Report to: **Audit, Best Value and Community Services Scrutiny Committee**
Date: **15 September 2015**
By: **Chief Operating Officer, Business Services Department**

Title of report: **Internal Audit Progress Report – Quarter 1 (01/4/15 – 30/6/15)**

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 1.**

RECOMMENDATIONS

1. **Members are recommended to consider and agree any action that should be taken in response to the issues raised in any of the audits carried out during Quarter 1;**

2. **Identify any new or emerging risks for consideration for inclusion in the internal audit plan.**

1. Background

1.1 This progress report covers work completed between 1 April 2015 and 30 June 2015.

2. Supporting Information

2.1 The current annual plan for internal audit is contained within the Internal Audit Strategy and Annual Plan 2015-16. This was prepared after consulting Chief Officers and senior managers and was endorsed by Audit, Best Value and Community Services Scrutiny Committee on 17 July 2015.

3. Conclusion and Reasons for Recommendation

3.1 Key audit findings from final reports issued during Quarter 1 are summarised in Appendix A.
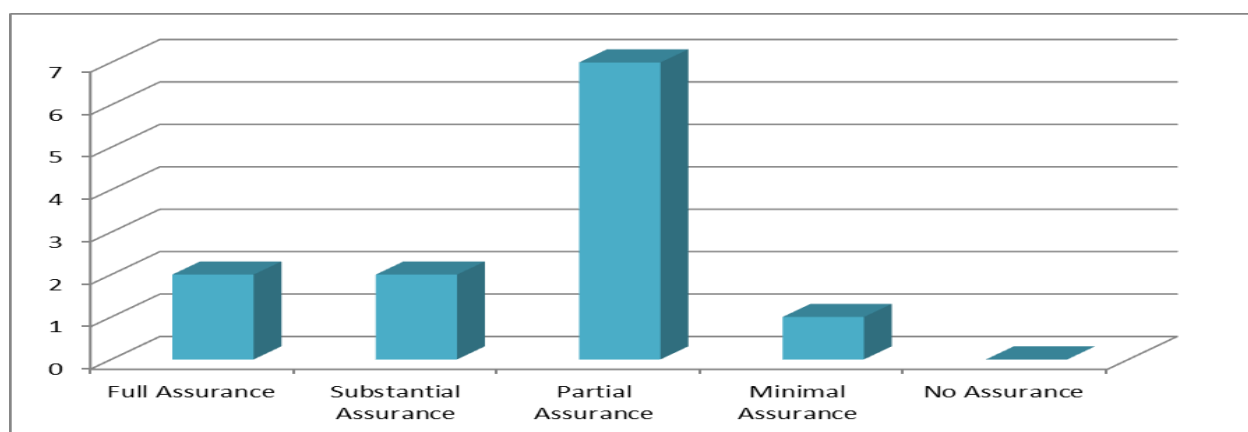
3.2 Overall, of the 12 formal audits completed, 2 received 'full assurance' opinions, 2 received 'substantial assurance', 7 received 'partial assurance' (3 of which were schools) and 1, relating to a school, received 'minimal assurance'. In the 7 instances of partial assurance being given (including Compliance with Procurement Standing Orders, Contract Management Follow-Up, Controcc, Special Education Needs and Disabilities), and the one instance of minimal assurance, 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   Although 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. Whilst it is disappointing to have to report on a higher than usual number of partial assurance opinions during the first quarter of the year, **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. As explained above, this is something which will continue to the monitored and reported on by Internal Audit throughout the year.

3.5   Since our previous report to this committee, further action has been taken to strengthen financial governance in schools. Following the decision to use one-off funding to deliver a comprehensive training programme for governors, headteachers and school business managers, a training package has now been created in conjunction with the Southern Educational Leadership Trust (SELT), who are working with us and colleagues across the organisation to deliver the programme. A pilot event is due to take place in September 2015, with the actual training sessions booked throughout October and November 2015. In addition, a large sample of schools will be subject to audit over the coming months, over and above our normal programme of risk based school reviews. We will be working with our delivery partner, Mazars Public Sector Internal Audit Limited, to deliver this work, which will be reported on in due course.

