



**Internal Audit Update Report  
1<sup>st</sup> September to  
30<sup>th</sup> November 2013**

*Internal Audit Update Report 1<sup>st</sup> September to 30<sup>th</sup> November 2013*

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Section 1

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## **INTRODUCTION**

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### **1.1 The Reporting Process**

1.1.1 This update report provides stakeholders, including the Corporate Governance & Audit Committee, with a summary of internal audit activity for the period 1<sup>st</sup> September to 30<sup>th</sup> November 2013.

### **1.2 Background**

1.2.1 The changing public sector environment continues to necessitate an ongoing re-evaluation of the type & level of coverage required to give stakeholders the appropriate level of assurance on the control environment of the Council.

### **1.3 Progress against the 2013/14 Operational Plan – High Level**

1.3.1 The following table shows the progress against the operational plan for the period 1<sup>st</sup> April to 30<sup>th</sup> November 2013, broken down by assurance block.

1.3.2 Achievement against the Total Audit Days element of the audit plan is currently at 61%. Additional days have been required for staff seconded elsewhere across the council to work on council priorities and there has been a reduction in resources due to one member of staff leaving and one member of staff moving to part-time hours.

1.3.3 Internal Audit continues to respond to priorities and in relation to anti-fraud and corruption work, there has been a high number of referrals received during the year and a complex fraud case that has been resource intensive.

1.3.4 Internal Audit is actively managing resources to direct these towards the areas of highest risk to ensure that there is not a negative impact on the ability of the Section to provide the coverage necessary to support the Head of Internal Audit opinion on the authority's control environment.

<b>Assurance Block</b>	<b>Total Days per Audit Plan 2013/14</b>	<b>Days spent at 30<sup>th</sup> November 2013</b>	<b>% completion at November 2013</b>
<b><u>Financial Resource Risks</u></b>			
Spending Money Wisely	695	507	73%
Anti-Fraud and Corruption	600	710	118%

Assurance Block	Total Days per Audit Plan 2013/14	Days spent at 30 <sup>th</sup> November 2013	% completion at November 2013
Financial and Other Key Systems	810	445	55%
Head of Audit Assurances	65	49	75%
Compliance	504	294	58%
Procurement, Performance and Improvement	375	217	58%
Risk Based Audits	345	191	55%
ICT	350	120	34%
<b>Total Financial Resource Risks</b>	<b>3,744</b>	<b>2,533</b>	<b>68%</b>
<b><u>Strategic Risks</u></b>			
Compliance	97	48	50%
Policies and Procedures	38	4	9%
Risk Based Audits	40	0	0%
ICT	55	0	0%
<b>Total Strategic Risks</b>	<b>230</b>	<b>48</b>	<b>21%</b>
<b><u>Continuing Development</u></b>			
Professional Liaison	28	3	11%
Training and CPD	305	74	24%
<b>Total Continuing Development</b>	<b>333</b>	<b>77</b>	<b>23%</b>
<b><u>Contingency</u></b>			
General Contingency	280	138	49%
<b>Total Contingency</b>	<b>280</b>	<b>138</b>	<b>49%</b>
<b>Total Audit Days</b>	<b>4,587</b>	<b>2,796</b>	<b>61%</b>

In addition, the audit plan also included days for the following:

Audit Area	Total Days per Audit Plan 2013/14	Days spent at 30 <sup>th</sup> November 2013	% completion at November 2013
External Contracts	634	520	82%
Secondments	506	586	116%
<b>Total Days</b>	<b>1,140</b>	<b>1,106</b>	<b>97%</b>

## 1.4 How Internal Control is reviewed

1.4.1 There are three elements to each internal audit review. Firstly, the control environment is reviewed by identifying the objectives of the system and then assessing the controls in place mitigating the risk of those objectives not being achieved. Completion of this work enables internal audit to give an assurance on the control environment.

1.4.2 However, controls are not always complied with which in itself will increase risk, so the second part of an audit is to ascertain the extent to which the controls are

being complied with in practice. This element of the review enables internal audit to give an opinion on the extent to which the control environment, designed to mitigate risk, is being complied with.

