

**AUDIT COMMITTEE – 20<sup>th</sup> APRIL 2016**

**INTERNAL AUDIT QUARTERLY REPORT 2015/16  
QUARTER ENDED 31<sup>st</sup> MARCH 2016**

**Executive Summary**

1. Issued reports and the Internal Audit work completed during quarter raised two fundamental recommendations. These related to the adequacy of IT change management control processes and compliance failures in relation to the administration of personal budgets / direct payments. (Para. 4.1).
2. The internal control assurance opinion overall however remains adequate based upon the results of the work undertaken during the quarter (Para. 6.1 / Appendix 1).
3. Of the 29 recommendations followed-up, 3 (10%) had been implemented by the original target date and a further 15 (52%) had been implemented after the original target date. 11 (38%) recommendations remain not implemented and have received revised implementation dates by management. (Para. 4.4).
4. In relation to the Barnsley MBC audit plan, slightly less than the profiled days have been delivered at the end of the fourth quarter (Para.7.7 & Appendix 2).
5. Quarterly performance of the function is generally satisfactory. The PI relating to chargeable time is slightly below profile due to a higher number of special leave and training days and delays in the recruitment of staff. (Para. 8.2 and 8.3 & Appendices 3 & 4).

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QUARTER ENDED 31<sup>ST</sup> MARCH 2016**

**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 Division's work to the end of March 2016, being the fourth quarter of the 2015/16 audit year. 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 quarter (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 to the end of the fourth quarter of 2015/16 year (section 7 and Appendix 2);
- v. Details of Internal Audit's performance for the quarter utilising performance indicators (section 8 and Appendices 3 and 4).

**2. Recommendations**

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

- i. consider the issues arising from completed Internal Audit work in the third quarter 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 March 2016 of the 2015/16 audit year;**
- iii. note the progress against the Internal Audit plan for 2015/16 for the period to the end of March 2016; and**
- iv. Consider the performance of the Internal Audit Division for the fourth 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 Division 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 Quarter Ended 31<sup>st</sup> March 2016**

- 4.1 Internal Audit work undertaken during the quarter identified two fundamental recommendations. These related to the adequacy of IT change management control processes and compliance failures in relation to the established framework of controls in respect of the administration of personal budgets / direct payments.
- 4.2 It should be noted, that in the process of agreeing a final report, senior officers respond to specific recommendations by identifying relevant actions and agreeing responsible managers and timescales for implementation.

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

- 4.3 The following protocol is applied to the follow-up of recommendations in audit reports:
- all fundamental and significant recommendations irrespective of the assurance opinion;
  - all recommendations contained within the annual core financial system audit reports and;
  - reports containing a significant number of merits attention recommendations giving rise to a negative assurance opinion.
- 4.4 Table 1A identifies the total number of reports analysed by the assurance opinion given and the total number of recommendations made.

Table 1B shows the number of recommendations followed-up in the quarter. Of the 29 recommendations followed-up, 3 (10%) had been implemented by the

original target date and a further 15 (52%) had been implemented after the original target date. 11 (38%) recommendations remain not implemented and have received revised implementation dates by management.

- 4.5 Internal Audit continues to get very good co-operation from management 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 a significant number of recommendations have not been implemented until after the original target date i.e. 52%. Internal Audit is working closely with management to monitor this situation and will report to the Audit Committee should any concerns be raised due to any change of implementation date.
- 4.6 As part of the 2016/17 planning process the criteria and process in respect of the follow-up of audit report recommendations will be reviewed and the Audit Committee will receive information in this regard at a future meeting.

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

- 5.1 A separate report will be provided to the Audit Committee 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 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. The detailed Fraud Update report will be presented to the April meeting.

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

- 6.1 Based on the audits reported in the fourth quarter, an overall **adequate** assurance opinion remains appropriate. However, Audit Committee Members should note the fundamental report recommendations and the impact on the system of internal control in those areas.
- 6.2 As referred to above, the number of audit report recommendations not implemented until after the due date at the time of follow-up was relatively high at 52%. 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 either been resolved with management through the issue of an audit report and/or correspondence or addressed at the time of the audit.
- 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 2015/16 - Progress to the end of March 2016**

- 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 Division's computerised management system.
- 7.3 Appendix 2 shows the progress of the plan up to the end of March 2016, analysed by Directorate / Service.
- 7.4 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.
- 7.5 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.
- 7.6 The following audit has been deferred, as agreed in conjunction with management:

<b>Directorate / Service</b>	<b>Audit Assignment Title</b>
Legal and Governance	Business Trading Units
People	Governance Review

- 7.7 The position at the end of the last quarter for the audit days allocated to BMBC shows 33 days below profile (1.6%). In overall terms there is a shortfall of 263 days (7.4%). This is due to a combination of more days being spent than budgeted on training, undertaking council wide/corporate activities and the impact of delays in recruiting to vacant posts.

