



devonassurancepartnership
Support, Assurance and Innovation

Internal Audit

Internal Audit – Progress Report 2025-26

Mid Devon District Council Audit Committee

September 2025

Official



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Introduction

This report provides a summary of the performance against the Internal Audit plan for the 2025/26 financial year to date, highlighting the key areas of work undertaken and summarising our main findings and recommendations aimed at improving controls. The Internal Audit plan for 2025-26 was presented and approved by the Audit and Governance Committee in March 2025

The level of risk associated with each of the areas in Appendix 1 has been determined either from the Local Authority's Risk Register (LARR), or the Audit Needs Assessment (ANA) carried out at the planning phase. Where the audit was undertaken at the request of the client it has not been risk assessed. Assurance and recommendations should be considered in light of these risk levels and the impact this has on the achievement of corporate / service goals.

The Global 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.

These documents combine to set out the framework for Internal Audit that must be followed as per Section 5 of the Accounts and Audit Regulations 2015. During 2025/26 DAP will be undertaking a GAP Analysis of existing processes in relation to the above for each DAP Partner. The outcomes will result in action plans that will be worked through with the Partners to ensure compliance, this is likely to require actions from both DAP and Partners to ensure compliance with the revised governance arrangements and other applicable activities. Further information will be provided in due course.

Expectations of the Audit Committee from this report are to consider

- The assurance statements within this report for any work finalised in this period.
- The completion of audit work against the plan.
- The scope and ability of audit to complete the audit work.
- Audit coverage and findings provided, including amendments to the audit plan.
- The overall performance and customer satisfaction on audit delivery.

In review of these the Audit Committee are required to consider the assurance provided alongside that of Corporate Risk Management and satisfy themselves from this assurance that the internal control framework continues to be maintained at an adequate level to mitigate risks and inform the Executive for governance requirements.

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Overall Opinion Statement

The Head of Internal Audit is currently unable to provide an Opinion on the adequacy and effectiveness of the Authority's internal control framework at this stage of the year. This will be provided later in the year when the plan is further progressed.

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

The Authority's internal audit plan for the year includes specific assurance, risk, governance, and value-added reviews which, with prior years audit work, provide a framework and background within which we assess the Authority's control environment.

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.

Substantial Assurance	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.	Limited Assurance	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
Reasonable Assurance	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.	No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

Assurance Mapping

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

- An assurance map brings an organisation's 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 behaviors 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.

During the year we update an assurance map to reflect audit work and input from management including the Council's risk register, and cumulative audit knowledge of the authority. We will be compiling the assurance map for the Committee once all reports have been finalised. The assurance map process is used to support creation of the audit plans to ensure that we are focusing our resource on the areas of most risk and assurance value.

Summary Assurance Opinions

Service Area						
Key Financial Systems	Property, Climate, Leisure	Legal, HR & Governance	Performance, Operations	ICT, Communication, Customer Engagement	Place, Economy, Planning	Housing & Environmental Health
Procurement - <i>Reasonable</i>	Housing Rents - <i>Reasonable</i>	Corporate Plan - <i>Substantial</i>	Waste & Recycling	Patch Management - <i>Fieldwork</i>	Listed Buildings & Conservation Areas	Repairs & Maintenance - <i>Reasonable</i>
Payroll	Commercial Rents - <i>Fieldwork</i>	Legal Services - <i>Reasonable</i>	Grounds Maintenance (Parks & Open Spaces)	Secure Configuration	Planning Projects - e.g. Culm Garden Village	Service Charges - <i>Fieldwork</i>
Income Collection	Leisure Centres	Staff Performance & Appraisals - <i>Reasonable</i>		IT Risk Management		Care Service (Alarm Income) - <i>Fieldwork</i>
Creditors		Skills & Training		Internal Communications		Stores
Council Tax/NNDR		Corporate Information Management - Information Assets ,Data Protection, FOI		Customer Care/Complaints - <i>Deferred to 26/27 Q1</i>		Health & Safety Management Arrangements - Council Assets incl Estate Inspections
Main Accounting		Governance - inc Ethics & Culture				Health & Safety Management Arrangements - incl Stock
Housing Benefits		Electoral Registration & Elections				
Debtors		Safeguarding				
VAT		Local Land Charges - <i>Deferred to 26/27 Q1</i>				
Contract Management		Equality & Diversity (Internal) - <i>Deferred to 26/27 Q1</i>				
		Recruitment, Selection & Retention - <i>Deferred to 26/27 Q1</i>				

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.
- Integrating Audit, Risk Management and Counter Fraud knowledge and experience in our work.

