
AUDIT SERVICES' ANNUAL REPORT 2015/16

Purpose of Report

1. To provide the Committee with Audit Services' Annual Report for 2015/16 in accordance with its role and terms of reference.

Information and Analysis

2. The Annual Audit Plan for 2015/16 was approved by this Committee in March 2015 (Minute No. A41/March/15) 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/corporate arrangements 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. This positive position upon the Council's internal control environment will be reflected in the Council's Annual Governance Statement which will accompany the Statement of Accounts for 2015/16.

Recommendations

7. It is recommended that Audit Services' Annual Report for 2015/16 be noted.

Reasons

8. The recommendation is supported to provide the Audit Committee with evidence to reflect on the Council's governance arrangements.

Brian James
Head of Corporate Assurance

Background Papers

- (i) Audit Services' Role and Terms of Reference
- (ii) Audit Assignment Executive Summaries
- (iii) Annual Audit Letter 2014/15
- (iv) CIPFA Audit Benchmarking Statistics for Unitary Authorities

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S17 Crime and Disorder	Other than the special investigation work there is no crime and disorder impact.
Health and Well Being	There is no specific health and well being impact.
Carbon Impact	There is no specific carbon impact.
Diversity	There is no specific diversity impact.
Wards Affected	All wards are affected equally.
Groups Affected	All groups are affected equally.
Budget and Policy Framework	This report does not affect the budget or policy framework.
Key Decision	This is not a key decision.
Urgent Decision	This is not an urgent decision.
One Darlington: Perfectly Placed	There is no specific relevance to the strategy beyond a reflection on the Council's governance arrangements.
Efficiency	There is no specific efficiency impact.

**AUDIT SERVICES'
ANNUAL REPORT
2015/16**

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1. Introduction

- 1.1 Audit Services comprises an establishment of 4.3 full time equivalent staff 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 The position on performance targets and objectives set for the year upon service standards, staffing and customer/service quality was generally positive 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.
- 1.4 The remainder of this report chronicles in more detail operational performance during the year.

2. Service Provided

- 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 (England) Regulations 2015 (SI 2015/234), regulation 5, specifically requires that a “relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance”. The Director of Neighbourhood Services and Resources has been delegated with this requirement by the Council and the Audit Services Section carry out the internal audit role.
- 2.2 The relevant auditing standards are those contained within the Public Sector Internal Audit Standards (PSIAS) and the Application Note to local government, produced by CIPFA in collaboration with the Chartered Institute of Internal Auditors.
- 2.3 The system of internal control is the broad framework of assurance established to satisfy the Council that the risks to achieving its objectives, and the risks inherent in undertaking its work, have been properly identified and are being managed by controls that are adequately designed and effective in operation. This assurance framework is documented at **Appendix 1**.
- 2.4 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.

3. Operational Performance

- 3.1 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

Summary of 2015/16 Year In Person Days			
	Annual Plan	Actual Allocation	Variance + -
Chargeable Time			
• Audit Assignments	380	368	12
• Advice and Consultancy	265	174	91
• Corporate Arrangements	110	114	4
• Contingency Allocation	85	124	39
SUB TOTAL	840	780	43 103
Non Chargeable Time			
• Training, ISO Administration, Supervision and Management etc.	99	83	16
Non Productive Time			
• Annual Leave, Bank Holidays, Sickness etc.	204	280	76
TOTAL	1143	1143	119 119

- 3.2 Actual chargeable time in total during the year was lower than that planned. The decrease of 60 person days resulted from a staff vacancy during the course of the year and this also reflects in the increase in non-productive time.

- 3.3 Variations to the audit assignment element of the plan were discussed at the Audit Committee during the year and the range of activity undertaken on consultancy work and contingency tasks were agreed with Directors.