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

- 8.1 The Division uses a range of performance indicators to monitor operational efficiency. A list of the performance indicators (PIs) for 2015/16 is attached at Appendix 3.
- 8.2 The performance indicators for the fourth quarter are generally satisfactory at this point of the year. The chargeable time indicator is slightly below target but this is due in the main to difficulties / delays in the recruitment of staff and the number of training days being higher than expected.
- 8.3 The analysis of the more detailed feedback received following each audit job is shown in Appendix 4. For the fourth quarter of the year, at the point of preparing this report 3 feedback sheets have been received out of the 4 final reports issued. All feedback received has been noted as very good or good.
- 8.4 The recruitment exercise to fill the Senior Auditor and Auditor positions resulted in the appointment of an Auditor. The Auditor took up their role on the 15<sup>th</sup> February 2016. The Senior Auditor position remains vacant and will be re-advertised in April.

## **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 Division'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 Division.

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  
Appendix 2 - Internal Audit Plan 2015/16 – Position as at 31<sup>st</sup> March 2016  
Appendix 3 - Internal Audit Performance Indicators for the Quarter Ended 31<sup>st</sup> March 2016  
Appendix 4 - Analysis of Internal Audit feedback for the fourth quarter of 2015/16

#### **17. Background Papers**

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

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**Telephone No:** 01226 773241

**Date:** 11<sup>th</sup> April 2016

**A: Completed Audits / Final Reports Issued During the Quarter Ending 31<sup>st</sup> March 2016**

**Appendix 1**

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

Service / Directorate / Audit Title	Key Issues	Assurance Opinion	No. of Recs.	Date Report Issued	Other Action
Finance, Assets & Information Services: IT Change Controls	The review concluded that the change management and control processes require improvement and assurance could not be provided that IT changes had been correctly recorded, evaluated, authorised and tested. The absence of a performance measurement system has compounded the issue as the extent to which the changes benefited the Council was not known.	<b>Limited</b>	<b>F - 1 S - 8 MA - 0</b>	19.01.16	To follow-up the fundamental and significant report recommendations
Place: Property Investment Fund	Overall the audit has concluded that there is an adequate governance and internal control framework in relation to the Property Investment Fund. Notwithstanding this, the audit has identified a number of areas where this framework may be further improved e.g. the need to ensure key project stages and corresponding decisions are adequately evidenced, in accordance with established project governance protocols.	<b>Adequate</b>	<b>F - 0 S - 2 MA - 6</b>	23.02.16	To follow-up the significant report recommendations
People: Personal Budgets	The audit identified shortfalls in relation to compliance with the established processes and controls. In addition, limited work had been carried out to recover excess monies from service users and delays were identified in issuing recharges to recover money due to the Council.	<b>Limited</b>	<b>F - 1 S - 3 MA - 0</b>	15.03.16	To follow-up the fundamental and significant report recommendations
People: Health & Well Being Board	Overall the audit has concluded that there is an adequate governance and internal control framework in relation to the Health & Wellbeing Board. Notwithstanding this, the audit identified a number of areas where this framework may be further improved, having particular regard for the need to clearly evidence compliance with its statutory obligations, ensure performance management arrangements are sufficiently robust and to ensure risks are managed effectively.	<b>Adequate</b>	<b>F - 0 S - 5 MA - 7</b>	17.02.16	To follow-up the significant report recommendations

<b>Other Completed Work Not Producing a specific Assurance Opinion</b>	
Finance: Duplicate Payments	Following analysis of creditor payment data matches arising from the National Fraud Initiative, recommendations have been made aimed at improving the internal controls framework in respect of the creditor payments process.
Legal and Governance: Charity Accounts	A total of 4 Charity Commission Independent Examiner Returns were completed in respect of Charitable Trusts that the Council is custodian of.
Human Resources: Expense Claims	Advice provided to Human Resources with regards to the revised Corporate Expense Claims Procedures.
People: Trade Account	Advice provided to Barugh Green Primary School regarding the procedures required to establish a trade account with an electrical supplier.
People: Initial Teacher Training Grant	Audit certification of Lacewood Primary School Direct (Salaried) Expenditure - Initial Teacher Training Grant Return for submission to DfE.
Place: Empty Homes Programme	Advice provided to Housing and Energy Service with regard to re-launching the Goldthorpe Clusters of Empty Homes Programme (2016).
Legal & Governance: Licensing Regulatory Board	Advice provided to the Council Governance Section regarding the General Licensing Regulatory Board revised Terms of Reference.
Information Services	Advice provided regarding the contents of the Information Security Incident Reporting Protocol.
Communities: Big Local Trust	Advice provided regarding the governance arrangements in respect of the Big Local Trust.
Berneslai Homes: Housing Rents	Details of the audit will be reported to the Berneslai Homes Audit Committee meeting to be held on the May 2016.
Final Accounts	A total of 9 final accounts submitted by NPS Barnsley Ltd have been audited and returned in order for the final certificates to be issued or with queries that need to be resolved.