- 1.4.3 Finally, where there are significant control environment weaknesses or where the controls are not being complied with and only limited assurance can be given, internal audit undertakes further substantive testing to ascertain the impact of these control weaknesses.
- 1.4.4 To ensure consistency in audit reporting, the following definitions of audit assurance are used for all systems and governance audits completed:

Control Environment Assurance		
Level		Definitions
1	SUBSTANTIAL ASSURANCE	There are minimal control weaknesses that present very low risk to the control environment.
2	GOOD ASSURANCE	There are minor control weaknesses that present low risk to the control environment.
3	ACCEPTABLE ASSURANCE	There are some control weaknesses that present a medium risk to the control environment.
4	LIMITED ASSURANCE	There are significant control weaknesses that present a high risk to the control environment
5	NO ASSURANCE	There are fundamental control weaknesses that present an unacceptable level of risk to the control environment.

Compliance Assurance		
Level		Definitions
1	SUBSTANTIAL ASSURANCE	The control environment has substantially operated as intended although some minor errors have been detected.
2	GOOD ASSURANCE	The control environment has largely operated as intended although some errors have been detected.
3	ACCEPTABLE ASSURANCE	The control environment has mainly operated as intended although errors have been detected.
4	LIMITED ASSURANCE	The control environment has not operated as intended. Significant errors have been detected.
5	NO ASSURANCE	The control environment has fundamentally broken down and is open to significant error or abuse.

- 1.4.5 Organisational impact will be reported as either major, moderate or minor. All reports with major organisational impacts will be reported to CLT along with the appropriate directorate's agreed action plan.

Organisational Impact		
Level		Definitions
1	MAJOR	The weaknesses identified during the review have left the

Organisational Impact		
Level	Definitions	
		council open to significant risk. If the risk materialises it would have a major impact upon the organisation as a whole.
2	MODERATE	The weaknesses identified during the review have left the council open to medium risk. If the risk materialises it would have a moderate impact upon the organisation as a whole.
3	MINOR	The weaknesses identified during the review have left the council open to low risk. This could have a minor impact on the organisation as a whole.

1.4.6 Specifically for the compliance reviews undertaken, the following definitions have been used to assess the level of compliance in each individual area reviewed:

Opinion for Compliance Audits – Levels of Compliance		
Level	Definitions	
1	HIGH	There was significant compliance with agreed policy and/or procedure with only minor errors identified.
2	MEDIUM	There was general compliance with the agreed policy and/or procedure. Although errors have been identified these are not considered to be material.
3	LOW	There was limited compliance with agreed policy and/or procedure. The errors identified are placing system objectives at risk.

## 1.5 Progress against the 2013/14 Operational Plan – Individual Reviews

1.5.1 The individual reports, and the opinions given within those reports, are detailed in the following table. Not all audit reviews will have an opinion in each of the boxes as this is dependant on the type of review undertaken. The following table includes reports issued between 3<sup>rd</sup> September and 30<sup>th</sup> November 2013 (reports issued up to 2<sup>nd</sup> September 2013 have been included in previous update reports to Corporate Governance and Audit Committee.)

Report Title	Audit Opinion			Directorate	Date Issued
	Control Environment Assurance	Compliance Assurance	Organisational Impact		
<b>Financial and Other Key Systems</b>					
Housing Benefit and Council Tax Benefit Year End Reconciliation	N/A	Substantial	N/A	Strategy and Resources	03/09/2013
Housing Rents Year End Reconciliation	N/A	Substantial	N/A	Strategy and Resources	10/09/2013

