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**AUDIT SERVICES' ANNUAL REPORT 2003/04**

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**Responsible Cabinet Member(s) - Councillor Don Bristow,  
Resource Management Portfolio**

**Responsible Director(s) - Paul Wildsmith, Director of Corporate Services**

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**Purpose of Report**

1. To provide Cabinet with Audit Services' Annual Report for 2003/04 in accordance with Audit Services' role and terms of reference.

**Information and Analysis**

2. The Annual Audit Plan for 2003/04 was approved by Cabinet in April 2003 and Audit Services' Annual Report against this plan is attached at **Appendix A**.
3. The Annual Report should be considered in the context of fulfilling the function to monitor the adequacy and effectiveness of the Council's internal control environment and the Internal Audit service provided.
4. The report details the internal audit service provided; operational performance achieved; audit assignment, consultancy work and contingency activity undertaken; outcomes against key performance indicator targets; and looks forward to the next financial year.
5. The outcomes from the audit assignments undertaken, together with the positive responses from management to accept and implement required improvements to control systems, complemented by consultancy work carried out to advise and assist management to establish appropriate controls at source, demonstrate that the Council continues to operate within a control environment that is generally sound.
6. In addition, the Council has made further progress during the year upon corporate governance issues with the implementation of the Local Code of Corporate Governance and embedding the Risk Management Strategy throughout the organisation.
7. This positive position will be included in a published statement upon the Council's system of control which will accompany the Statement of Accounts for 2003/04.
8. In terms of the performance of Audit Services, the position is again extremely positive with all targets and objectives for the year met covering service standard, customer and service quality and staffing.

## **Outcome of Consultation**

9. No formal consultation was undertaken in production of this report.

## **Legal Implications**

10. This report has been considered by the Borough Solicitor for legal implications in accordance with the Council's approved procedures. There are no issues which the Borough Solicitor considers need to be brought to the specific attention of Members, other than those highlighted in the report.

## **Section 17 of the Crime and Disorder Act 1998**

11. The contents of this report have been considered in the context of the requirements placed on the Council by Section 17 of the Crime and Disorder Act 1998, namely, the duty on the Council to exercise its functions with due regard to the likely effect of the exercise of those functions on, and the need to do all that it reasonably can to prevent, crime and disorder in its area. It is not considered that the contents of this report have any such effect.

## **Council Policy Framework**

12. The issues contained within this report do not represent change to Council policy or the Council's policy framework

## **Decision Deadline**

13. For the purpose of the 'call-in' procedure this does not represent an urgent matter

## **Conclusion**

14. The Council continues to operate within a control environment that is generally sound.

## **Recommendation**

15. It is recommended that Audit Services' Annual report for 2003/04 be noted.

## **Reasons**

16. The recommendations are supported as they comprise part of the Council's corporate governance arrangements.

**Paul Wildsmith**  
**Director of Corporate Services**

## **Background Papers**

- (i) Audit Services' Role and Terms of Reference
- (ii) Audit Assignment Synopsis Sheets

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## **1. Introduction**

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- 1.1 Audit Services comprises an establishment of seven and operates in accordance with professional standards.
- 1.2 The aim of the Section is to provide an independent and objective service that wherever possible adds value to the business of clients by being responsive to their needs, constructive in approach, appraisal and recommendations, whilst satisfying statutory responsibilities.
- 1.3 All performance targets and objectives set for the year upon service standards, staffing and customer/service quality were met and this solid base of internal audit service delivery is a major benefit to the Council with the increased importance of the corporate governance agenda, not least in terms of the Comprehensive Performance Assessment (CPA).
- 1.4 The remainder of this report chronicles in more detail operational performance during the year.

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## **2. Service Provided**

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- 2.1 The requirement for an internal audit function for local authorities is implied by Section 151 of the Local Government Act 1972, which requires that authorities “make arrangements for the proper administration of their financial affairs and shall ensure that one of their officers has responsibility for the administration of those affairs”. The Accounts and Audit Regulations 2003 specifically require that a “relevant body shall maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with the proper internal audit practices”. The Director of Corporate Services has been delegated with this requirement by the Council and the Audit Services Section carry out the internal audit role.
- 2.2 Although internal audit has a statutory basis and therefore, has a major corporate inspection and monitoring role, it is operated as a service to management and provides assurance and consultancy upon all aspects of management and administration. Audit Services has limited resources and consequently its workforce is deployed in accordance with an audit strategy having regard to relative risks and levels of assurance required, translated into an agreed annual plan.
- 2.3 Service level agreements are in place across the client base which include details upon audit assignments, consultancy tasks, charges, working protocols, response times and client responsibilities.