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.

Annual Follow Up Activity

As part of adding value, we undertake a follow up review 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 carried out one Limited Assurance review noted from 2023/24 on Building Control, this still remains at Limited Assurance. For those audits where Limited Assurance has been provided in the table on page 4, we will be undertaking follow up work in 2025-26 to confirm that these have been addressed.

Audit Recommendations

Appendix 2

There are currently 2 Medium and 6 Low actions overdue (See **Appendix 2**). This compares to the 1 High, 9 Medium and 9 Low recommendations reported at the last Audit Committee.

The agreed policy is that only High priority recommendations require Audit Committee agreement to extend target dates, and that management can decide to extend Medium and Low recommendation target dates.

Audit Performance

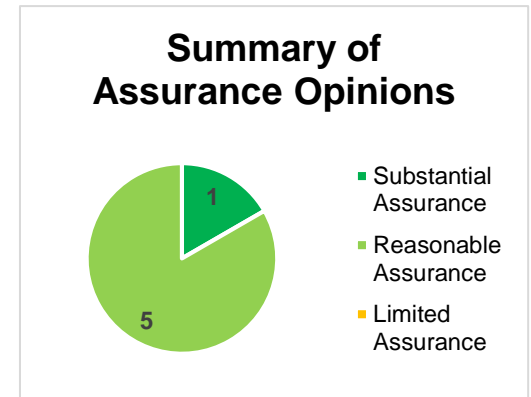
As at 1st September 2025 we have issued 6 reports (Corporate Plan, Legal Services, Staff Performance & Appraisals, Repairs & Maintenance, Housing Rents and Procurement). In addition, we have 4 pieces of work at Fieldwork stage (see High Level Summary on page 5 for further details).

There has been a growing trend in the sector towards more flexible audit plans to enable internal audit to be more responsive to changing risks, in turn maximising resource focus to clients' needs as and when needed – Agile Auditing. The audit plan will be reviewed during the year to ensure it remains responsive to changing risks.

The chart to the right shows the breakdown of Substantial, Reasonable, Limited and No Assurance opinions provided to date this financial year (as reflected in the table on page 4), as well as any non-opinion-based work.

This report provides a summary of some of the key issues reported that are being addressed by management and we are pleased that management are appropriately addressing these issues.

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.



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 over 40% of all crimes; it is anticipated that this will further increase in the coming years ([see Fraud and the Justice System](#)).

The Government 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 DAP Counter Fraud Team or Internal Audit.

The Cabinet Office now run the national data matching exercise (National Fraud Initiative – NFI) every two years and the latest exercise is ongoing during 2025. Further detail will be provided as appropriate on any investigation or irregularity work that DAP undertakes, however no such work is in progress at this time.

The Home Office have now produced the guidance on the new Criminal Offence of [Failure to Prevent Fraud](#). It is important that councils have effective measures to reduce the risk and impact of fraud.

Appendix 1 – Summary of audit reports and findings for 2025/26 (Completed since our last report in June 2025)

