Surveillance

Report for:

Darlington Borough Council - Darlington Audit Services

LRQA reference: LRQ 0939713/ 0017
Assessment dates: 5-6 March 2007
Assessment location: Darlington
Assessment criteria: ISO 9001:2000
Assessment team: Margo Logie

LRQA office: Coventry

Contents

Attachments

This report was presented to and accepted by:	
Name:	Brian McGuire
Job title:	Audit Manager

1. Executive report

Assessment outcome:
The sample taken at this routine surveillance visit has verified that Darlington Borough Council's Audit Services continues to meet the requirements of the ISO 9001:2000 Standard, by maintaining and improving its management system.

System effectiveness and continual improvement:
Evidence to demonstrate that the system was being used to deliver stakeholder requirements and customer satisfaction was available via achievement of the performance indicators. Compliance to the system is closely monitored and maintained via the checking and review processes in place. Continual improvement was also demonstrated via the revision of all the system documentation following a review in January and through the ongoing development and use of MKInsight Audit Management Software, which will be monitored during future visits using the Continual Improvement Tracking Log. The aim of implementing the system is to deliver efficiency savings and achieve a paperless process.

Areas for management attention:
No specific issues were identified during this visit that would affect certification.

2. Assessment summary

Introduction:

This visit was conducted as a routine surveillance to establish if the management system has been maintained to the requirements of ISO 9001:2000.

Brian McGuire – Audit Manager acted as the guide and main participant during the visit. There have been no major changes within the small department consisting of six internal audit staff. An audit committee has been set up within the Council to which the Chief Internal Auditor reports quarterly on all aspects of the service.

LRQA has introduced a "Continual Improvement Log". The purpose is to help organisation to add further focus, as appropriate, on improvement to meet customers' and regulator requirements.

"SMART" training programme, (Systems Managers and Representatives Training Programme) has been introduced by LRQA to support company quality professionals in their development of management systems. The "SMART" programme offers one to one support from a personal LRQA tutor. More information is available by contacting the Training Services Department on 024 7651 1116 or email at training-services@lrqa.co.uk

Further information regarding the full range of standards for Quality, Environment, Health & Safety, Information Security, EC Directives, the CCA Standard and Training Services, including articles and case studies is available from www.lrqa.co.uk and from the "client extranet" section of the website. A password is required to access the extranet, which can be obtained by registering on the site. In addition, to the information provided by LRQA you can feed back to us regarding the service that is provided through the certification process by accessing the service evaluation section. LRQA is continually seeking to improve its services and welcomes all comments made in this way. A Technical Helpline is also provided to clients on 0800 900012 to answer any questions or queries you may have.

Work is currently underway, at the "working draft" stage, by the ISO committee to review the requirements for ISO 9001. An amendment is planned for 2008. Key message from the committee is that, "the impact on uses shall be limited and changes will only be introduced where there are clear benefits to users".

Assessor:	Margo Logie

Assessment of:	Management	**Auditee(s):**	Brian McGuire – Audit Manager Brian James – Chief Internal Auditor

Audit trails and sources of evidence:

Quality Management system documentation sections 1 to 31 dated February 2007.
Audit Committee Report - 20 Dec 2006.
Team Meeting - Jan 2007.
Performance Indicator Tracking Reports – monthly to Jan 2007.
Quality Reviews – Jan 2007.

Evaluation and conclusions:

The previous internal quality audit process, which looked at various management system processes/procedures each quarter, was considered too frequent for the size of the section and an annual review of the whole system has now been initiated. The outcome of the first review, in January 2007, was a complete revision of the documentation maintained with a move to a paperless online quality system. Monthly compliance checks continue.

The resulting revised online manual, issued in February 2007, has been updated to streamline processes and documentation which implements small changes that have been defined to enhance the working of the small section. Good linking of associated procedures, examples and records as appropriate was seen.

Changes to the Code of Practice for Internal Auditors in Local Government 2003 have just been published (2006 code of practice). In the main the changes have been clarification of the previous requirements however a review of the effectiveness of the system for internal control and of the audit committee is required and work to enable this to be demonstrated and verified provided evidence of preventive action and an ability to meet regulatory requirements.

Good tracking of all performance indicators was demonstrated with some excellent results. The only indicators likely to be below target by the year end are the percentage of assignments completed against agreed audit plan and the core systems audited. The reasons for these were clearly understood and reported to the audit committee with priority given to areas of greatest risk and as directed by stakeholders.

The draft plan for 2007/8 has been developed with department Directors. This is subject to Audit Committee approval and if changed, will be submitted throughout the year for re-approval.

Assessment of:	Provision of Services	**Auditee(s):**	Brian McGuire – Audit Manager

Audit trails and sources of evidence:

Audit Files – Insurance and Estates.
Audit and FMSiS compliance – Longfield & Education Village.
Financial Appraisals – Mobile Park & Pay, Construction & Security services.
Special Investigations – 1 recent file.

