AUDIT & GOVERNANCE COMMITTEE   29 January 2015
AUDIT MONITORING REPORT: November – December 2014

LEAD OFFICER: Angela George,
                                 Acting S.151 Officer

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1.0   INTERNAL AUDIT WORK COMPLETED IN PERIOD (NOVEMBER – DECEMBER 2014)

1.1 This report summarises progress on internal audit work in the latest period.

  Final risk-based audit reports

1.2 Two final reports for 2014/15 have been agreed and summaries are attached at *Appendix A.*

  Full copies of these reports are available to Members of the Committee.

  Assurance levels were as follows:

  Customer access strategy – Reasonable (see Appendix A – 1)

  Change management – Reasonable (see Appendix A – 2)

1.3 Data for the National Fraud Initiative was uploaded to the NFI 2014 website in early October and matches will be available for investigation by the end of January 2015. Access to relevant staff at Copeland and within the Revenues & Benefits Shared Service will be granted in order that they can investigate matches.

1.4 Data matching in order to identify Single Person Discount (SPD) fraud is now being undertaken annually. Relevant information (council tax and electoral roll) was uploaded to the NFI Flexible Matching Service website in December 2014 and the SPD match reports are available for investigation by the Revenues & Benefits Shared Service.

1.5 The audits of Parks/Open Spaces and Cemeteries & Crematorium have been combined into a single review as these services are managed together as the Parks Service and share many common risks.

1.6 It has been agreed with the Acting S151 Officer to cancel the proposed audit of contract management of the Revenues and Benefits Service (RBSS) in view of the proposals to review the arrangements for this service following an independent consultant's report. The Committee is requested to approve this change to the audit plan.

1.7 A meeting took place in January 2015 to review progress against the audit plan and discuss the impact on the delivery of the plan of capacity issues within the Council given other pressures on key staff and the need to adequately resource change projects. This was attended by the Chief Executive; Director of Resources and Strategic Commissioning; Acting S.151 Officer; External Audit Manager; Head of Internal Audit Shared Service; Internal Audit Manager; and the Chair of the Audit Committee. Some rescheduling of audits was agreed including moving work on Information Security/Records Management to April to free up time to complete and finalise the current audit of IT Strategy development. The meeting also gave an early opportunity to consider management priorities for the 2015/16 audit plan.

1.8 Progress against individual audits in the 2014/15 plan is set out in the table below. This is shown against the original planned schedule. The plan comprises 17 risk-based audits (R) and 3 cyclical audits (C) of fundamental systems. There is also provision for follow up work on 2 audits completed in 2013/14 where the assurance level was less than reasonable – these are Housing Options and Petty Cash.

	Qtr 1 (Apr – June)	Status
R1	Freedom of Information Act compliance	Final report issued 15 September 2014.
R2	Change management	Final report issued 9 January 2015.
R3	Refuse Collection*	Final report issued 6 October 2014.
R4	Parks & Open Spaces*	Client notification issued and work now in progress – single Parks Services audit to include Crematorium/Cemeteries. Draft report due by end of February 2015.
R5	External funding	Final report issued 11 September 2014.
	Qtr 2 (July – Sept)	
R6	Customer Services/Access Strategy	Final report issued 27 November 2014.
R7	Contract management – RBSS	Agreed with Acting S.151 Officer to cancel this audit subject to Committee approval.
R8	Information Security / Records management	It has been agreed with management to undertake this review in April 2015 but the report should be available for inclusion in the Internal Audit annual report.
R9	IT Strategy support to service plan -	This audit reviews the arrangements for developing an IT Strategy for the Council. The original draft report deadline was 30 September 2014 and some initial audit work was completed but evidence to support testing was not immediately available. It has been agreed with senior management to defer completion of testing pending current work on developing the Strategy. It is envisaged that the audit will now be completed in February/March 2015.
R10	Communications	The Council recently appointed a new Communications Manager and it has been agreed that this audit will be carried out in March 2015. Internal Audit will request a scoping meeting in February 2015.
R11	NCL contract management	Draft report issued 10 December 2014. Closeout meeting scheduled for mid January

		2015.
R12	Performance management	Work in progress Draft report due by 31 January 2015.
	Qtr 3 or 4 (Oct – Mar 2015)	
R13	Beacon - New operating arrangements	Work in progress Draft report due by 31 January 2015.
R14	Accommodation strategy	Scoping meeting held and Client Notification issued Dec 2014. Draft report due 31 March 2015
R15	Cemeteries & Crematorium	This is included in single review of Parks Services
R16	Partnership governance	Audit scoping meeting in January 2015. Audit to be carried out in February 2015.
R17	NCL Pool extension	Final report issued October 2014. Substantial assurance
C1	Payroll	Work in progress Draft report due 28 Feb 2015
C2	Sundry debtors	Work in progress Draft report due 31 Jan 2015
C3	Benefits	Audit to be done jointly to cover CBC and Carlisle. Draft report due 31 March 2015

* CLT requested that these audits were not done in Q1 because of management changes in these areas. It was agreed that other audits would need to be brought forward to Q1 to ensure that work is reasonably spread across the year.

