Internal Audit

Annual Audit Report 2015/16

Torbay Council
Audit Committee

July 2016

devon **audit** partnership

Auditing for achievement

CUSTOMER SERVICE EXCELLENCE

CSE

Contents

Devon Audit Partnership	**Confidentiality and Disclosure Clause**
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.	This report is protectively marked in accordance with the government security classifications. It is accepted that issues raised may well need to be discussed with other officers within the Council, the report itself should only be copied/circulated/disclosed to anyone outside of the organisation in line with the organisation's disclosure policies.
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 .	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 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 set out 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 2015/16 was presented to and approved by the Audit Committee in March 2015. The following report and appendices set out the background to audit service provision; reviews work undertaken in 2015/16 and provides an opinion on the overall adequacy and effectiveness of the Authority's internal control environment.

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

Expectations of the Audit Committee from this annual report

Audit Committee members are requested to consider:

- the assurance statement within this report;

- the basis of our opinion and the completion of audit work against the plan;

- the scope and ability of audit to complete the audit work;

- audit coverage and findings provided;

- the overall performance and customer satisfaction on audit delivery.

In review of the above the Audit Committee are required to consider the assurance provided alongside that of the Executive, Corporate Risk Management and external assurance including that of the External Auditor as part of the Governance Framework (see Appendix 1) and satisfy themselves from this assurance when considering the Annual Governance Statement.

Robert Hutchins
Head of Audit Partnership

Assurance Statement

This statement of opinion is underpinned by:

Overall, and based on work performed during 2015/16 and that of our experience from the current year progress and previous years audit, the Head of Internal Audit's Opinion is of "Significant Assurance" on the adequacy and effectiveness of the Authority's internal control framework.

However, we can only provide limited assurance in relation to Children's Services & Innovation due to the level of audit activity within this directorate due to the impact of external inspections and other conflicting requirements.

This assurance statement will support Members in their consideration of the Annual Governance Statement see appendix 1.Assurance over arrangements for adult social care is mainly provided by colleagues at Audit South West, the internal audit provider for Health services, who provide a separate letter of assurance.

In carrying out systems and other reviews, Internal Audit assesses whether key, and other, controls are operating satisfactorily within the area under review, 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 during a review. Implementation of action plans are reviewed during subsequent audits or as part of a specific follow-up process.

Directors have been provided with details of Internal Audit's opinion on each audit review carried out in 2015/16 to assist them with compilation of their individual annual governance assurance statements. If significant weaknesses have been identified in specific areas, these have been considered by the Authority in preparing its Annual Governance Statement which will be accompanying its published Statement of Accounts for 2015/16.

Work has been affected by notable planned changes this year where a proportion of the plan has been deferred. Those audits that have been delayed will be undertaken in the future. This has had an impact on the planned assurance work, however we feel, based on previous years' work, that the framework of control remains in operation. Further explanation is provided in the sections on Basis for Opinion and the Consequences of Change and Risk. Going forward, changes to the audit plan will be approved by the Senior Leadership Team.

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. creditors, payroll and general ledger) or generally in the reviews undertaken in respect of directorate systems. The Council's overall internal control framework operated effectively during the year. Where internal audit work has highlighted instances of none, or part compliance, none are understood to have had a material impact on the Authority's affairs.

Risk Management

The Risk Management process is not yet fully embedded or disseminated to the operational risk management level.

There is still work to be done to ensure the Council is operating a fully robust risk management methodology.

ICT Continuity and Disaster Recovery require integration into the wider risk management arrangements.

Governance Arrangements

Governance arrangements have been reviewed in the areas of system implementation project management and information security, and found to be effective with opportunities to improve capacity in these areas.

The Information Security Group provides governance in relation to management of information.

A new procurement strategy has been developed and introduced.

Performance Management

The Risk Management framework has been expanded to include performance as an integrated structure.

The use of performance data to inform Children's Services & Innovation governance arrangements.

HR / Payroll Self Service is designed to deliver more efficient processes and improvements in service.

Opportunity exists to improve debt recovery performance monitoring through integration, and Section 106 control through central monitoring.

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

Basis for Opinion

The Chief Internal Auditor is required to provide the Council with an assurance 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, based on risk-based reviews and sample testing, that there are no major weaknesses in the system of control.

This report compares the work carried out with the work that was planned through risk assessment (see appendix 2); 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.

The extent to which our work has been affected by change of audit plan has been notable this year in a number of directorates due to changes in operational business needs.

Work has been deferred to future year's audit plans in consultation with the client and taking into account the related risk.

The scope of our audit work this year and in previous years has been adversely affected in Children's Services and Innovation and reduces the assurance that we are able to offer in relation to this area.

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 2015/16, including those audits carried forward from 2014/15;

- 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.

Audit Authority

Service Provision

The Internal Audit (IA) Service for Torbay Council is delivered by the Devon Audit Partnership (DAP). This is a shared service arrangement between Devon County Council, Torbay Council and Plymouth City Council constituted under section 20 of the Local Government Act 2000. The Partnership undertakes an objective programme of audits to ensure that there are sound and adequate internal controls in place across the whole of the Council. It also ensures that the Council's assets and interests are accounted for and safeguarded from error, fraud, waste, poor value for money or other losses.

Regulatory Role

There are two principal pieces of legislation that impact upon internal audit in local authorities:

- **Section 5 of the Accounts and Audit Regulations (England) Regulations 2015** which states that "…….a relevant body must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance ……"
- **Section 151 of the Local Government Act 1972**, which requires every local authority to make arrangements for the proper administration of its financial affairs.

Professional Guidelines

We work to professional guidelines which govern the scope, standards and conduct of Internal Audit as set down in the Public Sector Internal Audit Standards. We have been assessed as "conforming" to these standards and have completed our annual self assessment against PSIAS requirements.

Our Internal Audit Manual provides the method of work and Internal Audit works to and with the policies, procedures, rules and regulations established by the Authority. These include standing orders, schemes of delegation, financial regulations, conditions of service, anti-fraud and corruption strategies, fraud prevention procedures and codes of conduct, amongst others.

Devon Audit Partnership

shared working across Authorities

Auditing   for   achievement

Internal Audit Strategy sets out how the service will be provided and the Internal Audit Charter describes the purpose, authority and principal responsibilities of the audit function.

The consequences of change and risk

Change

Risk

- reduced control framework
- loss of key staff
- budgetary constraint

- ineffective service outcome
- non-detection of error
- increased fraud and irregularity
- increased customer dissatisfaction

Change remains constant; the expectation of the public for services provided by the public sector has never been greater; yet the money that is available for these services needs to be reduced. All public sector organisations are looking at how services can be transformed; what worked in the last decade may not meet new challenges. The use of, and dependency on, IT for service delivery will only increase further; this brings rewards but also carries its own risk.

