

Internal Audit

Annual Audit Report 2023-24

Torbay Council Audit Committee

May 2024

Official



Tony Rose
Head of Devon Audit Partnership

Jo McCormick
Deputy Head of Devon Audit Partnership

Lynda Sharp-Woods
Audit Manager



Support, Assurance and Innovation

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 2023-24 was presented and approved by the Audit Committee in March 2023.

The following report and appendices set out the background to audit service provision; any updates to the agreed plan; a review of work undertaken in 2023-24 and provides our opinion on the overall adequacy and effectiveness of the Authority's Internal Control Environment.

The Public Sector Internal Audit Standards require the Head of Internal Audit to provide an annual report providing an opinion that can be used by the organisation to inform its governance statement. This progress report provides a summary of work completed to date that will help inform the annual assurance opinion.

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

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

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Overall Opinion Statement

Based on work performed to date during 2023-24, our experience from previous years, the outcome of the Annual Follow Up exercise and the findings of the Assurance Mapping exercise, the Head of Internal Audit’s Opinion on the adequacy and effectiveness of the Authority’s internal control framework is one of “Reasonable Assurance”.

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

This opinion statement provides Members with an indication of the direction of travel for their consideration for the Annual Governance Statement (see appendix 4).

Assurance over arrangements for adult social care is mainly provided by colleagues at Audit South West, the Internal Audit provider for Health Services. They provide a letter and statement of assurance to the Council which is separately shared with Audit Committee.

The Authority’s internal Audit plan included specific assurance, risk, governance, and value-added reviews which, together with prior years audit work and assurance mapping activity, provided a framework and background within which we assessed the control environment.

The reviews in 2023-24 have informed the Head of Internal Audit’s Opinion. If significant weaknesses have been identified, these will need to be considered by the Authority in preparing its Annual Governance Statement as part of the 2023-24 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:

<h3>Internal Control Framework</h3> <p>The control environment comprises the Council’s policies, procedures and operational systems and processes in place to establish and monitor the achievement of the Council’s objectives; facilitate policy and decision making; ensure economical, effective, and efficient use of resources, compliance with established policy, procedure, law, and regulation; and safeguard the Council’s assets and interests from losses of all kinds. Core financial and administrative systems were reviewed by Internal Audit.</p> <p>The Council’s overall internal control framework is considered to have operated effectively during the year. Where internal audit work has highlighted instances of non or part compliance, none are understood to have had a material impact on the Authority’s affairs.</p>		
<h3>Risk Management</h3> <p>We are aware that Risk Management (RM) has significantly developed within the Performance and Risk Framework with a new risk process in place, including the use of SPAR.net.</p> <p>We have provided an opinion of reasonable assurance for Risk Management (see page 3).</p> <p>We maintain involvement through DAP’s Risk Management arm when support is requested.</p> <p>Performance and RM continues to be reported to Senior Leadership Team (SLT), Audit Committee and Overview and Scrutiny. As reported to July 2023 Audit Committee, Directors are embedding risk conversations into meetings.</p>	<h3>Governance Arrangements</h3> <p>Arrangements are generally reviewed within our Project Assurance provision.</p> <p>The Information Governance Steering Group provides overarching governance in relation to information security, cyber governance, management, and compliance.</p> <p>Finance, Ethics and Probity (FEP) maintain governance over issues within their remit.</p> <p>We provide all our Internal Reports for consideration within the Annual Governance Reporting process. Some reports provide assurance regarding governance responsibilities such as IG and Data Quality, Subject Access Request, Safety Valve and Commissioning audits (see page 3).</p>	<h3>Performance Management</h3> <p>As detailed under Risk Management, the Performance Framework has seen significant development. The 2023-24 audit of Performance Management was deferred pending further development and embedding.</p> <p>Irregularity and whistleblowing complaints, alongside the work of the Corporate Fraud Officer are also reported to Audit Committee.</p> <p>Budget performance is monitored by SLT and full Council.</p> <p>Children’s Services Sufficiency Strategy and Medium-Term Financial Plan (MTFP) are monitored by SLT.</p>

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

Summary Assurance Opinions

Service Area Overview of Audit Coverage				
Corporate and Financial Services	Pride in Place	Children's Services	Adult Services including Community and Customer Services	Public Health
<p>ICT Key Financial Systems</p> <p>Registrars</p> <p>Apprenticeship Levy Follow Up</p> <p>Key Financial Systems: Asset Register; Treasury Management; General Ledger and Bank Reconciliation; Income Collection; Payroll; Benefits and Council Tax Support Scheme; IBS Open Systems; Creditors and POP.</p> <p>Working Age Council Tax Reduction Implementation</p> <p>Risk Management</p>	<p>Green Waste Collection Scheme Commissioning</p> <p>Torbay Harbour Authority Income</p> <p>Asset Management / TF System Follow Up</p> <p>Parking Follow Up</p> <p>S106 and Community Infrastructure Levy (CIL)</p> <p>SWISCo Commissioning (client role / management)</p> <p>Climate Change</p> <p>Public Toilets Contract Monitoring Follow Up</p> <p>Torbay Harbour Authority IT Sys Admin and Security Follow Up</p>	<p>Schools Financial Value Standards (SFVS)</p> <p>Maintained Schools Audit Programme</p> <p>Virtual Schools Follow Up</p> <p>Fostering and Connected Carers</p> <p>Youth Trust Transition Project</p> <p>Supporting Families Grants (Q1 and Q2)</p> <p>School Condition Allocation Grant</p> <p>Basic Need Funding Grant</p> <p>Safety Valve Recovery Plan Progress</p>	<p>Cost of Temporary Accommodation across services in Torbay</p> <p>Service Delivery Interdependencies (cross Directorate - Adults; Children's; Public Health)</p>	<p>Healthy Behaviours Service - Procurement of the Service</p> <p>(Note. originally this was Mental Health Commissioning and Performance Management, with the audit topic changed to Health Behaviours at the request of the client)</p>
<p>Health and Safety</p> <p>Coroners Follow Up</p> <p>Information Governance and Data Quality (CCTV)</p> <p>IT Asset Management</p> <p>IT User Management</p> <p>Subject Access Request Processes</p> <p>Key Financial Systems: Debtors & Corporate Debt; FIMS System Admin; Treasury Management (Group Company Loans); Council Tax and NNDR; Civica W2.</p>	<p>Bus Subsidy Grant</p> <p>Local Transport Capital Block Grant</p> <p>Local Growth Fund (Torquay Gateway) Grant</p> <p>TDA Insourcing Project</p> <p>Local Growth Fund (Torbay Business Centre) Grant</p> <p>Biodiversity Net Gain Grant</p>			
<p>Operational Counter Fraud resource</p> <p>Operational secondment to energy grant processing</p> <p>Business Improvement and Change</p> <p>Tax Compliance Project Group</p> <p>IG Steering Group</p> <p>HB Subsidy Additional 40+ Testing</p> <p>HB Subsidy (Work Ongoing)</p> <p>Assurance Mapping Phase 2</p> <p>IT Service Review</p> <p>National Fraud Initiative (NFI) Payroll Matches</p>				

Key: **Green** = Substantial or Reasonable

Amber = Limited

Red = No Assurance

Blue = Opportunity or Value Added

Assurance Map

This is the summary of the completed Phase 1 and Phase 2 of the assurance mapping exercise. At Phase 1 stage a full version of the map was provided to Audit Committee as part of Internal Audit reporting. The fully completed assurance map (Phase 1 and 2) has been summarised by considering the proportions of RAG ratings and the significance of the related line of defence categories.

