

Report to: **Audit, Best Value and Community Services Scrutiny Committee**
 Date: **18 November 2014**
 By: **Chief Operating Officer**

Title of report: **Internal Audit Progress Report – Quarter 2 (01/07/14 – 30/09/14)**

Purpose of report: **To provide Members with a summary of the key audit findings, progress on delivery of the audit plan and the performance of the internal audit service during Quarter 2.**

RECOMMENDATIONS: The Committee is asked to:

1. consider and agree any action that should be taken in response to the issues raised in any of the audits carried out during Quarter 2; and
2. identify any new or emerging risks for consideration for inclusion in the internal audit plan.

1. Financial Appraisal

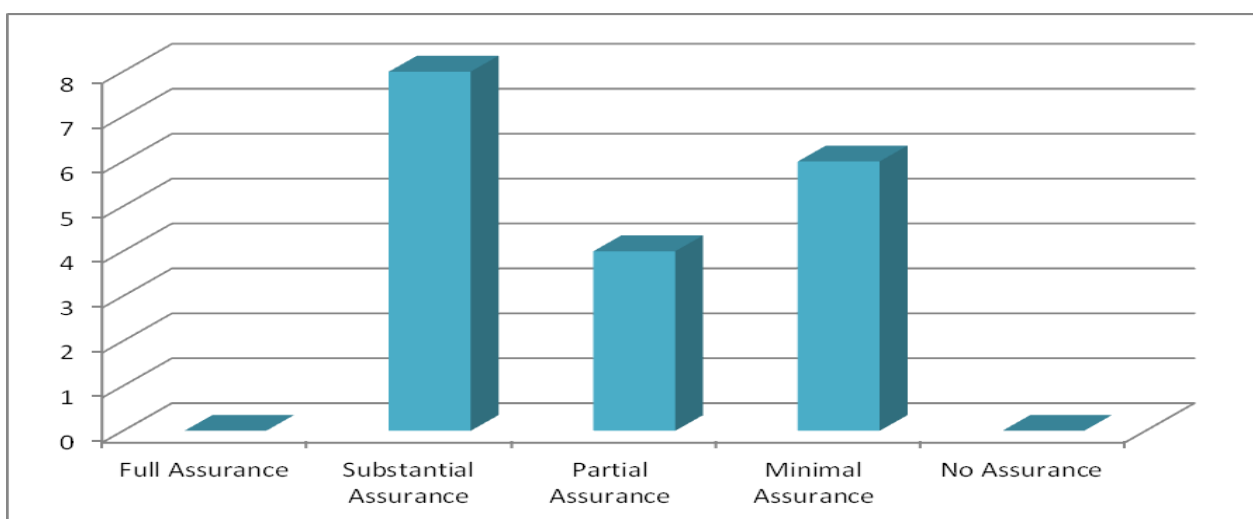
1.1 There are no direct financial implications arising from the recommendations in this report.

2. Supporting Information

2.1 The current annual plan for internal audit is contained within the Internal Audit Strategy and Annual Plan 2014-15. This was prepared after consulting Chief Officers and senior managers and was endorsed by Audit, Best Value and Community Services Scrutiny Committee (10 June 2014) and Cabinet (01 July 2014). This progress report covers work completed between 1 July 2014 and 30 September 2014.

3. Summary and Key Audit Findings

3.1 Key audit findings from final reports issued during Quarter 2 are summarised in Appendix A.



3.2 Overall, of the 18 formal audits completed, 8 received a 'substantial assurance' opinion (2 of which related to schools), 4 received 'partial assurance' (1 of which was a school) and 6 received 'minimal assurance' (all of which were schools). In the three non-schools areas where partial assurance opinions have been issued (Staff Transfers and Leavers, ICT Asset Management and Coroners Service), we have obtained a commitment from management to address the required actions as a priority and will be undertaking further follow-ups in due course to ensure that this takes place.

3.3 Whilst the same range of internal audit opinions are issued for all audit assignments, it is necessary to also consider the level of risk associated with each area under review when drawing an opinion on the Council's overall control environment. **Taking into account these considerations, the Head of Assurance continues to be able to provide reasonable assurance that the Council has in place an effective framework of governance, risk management and internal control.**

3.4 The overall conclusion has been drawn based on all audit work completed in the year to date and takes into account the management response to recommendations raised and the level of progress in subsequent implementation.