The Internal Audit function has a key role in helping management fully understand their risks and in designing effective and efficient controls that mitigate these risks to an acceptance level; a consistent application of a quality internal audit opinion assists the organisation to develop alternative and new delivery solutions that will deliver the service required.

Our work this year has been tailored to meet the changing requirements of the Authority throughout the year. All of the changes and risks within this graphic have been observed and the impact of these has been of varying significance. Some key areas of change that has seen audit involvement include:

- introduction of HR / Payroll Self Service;
- status record of ICT Strategy components for further development;
- progression of the risk management methodology;
- developments in organisational ethics and culture:
- changes in building security management;
- improvements in Children's Services & Innovation performance reporting;
- continued developments in information security arrangements.

Audit are able to report that in these areas the potential risks are being carefully managed throughout the period of change so that their impact is minimised.

The number of irregularity investigations has remained relatively constant this year compared to 2014/15, as the Council continues to face the consequences of continued reduction in the Authority's resources due to budgetary constraint, resulting in a perpetuating cycle of reducing control framework. In some cases Audit has recommended changes to controls as a result of its investigations and management has taken disciplinary action where appropriate.

Changes in operational priorities and assessment of opportunities within specific Directorate areas have necessitated corresponding changes in our audit work this year, but are a demonstration of proactive action by the Authority to limit the risk associated with budgetary constraint change and maintain effective service provision.

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Business objectives – audit assurance overview

From consideration of the Authority's key challenges and opportunities it is facing we have provided assurance in these area through our work over the year.

Challenges / Opportunities

Transformational Change	Partnering and Collaboration	Commissioning	Information Technology	Financial & operational constraint	Compliance & Regulatory
• new ways of working - delivering more with less • one stop shops • meeting customer needs • alternative service delivery vehicles	• governance arrangements • Public Sector Network (PSN) • information governance	• developing an effective market place • flexible contracting, focused on outputs not inputs • flexible payment structures to reflect reduced budgets	• infrastructure resilience • information security • desktop availability • cloud computing • channel shift	• reduction of control framework • loss of experienced staff • income generation	• key financial systems • Ofsted • Data Protection • Annual governance arrangements

Internal Audit Assurance Work

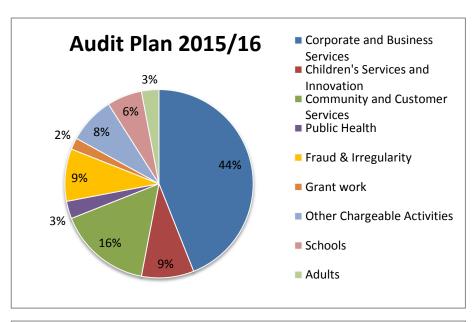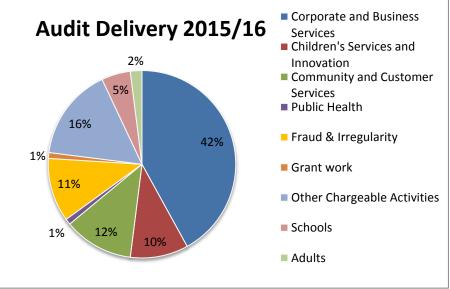| We have supported the implementation Boards	Review partner contracts	Advise on procurement processes	Undertake service management review	Advise on reduction in control framework	Compliance reviews on all material systems
• re-engineer internal controls • advise on project delivery plans e.g. HR / Payroll Self Service, Harbour Mooring System, Cheque Printing, Building Security • corporate access management • channel shift project	• test performance monitoring arrangements e.g. TOR2 follow up of arrangements • review governance arrangements e.g. TOR2 follow up of arrangements	• 'best practice' for procurement arrangements and development of procurement strategy	• review information governance • test data security and compliance e.g. hosted services and database admin • consultancy through the Information Security Group • support of ICT Strategy component development	• use of automated controls • use of continuous auditing e.g. internet monitoring, use of NFI reporting • managing residual risks • determine 'cost of control' • status of organsiational debt recovery	• follow-up implementation plans and report thereon • review performance progress on action plans • contribute to Annual Governance Statement

Audit Coverage and performance against plan

The pie charts right shows the breakdown of audit days delivered by service area / type of audit support provided. The balance of work has varied during the year as can be seen from comparison with the second chart, although the variances are not considered significant. However, work categorised as "other chargeable activities" is higher than expected. Closer inspection shows that some of our time in relation to planning and report writing (six month and annual reports) has classified as "other" work, rather than being allocated to the service area; we shall ensure that this is corrected for future years. Individual variations to service area plans have been with full agreement of the client. A number of audits in Children's Services and Innovation have been deferred at the request of management in recent years which has affected the Assurance Opinion.

Appendix 3 shows the actual days of audit delivery in year against the revised audit plan. It will be noticed that there was a small variation in the total number of audit days provided during the year. When we prepare our plans we make an educated assessment of the number of days that an audit is likely to take. When the fieldwork is actually completed there is inevitably a variance from the planned days. In addition we provide an allowance for work on areas such as fraud and corruption; in some years the requirement will exceed the planned budget and in others the need for our resource will be less than planned. It should also be noted that some audits required a richer mix of staff resource due to the complexity / sensitivity of the area under review.

Appendix 4 to this report provides a summary of the audits undertaken during the year, along with our assurance opinion. Where a "high" or "good" standard of audit opinion has been provided we can confirm that, overall, sound controls are in place to mitigate exposure to risks identified; where an opinion of "improvement required" has been provided then issues were identified during the audit process that required attention. We have provided a summary of some of the key issues reported that are being addressed by management. It should be pointed out that we are content that management are appropriately addressing these issues.

Audit Plan 2015/16

Legend:
- Corporate and Business Services
- Children's Services and Innovation
- Community and Customer Services
- Public Health
- Fraud & Irregularity
- Grant work
- Other Chargeable Activities
- Schools
- Adults

Values: 44%, 9%, 16%, 3%, 9%, 2%, 8%, 6%, 3%

Audit Delivery 2015/16

Legend:
- Corporate and Business Services
- Children's Services and Innovation
- Community and Customer Services
- Public Health
- Fraud & Irregularity
- Grant work
- Other Chargeable Activities
- Schools
- Adults

Values: 42%, 10%, 12%, 1%, 11%, 1%, 16%, 5%, 2%

Customer Value

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 2015. This is supported through DAP self-assessment of conformance with Public Sector Internal Audit Standards & Local Government Application note.

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 provides assurance that against the Institute of Internal Auditors (IIA) Quality Assessment & Public Sector Internal Audit Standards (PSIAS) "DAP is considered to be operating in conformance with the standards" as reported to the Partnership Committee in November 2014 and will be subject to peer review in November 2016.