<b>Other Work Undertaken</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.
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>	2 (24%)	0 (0%)	0 (0%)	0	2 (7%)
<b>Adequate</b>	3 (38%)	4 (40%)	3 (43%)	2 (50%)	12 (41%)
<b>Limited</b>	3 (38%)	6 (60%)	4 (57%)	2 (50%)	15 (52%)
<b>None</b>	0 (0%)	0 (0%)	0 (0%)	0	0 (0%)
<b>TOTAL REPORTS</b>	<b>8</b>	<b>10</b>	<b>7</b>	<b>4</b>	<b>29</b>
<b>Opinion Not Applicable</b>	9	10	12	11	42

**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>	2 (4%)	3 (5%)	3 (5%)	2 (6%)	10 (5%)
<b>Significant</b>	29 (58%)	25 (47%)	26 (46%)	18 (54%)	98 (51%)
<b>Merits Attention</b>	19 (38%)	26 (48%)	28 (49%)	13 (40%)	86 (44%)
<b>TOTAL</b>	<b>50</b>	<b>54</b>	<b>57</b>	<b>33</b>	<b>194</b>

Table 1B

## Recommendations Followed-up by Internal Audit

Quarter 1				
Recommendation Classification	Followed-up	Completed by due date	Completed after target date	Not yet completed – Revised date agreed
Fundamental	3	2	0	1
Significant	7	5	2	0
Merits Attention	4	0	3	1
<b>TOTAL</b>	<b>14</b>	<b>7</b>	<b>5</b>	<b>2</b>

Quarter 2				
Recommendation Classification	Followed-up	Completed by due date	Completed after target date	Not yet completed – Revised date agreed
Fundamental	1	0	1	0
Significant	15	12	2	1
Merits Attention	5	1	3	1
<b>TOTAL</b>	<b>21</b>	<b>13</b>	<b>6</b>	<b>2</b>

<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>Fundamental</b>	4	0	4	0
<b>Significant</b>	32	12	15	5
<b>Merits Attention</b>	5	2	2	1
<b>TOTAL</b>	<b>41</b>	<b>14</b>	<b>21</b>	<b>6</b>

<b>Quarter 4</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>Fundamental</b>	3	0	0	3
<b>Significant</b>	25	3	15	7
<b>Merits Attention</b>	1	0	0	1
<b>TOTAL</b>	<b>29</b>	<b>3</b>	<b>15</b>	<b>11</b>

## Trend Analysis – Fourth Quarter 2015/16

### Assurance Opinions

	2014/15				2015/16				Cumulative	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2014/15	2015/16
	%	%	%	%	%	%	%	%	%	%
Substantial	64	13	50	0	24	0	0	0	44	7
Adequate	36	62	25	100	38	40	43	50	44	41
Limited	0	25	25	0	38	60	57	50	12	52
None	0	0	0	0	0	0	0	0	0	0
	100	100	100	100	100	100	100	100	100	100

### Implementation of Recommendations

	2014/15				2015/16				Cumulative	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2014/15	2015/16
	No.	No.	No.	No.	No.	No.	No.	No.	%	%
Completed by target date	2	2	2	6	7	13	14	3	27	35
Completed after target date	4	6	4	3	5	6	21	15	39	45
Not yet completed–Revised date agreed	0	11	4	0	2	2	6	11	34	20
Total followed up	6	19	10	9	14	21	41	29	100	100
<b>% Completed by Original Target Date</b>	<b>34%</b>	<b>11%</b>	<b>20%</b>	<b>68%</b>	<b>50%</b>	<b>62%</b>	<b>34%</b>	<b>10%</b>		
<b>% Completed at time of Follow-up</b>	<b>100%</b>	<b>42%</b>	<b>60%</b>	<b>100%</b>	<b>86%</b>	<b>90%</b>	<b>86%</b>	<b>62%</b>		

INTERNAL AUDIT PLAN 2015/16 – Position as at 31<sup>st</sup> March 2016

Directorate	Original 2015/16 Plan	Revised 2015/16 Plan	Actual Days
Communities	65	47	46
People	175	140	137
Place	112	161	159
Public Health	39	20	20
Corporate Services:			
➤ HR, Performance & Communications	80	56	45
➤ Legal & Governance	77	105	97
➤ Finance, Assets & Information Services	469	470	463
Council Wide	220	282	310
Contingency	80	36	N/A
Berneslai Homes	133	133	133
<b>Sub Total</b>	<b>1,450</b>	1,450	1,410
Corporate Anti-Fraud Unit	580	580	587
<b>Sub Total</b>	<b>2,030</b>	2,030	1,997
		Profile	2,030
		Variance	-33
<b>External Clients:-</b>			
South Yorkshire Police Chief Constable	472	472	401
South Yorkshire Police and Crime Commissioner	259	259	124
South Yorkshire Fire and Rescue Authority	284	284	278
Sheffield City Region Combined Authority	60	60	64
South Yorkshire Passenger Transport Executive	200	200	210
South Yorkshire Pensions Authority	273	273	241
<b>Sub Total</b>	<b>1,548</b>	1,548	1,318
<b>Total Chargeable Planned Days</b>	<b>3,578</b>	3,578	3,315