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. At the time of writing this report, three high risk recommendations due remained outstanding beyond the agreed implementation date, two of which related to schools. In all cases, revised implementation dates have been agreed with management.

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 this committee. Details of those reviews added and removed from the plan so far this year are set out at the end of Appendix A.

3.8   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).

KEVIN FOSTER
Chief Operating Officer

Contact Officers: Russell Banks, Head of Assurance   Tel No. 01273 481447

BACKGROUND DOCUMENTS: Internal Audit Strategy and Annual Plan 2015-16

Summary of Key Audit Findings

Accounts Receivable

The Accounts Receivable system is administered through SAP and is one of the Council's key financial systems. The control objectives of this audit were to ensure that:

- All income generating activities are identified and accurately invoiced to customers;
- All invoices are paid and the income is correctly identified, accounted for and reflected in the accounts;
- The extent of debt is minimised and overdue accounts are followed-up promptly;
- Write offs, credit notes and refunds are valid and are properly authorised;
- There is adequate segregation of duties in the invoicing and receipting functions, and;
- All payments received by credit card are managed in compliance with the Payment Card Industry (PCI) data security standards.

Our review found that key controls continue to be effective in ensuring that debts are raised and income is received and recorded. We were therefore able to provide an opinion of **substantial assurance**. A number of low risk recommendations were, however, made to further strengthen the control environment and these included:

- Improving further the Council's compliance with the PCI standards to ensure all transactions are conducted securely and to minimise any risk to customer personal information;
- Ensuring adequate proof of debt is always obtained before invoices are raised (so that legal remedies can be pursued where a customer fails to repay);
- Ensuring invoices are raised promptly to increase the likelihood of debts being paid, and;
- Obtaining appropriate approval on all occasions for the write-off of debts in accordance with Financial Regulations.

Recommendations relating to these and other areas were agreed in full with management, all of which are due to be implemented by the end of the calendar year.

Compliance with ESCC Procurement Standing Orders

Procurement Standing Orders (PSOs) set out how the Council authorises and manages expenditure. They provide a framework to ensure that ESCC obtains value for money and complies with legislation in relation to public expenditure. PSOs form part of the constitution of the Council.

New PSOs were introduced late in 2013, replacing the previous Contract Standing Orders (CSO), which had been in force since 2003. The new PSOs represented a complete re-write of the old CSOs and were designed to bring procurement up-to-date and reflect best practice nationally. These are now being further updated to comply with the Public Contracts Regulations 2015 and will be amalgamated with Surrey County Council's PSOs to enable a consistent approach and increase efficiencies across the two Councils.

This review was based on a sample of purchase orders from 2014/15, covering all council departments, where expenditure was in excess of the thresholds for obtaining competitive quotations and tenders. The audit sought to provide assurance that:

- Controls are in place to ensure that all expenditure is made in compliance with PSOs and that all procurement is subject to approval in accordance with delegated levels of authority;
- Adequate controls are in place to reduce the risk of fraud in the letting of contracts, and;
- Arrangements are in place to ensure that contracts support major expenditure with adequate provision for contract management.

Overall, based on the work carried out, we have been able to provide an opinion of **partial assurance** over the control environment, with opportunities for improvement identified in the following areas:

- Introducing arrangements for monitoring aggregate expenditure with individual vendors, to help ensure procurement thresholds for obtaining quotations and tenders are adhered to;
- Ensuring that formal contracts are always in place where aggregate expenditure exceeds thresholds laid down in PSOs, i.e. over £100,000;
- Where quotations are sought, ensuring that these are retained as evidence of a competitive procurement process;
- Whilst no conflicts of interest were identified, officers involved in procurement decisions need to ensure that a declaration in the register of interests is completed to increase transparency;
- Updating procurement guidance on the council's intranet, and;
- Implementing a process of analysing waivers to PSOs to help improve procurement and identify patterns of poor practice.

All of the recommendations made as part of this review were agreed with management and will be subject to follow up as part of a similar review, planned for 2016/17, which will incorporate the combined PSOs with Surrey County Council.