4. Review of Audit Assignment Work

- 4.1 Planned audit assignments for the year totalled 34 of which 29 were completed i.e. 85%. These audits spanned all Groups of the Council and details of the assignments undertaken, together with the audit opinion and relevant commentary where the assurance opinion was less than substantial is shown at **Appendix 2**.
- 4.2 Audit work was undertaken on the core financial systems of corporate income, creditors, payroll, local taxation, housing rents and housing benefits. All resulted in substantial assurance opinions with the exception of creditors where limited assurance opinions were given. Management responded positively to the audit findings and agreed improvements concerning compliance with procure to pay processes, maintenance of the contracts register, purchasing card administration and agency spend.
- 4.3 Other instances of less than substantial assurance were more service/establishment based and again, in all cases, management have responded positively to the audit reviews. In respect of:
- Housing/Building Maintenance Materials Control – Embedded Purchase Cards - improvements required to management monitoring and control including over van stocks.
 - Registrars – improvements implemented to accounting and income control practices.
 - Civic Theatre Front of House – improvements introduced to the control of confectionery and ice cream sales and tills reporting functionality.
 - Inventories – improvements agreed to the record keeping and ongoing maintenance.
 - Estates – Improvements required to file format continuity, procedural documentation and documented management checks/audit trails.
- 4.4 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 Audit Committee. It is pleasing to report generally no matters of concern on this point.
- 4.5 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.

5. Review of Outputs from Consultancy and Corporate Arrangements Work/Contingency Activity

- 5.1 The Section worked upon a number of corporate arrangements and 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 this work is given at **Appendix 3**.
- 5.2 The work undertaken included governance matters; systems improvement support through contributing to change agenda projects on for example implementation of a software upgrade to the Council's corporate income system and redesigning the income management system within the Registrars service; and carrying out investigations into irregularities, following which appropriate action was taken by management on findings.
- 5.3 In addition to the outputs stated in **Appendix 3**, the Section responded to requests from Groups for advice and assistance upon all aspects of the Council's internal control framework.
- 5.4 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.

6. Annual Governance Statement

- 6.1 In accordance with statutory requirements the Council must publish an Annual Governance Statement to accompany the Statement of Accounts for 2015/16.
- 6.2 Audit Services' contribution to this 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.
- 6.3 This conclusion is consistent with the outcomes from the broader assurance framework documented at **Appendix 1**.

7. Performance Indicators

- 7.1 A summary of outcomes against targets and objectives for the year covering service standard, customer satisfaction and service quality and staffing is included at **Appendix 4**. The position shown is positive.
- 7.2 Productive days per auditor were top quartile as measured by the CIPFA Benchmarking Statistics for Unitary Authorities and costs per audit day were bottom quartile. All other operational targets were achieved with the exception of audit assignments completed relative to the agreed Audit Plan where an outturn of 85% was achieved against a target of 92%, largely as a result of a staff vacancy during the course of the year; and audit assignments completed within 10% of the planned time allocated where an outturn of 90% was attained against a target of 92%, explained by an increase in the scope of audit work on particular audits agreed with management.
- 7.3 Audit Services operate to a quality management system for all aspects of business that complies with the principles of the ISO 9001:2008 Quality Management Standard. Until recently the system was formally accredited under the Standard following external scrutiny by an accreditation body. However, given budget pressures and the fact that over many years external scrutiny had confirmed the system as effective with few, if any, areas for improvement, it was decided to cease formal accreditation. The quality management system 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.

8. The Future

The aim of Audit Services for the year ahead is to continue to deliver an efficient and effective service as the Council continues to respond to the challenge of significant reductions in funding levels.

System of Internal Control

The Framework of Assurance established to satisfy the Council that the risks to achieving its objectives, and the risks inherent in undertaking its work, have been properly identified and are being managed by controls that are adequately designed and effective in operation

Risk	Assurance Provider	Sources of Assurance	Links to Internal Audit Work Plan	Reporting to Members
Internal Control environment inadequate/ineffective.	Internal Audit	Internal Audit Strategy. Internal Audit's Role and Terms of Reference. Risk based Annual Internal Audit Plan. Internal Audit Reports/opinions and outcomes from consultancy work undertaken.	Internal Audit Strategy. Internal Audit's Role and Terms of Reference. Risk based Annual Internal Audit Plan. Internal Audit reports/opinions and outcomes from consultancy work undertaken.	Internal Audit's Strategy, Role and Terms of reference and Annual Audit Plan approved by the Audit Committee. Quarterly/Annual Reports to the Audit Committee on progress/outcomes against the Annual Audit Plan. Annual Report includes an overall opinion on the Council's control environment.
The financial position of the Council not presented fairly in the Financial Statements; the Annual Governance Statement not presented in accordance with relevant requirements; and proper arrangements are not in place to secure economy, efficiency and effectiveness in the use of resources.	External Audit	Risk based External Audit Plan. External Audit Reports/opinions.	Internal Audit's Annual Audit Plan discussed with External Audit to facilitate External audit planning and minimise the duplication of audit effort wherever possible.	External Audit Plan and External Audit Reports, including the Annual Audit Letter, considered by the Audit Committee. Annual Audit Letter considered by Cabinet.