Key Financial Systems	
Risk Area / Audit Entity	Audit Report
	Residual Risk / Audit Comment
Procurement Reasonable Assurance Status: Final	<p>We consider there to be a sound control framework around process and procedures for procurement. There are some areas where further training would strengthen process and control.</p> <p>There is a procurement strategy in place which covers the period 2023 – 2027. The strategy aligns with Devon’s strategy and sets out procurement priorities for 2023 – 2027. There are a small number of aims in the strategy which aren't being fully met. This is due to resource and preparing for the new procurement Act. Gradual progress is being made towards meeting these aims and some of the changes being introduced with the new Act are helping to achieve these aims.</p> <p>Procurement process and procedures are published on the Council’s Intranet and are available for all officers. Procurement is pro-active in providing assistance to ensure that goods and services are procured in line with legislation and Council policy.</p> <p>The Government provided new regulations for procurement called the Procurement Act 2023. This was due to go live on 28 October 2024. Due to Government delay the Procurement Act 2023 eventually came into force on 24 February 2025. This is the biggest change in procurement legislation for some time and is intended to improve the way supplies, services and works are procured for the public sector. This change has provided a large piece of work for the Procurement team to facilitate to be compliant in time. As expected there have been some a couple of initial complications. Procurement have worked alongside DCC (Devon County Council) to ensure that all their templates and processes are in accordance with the new Act. This has been an extensive piece of work, and the team has worked hard to make sure that the Council is compliant with the new Act.</p> <p>An area where Procurement has not had capacity to review is the contract pipeline to assess which contracts will continue on the Public Contracts Regulations 2015 and for those for which the Procurement Act 2023 will immediately apply. Procurement is aware of this and have made provision to carry out this work.</p> <p>There is a legal requirement for the Council to maintain and publish a contracts register. This is published on the Council's website. The Procurement Team Leader has recently reviewed the register with services and Pro-contract to ensure the contracts register is up to date. The Operations Manager for Financial Services is confident that the register is up to date. However, through discussion with the service there is a risk that services could obtain a contract directly with a supplier without going through the correct procurement process. It is difficult to identify cases where this may have occurred previously without engagement with the Procurement team. A process to capture these cases would be beneficial to ensure compliance with the legislation.</p> <p>The following areas are a good example of where further training and changes due to the new Act will strengthen process and control;</p>

	<p>In exceptional circumstances, there are justifiable reasons to act outside the contract procedure regulations. In such circumstances, prior written approval of the Deputy Chief Executive (S151) is required, and Cabinet will be informed. A review of Cabinet minutes shows that 35 waivers have been reported to Cabinet during the period of 6/2/24 - 4/3/25. There is a risk that services do not allow sufficient time to go through the procurement process. Such occurrences are not recorded. Procurement have advised that with the new Legislations they will monitor contract renewal dates and pro-actively engage with services to initiate the contract procedure; it is hoped that this will reduce the number of waivers.</p> <p>Review of cumulative supplier spend over a 4-year period found that contracts have not always been obtained where the Public Procurement Threshold of £214,904 has been exceeded. This breaches legislation. Additional training and re-enforcement of the legislation will help to ensure that process is followed to reduce the risk of non-compliance.</p> <p>The service does not currently have active performance indicators. This is something they are currently reviewing.</p>
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Property, Climate & Leisure	
Risk Area / Audit Entity	Audit Report
	Residual Risk / Audit Comment
Housing Rents Reasonable Assurance Status: Draft	<p>We consider there to be a robust control framework for the management of housing rents. The rent increase for 2024/25 was calculated in accordance with policy and Government Guidance and appropriately approved by members. There is a process in place to double check the rent increase before it is applied to Orchard. As part of this review, we checked a sample of rent accounts on Orchard and found that they were all accurate and processed in line with the guidance. Due to a reduction in staff resource in Finance the notes to the Council's accounts weren't as detailed as in previous years.</p> <p>Over the last six years rent arrears have increased year on year and factors such as the rising number of tenants moving from housing benefit to universal credit (UC)* and the increase of cost-of-living has continued to have an impact on collection of arrears. The weekly rent charge is increased each year in line with inflation which may also have an impact. We reviewed arrears over the last six years and can see that there has been a reduction in arrears over the 2024/25 financial year. Rent is calculated on each Monday of the financial year. During the 2024/25 financial year, there were 53 Mondays. We understand that week 53 was a rent free week and tenants were not charged for this week. This would have had an impact on arrears. Any payments made in that week would have reduced arrears so this has contributed to the reduction in arrears for 2024/25. * Housing benefit is paid the week it is due; universal credit is paid in arrears, so this causes a break in payment to the tenant and delay in payment of rent</p> <p>Arrears at the end of financial year 2023/24 were £529,523.85. At the end of the 2024/25 financial year arrears have reduced to £479,678.53; that's a decrease of £49,845.32. This decrease lies with current tenants where there has been a decrease in both number of accounts and value of arrears. There has been an increase in former tenant arrears, in both the number of accounts and value, although the increase has not been as significant as in previous years. The results relating to the decrease of arrears is positive and the revised way of monitoring former tenant arrears could also further improve the reduction of overall arrears going forward. There has been a change of Manager for the income team since the last audit and an additional team member to help with the management of arrears. Former tenant arrears are now managed alongside the current tenants arrears, previously, former tenant arrears were managed by two officers, whilst the rest of the team managed current tenant arrears. It is considered that the change in management of former tenant arrears and the increase in resource has led to the reduction in arrears. Upon review of a sample of arrears monitoring of the aged debt appears to be robust which is reflective of the change in process.</p>