Contract Management Follow-Up

This review followed-up on the implementation of recommendations made in the March 2014 audit of contract management which resulted in an audit opinion of 'partial assurance'. The key areas of improvement previously identified included the need to:

- Embed contract planning and performance management and ensure there is clear ownership of contract management within the Council;
- Improve relationships and interaction between contract managers and the Corporate Procurement Team, particularly when planning re-procurement, contract extensions or variations;
- Improve commercial contract management and promote continuous improvement and innovation within contracts;
- Enhance performance management;
- Improve governance of individual contracts, including in relation to risk management;
- Ensure business critical contracts have established appropriate and proportionate continuity planning arrangements, and;
- Review the competencies and training needs of contract managers, and provide appropriate training in this area.

Our follow-up focussed on contract management at a corporate level as opposed to reviewing the management of individual contracts. The review found that work has been, and continues to be carried out by the Procurement Team to establish a more effective system for managing contracts. This included the commissioning of an external Supplier Relationship Management review across both East Sussex and Surrey County Council's, with the objective of improving strategic planning and procurement across suppliers.

However, at the time of our follow up, work on developing a contract management framework, a key recommendation from our previous audit, had been delayed pending the outcome of the supplier relationship management review referred to above. No formal framework is therefore in place, impacting on the implementation of many of the other previously agreed recommendations which were dependent upon this. Consequently, we have not been able to improve our audit opinion, which remains as **partial assurance**.

It should be noted, however, that whilst a number of our recommendations made in 2014 have not been implemented, this does not necessarily mean that the management of individual contracts has not improved, particularly given the amount of work that has taken place in addition to our recommendations. For instance, there is now greater communication between contract managers and category specialists in the Procurement Team and, even without a formal framework, the increased sharing of knowledge is expected to help improve overall contract management. Moreover, the establishment of a contract management system, albeit not yet complete, is starting to enable high level monitoring of key contracts and improvements in the re-procurement process.

We will continue to work with the Procurement Team in this area. Further contract management reviews on specific contracts will take place in 15/16, as part of which we will be seeking assurance that the previous recommendations have been implemented.

Public Health Commissioning

On 1 April 2013, the responsibility for commissioning public health services transferred from Primary Care Trusts (PCT's) to upper tier local authorities, NHS England and the Clinical Commissioning Groups (CCG's). There are a number of statutory and mandated responsibilities, including sexual health services and health protection, as well as a range of other services where the commissioning should be determined by local need.

This audit focussed on commissioning and contract monitoring processes based on the sample testing of two specific services commissioned through Public Health (PH), namely tobacco cessation and tackling obesity. These were part of Tranche 1 commissioning, considered as an urgent priority, and took place between January 2013 and June 2014. The timescale for Tranche 2 services was July 2014 to December 2015.

In summary, we found that the two services concerned were commissioned based on robust evidence, selection and tendering procedures were appropriate, adequate contract specifications were in place, along with the necessary controls for ensuring effective performance monitoring.

As a result, we have been able to provide an opinion of **full assurance** with no recommendations for improvement being required.

Controcc and Associated Payment Processes and Procedures

The Controcc system is used to record contractual obligations and control payments to independent sector providers of day care, home care, residential and nursing care services. Dependent on their financial circumstances, clients are required to contribute towards the cost of these services.

Controcc is one of the Council's key financial systems, processing average net monthly payments of £10.2 million, between April 2014 and March 2015. In the same period, the average net monthly billing was £880,000.

The scope of this audit was to review not only the controls within the Controcc system itself, but also the associated payment and billing processes.

The key control objectives of this audit were to ensure that:

- Payments are complete, accurate and timely and are only made to bona fide providers of care in respect of the services they have provided to ESCC care clients;
- Client contributions are properly raised in compliance with ESCC policy, and accounted for in Controcc;
- Credit notes/charges to invoices/debt write-offs are authorised at an appropriate level;
- All clients are financially assessed promptly to determine the amount of contribution that they can afford towards the cost of care, and;
- Access to the system is secure and strictly controlled.