2.0   INTERNAL AUDIT PERFORMANCE AGAINST AUDIT PLAN

2.1   Internal Audit performance measures are set out at Appendix B.

3.0   CONCLUSION AND RECOMMENDATION

3.1   The Committee is asked to approve the cancellation of the audit of the contract management of the Revenues and Benefits Shared Service.

3.2   The Committee is asked to note progress against the audit plan.

List of Appendices: Appendix A – Summaries of final reports agreed in period
                Appendix B – Performance measures

Consultees: Corporate Leadership Team

1. Background

1.1. The Customer Access Strategy aims to set out how the Council will meet the needs of communities, visitors and businesses and ensure focus is maintained on providing high quality, relevant and easy access to services across Copeland as well as meeting its financial needs.

1.4 The Strategy covers the Council's Customer Service priorities, approach to managing telephone, web, face to face contact, postal communication, accessibility and inclusivity, customer care, ensuring interactions with vulnerable groups are in accordance with statutory obligations. The importance of multi-agency partnership working is also recognised outlining the commitment to working with partners across all public services.

2. Assurance Opinion

2.1. Each audit review is given an assurance opinion and these are intended to assist Members and Officers in their assessment of the overall level of control and potential impact of any identified system weaknesses. There are 4 levels of assurance opinion which may be applied. The definition for each level is explained in **Appendix A.**

2.2. From the areas examined and tested as part of this audit review, we consider the current controls operating in relation to Customer Access provide **REASONABLE** assurance.

3.   Summary of Recommendations, Audit Findings and Report Distribution

3.1.   There are **6** audit recommendations arising from this audit review and these can be summarised as follows:

	No. of recommendations		
Control Objective	**High**	**Medium**	**Advisory**
1. Management - achievement of the organisation's strategic objectives achieved (see section 5.1.)	-	2	-
2. Information - reliability and integrity of financial and operational information (see section 5.2)	-	2	-
3. Security - safeguarding of assets (see section 5.3)	-	1	1
Total Number of Recommendations	-	5	1

Comment from the Head of Customer and Community Services

This audit report is a fair reflection of the existing Customer Service Strategy and its delivery arrangements to date. The strategy is being reviewed in the next 3 months within the Customer Theme of the Delivering Differently approach of the Council. This will also enable a step improvement in the physical contact environment as part of the Council's working differently implementation in 2015. The mix of continuity and resilience issues highlighted will be addressed in the short term along with improving the clarity of projects to deliver the Strategy. The corporate expectation and approach around data and the CRM is being picked up as part of the complementary ICT Strategy revisions.

Management Action Plan

4. Matters Arising / Agreed Action Plan

4.1. **Management** - achievement of the organisation's strategic objectives.

● **Medium priority**

Audit finding	Management response
(a) **Insufficient Project Management Documentation available** The project management documentation available at the time of review was limited, in particular in relation to risk logs and information on roles and responsibilities within the project. The Interim Transformation Programme Manager confirmed that new governance arrangements have now been introduced under "Delivering Differently. Themed Boards were now in place and would ensure clear project responsibilities were assigned with projects being re-scoped where necessary and all documentation would be completed in accordance with the Project Management Framework.	Agreed management action: 1 To set out clear list of projects and allocate a) to Customer Theme group of Delivering Differently, b) to be held by service as part of service plan delivery and c) joint actions as part of other projects and programmes including Revs and Bens Shared Service Improvement Programme.
Recommendation 1: All project management documentation should be completed and stored securely in one area within the Policy and Transformation Department. This should include the following: • Identification of risks and how these will be managed; • Clear definition of roles and responsibilities within the project; • Identification of savings and monitoring arrangements to ensure targets are achieved.	2 To ensure all project paperwork as required by Customer Theme Group or other shared programmes is in place and highlight reports and risk logs are up to date and held centrally. 3 To ensure action plans for service based projects and risk/issue log for service are up to date and held within the service. 4 To build this approach into the service planning process for 2015/16.
Risk exposure if not addressed: • Risks for each project are not clearly identified and managed; • Specific roles and responsibilities of each project are not clearly defined; • Savings/benefits are not clearly identified and monitored; • The effective delivery of each project may be compromised;	Responsible manager for implementing: **Head of Customer and Community Services** Date to be implemented: **12/2014**

- Project outcomes may be affected if key staff leave;
- Adverse publicity for the Council.