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### 3. Operational Performance

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- 3.2 A summary of the year in person days is outlined in the following table, which analyses chargeable time, by category, as well as non chargeable and non productive time.

<b>Summary of 2003/04 Year In Person Days</b>				
	<b>Annual Plan</b>	<b>Actual Allocation</b>	<b>Variance</b>	
			<b>+</b>	<b>-</b>
Chargeable Time				
• Audit Assignments	629	613		16
• Advice and Consultancy	591	487		104
• Financial Appraisals	30	23		7
• Contingency Allocation	145	254	109	
<b>SUB TOTAL</b>	<b>1395</b>	<b>1377</b>	<b>109</b>	<b>127</b>
Non Chargeable Time				
• Training, ISO Administration, Supervision and Management etc.	117	110		7
Non Productive Time				
• Annual Leave, Bank Holidays, Sickness etc.	303	328	25	
<b>TOTAL</b>	<b>1815</b>	<b>1815</b>	<b>134</b>	<b>134</b>

- 3.2 Actual chargeable time in total during the year was some 99% of that planned. This slight shortfall resulted from the decision taken during the year to grant an employee's request to a reduction in hours worked under their right to request flexible working which also explains the marginal increase in non-productive time.
- 3.3 Although chargeable time was in line with that planned there were significant variations between categories. Increased contingency work was undertaken on a range of issues and as a result there was, of necessity, a corresponding decrease in time spent upon audit assignments and more especially consultancy work which was agreed with Directors.
- 3.4 Financial appraisal work upon potential contractors was less than anticipated but this is essentially a demand led service that is difficult to accurately predict.

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#### **4. Review of Audit Assignment Work**

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- 4.1 Planned audit assignments for the year totalled 55 of which 51 were completed i.e. 93%. These audits spanned all Departments of the Council and details of the assignments undertaken, together with the audit opinion and relevant commentary where the opinion was less than satisfactory, is shown at **Appendix 1**.
- 4.2 Two such areas related to core financial systems i.e. Sales Ledger and Bank Reconciliation. In the case of Sales Ledger progress continues to be made on an eighteen month improvement plan agreed at the time of the 2002/03 audit which involves the adoption of both a credit policy across the Council and associated operating procedures to strengthen and improve the service. As regards Bank Reconciliation, delays in the completion of reconciliations had resulted from a lack of resources owing to sickness absence but management responded swiftly to audit findings and reconciliations are now up to date and the Division has been restructured to provide a more resilient service.
- 4.3 Another case was Information Governance and as a result of the audit an Information Governance Group, consisting of senior officers from across the Council, has been established to develop and monitor delivery of an information governance work programme.
- 4.4 Other instances were more establishment-related and in all cases management have responded positively to the audit reviews. For example, the Head Teachers and Governors at one secondary and two primary schools either have taken or have planned action to resolve the audit issues raised; the 'e' Learning Centre now has an approved Development Plan which endorses its activities and defines roles, responsibilities and lines of accountability; at the Arts Centre management have implemented recommendations to enable greater confidence to be obtained from the bar evaluation process; improvements to information flows between the Home Care Section and other Units are to be implemented to facilitate operation of the charging policy; and actions are to be taken within agreed timescales to bring consistency to Foster Care case file record keeping.
- 4.5 As regards audit assignments in general, in line with good practice, at an appropriate time Audit Services follow up with Managers progress upon the implementation of recommendations agreed in audit reports. As part of this follow up process, any significant recommendations remaining outstanding are reported quarterly to the Corporate Management Team. It is pleasing to report no matters of concern on this point.
- 4.6 The overall outcomes from the audit assignments undertaken, together with the positive responses from management to accept and implement required improvements to internal control systems, demonstrate that the Council continues to operate within a control environment that is generally sound.