The Housing Finance and Information Manager provided detail of benchmarking against other housing providers for the 2023/24 year. Benchmarking is submitted to Housemark, which is a data and insight company for the UK housing sector. Housemark uses quartiles to determine performance against other housing providers. The definitions of quartiles are:

- **Upper Quartile (Q1):** The top 25% of performers. If you're in this quartile, you're among the best-performing organisations for that metric.
- **Second Quartile (Q2):** Above average but not the very top. You're performing better than at least 50% of peers.
- **Third Quartile (Q3):** Below average. There's room for improvement.
- **Lower Quartile (Q4):** The bottom 25% of performers. This indicates significant room for improvement.

Mid Devon is in quartile 1 for Write-offs % - LCRA*. Quartile 2 for Current tenant arrears % - LCRA and quartile 3 for former tenant rent arrears % - LCRA. The data for the 2024/25 year is not yet available, this has been delayed due to other priorities, therefore, we are not able to establish where the authority are currently performing against other authorities. This is not a mandatory requirement and there is no penalty for delayed submission of this data. * Low-Cost Rental Accommodation.

There are two system administrators who facilitate access to the Orchard system. All access requests for starters, leavers and movers go through the ICT helpdesk. Quarterly checks are carried out to identify whether users still need access to the system. Users who are able to make parameter changes to the system are restricted. It was found that one of the users with higher level access is not needed, the access was to one of the modules, this access has already been removed. We have suggested that annual checks of user access would be beneficial to ensure access is appropriate.

We noted that a leaver (previous system admin) is still active on the system. We understand that this is required due to the role being linked to one or more of the workflows. This needs to be investigated, to identify where the link is, so that it can be rectified and attached to a role and not the user. The user access can then be disabled.

We understand that reconciliations should be carried out monthly by Finance. There has been a few months where there has been a small delay in carrying out the reconciliation i.e. by one or two months. Six of the months weren't dated so we are not able to confirm if the reconciliations were carried out in a timely manner. Sign off of the 2024/25 reconciliations have only been completed for the month of January 2025.

Legal, HR & Governance	
Risk Area / Audit Entity	Audit Report
	Residual Risk / Audit Comment
Legal Services Reasonable Assurance Status: Final	<p>This review has demonstrated that there is a sound control environment around case management. The Legal Services Manager has advised that the Legal team has been under resourced for approximately 4 years, which has had an impact on resource and/or skill sets available to deal with queries from services. The team has utilised locums to help with resource. Discussions have identified that it has been difficult to recruit a planning lawyer. A locum is currently providing 20 hours per week. The lack of resource and/or skill set has meant that some services have used external legal consultants to deal with their enquires. However, at the beginning of May 2025, the Director of Legal, People & Governance and Monitoring Officer has advised services via their CMT (Corporate Management Team) lead, that they are not to engage directly with external legal consultants. The correct process is to direct the enquiry to the Council's legal team via email and Legal Services will either deal with the enquiry or facilitate the use of an external legal consultant on behalf of the service. The Finance team provided total spend with legal consultants over a 5-year period. The total cost for the 5-year period is £338,794. The review shows that spend with external legal consultancy firms has significantly reduced. We were informed that the main reasons for this were due to there being a few large cases during 2019/20 and 2020/21 which required external legal consultancy, due to the scale of the work required.</p> <p>A planning locum was employed in 2022 and a property solicitor in 2023 which increased resource to deal with service enquiries.</p> <p>Recent recruitment has been positive and Legal Services has appointed two new solicitors who will start in approximately 3 months' time (July/August 2025). This will mean the team will have a full complement of staff, apart from the trainee position. This should further reduce the need for external legal fees. Large cases, such as a planning public inquiry is an example where external legal consultancy may still be necessary. Also, where knowledge and expertise within the legal team means that a barrister's advice is required. Our review of a sample of legal cases, found that overall, procedures have been followed and evidence of communications for each case was available. There are some areas where training/a reminder would strengthen up control/processes, these being, closing cases that are no longer required to remain open and ensuring that all evidence is saved correctly.</p>
Staff Performance & Appraisals Reasonable Assurance Status: Final	<p>The appraisal process at MDDC is managed by People Services. It is well-structured and supported by clear communication, system integration, and effective leadership oversight. The use of the Learning Hub regular reminders, and performance monitoring demonstrates a strong commitment to ensuring staff complete their appraisals.</p> <p>The simplification of the format and responsiveness to feedback further enhance accessibility and engagement. However, the absence of a fixed appraisal window (which is being rectified) and digital access limitations for some staff present ongoing challenges. While escalation procedures are in place, the 15% non-completion rate highlights the need for stronger follow-up and accountability. Addressing these areas alongside standardising one-to-one tracking, could further strengthen the council's approach to staff development and performance alignment.</p> <p>MDDC's performance management framework is robust in many respects. The integration of objective setting with appraisals, the use of the Learning Hub for tracking progress, and the provision of training and support for managers all</p>