● **Medium priority**

Audit finding	Management response
(b) Written Procedures between departments and Customer Services There are a limited number of written procedures in place of how Customer Services interacts with other departments of the Council and how each department's information is fed into and used by Customer Services. Recommendation 2: Procedures should be produced to clarify how Customer Services interacts with all Council departments and any shared services showing how each department's information is fed into and used by Customer Services. These should be readily available to Customer Services Staff for reference.	Agreed management action: 1 To review all existing SLAs as part of the annual service plan process and update as required. 2 Within the strategy review to ensure SLAs are discussed and agreed with all service areas to include core corporate procedures alongside service specific. 3 To make these available across the Council and to undertake training and induction for Copeland Direct and service staff.
Risk exposure if not addressed: • Staff not following the correct procedures for each department; • Multiple contact with customer needed; • Distress to customers not being dealt with appropriately; • Incorrect or inconsistent information given/taken.	Responsible manager for implementing: **Head of Customer and Community Services (Actions 1 & 2)** **Customer Services Team Leader (Action 3)** Date to be implemented: **06/2015**

4.2.   Information - reliability and integrity of financial and operational information**.**

● **Medium priority**

Audit finding	Management response
(a) Business Continuity Only the Customer Services Team Leader has the Administrator rights on the CRM to input/update scripts and perform user maintenance. The contract for the system is through Connected Concepts who can be contacted if absolutely necessary if the Team Leader is unavailable, although this has not been necessary to date. This option would also incur costs for the Council. Only having one member of Customer Services staff with administrator access also poses a data quality risk as the Customer Services Team Leader inputs the information for the script, from information provided by the department, and also checks its accuracy. As service requests for the Waste department depend on the match up of fields in the CRM to those in the Waste Management Database, errors might result in requests not being made.	Agreed management action: 1 To agree up to 4 staff within the Customer Services Team take on the specific role of being part of the CRM administration core team with the Team Leader. 2 To set out a training programme for Customer Service Officers on administration of the CRM. Training to include user maintenance of the system. 3 To enable access for the core team to administration and maintenance role. 4 To ensure CRM maintenance is considered as part of the ICT strategy review.
Recommendation 3: Ensure that there are adequate business continuity and data quality arrangements in place for the Administration of the CRM system and that more than one member of staff is trained and has access to update CRM and perform user maintenance.	
Risk exposure if not addressed: • Data quality issues of the scripts on the CRM; • Service requests not made; • Out of date information on the CRM being passed onto the customer; • Possible extra costs incurred for external intervention.	Responsible manager for implementing: **Customer Services Team Leader** Date to be implemented: **03/2015**

● **Medium priority**

Audit finding	Management response
(b) **Written Procedures** There are no written procedures in place within the Customer Services department on how to enter/amend a script on the CRM system from instructions received from other departments or performing user maintenance, including the process of reviewing access rights. Recommendation 4 : Written procedures should be produced in relation to how to enter/amend a script on the CRM system and perform user maintenance. Although there is currently only one Administrator for the system, the implementation of recommendation 3 at 5.2 (a) together with this one would ensure that the system is accurate and up to date at all times.	Agreed management action: 1 To assess as part of the Delivering Differently the CRM direction for the Council to understand which CRM we should be spending time on training for. 2 To produce written procedures on the CRM administration (for whichever system will be in place in 2015/16), data management and user maintenance to become part of the Procedure Manual for Copeland Direct. 3 To use written procedures to deliver training on CRM administration.
Risk exposure if not addressed: • Unauthorised staff having access to the CRM system; • Access issues for authorised staff awaiting password reset; • Potential extra costs incurred for external intervention.	Responsible manager for implementing: **Customer Services Team Leader** Date to be implemented: **07/2015**