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## **5. Review of Outputs from Consultancy Work/Contingency Activity**

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- 5.1 The Section worked upon a number of consultancy projects identified in the original Audit Plan but with recognised flexibility some were replaced by others at the request of Directors or given up to contingency activity with their agreement. A summary of the more significant outputs from consultancy work/contingency activity is given at **Appendix 2**.
- 5.2 The work undertaken was wide-ranging and included corporate governance matters, systems development work, service delivery enhancements and carrying out investigations into irregularities.
- 5.3 Particularly noteworthy was the progress made upon corporate governance issues with the implementation of the Council's Local Code of Corporate Governance and the integration of risk management within the Council's planning process. Moreover, information was provided to support the Council's position on the corporate governance aspects of the CPA process which contributed to the improved results obtained.
- 5.4 Systems development work comprised project management to lead the implementation of the new Theatre and Arts Computerised Booking system which successfully went live in November 2003 and assistance provided with the migration of the Revenues and Benefits System to the new i World system involving project management and system testing regimes.
- 5.5 Service delivery enhancements included coordination of a pilot with schools on income collection by cash in transit companies, to provide increased security/convenience, with the intention to offer this facility across all schools during 2004/05 and contributions made to the External Funding Team's Guides upon external funding which aim to further enhance coordination within the Authority and to promote best practice in external organisation administered projects.
- 5.6 There were a number of investigations carried out during the year into irregularities which were identified largely through internal control procedures or by Audit Services and appropriate action was taken by management on findings.
- 5.7 In addition to the outputs stated in **Appendix 2**, the Section has responded to numerous requests from Departments, including schools, for advice and assistance upon all aspects of the Council's procurement process.
- 5.8 Generally, the aim of the consultancy work is to complement the audit review process by advising and assisting management to implement, at source, appropriate internal controls within systems. This approach is seen as an effective way to help underpin the sound nature of the Council's control environment.

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## **6. Statement of Internal Control**

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- 6.1 In accordance with statutory requirements the Council must, as a minimum, publish a statement on its system of internal financial control alongside the Statement of Accounts for 2003/04.
- 6.2 The statement will be positive since, as a result of the range of audit work undertaken, it is concluded that overall the Council continues to operate within a control environment that is generally sound. Indeed, this environment has been enhanced as risk management is now an integral part of the Council's planning process.

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## 7. Performance Indicators

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- 7.1 A summary of outcomes against targets and objectives for the year covering service standard, customer and service quality and staffing is included at **Appendix 3**. The position shown is extremely positive with all targets and objectives met.
- 7.2 The Appendix also details targets and objectives set for the following year which have been rationalised to reflect the adequacy of Internal Audit as evaluated through CPA auditor scored judgements and to include risk management responsibilities. The movement of the cost per audit day target from the bottom quartile for Unitary Authorities in 2004/05 is explained by maternity leave and a skills transfer agreement on computer audit agreed with Pricewaterhouse Coopers.
- 7.3 Audit Services maintained accreditation under the ISO 9001:2000 Quality Standard for all aspects of business following external scrutiny by the accreditation body. The system itself reflects Audit Services' proactive approach to involving clients in the audit process with the belief that by working in partnership the more both parties will benefit. Indeed, the results from client satisfaction surveys undertaken following each audit assignment remain impressive and demonstrate the high regard clients have for the service provided.
- 7.4 The Section continued to work closely with External Audit within a joint protocol designed to ensure co-operation and to minimise overlap on audit coverage. A maximum score of 4 was obtained by Audit Services from External Audit during the year, using the Audit Commission's methodology set out in 'CPA Indicators – Auditors' Judgements'.
- 7.5 Identified aims for the Service for 2003/04, as outlined in the 2002/03 Annual Report, have been met with regard to approval by Cabinet of amended Terms of Reference to reflect the 2003 Code of Audit Practice for Internal Audit in Local Government and development of an evidence based approach to implementation of the Local Code of Corporate Governance. However, progress upon the review of the Council's Financial Procedure Rules has been slower than anticipated and this task has been rescheduled into 2004/05.

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## **8 8. The Future**

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8.1 The aims of Audit Services for the year ahead are to :-

- Deliver against set service targets and objectives;
- Review the Council's Financial Procedure Rules, including the Anti-Fraud and Corruption Strategy;
- Develop Departmental Corporate Governance Statements; and
- Implement the skills transfer arrangement with Pricewaterhouse Coopers on computer audit.

