

**AUDIT COMMITTEE – 17<sup>th</sup> JANUARY 2018**

**INTERNAL AUDIT QUARTERLY REPORT 2017/18  
QUARTER ENDED 31<sup>st</sup> DECEMBER 2017**

**Executive Summary**

1. Internal Audit work undertaken during the period did not identify any fundamental recommendations (Para. 4.1).
2. The internal control assurance opinion overall is considered to be adequate, based upon the results of the work undertaken during the quarter (Para. 6.1 / Appendix 1).
3. Of the 10 recommendations followed-up, 4 (40%) had been implemented by the original target date, 1 (10%) had not been implemented, within revised implementation dates agreed by management and 5 (50%) were waiting a response by Management (Para. 4.4).
4. In relation to the Barnsley MBC audit plan, actual days delivered are in excess of profile as planned at this stage of the year. Internal Audit resources will be directed towards external client plans in the last quarter of the year. (Para.7.8 & Appendix 2).
5. An update on quarterly performance of the function will be follow.

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**INTERNAL AUDIT QUARTERLY REPORT 2017/18  
QUARTER ENDED 31<sup>st</sup> DECEMBER 2017**

**1. Purpose of Report**

- 1.1 This report provides the Audit Committee with a comprehensive overview of the key activities and findings of Internal Audit based on the Service's work covering the whole of the third quarter to ensure that the Audit Committee is provided with the most up to date position. This report provides the Audit Committee with information relevant to its responsibilities within its terms of reference (terms of reference items (a), (b), (h), (i) and (k)).
- 1.2 The report covers:-
- i. The issues arising from completed Internal Audit work in the period (section 4 and Appendix 1);
  - ii. Matters that have required investigation (section 5);
  - iii. An opinion on the ongoing overall assurance Internal Audit is able to provide based on the work undertaken regarding the adequacy and effectiveness of the Authority's internal control environment (section 6);
  - iv. Progress on the delivery of the Internal Audit Plan for the period up to the end of the third quarter of 2017/18 year (section 7 and Appendix 2);
  - v. Details of Internal Audit's performance for the quarter utilising Performance Indicators will follow due to the timing of the Committee.

**2. Recommendations**

**2.1 It is recommended that the Audit Committee:-**

- i. consider the issues arising from completed Internal Audit work in the period along with the responses received from management;**
- ii. note the assurance opinion on the adequacy and effectiveness of the Authority's internal control framework based on the work of Internal Audit in the period to the end of December 2017;**
- iii. note the progress against the Internal Audit plan for 2017/18 for the period to the end of December 2017; and**
- iv. Consider the performance of the Internal Audit Service for the third quarter.**

### **3. Introduction / Background**

- 3.1 Internal Audit is a key contributor to the assurances the Audit Committee requires regarding the adequacy and effectiveness of the internal control, risk and governance environment of the Authority. That assurance is provided through planned work and responding to urgent matters and changes in priority and risk. It is important that all Internal Audit activities are undertaken with due regard to risk and the risk issues prevailing at the time.
- 3.2 In order to fulfil its responsibilities the Audit Committee needs to be satisfied that the Internal Audit Service is undertaking its work as planned, responding appropriately to client demands, operating to the required professional standards and obtaining the necessary responses from management following Internal Audit work.
- 3.3 In accordance with statutory best practice provided by the Public Sector Internal Audit Standards, there is a requirement that the Head of the Internal Audit function prepares an annual report to the appropriate member body. This requirement is best supported through regular reports during the year, providing, amongst other things, ongoing assurances on the adequacy and effectiveness of the Authority's framework of governance, risk management and control.
- 3.4 For the Authority, the appropriate member body is the Audit Committee.

### **4. Key Issues Arising From Internal Audit Work in the Period Ended 31<sup>st</sup> December 2017**

- 4.1 Internal Audit work undertaken during the period made four significant recommendations. No fundamental recommendations were made.
- 4.2 It should be noted, that in the process of agreeing a final report, senior officers respond to specific recommendations by identifying relevant management actions and agreeing responsible managers and timescales for implementation.