The first, third, regulator and external audit lines of defence are based on the services' own assessment of their area. The second line of defence is determined by the Council's second line service areas.

The assurance mapping exercise was welcomed by the Senior Leadership Team, who have established a framework within which the map will be maintained going forward.

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

- An Assurance Map brings an organisations risk appetite to life. At the same time as highlighting assurance gaps, it also shows where there is duplication or too much assurance. It is a simple way of aligning assurance resource, risk, and internal control.
- It improves awareness of the control environment by looking across the organisation rather than at individual reports which can lead to siloed thinking.
- It drives positive behaviours by enabling robust discussions about risk, educating on the value of assurance and aiding collaboration between functions.
- Collectively, the assurance community of an organisation often has a more powerful voice when it works together; an assurance map is a practical platform benefiting all parties.

Torbay Council - Assurance Map Summary



Directorate	Director	Business Operation - 1st line Identifying risks and improvement actions. Implementing controls. Reporting on progress. Management assurance														Financial, Corporate and Governance - 2nd line Assurance oversight, management and financial policies, setting direction, risk management, ensuring compliance.											Independent Assurance - 3rd line Independent challenge & audit. Reporting on assurance. Audit of assurance providers. Entity level assurance.							Regulators Legal, Government other inspection and compliance review		External audit
		Internal Control Measures							Management controls																									Summary of Regulators		
		1	2	3	4	5	6	7	1	2	3	4	5	6	7	8	1	2	3	4	5	6	7	8	9	10	11	1	2	3	4	5	6	7		
Corporate Services	Matthew Fairclough-Kay	G	G	G	G	G	G	G	G	G	G	A	G	A	G	G	G	A	A	G	G	G	G	A	G	N/A	G	A	G	G	G	Reasonable	G	G		
Children's Services - Safeguarding	Nancy Meehan	G	G	G	G	G	G	G	G	G	G	A	G	G	G	G	A	A	A	A	A	G	G	G	N/A	G	N/A	G	G	G	G	G	Reasonable	G	N/A	
Children's Services - Education, Learning and Skills	Nancy Meehan	G	A	G	G	G	G	G	G	G	G	A	A	G	G	A	G	G	A	A	A	G	G	G	G	A	G	N/A	N/A	G	G	G	N/A	Reasonable	G	G
Adults Services	Joanna Williams	G	A	G	G	G	G	G	G	G	G	G	G	G	A	A	A	A	A	A	R	G	G	G	G	N/A	G	N/A	N/A	N/A	G	A	N/A	Limited	A	N/A
Community and Customer Services	Joanna Williams	G	G	G	G	G	G	G	G	G	G	G	G	G	A	G	A	A	G	A	G	G	G	G	A	G	N/A	G	G	G	G	G	Limited	G	G	
Public Health (most are commissioned services)	Lincoln Sargeant	G	G	G	G	G	G	G	G	G	G	G	G	G	A	G	G	G	A	G	G	G	G	G	N/A	G	N/A	A	N/A	A	N/A	N/A	Reasonable	G	N/A	
Pride in Place - Maritime and Coastal Services	Alan Denby	G	A	G	G	G	G	A	A	G	A	G	G	G	G	G	G	A	A	G	G	G	G	N/A	A	N/A	N/A	N/A	N/A	N/A	N/A	Limited	G	N/A		
Pride in Place - Wholly Owned Companies	Alan Denby															G	A	R	A	A	G	A	A	G	A	A							Limited	N/A	N/A	
Pride in Place - Economy, Environment, and Infrastructure	Alan Denby	G	G	G	G	G	G	A	G	G	A	A	G	A	A	G	A	R	A	G	G	G	G	N/A	A	N/A	N/A	G	N/A	N/A	N/A	Limited	G	N/A		
Pride in Place - Planning, Housing, and Climate Emergency	Alan Denby	A	A	G	G	G	G	A	G	G	A	A	A	G	G	G	G	A	A	G	G	G	G	G	R	G	N/A	N/A	A	A	A	Limited	A	N/A		
Finance	Malcolm Coe	G	G	G	G	G	G	A	G	A	A	A	A	A	G	G	G	A	G	G	G	G	G	N/A	A	N/A	N/A	G	G	G	N/A	Reasonable	G	G		

To fit the Assurance Map into the summary above we have removed column headings and replaced them with reference numbers. For the purposes of cross reference, a list of column headings against the substitute numbers has been defined.

The following table sets out the details of the column headings linked to the reference numbers in the summary above.

Original Column Headings from the Full Assurance Map			
First Line - Internal Control Measures	1. IT Systems: Administration Access Standing Data Updates 2. Data Quality: Input/Output/Accounting/Arithmetic 3. Fraud: Prevention/Detection 4. Authorisation 5. Supervisory 6. QA Activities 7. Separation of Duties	First Line - Management Controls	1. Governance: Strategies, business plans, policies, procedures 2. Governance: Organisations structure, reporting lines, delegated responsibilities 3. Monitoring: Management information 4. Personnel: Staffing levels, competencies, training, performance 5. Resilience: Business Continuity Plans and testing 6. Risk Registers 7. Performance: Measures, indicators, benchmarking 8. Supply chain: Third party, partner resilience, contracts
Second Line	1. Financial Services 2. Legal Services 3. Counter Fraud 4. Health and Safety 5. Emergency Planning 6. Information Governance 7. IT Security 8. Strategy and Policy Development 9. Committee Oversight 10. Project Boards 11. Risk Management	Third Line	1. Accreditation: e.g., ISO9001/27001 2. Compliance: Security, resilience, quality 3. ICT: Pen testing, resilience, compliance 4. Peer/Strategic Partner Reviews 5. Consultant Reviews 6. Other third-party reviews 7. Internal Audit

Value Added

We know that it is important that the internal audit service seeks to "add value" whenever it can. We believe internal audit activity can add value to the organisation and its stakeholders by:

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

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

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

Annual Follow Up Activity

As part of adding value, we have completed follow up reviews to provide updated assurance to Officers and Members. This follow up activity is 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.

We reviewed seven audits previously reported as Limited Assurance; these were: AMS and Tech Forge; Apprenticeship Levy; Coroners; Parking; Public Toilets (Contract Monitoring); Tor Bay Harbour Authority IT Systems; and Virtual School.

The outcomes are shown in the table at page 3. Five audits remain as Limited Assurance and two have been uplifted to Reasonable Assurance; these are Apprenticeship Levy and Virtual School.