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Report Title	Audit Opinion			Directorate	Date Issued
	Control Environment Assurance	Compliance Assurance	Organisational Impact		
Capital Programme Central Controls	Good	Good	Minor	Strategy and Resources	28/10/2013
<b>Spending Money Wisely</b>					
Spending Money Wisely Challenge – January 2013	N/A	Medium	N/A	Cross - Cutting	12/09/2013
Spending Money Wisely Challenge – February and March 2013	N/A	Medium	N/A	Cross - Cutting	24/09/2013
<b>Procurement, Performance and Improvement</b>					
Learning and Development Contract	Acceptable	Acceptable	Minor	Strategy and Resources	09/09/2013
Beckett Park Refurbishment Capital Review	Good	Acceptable	Minor	Children's Services/City Development	26/09/2013
Tender Evaluations	Acceptable	Acceptable	Minor	Strategy and Resources	29/10/2013
<b>Risk Based Reviews</b>					
Client Monies – Learning Disability Community Support Service	Good	Joseph Court – Limited	Moderate	Adult Social Care	09/10/2013
		Westerton 'A' – Acceptable			
		Albert Court - Good			

Compliance Area	Report Title	Level of Compliance Assurance	Directorate	Date Issued
<b>Compliance Reviews</b>				
Policies and Procedures	Overtime Payments	Medium	Children's Services	12/09/2013
	Sale of Land and Property	High	City Development	27/09/2013
	Fees to Carers	Medium	Adult Social Care	24/10/2013
	Entertainments Licensing	High	Strategy and Resources	24/10/2013
	Nursery Fees	Low	Children's Services	31/10/2013
	Income from Library Fines	Medium	City Development	06/11/2013
	Performance Related Payments	High	Cross - Cutting	12/11/2013
	Income from Sports Fees	High	City Development	12/11/2013
Expenditure	Bought in Professional Services	High	Environment and Housing	24/10/2013

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<b>Compliance Area</b>	<b>Report Title</b>	<b>Level of Compliance Assurance</b>	<b>Directorate</b>	<b>Date Issued</b>
	Bought in Professional Services	High	City Development	24/10/2013
	Other Hired and Contracted Services	High	City Development	06/11/2013
	Other Hired and Contracted Services	Low	Environment and Housing	12/11/2013
Unannounced Visits	Radcliffe Lane Day Centre	High	Adult Social Care	27/09/2013

<b>Report Title</b>	<b>Results/Opinion</b>	<b>Directorate</b>	<b>Date Issued</b>
<b>Head of Audit Assurances</b>			
Chapel Allerton Primary School Voluntary Fund	Certification of Account Balances	Children's Services	10/09/2013
Adel St John the Baptist CE Primary School Voluntary Fund	Certification of Account Balances	Children's Services	22/10/2013
Troubled Families Grant Claim	Grant Conditions complied with	Children's Services	25/10/2013
Seacroft Grange Primary School Voluntary Fund	Certification of Account Balances	Children's Services	29/10/2013
Whitecote Primary School Voluntary Fund	Certification of Account Balances	Children's Services	21/11/2013
Holy Name Primary School Voluntary Fund	Certification of Account Balances	Children's Services	26/11/2013
Temple Moor High School Science College Voluntary Fund	Certification of Account Balances	Children's Services	28/11/2013

Further details of key issues identified within each assurance block are included below in the *Summary of Audit Activity and Key Issues at Section 2*.



Section 2

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## **SUMMARY OF AUDIT ACTIVITY AND KEY ISSUES**

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A summary of reports issued within each assurance block is included in the table in Section 1. The following section highlights any key issues and outcomes within each assurance block.

### **2.1 Financial and Other Key Systems**

#### Write-offs over £5k: report to Financial Performance Group

- 2.1.1 The Chief Officer, Audit and Investment asked Internal Audit to review 28 write offs (over £5k) which had been submitted to the Financial Performance Group (FPG) following the meeting in June 2013 to ensure there was an adequate reason for write off and that recovery action had sufficiently taken place prior to write off.
- 2.1.2 In line with Financial Procedure Rules (FPRs) Appendix K, part B, 'Any write-off of individual or cumulative debts due from a single debtor with a value over £5,000 must be approved by the Director of Resources'.
- 2.1.3 The Sundry Income Enforcement Section (SIES) seek approval for write offs over £10 from an authorised officer in line with the sub delegation scheme. Once these write offs are authorised they are written off in the Civica system.
- 2.1.4 Annually, each write off over £5k must have a report completed by the relevant service area summarising the type of debt and the reason for write off by the end of the financial year. The Principal Revenues Recovery Officer completes an annual report showing the level of write offs under/over £5k per Directorate. This report along with the individual service area reports are submitted annually (June) to be discussed at the Financial Performance Group (FPG). This allows each write off over £5k to be scrutinised and a write off can be reversed.
- 2.1.5 Of the 28 write offs reviewed:
- 16 related to instances where housing benefit overpayments had been identified. Housing Benefit overpayments are included as part of the annual Internal Audit coverage of Housing Benefits which provides assurance that adequate records are available to support overpayment write-offs. These were therefore excluded from this review;