#### **Follow-Up of Report Recommendations**

- 4.3 Table 1A identifies the total number of reports analysed by the assurance opinion given and the total number of recommendations made.
- 4.4 Table 1B shows the number of recommendations followed-up in the quarter. Of the 10 recommendations followed-up, 4 (40%) had been implemented by the original target date, 1 (10%) had not been implemented, with revised implementation dates agreed by management and 5 (50%) were waiting a response from management.
- 4.5 Internal Audit continues to get very good co-operation from management including the Senior Management Team (SMT) and as such is able to closely monitor any implications that may arise from a delay in the implementation of management action. However, it should be noted that half (50%) of recommendations followed-up were waiting a response from management when this information was extracted from the audit system. As previously reported to members, Internal Audit is working closely with management to monitor the general position with regards the implementation of management actions and to establish the reasons behind any

delays. In an effort to provide more transparency to Executive Directors on the status and progress of their recommendations, Internal Audit is now issuing monthly updates. This is in addition to the quarterly performance reports currently presented to SMT.

## **5. Fraud, Investigations and the Corporate Anti-Fraud Team**

- 5.1 The Audit Committee receives a separate report covering the detail of fraud and irregularity investigations undertaken, the preventative work and the general activities and work plan of the Corporate Anti-Fraud Team.
- 5.2 Assistance has been provided to management in an internal investigation relating to alleged misconduct. This will be reported in due course at the conclusion of the matter.
- 5.3 The overall assurance opinion takes into account any control issues arising from investigations or anti-fraud work. No issues are required to be brought to the Committee's attention at this time.

## **6. Head of Internal Audit's Internal Control Assurance Opinion**

- 6.1 Based on the audits reported in the period, an overall **adequate** assurance opinion is considered to be appropriate.
- 6.2 As referred to above, the percentage of audit report recommendations not implemented, and requiring a revised implementation date is relatively high at 60%. The implementation of recommendations is monitored closely to ensure that there are no serious issues or concerns regarding the effectiveness of the control, risk and governance framework arising from the delay or non-implementation of recommendations.
- 6.3 Where control weaknesses have been identified within procedures, or in the provision of advice or 'consultancy' services, these have been resolved less formally with management through discussions at the time of the audit, and/or via emails and correspondence.
- 6.4 It does however need to be recognised that Internal Audit coverage cannot guarantee to detect all errors, systems or control weaknesses or indeed identify all of the opportunities for improvements in management arrangements that might exist. Accordingly only reasonable and not absolute assurance is given.
- 6.5 The assurance opinion is supported by the knowledge that the underlying framework of financial and other controls, encompassing the Council's Financial Regulations, various codes of practice, procedures and other financial governance arrangements, periodically reviewed by both Internal and External Audit, are appropriate and working satisfactorily.
- 6.6 The general context and impact of the significant savings and service changes that have been implemented arising from Future Council form a core element of Internal Audit work planning to ensure that the control, risk and governance framework remains adequate and effective.

## **7. Internal Audit Plan 2017/18 - Progress to the end of December 2017**

- 7.1 Internal Audit utilise a risk-informed approach to planning and delivering its work. This approach seeks to ensure that the key risks facing the Authority are considered and covered, where appropriate, by Internal Audit work. In turn the annual work programme is planned indicatively across the year. This enables quarterly monitoring of progress against planned work and the utilisation of Audit resources.
- 7.2 It is however important to recognise and appreciate that whilst a significant proportion of audit work is planned, there are many 'external' factors that can and do impact on precisely when pieces of work are actually undertaken and completed and indeed their detailed scope. For this reason the monitoring of the audit plan in each quarter can only provide an indicative picture of progress overall. Individual jobs are monitored on a job-by-job and week-by-week basis utilising the audit management system.
- 7.3 Table C contains reference to the audit jobs that are categorised as 'work in progress' as at the end of Q3. The progression of these jobs are closely monitored and there will be an updated position presented to Audit Committee Members at the end of Q4.
- 7.4 Appendix 2 shows the progress of the plan up to the end of December 2017, analysed by Directorate / Service. Whilst Appendix 1 only shows an output of two reports within the quarter, this does not represent the output and outcomes from our increasing consultancy based audit work. These reviews tend to be less tangible and/or less formal than the traditional audit reporting reviews. Our objective when conducting this work is to deliver a more flexible approach to Internal Audit by providing 'real time', added value feedback during the audit year.
- 7.5 Adjustments are made to the days allocated to particular jobs on an on-going basis and so there is naturally only a minor variance between the actual days and those planned. Given the risk basis and responsive nature of audit work, the Audit Committee should be particularly interested in the overall deployment of audit resources rather than necessarily where those resources have been spent.
- 7.6 At the beginning of the year provision is made in the allocation of audit resources for unplanned work, through a contingency. As requests for audit work are received, or more time is required for jobs or changes in priorities are identified, time is allocated from this contingency.
- 7.7 The following audits have been deferred, added to or deleted from the audit plan, as agreed in conjunction with management:

<b>Directorate / Service</b>	<b>Audit Assignment Title</b>	<b>Deferred / Added / Deleted</b>
Public Health	Quality Assurance	Deferred to 2018/19 – This was requested by the Service due to current restructures/recruitment of new staff.
People	Financial Arrangements Assurance Review	Added –This was requested by Finance to obtain assurance on the financial arrangements within a maintained school.

<b>Directorate / Service</b>	<b>Audit Assignment Title</b>	<b>Deferred / Added / Deleted</b>
Finance	Independent investigation	Added – Requested by Management as an urgent piece of work.

7.8 The position at the end of the third quarter for the audit days allocated to BMBC shows that they are in excess of the profile. The mid-year review of the Internal Audit Service's plan indicated that there are sufficient resources to deliver the Council's 2017/18 planned work

7.9 As planned, a more significant proportion of the Internal Audit Team's resources will be deployed to external clients in the final quarter of the financial year.

## **8. Internal Audit Function and Performance**

8.1 The Service uses a range of performance indicators to monitor operational efficiency. Due to the timing of the Audit Committee meeting the Performance Indicators for quarter 3 of 2017/18 will be forwarded separately.

8.2 The analysis of the more detailed feedback received following each audit job is shown in Appendix 4. For the third quarter of the year, at the point of preparing these report 2 feedbacks sheets (both relating to the Data Retention audit) have been received out of the 2 final reports issued. All have been noted as very good or good. All other feedback questionnaires have been chased with the appropriate senior officer, but were not returned.

## **9. Local Area Implications**

9.1 There are no Local Area Implications arising from this report.

## **10. Consultations**

10.1 All audit reports are discussed with the main auditee. Individual audit reports are provided to the appropriate Executive Director and/or Service Director to apprise him/her of key issues raised and remedial actions agreed.

10.2 No specific consultation has been necessary in the preparation of this quarterly report.

## **11. Compatibility with European Convention on Human Rights**

11.1 In the conduct of audit work and investigations particularly, Internal Audit operates under the provisions of the Data Protection Act 1998, the Regulation of Investigatory Powers Act 2000 and the Police and Criminal Evidence Act.

## **12. Reduction of Crime and Disorder**

12.1 An inherent aspect of audit work is to prevent, detect and investigate incidents of fraud, theft and corruption. The control issues arising from audit investigations have been considered to ensure improvements in overall controls are made. Additionally, Internal Audit ensures that in specific instances, management takes appropriate action to minimise the risks of fraud and corruption re-occurring.

### **13. Risk Management Considerations**

13.1 The underlying purpose of the work of Internal Audit is to address and advise on key risks facing management and, as such, risk issues are inherent in the body of the report.

13.2 The Service's operational risk register includes the following risks which are relevant to this report:

- Inappropriate use of and management of, information to inform and direct service activities;
- Inability to provide a flexible, high performing and innovative service; and
- Poor levels of customer satisfaction.

All of these risks have been assessed and remain within the tolerance of the Service.

An essential element of the control (and on-going) management of these risks is the provision of update reports to the Audit Committee and the assurance this provides.

### **14. Employee Implications**

14.1 There are no employee implications arising from this report.

### **15. Financial Implications**

15.1 There are no financial implications arising directly from this report. The costs of the Internal Audit function are included within the Authority's base budget.