## Summary of Audit Assignments Undertaken During 2003/04

Department	Audit Assignment	Audit Opinion	Where Audit Opinion Less Than Satisfactory	
			Audit Comment	Management Response
Corporate Services	Treasury Management	Good		
	Insurance	Satisfactory		
	Income Collection/ Reconciliation	Satisfactory		
	Bank Reconciliation	Falls short of satisfactory	Significant delays in completing reconciliations and investigating discrepancies during the year caused by lack of resources owing to sickness absence	Reconciliations now up to date and Division restructured to provide a more resilient service
	VAT	Satisfactory		
	Central Creditor Function	Satisfactory		
	Departmental Creditors	Satisfactory		
	Sales Ledger	Falls short of satisfactory	At the time of the 2002/03 audit the control and management of outstanding debt was found to be seriously compromised by a number of problems/deficiencies in respect of credit control, ownership of debt and the recovery and write off procedures	Progress continues to be made on an 18 month improvement plan which involves the adoption of both a viable credit policy across the Council and associated operating procedures to strengthen and improve the service by the target end date of October, 2004.
	Council Tax	Satisfactory		
	Central Payroll Function	Satisfactory		
	Youth Training	Satisfactory		
	Registrars	Satisfactory		
	Car Parking – Enforcement	Falls short of Satisfactory	Strengthening of controls required over the receipt of enforcement payments, initiation of legal action and the authorisation of write-offs and their subsequent reporting.	Management have implemented the improvements recommended within agreed timescales.

Department	Audit Assignment	Audit Opinion	Where Audit Opinion Less Than Satisfactory Audit Comment Management Response	
Community Services	Housing Benefits Housing Rents Supporting People Civic Theatre Arts Centre  Arts Centre – Catering          Payroll Departmental Creditors Tendering Arrangements	Satisfactory Satisfactory Satisfactory Satisfactory Satisfactory       Falls short of satisfactory          Good Satisfactory Satisfactory	<p>Action required to strengthen the controls surrounding the bar evaluations process to enable management to gain greater confidence in results obtained. In particular with regard to wastage, line cleaning and cash register mechanisms.</p> <p>Management have responded positively to the audit findings, changing recording systems for wastage, outsourcing the line cleaning function and acquiring replacement cash register technology to improve stock movement information.</p>	

Department	Audit Assignment	Audit Opinion	Where Audit Opinion Less Than Satisfactory	
			Audit Comment	Management Response
Development and Environment	Markets	Satisfactory		
	Car Parking – Administration Building Control	Satisfactory Satisfactory		
	Estates	Falls short of Satisfactory	Compilation of procedural documentation required, covering operational procedures and monitoring arrangements, to underpin the revised computer environment of the service. Improvements also recommended to allotment administration and the Council house valuation service.	Management have responded positively. Assistance has been sought from the Departments Admin Section to document procedures and improvements are to be implemented within agreed timescales on allotment administration and the Council house valuation service.
	Transport	Opinion not given as work not standard appraisal, effort focused on advising upon taking forward systems and procedures re-management arrangements, work planning and contract monitoring, particularly to assist imminent restructuring.		
	Departmental Creditors	Satisfactory		

Department	Audit Assignment	Audit Opinion	Where Audit Opinion Less Than Satisfactory	
			Audit Comment	Management Response
Education	Comprehensive Schools (x 4)	Satisfactory – 3 Falls short of Satisfactory – 1	Review of roles and responsibilities required to ensure adequate division of duties within the finance functions. Compliance with contract procedure rules, documentation of delegated powers and a critical review of catering and asset management arrangements also required.	Head Teacher has confirmed that staff roles have been reviewed, delegated powers agreed and documented and staff informed of their purchasing responsibilities etc. Other recommendations to be implemented within agreed timescales. Report was formally presented to the school's governors by Audit Services.
	Primary Schools (x 8)	Satisfactory – 6 Falls short of Satisfactory – 2	Previous audit recommendations not implemented and non-compliance with the School Finance Policy in a number of areas. In addition, Finance Policy requires strengthening.	Respective Head Teachers responded positively to the report and implemented improvements to resolve the matters raised. Each report was formally presented to the school's governors by Audit Services.
	Payroll Departmental Creditors Trusts and Funds	Satisfactory Satisfactory Satisfactory		



<b>Department</b>	<b>Audit Assignment</b>	<b>Audit Opinion</b>	<b>Where Audit Opinion Less Than Satisfactory</b>	
			<b>Audit Comment</b>	<b>Management Response</b>
Education	Alderman Leach 'e' Learning Centre	Unsatisfactory	Action required to endorse the activities of the Centre and define roles and responsibilities within clear lines of accountability. Systems to be established to ensure compliance with Council and European purchasing rules and asset management arrangements to be made more robust.	Management accepted the report. Recommendations addressed through the approval of a Centre Development Plan and by Centre staff working with the Council's Procurement Advisor.