Inadequate provision of services to the people of Darlington.	External Inspection Agencies	External Inspection Agencies' reports.	External Inspection reports reflected upon in the Internal Audit planning process.	External Inspection reports considered by relevant Scrutiny Committee/Cabinet/Council.
Business risk processes inadequate/ineffective.	Corporate Assurance	Risk Management Strategy Corporate/Group Risk Registers.	Annual Audit Plan developed with reference to Corporate/Group Risk Registers. Risk Management function subject to periodic Internal Audit review as part of the cyclical audit process.	Risk Management Strategy endorsed by the Audit Committee and approved by Cabinet. Six-monthly/Annual Reports to the Audit Committee on the outcomes from the Council's risk management processes.
Fraud and corruption arrangements inadequate/ineffective.	Internal Audit and Benefits Enquiry Unit.	Anti-Fraud and Corruption Strategy, Policy, Fraud Response Plan, Anti-Money Laundering Policy and Anti-Bribery Policy and Procedures. Housing Benefit/Council Tax Anti-Fraud Strategy, Policy and Sanctions Policy. Confidential Reporting Policy. Internal Audit reviews of arrangements. Outcomes from bi-annual National Fraud Initiative exercises. Internal Audit/Benefits Enquiry Unit case files.	Anti-Fraud and Corruption arrangements, including National Fraud Initiative exercises, administered by Internal Audit. The potential for a service to be susceptible to fraud reflected within Internal Audit's risk assessment model that underpins the annual audit planning process. Internal Audit review of Housing Benefits conducted on an annual basis.	Fraud related Policies and Strategies approved by the Audit Committee/Council. Confidential Reporting Policy approved by Council. Annual Reports to the Audit Committee on the outcomes from the Council's anti-fraud and corruption arrangements.
Information governance arrangements inadequate/ineffective.	Information Security Section within Xentrall, Complaints and Information Governance Team and External Audit.	Corporate Policy Statement on Information Governance Employees/Members Guide to Information Security Information Risk Management process that informs the information governance work programme. SIGG Agendas/Minutes. Officer/Member Training. Data Quality reflected upon by External Audit in their VFM assessment.	Information Governance/Sensitivity of data is reflected within Internal Audit's risk assessment that underpins the annual audit planning process. Information Governance subject to periodic Internal Audit review as part of the cyclical audit process.	Corporate Policy Statement on Information Governance approved by Cabinet. Six-monthly reports to the Audit Committee on progress with implementation of the information governance work programme. External Audit VFM assessment considered by the Audit Committee and Cabinet.

Internal control environment of relevant areas of Xentrall inadequate/ineffective.	Stockton BC Internal Audit	Risk based Annual Internal Audit Plan. Internal Audit reports/opinions and outcomes from consultancy work undertaken.	Joint working protocol agreed between the Internal Audit Services of Stockton and Darlington to cover Xentrall audits. Copies of all relevant Stockton BC Internal Audit Reports on Xentrall forwarded to Darlington Internal Audit for information.	Stockton BC's Annual Audit Plan related to Xentrall considered by the Audit Committee. Quarterly Reports to the Audit Committee on progress/outcomes against the Annual Audit Plan.
Local Code of Corporate Governance not implemented.	Corporate Group responsible for drafting the Annual Governance Statement.	Local Code of Corporate Governance Local Code individual key documents/functions matrices, completed by relevant Lead Officers, posted on the intranet covering awareness, monitoring and review.	Internal Audit direct effort annually to validate evidence quoted in the individual key documents/functions matrices posted on the intranet.	Local Code endorsed by the Audit Committee and approved by Council. Six-monthly reports to the Audit Committee on progress with implementation of the Code.
Grant processes inadequate.	External Audit Internal Audit	External Audit Report on audited Grant Claims. Internal Audit sign-off of relevant Grant Claims.	Grant process arrangements subject to annual review by Internal Audit.	External Audit Report on Grant Claims considered by the Audit Committee. Internal Audit Grant Claims work referenced in Quarterly Reports to the Audit Committee on progress/outcomes against the Annual Audit Plan.
Health and Safety practices and processes inadequate/ineffective.	Health and Safety Unit	Corporate Health and Safety Policy Heads of Service Health and Safety Management self assessments and action plans. Risk Assessments Reportable Accident Statistics Outcomes from audits undertaken by the Health and Safety Unit. Officer/Member Training.	Health and Safety function subject to periodic Internal Audit review as part of the cyclical audit process.	Corporate Health and Safety Policy approved by Cabinet. Council's performance on health and safety reported annually to the Audit Committee.