- 3 write offs related to irrecoverable commercial rents. There was satisfactory evidence that the SIES tried to recover the commercial rents but were unsuccessful;
- The remaining 9 instances were sundry income cases which had been written off in Civica by SIES (following appropriate approval). The audit confirmed that for all 9 instances, sufficient recovery action had taken place and that all cases had been appropriately been referred for write off.

## 2.2 Spending Money Wisely

### Ideas Service

2.2.1 During February 2013, Internal Audit agreed with the Corporate Communications Team to incorporate the staff suggestion scheme – introduced by the Chief Executive – into Internal Audit’s Ideas service. As at 30<sup>th</sup> November 2013, 561 ideas have been received and the following action has been taken by Internal Audit:

- 42% of ideas have had action taken by Internal Audit (items 1 – 5 in the table below)
- 53% of ideas have action planned (item 6 in the table below)
- The remaining 5% of ideas have been considered but cannot be progressed further (item 7 in the table below.)

**Table 1 - Summary of ideas received (as at 30<sup>th</sup> November 2013)**

No.	Action Taken	Number of Ideas	%
1	Ideas to be implemented/considered for implementation by Service/Directorate	6	1%
2	Ideas already implemented by Service/Directorate	20	3%
3	Idea already being considered by Service/Directorate	3	1%
4	Ideas in the process of being implemented by Service/Directorate	32	6%
5	<i>Ideas where Internal Audit has taken action but the outcome is not yet known:</i>		
	Being dealt with by Internal Audit <sup>1</sup>	105	19%
	Memos with details of ideas sent to Directorates for	65	12%

<sup>1</sup> Ideas ‘being dealt with’ by Internal Audit include ideas being considered as part of annual audit coverage or being reviewed in more detail by Internal Audit in their own right before determining the most appropriate course of action.

No.	Action Taken	Number of Ideas	%
	consideration – awaiting response		
	<i>Ideas where action is required:</i>		
6	Ideas to be sent to Directorates for consideration	92	13%
	Ideas to be sent to Directorates for information <sup>2</sup>	209	40%
7	Ideas which have been considered (either by Service/Directorate/Internal Audit) but cannot be progressed further	29	5%
	<b>Total Number of Ideas Received</b>	<b>561</b>	<b>100%</b>

2.2.2 As well as corresponding individually with each member of staff to thank them for submitting their suggestion, feedback on ideas received and good practice guidance is provided for staff via updates to the Spending Money Wisely Blog. These are posted regularly.

2.2.3 There have been 16 posts on the Spending Money Wisely Blog to date, on a variety of topics such as staff ideas considered and the outcome, existing work across the council to save money and improve services, and best practice guidance on how to achieve value for money.

2.2.4 This initiative links in with the New Year Resolution work being undertaken to bring the council's values to life through Manager Habits, particularly Spending Money Wisely to *get the best deal on price and quality, and consider the council wide impact when making financial decisions;* and Working as a Team to *find new ways of working and embrace new technology, and make it ok to challenge and encourage new ideas.*

#### Spending Money Wisely Challenge

2.2.5 The aim of the monthly Spending Money Wisely Challenge review process is to raise awareness of Spending Money Wisely and embed this in the council's culture; and to act as a deterrent to staff against any spending that does not provide value for money.