Improvement Programme – DAP maintains a rolling development plan of improvements to the service and customers. All recommendations of the external assessment of PSIAS and quality assurance were included in this development plan and have been completed. This will be further embedded with revision of our internal quality process through peer review. Our development plan is regularly updated and a status report was reported to the Management Board in October 2015.

Performance Indicators

Overall, performance against the indicators has been good (see appendix 3). We are aware that some of our draft reports were not issued to the customer within the agreed timeframes (15 working days for draft report), and that, although all work was stared before year end, not all of our work was fully completed. We have identified areas where performance has been low, and are working with our staff to ensure improvement is achieved.
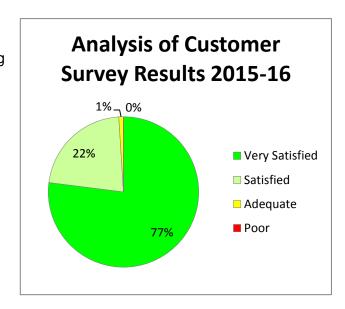
Customer Service Excellence

DAP has been successful in re-accreditation by G4S Assessment Services of the CSE standard during the year.

During the period we issued client survey forms with our final reports. 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 99% being "satisfied" or better across our services, see appendix 5. 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.

Added Value

We have had some very complimentary feedback some of the specific examples of where our team have been able to add value to the Council include:-

* *'Very professional service delivery, I felt fully informed at all times and colleagues within the team were happy with interactions with auditors';*
* *'Plenty of opportunity given for feedback';*
* *'Full cooperation and customer focused';*
* *'We see audit very much as a partner in trying to shape the service in times of shrinking resources in order to make sure we still maintain integrity and security';*
* *'The positive recognition for what we do well and the recommendations were constructive';*
* *'Auditor is very helpful and personable. Process is easily followed and understood';*
* '*The audit provided us with an opportunity to step away from our work and reflect on what we do'.*

Analysis of Customer Survey Results 2015-16

- Very Satisfied: 77%
- Satisfied: 22%
- Adequate: 1%
- Poor: 0%

Value Added

Our internal audit activity has added 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 and Business Services

- ongoing involvement in Self Service project ensuring that control issues are highlighted and resolved before implementation;
- continuing our involvement in the integration of the risk management methodology;
- continued attendance and active participation in the Council's Information Security Group;
- using knowledge from previous audit work to assist the Council with the new Business Improvement District;
- advice to the Cheque Printing project to assist them in the removal of payment by cheque to achieve associated cost savings;
- support to the 'Ethics and Culture' project in an advisory / consultative capacity;
- support to Procurement in relation to changes in regulations and resulting amendment to policy and practices;
- identification of the need for grant certification for Autism Innovation and Community Capacity;
- the development and annual review of the Tor Bay Harbour Authority Five Year Rolling Audit Plan and related assistance to the Executive Head in supporting the Harbour Committee;
- confirmation of Tor Bay Harbour Authority Port Marine Safety Code Compliance;
- review of the wider debt recovery practices across the Council.

Community and Customer Services

- facilitation of ICT Continuity & Disaster Recovery integration into the Risk Management methodology;
- ICT Strategy development in line with the Council's Corporate Plan and Transformation programme;
- ongoing involvement as an advisory member of the Information Security Group;
- ongoing support to various ICT system developments in line with project requirements and timescales, for example the harbour mooring system, corporate print project, cheque printing;
- retrospective examination of practices during the close down period of Torre Abbey for Museum Services;
- provision of risk assessments in relation to the consideration of reduction of CCTV and changes to the building access control system;
- support to Safer Communities providing advice and guidance in relation to ICT elements of the 'Prevent' guidance.

Public Health

- identifying improvement opportunity in relation to consultations linked to further Public Health commissioning reviews.

Adults

- notification to the client of the requirement for certification of the Autism Innovation grant as a result of partnership working;
- inclusion of the NRS Joint Equipment Store audit post Audit Committee plan approval.

Children's Services and Innovation

- assistance in maintaining the impetus in management action plans to address previously identified risks through an annual and robust follow up exercise;
- provision of Children's Services and Innovation financial and performance data to the Audit Committee.

Schools

Our support has helped all schools comply with the schools financial value standard with only one school not completing their self-assessment this year.

Internal audit coverage and results

In our opinion, and based upon our audit work completed during 2015/16, and as trusted advisor for on-going projects, we are able to report that internal controls continue to operate effectively in the majority of the directorates and where recommendations for improvements have been made, action plans have been agreed with management.

We can only provide limited assurance at this time in relation to Children's Services and Innovation due to the level of audit work undertaken within this directorate area.

No significant concerns have been identified from our work including that on grants and management have responded positively to any recommendations for improvement. The Appendix 1 details the assurance opinions for individual audits for which definitions of the assurance opinion ratings are given in Appendix 2.

Corporate and Business Services

Significant concerns have been raised in relation to Section 106 arrangements; the risks identified related to a lack of an overarching monitoring process which is now being considered by the organisation.

Based on audits completed and on indications from previous and on-going work, we are able to report that material systems controls have either been maintained, or improvements are being made to address previously identified weaknesses. Whilst a number of weaknesses exist, management are aware of these issues, and have either accepted the related risk, or are taking action to address them. The wider audit work in the Corporate Debt audit this year has identified the disjointedness of the Council's approach to debt recovery.

We continue to identify opportunities for improvements in terms of the continuing project to implement Payroll / Human Resources Self Service. The revised project go-live date has been deferred due to a number of system issues, the nature of which reduces confidence in the system at this stage.

Although improvements in policy and procedure for the employment of agency staff have been achieved, controls remain insufficient to ensure adherence to the new framework although this is now being addressed.

Community and Customer Services

The majority of the material systems work is within Corporate and Business Services, however, material system controls relevant to Community and Customer Services have either been maintained or improvements are being made to address previous identified weaknesses. The wider audit work in the Corporate Debt audit this year has identified the disjointedness of the Council's approach to debt recovery.

Opportunities exist for improvements in the control and governance framework for the Museum Services and Corporate Security & CCTV. The latter is currently subject to full service review and our findings have informed this project.

ICT projects are appropriately managed and the Information Security Group continues to consider emerging issues that affect both information governance and ICT controls.

ICT Change control arrangements require formalising and recording. The integration of the approach to ICT Continuity & Disaster Recovery, Risk Management and Business Continuity Planning remains ongoing along with the formulation of an ICT Strategy.

Public Health

Our work includes working with management to finalise the audit report and action plan for the Lifestyle Services review.

As detailed in Appendix 4, we are currently working with Public Health colleagues to agree the report in relation to this area and management have provided valuable feedback to our work which may result in changes to our initial draft report.