Property management arrangements inadequate.	Corporate Landlord Function	Corporate Premises Database System and supporting documentation.	Corporate Landlord Function subject to periodic Internal audit review as part of the cyclical audit process.	Property management arrangements included in Council Risk Registers and, as such, included within member reporting arrangements for business risk processes.
Management control in respect of operational aspects of the business inadequate.	Chief Officers Board	Annual signed Assurance Statements from Assistant Directors.	Arrangements administered and outputs scrutinised by Internal Audit.	Annual report to the Audit Committee on the outcomes from the Assurance Statement process.
Capital Project management arrangements inadequate/ineffective.	Asset Management and Capital Programme Review Board	Asset Management and Capital Programme Review Board Agendas/Minutes and supporting documentation.	Project Office function subject to periodic Internal Audit review as part of the cyclical audit process.	Project Position Statement reported regularly to Cabinet.
Partnership governance arrangements inadequate.	Partnership Lead Officers	Annual Partnership Toolkit Questionnaires completed by relevant Council Partnership Lead Officers and supporting documentation.	Partnership Governance Arrangements subject to periodic Internal Audit review as part of the cyclical audit process.	Partnership Toolkit approved by Cabinet. Annual report to the Audit Committee on the operations of significant partnerships.
Treasury management arrangements inadequate.	Financial Services	Treasury Management Policy Statement, Strategy, Prudential Indicators and Procedures.	Treasury Management function subject to periodic Internal Audit review as part of the cyclical audit process.	Treasury Management Policy Statement, Strategy and Prudential Indicators considered by the Audit Committee and approved by Council. Treasury Management Procedures approved by the Audit Committee. Regular/Annual Reports to the Audit Committee and Cabinet on the performance of the function.
Financial management arrangements inadequate/ineffective.	Financial Services	Medium Term Financial Plan. Corporate Budget Setting/Monitoring processes and supporting documentation. Officer/Member Training.	Financial management arrangements subject to periodic Internal Audit review as part of the cyclical audit process.	Medium Term Financial Plan approved by Council. Quarterly Reports to Cabinet on Financial Performance.

Financial management arrangements in local authority maintained schools inadequate/ineffective.	School Governing Bodies	Schools annual self assessment returns against the Schools Financial Value Standard (SFVS).	Financial arrangements in schools subject to periodic Internal Audit review as part of the cyclic audit process.	School balances reported to Cabinet quarterly.
Ineffective management of the change agenda.	Chief Officers Executive	Chief Officers Executive Agendas/Minutes and supporting documentation	Internal Audit support/contribute to delivery of the Change Programme as relevant.	Reports to Cabinet and Scrutiny as part of the Performance Management Framework.
Ineffective challenge to the procurement process.	Procurement Board	Procurement Board Agendas/Minutes and supporting documentation.	Procurement process subject to periodic Internal Audit review as part of the cyclical audit process.	Annual Procurement Plan approved by Cabinet.
Ethical health arrangements inadequate.	Legal Services	Member Code of Conduct. Officer Code of Conduct. Member/Officer Training.	Audit Committee reports on ethical indicators reflected upon in the audit planning process.	Members and Officers Codes of Conduct approved by Council. Audit Committee receives reports six-monthly on ethical indicators.
Lessons not learned from complaints received.	Complaints and Information Governance Team	Corporate, Adult Social Care, Children's Social Care, Housing and Public Health Complaints, Compliments and Comments Procedures. Complaints Records. Ombudsman complaints and outcomes.	Complaints and Ombudsman reports reflected upon in the audit planning process.	Complaints Procedures approved by Cabinet. Annual report to Cabinet on complaints received and the resultant organisational learning. Regular reports to Cabinet on Ombudsman complaints and outcomes.
Inadequate arrangements for the delivery of the Public Health function and responsibilities.	Director of Public Health	Public Health Work Plan. Health and Wellbeing Strategy. Director of Public Health's Annual Report.	Public Health function subject to periodic Internal Audit review as part of the cyclical audit process.	Regular reports to the Health and Wellbeing Board and Health and Partnerships Scrutiny Committee.
Ineffective system of internal audit	Senior Group of Officers	Annual Review of the system of internal audit and supporting documentation.	Internal Audit direct effort annually to support the review process.	Annual Review of the system of internal audit considered by the Audit Committee.