In completing this work, a number of control weaknesses were identified which have prevented us from providing an opinion more than **partial assurance** over the control environment. The most significant of which relate to:

- A lack of procedures for managing amendments and retrospective changes to care packages, which has resulted in a large number of historic cases, collectively significant in value, which remain unresolved. Until such time that these are properly investigated and corrected, there remains a risk of over and underpayments to providers;
- A failure to ensure invoices are always raised for clients in receipt of meals in the community where they are not paying the provider directly. Whilst this has now been corrected, it has resulted in the under-collection of income, some of which the Council may not now be able to recover.

Other areas for improvement include:

- Undertaking adequate reconciliations to ensure that invoices received from providers are accurate, particularly where they are for more than the contracted amount;
- Ensuring that contracts, letters of agreement or equivalent are put in place with all providers of day care services;
- Maintaining a log of those care providers who repeatedly fail to notify the Council of client deaths, so that remedial action can be taken where appropriate.

In discussing the above issues with management during the course of the audit, it was clear that many of these had arisen as a result of the restructuring of the accounts payable function within the Council, which appears to have lead to some confusion over roles and responsibilities. Management have stated a clear commitment to addressing the issues and a formal management action plan has been agreed in full, with timescales for implementation of all audit recommendations by December 2015. The next review is scheduled for quarter 4 of 2015/16.

Special Educational Needs and Disabilities (SEND)

The Children and Families Act 2014 gained Royal Assent in March 2014 and came into force on 22 April 2014. This was followed by a Code of Practice that covers the main changes brought in by the Act and provides guidance on the following:

- An extension of the age range to 0-25 years old for children and young people able to obtain assistance through the new provisions;
- Participation of children, young people and parents in decision-making at individual and strategic levels;
- Joint commissioning of services between Education, Health and Social Care Services;
- The introduction of a "Local Offer" of support for children and young people with Special Educational Needs (SEN) or disabilities; and
- Education and Healthcare (EHC) Plans to replace Statements of Special Educational Needs (Statements) and Learning Difficulty Assessments (LDAs).

Families will eventually be offered personal budgets to fulfil their EHC plans. These may take the form of direct cash payments, services provided by the local authority, services commissioned by the local authority, a broker to manage the budget on an individual's behalf, or any combination of these. The main focus of SEND is on outcomes for young people and their budgets can therefore be spent on any service that achieves the outcomes specified in their support plans.

The SEND budget for 2014/15 was £10,339,300, net of high needs block finding of £27,469,400. The out-turn for the year was an over-spend of £219,000. The budget for 2015/16 is £9,962,600; net of the high needs block funding.

The key control objectives are this audit were to ensure that:

- Service need is properly defined and agreed between joint commissioners, children and young people and their parents. There are rigorous processes adopted to ensure the best value services are obtained which meet the needs of claimants;
- The Local Offer is fit for purpose and compliant with government policy;
- Governance arrangements are sufficient to ensure service failures are recognised and timely action is taken to rectify issues identified, and;
- Budget setting and monitoring roles and responsibilities are clear and budgetary control arrangements effective.

Overall, we found robust controls in a number of areas. However, as a result of weaknesses found in relation to budget management, we were only able to provide an audit opinion of **partial assurance.**   We identified a need to improve budget monitoring and reporting, where current arrangements were not considered to be sufficiently robust to support effective management of the SEND budget, partly as a result of the SEND service restructure.   Key areas for improvement included the need to:

- Ensure SAP, the council's main financial system, is up-to-date with changes to staff assignments (as a result of the service restructure) to help ensure the accuracy of budget information, and;
- Consolidate systems of local budget management in order to provide consistent and reliable information to management, and to ensure local monitoring tools are routinely reconciled to SAP.

In addition, our work found that, whilst personal budgets in this area were still in their infancy, guidance for parents/carers over the use of personal budgets could be improved and that roles and responsibilities for the monitoring of personal budget expenditure required further clarification.

Recommendations relating to these areas were agreed in full with management and will be subject to formal follow up by Internal Audit in due course.

Trapeze

Trapeze is an IT system used by the Passenger Transport Services within the Communities, Economy and Transport Department to manage the entire passenger transport 'procure to pay' process. This includes the transfer of data into SAP, via an interface.

There are four different types of financial transactions which pass through the interface:

- Home to school transport invoices;
- Parental mileage claims;
- Public transport operator statements for contracted bus services, and;
- Freedom Pass statements.