### **16. Appendices**

16.1 Appendix 1 - Key issues arising from completed Internal Audit work and audit activity during the period.

Appendix 2 - Internal Audit Plan 2017/18 – Position as at 31<sup>st</sup> December 2017

Appendix 3 - Internal Audit Performance Indicators for the Quarter Ended 31<sup>st</sup> December 2017 (to follow)

### **17. Background Papers**

17.1 Various Internal and External Audit reports, files and working papers.

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**Telephone No:** 01226 773241

**Date:** 8<sup>th</sup> January 2018

**TABLE A - Completed Audits / Final Reports Issued During the Period Ending 31<sup>st</sup> December 2017**

<b>Service / Directorate / Audit Title</b>	<b>Key Issues</b>	<b>Assurance Opinion</b>	<b>No. of Recs.</b>	<b>Date Report Issued</b>	<b>Other Action</b>
Core Services: Selective Voluntary Early Retirement & Voluntary Severance Schemes	The key issues identified relate to the need to ensure policies are updated to reflect new/ revised procedures and current job titles. The 'Analysis of Selective Voluntary Early Retirement and Voluntary Severance' should be reinstated and provided to Cabinet on a sufficiently frequent basis in order that Cabinet can fulfil its responsibility for the oversight of financial management for the Council.	<b>Adequate</b>	F - 0 S - 2 MA - 2	18.10.2017	To follow-up all report recommendations.
Communities: Data Retention, Archiving & Disposal	<p>There are inadequate governance and control measures in place in relation to corporate data retention, archiving and disposal. Most crucially this is having regard to the absence of any formal arrangements for the archiving and/or disposal of data held on business applications, including the absence of any corresponding defined strategies or plans.</p> <p>This position is further impacted having regard to the heightened financial sanctions which will be in place from May 2018, in circumstances where the Information Commission Office (ICO) may fine those organisations who are failing to comply with the General Data Protection Regulations (GDPR) legislation.</p> <p>Prior to completion of audit testing it was brought to the attention of Internal Audit that Council arrangements in this area were to be included within the scope of the commissioned ICO Audit. Having regard to such it was subsequently agreed that further work against the scope of the Internal Audit review should be curtailed.</p>	<b>Limited</b>	F - 0 S - 2 MA - 2	18.12.2017	To follow-up all report recommendations.

**KEY – Recommendations - Fundamental 'F' Significant 'S' Merits Attention 'MA'**

**TABLE B - Details and Outcome of Other Audit Activities Not Producing a Specific Assurance Opinion**

<b>Audit Work Completed</b>	<b>Details</b>	<b>Contribution to Assurance</b>
Core Services: Data Quality/Performance Management	To provide an independent opinion, the review will examine the adequacy and effectiveness of the revised settlement agreement arrangements following the cessation of Compromise Agreements under the Employment Rights Act and changes under ACAS.	The work contributed to assurance in respect of effective governance and management arrangements in the Quality of Data in the Children’s and Adults Directorates.
Place: Skills and Community Service	To provide assurance that there are appropriate and effective governance and performance management arrangements in place over the adult skills and community learning service.	The work contributed to assurance in respect of effective governance and management arrangement in the adult skills and community learning service.

**Table C - Projects and Work In Progress**

<b>Client Sponsor</b>	<b>Title of Audit or Nature of Audit Activity</b>	<b>Key Objective(s)</b>	<b>Status / Comment</b>
Core Services	Housing Benefits	To provide assurance that the Housing Benefits system (which forms part of the Academy System) is robust and operating effectively and efficiently. In addition, that the new technology (E-Store) is providing for efficient and effective processes.	Draft report issued and awaiting agreement to issue as a final report
Core Services	Final Account Process Review	To provide assurance that the processes with regards to final accounts are operating effectively and efficiently, resulting in a timely and accurate final account for each construction related project.	Draft report issued
People	Schools Financial Value Standards - Procurement Themed Review	To provide assurance that procurement collaboration opportunities across pyramid schools are identified, align to schools objectives with efficiencies and value for money being obtained. Also, to provide assurance that schools are aware of and taking advantage of wider opportunities to secure value for money through arranged DfE contract frameworks; advice and guidance, etc. In addition, to confirm that procurement processes are undertaken on a fair, open and transparent basis, comply with legislative, regulatory, policy and procedural requirements, and that all actions and decisions are fully evidenced.	Final report issued to all 3 schools visit. A post-audit meeting scheduled to discuss common findings and recommendations.
Core Services	Commissioning, Procurement & Contracts – Compliance Review	To provide assurance that the system and controls are operating effectively and efficiently and are in compliance with Legislative, regulatory, policy and procedural requirements.	Being scoped
Core Services	Corporate Risk Management	To provide assurance that the governance arrangements, controls and risk management arrangements associated with the Corporate Risk Management processes are operating efficiently and effectively and being complied with throughout the Authority's services and departments.	Draft report issued and awaiting agreement to issue as a final report
People	Schools Financial Value Standards – Information Governance/ Information Security Themed Review	By means of a series of unannounced site visits, the audit will examine awareness of Information Governance and Information Security policies and procedures across a sample of schools.  The audit will incorporate the management and controls regarding the use of secure e-mail and the transfer of personal and confidential information.	Ongoing
People	Assessment & Care – Governance	To provide assurance that there are appropriate and effective governance arrangements in place.	Ongoing