SUMMARY OF AUDIT ASSIGNMENTS UNDERTAKEN DURING 2015/16

Group	Audit Assignment	Assurance Opinion	Where Assurance Opinion Less Than Substantial	
			Audit Comment	Management Response
Neighbourhood Services and Resources	Corporate Income System and PCI DSS Compliance	Substantial		
	Housing Benefits	Substantial		
	Local Taxation	Substantial		
	Housing Rents	Substantial		
	Payroll	Substantial		
	VAT	Substantial		
	Housing/Building Maintenance Materials Control – Embedded Purchasing Cards	Limited	Improvements required to management monitoring and control including over van stocks.	Management have responded positively to the audit findings and agreed an improvement action plan to address the matters raised.
	Civic Theatre – Box Office Civic Theatre – Front of House	Substantial Limited	Improvements required around the control of confectionery and ice cream sales, and the tills reporting functionality.	Management have responded positively to the audit findings and agreed an improvement action plan to address the matters raised.
	Registrars Births, Deaths, Marriages	Limited	Improvements required to accounting and income control practices.	Management have responded positively to the audit findings and agreed an improvement action plan to address the matters raised.

Group	Audit Assignment	Assurance Opinion	Where Assurance Opinion Less Than Substantial	
			Audit Comment	Management Response
	Creditors	Limited	Improvements required to compliance with Procure to Pay processes, maintenance of contracts register, purchasing card administration and agency spend.	Management have responded positively to the audit findings and agreed an improvement action plan to address the matters raised.
Children's	Primary Schools x 6	Full x 4 Substantial x 2		
	Specialist Family Support	Substantial		
	Creditors	Limited	As Neighbourhood Services and Resources.	As Neighbourhood Services and Resources.
Commissioning	Community Safety	Substantial		
	Supported Living Schemes	Substantial		
	Administration of Care Packages	N/A	Opinion not given as work non-standard appraisal. Effort directed to validating the approval processes from assessment to payment stage with a view to informing the design of the new authorisation process through Liquid Logic.	
	Creditors	Limited	As Neighbourhood Services and Resources.	As Neighbourhood Services and Resources.
Economic Growth	Estates	Limited	Improvements required to file format continuity, procedural documentation and documented management checks/audit trails.	Management have responded positively to the audit findings and agreed an improvement action plan to address the matters raised.
	Car Parking	Substantial		
	Creditors	Limited	As Neighbourhood Services and Resources.	As Neighbourhood Services and Resources.

Group	Audit Assignment	Assurance Opinion	Where Assurance Opinion Less Than Substantial	
			Audit Comment	Management Response
Corporate Core	Grants	Substantial		
	Corporate Governance	N/A	Opinion not given as work non-standard appraisal. Effort directed to validating evidence quoted in documents/functions on the implementation of the Local Code of Corporate Governance posted on the intranet.	
	Inventories	Limited	Improvements required to the record keeping and ongoing maintenance of inventory records.	Management have agreed to implement the necessary improvements.
	Mayor's Charitable Fund	N/A	Annual audit of accounts.	

OPINION	DEFINITION
Full Assurance	All controls in place and operating effectively – the system will achieve its objectives.
Substantial Assurance	The majority of controls in place and operating effectively although some control improvements required- the system should achieve its objectives.
Limited Assurance	Certain important controls inadequate or in place but operating ineffectively – there is a risk that the system may not achieve its objectives.
Minimal Assurance	The majority of controls weak, not present or failing – it is likely that the system will not achieve its objectives.