Adults

The Adult Services Directorate incorporates both the Joint Commissioning Team functions and those functions provided and audited by the NHS Trust Provider.   Assurance over arrangements for adult social care is mainly provided by colleagues at Audit South West, the internal audit provider for Health services. Audit South West provides a separate letter of assurance to the Director of Adult Services and the Council's S151 Officer. Devon Audit Partnership provides support and internal audit input on key areas as agreed with the Director of Adult Services.

Our work has involved certification of the Autism Innovation grant. We were able to provide certification for this grant ensuring that the Council retained the grant funding to support the operation of this function.

Children's Services and Innovation

The Children's Services and Innovation directorate incorporates both Safeguarding and Schools. Audit work has involved examination of Admissions in Place Planning and Pupil Referral Panel, certification of grant in relation to Early Years and review of processes in relation to SEND (Special Education Needs and Disability).

Significant concerns have been raised in relation to arrangements for SEND; the risks identified relate to the attainment of DfE targets for conversion of statements to EHCPs (Education Health and Care Plans).

As detailed in Appendix 4 we were able to provide an overall audit opinion of 'High Standard' in relation to these functions and the grant was certified without any issues being identified. Our work in relation to School Places Planning detailed in the Corporate & Business Services report was given an audit opinion of 'Good Standard'.

Schools

The overall assurance from schools audit is of good standard. The risk and control framework is of a good standard although there is some non-compliance or poor practice in a small number of schools on governance and use of resources to achieve school improvement. Detailed assurance is provided under a separate report, and also summarised in Appendix 4 to this report.

There are risks exposed in key areas which reduce overall assurance. The key matters arising from the audits are the:

- understanding of financial management by governors and skills assessment as evidenced by the requirements of the Standard
- ensuring plans for raising standards and attainment have been fully costed and sufficient budget has been identified and allocated to deliver those plans; and,
- absence of financial benchmarking.

Recommendations have been made to reduce risks and in other areas, recommendations made serve to strengthen what are reasonably reliable procedures.

Fraud Prevention and Detection

Fraud Prevention and Detection and the National Fraud Initiative

Counter-fraud arrangements are a high priority for the Council and assist in the protection of public funds and accountability.

The Cabinet Office have taken over from the Audit Commission in running a major national data matching exercise (National Fraud Initiative – NFI) every two years. Devon Audit Partnership (DAP) advised all relevant managers, and assisted departments in undertaking reviews of matches as appropriate throughout 2015. Additionally, early liaison with relevant departments to facilitate the upload of 2015/16 data for the Council Tax Single Person Discount (SPDs) and Rising 18's data matching reports, an exercise now required annually. Matching reports for the following data sets are also relevant to the Council.

- Payroll
- Creditors
- Insurance
- Residential Care Homes

- Concessionary Travel Passes
- Blue Badges
- Housing Benefits

- Housing Waiting Lists
- Council Tax Single Person Discounts
- Council Tax Rising 18's
- Personal Budgets (Direct Payments)

Linked to the TEICCAF (The European Institute for Combating Corruption and Fraud - was Audit Commission), and CIPFA requirements, DAP continue to undertake annual 'Protecting the Public Purse', Fraud and Corruption surveys, which feed into a national overview of fraud within public bodies.

DAP has continued to undertake a six monthly monitoring of staff internet use and to date found no significant concerns. This provides assurance that action has been effective and such use remains within policy. Periodic fraud bulletins are also produced and published on DAP's website.

We continue to attend the Financial Ethical and Probity Group and provide advice and support in relation to irregularities within the organisation.

Irregularities - During 15/16, Internal Audit have carried out, or assisted in fifteen new irregularity investigations. Analysis of the types of investigation and the number undertaken shows the following:-

Issue	Number
Employee Conduct	5
Poor Procedures	4
Financial Irregularity	1
IT Misuse	2
Tenders and Contracts	2
Bribery and Corruption	1

DAP have examined emails to assist the Council in identifying correspondence of significance in terms of relationship management with a contractor, a separate email review relating to potential poor procedures, and to support the organisation in confirming suspected non-compliance with email policy. Two requested reviews of a departments internet use confirmed compliance with policy. Using the same tools, we supported the Information Governance team regarding a Subject Access Request.

We have assisted the organisation in the investigation of a number of incidents including poor practices that resulted in a dismissal, the transfer of staff to a the DWP as part of the Single Fraud Investigation Service, an allegation of bribery, the inappropriate use of a car and the associated tax implications, an allegation into inappropriate practices in operation reported to OFSTED, the inappropriate classification of s17 cases, and non-compliant practices in employing agency staff.

The Council has responded appropriately in relation to these issues demonstrating its intolerance to irregular practice.

Appendix 1 - Annual Governance Framework Assurance

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

The Annual Governance Statement provides assurance that
- o the Authority's policies have been complied with in practice;
- o high quality services are delivered efficiently and effectively;
- o ethical standards are met;
- o laws and regulations are complied with;
- o processes are adhered to;
- o 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 Executive Director and Mayor;
- 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;
  - o The Authority;
  - o Audit Committee;
  - o Risk Management;
  - o Internal Audit
  - o 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.

Corporate Risk Management framework and Reporting

Internal Audit Assurance on the internal control framework

Annual Governance Framework

Executive and Service Director Review and Assurance

External Audit and Other Assurance Reports

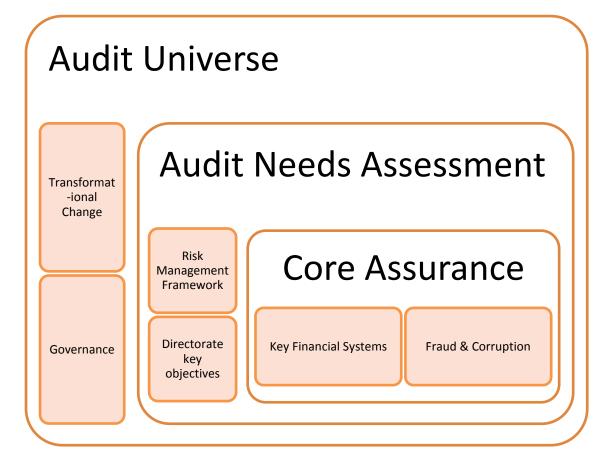The AGS needs to be presented to, and considered by the Audit Committee.

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 2 - Audit Needs Assessment

We employ a risk based priority audit planning tool to identify those areas where audit resources can be most usefully targeted. This involves scoring a range of systems, services and functions across the whole Authority, known as the "Audit Universe" using a number of factors/criteria. The final score, or risk factor for each area, together with a priority ranking, then determines an initial schedule of priorities for audit attention.