3.5 During the quarter, the service has again been engaged in investigations, a number of which are on-going. In quarter 1, we reported that these investigations had resulted in us not being able to complete as much planned work as expected. It is therefore pleasing to report that we are now back on-track to achieve our target of planned work for the year. The overall resource position will continue to be monitored closely to ensure that the audit plan will be delivered as expected by 31 March 2015.

3.6 Formal follow up reviews continue to be carried out for all audits where either 'minimal' or 'no assurance' opinions have been given and for all higher risk areas receiving 'partial' assurance. In addition, arrangements are in place to monitor implementation of all individual high risk recommendations and at the time of writing this report, all recommendations due had been implemented.

3.7 Members will recall that flexibility was built into the audit plan to allow resources to be directed to any new and emerging risks. We continue to liaise with departments to identify these but would also welcome input from the committee. Details of those reviews added and removed from the plan so far this year are set out at the end of Appendix A.

4 Performance against targets

4.1 Progress against agreed performance targets (focussing on quality / customer satisfaction, compliance with professional standards, and cost / coverage) can be found in Appendix C. All targets have been assessed as on target (Green).

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BACKGROUND DOCUMENTS: Internal Audit Strategy and Annual Plan 2014-15

Summary of Key Audit Findings

Corporate Governance – Annual Governance Statement 2013/14

The Accounts and Audit Regulations 2011 require local authorities to ensure that they have in place sound systems of internal control, facilitating the effective exercise of their functions and which include arrangements for risk management. As part of this, each local authority is required to:

- Conduct an annual review of the effectiveness of its system of internal control;
- Prepare an Annual Governance Statement (AGS) in accordance with proper practices in relation to internal control to accompany its Statement of Accounts;
- Disclose significant governance issues identified through the Council's governance and internal control arrangements.

This Internal Audit exercise examined the arrangements within ESCC for reviewing the effectiveness of its system of internal control and preparing its annual governance statement for 2013/14. In particular, the audit sought to ensure that:

- All potential sources of assurances are identified and reported on;
- Mechanisms are in place for ensuring that identified actions are addressed, monitored and reported on;
- The process for compiling the Annual Governance is efficient, effective and fit for purpose;
- The Council's policy framework is up to date and properly communicated.

Based on this work, we have been able to provide **substantial assurance** that the Council has in place effective arrangements for the production and compilation of its AGS. We found that responsibilities, practices and oversight arrangements are comparable with other tier one local authorities in the region and there were no significant errors or gaps in the AGS itself. Some areas for further improvement were identified along with opportunities to make the process of producing and signing off the AGS more efficient and effective. All of these have been agreed with management and will be implemented in readiness for the 2014/15 AGS.

Capital Programme – Governance Arrangements

As commissioned by the Capital and Strategic Asset Board, the Financial Planning Team within the Business Services Department are developing options for the Board to consider to improve the overall financial control of major projects, divided into three stages – governance, financial management and a post implementation review of outcomes. We have therefore agreed to provide advice and support to this project, beginning with the capital programme governance arrangements.

In completing this initial work, we were able to conclude that the new proposed approach would represent a significant improvement to the overall governance of the Council's capital programme. We did, however, make some recommendations for improvement, including the need to revisit the Capital and Strategic Asset Board's Terms of Reference to ensure that it fits with the approach being advocated in achieving effective oversight of all elements of the capital programme. All of the recommendations have been agreed with management.

It is important to recognise that further changes to governance are likely to be required following the financial management stage and we will advise on this as part of our continuing work in this area.

Financial Regulations

Financial Regulations provide a framework of control, responsibility and accountability for the proper administration of the Council's financial affairs.

To ensure they remain relevant, appropriate, up-to-date and balance the need for efficient administration with the minimisation of any risks to the Council, Financial Regulations have been subject to review by key officers within the Business Services Department. We have provided advice and support to this process and commented on the proposed amendments, particularly with regard to the risk, probity and internal control aspects.

This work is continuing with the amended regulations to be presented to Cabinet and Council for approval.

