Certificate Renewal

Report for:

Darlington Borough Council - Darlington Audit Services

LRQA reference:	LRQ 0939713/ 0019
Assessment dates:	1-2 September 2008
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:

Although subject to the limitations of assessment sampling, the Management System seen in operation during the visit demonstrated that the requirements of ISO 9001:2000 were being met therefore continued certification to that standard is recommended.

System effectiveness and continual improvement:

The focus of this visit was to establish that the management system operating within Darlington Audit Service complied with ISO 9001:2000. From information gathered during the assessment the management system would appear effective in meeting business needs and the expectations of clients as demonstrated via the various audit committee reports and client surveys. System changes continue with the ongoing development of MKInsight. The performance indicator target to increase the Council's internal control environment overall rating from 3/4 to 4/4 shows that service improvement is also being sought.

Areas for management attention:

Two areas relating to document control were identified that did not comply with Section 28 of the Quality Manual. The action proposed, if completed, should eradicate the finding.

2. Assessment summary

Introduction:

This visit
This report reflects the findings of a certificate renewal visit. The opening meeting was used to discuss the programme for the visit. Changes to the business were also discussed. Although the partnership agreement with Stockton Council commenced from May 2008 there have been no significant changes to the service. The strategy, approach and reporting may change next year as the working relationship evolves.

Visit theme
At least once every twelve months during the approval cycle, LRQA will review the essential indicators of the effectiveness of system implementation as part of the opening conversation with senior management and during the assessment of the processes targeted for the visit.

These indicators include internal audits and management review, a review of actions taken on any nonconformities identified during the previous audit, treatment of complaints, effectiveness of the management system with regard to achieving the certified client's objectives, progress of planned activities aimed at continual improvement, continuing operational control, review of any changes, use of marks, any other references to certification.

The final selection of themes will be determined after review of actual performance and changes.

As this was the certificate renewal visit the theme on this occasion was compliance to ISO 9001 and company process and procedural requirements.

Important Contract Requirement
The Client is contractually required to inform LRQA as soon as it becomes aware of any breach or pending prosecutions for the breach of any regulatory requirements relevant to the Certified Management System. LRQA will review the details of any breaches brought to its attention and may elect to perform additional verification activities chargeable to the client to ensure compliance with specified requirements. LRQA reserves the right to suspend or withdraw certificates of approval/verification statements and opinions for both failure to inform LRQA and the appropriate regulator of such breaches.

Confidentiality
The contents of this report, together with any notes made during the visit, will be treated in the strictest confidence and will not be disclosed to any third party, except as required by the accreditation authorities.

Limitations of the sampling method
The audit is performed using sampling techniques and results are based on the sample seen. It should not be assumed that the processes and records seen demonstrate an absence of issues outside of the sample.

Information and guidance
The client is reminded of the information and guidance available to them free of charge from the client specific 'Extranet' page on www.lrqa.co.uk known as "myLRQA". This includes information on Quality, Environment, Health & Safety, Information Security, EC Directives, the CCA Standard and Training Services as well as access to case studies and FAQs. A password is required to access this area, which can be obtained by registering on the site. Changes to company name, address or contact name can also be advised via the web site. A Technical Helpline is also provided to clients on 0800 900012 to answer any questions or queries you may have or these can be logged via the "KnowledgeBase" section of "myLRQA".

Assessor: Margo Logie

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

Audit trails and sources of evidence:

Annual Governance Statement & Review of Audit Effectiveness
Audit Services Strategy Document 2008/9 and beyond
Audit Services Annual Report 2007/8
Audit Benchmarking Club 2008
Management Review Check 3/4/08
Quality Manual including Mission & Aims

Evaluation and conclusions:

The mission and aims detail the high level objectives for the service. The audit strategy document includes an appendix that details how divisional, departmental and corporate objectives link together, with the link to the mission and aims also visible. The annual report shows the level of work undertaken and performance against Indicators, which all bar one were met. The Indicators for 2008/9 remain unchanged with targets largely unchanged although an increase in the Council's Internal Control Environment overall rating is being sought from a 3/4 to a 4/4. This will be tracked through the improvement tracking log at future visits.