contribute to a system that encourages accountability and development. However, its effectiveness in achieving organisational goals could be enhanced by:

- Facilitate consistent access to IT systems across all service areas to support process completion.
- Ascertain the reasons for the 15% non-completion rate among staff.
- Standardise the explanation of how individual roles contribute to the corporate plan.
- Embed a "golden thread" approach more systematically to align individual performance with strategic priorities.
- Including SMART prompts for achievements on appraisal forms, and manager training in how to conduct appraisals to improve inconsistency across departments.

There is also evidence that employees are engaging with the training opportunities provided. The use of staff feedback to refine course offerings, the involvement of a Learning Partnerships Group, and the ongoing demand for face-to-face sessions all indicate a positive reception. Some courses such as the Neuro-Linguistic Programming course received mixed feedback, this has led to constructive adjustments rather than disengagement. The organisation's proactive approach to adapting delivery methods and content based on staff input suggests a workforce that values and actively participates in its development opportunities.

Corporate Plan

Substantial Assurance

Status: Final

The Corporate Plan has been in place for about a year and is coming up to the annual review. The plan includes strategic priorities which the Council wishes to achieve in the four-year period from 2024 – 2028. Members, Senior Management and Corporate Management helped to formulate the Corporate Plan with operational management consulted on the draft plan. Members manifesto, strategic priorities including those linked with key partners and the previous corporate plan were taken into consideration when producing the new plan. Other factors considered when producing the corporate plan were, the medium-term financial plan, other Council Strategies and infrastructure planning. The Corporate Plan is linked to Service Performance Indicators (PI's). These are highlighted on the quarterly performance, finance and risk dashboard reports.

The Corporate Performance and Improvement Manager takes data to the Corporate Performance meeting (includes senior officers and operational officers) each month where the PIs are discussed and scrutinised.

We understand that the Corporate Performance and Improvement Manager is preparing the annual review to establish achievement against the Corporate Plan, and this will go to Committee in July 2025.

Other Council strategies (Climate Change and Leisure) are aligned with the Corporate Plan. It is important that this follows through to all other Council strategies.

Each service should have a Business Plan. These were last reviewed about 18 months ago. Management is aware that they have not yet been updated and will initiate a review imminently. Business Plans will need to align with the Corporate Plan and provide the short-term vision working towards achievement of the longer-term vision within the Corporate Plan.