2.2.6 The process involves selecting a sample of payments from the monthly lists of published payments (over £500). Officers who authorise the orders are asked to complete a questionnaire to explain how they have ensured their expenditure provides value for money, incorporating compliance with Contract Procedure Rules (CPRs).

<sup>2</sup> Ideas in this category are those where there is not enough detail to determine whether the idea can be progressed further or where the content is more feedback in nature.

2.2.7 In total 199 payments totalling £2,055,400 of expenditure were selected from the published payments lists of transactions over £500, covering July 2012 to March 2013 (£382,500 related to payments less than £10k and the remaining £1,672,900 related to transactions with values between £10k and £100k.)

2.2.8 The breakdown of expenditure by Directorate was as follows:

Directorate	Total Expenditure Reviewed
Adult Social Care	£321,500
Strategy and Resources/Citizens and Communities	£599,800
Children's Services	£242,700
City Development	£437,000
Environment and Housing	£454,400
<b>Total value of transactions reviewed during Spending Money Wisely Challenge – July 2012 to March 2013</b>	<b>£2,055,400</b>

2.2.9 In 160 instances (80%), the conclusion reached was that there was sufficient evidence to demonstrate that that value for money had been considered and obtained. For the remaining 39 (20%) transactions, there was scope for improvement in demonstrating that value for money had been considered and achieved through compliance with the council's policies and procedures including Contract Procedure Rules. These included, for example, instances where competition – in the form of three quotes - had not been sought in line with Contract Procedures Rules and nor had there been a waiver of Contract Procedure Rules to demonstrate how and why the course of action provided value for money for the council. In addition, there were examples where Internal Service Providers had not been used in line with the requirements of Contract Procedure Rules. However, there was only one instance where substantively value for money could not be determined.

2.2.10 During the reviews, a number of good practice examples were identified and reported and recommendations were made with the aim of improving compliance with Contract Procedure Rules to provide assurance that value for money has been considered.

## 2.3 Risk Based Reviews

### Leaving Care

2.3.1 The findings of the Leaving Care audit were reported to the September Corporate Governance and Audit Committee.

- 2.3.2 With reference to the report at the Full Council meeting on the 13<sup>th</sup> November 2013, Councillor S Bentley asked for *'reassurance that, firstly, no young care leaver was disadvantaged by this lack of financial control and that in future all staff will be trained on the policy, guidance and criteria along with the proper budgetary control.'*
- 2.3.3 The Head of Finance (Children's Services) has provided confirmation that no young person will/has been disadvantaged, that staff will be properly trained and given guidance in the updated policies and procedures and that improved budgetary control procedures are now in place.
- 2.3.4 The Directorate are progressing the action plan agreed to address the recommendations made in the audit report. The Leaving Care financial policies, supporting documentation and procedures and training for staff are currently being re-written.
- 2.3.5 A follow up review will be undertaken by Internal Audit during March 2014 to assess progress towards implementation of the recommendations made in the audit report. The findings from this will be reported to Corporate Governance and Audit Committee.

Client Monies – Learning Disability Community Support Service (LDCSS): Joseph Court

- 2.3.6 Internal Audit finalised a review of the central policies and procedures for handling and monitoring customer monies within LDCSS in June 2012. The audit resulted in a limited assurance compliance opinion for 2 of the 4 establishments visited. The key areas where improvements were required can be summarised as maintenance of records; retention of documentation; approval for large items of expenditure; secure storage of cash; and effective monitoring.
- 2.3.7 A follow up review was undertaken to assess progress against the recommendations made. Two services were selected following the limited opinion awarded during the 2011/12 review (Westerton A and Albert Court.) An additional service was also selected for review – Joseph Court.
- 2.3.8 Good assurance on the control environment was provided for all the establishments reviewed. The Financial Management Policy has been approved and has incorporated many of the recommendations made during the 2011/12 review. In relation to compliance with the control environment, improvements had been made in the 2 establishments visited previously (Westerton A and Albert Court) but limited assurance was provided for Joseph Court.