Although not part of the annual follow up activity, the Debtors and Corporate Debt audit was a follow up of 2022-23 work. The outcomes of this were separately reported to Audit Committee in December 2023.

Corporate Services and Financial Services

- Ongoing engagement in Business Improvement and Change programmes and projects (primarily Council Redesign Programme).
- Provision of Local Government articles and guidance.
- Attendance at and support to Finance, Ethics and Probity Group.
- Attendance at and support to the Council's Information Governance Steering Group and the Council's Tax Compliance project group.

- Support to the Council's Data Protection Officer in the provision of Freedom of Information (FOI) and Subject Access Request (SAR) data.
- Completion of additional prior year Housing Benefits subsidy testing.
- Advice regarding the Housing Benefit overpayment recovery process.
- ICT horizon scanning, including Cyber defences, Artificial Intelligence, and updates to National Cyber Security Centre (NCSC) guidance.
- Advice regarding the use of the Westcountry Savings and Loans, and Wagestream product.
- Phase 2 Assurance Mapping to support the annual governance statement and risk management development.
- Quarterly meetings with the Counter Fraud Officer.
- Support to the Working Age Council Tax Reduction project.
- Support to the Customer Services review project.
- Engagement in the Transforming Procurement project.
- Engagement in the Payroll System implementation project.
- Support to the IT Service review.
- Secondment to support energy grant processing.
- Resource for Counter Fraud investigation.
- Support to the NFI Payroll matches review.

Pride in Place

- Support to the TDA project.
- In addition to the planned grant work, inclusion of the Local Growth Fund Grant (Torquay Gateway and Torbay Business Centre) certifications.
- Support to S106 and CIL governance arrangements in collaboration with Pride in Place and Finance following completion of the audit.

Children's Services

- Engagement with the Liquid Logic project post go-live.
- Certification of Supporting Families grants.
- Support and provision of information in relation to the Torbay Youth Trust transition project.

Schools

- The SFVS Dedicated Schools Grant Chief Finance Office assurance statement submitted to the Department for Education.
- Ongoing delivery of the maintained schools plan.

Audit Coverage and performance against plan

The pie charts right show the breakdown of the audit days planned by service area / type of audit support provided. The balance of work has varied slightly during the year as can be seen from comparison with the second chart.

The plan was revised to accommodate the assurance mapping exercise. Responsibility for the Health and Safety function moved from Community and Customer Services to Corporate Services as reflected in the second chart.

The Key Financial Systems (KFS) work shown in the second chart includes completion of 2022-23 work; all KFS audits for 2023-24 have been completed in year. The Benefits Subsidy work remains ongoing, and work continues in the 2024-25 year. The 'Other Chargeable' time incorporates development of the collaborative 2024-25 audit plan preparation approach.

The Summary Assurance Opinions table on page 3 provides details of the audits undertaken in 2023-24. Where a 'Substantial' or 'Reasonable' standard of audit opinion has been provided we can confirm that overall, sound controls are in place to mitigate exposure to risks identified.

Appendix 1 to this report provides a summary of the Limited Assurance audits undertaken during 2023-24.

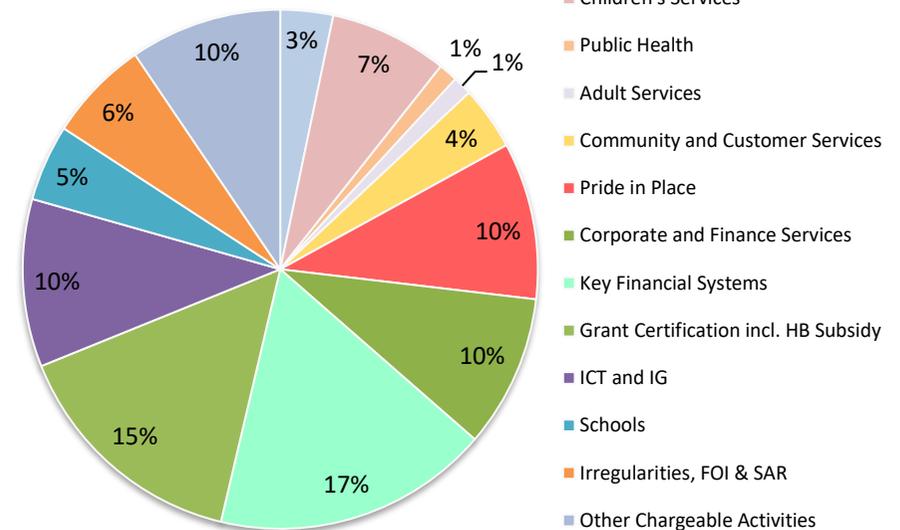
Where an opinion of "Limited assurance" has been provided then issues were identified during the audit process that required attention.

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

When we prepare our plans, we assess the number of days that an audit is likely to take. When the fieldwork is completed, there is inevitably a variance from the planned days. In addition, we provide an allowance for work on areas such as irregularities and in some years the requirement will exceed the planned budget, in others the need for our resource will be less than planned.

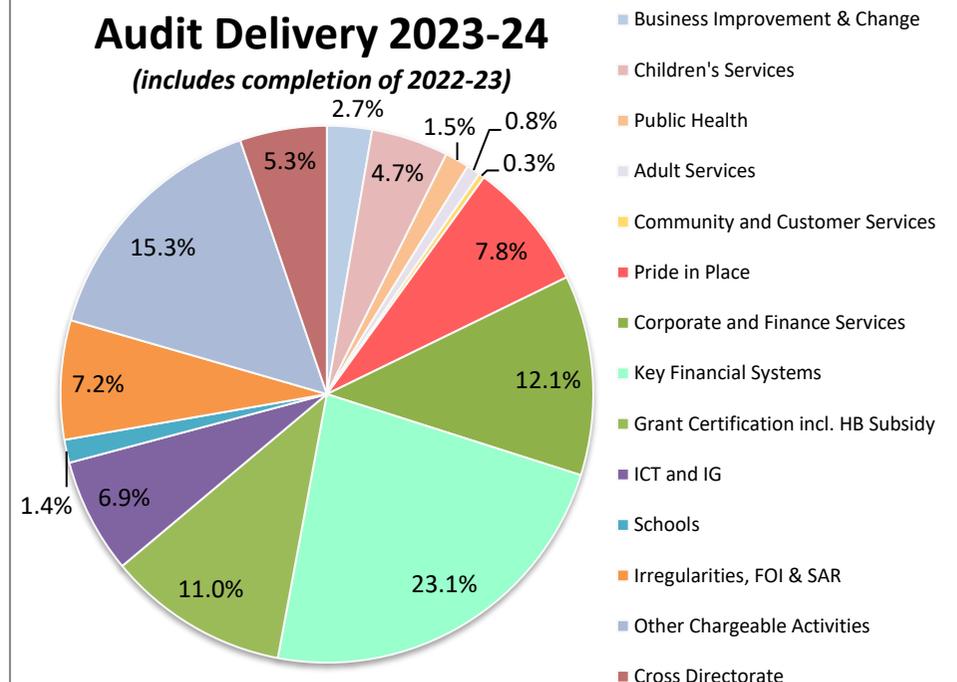
It should also be noted that some audits required a richer mix of staff resource due to the complexity / sensitivity of the area under review.