A total of 7,513 financial transactions were processed through the interface and transferred onto SAP between 1st April 2014 and the 31st March 2015, totalling approximately £15m.

The following control objectives were reviewed as part of our audit:

- Access to the system is secure and data held is protected against loss or damage;
- Payments are made correctly, within agreed timescales and only for services received;
- There is adequate segregation of duties between the contracting and payment functions, and;
- All expenditure incurred is accurately and completely recorded.

Overall, based on the audit work carried out, we have been able to provide **substantial assurance** over the control environment, with only a small number of areas for further improvement being identified, including:

- Ensuring only invoices addressed to the council are paid, and;
- Implementing a procedure to ensure that all statutory and regulatory obligations are fully met in terms of data held on Trapeze for clients no longer eligible for free transport from the council.

All improvement actions have been agreed with management, most of which were to be implemented with immediate effect.

Shared Care Information System (SCIS)

The Shared Care Information System (SCIS) Programme will change the way all records (or cases) in Children's and Adult's Services are created and monitored. The council is implementing LAS (Liquidlogic Adults System) and LCS (Liquidlogic Children's System) to replace CareFirst as the client information and case management system. The current social care finance system for ASC, Controcc, will be incorporated for both systems to provide care and finance information in one place.

The main purpose of our work in relation to the SCIS programme, agreed with the SCIS Programme Board, is to provide an opinion on whether risks associated with five key aspects of the SCIS system implementation are being properly managed. The main focus areas are:

- Business process re-engineering across CSD, ASC and finance;
- Data quality and migration;
- Testing arrangements;
- System security and administration, and;
- System interfaces and reconciliation.

To date, we have reviewed business process re-engineering, data quality and migration and testing arrangements, although this work is still ongoing as it remains dependent upon programme progress. A summary of our work can be found below, all of which has been reported to the SCIS Programme Board:

- **Business process re-engineering** – currently, we have sought to identify those processes within Children's and Adult's that have a financial impact in order to assess whether business process review outcomes will adversely impact on the control environment. This work is still in progress.

- **Data quality and migration** – whilst our work in this area has found data quality and migration arrangements to be generally adequate, we have made some recommendations relating to the need to ensure reconciliations of data are formally undertaken after each migration to Liquidlogic and that the SCIS migration strategy is updated to reflect the specifics of a data migration to the Liquidlogic system.

- **User Acceptance Testing** (UAT) – we have recommended to the Board that test scripts are developed and followed for any future UAT, having so far not been produced. This will help to ensure that all issues identified through testing are recorded and subsequently addressed.

Our work on the above areas and in relation to system security and administration, and system interfaces and reconciliation, will continue throughout the remainder of the year and will be reported on periodically.

High Weald Area of Outstanding Natural Beauty (AONB)

The High Weald AONB is constituted as a Joint Committee and required to be audited under the Audit Commission Act 1998. Each year, an Annual Return for Small Bodies is completed as required by the Act. To support the completion of the annual return, a review of the effectiveness of internal controls in relation to the financial system, including the use of ESCC's main accounting system, was conducted and we were able to provide a **full assurance** opinion, without the need to make any formal recommendations for improvement.

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 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
Pevensey and Westham CE Primary School	Minimal Assurance	A number of areas were found where significant improvements could be made to strengthen the control environment. These included: • Establishing service level agreements where staff are supplied from other schools; • Raising official orders for all goods, works and services required by the school at the time these are ordered with the supplier; • Following purchasing card terms and conditions, including the cardholder being present when goods are ordered; • Ensuring all payments to staff are processed through the payroll system rather than through the accounts payable system to ensure the correct calculation of HMRC deductions. • Creating an asset register; • Improving segregation of duties within the payment process, and;