2.3.9 Each establishment has agreed an action plan to address the recommendations made. Overall the establishments could increase their level of assurance by:

- fully completing customer income and expenditure plans;
- retaining full bank statements, cash cards and receipts for both income and expenditure;
- obtaining approval for large items of expenditure;
- carrying out effective monitoring.

## 2.4 Counter Fraud and Corruption

### 2.4.1 Referrals

Internal Audit received 30 new referrals between 1<sup>st</sup> September and 30<sup>th</sup> November 2013. The number of referrals received is increasing significantly.

26 of these were received under the Council's Whistleblowing and Raising Concerns Policies and 4 were received from individual service areas.

6 cases have been investigated and closed in the same period.

There are 24 on-going investigations:

- 12 cases are currently being investigated;
- 12 have been referred to a service or HR for investigation and the Audit team is awaiting their responses.

### 2.4.2 Reports Issued

The following reports have been issued in the period:

Subject	Date
Procurement	09/09/2013
Proactive exercise – staff parking permits	11/09/2013
Partner Organisation (see 2.4.3 – 2.4.5 for details)	01/10/2013
Household Waste Sites	08/11/2013
Establishment Income	25/11/2013

- 2.4.3 The key piece of work carried out in this assurance block involved an investigation and subsequent value for money work completed at a partner organisation. This work was carried out after proactive fraud exercises undertaken by Internal Audit identified potentially fraudulent creditor payments at the partner organisation. The identification of this issue prompted the need for a detailed audit investigation, the findings of which have been passed to the police. Internal disciplinary measures are currently in progress alongside this, and we are in regular liaison with the designated officer to support his enquiries.
- 2.4.4 During the course of the investigation work, Internal Audit noted a number of system weaknesses and opportunities to realise efficiencies. A further report was compiled to contain these findings and highlight the necessary key controls and value for money considerations going forward. These were presented in the form of a series of value adding recommendations that seek to safeguard the long term sustainability of the organisation.
- 2.4.5 In addition to the investigation and value for money work undertaken, Internal Audit has also supported the organisation on an operational basis to ensure the continuation of day to day functions throughout transition.

## 2.5 External Clients

### Housing Partnerships Assurance Framework

- 2.5.1 Work on the former ALMOs audit plans is almost complete. Work is continuing on the Housing Partnerships Assurance Framework and should ensure that the audits undertaken address key risk areas in addition to the on-going advice and support throughout the housing management review/re-structure. Initial planning for the 2014/15 Housing Leeds audit plan has commenced and will be further developed in forthcoming months with key contacts. This should ensure the key risk areas are appropriately reviewed and the varied needs of the newly formed directorate are fully reflected.
- 2.5.2 Internal Audit have completed a number of reviews of evidence provided by the ALMOs/BITMO to support their self – assessments for tenancy fraud arrangements and estate environment. Where necessary, recommendations were made to improve processes in these areas. The following reports have been issued as part of the assurance framework

Subject	Date Issued
BITMO: Tenancy Fraud Shared Audit Self - Assessment	01/10/2013
BITMO: Self – Assessment of Estate Environment	08/10/2013

Subject	Date Issued
WNWHL: Self – Assessment of Estate Environment	31/10/2013
ENEHL: Self – Assessment of Estate Environment	31/10/2013
Aire Valley Homes Leeds: Housing Partnerships Tenancy Fraud Self - Assessment Shared Audit	22/11/2013

### TdFHUB2014 Ltd

2.5.3 Internal Audit have been selected to provide audit services to TdFHUB2014 Ltd – the company responsible for overseeing the delivery of the first three stages of the 2014 Tour de France - and have provided proposals to their audit committee with the following audit coverage. These are planned to be undertaken during January to May 2014:

- Governance Arrangements
- Risk Management Review
- Grant Funding Review
- Follow up review of high priority recommendations made

## 2.6 *Corporate support*

2.6.1 In order to support corporate priorities, the Section continues to have a number of staff on secondment to various projects and programmes across the authority.

- One of the Section's trainees is currently on a 15-month secondment (ending in August 2014) to the Waste Management Project within Environment and Neighbourhoods;
- A member of staff has been providing support on a full time basis to Leeds and Partners since January 2013;
- A member of the business analysis team is currently seconded to another Directorate.