4.3. **Security** - safeguarding of assets**.**

● **Advisory issue**

Audit finding	Management response
(a) Safeguarding Customers physical environment A risk which has been identified as part of the audit review is that the reception area in the Copeland Centre in which a customer would make initial face to face contact does not offer a segregated and secure environment. It is understood that part of the Change Programme Plan included a remodel of the reception area which would serve to improve confidentiality. The Executive report of 27.05.14 item 7 – Corporate Plan Performance Report Q4 2013/14 at item 2.2 states that "the planned change to the reception has been paused as the new business processes affecting Benefits are being worked out" and handover notes from the previous Transformation Programme Manager confirm the decision to suspend the project and be viewed as part of the Accommodation Strategy.	Agreed management action: 1 Short term action by December 2014: Undertake minor amendments within the Copeland Centre reception to offer further degree of confidentiality for benefits customers. Agree within the working differently accommodation strategy the core principles for the safeguarding of customers physical environment informed by previous work and customer and service feedback. 2 By April 2015: To use the accommodation strategy sub project group on customer reception to rescope the reception and physical customer environment. 3 By September 2015: To implement the customer access plans for the new reception as part of the working differently implementation plan.
Recommendation 5: Once the business processes affecting Benefits have been finalised and the decisions have been made on the Accommodation Strategy, this project should be re-scoped and implemented.	
Risk exposure if not addressed: • Customer's personal information is not safeguarded in an open contact environment; • Potential breach of Data Protection Act with consequential financial and reputational implications; • Customer dissatisfaction with Council's arrangements/adverse PR.	Responsible manager for implementing: **Head of Customer and Community Services** Date to be implemented: **09/2015**

● **Medium priority**

Audit finding	Management response
(b) **Retention of Information** The CRM holds the names and addresses of customers who have made contact with the Council/ for whom a service request has been created. The system has been in place for a number of years and all information entered to date is still held. The Customer Services Team Leader confirmed that service requests and customers cannot be deleted but was not sure if this was in line with the Council's Data Retention and Disposal Procedure within Information Security and Management.	Agreed management action: 1 To work with the Council's Information Officer, Legal and ICT teams to ensure compliance of the retention of information on CRM complies with the Council's own Policy for Data Retention and Disposal undertaking any necessary actions to ensure compliance.
Recommendation 6: Ensure the retention of information on the CRM complies with the Council's own Policy for Data Retention/ Disposal.	
Risk exposure if not addressed: • Non-compliance with Council's procedures; • Potential breach of Data Protection Act with consequential financial and reputational implications.	Responsible manager for implementing: **Customer Services Team Leader** Date to be implemented: **03/2015**

1. Background

1.1.   This report summarises the findings from the audit of Change Management. This was a planned audit assignment which was undertaken in accordance with the 2014/15 Audit Plan.

1.2.   The review was to provide assurance that change management is being implemented in a structured way with appropriate governance and risk management. The Council has to change in response to unprecedented reductions in funding and management of the change process is fundamental to its future viability & success.

1.3.   In October 2009 the Council developed a Choosing to Change programme as part of its response to the Place Survey 2009, to better engage with the public and to oversee a new corporate improvement programme. This programme has been revised and developed as a result of central government's austerity programme and the budget cuts the organisation has faced. A Change Programme Board was established to provide governance and accountability for the delivery of the Corporate Plan 2013-2015 and for the delivery of the Savings Programme and the Change Programme.

1.4.   In July 2014 there has been a further change to the governance of the Change Programme with the development of the Delivering Differently programme and the use of three thematic boards (Growth, Customer and Business) which include Member representation.

2. Assurance Opinion

2.1.   Each audit review is given an assurance opinion and these are intended to assist Members and Officers in their assessment of the overall level of control and potential impact of any identified system weaknesses. There are 4 levels of assurance opinion which may be applied. The definition for each level is explained in **Appendix A.**

2.2.   From the areas examined and tested as part of this audit review, we consider the current controls operating within Change Management provide **REASONABLE** assurance.

Note: as audit work is restricted by the areas identified in the Audit Scope and is primarily sample based, full coverage of the system and complete assurance cannot be given to an audit area.

3. Summary of Recommendations, Audit Findings and Report Distribution

3.1.   There are 5 audit recommendations arising from this audit review and these can be summarised as follows:

	No. of recommendations		
Control Objective	**High**	**Medium**	**Advisory**
1. Management - achievement of the organisation's strategic objectives achieved	-	1	-
2. Regulatory - compliance with laws, regulations, policies, procedures and contracts	-	1	3
3. Information - reliability and integrity of financial and operational information	-	-	-
4. Security - safeguarding of assets	-	-	-
5. Value - effectiveness and efficiency of operations and programmes	-	-	-
Total Number of Recommendations	-	2	3

Comment from the Chief Executive
The report appears to be a fair reflection of the issues. I am pleased with the findings and recognise the progress that has been made in a time of great change for the organisation.