The resultant Internal Audit Plan for 2015/16 was built from this assessment.

Audit Universe

Transformat-ional Change

Governance

Audit Needs Assessment

Risk Management Framework

Directorate key objectives

Core Assurance

Key Financial Systems

Fraud & Corruption

The audit plan for 2015/16 plan has been created by:

Consideration of risks identified in the Authority's strategic and operational risk registers

Review and update of the audit universe

Discussions and liaison with Directors and Senior Officers regarding the risks which threaten the achievement of corporate or service objectives, including changes and / or the introduction of new systems, operations, programmes, and corporate initiatives

Taking into account results of previous internal audit reviews

Taking into account Internal Audit's knowledge and experience of the risks facing the Authority, including factors and systems that are key to successful achievement of the Council's delivery plans

Requirements to provide a "collaborative audit" approach with the external auditors

Appendix 3 – Performance Indicators

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

Local Performance Indicator (LPI)	2014/15	2014/15	2015/16	2015/16
	Target	Actual	Target	Actual
Percentage of Audit plan Commenced (Inc. Schools)	100%	100%	100%	100%
Percentage of Audit plan Completed (Inc. Schools)	93%	91.7%	93%	88%
Actual Audit Days as percentage of planned (Inc. Schools)	95%	99%	95%	95%
Percentage of fundamental / material systems reviewed annually	100%	100%	100%	100%
Percentage of chargeable time (DAP as a whole)	65%	67.8%	65%	68%
Customer Satisfaction - % satisfied or very satisfied as per feedback forms	90%	99%	90%	99%
Draft Reports produced within target number of days (currently 15 days)	90%	77.7%	90%	76%
Final reports produced within target number of days (currently 10 days)	90%	96.6%	90%	97%
Average level of sickness absence (DAP as a whole)	2%	5.5%	2%	5.9%
Percentage of staff turnover (DAP as a whole)	5%	16.6%	5%	4%
Out-turn within budget	Yes	Yes	Yes	Yes

Overall, performance against the indicators has been very good. We are aware that some of our draft reports were not issued to the customer within the agreed timeframes (15 working days for draft report), and that, although all audit work was commenced and well underway at year end, not all of our work was completed. We have identified areas where performance has been poor, and are working with our staff to ensure improvement is achieved.

Appendix 4 – Summary of audit reports and findings for 2015/16

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

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

CORPORATE AND BUSINESS SERVICES

Risk Area / Audit Entity	Risk Assessment / Audit Needs Assessment	Audit Report			Assurance Progress RAG Score
		Status	**Assurance Opinion**	**Executive Summary**	
Material Systems (includes all material systems for reporting completeness purposes, however direct responsibility for certain areas is within Community and Customer Services)					
Payroll	ANA - Critical	Final	Good Standard	Assurance was reported in the half year report; please refer to that report for details.	⬆ G
Income Collection	ANA - Medium	Final	Good Standard	Assurance was reported in last year's annual report; please refer to that report for details.	↗
Debtors	ANA – Medium	Final	Good Standard	Assurance was reported in the half year report; please refer to that report for details.	⬆ G
Crisis Support Follow-up	ANA – Low	Final	Good Standard	Assurance was reported in last year's annual report; please refer to that report for details.	⬆ G
Benefits	ANA – Medium	Final	Good Standard	Assurance was reported in the half year report; please refer to that report for details.	⬆ G
Council Tax & NDR	ANA – Medium	Final	Improvements Required	Assurance was reported in the half year report; please refer to that report for details.	↗
Cheque Printing Project	Client Request	Complete	Value Added	Support and advice was provided as required by the project. The Council has agreed to withdraw the use of cheques from June 2016. As such our project support will cease.	N/A

CORPORATE AND BUSINESS SERVICES

Risk Area / Audit Entity	Risk Assessment / Audit Needs Assessment	Audit Report			Assurance Progress RAG Score
		Status	Assurance Opinion	Executive Summary	
Purchase Order Processing (POP)	ANA – Medium	Final	Good Standard	The ordering functionality within POP is effective and provides the majority of the expected controls of an electronic ordering system including robust authorisation controls. It provides for accurate recording of all the key information and the automated transfer and reversal of commitment data to the general ledger. Weaknesses continue to exist in the goods receipting functionality, however, steps have been taken and continue to be developed to establish mitigating processes, and the residual associated risks continue to be accepted by management. A number of previous recommendations remain outstanding; However, the majority of these should be resolved with the release of e5.5 in 2017.	G
Bank Reconciliation	ANA – Medium	Final	Good Standard	A review of the bank reconciliations for the Council's primary bank and treasury management accounts found that reconciliation processes were being effectively undertaken and independently reviewed on a timely basis. However, consistency is required in terms of completion and authorisation deadlines. Risks remain in relation to the lack of segregation of duties in FIMS System Admin.	G
IBS Open System Administration	ANA – High	Final	Good Standard	The control environment relating to IBS Open System Administration is reasonably robust. System access is reasonably well controlled; however weaknesses in key areas remain such as outdated Business Continuity plans, a lack of segregation of duty in relation to System Administration, and reliance on local System Administration knowledge to manage leavers remains.	G
FIMS System Administration	ANA – High	Final	Good Standard	The control environment relating to FIMS System Administration is robust. There are comprehensive procedures and processes in place, and system training is mandatory for users with transactional capability. With the exception of the system administrators, access to the system is appropriately controlled and restricted. We have identified only one new recommendation this year; this relates to strengthening password controls. We continue to report the lack of full segregation of duty between the system administration and finance roles.	G

CORPORATE AND BUSINESS SERVICES

Risk Area / Audit Entity	Risk Assessment / Audit Needs Assessment	Audit Report			Assurance Progress RAG Score
		Status	Assurance Opinion	Executive Summary	
Main Accounting System	ANA - Medium	Final	Good Standard	The control environment for the maintenance of the FIMS General Ledger is robust, and ensures that budgetary and transactional data is effectively recorded. This enables reporting and monitoring of accurate financial information across service areas. Segregation of duty remains an issue which is accepted by management as a factor prevalent in small finance teams, and a number of other minor issues have been identified for improvement.	G
Asset Register	ANA - Medium	Final	Good Standard	The Council's non-current assets are managed in accordance with legislation, policies and procedures and related financial data is accurately recorded in the General Ledger. New assets are identified and classified correctly and accurately recorded on the asset register, and the existence of assets could be substantiated. Revaluations are timely, are undertaken in line with the rolling asset revaluation programme, and accurately reflected in RAM. Asset disposals were found to be authorised in line with Financial Regulations, correctly accounted for and removed from the asset register. RAM functionality is fully compliant with IFRS and its reporting requirements. Procedures for locally updating, checking and reconciling RAM are being developed, with key processes for year-end Statement of Accounts production and reconciliation now embedded. Some other procedures for QC and other non-standard processes are expected to be developed soon.	G
Treasury Management	ANA - Low	Draft	Good Standard	A comprehensive Treasury Management Strategy is in place and complies with the current CIPFA Code of Practice. As in previous years, high operational standards continue to be maintained, with only minor issues being identified. Recommendations have been made to further strengthen existing controls, including: ensuring that supporting procedural documentation is reviewed and updated to align with the Strategy; drafting a Business Continuity Plan; and ensuring regular team meetings occur to allow important information to be effectively communicated.	G *

