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**AUDIT SERVICES' ANNUAL REPORT 2016/17**

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**Purpose of Report**

1. To provide the Committee with Audit Services' Annual Report for 2016/17 in accordance with its role and terms of reference.

**Information and Analysis**

2. The Annual Audit Plan for 2016/17 was approved by this Committee in March 2016 (Minute No. A43/March/16) 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; and outcomes against key performance indicator targets.
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 2016/17.

**Recommendations**

7. It is recommended that Audit Services' Annual Report for 2016/17 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 2015/16
- (iv) CIPFA Audit Benchmarking Statistics for Unitary Authorities

Brian James : Extension 5408

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  
2016/17**

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### **Appendices**

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Appendix 4 - Audit Services - Key Performance Indicators

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## **1. Introduction**

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- 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.

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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 (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 2016/17 Year In Person Days				
	Annual Plan	Actual Allocation	Variance	
			+	-
Chargeable Time				
• Audit Assignments	460	452		8
• Advice and Consultancy	180	153		27
• Corporate Arrangements	110	119	9	
• Contingency Allocation	80	129	49	
SUB TOTAL	830	853	58	35
Non Chargeable Time				
• Training, ISO Administration, Supervision and Management etc.	102	100		2
Non Productive Time				
• Annual Leave, Bank Holidays, Sickness etc.	186	165		21
TOTAL	1118	1118	58	58

- 3.2 Actual chargeable time in total during the year was slightly higher than planned. The increase of 23 person days resulted from less staff sickness than estimated.
- 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.

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

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- 4.1 Planned audit assignments for the year totalled 38 of which 36 were completed i.e. 95%. 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. Instances of less than substantial assurance were establishment based and resulted from an audit of a primary school where improvements were required to strengthen the school finance policy, invoicing, lettings and inventory procedures; and an audit of a nursery school where improvements were required to lettings, banking, inventory and private school fund procedures. In both cases management responded positively to the audit findings and action plans were agreed to deliver the improvements required.
- 4.3 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.
- 4.4 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 and Corporate Arrangements Work/Contingency Activity

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- 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 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.

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## 6. Annual Governance Statement

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- 6.1 In accordance with statutory requirements the Council must publish an Annual Governance Statement to accompany the Statement of Accounts for 2016/17.
- 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**.

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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 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 including audit assignments completed relative to the agreed Audit Plan where an outturn of 95% was achieved against a target of 92% and audit assignments completed within 10% of the planned time allocated where the target of 92% was attained.
- 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 fairly 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.

**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**

<b>Risk</b>	<b>Assurance Provider</b>	<b>Sources of Assurance</b>	<b>Links to Internal Audit Work Plan</b>	<b>Reporting to Members</b>
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 and progress on improvement action plans considered by relevant Scrutiny Committee/Audit Committee/Cabinet/Council.
Business risk processes inadequate/ineffective.	Corporate Assurance	Risk Management Approach 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 Approach 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 Housing Benefits.	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/Housing Benefits 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	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

		External Audit in their VFM assessment.		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 with responsibility for overseeing the drafting of the Annual Governance Statement.	Local Code of Corporate Governance Local Code individual key documents/functions matrices completed by relevant Lead Officers, covering awareness, monitoring and review actions.	Internal Audit direct effort annually to validate a sample of evidence to support delivery of awareness, monitoring and review actions detailed on the Local Code individual key documents/functions matrices.	Local Code endorsed by the Audit Committee and approved by Council. Annual Governance Statement considered by the Audit Committee prior to approval.
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.	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.

		Officer/Member Training.		
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	Financial Services	Medium Term Financial Plan. Corporate Budget Setting/Monitoring processes and supporting	Financial management arrangements subject to periodic Internal Audit review as part of the	Medium Term Financial Plan approved by Council. Quarterly Reports to Cabinet

inadequate/ineffective.		documentation. Officer/Member Training.	cyclical audit process.	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 appropriate.
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 2016/17

Group	Audit Assignment	Assurance Opinion	Where Assurance Opinion Less Than Substantial	
			Audit Comment	Management Response
Neighbourhood Services and Resources	Housing Benefits	Substantial		
	Local Taxation	Substantial		
	Housing Rents	Substantial		
	Housing Management	Substantial		
	Lifeline Service	Substantial		
	Payroll	Substantial		
	Corporate Income System including PCI-DSS	Substantial		
	Health and Safety	Substantial		
	Insurance	Substantial		
	Elected Members	Substantial		
	Sponsorship	Substantial		
	Waste Disposal and Sustainability	Substantial		
	Vehicles and Plant	Substantial		
	Dolphin Centre - Leisure	Substantial		
	Dolphin Centre - Catering	Substantial		
	Horticulture	Substantial		
	Creditors	Substantial		
	Direct Payments	N/A	Non-standard audit focusing upon improvements required to the control environment in respect of expenditure and	