Audit Plan 2023-24



Audit Delivery 2023-24

(includes completion of 2022-23)



Irregularities Prevention and Detection

Counter-fraud arrangements are a high priority for the Council and assist in the protection of public funds and accountability. The Chartered Institute of Public Finance and Accountancy (CIPFA) code of practice [Code of practice on managing the risk of fraud and corruption | CIPFA](#) states that "Leaders of public sector organisations have a responsibility to embed effective standards for countering fraud and corruption in their organisations. This supports good governance and demonstrates effective financial stewardship and strong public financial management". Assessments state that there is an epidemic of fraud cases. Fraud now accounts for 40% of all crimes; it is anticipated that this will further increase by 25% in the coming years ([see Fraud and the Justice System](#)). The government has responded with formation of the Public Sector Fraud Authority. It is important that councils have effective measures to reduce the risk and impact of fraud. Management can refer any suspected issues to the Corporate Fraud Officer, Internal Audit or the Finance, Ethics & Probity (FEP) Group.

Devon Audit Partnership (DAP) regularly liaise with the Corporate Counter Fraud Officer; the key outcomes of this role are the identification and investigation of external frauds and integration of fraud related aspects into our audit work. In relation to the Council's Counter Fraud investigations, DAP are providing operational counter fraud investigative resource to support capacity in the Council's Counter Fraud team. We have also supported the review of the Council's Whistleblowing Policy.

The Cabinet Office now run the national data matching exercise (National Fraud Initiative – NFI) every two years. NFI activity on behalf of the Council is now undertaken by the Corporate Fraud Officer, with Internal Audit providing support in relation to Payroll matches.

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

Irregularities – During 2023/24, Internal Audit have carried out or assisted in **13** new irregularity investigations. Analysis below:

Issue Classification *	2023/24 Number (whole year)	2022/23 Number (whole year)	2021/22 Number (whole year)	2020/21 Number (whole year)
Poor Procedures	4	11	2	0
Employee / Member Conduct	7	1	7	9
Financial Irregularities	0	0	2	4
IT Misuse	0	1	1	0
Tenders & Contracts	1	0	2	2
Support to IG and HR Investigations	1	2	4	N/A
Total	13	15	18	15

* The 'Issue classification' title relates to the allegation made and may not be reflective of the investigation outcomes, which are summarised below:

- Support to IG and HR investigations - This work is limited to provision of emails from the archive solution, and we have no further involvement.
- Poor Procedures – Of the four matters raised, one has been concluded and reported to Overview & Scrutiny Board; and three remain ongoing.
- Employee / Member Conduct – Of the seven matters, four were found to be unsubstantiated, and three have investigation work ongoing.
- Tenders and Contracts – this was found to be substantiated in part and reported to Audit Committee and processes strengthened.

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

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

We assisted with **four** requests under Freedom of Information and Data Protection requirements or the Unacceptable Behaviour Policy in 2023-24.

Appendix 1 – Summary of Limited Assurance audit reports and findings for 2023/24

Risk Assessment Key

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

Direction of Travel Assurance Key

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

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

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

CORPORATE SERVICES and FINANCIAL SERVICES			
Risk Area / Audit Entity	Audit Report		
	Assurance opinion	Residual Risk / Audit Comment	Direction of Travel Assurance
ICT and Information Governance			
IT Asset Management - deep dive (ANA – High)	Status: Final Limited Assurance	IT asset management (also known as ITAM) is the process of ensuring that all IT assets are accounted for, deployed, maintained, upgraded, and disposed of securely. Our work identified that there is a knowledgeable team in place to direct the ITAM function and that new processes are being developed to enhance the process. As an example, the PC Support Team are now creating Device Damage Reports which are attached to non-repairable asset records, providing insight on why assets have been withdrawn. However, overall, the control framework needs to be strengthened and the significant findings are summarised below. <ul style="list-style-type: none"> - There is no single inventory of ICT assets used in the organisation. - There is no defined role with overall responsibility for maintaining all IT assets throughout the organisation. - Device discovery tools are not used to identify assets that have not connected to the TC network within a defined period of time. - The asset inventory contains inaccuracies, including IT not being aware of who has ownership of certain devices. - There are weaknesses in the physical security of the storage room used to store IT user devices. 	

CORPORATE SERVICES and FINANCIAL SERVICES

Audit Report			
Risk Area / Audit Entity	Assurance opinion	Residual Risk / Audit Comment	Direction of Travel Assurance
Information Governance – Data Quality and Records Management (CCTV) (ANA – High)	Status: Final Limited Assurance	<p>Whilst comprehensive corporate policies and procedures are in place in relation to information governance and data quality, we found that a number are overdue for review based on the written process that all such policies will be reviewed every 2 years. Similarly, the corporate Record Retention Schedule appears not to have been subject to an overarching review for several years. Corporate mandatory iLearn information governance training is also in place, however, there appears to be no reporting on performance in relation to staff completion of the training; we acknowledge that there is a pending relaunch of the iLearn information governance training with intention for completion rates to be reported to the Council’s IG Steering Group.</p> <p>Specifically in relation to CCTV, the Record Retention Schedule appears not to have been reviewed for several years and does not align with regulatory guidance, in addition clarity is required in relation to responsibility for the CCTV Information Asset Register entry. We noted that retention of CCTV data may be excessive in relation to requests for data and have recommended that this be reviewed. Further we have recommended a strengthening of controls in terms of the life cycle of the data where CCTV data is passed to other departments of the Council.</p>	
Subject Access Request Processes (ANA – High)	Status: Final Limited Assurance	<p>Whilst it is pleasing to note that our sample testing confirmed compliance with the Subject Access Request (SAR) process itself, i.e., the process steps being undertaken, there remains concern that the Council is still unable to meet the statutory deadlines for responding to SARs. We noted that there has been an improvement since recruitment in August 2022 of further dedicated SAR staff (currently 2.2 FTE). However, although the performance statistics do demonstrate improvement, the Council remains significantly below the intended target of 95% (currently 46% in Q2 of 2023/24). As such the Council remains vulnerable to the associated reputational and financial risk. We would draw your attention to an ICO article which outlines examples of action the ICO have taken against seven organisations that failed to comply with SAR legislation. As the article shows, there are various organisations included, three of them being Local Authorities Action taken against SEVEN organisations who failed in their duty to respond to information access requests ICO. Whilst we appreciate that SAR response times are being managed through the Council’s Performance and Risk Management Framework, we have made recommendations that this requires further review and consideration, or acceptance of the risk this still poses.</p> <p>We identified a number of areas where there is potential for further process efficiencies to be implemented and have made recommendations which would reduce labour intensive manual tasks and intend to improve SAR response times. The Head of IG has developed a dashboard for managing SARs and is also currently developing a detailed Standard Operating Procedure (SOP). We have provided support to the SOP process by flow charting the SAR process based upon our audit work. There is clearly a drive and commitment within the IG Team to comply with all aspects of the SAR legislation, however compliance is significantly impacted, in part due to the reliance on provision of data from Departments which is consistently outside of the required timescales.</p>	

