marie Bond, Interim Chief
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1. Purpose of Report

- 1.1 The purpose of this report is to provide a high level summary of the number of HR investigations and Whistleblow investigations in the year 2020-21.
- 1.2 Exempt Appendix 1, sets out such an overview.

2. Reason for Proposal and its benefits

- 2.1 To provide a greater level of detail to Audit Committee.

3. Recommendation(s) / Proposed Decision

- (i) That Audit Committee note the contents of Exempt Appendix 1, and give consideration to any further information or action that they require.

Appendices

Appendix 1: Overview of HR Investigations and WB Investigations

Document is Restricted