Gifts and Hospitality – Internal Control Report

During March 2014, an anonymous letter was received alleging inappropriate conduct by a number of staff, specifically relating to the acceptance of gifts and hospitality from County Council contractors. Whilst the subsequent Internal Audit investigation did not identify any evidence to support the specific allegations, it did establish the need for improved awareness amongst staff and our contractors of the Council's policies and procedures associated with the offering and acceptance of gifts and hospitality.

The improvements necessary have subsequently been set-out within an internal control report and these include:

- Strengthening the Council's Code of Conduct and Conflict of Interest Policy to provide greater clarity in relation to relationships and socialising with contractors, and accepting/declining/declaring offers of gifts and hospitality;
- Specific training for staff that focuses on the Council's requirements and expectations in relation to gifts and hospitality, together with the associated sanctions for non-compliance;
- Ensuring all staff have an appreciation of the risks to the Council from the public perception of staff/contractor relationships and the need to maintain professional relationships at all times;
- Ensuring that declarations are made for all offers of gifts and hospitality in accordance with Council policy and that these are appropriately reviewed and approved/rejected by management;
- Reminding contractors of Council policy in relation to gifts and hospitality, highlighting the potential implications associated with non-compliance (e.g. termination of business);
- Identifying the posts where staff are more likely to be offered gifts/hospitality and ensuring the Council's Code of Conduct is regularly revisited and discussed at supervision meetings.

A formal action plan incorporating the above areas has been agreed with management and will be subject to future follow up by Internal Audit.

Coroner's Office

A review of the Coroner's Office was undertaken with specific focus on controls over income and expenditure, budget management and the security of records, premises and ICT systems.

The Coroner was appointed by ESCC and is responsible for investigating deaths where the cause is unclear or the deceased's doctor is not available to sign a death certificate. The Coroner is not an ESCC employee and holds a remit that affords him full judicial independence from ESCC. It is, however, the responsibility of ESCC to support the role financially.

In summary, we found that there is significant scope for improvement in the financial administration of the Coroner's Office and could only provide an opinion of **partial assurance** as a result. Whilst we did not find any evidence of financial impropriety, we did identify a number of areas where financial controls could be improved, in particular:

- The need for the Coroner's Office to comply with the requirements of ESCC Financial Regulations, where the absence of such a proper framework of financial control has been a contributing factor to many of the other weaknesses identified;
- Ensuring adequate transparency and documentation is in place in relation to the Coroner's accommodation costs;
- Improving payment controls by ensuring that valid invoices exist for standard post mortems, inquest payments are properly reviewed by ESCC staff prior to being paid and inquest claims are appropriately coded within SAP to assist budget management;
- Strengthening budget management by ensuring that the budget holder for the Coroner's Service (not the Coroner himself) has appropriate oversight of the expenditure and claims process;
- Implementing adequate approval controls over the Coroner's payroll claims, and;
- Ensuring that all payments to staff are subject to deductions for tax and national insurance.

All of the recommendations made as part of this audit have been agreed with Assistant Chief Executive who will be taking these forward with the Coroner.

Churchill Contract Management – Follow Up

A contract management review on the cleaning services contract with Churchill Contract Services Ltd was completed in March 2014 as part of a wider corporate review of contract management arrangements within the Council. The report gave only partial assurance on the overall effectiveness of contract management controls and identified a number of areas of concern where improvements could be made.

The main purpose of this subsequent follow up audit was to provide assurance that all recommendations previously made and agreed with management have been implemented.

Whilst we found that some of the original recommendations remained outstanding or only partially implemented (none of which are considered high risk), sufficient improvement had been made to enable us to now provide **substantial assurance** over the control environment.

The contract with Churchill will end on 31st March 2015 and management intend re-letting the cleaning work as part of a wider facilities contract. As a consequence, some of the agreed recommendations which were to be actioned by the end of July 2014 have been postponed and subsumed into work developing a new contract specification and monitoring model.

Staff Transfers and Leavers – Follow-Up

A review of Staff Transfers and Leavers was completed in 2013 to establish whether the processes for managing transfers and leavers were efficient and effective and to assess the adequacy of controls for removing access to network folders, systems, Council buildings and assets once an employee has left, or transferred to a different part of the organisation.

At the time, we found that, whilst the process for managing assets and building access for leavers was reasonable, the arrangements for controlling access to Council network folders and IT systems were ineffective and inefficient. Consequently, we were only able to provide an opinion of partial assurance.