## INTERNAL AUDIT PERFORMANCE INDICATORS FOR 2015/16

Ref.	Indicator	Frequency of Report	Target 2015/16	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. (Cumulative 14 very good, 4 good, 1 acceptable and none poor)	Quarterly	95%	100%	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 28/29)	Quarterly	80%	100%	97%
2.2	Percentage of chargeable time against total available.	Quarterly	73%	76%	71%
2.3	Average number of days lost through sickness per FTE (Cumulative 25 days in total)	Quarterly	6 days	<1 day	1.5 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%	100%	100%
<b>4.</b>	<b><u>Financial Perspective:</u></b>				
4.1	Total Internal Audit costs v budget.	Quarterly	Within Budget	Within Budget	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 Division’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 Division’s expenditure for the year has been kept within the budget.

## Appendix 4

### Analysis of Internal Audit Feedback Received in the Fourth Quarter of 2015/16

Number of ticks shown against each question

		Very Good	Good	Acceptable	Poor
<b>A</b>	<b>Audit Planning</b>				
1	Relevance of the audit objectives	(11) 2	(8) 1	(0) 0	(0) 0
<b>B</b>	<b>Communication</b>				
1	Consultation on scope and objectives of the audit	(14) 3	(5) 0	(0) 0	(0) 0
2	Communication during all aspects of the audit	(12) 2	(7) 1	(0) 0	(0) 0
3	Helpfulness co-operation of the auditor(s)	(17) 2	(3) 1	(0) 0	(0) 0
4	Professionalism of the auditor(s)	(16) 2	(3) 1	(0) 0	(0) 0
5	The auditor(s) demonstrated an appreciation of any relevant issues concerning equality and diversity	(11) 1	(3) 2	(0) 0	(0) 0
<b>C</b>	<b>Timing</b>				
1	Duration of the audit	(7) 0	(12) 3	(0) 0	(0) 0
2	Timeliness of the audit report	(10) 1	(8) 2	(1) 0	(0) 0
<b>D</b>	<b>Quality of the audit report</b>				
1	Format and clarity of audit report	(14) 3	(5) 0	(0) 0	(0) 0
2	Accuracy of the findings	(11) 3	(7) 0	(0) 0	(0) 0
3	Relevance of recommendations	(9) 2	(7) 1	(1) 0	(0) 0
4	Overall quality of the report	(12) 3	(5) 0	(0) 0	(0) 0
<b>E</b>	<b>Value of the audit</b>				
1	Basic controls assurance the audit has provided	(14) 3	(4) 0	(1) 0	(0) 0
2	Added value given beyond basic controls assurance	(12) 2	(5) 1	(1) 0	(0) 0
3	<b>Overall value of the audit</b>	<b>(14) 2</b>	<b>(4) 1</b>	<b>(1) 0</b>	<b>(0) 0</b>
		<b>100%</b>			
	<b>Total Number of 'ticks' (A – E)</b>	<b>184</b>	<b>86</b>	<b>1</b>	<b>0</b>
	<b>Percentage</b>	<b>68%</b>	<b>31%</b>	<b>1%</b>	<b>0%</b>
		<b>99%</b>		<b>1%</b>	

**Returned Questionnaires:-**

Quarter 1	6
Quarter 2	5
Quarter 3	5
Quarter 4	3
<b>Total</b>	<b>19</b>

**Auditee Comments (where given) received in the quarter:**

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Very timely for me given process we need to introduce and will assist in introducing the changes we need to see through.

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The audit re-focused our attention on what we are doing and clarified some areas of concern. I feel that the audit was beneficial and certainly validated what we are doing in a critical area of work, i.e. safeguarding. It has also provided valuable support in evidencing the progress we have made in dealing with concerns raised by the Casey Review into Child Sexual Exploitation in Rotherham.

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Audit was understandably process focused, but also need to acknowledge that this initiative was totally new and innovative and so some elements the full consequences were not known in advance.

Also need to acknowledge the timescales were very condensed to achieve the results due to senior management pressure which have increased some of the risks.

Whilst out sourcing legal support was required and brought commercial expertise there have been later issues that would be easier if this was done in house.

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