CORPORATE AND BUSINESS SERVICES

Risk Area / Audit Entity	Risk Assessment / Audit Needs Assessment	Audit Report			Assurance Progress RAG Score
		Status	Assurance Opinion	Executive Summary	
Creditors	ANA - High	Draft	Improvements Required	The processing procedures and practices are robust and a high degree of accuracy continues to be achieved leading to data quality, correct payments and the achievement of performance targets. Some control weaknesses, for example a lack of segregation of duty in the team and weaknesses in the cheque printing environment, are long standing, and management have previously accepted the related risks. For others, including weaknesses in the operation of the payment authorisation controls, management action to address the control environment remains ongoing. New issues identified this year follow a theme in relation to the actual retention of information to support the processing.	*
Corporate Debt	ANA - Medium	Draft	Improvements Required	There has been a lack of progress in implementing a number of recommendations made last year, hence the significant number of issues that have been re-reported, including out of date procedures, inadequate control in relation to suppressing recovery action, and lack of consistency in recovery practices. This is likely to result in debts becoming more difficult and therefore more costly to pursue, or simply becoming unrecoverable. In terms of debt recovery across the Council as a whole, this is relatively disjointed, with only some aspects being covered by Financial Regulations. Responsibility lies with two main teams; Sundry Debtors and Corporate Debt, but there are other areas that are managed at a local level. Some related debtor information is reported on SPAR, and some can be obtained from FIMS, however, there are other areas where information is not available, so it's currently not possible to build up a picture of debt recovery across the Council as a whole. In addition to our review work this year, we feel that the Council should undertake a further high level review of current debt recovery and monitoring practices and their appropriateness for the business needs of the Council.	*

CORPORATE AND BUSINESS SERVICES

Risk Area / Audit Entity	Risk Assessment / Audit Needs Assessment	Audit Report			Assurance Progress RAG Score
		Status	Assurance Opinion	Executive Summary	
Northgate Self Service	ANA – Critical	Complete	Value Added	Support continues to be provided to the project in line with the agreed project plan. The project framework is in place and operating reasonably effectively, however the project has been impacted by resource issues which continue to be managed. The revised Project implementation date was 8th June 2016, which was due to be a partial roll out of functionality with a phased approach. Employee and Manager training is currently in progress. A number of system issues remain outstanding which affect system functionality and reduce confidence in the system operation. These issues are with the supplier (NGA) to resolve. Due to the nature of these issues the decision was made to defer the go-live date to early July 2016. Audit resource is now primarily focussed upon a review of system testing (UAT; Migration) and continued advice and guidance as required by the project	N/A
The following audits are currently in progress: • Debtors (ANA – High) • Payroll (ANA – Critical) • Benefits (ANA – Medium) • Council Tax and NNDR (ANA – Medium) • Income Collection (ANA – Medium)				• Capital Programme (ANA – Medium) It is anticipated that the reports will be issued & agreed in the early part of 2016/17, and will be reported in the six monthly monitoring report. No issues of major concern have been identified from our fieldwork to date.	
Grants					
Early Years – 2 year old nursery education	Client Request	Completed	Certified	No issued identified	N/A
Highways Capital Funding x 3	Client Request	Completed	Certified	No issues identified	N/A
Autism Innovation	Client Request	Completed	Certified	No issues identified	N/A

CORPORATE AND BUSINESS SERVICES

Risk Area / Audit Entity	Risk Assessment / Audit Needs Assessment	Audit Report			Assurance Progress RAG Score
		Status	Assurance Opinion	Executive Summary	
Local Sustainable Transport Fund	Client Request	Completed	Certified	No issues identified	N/A
Troubled Families x2	Client Request	Completed	Certified	No issued identified	N/A
Community Capacity	Client Request	Completed	Certified	No issues identified	N/A
Other					
Human Resources	ANA - High	Final	Improvements Required	Assurance was reported in the half year report; please refer to that report for details.	⬆G
Section 106	ANA – Medium	Final	Fundamental Weaknesses	Assurance was reported in the half year report; please refer to that report for details.	↗
Tor Bay Harbour Authority – Risk Management	ANA – Medium	Final	Good Standard	Assurance was reported in the half year report; please refer to that report for details.	⬆G
Port Marine Safety Code	Client Request	Final	Good Standard	To the best of our knowledge and belief, and having carried out appropriate checks, in our opinion the Tor Bay Harbour Authority is compliant with the Port Marine Safety Code.	⬆G
Torbay Development Agency – School Places Planning	ANA – High	Final	Good Standard	Testing of the Schools Capital and Planning Team's short and long term calculations and forecasts found that they were robust and soundly founded. The forecast planning process identified a need for a new school due to increasing demand; as at the time of the audit the related decision and planning process was still ongoing. Housing developments can have a big impact on the demand for places at individual schools. Recommendations have been made to further improve this planning process by refining the pupil yield factor arising out of those homes and ensuring that calculations reflect the mix of housing. In addition regular updates between the Schools Capital and Planning team and Planning are needed to ensure that Section 106 agreements are regularly reviewed and monies released per the agreements.	⬆G

CORPORATE AND BUSINESS SERVICES

Risk Area / Audit Entity	Risk Assessment / Audit Needs Assessment	Audit Report				Assurance Progress RAG Score
		Status	Assurance Opinion	Executive Summary		
Ethics and Culture	ANA - Medium	Complete	Value Added	Project support remains ongoing. The project has rolled into 2016/17		N/A
Business Improvement Districts (BID)	ANA – High	Complete	Value Added	Support and advice was provided to the project to establish a new BID company and BID area. We used knowledge gained from our previous audit examination of the existing BID formations and their ongoing management of the arrangements between the BID companies and the Council.		N/A
Procurement / Contracts	ANA – Medium	Complete	Value Added	We have provided advice in relation to development of the new Procurement Strategy and the redrafting of Contract Standing Orders as a result of the Procurement Regulations 2015, and are now working with management to determine an audit approach to examine these changes in practice and build on previous work in relation to contracts compliance.		N/A
South Devon Link Road / Waste PFI	ANA – High	Complete	Value Added	Devon Audit Partnership has kept a watching brief of progress with the schemes.		N/A