Customer Satisfaction scores remain high (4.5 out of 5) although returned surveys for 2008/9 are currently low. The reports also show that the Internal Audit function operates within the requirements of CIPFA's code of practice and its work can be relied upon. The benchmarking results were seen as an improvement with the service being in the mid range in the majority of areas and on target in all areas.

Each file continues to be audited and no CARs have been raised. The management review checklist has been used to review all other areas of the system. The resultant changes and updates need to be more clearly demonstrated/ documented.

System developments are discussed at one to ones and meetings. MKInsight continues to be the main focus for process improvement. Changes are likely to be needed as the working relationship with Stockton Council's Audit team develop and decisions relating to the overall audit strategy for both Councils are taken. Service improvement relating to the overall effectiveness of the service is also being sought as an enhancement to what is presently a well controlled CIPFA compliant service.

Assessment of:	Audit Activities	**Auditee(s):**	Brian McGuire & Dawn Barron – Audit Manager Paul Robinson – Finance Officer

Audit trails and sources of evidence:

Annual Audit Plan 2008/9
Training records
Sample Annual Performance and Development Reviews, Competency Development and one to one notes
Staff meeting 12 May & 4July
Audit risk assessments
Advice work – Stockton Partnership and LAA
Investigations – 5 files
Audits – schools, income, arts centre

Evaluation and conclusions:

The Audit Managers have been involved in working with Stockton Council to ensure that roles and responsibilities, processes and reporting requirements are defined and agreed. This work will continue throughout the year to ensure that processes fit each Council's needs and work effectively.

Good work has been done to develop the risk assessment process to be much more relevant to the current operating environment, with each risk area being split into sub sections to give a much more accurate assessment.

The investigations and advice files all contained relevant documentation and evidence of reviews. The audit files were all well maintained. The process, defined within various sections of the quality manual, could clearly be seen to have been implemented per requirements. The changes to MKInsight had been incorporated into the quality manual.

The library of reference material is now nearly all held electronically and controls over it were demonstrated.

Training is discussed at development reviews and records maintained within the section.

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
Minor NC	New	Two areas relating to document control were identified that did not comply with Section 28 of the quality manual • It was not possible to see from the minutes of May & July 2008's section meetings that all the changes to the Quality Manual were discussed as required to show that changes have been communicated and implemented. • The MKInsight User Guide was produced earlier this year by the team as no manual was provided when Version 5 was supplied however no version controls were recorded on the documents, i.e it is not part of the quality manual.	**Proposed corrective action** • Fundamentally the process works well. The recording of minutes will be assessed with a view to ensuring that all document changes are systematically discussed and recorded. • A Version 5 user manual has now been supplier by the system provider therefore the User Guide produced by the team will be withdrawn and archived.	Document Control	01 Sep 08	0809MJL01	4.2.3
RC	Closed	The Audit Synopsis file within the Quality Manual contains out of date documents, as the up to date Summary of Audits Completed is now stored within the Audit Plan folder. The old documents should be deleted.	Not required	Summary of Audits Completed	10 Dec 07	0712MJL01	4.2.4
SFI	Closed	There could be benefit in including the description as well as the form number within the document title in the Document Version Control Folder, in the same way as is done within the Documents Folder. This should make the identification of each one quicker and easier. Within the Document Folder (that holds the template of each form) the document name and number is used as a document title. There may be benefit in formatting each one with the number first to mirror the Document Version Control Folder which could make the updating process slightly easier.	2 September 2008 – Not implemented as considered effective at present.	Document Version Control Folder	10 Dec 07	0712MJL02	4.2.3
SFI	New	A review of the audit file checklists showed that on a number of occasions surveys were not sent out at the end of the audits as they were 2007/8 audits completed in 2008/9. Although the results may not be able to be reported in the final audit committee report there would still be benefit in sending out a survey to maximise the opportunities for obtaining feedback.		Satisfaction Surveys	01 Sep 08	0809MJL02	8.2.1