Our follow-up work has found that, whilst there has been an improvement in the overall control environment, this has not been sufficient to enable us to provide more than **partial assurance** once again. This is principally due to the nature of the outstanding actions, which include:

- Introducing controls to verify and, where necessary, disable the network accounts for contractors, agency staff and other third party staff who leave the organisation;
- Strengthening controls over ICT change request forms ('Network Account Forms') to ensure that these can only be signed off by authorised managers;
- Implementing arrangements whereby managers are able to monitor and manage who has access to sensitive network folders, especially for instances where staff transfer within the organisation;
- Streamlining and clarifying the current process for managing staff transfers, especially by avoiding duplication and ensuring clear and concise guidance is provided.

An action plan to address the above weaknesses has been agreed in full with management who are committed to ensuring appropriate remedial action is implemented. This will of course be subject to a further follow up by Internal Audit.

ICT Asset Management

This review, carried out by specialist IT auditors from Mazars, sought to provide assurance over the following areas of IT asset management:

- IT Asset Management Policy and Strategy;
- Maintenance of IT Asset Registers;
- Security of Hardware;
- Asset Loss Management Procedures;
- Disposal Procedures.

Based on the work undertaken, an audit opinion of **partial assurance** over controls has been provided. Whilst arrangements over security and disposal of IT hardware were found to be effective, the following areas for improvement were identified:

- Ensuring responsibility for IT asset management is formally assigned within the Council;
- Updating the ICT Security and Safeguarding Policy to include clear guidance in relation to asset loss management;
- Introducing a formal process to carry out an annual check of the ICT asset register;
- Improving the arrangements for managing software licence information;
- Strengthening controls over access to the asset management system.

All recommendations arising from the review have been agreed with ICT Services and will be subject to a formal follow up in due course.

ICT Security Policies

Having a security policy is instrumental in creating a more secure and controlled environment to protect and maintain availability to the Council's network and its resources. Security policies should define what the Council's goal is for the safeguarding of information stored on its computers. They also help to create consistent standards across the Council, reduce the level of risk exposure and avoid penalties for failure to adhere to regulations and legislation.

This review sought to provide assurance that the County Council has in place appropriate IT security policies, these are aligned with best practice standards and are being complied with.

Overall, the review found a number of areas of good practice and we were able to provide an opinion of **substantial assurance** as a result. A small number of opportunities for further improvement were identified and agreed with management. None of these are considered to be of a high risk nature.

Replacement Operating Systems

This audit was undertaken by specialist IT auditors from Mazars to evaluate the control environment established and applied to the delivery and effective configuration of the replacement technical operating systems recently implemented across the Council.

Support for Windows XP ceased in April 2014 and Windows 2003 server support ends in July 2015. In September 2013, the Cabinet Office set new standards for compliance with the .gov.uk code of connection (COCO) requirements, which necessitated ESCC to update its operating systems laptop estate from Windows XP to Windows 7 by the end of April 2014.

It is essential that the Council's replacement desktop and server operating systems apply adequate and appropriate controls to address the corporate ICT risks and regulatory obligations, as any failure in maintaining secure and robust desktop and server operating systems will impact on the effectiveness of the confidentiality, integrity, and availability requirements of the delivery and support of ICT services. As a result, the Council recently implemented the replacement of the technical operating systems that support the primary business application systems.

The main objective of this review was to assess and evaluate the control environment for the delivery and effective configuration of the replacement technical operating systems through examination of the controls applied in the following areas:

- Project governance and risk management;
- Desktop technical security configuration settings;
- Server technical security configuration settings;
- Data / software conversions or upgrade user acceptance tests and training; and
- Production system transition to business as usual support.

Overall, we found the control environment to be adequate and we were able to provide an opinion of **substantial assurance**. There were, however, opportunities to further strengthen control, including the need to improve security controls whenever laptops are offline or in transit. The three recommendations made as part of this review were agreed in full with management.

Looked After Children's Funds – Follow-Up

A review of the Administration of Looked After Children (LAC) Funds was completed as part of the agreed annual audit plan for 2012/13. This was undertaken following an investigation into the theft of funds from a looked after child in 2012. The audit identified the following issues:

- There were no formal procedures in place in relation to managing LAC savings;
- There were no controls to ensure savings were protected when children moved between carers;
- There was no central record and no monitoring arrangements in place in relation to LAC savings accounts;
- There was no central record of Court awards made to Looked After Children and, as a result, the Council was unable to inform children of the award upon turning eighteen.