CORPORATE SERVICES and FINANCIAL SERVICES

Audit Report			
Risk Area / Audit Entity	Assurance opinion	Residual Risk / Audit Comment	Direction of Travel Assurance
User Management - deep dive (ANA – High)	Status: Final Limited Assurance	<p>Identity and access controls are a set of processes that document and control access to networks and information systems that support the organisations essential functions.</p> <p>Torbay’s IT department have experienced and knowledgeable staff who own certain parts of the access controls and user management processes. There is a framework of IT Security Policies, which are reviewed and approved by the Information Governance Steering Group. Training in relation to cyber security is available to staff, with additional supporting information provided.</p> <p>It should be noted that the ‘Limited Assurance’ opinion relates primarily to the weakness in the control framework arising from reliance on Management for notification of internal transfers and leavers. The internal IT processes themselves are reasonably robust.</p> <p>However, some processes could be strengthened, and the significant findings are summarised below:</p> <ul style="list-style-type: none"> • The completion rates of Information Governance and Data Protection e-learning modules are lower than what would be expected (completion percentages of 78% and 76% respectively). • IT are reliant on Managers informing them if a staff member leaves the organisation. • There have been known instances of a leaver profile retaining access to their account. • Agency worker leaver reports are not provided to / reviewed by Operations Support. • There are no pre-approved templates / or the requirement for the requester to explicitly state what a new user account requires access to. • IT are not always made aware when a staff member moves department / role within the organisation. • Key issues identified in the FIMS System Admin and Open Revenue System Admin audits which are being progressed outside of this review. 	
Other			
Coroners Follow Up	Status: Final Limited Assurance	<p>During discussions with Legal Services and the Director of Corporate Services, we were advised that there have been a number of changes, including the retirement of the Coroner, following which (per Ministry of Justice - MoJ) there is a requirement to review arrangements with a view to mergers, ultimately supporting the MoJ drive to reduce the number of Coroner positions across the Country.</p> <p>We have therefore agreed for the Council to pause progression of the management actions, pending the review outcomes. We understand that the management actions will be picked up within any new arrangements established, and Internal Audit appraised of progress and reviewed timescales.</p>	
Health & Safety (ANA – High)	Status: Final Limited Assurance	<p>We identified evidence of ongoing development of the Health and Safety (H&S) control framework and the H&S team. The Health and Safety Policy is in place but is now overdue for review and approval due to unforeseen delays. We also identified that arrangements for Auditing and Reporting Procedures are under review and formal procedures are expected to be published soon.</p>	

CORPORATE SERVICES and FINANCIAL SERVICES

Audit Report			
Risk Area / Audit Entity	Assurance opinion	Residual Risk / Audit Comment	Direction of Travel Assurance
		<p>There were some inconsistencies in the way in which training records are maintained. We understand there is an ongoing project to update all employees training records. Policy requires that contractors are provided with H&S training, however this is not being evidenced and recorded.</p> <p>There are processes in place for the reporting, recording, and investigating of H&S incidents which is actively used. Improvements can be made to ensure that SHE Assure (H&S system) records are updated.</p> <p>We found that H&S risk assessments was also an area where a significant overhaul and update remains necessary. We understand that a Risk Assessment Policy has yet to be produced. We are unable to determine whether recent risk assessments have been undertaken in line with procedures. Based on our testing, some departments across the council are not actively undertaking risk assessments, this could result in a higher number of incidents and non-compliance with H&S regulations.</p> <p>We have been advised by HR and Payroll that employees are required to prove they have a valid driving license, and that their vehicle is adequately insured if used for Council business. Testing found that insurance records are not consistently maintained for all employees. Where officers drive Council vehicles, appropriate policies and arrangements exist, but the Council is not provided with compliance performance monitoring information from SWISCo.</p> <p>Post Covid-19 and due to changes to home working practices, it is essential that consideration of the sufficiency of first aiders and fire marshals is established. Clarity in relation to responsibility for H&S in public spaces should be established and monitored.</p>	
Key Financial Systems			
Debtors and Corporate Debt (follow up audit) (ANA – High)	Status: Final Limited Assurance	<p>It is pleasing to note that recommendations previously made are now being addressed through the Customer Services Project which is led by the s151 Officer and supported by a project manager from the Business Improvement and Change Team. Despite the relatively recent commencement of the project, a few recommendations have already been addressed and project plans are in place to ensure that the remaining recommendations are addressed by April 2024.</p> <p>We will follow up progress again in the 2024-25 audit, but in the meantime, we are attending project meetings and providing advice to the Customer Services Project.</p> <p>Whilst we are not yet able to change our assurance opinion, we can confirm a positive direction of travel with a comprehensive management action plan in place to ensure that all recommendations and intended actions are progressed in a timely manner.</p>	
FIMS Sys Admin (ANA – High)	Status: Final Limited Assurance	<p>The system access control environment for FIMS remains robust. We identified some inconsistencies in practice which are expected to be addressed through the online access request form process and note that some of the previously agreed actions will also be addressed this year.</p>	

CORPORATE SERVICES and FINANCIAL SERVICES

Risk Area / Audit Entity	Audit Report		
	Assurance opinion	Residual Risk / Audit Comment	Direction of Travel Assurance
		Our 'Limited Assurance Opinion' relates to the lack of segregation of duty created by the breadth of work undertaken by the FIMS System admin team i.e., both system administration activities and system transactional activities. Whilst the associated risks have previously been accepted by management, it is pleasing to note that a project is now underway to review and amend access rights to support better segregation of duty.	
Treasury Management (Group Company Loans) (ANA – Medium)	Status: Final Limited Assurance	We have concerns in relation to records management for group company and commercial loans made by the Council. Whilst there is an 'advised' process and governance framework in place, our sample testing found that there were inconsistencies in information held, with no single location to evidence compliance or support the loan lifecycle. Without a documented and adhered to governance framework, the Council is open to financial and reputational risk.	
Civica W2 Sys Admin - (ANA – High)	Status: Final Limited Assurance	The Civica W2 system have established user management processes in place. Last year we made several recommendations to address weaknesses identified in relation to user management. A small number of these are being re reported. Testing for this year focussed on amendments that are made to the system, and we found that the updating of parameters was well controlled. Issues were identified in relation to data retention and hence compliance with current GDPR legislation. The Authority's data retention schedule is not being adhered to, and a number of recommendations have been made in this regard.	
Council Tax and Non-Domestic Rates - (ANA – Medium)	Status: Final Limited Assurance	We do not have any significant concerns in relation to the areas that were sample tested this year, namely refunds, recovery stop codes and performance monitoring. Although the control environment could be strengthened in these areas, only a small number of issues were found during sample testing in terms of appropriateness or accuracy of processing. There are, however, many previous recommendations that, although agreed, have yet to be implemented, some of which have been ongoing for several years. It would be good to see those relating to the re-introduction of the quality control (QC) process and the rolling review of exemptions, discounts, and reliefs in particular, completed soon, as they are preventing a higher overall level of assurance from being given to the service area. It is acknowledged that the new 'Working Age Council Tax Reduction' scheme is in place from April 2024, which is now administered by the revenues section. We understand this scheme implementation has impacted usual work activities in terms of setting procedures, training, changing process maps and monitoring, which has delayed actioning some of the points raised in previous audits.	