Housing & Environmental Health	
Risk Area / Audit Entity	Audit Report
	Residual Risk / Audit Comment
Repairs & Maintenance Reasonable Assurance Status: Final	<p>The Corporate Property and Commercial Assets team at Mid Devon District Council is structured with one overall service lead and three sector leads. One of these is the acting Corporate Property and Commercial Assets operational Lead, currently covering a long-term absence due to sickness. Another sector lead is expected to be absent for an extended period from October, which will further reduce leadership capacity.</p> <p>The team is currently under significant pressure as it undertakes a major transformation of the estates function. The aim is to move from informal, reactive maintenance practices to a structured, contract-based, and compliance-led model. This transformation is being delivered in a phased and structured manner, with full implementation targeted for the 2026–2027 financial year.</p> <p>Key actions currently underway include:</p> <ul style="list-style-type: none"> • Developing a comprehensive planned maintenance programme informed by recent condition surveys. • Compiling and managing a complete asset register covering approximately 70 buildings. • Mobilising the Meridian compliance system to centralise data and automate compliance tracking. • Transitioning from rolling purchase orders to formalised maintenance contracts. • The Acting Lead is managing critical elements of the project, including the mobilisation of Meridian and the planning and execution of procurement activities. <p>Present operational practices are partially effective but have the following limitations:</p> <ul style="list-style-type: none"> • No formal contracts are currently in place for maintenance services; work is managed through rolling purchase orders, limiting control and accountability. • Budgeting is reactive, based on historical expenditure rather than forward-looking asset condition data. • Compliance tracking and documentation are still largely manual, increasing the risk of oversight and inefficiency. • Performance monitoring is informal and relationship-based, with no contractual KPIs in place. <p>These limitations are expected to be addressed through the planned changes and are therefore not recorded in this report as observations requiring further management consideration. However, they should be re-examined following the implementation of the new processes later in the 2026–27 financial year. The purpose of this re-examination will be to:</p> <ul style="list-style-type: none"> • Assess whether the planned changes have effectively resolved the identified issues. • Ensure that no new risks or inefficiencies have emerged. • Validate that the new processes are functioning as intended and delivering the expected benefits.

- Determine whether further adjustments or management actions are required to support continuous improvement.

The most significant risk to successful delivery remains the current staffing pressure. With key personnel covering multiple roles and further absences anticipated, the team's capacity to implement the required changes within the planned timescale is a concern so therefore is raised as an observation for management consideration and response.

Appendix 2 – Clearance of audit recommendations

The table below shows all recommendations by audit subject. There are 2 Medium and 6 Low recommendations that are overdue

Audit references	H Not Due	H Overdue	M Not Due	M Overdue	L Not Due	L Overdue	Total Due and Overdue
Capital Asset Management	0	0	1	0	3	0	4
Care Services	0	0	1	0	0	0	1
Cemeteries and Bereavement Services	0	0	1	0	0	0	1
Contract Management	0	0	4	0	0	0	4
Corporate Repairs and Maintenance	0	0	2	0	0	0	2
Culm Valley Leisure	0	0	1	0	0	0	1
Cyber Security	0	0	0	1	0	1	2
Firewalls	0	0	2	0	1	0	3
Gifts & Hospitality	0	0	2	0	0	1	3
Housing Health & Safety	0	0	1	0	0	0	1
Information Governance	0	0	2	0	0	0	2
Legal Services	0	0	2	0	0	1	3
Leisure Centre	0	0	0	0	0	1	1
Performance Management	0	0	2	0	0	0	2
Procurement	0	0	1	0	0	0	1
Risk Management	0	0	1	0	1	0	2
Safeguarding	0	0	0	1	0	0	1
Service charges	0	0	0	0	1	0	1
Sickness and other Time off	0	0	1	0	0	0	1
Staff Performance and Appraisals	0	0	2	0	2	0	4
Tiverton Pannier Market	0	0	0	0	0	2	2
Void Business Property	0	0	4	0	0	0	4
Total	0	0	26	2	8	6	42

The table below provides more detail on the overdue Medium Recommendations.

Audit references	Priority	Title	Objective	Target Date	Arising - managers comment
Cyber Security	M	Consider reviewing the BCP	Currently engaged with LGA to inform DR/BCP playbook and documentation	31/05/2025	The resilience Officer and ICT are currently reviewing the new service BCP's.
Safeguarding	M	Modern Slavery and Human Trafficking statement	The statement will be updated and re-published on the website before the end of June following adoption of the updated corporate Safeguarding Policy.	30/06/2024	Has had deprioritised due to the recent exit of Community Safety lead officer and recruitment for replacement whilst immediate work has instead being prioritised across live CSP and ASB hotspot projects. Recruitment has now been completed and the new CS Lead Officer started in August. They are currently familiarising themselves with the wider role and supporting live projects and cases as a continued priority. Nonetheless, they have been tasked with a review of the statement and finalising an update for publication by end of Q3 2025/26.

Appendix 3 - Professional Standards and Customer Service

Conformance with Public Sector Internal Audit Standards (PSIAS) and Global Internal Audit Standards (GIAS)

Conformance - Devon Assurance 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 2025. 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. This revision has resulted in the new Global Internal Audit Standards.