The following audits are currently in progress: • Elections (ANA – Medium) • Tor Bay Harbour Authority (ANA – Medium)	It is anticipated that the reports will be issued & agreed in the early part of 2016/17, and will be reported in the six monthly monitoring report. No issues of major concern have been identified from our fieldwork to date.
The following audits have either been cancelled at the request of the client, or deferred until 2016-17: - New Operational Arrangements (Client Request)	- Demand Management including Financial Planning (Strategic Risk) - TOR2 Commissioning / Contract Monitoring (ANA High) - Fair Decision Making (Client Request)

COMMUNITY AND CUSTOMER SERVICES

Risk Area / Audit Entity	Risk Assessment / Audit Needs Assessment	Audit Report			Assurance Progress RAG Score
		Status	Assurance Opinion	Executive Summary	
Community and Customer					
Corporate Security and CCTV	ANA - Medium	Final	Improvements Required	Assurance was reported in the half yearly report; please refer to that report for details.	
Museum Services	ANA – Low	Draft	Improvements Required	A comprehensive paper inventory maintains an effective record of the Torre Abbey collection of arts and social memorabilia. This is gradually being replaced by the electronic MODES system, but completion has been delayed adversely affect the accuracy of the resulting electronic record. Examination of records did identify inaccuracies with the accession register and the asset location details recorded on the inventory, and further the accession register is not maintained off site for disaster recovery. Performance indicators have not been established to assist with admissions monitoring. Collection of admissions and other income through the cash tills is effectively controlled, although arrangements for cashing up and the transit of monies, insurance for the safe and pricing policy for souvenirs require improvement. Adequate processes exist to manage hire and related income, but they are not consistently applied. Income from property is generally effectively controlled centrally, although the rent reviews have been delayed and some elements are not recovered.	

The following audits are currently in progress:
- Sports Facilities (ANA – Medium)

It is anticipated that the reports will be issued & agreed in the early part of 2016/17, and will be reported in the six monthly monitoring report. No issues of major concern have been identified from our fieldwork to date.

The following audits have either been cancelled by the client or deferred until 2016-17:
- Housing Options (ANA – Low)
- Torbay Coast and Countryside Trust (ANA – Medium)

COMMUNITY AND CUSTOMER SERVICES

Risk Area / Audit Entity	Risk Assessment / Audit Needs Assessment	Audit Report			Assurance Progress RAG Score
		Status	Assurance Opinion	Executive Summary	
IT Audit					
Mobile Device Management	ANA - Critical	Final	Good Standard	Assurance was reported in last year's report; please refer to that report for details.	
File Storage	ANA-High	Final	Improvements Required	Assurance was reported in last year's report; please refer to that report for details.	
Corporate Printing	ANA – Medium	Final	Good Standard	Assurance was reported in the half yearly report; please refer to that report for details.	
Change Control (Follow up)	ANA – High	Final	Improvements Required	Assurance was reported in the half yearly report; please refer to that report for details.	
Information Security Group	Client Request	Complete	Value Added	Support continues to be provided in the form of attendance and active participation in the Information Security Group. This includes the review and update of the Information Security Policy Framework, work on emerging and supporting policies such as the End User Computing policy and PCI compliance, which has recently been adopted.	N/A
Hosted Services – Checklist for Cloud Services	ANA – High	Final	Improvements Required	There is an established Procurement framework in place within the Council; however, the procurement of hosted IT solutions is not integrated within this. The lack of the integrated framework currently puts the Council at greater risk of systems being procured that do not maximise efficiency and realise financial savings whilst also ensuring they integrate with the existing IT infrastructure. Compliance with expected practice and associated legislation is also key.	
Database Administration	ANA – High	Final	Improvements Required	A large proportion of the Databases being managed relate to critical business systems that are crucial to the Council's continued operation. The Database Administrator (DBA) role is a vital element within the overall management of these business solutions, however, current	

COMMUNITY AND CUSTOMER SERVICES

Risk Area / Audit Entity	Risk Assessment / Audit Needs Assessment	Audit Report			Assurance Progress RAG Score
		Status	Assurance Opinion	Executive Summary	
				resources mean the DBA role has become far more 'reactive' as less dedicated resource is available to perform a proactive management role. There is no formal governance framework with a supporting document structure which would define DBA requirements and individual database architecture in order to effectively and consistently maintain the business solutions. Given the significant potential risk from absence of a formal and regularised framework of DB management, the lack of database stability and non-availability is increased.	
Service Operation - Corporate Access Management	ANA - High	Final	Improvements Required	We found the policies and guidance provided to staff concerning logical access to systems to be effective although they would be improved by a review and update. We have identified a number of issues regarding the management of user accounts, particularly non-standard accounts and issues in relation to a lack of segregation of duty within core application system administrator's access and tactical / operational access. The Council's building access control system is currently subject to review and update within a corporate building access project to address known weaknesses staff access management. We have not reviewed operational effectiveness of the proposed new system. The overall assurance opinion of Improvements Required reflects weaknesses that are Corporate responsibility to address.	
Harbour Mooring Replacement System	ANA - Medium	Ongoing	Value Added	Advice continues to be provided to the project that remains ongoing at this time.	N/A
Service Strategy	ANA - High	Ongoing	Value Added	We have provided advice to support the strategy review prior to auditing the strategy in 2016/17.	N/A

The following audits have either been cancelled by the client or deferred until 2016-17:
- Infrastructure Management - review of technical fit with ICT Roadmap (ANA – Critical)
- Partnership Working (ICT systems) TOR2 (ANA – High)
- Channel Shift (ANA – High)

PUBLIC HEALTH

Risk Area / Audit Entity	Risk Assessment / Audit Needs Assessment	Audit Report			Assurance Progress RAG Score
		Status	Assurance Opinion	Executive Summary	
Lifestyle Service Review – Consultations	ANA - Medium	Draft		Work is currently on going with Public Health colleagues to agree the assurance opinion and report including the executive summary.	

The following audits has either been cancelled by the client or deferred until 2016-17:
- Public Health / NHS Links (ANA - High)

ADULT SERVICES

Risk Area / Audit Entity	Risk Assessment / Audit Needs Assessment	Audit Report			Assurance Progress RAG Score
		Status	Assurance Opinion	Executive Summary	
Grants					
Autism Innovation	Client Request	Completed	Certified	No issued identified	

The following audit is currently in progress:
- NRS Joint Equipment (Client Request)

It is anticipated that the report will be issued & agreed in the early part of 2016/17, and will be reported in the six monthly monitoring report. No issues of major concern have been identified from our fieldwork to date.