CORPORATE SERVICES and FINANCIAL SERVICES

Risk Area / Audit Entity	Audit Report		
	Assurance opinion	Residual Risk / Audit Comment	Direction of Travel Assurance
The following key financial systems audits are in progress:			
<ul style="list-style-type: none"> Benefits Subsidy - (ANA – Client Request) 			
The following audits were deferred to the 2024-25 year at the request of the client:			
<ul style="list-style-type: none"> Capital Programme (focussed on Town Deal and Future High Streets) (ANA – Medium) – deferred due to the Capital Investment Programme currently undergoing a fundamental review. Firewall - deep dive (ANA – High) – deferred at the request of the client to accommodate consultancy for the IT Services Review. Democratic Services and Member Allowances - (ANA – Medium) Elections – (ANA – Medium) Printing (contract management) – (ANA – Medium) Procurement of IT Solutions - (ANA – Medium) CRM System – following implementation - (ANA – High) 			
A number of these were deferred to accommodate phase 2 of Assurance Mapping.			

PRIDE IN PLACE

Risk Area / Audit Entity	Audit Report		
	Assurance opinion	Residual Risk / Audit Comment	Direction of Travel Assurance
Public Toilets Contract Monitoring Follow Up	Status: Final Limited Assurance	<p>From the follow up work undertaken, and responses provided by Management, it is pleasing to note that some progress has been made, however a vast majority of these remain ongoing.</p> <p>In particular the ongoing management actions relate to establishment of a wider SLA between the Council and SWISCo, Contract variation that has been delayed pending projects related to other sites, ongoing development of Performance Indicators and associated reporting, and the technical post that is now vacant, with a recruitment exercise in progress.</p>	
Tor Bay Harbour Authority – Income (ANA – Medium)	Status: Final Limited Assurance	<p>The established processes for charging and invoicing service users have been maintained. However, issues previously identified regarding recharging of gas and electricity for chillers at Brixham remain unresolved by the TDA. Similarly, the lack of Torbay Harbour Authority knowledge regarding service charges made by the TDA to Lessees remains. We noted that there is a potential missed opportunity in related to utilising the agreed and published admin fee when calculating and invoicing for recharges.</p> <p>As also previously reported, there are moorings which are unsuitable for many vessels that remain vacant. These should either be made more suitable if possible or be more robustly marketed in order to maximise this income opportunity. We noted that as was the case previously, rents for leased properties are not being reviewed by the TDA. We understand that the TDA view is that any review would not result in an increase in rents, however this is again a potentially missed opportunity to maximise income.</p> <p>Following a change in staffing structure at Brixham harbour there is uncertainty that the Harbour Office team are made aware of all direct fish landings and as such there is a risk of fish toll not being charged for all direct landings taking place.</p>	

PRIDE IN PLACE			
Risk Area / Audit Entity	Audit Report		
	Assurance opinion	Residual Risk / Audit Comment	Direction of Travel Assurance
SWISCo Commissioning (client role / management) (ANA – High)	Status: Final Limited Assurance	<p>SWISCo continues to develop and expand their business, with the majority of works being provided on behalf of the Council in order to comply with LATCo Teckal requirements. The Council commissions these services through an established commissioning framework, including an agreement and supporting service agreements, policies, and procedures.</p> <p>Whilst it is clear that services are being provided and a commissioning framework exists, we identified areas where this can be further strengthened. We note from Management responses that the ongoing review of the commissioning agreement will incorporate further key performance indicators and service standards.</p> <p>We were unable to confirm that officers commissioning additional services from SWISCo outside of the core agreement always consider value for money aspects. We note the Management response that responsibility for ensuring the adequacy of the additional services commissioned rests with the relevant Council departments and will be supported by the agreement review.</p>	
Climate Change (ANA – High)	Status: Final Limited Assurance	<p>Torbay Council has a Carbon Neutral Council Action Plan (otherwise referred to as the Climate Change Strategy) and at the time of the audit fieldwork were in public consultation with the Climate Emergency Action Plan which has now closed. We understand that the Council are not fully aware of the range of climate risks that relate to the Torbay area and at the time of the audit fieldwork were awaiting release of the Devon Adaptation Strategy (DAS) which will detail risks that Devon, Cornwall, and the Isles of Scilly face. Following this, the Council are intending to adapt the list to clearly identify those that are relevant to Torbay. We note that since completion of the fieldwork the draft DAS has been published for public consultation which has recently closed.</p> <p>In taking the Council's climate agenda forward it is vital that appropriate responsibilities are defined, with resources allocated, including financial and physical capacity. We were consistently advised of a lack of resource limiting capacity in achieving the targets set, delivering the training, and identifying potential grant funding. Training, both internal and formal qualification routes will need to be considered in order to effectively determine and assess the associated risks. Successful grant funding bids will support the Council in delivering its climate change objectives.</p> <p>We are able to evidence some engagement at Member level, however given that associated minutes did not always record specific climate change conversations, are unable to provide assurance in relation to how embedded the engagement is. In addition, given the relatively recently appointed Administration, there is opportunity to establish a new framework and provide appropriate training.</p> <p>We would recommend that in taking forward the climate agenda, the Council consider review and ongoing assessment against the 'Climate Change Risk - A good practice guide for Audit and Risk Assurance Committees' as used for this audit; compliance with which would provide a robust framework within which climate risks are managed.</p>	