School	Opinion	Key Findings
		• Ensuring that positive declarations made by staff and governors in the Register of Business Interests, are appropriately managed.
Stafford Junior School Follow Up	Partial Assurance	Whilst there was some improvement on the previous opinion of minimal assurance, areas for further improvement remained, however, including the need to ensure: • A review of the staffing structure takes place once the new Headteacher is in post; • Declarations of interest are completed by staff; • Purchase orders are raised before the order is placed with a supplier; • Letting agreements are updated on a regular basis, and; • Terms of Reference are established for the use of the School Fund.
College Central (Pupil Referral Unit)	Partial Assurance	We identified a number of areas for improvement, particularly in relation to: • Retaining evidence of approval of purchases; • Raising orders at the time the order is made with the supplier; • Reviewing the Scheme of Delegation to ensure appropriate levels of approval are set; • Creation/adoption of a Business Continuity or Disaster Recovery plan; • Ensuring the use of claim forms, which are authorised, prior to payment of expenses; • Evidencing a link between the School Development Plan and budget.
St. Mary's School, Horam	Partial Assurance	Areas for improvement included the need to: • Review the Scheme of Delegation to ensure appropriate levels of approval are set so that not all purchasing decisions are delegated to one individual; • Raise orders at the time the order is made with the supplier; • Strengthen the process for paying additional hours to staff, including the introduction of a claim form; • Adhere to the petty cash limits; • Manage conflicts of interests appropriately, including ensuring staff are not involved in processing claims for relatives working at the school, and; • Review the surplus balance of the school fund and agree on how this should be spent to support the pupils of the school.

Investigations

Personal Use of Email

In 2014/15, an internal audit investigation was undertaken in relation to the inappropriate use of the council's email system by a member of staff. Our investigation found that the individual concerned had been engaged in sending and receiving large volumes of non-work related and inappropriate 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. This decision was upheld at a subsequent appeal hearing and employment tribunal.

Mileage Claims

Following a referral from Personnel and Training, an internal audit investigation was undertaken in relation to the submission and payment of false mileage claims by a member of staff in Adult Social Care. In reviewing the staff member's mileage over a period of approximately five years, it was confirmed that inflated mileage had been claimed and paid, resulting in a significant overpayment during this period.

In determining a response to this issue, it was necessary to take into account the fact that clear management control weaknesses had contributed to these events occurring. The individual concerned is no longer employed by the County Council and internal audit are currently in the process of issuing an internal control report seeking to prevent future repetition. In addition, controls over the processing and verification of staff travel and expense claims are now subject to ongoing review by internal audit as part of our programme of cultural compliance audits.

It is important to note that at the conclusion of all formal investigations, a determination is made by management, in conjunction with Personnel and Training, Internal Audit and Legal Services where appropriate, as to what action should be taken in response. This determination takes into account a range of factors, including the seriousness of the case, the financial values involved and the standard of evidence available.

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):

- High Weald Area of Outstanding Natural Beauty;
- Department for Transport Capital Block Funding Grant Claim;
- Broadband Annual Return to BDUK.

Currently, no scheduled audits have been removed from the audit plan.

High Risk Recommendations Overdue

Stafford Junior School

One recommendation remains overdue at Stafford Junior School where the requirement for an independent review and benchmarking of the school's staffing structure, due to be implemented by May 2015, has not yet taken place. This was confirmed during a recent follow-up review and the recommendation has therefore been repeated. The original recommendation was raised due to concerns relating to the unusually high percentage of the school's budget being made up through staffing costs, putting considerable financial pressure on the overall school budget at a time when the school was already in a deficit position.

The school is now awaiting the arrival of the new Headteacher in September 2015 who, in conjunction with the governing body, will investigate further the need for such a review. In the meantime, the school has provided a provisional implementation date of July 2016.

Shinewater Primary School

One recommendation relating to the need for the school's governing body to formally approve the terms of reference for its school funds remains overdue (previously agreed implementation date of May 2015). We understand that this will now take place at the school's Resources Committee in July 2015.

East Sussex Pension Fund Processes and Systems

We understand from management that one recommendation arising from this review has only been partially implemented. This related to the need to process a number of outstanding pension administration tasks that had not been actioned from as far back as 2011 and that were not allocated to any individual member of staff (which could potentially result in employees' full pensionable service not being considered in future benefit calculations). We have, however, been informed by management that work in relation to these records is in progress and will be completed by the end of September 2015.

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 2015, 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	32.8%.

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	No matters were raised following the last review of internal audit function by KPMG.