The following audit has either been cancelled by the client or deferred until 2016-17:
- Care Act Implementation – Better Care Fund (ANA – High)

CHILDRENS SERVICES AND INNOVATION

Risk Area / Audit Entity	Risk Assessment / Audit Needs Assessment	Audit Report			Assurance Progress RAG Score
		Status	Assurance Opinion	Executive Summary	
Transition Children's to Adults - SEND	ANA - Medium	Final	Fundamental Weaknesses	The Council does not have an overall strategic document for SEND covering all relevant areas and signed up with Health, Education and Adult Social Care.	⬆G
				The Code of Practice highlights the need for "Joined up working". Torbay has partly addressed this need by setting up a SEND Operational Group which meets monthly. Recommendations have been made for the SEND Operational Group to review its terms of reference and to evaluate whether a partnership or more flexible working would ensure consistency and give a more "joined up" approach.	
				A temporary Transitions Project Group has been set up to discuss cases that were approaching Adult Services. This Group still needs clear terms of reference to ensure that transition consideration starts at Year 9 (age 14) as per the Code.	
				The service has been working on a project brief for improving the transition from Children's Services & Innovation to Adult Services. Despite literature stating involvement of transition workers, there is little evidence this is occurring.	
				There is a backlog of assessments and is currently not on target to achieve the conversions from statements to EHCP in the timescale given. In addition a 20 week target has also been set by the DfE for an EHCP to be completed. Only two out of the fifteen cases sampled were completed within the target.	
				The review of the EHCPs showed some good practice however whilst best efforts were made to complete them fully, there were many inconsistencies and a lack of forward detail in some EHCPs; additionally costs were not clearly shown or personal budgets not considered or used despite the personal budget pilot, and there was a lack of management oversight.	
				Further, it was found that the Council are paying further education establishments additional funding (Element Three) without the establishment providing details to support receipt of funding.	

CHILDRENS SERVICES AND INNOVATION

Risk Area / Audit Entity	Risk Assessment / Audit Needs Assessment	Audit Report			Assurance Progress RAG Score
		Status	Assurance Opinion	Executive Summary	
Admissions in Place Planning	ANA - Medium	Final	High Standard	Audit have assessed that Torbay Schools Admission Team are fully compliant with the DfE Schools' Admission Code. The admission arrangements were easily found on the internet and show clearly the admission arrangements and policies for all schools. All relevant documentation was up to date and covered all areas. Parental applications were dealt with within a clear timetable. Relevant checks by the Team were made to ensure compliance with the DfE School Admission Code and the relevant individual school policy. The work undertaken by the Senior Officer - Schools Services on the pupil referral panel; was found to be excellent. The referrals from schools were dealt with in a timely manner and decisions made were found to be robust and based on good evidence and professional opinion. There was evidence of joint working with all agencies and professionals and the outcomes and actions for the child were tailored to their needs. A recommendation has been put in place for increased IT support.	G
Children's Services & Innovation Performance Analysis	Client Request	Complete	N/A	Analysis presented to Audit Committee members.	N/A

The following audit is currently in progress:
- Fostering Flat Rate Fee Request (ANA – High)

It is anticipated that the reports will be issued & agreed in the early part of 2016/17, and will be reported in the six monthly monitoring report. No issues of major concern have been identified from our fieldwork to date.

Grants

Risk Area / Audit Entity	Risk Assessment / Audit Needs Assessment	Status	Assurance Opinion	Executive Summary	Assurance Progress RAG Score
Early Years - 2 year old Nursery Education Grant	Client Request	Completed	Certified	No issues identified.	G
Troubled Families	Client Request	Completed	Certified	No issues identified	G

CHILDRENS SERVICES AND INNOVATION

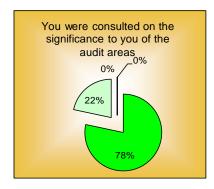| Risk Area / Audit Entity	Risk Assessment / Audit Needs Assessment	Audit Report			Assurance Progress RAG Score
		Status	Assurance Opinion	Executive Summary	
Maintained Schools					
Schools Financial Value Standards (SFVS)	ANA - Low Mandatory for LA / Schools	Final	Good Standard	SFVS Dedicated Schools Grant Chief Finance Officer assurance statement for 2015/16 submitted to the Department for Education.	
Maintained Schools audit programme	Agreed programme through 'buy back'	On-going	Good Standard	The overall opinion for the routine school audit visits has been maintained as 'good standard' (refer to summary data below). The provision of internal audit's performance data provides a greater focus on schools causing concern in the wider control environment.	

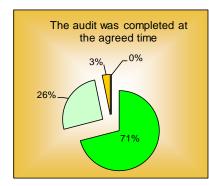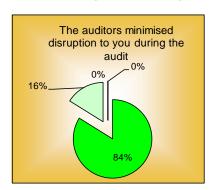# Appendix 5 - Customer Service Excellence
Customer Survey Results April 2015 - Mar 2016

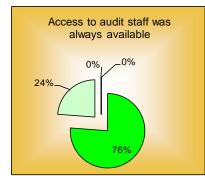**The charts below show a summary of 63 responses received.**

The planned timing of the audit was agreed with you
0% 0% 25% 75%

You were consulted on the significance to you of the audit areas
0% 0% 22% 78%

The audit scope was agreed with you
0% 0% 22% 78%

The audit was completed at the agreed time
3% 0% 26% 71%

The auditors minimised disruption to you during the audit
0% 0% 16% 84%

You were kept updated on audit observations
0% 0% 24% 76%

Audit communications were professional & effective
16% 0% 0% 84%

Access to audit staff was always available
0% 0% 24% 76%

Auditors were professional, knowledgeable & understanding
14% 0% 0% 86%

The Audit de-brief was relevent & effective
0% 0% 24% 76%

Your audit needs were met & you were treated fairly
0% 0% 19% 81%

Audit reports were appropriate & issued within timescales
3% 0% 37% 60%

The audit report was agreed with you
1% 0% 24% 75%

The final report was fair and supported your service needs
2% 0% 24% 73%

Overall Customer Survey Satisfaction 99%
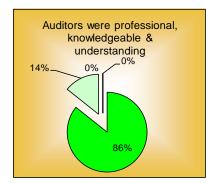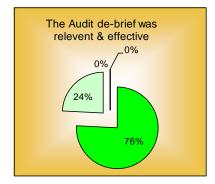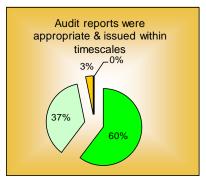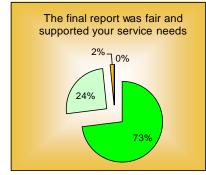1% 0% 22% 77%

Legend:
- ■ Very Satisfied
- □ Satisfied
- □ Adequate
- ■ Poor

30

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