PRIDE IN PLACE			
Risk Area / Audit Entity	Audit Report		
	Assurance opinion	Residual Risk / Audit Comment	Direction of Travel Assurance
Asset Management / TF System Follow Up	Status: Final Limited Assurance	<p>From the follow up work undertaken, it is pleasing to note that significant progress has been made, with half of the management actions having been completed, others having been progressed in some way, or as originally stated the risk continuing to be accepted by management. Given the number that remain ongoing, and the nature of these management actions as outlined below the overall assurance opinion remains as 'Limited Assurance', albeit that we recognise the progress that has and continues to be made.</p> <p>In a number of cases, whilst proposals have been put forward to address the management actions, these are pending Council decision, and as such the associated risks remain. In particular, upcoming review of the AMP to ensure alignment with the Council's new priorities and objectives and completion of priority works, however an emerging issues paper has been issued and awaiting outcomes. In addition, a final decision in relation to a potential temporary uplift in budget is pending. Other areas ongoing relate to ongoing engagement with contractors, the need to establish and update KPI's, resolution of all outstanding inspections, and implementation of a new workload management system.</p>	
Parking Follow Up	Status: Final Limited Assurance	<p>From the follow up work undertaken we note that progress has been made, with just under a third of previously agreed management actions having been implemented. There remain a significant proportion that remain ongoing, noting that progress has been made, in particular a procurement exercise to establish consultancy support in developing a 5-year strategy; updated policies and manuals; establishing reporting mechanisms; ongoing collaboration with other Council departments; and strengthening the PCN and debt monitoring and recovery processes.</p> <p>Given that a large number of management actions remain ongoing, in our opinion the level assurance remains as 'Limited Assurance', albeit that we note the comments made in the follow up response in relation to ongoing capacity issues which are reported to have delayed progress in some areas.</p>	
Torbay Harbour Authority IT Sys Admin and Security Follow Up	Status: Final Limited Assurance	<p>From the follow up work undertaken we note that some progress has been made against the previously agreed management actions. Notably the inclusion of cyber/IT risks in the Harbour operational risk register, and the strengthening of the Harbour Assist user management controls with the establishment of a dedicate System Administrator profile. A small number of risks have been accepted, primarily related to CCTV where we understand Harbour staff have no operational role.</p> <p>Although some progress has been made, a large number of actions remain either ongoing or outstanding with revised implementation dates having been established. These primarily being related to Harbour Assist supplier contractual compliance; staff training records; System compliance with Data Protection / Information Governance requirements; performance reporting; strengthening of user management practices; peer checks on tariffs and associated charges; ongoing FIMS and Harbour Assist integration issues; and further development of the Harbour business continuity plan and the need for the plan to be fully tested.</p>	

PRIDE IN PLACE

PRIDE IN PLACE			
Risk Area / Audit Entity	Audit Report		
	Assurance opinion	Residual Risk / Audit Comment	Direction of Travel Assurance
Section 106 and Community Infrastructure Levy (ANA – High)	Status: Final Limited Assurance	<p>The implementation of the new system (Exacom back office and the public facing module) along with the integrations, particularly into the Council's Finance and Income collection systems, and dedicated Officers to support the system and manage the obligations, provides the Council with a more robust technical solution within which planning obligations can be managed and associated income collected and spent in line with agreements going forward.</p> <p>However there is a need for a robust framework and process for the wider management. In this regard we have concerns relating to data quality and governance; allocation to projects; income; and key reliance's in terms of systems support. Following completion of our work, management have responded positively with appropriate frameworks and wider collaboration being established.</p>	
<p>The following audits were deferred to the 2024-25 year at the request of the client:</p> <ul style="list-style-type: none"> – Land Release Fund (use of monies, adherence to conditions) - (ANA – High) – Highways (commissioning, monitoring) - (ANA – High) – Events - (ANA – Medium) 			

CHILDREN'S SERVICES

CHILDREN'S SERVICES			
Risk Area / Audit Entity	Audit Report		
	Assurance opinion	Residual Risk / Audit Comment	Direction of Travel Assurance
Fostering and Connected Carers (ANA – Medium)	Status: Final Limited Assurance	<p>Comprehensive procedures are in place for the arrangements for both fostering and connected carers.</p> <p>In terms of fostering, we found that practices were largely in line with procedures, although we noted that Foster Panel decisions are not always timely, and we identified issues with the completeness and inconsistencies in records maintained. In terms of ongoing supervision of fostering placements, again we found that practices were mainly in line with procedures, however arrangements for scheduling visits differed from that described in the procedures, unannounced annual visits were not timely, and we were unable to confirm that the Foster Carers Handbook had been provided to the foster carers. We acknowledge that elements of the foster placement process are reliant on the Child's Social Worker completing the relevant steps.</p> <p>In relation to connected carers, again we found that the practices we examined were largely in line with procedures. We have recommended clarification regarding the expected timing of the initial viability assessment especially in emergency situations.</p>	

CHILDREN'S SERVICES

Audit Report			
Risk Area / Audit Entity	Assurance opinion	Residual Risk / Audit Comment	Direction of Travel Assurance
The following audits were deferred to the 2024-25 year at the request of the client:			
<ul style="list-style-type: none"> Residential Placements - (ANA – Medium) Sufficiency Strategy Progress - (ANA – High) 			

ADULT SERVICES INCLUDING COMMUNITY AND CUSTOMER SERVICES

Audit Report			
Risk Area / Audit Entity	Assurance opinion	Residual Risk / Audit Comment	Direction of Travel Assurance
Adult Services			
Service Delivery Interdependencies (Adult Services, Children's Services and Public Health) (ANA – High, Client request)	Status: Final Limited Assurance	<p>Through discussions with key staff across the Council, we were advised of a number of interdependency projects/ workstreams that both included and relied upon effective cross directorate working.</p> <p>Whilst we were able to clearly identify a number of cross directorate interdependencies, our key concerns were around definition and recording of interdependencies, resulting in the inability to fully establish cross directorate responsibility, accountability, and collective achievement of outcomes.</p>	

The following audit was deferred to the 2024-25 year at the request of the client:

- Adult Services - ICO Sustainability and Improvement Plan (management and monitoring) - (ANA – High)

Community and Customer Services

Cost of Temporary Accommodation across services in Torbay (ANA – High)	Status: Final Limited Assurance	<p>Our work identified a vast amount of information across the Council in relation to Temporary Accommodation (TA) and Homelessness (Housing Options, Adult Social Care and Childrens Services). Whilst the level of information was substantial in some services, establishing a 'true and total' cost of TA and Homelessness was problematic and would require a significant level of data analytics, assuming all relevant data is available within the Council, which at the time of the audit was found to not be in place. The key issues in relation to determining a 'true and total' cost were the coding structure on FIMS, the spread of performance data across various mechanisms, and the lack of Council sighting on the ASC emergency payments for accommodation for vulnerable adults, which is managed by ASC Bay Wide within the NHS Trust.</p> <p>In our opinion, based on information provided, the current framework for recording and reporting upon TA and Homelessness across the entire Council could be strengthened to provide greater effectiveness in associated decision making. Provision of a more structured framework within which TA and Homelessness data can be captured across all services (including ASC data from ASC Bay Wide) and</p>	
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ADULT SERVICES INCLUDING COMMUNITY AND CUSTOMER SERVICES

Audit Report			
Risk Area / Audit Entity	Assurance opinion	Residual Risk / Audit Comment	Direction of Travel Assurance
		reported upon would improve transparency to the Council and support associated decision making, including where to target preventative activity. There is opportunity to utilise reporting tools such as Power BI, however the associated coding structure in FIMS would firstly need to be established in some areas and then consistently used.	