<b>Client Sponsor</b>	<b>Title of Audit or Nature of Audit Activity</b>	<b>Key Objective(s)</b>	<b>Status / Comment</b>
	Arrangements		
Communities	IT Disaster Recovery / Business Continuity	Advisory work	Ongoing
Core Services	Settlement Agreements	To provide an independent opinion, the review will examine the adequacy and effectiveness of the revised settlement agreement arrangements following the cessation of Compromise Agreements under the Employment Rights Act and changes under ACAS.	Final ToR agreed and audit testing to commence shortly
Core Services	Baseline Personnel Security Standards	To provide assurance that robust governance arrangements exist in respect of the Council's pre-employment checks and the checks are in compliance with the Baseline Personnel Security Standard.	Draft report issued
Core Services	Registration of Business Interests	To provide assurance that the current arrangements in relation to the declaration and recording of interests, gifts and hospitality amongst Members and employees is robust and operating in accordance with an approved policy/procedure.	Draft report issued and discussed. Management action to be agreed.
People	Unannounced Establishment Visits	To ensure that all income received is receipted / recorded accurately, held securely and is banked promptly and that financial records are retained in accordance with HMRC, Banking Regulations and the Council's recommended retention periods.  For Museum stock, to ensure that goods received are properly recorded and securely held, goods issued are properly authorised and recorded and that obsolete, slow moving and excess stock is promptly detected and action taken. Access controls for the EPOS System will also be examined as part of this review.	Ongoing
People	Troubled Families – Quarterly validation	Grant claim validation	Ongoing

**Table D – Other Audit Work Undertaken**

<b>Audit Activity</b>	<b>Description</b>
Follow-up of Recommendations	Regular work undertaken to follow-up recommendations made.
Attendance at Steering / Working Group	Information Governance Board, Commissioning, Procurement & Contracts Working Group, Housing Property Repairs & Improvement Board, IT Steering Group, Capital Programme Oversight Board, SharePoint Board, IRM Replacement Project Board
Liaison, Planning and Feedback	Meeting and corresponding with Service and Executive Directors and Heads of Service regarding progress of audit work, future planning and general client liaison.
Advice	General advice to services regarding controls, risk or governance matters. Such work often does not require formal reporting but occasionally will escalate into a specific piece of audit work for which a new job will be created.
Audit Committee Support	Time taken in the preparation of Audit Committee reports, Audit Committee Member training, general support and development.
Corporate Whistleblowing	General time taken in providing advice and the initial consideration of matters raised. Also includes the review of arrangements.
Corporate Matters	Covering time required to meet corporate requirements, i.e. corporate document management, service business continuity and health and safety.