Due to the control issues highlighted and the audit opinion of 'no assurance', we have undertaken a follow-up review as part of the agreed audit plan for 2014/15.

In completing the review, we found that significant progress had been made against the recommendations made previously and, based on the work carried-out, we have now been able to provide an opinion of **substantial assurance** over the control environment.

A small number of actions from the previous audit review remained outstanding or had been partially implemented and these have been restated. The key finding from our follow-up review was that, whilst a central record of LAC savings had been created, the record was still incomplete and there were no records for 168 children concerned. Management have since agreed to implement appropriate action to resolve this and implement on-going monitoring arrangements.

Nursery Income and Debt - Follow-Up

As part of the approved 2014/15 internal audit plan we have undertaken a review to follow up the progress made by the Children's Centre's Team in implementing previous audit recommendations relating to Nursery Income and Debt. Our last audit in this area resulted in an opinion of partial assurance.

It is pleasing to report that sufficient progress has been made by management to enable us to now provide **substantial assurance** over the control environment. The majority of our original recommendations have been implemented, with none of those still in progress being of a high risk nature. The outstanding actions relate primarily to:

- Improving segregation of duties in some areas;
- Ensuring that all outstanding debts are subject to appropriate recovery arrangements;
- Strengthening security over payment information and documentation.

Management are continuing to implement all remaining recommendations, with this work due to be completed by the end of October 2014.

Flying Start Nursery – Denton Community School

The Flying Start Nursery operates on the site of Denton Community School and is the responsibility of the school's Governing Body. Following a period of consultation, the nursery is planned to become part of the school which will operate with a defined age range of 3–11.

In June 2014, the school's Headteacher contacted Personnel Services to seek advice relating to the authorisation of payroll claims for the nursery, especially with regard to the lack of records available to support payments. Subsequent discussions indicated a lack of clarity over the financial responsibility for the nursery and in light of this, an audit visit was arranged to review payroll records and the financial management of the nursery as a whole.

From the work we carried out, we have only been able to provide **minimal assurance** over the control framework at the nursery. The significant control weaknesses upon which this opinion is based are as follows:

- A lack of understanding in relation to the overall responsibility for the Nursery had resulted in a breakdown in governance arrangements. The Nursery had been operating with no business plan and no budget had been set;
- No guidance on financial procedures was available to Nursery staff;
- No performance management process has been in place for the Nursery Manager, or her staff;
- The Nursery had its own bank accounts which were not official ESCC bank accounts. They were not subject to ESCC controls and monitoring and no bank reconciliation was taking place;

- No procedures were in place to ensure that income received by the Nursery was banked intact;
- There has been inadequate control over the working of additional hours by staff, increasing the risk that hours are worked at an unnecessary cost to the nursery and/or the risk that payments are made for hours not worked.

A range of recommendations to address these weaknesses have been agreed in full with school management, and a follow-up review will be undertaken later in the year. The Nursery became part of the school in September 2014 and its financial processes have been incorporated into the school's financial administration and will now be covered by Financial Regulations for Schools. As a result, controls in many of the areas of concern are likely to improve.

Individual School Audits

During the quarter, we have continued to conduct visits to schools in the County, with the individual schools selected through the Schools Risk Review Group (made up of representatives from Internal Audit, Personnel and Training, Finance and the Standards and Learning Effectiveness Service) on the basis of risk. Follow-up reviews have also been completed where appropriate. In all cases, recommendations arising from our work have been formally agreed with school management, with copies of all audit reports now sent directly to all members of each school's governing body. We also prepare a summary of the report for the relevant local Member where the audit opinion is below partial assurance. This is in addition to the quarterly bulletins we provide to governors which highlight common themes and issues arising from our work which we recommend they seek assurance on within their own schools.

The following school audits have been completed in the quarter.