The new **Global Internal Audit Standards (GIAS)** took effect for the UK public Sector as of 1st April 2025. There are three key aspects:

- [The GIAS](#); [The CIPFA Code on the Governance of Internal Audit](#); and [The CIPFA Application Note for the GIAS in the Public Sector](#).

These documents combine to set out the framework for Internal Audit that must be followed as per Section 5 of the Accounts and Audit Regulations 2015. During 2025-26 DAP will be undertaking a GAP Analysis of existing processes in relation to the above for each DAP Partner. The outcomes will result in action plans that will be worked through with the Partners to ensure compliance; this is likely to require actions from both DAP and Partners to ensure compliance with the revised governance arrangements and other applicable activities. Further information will be provided in due course.

Quality Assessment - the Head of Devon Assurance 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 and GIAS state 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 conducted in late 2024 by an IIA qualified ex Assistant Director of an Audit Partnership.

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 / GIAS 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.

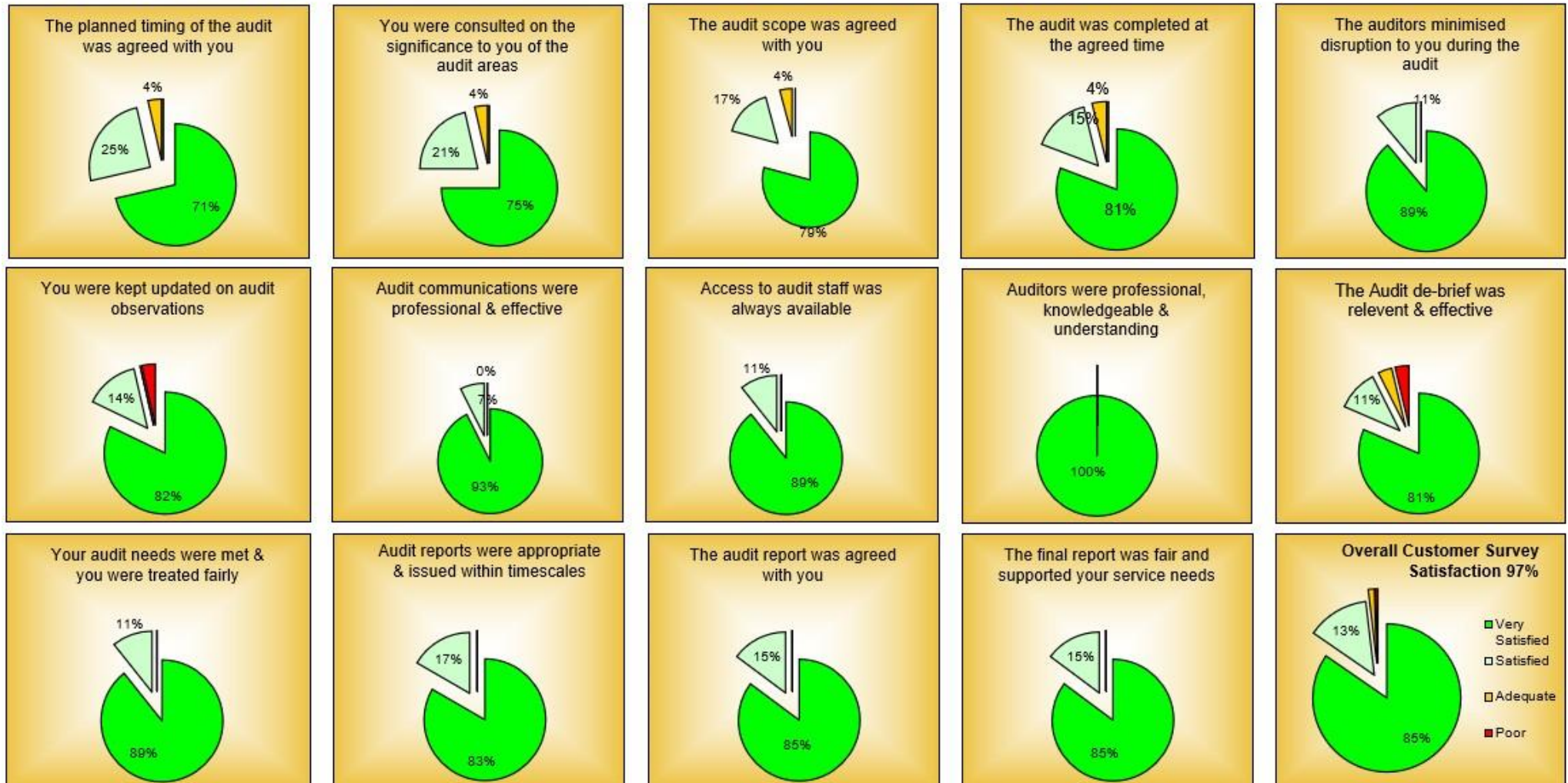
Customer Service Excellence (CSE)