Evaluation and conclusions:

The processes employed were demonstrated to have been executed as defined within the system documentation. Close monitoring and checking of all work ensures that standards remain high and Performance Indicators are met. Changes to processes due to MKInsight have been evaluated although implementation will be ongoing as development continues. Changes to school regulations Financial Management Standards in Schools (FMSiS) have been checked through the audit process for all secondary schools this year.

3. Assessment Findings Log - ISO 9001:2000

Grade 1	Status 2	Finding 3	Corrective action review 4	Process / Aspect 5	Date 6	Ref 7	Clause 8
SFI	Closed	Section 13 of the Manual entitled "Audit Techniques Utilised" has six sections that explain the tools that can be employed to allow an effective audit to be conducted. Copies of various reference materials are also included, e.g. CIPFA audit programmes and Audit Commission Fraud & Corruption Programme. As the reference material is held in the library it may be worth just referring to it, rather than including a copy. This could easy the updating process and avoids any potential confusion.	6th March 2007 – Implemented.	Documentation	19 Jul 05	0507MJL03	4.2.3
SFI	New	There is scope to further streamline the "Quality Manual" that will further enhance the system documentation, for example, sections 26 and 29 and by incorporating MKInsight into more sections, such as section 28.		Quality Manual	05 Mar 07	0703MJL01	4.2.3
SFI	New	The output from the first annual review was clearly evident as a complete revision of the documentation resulted and this was discussed at the team meeting in January 2007. Consideration needs to given to ensuring that the output can be clearly demonstrated in future years, e.g. an action plan, report or meeting minutes.		Annual Quality Review	05 Mar 07	0703MJL02	8.2.2
SFI	New	There are checklists covering key control aspects to assist with school audits that have been established for a number of years and a new checklist relating to the FMSiS. Consideration could be given to amalgamating these to ease the process while still being able to clearly highlight the FMSiS requirements to verify that they have been met.		School Audits - FMSiS	06 Mar 07	0703MJL03	7.1
xLRQA	Closed	It was indicated that there are plans in place to set up an Audit Committee within the Council. Progress and the impact of this upon the department's processes and performance requirements will be followed up at the next visit.	6th March 2007 – Committee set up and appropriated reflected in management system documentation.	Audit Committee	19 Jul 05	0507MJL01	
xLRQA	Closed	A major system improvement being considered is the introduction of "Galileo" software, which is an internal audit work management and reporting package. Progress with the implementation of this will be followed up at the next visit.	6th March 2007 – MKInsight was the system purchased. See CI 070301.	Process Improvement	19 Jul 05	0507MJL02	

1. Grading of the finding *	2. New, Open, Closed	3. Description of the LRQA finding	4. Review by LRQA	5. Process, aspect, department or theme
6. Date of the finding	7. YYMM<Initials>seq.#	8. Clause of the applicable standard		
* Major NC = Major nonconformity	Minor NC = Minor nonconformity	RC = Requires correction	SFI = Scope for improvement	xLRQA = Issue for follow-up by LRQA at next visit

4. Assessment schedule

Management system elements to be assessed at each visit:		Scheme specific elements:
• Management review	• Corrective action	• Customer feedback and complaints
• Management of change	• Preventive action and system planning	• Legal compliance
• Continual improvement	• Use of LRQA logo and other marks	• Communications
• Internal audit		• Prevention of pollution

Visit type >	1st Surveillance	2nd Surveillance	3rd Surveillance					Certificate renewal
Due date >	Jun 06	Mar 07	Dec 07					Sep 08
Start date > End date >			10 Dec 11 Dec					
Assessor days >	1	1	1 + Trv					
Process / Aspect								
Audit Planning and Service		✔	✔					
Special Investigations		✔						
Advice & Consultancy			✔					
Financial Appraisal		✔						
Training & Competency								

Next visit details

Visit type	3rd Surveillance			
Assessor days	1 + Trv	**Due date**	Dec 2007	**Actual start/end dates** 10 & 11 December
Locations	Darlington			
Codes	7412			
Team	Margo Logie			
Criteria	ISO 9001:2000			
Remarks and instructions				
Note: opening meetings will be at 09:30 hours and closing meetings at 16:00 hours unless agreed otherwise.				

5. Continual improvement tracking log

Baseline information			
1. Improvement objective reference number:	CI 0703 01	Date first recorded:	6 March 2007
2. What is to be improved?	3. Baseline performance	4. Target performance	5.Target completion date
Efficiency of the Audit Service through the implementation of MKInsight to provide a paperless process, better clarity within the records between the evidence and the findings and in the future with the planning and PI tracking processes.	MKInsight will be used for all audits from April 2007.	Efficiencies to be quantified as implementation to be defined and each stage of development.	

Progress information				
6. Visit type and date	7. Progress summary	8. Current performance	9. Findings log cross reference (if applicable)	10. Status
2SV 0703	Paper files have been reduced by back scanning and these will now be linked within MKInsight so that recommendations and reports can be produced directly from the system. Client surveys should also be linked by the time of the next visit.			