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Devon Audit Partnership (DAP)

This is a shared service arrangement that was set up by Devon, Torbay and Plymouth constituted under section 20 of the Local Government Act 2000; DAP was founded in April 2009.

Torrige District Council joined as a "non-voting" member, and as a "full" member from April 2017.

Mid Devon District Council join as a "non-voting" member during 2017/18 and became a "full" member from April 2018.

Devon County Council acts as "host" to the Partnership, and provides services such as payroll, insurance, HR and legal services

Governance Arrangements

Partnership Committee – consisting 2 x members from each partner council (i.e. Plymouth, Torbay, Devon, Torridge and Mid Devon councils). Terms of reference are:-

- Receive and consider reports from the Management Board, the Head of Internal Audit Partnership, External Audit and the Host Council
- Approving the annual accounts of the Partnership
- Approving the budget in respect of the Audit Partnership functions
- Approving the future appointment and dismissal or removal of the Head of Internal Audit Partnership.
- Approving changes to the Partnership Client base, trading agreements, charging policies and other necessary matters pertaining to the future operations of the Partnership
- Resolving any disputes that are still unresolved after reference to the Management Board

To be quorate, at least one member from each authority must be present.

Partnership Board – S151 officer from partners (i.e. Plymouth, Torbay, Torridge, Devon and Mid Devon plus the Head of Partnership).

- Recommending the budget subject to the Partnership approval
- Approving all changes to budgets subject to the approval of the Partnership where appropriate
- Receiving and approving performance reports from the Head of Internal Audit Partnership
- The carrying out of any Performance Reviews
- Setting and reviewing the performance of the Partnership
- Resolving Disputes
- Accommodation responsibility

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Head of DAP = Robert Hutchins – delivers the objectives and targets set by the Board and Committee and manages the operation of the Partnership.

What do we do?

Our service offer has grown over the years and we now provide Internal Audit, Risk Management and Counter Fraud services.

Internal Audit Team – 28 or so staff based in various locations including Plymouth, Torbay, Exeter and Tiverton.

Counter Fraud - In May 2018 the Counter Fraud Team from Plymouth City Council transferred to DAP. The team of 7 professionally qualified staff currently provide services predominantly to PCC, but the intention is to offer these services to all our partners and clients. Fraud in all its forms is now the most common criminal offence in the UK costing the UK economy £193 Billion a year. This equates to £3000 per head of population in the UK. It is estimated to cost Local Authorities £2.2 Billion annually, losses that council front line services can ill afford and which can contribute to council tax increasing year on year.

Risk Management - In September 2017 DAP were asked to help support the Risk Management process at Devon. We have taken on a dedicated member of staff for this, with the intention of offering our services to other partners and clients. Our Counter Fraud Team were awarded 'Team of the year' at the 2018 National Alarm Risk Awards for their work with Plymouth City Council.

Who do we provide services to?

Partners – Plymouth, Devon, Torbay, Torridge and Mid Devon.

Other Clients – many – include Police, Fire, Academy schools, maintained schools, Dartmoor and Exmoor National Parks, support South Hams, West Devon and Teignbridge councils, various EU projects for organisations such as University of Plymouth, Cornwall Council

Professional Standards

We work to professional guidelines which govern the scope, standards and conduct of Internal Audit and Risk Management; for example as set down in the Public Sector Internal Audit Standards (the PSIAS). We have been externally assessed as “conforming” to these standards. The Counter Fraud Team adhere to all professional and legally required standards such as the Criminal Procedure & Investigations Act 1996 (CPIA) and the Police and Criminal Evidence Act 1984 (PACE) and all team members are professionally accredited counter fraud specialists or technicians.

Improvement Programme – DAP maintains a rolling development plan of improvements to the service and customers. Our development plan is regularly updated and a status report was reported to the Management Board in October 2018.

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Performance Indicators

We have a set of performance indicators that measure

- The percentage of plan commenced
- The percentage of plan completed
- The percentage of time spent by the team that is “chargeable” i.e. on audit duties
- The percentage of draft reports issued within our 15 day target
- The percentage of Final reports issued in our 10 day target
- Staff turnover
- Staff sickness
- Spend against agreed budget

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

Customer Service Excellence

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

We issue client survey forms with our final reports. 98% replied as "satisfied" or better across our services.

Adding Value

We know we need to do more than "just the day job" and that added value means different things to different people.

We require all of our teams to aim to add value in each audit.

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:-

‘It was useful to have the opportunity to discuss areas for development and have confirmation that standards are being met through the use of our new income management software’.

‘The auditor was very professional and balanced in their observations which made the process very useful - especially as a newly appointed manager’

Fraud Prevention and Detection

We work to support the National Fraud Initiative (NFI), which matches data between organisations.

We carry out Proactive and Reactive anti-fraud work and produce a Fraud Annual Report.

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DAP also takes part in regional networking activities representing its partners e.g. West of England Chief Auditors Fraud Sub Group.

Over the past 4 years the Counter Fraud Team have dealt with over 1,500 allegations of fraud from internal sources as well as the public, resulting in 113 prosecutions, 298 formal cautions and 51 other forms of sanctions against offenders. They have generated and or assisted in generating much needed savings in several areas of the Councils business in the form of proven cashable and non-cashable savings to the tune of £6,555,158.93. There are currently 129 live investigations for fraud being undertaken by the team. Counter-fraud arrangements are becoming a higher priority for every Council.

We ensure that policies, processes strategies and response plans are fit for purpose and up to date with the latest developments in the Counter Fraud arena.

The Contract

The Partners agreed to an extension of the Partnership for a further 7 years from April 2017, with a review after 5 years.

The contract is a “rolling” contract that enables the Partnership to enter into longer term contracts in an effective manner.

Joining and Leaving

The Partnership agreement allows for other organisations to join the Partnership in a relatively simple manner.

In order to ensure that the Partnership can plan effectively in the way it delivers services, our agreement requires Partners to provide 12 months’ notice if they wish to leave the Partnership.

Funding levels

The Partnership has successfully delivered considerable savings.

DAP day rate remains below the national average; the CIPFA 2014/15 average cost per audit day was £298; the cost of DAP was £259 per day. For 2019/20 our day rate for partners is £292.

It is important that internal audit remains “relevant” – the need to make financial savings in previous years is recognised and has been achieved; careful consideration will be required when setting future funding levels to ensure that the service is properly financed to continue to provide professional, effective, pro-active and value added services.

There will be pressure to reduce audit days, however this must be considered against sound risk management processes and the need to have effective and adequate independent assurance to meet Senior Management, s151 Officer and Audit Committee requirements.

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Making it better going forward.

The Partnership has worked well, the benefits of partnership working are clear and we are keen to add to our partner base. However, our location, in the Devon area does bring with it challenges to further expansion.

DAP has a “Strategic Alliance” with **Audit West**, an audit and assurance partnership between North Somerset and Bath & North East Somerset (BANES) and hosted by BANES.

The Alliance is focussed on growth of both partnerships by widening the areas of expertise of assurance based services. Initially the following areas have been identified as “early wins” –

- Information Governance (Information Security, Data Protection, FOI, Records Management)
- Business Continuity (Planning & Testing);
- Financial Assessments (Viability Checks and Procurement Exercises);
- Business Rates (Growth Opportunities and Data Integration);
- Grant Return (Certification & Audit).

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