Group	Audit Assignment	Assurance Opinion	Where Assurance Opinion Less Than Substantial	
			Audit Comment	Management Response
			payment verification controls	
<b>Children and Adults</b>	Primary Schools x 4	Substantial x 3 Limited x 1	Improvements required to the schools finance policy as well as invoicing, lettings and inventory procedures.	Management have responded positively to the audit findings and an improvement action plan has been agreed.
	Nursery School	Limited	Improvements required to lettings, banking, inventory and private school fund procedures.	Management have responded positively to the audit findings and an improvement action plan has been agreed.
	Residential Accommodation for Children in the Borough	Substantial		
	Deprivation of Liberty Safeguards Service	Substantial		
	Fostering	Substantial		
	Section 17 Payments	Substantial		
	Responsive Integrated Assessment Care Team (RIACT)	Substantial		
	Independent Sector Assessment and Payments	Substantial		
	Creditors	Substantial		
<b>Economic Growth</b>	Highways Network Asset Management	N/A	Non-standard audit focusing upon the control environment in respect of accounting for all highways assets	
	Planning and Development Control	Substantial		
	Creditors	Substantial		
<b>Corporate Core</b>	Grants	Substantial		
	Corporate Governance	N/A	Opinion not given as work non-	

Group	Audit Assignment	Assurance Opinion	Where Assurance Opinion Less Than Substantial	
			Audit Comment	Management Response
			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.	
	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 2016/17**

Group	Description	Output
<b>Core Corporate</b>	Annual Review of Internal Audit Effectiveness	Participated in an independent review of internal audit effectiveness led by the Assistant Director Regulatory Services supported by the Assistant Director for Housing and Building Services. The outcome of the review, that concluded the Council has an effective system of internal audit, was reported to the Audit Committee in July 2016.
	Annual Governance Statement	Annual Governance Statement drafted in conjunction with the Management Group responsible approved by the Audit Committee in September 2016.
	National Fraud Initiative (NFI) 2016	Preparation for the National Fraud Initiative (NFI) exercise 2016. Data extracts from all key systems were submitted to the Cabinet Office during October 2016 with matches received back late January 2017. Some 759 recommended matches across all data sets have been identified which will be investigated during the course of 2017.
	Internal Audit Shared Service Arrangement	In September 2016 Council agreed in principle to the establishment of an Internal Audit Shared Service, with Stockton as the host authority, to enhance the resilience of the service and contribute to the achievement of savings in the MTFP. Work carried out on the detail of the arrangement to meet the target date for commencement of 1 April 2017.
	Democratic	Provided support and challenge in respect of the formulation/implementation of the project planning for the Police Crime Commissioner Election and European Referendum.

<b>Group</b>	<b>Description</b>	<b>Output</b>
	Change Projects	<ul style="list-style-type: none"> <li>• Advice and assistance on the Council moving towards achieving PCI-DSS version 3.2 of the Standard. Self-Assessed compliance with the Standard achieved in January 2017</li> <li>• Advice and assistance on a further upgrade to the Council's corporate income system software to support the above.</li> <li>• Advice and assistance on the procurement and implementation of a new box office ticketing system at the Civic Theatre.</li> <li>• Advice and assistance in respect of the procurement and implementation of new on and off street car park machines including associated income accounting systems.</li> <li>• Liquid Logic</li> <li>• Advice and assistance provided in respect of work to be undertaken in respect of providing an online payment facility for planning applications/fees</li> </ul>
<b>Neighbourhood Services and Resources</b>	Special investigation	Advice and assistance regarding the investigation of a financial discrepancy within Financial Services. The case was passed to the police and a court hearing is pending.

## AUDIT SERVICES – KEY PERFORMANCE INDICATORS

	2016/17	
	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.	192 Top Quartile	198 Top Quartile
3. Cost per audit day as per CIPFA Benchmarking Statistics for Unitary Authorities	£252 Bottom Quartile	£248 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 4.5
5. % of planned pre-determined audit assignments completed within the year relative the agreed audit plan.	92%	95%
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%	92%
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%