Department	Audit Assignment	Audit Opinion	Where Audit Opinion Less Than Satisfactory Audit Comment Management Response	
Social Services	Payroll Departmental Creditors Sure Start Foster Care  Home Care - Home Care Section - Charging Process	Good Satisfactory Satisfactory Falls short of Satisfactory  Satisfactory  Unsatisfactory	Action needed to bring consistency to case file record keeping. Eligibility for non-standard payments and the parental contributions policy also require review.           Action required to improve information flows between other Units and the Home Care Section to facilitate operation of the charging policy.	Management have accepted the audit recommendations which are to be implemented within agreed timescales.           Management have responded positively to the audit findings and appropriate actions are to be implemented within agreed timescales.

<b>Department</b>	<b>Audit Assignment</b>	<b>Audit Opinion</b>	<b>Where Audit Opinion Less Than Satisfactory</b>	
			<b>Audit Comment</b>	<b>Management Response</b>
Corporate Core	Performance Indicators	Opinion not given as work not standard appraisal. Effort focused upon verifying robustness of BVPI information for CPA purposes. Positive position found.		
	Corporate Governance	Opinion not given as work not standard appraisal. Effort directed to validating evidence quoted in progress report to Resources Scrutiny in December 2003 on implementation of the Local Code of Corporate Governance. Positive position found.		

Department	Audit Assignment	Audit Opinion	Where Audit Opinion Less Than Satisfactory	
			Audit Comment	Management Response
Corporate Core	Information Governance	Falls short of satisfactory	Establishment of an Information Governance Group advocated to act as a lead on all Council information issues. With regard to Data Protection specifically there was a need to develop and deliver an awareness and training programme and to introduce a documented rolling programme of literature review.	Management have responded swiftly to the audit findings with the establishment of an Information Governance Group of Senior Officers from across the Council who will develop and monitor delivery of an information governance work programme.

Note: Outline of Audit Opinion Framework

Very Good	Systems well controlled; Degree of 'self audit' in place, minimal recommendations, if any.
Good	Minimal weaknesses identified; Minor recommendations only
Satisfactory	Overall systems are sound; some weaknesses identified; Controls could be strengthened
Falls short of Satisfactory	Unacceptable weaknesses identified; Potential control breakdown; Improvements required
Unsatisfactory	Major weaknesses identified; Control breakdown; Fundamental improvements required

**Summary of the More Significant Outputs From Consultancy Work/Contingency Activity Undertaken During 2003/04**

<b>Department</b>	<b>Description</b>	<b>Output</b>
Corporate Services	<p>Comprehensive Performance Assessment (CPA) – Auditor Judgements</p> <p>Banking</p>	<p>Extensive information supplied in support of the Council’s current position on relevant aspects of the CPA as regards matters covered by the External Auditors Code of Audit Practice. This contributed to the positive and improved results obtained.</p> <p>Continued development and management of plastic company card facilities across the authority.</p> <p>Co-ordination of a pilot trial of schools arranging income to be collected by cash – in transit companies as opposed to physically having to bank themselves with a view to offering this facility across all schools early in 2004/05 to provide increased security/convenience.</p> <p>Renegotiation of the credit and debit card charges across the authority resulting in anticipated savings of approximately £3-4k.</p>
Community Services	<p>Theatre and Arts Booking System</p> <p>Torex Development</p> <p>i World</p> <p>Decorating Voucher Scheme</p>	<p>Provided project management to lead the implementation of the new Theatre and Arts Computerised Booking system which successfully went live in November, 2003.</p> <p>Assistance provided with the development and control environment of the Torex Leisure Management System, including the provision of integrated credit and debit card processing.</p> <p>Assistance provided with the migration of the Revenues and Benefits System to the new i World system involving project management and system testing regimes.</p> <p>A query was raised during the creditors audit of the previous year concerning the treatment of VAT on invoices submitted from a supplier under the scheme. Clarification was obtained and revised calculations submitted to the supplier who subsequently issued the Council a credit note for some £18,000.</p>