DAP was successful in re-accreditation by G4S Assessment Services of the CSE standard during 2024. 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 97% 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 4

Customer Survey Results April - August 2025



Appendix 5 – Audit Authority



Appendix 6 - 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

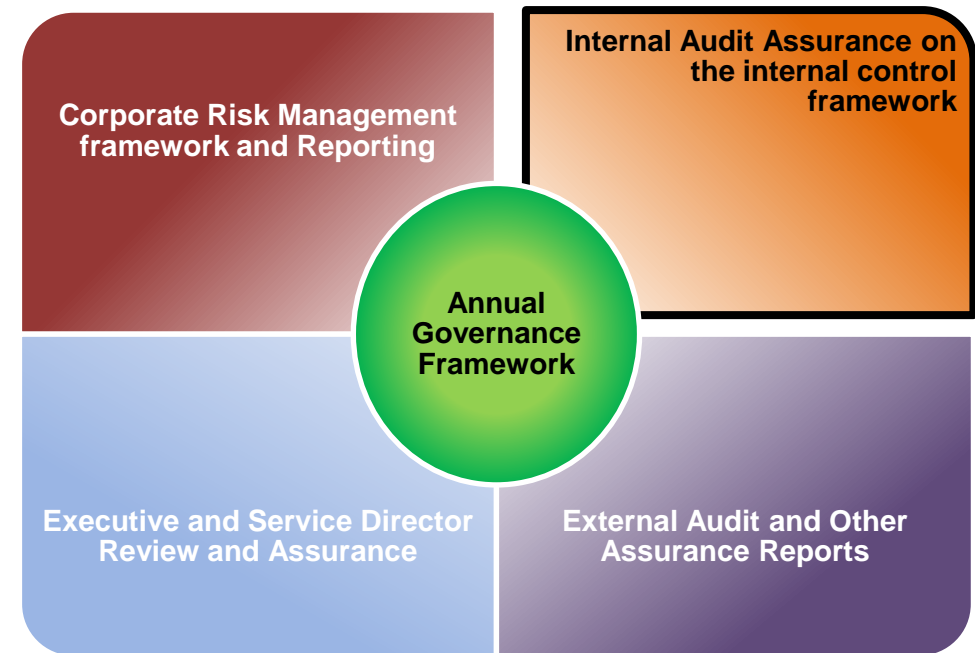
- the Authority's policies have been complied with in practice;
- high quality services are delivered efficiently and effectively;
- ethical standards are met;
- laws and regulations are complied with;
- processes are adhered to;
- performance statements are accurate.

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 (Governance) 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 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.



The LGA has introduced an improvement and assurance framework, accompanied by [a self-assessment](#) tool. This framework is intended to assist local authorities in evaluating the adequacy of their measures to ensure both service performance and corporate governance.

It is specifically designed for use by corporate statutory officers, in collaboration with members and other key officers. The tool should be utilised to inform the council's annual review of the effectiveness of its internal control system, aid in preparation for external evaluations such as Corporate Peer Challenges or inspections and support corporate statutory officers in their roles to promote good governance within the authority. The [framework](#) and a dedicated guide for [Councillors](#) are available on the LGA's website.

Appendix 7 - Basis for Opinion

The Chief Internal Auditor is required to provide the organisation 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 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 this document.

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 2024-25, including those audits carried forward from 2023-24;

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 organisations 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 Authority;

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

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Devon Assurance Partnership

The Devon Assurance 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 (for 2024/25) along with other best practice and professional standards.

The Partnership is committed to providing high quality, professional customer services to all; if you have any comments or suggestions on our service, processes or standards, the Head of Partnership would be pleased to receive them at tony.d.rose@devon.gov.uk

Confidentiality and Disclosure Clause

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.

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.