## 2.7 *Plan for 2014/15*

2.7.1 Initial work has commenced on the Annual Audit Plan for 2014/15. The Head of Audit must provide an annual internal audit opinion based on an objective assessment of the framework of governance, risk management and control. To support this, internal audit must develop and deliver a risk based plan which takes into account the organisation's risk management framework and includes an appropriate and comprehensive range of work, sufficiently robust to confirm



that all assurances provided as part of the system of internal audit can be relied upon by the Corporate Governance and Audit Committee.

2.7.2 To develop this plan, there must be a sound understanding of the risks facing the Council. The Corporate Risk Register will be used as a key source of information and the planning process for 2014/15 will again necessitate a thorough evaluation of the appropriate level and scope of coverage required to give stakeholders, including the Corporate Governance and Audit Committee, an appropriate level of assurance on the control environment of the Council. It is anticipated that the plan will follow the same principles as agreed in previous years i.e. based on assurance blocks that each give an opinion on the key control environment elements, targeted towards in year risks, rather than a more traditional cyclical approach that looks at each system over a number of years. For each assurance block, the most appropriate level of coverage necessary to provide the most effective annual assurance opinion and added value to the organisation will be developed. It is intended that audit assignments will be split between Financial Resource risks (i.e. those with a financial impact) and Strategic risks (i.e. non-financial impact reviews.)

2.7.3 The intended focus of the plan will be in the following areas:

- Key Financial Systems
- Compliance Audits
- Risk Based Audits
- Anti-Fraud and Corruption
- Procurement, Performance and Improvement
- Spending Money Wisely/Value for Money work

2.7.4 As highlighted in the Initial Budget Proposals for 2014/15, local government is operating in a very different environment to that in which it has operated previously, and it is clear that Councils will need to change, to become much more enterprising, entrepreneurial and responsive to their local communities, whilst retaining their role as major employers, service providers and democratically – mandated leaders. The current financial position continues to be very challenging and the challenge is significant. As recognised in the Initial Budget Proposals, the Council will continue to reduce in size. With the changes anticipated, it seems likely that the risks facing the Council will increase. It is important, therefore, that the Audit Plan includes sufficient coverage to ensure an evidence based assurance opinion on the control environment at the end of the year and is supported by an adequate level of resources to address risks as they continue to arise.

2.7.5 The detailed proposals for the Audit Plan for 2014/15 will be presented to the April 2014 Corporate Governance and Audit Committee.

Section 3

## **AUDIT PERFORMANCE 2013/14**

### **At 30<sup>th</sup> November 2013**

#### **3.1 ENSURING QUALITY**

Internal Audit is committed to delivering a quality product to the highest professional standards that adds value to our customers. We actively monitor our performance in a number of areas and encourage feedback from customers.

All our work is undertaken in accordance with our quality management system; we have now been ISO accredited for over fourteen years.

A customer satisfaction questionnaire (CSQ) is issued with every audit report. The questionnaires ask for the auditees opinion on a range of issues and asks for an assessment ranging from 5 (for excellent) to 1 (for poor). The results are based on the percentage of those assessments that are 3 (satisfactory) or above. The results of the questionnaires are reported to the Audit Leadership Team and used to determine areas for improvement and inform the continuing personal development training programme for Internal Audit staff. The results are also benchmarked with other core cities who have adopted the same questionnaire.

#### **Results from Customer Satisfaction Questionnaires**

<b>Question</b>	<b>2013/14 Actual to date at 30<sup>TH</sup> November 2013 - % Score 3 or above</b>
Notice	97%
Scope	95%
Understanding	98%
Efficiency	97%
Consultation	100%
Professional/Objective	100%
Accuracy of Draft	98%

<b>Question</b>	<b>2013/14 Actual to date at 30<sup>TH</sup> November 2013 - % Score 3 or above</b>
Opportunity to comment	100%
Final Report - Clarity & Conciseness	98%
Final Report – Prompt	98%
Recommendations	98%
Added Value	100%