Department	Description	Output
Community Services	Trade Refuse  Care and Repair Darlington	Support and advice provided to evaluate computerised trade refuse management systems available in the market place with a view to enhancing operational efficiency.  Advice and guidance given on procedural matters in respect of the transfer of functions from the Council to 'Care and Repair Darlington'.
Development and Environment	External Funding  Consultancy Support  Capital Toolkit	The External Funding Team produced Council guides upon external funding to further enhance co-ordination within the Authority and to promote best practice in external organisation administered projects. Audit Services contributed to the contents of the guides.  Assistance provided with a proposal to rationalise consultancy support into a framework partnership agreement in order to facilitate delivery of the Council's capital and other building works programme.  Contributed to preliminary work undertaken on the production of a Capital Toolkit; the intention to produce one document that explained the entire capital process for all relevant staff. The work identified in this toolkit is to be encapsulated into a Strategic Project Management Guide to be produced by the Department in 2004/05.
Education	Youth Service  NGFL  Private School Funds	Investigation concluded on apparent financial irregularities following which an employee was dismissed on grounds of gross misconduct.  Assistance with procedural issues surrounding the establishment of NGFL as a company limited by guarantee from the previous consortium arrangement where this Council was lead authority.  Preliminary investigation into potential irregularities in the operation of a school's fund and advice to Head Teacher accordingly.

Department	Description	Output
Social Services	<p>Homes Closure</p> <p>Receivership Accounts</p> <p>Care First</p>	<p>Closure audits completed in respect of two residential homes following a protocol agreed with the Social Services Department.</p> <p>Advice and guidance in respect of banking/administration arrangements.</p> <p>Provision of ongoing advice and guidance upon data migration, security and training issues as well as upon control aspects of modules to be implemented.</p>
Corporate Core	<p>Corporate Governance</p> <p>Risk Management</p> <p>Delegated Powers</p> <p>National Fraud Initiative (NFI) 2002</p> <p>Mayor's Charity Fund and T.M. Barron Charity</p>	<p>Familiarisation/training sessions on the local code delivered for all DMT's by the Chief Internal Auditor and the Monitoring Officer and they have cascaded the principles and requirements of the Code throughout the organisation. This has contributed to the maximum score of 4 for governance arrangements under the CPA Auditor Judgements.</p> <p>The Chief Internal Auditor is the Council's designated risk management co-ordinator and he worked with departments as they evaluated the risks identified. This role was vital to ensure that a consistent approach was followed. Through the commitment and effort of all concerned, the Council has a body of evidence, documented within Departmental Service Plans, to support the fact that it manages risk which is important to the CPA and other inspection processes.</p> <p>Proposed approach to the recording and reporting of decisions taken by officers under delegated powers agreed by CMT. The approach is intended to strike a balance between transparency/accountability and operational efficiency. Constitution to be amended in May 2004 and electronic system developed for recording and reporting relevant decisions to be implemented thereafter.</p> <p>Liaison with Departmental representatives upon the protocols for investigating potential matches from the NFI 2002 output. Co-ordinating the output from this exercise and submitting the final return to the Audit Commission in December 2003.</p> <p>Annual audit of accounts completed.</p>

## AUDIT SERVICES – KEY PERFORMANCE INDICATORS

		2003/04		2004/05
		Target	Outcome	Target
1.	% of planned audit assignments completed within the year relative to the agreed Audit Plan.	93%	93%	Now incorporated within 8 below
2.	% of audit recommendations accepted by the client with a priority of fundamental or high.	100%	100%	Now incorporated within 8 below
3.	Days per auditor as per CIPFA Benchmarking Statistics for Unitary Authorities	182 Top Quartile	196 Top Quartile	183 Top Quartile
4.	Cost per audit day as per CIPFA Benchmarking Statistics for Unitary Authorities	£202 Bottom Quartile	£202 Bottom Quartile	£248 Second Bottom Quartile
5.	Customer satisfaction rating received from client surveys following the completion of each audit assignment (where 1= Very Poor to 5 = Very Good)	Average 4	Average 4.5	Average 4
6.	Maintain ISO 9001:2000 Quality Accreditation	Achieve	Achieved	Achieve
7.	Obtain a satisfactory External Audit opinion on the adequacy of Internal Audit	Achieve	Achieved	Now incorporated within 8 below
8.	An adequate Internal Audit function is maintained as evaluated through CPA auditor scored judgements.	NEW	4/4	4/4
9.	Risk Identification and Management as evaluated through CPA auditor scored judgements.	NEW	2/4	3/4