1. Grading of the finding *
6. Date of the finding
* Major NC = Major nonconformity

2. New, Open, Closed
7. YYMM<Initials>seq.#
Minor NC = Minor nonconformity

3. Description of the LRQA finding
8. Clause of the applicable standard
RC = Requires correction

4. Review by LRQA

SFI = Scope for improvement

5. Process, aspect, department or theme

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 09	Mar 10	Dec 10					Sep 11
Start date > End date >								
Assessor days >	1 + Trv	1 + Trv	1 + Trv					1 + Trv
Process / Aspect								
Audit Planning and Service	✓							
Special Investigations								
Advice & Consultancy								
Financial Appraisal								
Training & Competency								

Next visit details

Visit type	1st Surveillance				
Assessor days	1	Due date	Jun 2009	Actual start/end dates	TBC
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.			New
3SV0712	Use of the system is progressing well and the next release will include audit planning and performance reporting modules.	All audits are now completed in MKInsight with no paper files held. Once the reporting modules have been developed APACE can be dispensed with and all work recorded on the one system only. The structure of working papers in particular is has improved which saves time when approving.		Open
CR0809	Version 5 has been implemented and is working well.	While updates and changes will continue all audits are now completed in the system.		Closed

(R)

Baseline information

1. Improvement objective reference number:		CI 0908		Date first recorded:	1 September 2008
2. What is to be improved?	3. Baseline performance		4. Target performance		5. Target completion date
Performance Indicators 1 – The Council's internal control environment overall – as evaluated through CPA use of resources key lines of enquiry (KLOE)	3/4 (2007/8)		4/4 (2008/9)		April 2009

Progress information

6. Visit type and date	7. Progress summary		8. Current performance		9. Findings log cross reference (if applicable)	10. Status

6. Assessment plan

Assessment type	Assessment criteria	
Re-certification	ISO 9001:2000	

Assessment team	Assessment dates	Issue date
Margo Logie	1-2 September 2008	Dec 2007

(Day 1)

11:00   Introductory meeting with management to explain the scope of the visit, assessment methodology, method of reporting and to discuss the company's organisation (approximately 15 minutes). The Team Leader will agree a time to meet with top management to discuss policy and objectives for the management system.

Policy, objectives and performance

Future plans

System & Documentation changes

Improvements - development of MKInsight

Follow up all outstanding issues from previous visits

Management, Quality Review & Team meetings

Internal Quality System Audits

Stakeholder feedback

Training

Advice & Consultancy

Report writing.

17:00   Close.

(Day 2)

9:00   Review of findings from previous day. Review of the assessment plan for the day.

Audit Planning and Service

Special Investigations

Preparation of final report.

14:00   Closing meeting with management to present a summary of findings and recommendations.

7. Certificate details

DRAFT CERTIFICATE OF APPROVAL

This is to certify that the Management System of:

Darlington Borough Council - Darlington Audit Services
Darlington
UK

has been approved by Lloyd's Register Quality Assurance
to the following Management System Standards:

ISO 9001:2000

The Management System is applicable to:

The provision of a statutory internal audit service to Darlington Borough Council, incorporating advice and consultancy and special investigation services.

Technical review date:	Office use only	*Certificate expiry:*	Office use; Assessor enter if non-standard

Type of certificate:

☒ Single certificate	☐ Certificate per location	☐ Multi-site certificate	☐ Multiple languages
(Complete this form)	*(Complete this form for each location)*	*(Complete additional multi-site form)*	*(Complete required forms for each required language)*

Accreditation / number of certificates:

☒ UKAS / 1	☐ RvA /	☐ /	☐ Not accredited /

Reason for issue of certificate

☐ Initial certification	Change of certification	✓ Certificate renewal

Further instructions: (e.g. module and / or annex for directives):

QA Register entry (for UKAS accreditation only)	Required	✓	Not required	☐

8. Visit theme selection

Visit type:	1st Surveillance		
Due date (yy-mm): 0906		Location:	Darlington
Actual date: TBC		Team:	Margo Logie
Duration: 1 day + Travel			
Selected theme(s) (include reasons for theme selection)		Processes	
Compliance to Work Instructions and ISO Standard. Due to changes anticipated with joint working with Stockton.		Audit Services – Planning & Risk Assessment	