**Table 1A**

**Summary Activity**

**All Audit Reports**

<b>Assurance Opinion</b>	<b>Quarter 1</b>	<b>Quarter 2</b>	<b>Quarter 3</b>	<b>Quarter 4</b>	<b>Cumulative</b>
<b>Substantial</b>	0 (0%)	0 (0%)	0 (0%)		0 (0%)
<b>Adequate</b>	1 (100%)	1 (100%)	1 (50%)		3 (75%)
<b>Limited</b>	0 (0%)	0 (0%)	1 (50%)		1 (25%)
<b>None</b>	0 (0%)	0 (0%)	0 (0%)		0 (0%)
<b>TOTAL REPORTS</b>	<b>1</b>	<b>1</b>	<b>2</b>		<b>4</b>
<b>Other Reports</b>	0	1	1		2

**Total Recommendations**

<b>Number of Recommendations</b>	<b>Quarter 1</b>	<b>Quarter 2</b>	<b>Quarter 3</b>	<b>Quarter 4</b>	<b>Cumulative</b>
<b>Fundamental</b>	0 (0%)	0 (0%)	0 (0%)		0 (0%)
<b>Significant</b>	1 (17%)	1 (33%)	4 (50%)		6 (35%)
<b>Merits Attention</b>	5 (83%)	2 (67%)	4 (50%)		11 (65%)
<b>TOTAL</b>	<b>6</b>	<b>3</b>	<b>8</b>		<b>17</b>

**Table 1B**

**Recommendations Followed-up by Internal Audit**

<b>Quarter 3</b>					
<b>Recommendation Classification</b>	<b>Followed-up</b>	<b>Completed by due date</b>	<b>Completed after target date</b>	<b>Not yet completed – Revised date agreed</b>	<b>Awaiting Management Response</b>
<b>Fundamental</b>	0	0	0	0	0
<b>Significant</b>	7	3	0	1	3
<b>Merits Attention</b>	3	1	0	0	2
<b>TOTAL</b>	<b>10</b>	<b>4</b>	<b>0</b>	<b>1</b>	<b>5</b>

## Trend Analysis – Third Quarter 2017/18

### Assurance Opinions

	2016/17				2017/18				Cumulative	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2016/17	2017/18
	%	%	%	%	%	%	%	%	%	%
Substantial	0	0	14	0	0	0	0		6	0
Adequate	75	100	29	50	100	100	50		53	75
Limited	25	0	57	50	0	0	50		41	25
None	0	0	0	0	0	0	0		0	0
	100	100	100	100	100	100	100	100	100	100

### Implementation of Recommendations

	2016/17				2017/18				Cumulative	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2016/17	2017/18
	No.	No.	%	%						
Completed by target date	1	10	16	6	3	13	4		47	37
Completed after original target date	0	15	6	0	3	9	0		30	22
Not yet completed – revised date agreed	5	5	3	3	4	17	1		23	41
Awaiting Management Response*							5			
Total followed up	6	30	25	9	10	39	10		100	100
<b>% Completed by Original Target Date (Excl*)</b>	<b>17%</b>	<b>33%</b>	<b>64%</b>	<b>67%</b>	<b>30%</b>	<b>33%</b>	<b>40%</b>			
<b>% Completed at time of Follow-up</b>	<b>17%</b>	<b>83%</b>	<b>88%</b>	<b>67%</b>	<b>60%</b>	<b>56%</b>	<b>40%</b>			

INTERNAL AUDIT PLAN 2017/18 – Position as at 31<sup>st</sup> December 2017

Directorate	Original 2017/18 Plan	Revised 2017/18 Plan	Actual Days
Communities	75	77	51
People	98	103	99
Place	63	83	141
Public Health	26	26	1
Core Services	419	421	281
Council Wide	142	142	139
Corporate	167	169	125
Contingency	50	0	0
<b>Barnsley MBC Sub Total</b>	<b>1,040</b>	<b>1,021</b>	<b>837</b>
Corporate Anti-Fraud Team	561	562	425
<b>Sub Total</b>	<b>1,601</b>	<b>1,583</b>	<b>1,262</b>
<b>External Clients</b>	<b>1,655</b>	<b>1,686</b>	<b>996</b>
<b>Total Chargeable Planned Days</b>	<b>3,256</b>	<b>3,269</b>	<b>2,258</b>