The following audit was deferred to the 2024-25 year at the request of the client:

- Housing (including cross council joint working, e.g., with Pride in Place) – (ANA – Medium)

Appendix 2 - Professional Standards and Customer Service

Conformance with Public Sector Internal Audit Standards (PSIAS)

Conformance - Devon Audit Partnership conforms to the requirements of the PSIAS for its internal audit activity. The purpose, authority and responsibility of the internal audit activity is defined in our internal audit charter, consistent with the *Definition of Internal Auditing*, the *Code of Ethics* and the *Standards*. Our internal audit charter was approved by senior management and the Audit Committee in March 2023. This is supported through external assessment of conformance with Public Sector Internal Audit Standards & Local Government Application Note.

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

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

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

An **external assessment** must be conducted at least once every five years by a suitably qualified, independent assessor. For DAP this was recently conducted at the end of 2021 by the Head of Southwest London Audit Partnership, and the Chief Internal Auditor of Orbis (a partnership organisation covering Brighton and Hove, East Sussex, and Surrey County Council).

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

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

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

Customer Service Excellence (CSE)

DAP was successful in re-accreditation by G4S Assessment Services of the CSE standard during January 2023. This accreditation is a UK-wide quality mark which recognises organisations that prioritise customer service and are committed to continuous improvement.

During the year we have issued client survey forms for some of our reports, and the results of the surveys returned were very good / positive. The overall result is very pleasing, with near 96% being "satisfied" or better across our services. It is very pleasing to report that our clients continue to rate the overall usefulness of the audit and the helpfulness of our auditors highly.

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 Framework, Executive and Internal Audit that the statement meets statutory requirements and that the management team endorse the content.

Appendix 5 - Basis for Opinion

The Chief Internal Auditor is required to provide the Council with an opinion on the adequacy and effectiveness of its accounting records and its system of internal control in the Council.

In giving our opinion, it should be noted that this assurance can never be absolute. The most that the internal audit service can do is to provide reasonable assurance, formed from risk-based reviews and sample testing, of the framework of governance, risk management and control.

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

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

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

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

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

all audits completed during 2023-24, including those audits carried forward from 2022-23;

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

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

the quality of internal audit's performance;

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

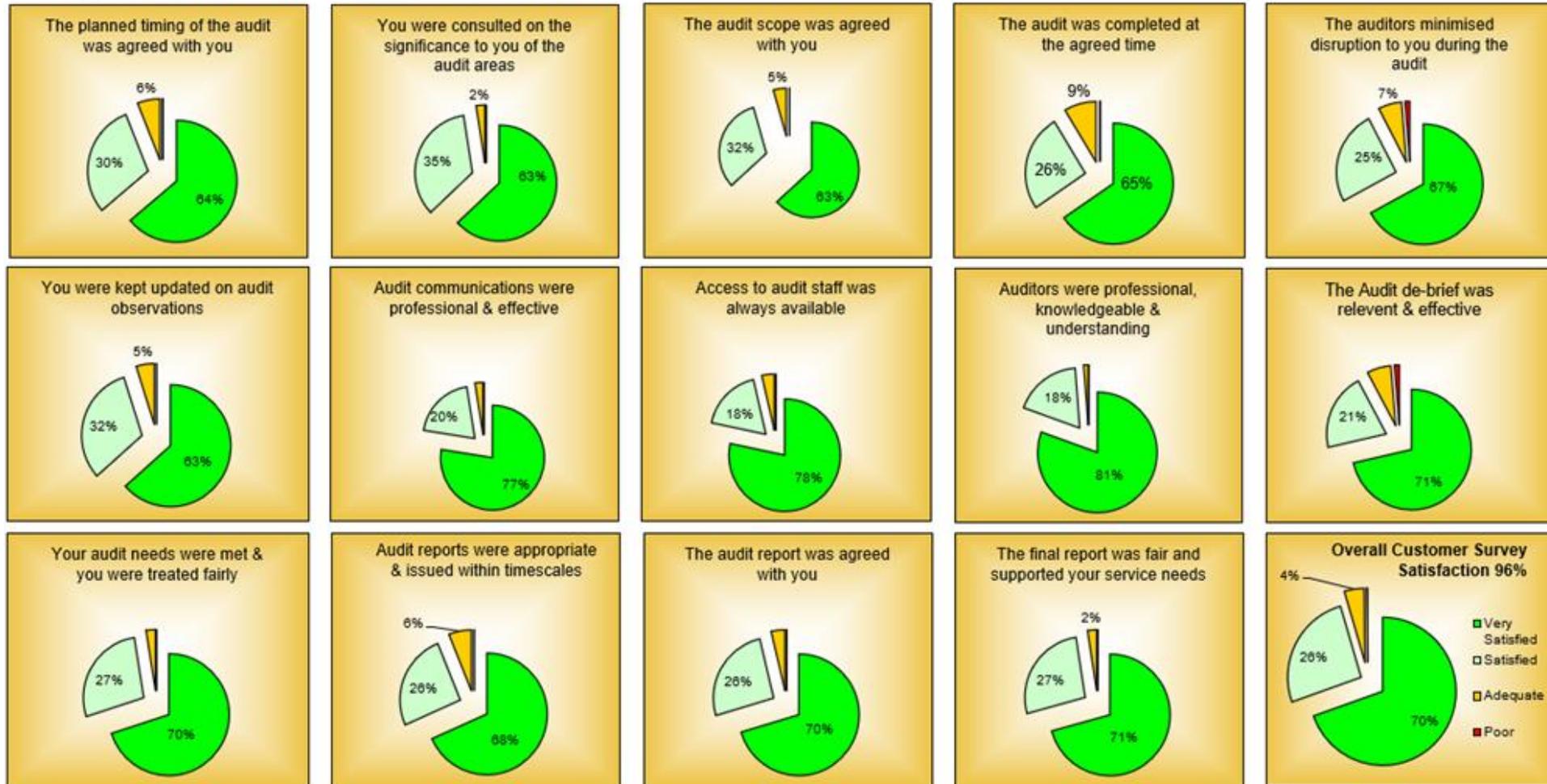
the extent to which resource constraints may limit this ability to meet the full audit needs of the Council;

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



Appendix 6 - Customer Service Excellence

Customer Survey Results April 2023 - March 2024



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Devon Audit Partnership	Confidentiality and Disclosure Clause
<p>The Devon Audit Partnership has been formed under a joint committee arrangement. We aim to be recognised as a high-quality assurance service provider. We work with our partners by providing a professional assurance services that will assist them in meeting their challenges, managing their risks, and achieving their goals. In carrying out our work we are required to comply with the Public Sector Internal Audit Standards along with other best practice and professional standards.</p> <p>The Partnership is committed to providing high quality, professional customer services to all; if you have any comments or suggestions on our service, processes or standards, the Head of Partnership would be pleased to receive them at Tony.d.Rose@devon.gov.uk</p>	<p>This report is protectively marked in accordance with the National Protective Marking Scheme. It is accepted that issues raised may well need to be discussed with other officers within the Council, the report itself should only be copied/circulated/disclosed to anyone outside of the organisation in line with the organisation's disclosure policies.</p> <p>This report is prepared for the organisation's use. We can take no responsibility to any third party for any reliance they might place upon it.</p>