**SUMMARY OF THE MORE SIGNIFICANT OUTPUTS FROM CONSULTANCY/CORPORATE ARRANGEMENTS
WORK/CONTINGENCY ACTIVITY UNDERTAKEN DURING 2015/16**

Group	Description	Output
Core Corporate	Annual Review of Internal Audit Effectiveness	Participated in the independent review of internal audit effectiveness required by the Accounts and Audit (England) Regulations 2011. Outcome of the review, that concluded the Council has an effective system of internal audit, was reported to the Audit Committee in June 2015.
	Annual Governance Statement	Annual Governance Statement drafted in conjunction with the Management Group responsible and approved by the Audit Committee in September 2015.
	National Fraud Initiative (NFI) 2014	Coordinated the 2014/15 National Fraud Initiative. Data files supplied to the NFI in October 2014 for matching to other Authorities' data, DWP and Inland Revenue records etc. covering a range of Council services including Blue Badge Parking Permits, Creditors, Housing Benefits, Insurance Claims, Payroll and Housing Tenancies. Data matches that became available in February 2015 investigated and outcomes notified to the Cabinet Office by the April 2016 deadline.
	Interface Controls	Review undertaken of the principal systems interfaces within the Council and associated controls to ensure they remained fit for purpose. Improvements implemented where required.
	Ethics	Review undertaken of the Code of Conduct in respect of declaration of interests and gifts and hospitality resulting in proposals for an updated version of the Code.

Group	Description	Output
	Change Projects	<ul style="list-style-type: none"> • Advice and assistance on the Council moving towards achieving PCI-DSS version 3.1 of the Standard, work remains ongoing • Audit Manager continues to provide the lead on Sales Ledger debt recovery. • Advice and assistance on the introduction of plastic card payment facilities for the new Multi Storey Car Park which is now operational. • Providing the lead on a software upgrade to the Council's corporate income system due to go live 8th June 2016. • Providing the lead on re-contracting for the supply of the Council's income system. The new contract commenced in February 2016. • Advice and assistance on rent collection systems within the Covered Market. • Advice and assistance on the payment facilities elements of the Customer Contact Centre telephony upgrade to support PCI compliance. • The Head of Corporate Assurance is a member of the officer group, chaired by the Chief Executive, established to produce and give oversight to a detailed action plan to address the recommendations from Ofsted in September 2015 following their routine inspection of services for children in need of help and protection; children looked after; and care leavers. • Advice and assistance on the impending temporary closure of the Civic Theatre in respect of inventories, disposals, stock and income control. • Advice and assistance on implementation of the Liquid Logic and Controc systems. • Advice and assistance on redesign of the income management system within the Registrars service.
	Elections	<ul style="list-style-type: none"> • Provided advice and assistance in respect of the investigation of a voting discrepancy at the Local Government Elections, 7th May 2015.
Commissioning	Special investigation	Provided advice and assistance in respect of a case regarding alleged payroll discrepancies. The case resulted in internal disciplinary action and referral to the Police resulting in a conditional caution with full restitution to the Council.

Group	Description	Output
	Special investigation	Provided advice and assistance in respect of an examination of the adequacy of records maintained within a care establishment to verify the accuracy of expenditure records. Recommendations were made to strengthen internal control procedures.
Neighbourhood Services and Resources	Special investigation	Work undertaken to recover losses from a prior year investigation and court case.

AUDIT SERVICES – KEY PERFORMANCE INDICATORS

	2015/16	
	Target	Outcome
1. Outcome from annual review of internal audit effectiveness.	Effective	Effective
2. Days per auditor as per CIPFA Benchmarking Statistics for Unitary Authorities.	193 Top Quartile	200 Top Quartile
3. Cost per audit day as per CIPFA Benchmarking Statistics for Unitary Authorities	£259 Bottom Quartile	£252 Bottom Quartile
4. 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 4.8
5. % of planned pre-determined audit assignments completed within the year relative the agreed audit plan.	92%	85%
6. % of audit recommendations accepted by client, with a priority of high or medium priority	100%	100%
7. % of agreed audit assignments carried out within the year on core financial systems	100%	100%
8. % of audit assignments completed within 10% of the planned time allocated for each assignment	92%	90%
9. % of draft audit reports for each audit assignment completed within 7 working days of the exit meeting	100%	100%
10. % of final reports for each audit assignment issued within 3 working days of receipt of response to draft	100%	100%
11. % of agreed consultancy project work concluded to the satisfaction of the client manager	100%	100%
12. Maintain service costs within budget	Achieve	Achieved
13. % of workforce receiving PDRs	100%	100%
14. % of planned audit assignments where the client was given 5 working days notice of, or agreed a timescale for, the commencement of the audit	100%	100%