## INTERNAL AUDIT PERFORMANCE INDICATORS FOR 2017/18 – TO FOLLOW

Ref.	Indicator	Frequency of Report	Target 2017/18	This Period	Year to Date
<b>1.</b>	<b><u>Customer Perspective:</u></b>				
1.1	Percentage of questionnaire received noted “good” or “very good” relating to work concluding with an audit report.	Quarterly	95%		
<b>2.</b>	<b><u>Business Process Perspective:</u></b>				
2.1	Percentage of final audit reports issued within 10 working days of completion and agreement of the draft audit report. (Cumulative 1/1 reports)	Quarterly	80%		
2.2	Percentage of chargeable time against total available.	Quarterly	73%		
2.3	Average number of days lost through sickness per FTE (Cumulative 4 days in total)	Quarterly	6 days		
<b>3.</b>	<b><u>Continuous Improvement Perspective:</u></b>				
3.1	Personal development plans for staff completed within the prescribed timetable.	Annual	100%		
<b>4.</b>	<b><u>Financial Perspective:</u></b>				
4.1	Total Internal Audit costs v budget.	Quarterly	Within Budget		

## Performance Indicator Definitions and Supporting Information

PI Ref	Indicator	Comments
1.1	Percentage of favourable auditee questionnaire responses received (noted “good” or “very good”) relating to work concluding with an audit report.	Questionnaires are left at the end on each audit job resulting in a formal report. The questionnaire asks 14 specific questions covering the effectiveness of audit planning, communication, timing and quality of the audit report. An overall assessment is sought as to the overall value of the audit. This is the answer used for this PI. All questionnaires are analysed in detail to ensure all aspects of the audit process are monitored and improved.
2.1	Percentage of final audit reports issued within 10 working days of completion and agreement of the draft audit report.	This is an operational PI to ensure the timely issue of final reports. This PI is influenced by the availability of senior Internal Audit staff to clear the report and any issues the Service’s quality assessment process highlights along with the availability of the auditee.
2.2	Percentage of chargeable time against total available.	A key operational measure of the ‘productivity’ of Audit staff taking into account allowances for administration, general management, training and other absences. This PI will reflect the % chargeable time of staff in post, net of vacancies.
2.3	Average number of days lost through sickness per FTE.	A corporate PI to measure the effectiveness of good absence / attendance management.
3.1	Personal development plans for staff completed within the prescribed timetable.	IA place a high level of importance on staff training and continuous development and are committed to ensure all staff have their own training plans derived from the personal development plan process.
4.1	Total Internal Audit costs v budget.	This is a simple overall measure to note whether the Service’s expenditure for the year has been kept within the budget.

## Appendix 4

### Analysis of Internal Audit Feedback Received in the Third Quarter of 2017/18

Number of ticks shown against each question

		Very Good	Good	Acceptable	Poor
<b>A Audit Planning</b>					
1	Relevance of the audit objectives	2	0	0	0
<b>B Communication</b>					
1	Consultation on scope and objectives of the audit	2	0	0	0
2	Communication during all aspects of the audit	1	1	0	0
3	Helpfulness co-operation of the auditor(s)	1 (1 not known)	0	0	0
4	Professionalism of the auditor(s)	1 (1 not known)	0	0	0
5	The auditor(s) demonstrated an appreciation of any relevant issues concerning equality and diversity	1 (1 not known)	0	0	0
<b>C Timing</b>					
1	Duration of the audit	2	0	0	0
2	Timeliness of the audit report	2	0	0	0
<b>D Quality of the audit report</b>					
1	Format and clarity of audit report	2	0	0	0
2	Accuracy of the findings	2	0	0	0
3	Relevance of recommendations	2	0	0	0
4	Overall quality of the report	2	0	0	0
<b>E Value of the audit</b>					
1	Basic controls assurance the audit has provided	2	0	0	0
2	Added value given beyond basic controls assurance	2	0	0	0
3	<b>Overall value of the audit</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>
		<b>100%</b>			
<b>Total Number of 'ticks' (A – E)</b>		<b>26</b>	<b>1</b>	<b>0</b>	<b>0</b>
<b>Percentage</b>		<b>96%</b>	<b>4%</b>	<b>0%</b>	<b>0%</b>
		<b>100%</b>			

**Returned Questionnaires:-**

Quarter 1	0
Quarter 2	0
Quarter 3	2
Quarter 4	0
<b>Total</b>	<b>2</b>

**Comments noted on Feedback Sheets:**

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The audit findings, along with those identified by the Information Commissioner's Office provide IT Services with the assurance required to push forward with the issues identified.

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A very timely audit for us given the new GDPR.

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