School	Opinion	Key Findings
Bishop Bell C.E School	Minimal	<p>We identified a number of areas for improvement, particularly in relation to:</p> <ul style="list-style-type: none"> • updating and properly communicating the Whistleblowing Policy; • ensuring official purchase orders are raised for items procured; • undertaking a physical check of school assets; • only using petty cash in accordance with ESCC policy and not using it to make loans to staff. <p>We also identified financial risks associated with the school's extended activities, including:</p> <ul style="list-style-type: none"> • the on-site nursery operating at a deficit and being subsidised by the school's delegated budget; • a lack of formal agreements in place where services are provided to other schools; • the school assuming all employment risks through directly employing staff to work at other schools; • a lack of professional indemnity insurance for services provided.

School	Opinion	Key Findings
Chyngton Primary School	Minimal	<p>We have previously reported on the risks associated with Chyngton ICT Services (CICTS), which is a service run from the school for other local schools. The audit opinion takes into account the findings from the CICTS review.</p> <p>Areas for improvement included the need to:</p> <ul style="list-style-type: none"> • improve governance arrangements over the CICTS; • ensure there is adequate guidance and sufficient understanding of the CICTS costs or cost drivers; • develop written protocols governing the method of pricing works; • develop adequate processes to ensure all income due to the school from the CICTS is identified, invoiced, received and banked intact; • maintain adequate records of hours worked on individual CICTS jobs and ensure all claims for overtime are properly approved; • ensure the school's Scheme of Delegation is approved by the Full Governing Body; • implement appropriate approval controls over virements (the transfer of monies between budget headings); • ensure letting agreements are in place with hirers of school premises; • maintain adequate records to support payments made to suppliers.
Pells C.E Primary School – Follow-Up	Minimal	<p>Our follow-up review found that the school had made little progress against the previously agreed actions. Outstanding areas for improvement included:</p> <ul style="list-style-type: none"> • implementing a register of interests for staff and governors; • the need for staff and governors to formally declare conflicts of interest and to properly manage these; • ensuring the school's Scheme of Delegation is approved by the Full Governing Body; • ensuring an adequate separation of duties in the payments and payroll process; • approving payroll claims in accordance with the school's Scheme of Delegation; • implementing an inventory of school assets; • maintaining proper school fund accounts for auditing and reporting to the Governing Body; • reviewing and updating the letting agreement with the nursery (not reviewed or updated since 2012).
Stafford Junior School	Minimal	<p>We identified a number of areas for improvement, particularly in relation to:</p> <ul style="list-style-type: none"> • ensuring a formal agreement is in place for the leadership support services provided to the school by Bishop Bell school; • registering for Data Protection with the Information Commissioner;

School	Opinion	Key Findings
		<ul style="list-style-type: none"> • raising official purchase orders for items procured; • not making cash equivalent payments (gift certificates) to staff, without accounting for tax and national insurance deductions; • ensuring staff do not authorise their own pay claims; • reconciling all income due to income received; • undertaking a physical check of school assets.
St. Richards Catholic College	Minimal	<p>Areas for improvement included the need for:</p> <ul style="list-style-type: none"> • consistency in relation to financial thresholds for the approval of contracts (where the Headteacher is able to approve contracts at a higher level than the Full Governing Body); • an up-to-date register of business interests; • all purchase orders to be properly approved prior to being sent to suppliers; • the school's budget share to only be used for valid expenditure; • payments to staff to only be made through payroll and not through the school's accounts payable system; • an adequate separation of duties in the payroll process; • formal lettings agreements prior to lettings taking place; • adequate school fund accounts for auditing and reporting to the Governing Body; • an up-to-date inventory and annual check of assets.
Cradle Hill Community Primary School– Follow-Up	Partial	<p>Our follow-up review (following a 'no assurance' audit opinion) found that the school had made significant progress implementing the previously agreed recommendations. There were, however, still some areas for improvement, as follows:</p> <ul style="list-style-type: none"> • the need for the Governing Body to formally approve the school's Local Financial Procedures and Staffing Structure in accordance with the Scheme of Delegation; • raising orders at the time they are placed with suppliers; • ensuring orders are only approved by staff with the delegated authority to do so; • ensuring letting agreements are approved on behalf of the school by the Governing Body; • making sure that payroll claims are properly completed and signed by the claimant.
Herne Junior School	Substantial	<p>Financial controls generally good, with only a small number of improvements required, including:</p> <ul style="list-style-type: none"> • the need for a formal agreement regarding the Crowborough Primary Federation (with Whitehill Infant School) that sets out the rationale for the Federation and how the two schools will work together; • raising orders at the time they are placed with suppliers; • maintaining an up-to-date inventory and completing an annual check of assets.

School	Opinion	Key Findings
Whitehall Infant School	Substantial	<p>Financial controls were generally good, with a small number of areas for improvement, in particular:</p> <ul style="list-style-type: none"> • the need for a formal agreement regarding the Crowborough Primary Federation (with Herne Junior School) that sets out the rationale for the Federation and how the two schools will work together; • ensuring staff overpayments on claims are corrected through the payroll system as opposed to being offset against future claims.

Investigations

Inappropriate Use of Council Post and Email

Earlier in the year, an internal audit investigation was undertaken in relation to the inappropriate use of the Council's postal and email systems by a member of staff. Our investigation found that the individual concerned had been using the Council's postal system to send packages relating to her own private business, at the Council's expense. Further investigations identified that the staff member had also been engaged in receiving and sending large volumes of non-work related, inappropriate and offensive emails over a significant period of time. These actions represented a clear breach of Council policy and resulted in the member of staff being dismissed following a disciplinary investigation.

Gifts and Hospitality

As part of an on-going investigation into the misuse of the Council's email system, we identified an instance of a cash gift being accepted by a member of staff from a contractor. Whilst we understand that the gift was to be shared amongst the team concerned, as thanks for work they had completed on a particular project (it was subsequently used towards a team meal), the acceptance of the gift was a clear breach of the Council's Code of Conduct and Conflict of Interest Policy. Both the staff member and his manager have received formal standard setting as a result of this and a range of actions are being taken to avoid future repetition.

Additional Audit Reviews

Through discussions with management, the following reviews have been added to the audit plan during the course of the year on the basis of risk (see 3.7 above):

- Lease Cars;
- Chyngton Primary School ICT Services;
- Annual Governance Statement;
- Bus Services Operators Grant;
- Procurement Cards;
- E-Recruitment iGrasp Replacement.

To date, no audits have been deferred from this year's audit plan.

High risk recommendations where implementation is overdue / unconfirmed

Action has been taken against all of the high risk recommendations due to be implemented.

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Internal Audit Performance Indicators

Measure	Source of Information	Frequency	Specific Measure / Indicator	RAG Score	Actual Performance
Client Satisfaction					
Chief Officer/DMT	Consultation / Survey	Annual	Confirmation of satisfaction with service quality and coverage and feedback on areas of improvement.	G	Confirmed through Chief Officer consultations in February / March 2014, where high levels of satisfaction confirmed.
Client Managers	Satisfaction Questionnaires	Each Audit	>89%	G	100%
Section 151 Officer	Liaison Meetings	Quarterly	Satisfied with service quality, adequacy of audit resources and audit coverage.	G	Confirmed through ongoing liaison throughout the year and via approval of audit strategy and plan.
ABV&CSSC	Chairs Briefing and Formal Meetings	Quarterly / Annual	Confirmation of satisfaction with service quality and coverage and feedback on areas of improvement.	G	Confirmed through annual review of effectiveness and feedback from committee as part of quarterly reporting.
Cost/Coverage					
CIPFA Benchmarking	Benchmarking Report and Supporting Analysis Tools (to be reviewed for 2015/16)	Annual	1. Cost per Audit Day; 2. Cost per £m Turnover; equal to or below all authority benchmark average	G	Opportunities to improve benchmarking being explored. Last results available are for 2012, these show: 1. £316 against average of £325 2. £559 against average of £1,004
Local and National Audit Liaison Groups	Feedback and Points of Practice	Quarterly	Identification and application of best practice.	G	On-going via attendance at County Chief Auditors Network, Home Counties Audit Group and Sussex Audit Group.
Delivery of the Annual Audit Plan	Audits Completed	Quarterly	90% of audit plan completed.	G	46.1%.

Measure	Source of Information	Frequency	Specific Measure / Indicator	RAG Score	Actual Performance
Professional Standards					
Compliance with professional standards	Self-Assessment against new Public Sector Internal Audit Standards	Annual	Completed and implementation of any actions arising.	G	Self-assessment completed, improvement plan in place and being actioned.
External Audit Reliance	Fundamental Accounting Systems Internal Audit Activity	Annual	Reliance confirmed	G	Confirmed as part of BDO Annual Governance Report.