4. Matters Arising / Agreed Action Plan

4.1.   Management - achievement of the organisation's strategic objectives.

● **Medium priority**

Audit finding	Management response
(a) Capacity and Resources The Strategic Risk Register – Risk 2 identifies "Lack of capacity, resources and capability to deliver the change programme." Two key posts, Transformation Programme Manager and Director of Resources and Strategic Commissioning, are currently filled by staff on an interim basis only. The current interim Transformation Programme Manager works on a part-time basis (2.5 days equivalent per week) but has replaced a previous agency placement who worked 4 days equivalent. The current interim Transformation Programme Manager also has to undertake some of the duties of her substantive role of Performance and Transformation Officer. The duel job roles and the part-time hours of employment could place undue pressure on the role of the Transformation Programme Manager at a time when the successful and efficient delivery of the Delivering Differently programme is paramount to the organisation. There has been a recent vacancy for a Special Projects Officer to assist the current team and this will relieve some of the current work pressures, but the recent recruitment process was unsuccessful and so there will be a delay before someone is appointed to the role.	Agreed management action: The Programme Manager has currently been working extra hours in order for her to manage the workload. This is an arrangement that is being formalised in the New Year. An additional resource has been brought in to support the Programme Manager.
Recommendation 1: The current dual job roles for the interim Transformation Programme Manager and their substantive role of Performance and Transformation Officer should be reviewed to ensure focus remains on the delivery of the Delivering Differently programme.	
Risk exposure if not addressed: ● Undue dual work pressures are placed on the current interim Transformation Programme Manager; ● Focus is taken away from the successful and efficient delivery of the change programme;	Responsible manager for implementing: **Fiona Rooney (Interim Director of Resources & Strategic Commissioning)** Date to be implemented: **30/01/15**

4.2. **Regulatory** - compliance with laws, regulations, policies, procedures and contracts.

● **Medium priority**

Audit finding	Management response
(a) **Impact Assessments** Internal Audit is unable to assess whether full equality impact assessments have been carried out for all of the change programme projects. Testing of the projects documented in the handover report to the current interim Transformation Programme Manager identified that, for the 13 projects listed in the report, only 7 had either a Project Initiation Document, a Project Brief or a Business Case which were able to be provided to Internal Audit [see 4.4.2 Medium Priority recommendation above]. Of these projects only 3 had documented equality impact assessments available for review (one of which was a brief comment in an Executive report rather than a full impact assessment). Equality impact assessments for these earlier projects either may not have been completed, cannot be located due to the filing structure used or they have been deleted. Impact assessments have also not been subsequently monitored or reviewed at the completion of the project and so no assessment has been made as to the actual impact against the proposed impact. This means that the opportunity for 'lessons learned' is missed and implemented change may have had an unexpected direct impact on specific sections of the community.	Agreed management action: All current projects are subject to the Project Management Framework and Equality Impact Assessments are part of this Framework. The Theme Boards have governance arrangements in place to ensure all appropriate paperwork is complete. The document templates are available on the Intranet.
Recommendation 2: Equality impact assessments are carried out for all new proposed projects and that these are monitored and assessed during the lifetime of the project.	
Risk exposure if not addressed: • Delivering Differently projects are implemented without an equality impact assessment having been carried out; • The proposed impacts of a project have been incorrect or limited and have not appropriately identified a direct impact of specific sections of the community; and • Lessons are not learned because the impact assessments are not monitored or reviewed.	Responsible manager for implementing: **Catherine McNicholas (Interim Transformation Programme Manager)** Date to be implemented: **Implemented with immediate effect**

Audit finding	Management response
(b) **Project Management Framework** Project Management Framework documents outline the framework for identifying, planning, authorising and reporting projects. All projects are required to follow this guidance. However, the documents have been removed from the Intranet whilst they are being revised and updated. The interim Transformation Programme Manager has provided the framework documents to staff as and when required, but there is no set timescale for the completion of the new framework.	Agreed management action: Completed. The Framework has been updated and is available on the Intranet.
Recommendation 3: The revision of the Project Management Framework should be completed as a priority and the documentation made readily available to staff.	
Risk exposure if not addressed: • Staff are unaware of the correct procedures to follow; • Staff refer to out dated guidance and documentation; and • Errors are made in the initial stages of identifying, planning and authorising projects which would cause delays and the possible re-writing of the project proposals.	Responsible manager for implementing: **Catherine McNicholas (Interim Transformation Programme Manager)** Date to be implemented: **Implemented with immediate effect**

Audit finding	Management response
(c) **Delivering Differently Terms of Reference** The Delivering Differently terms of reference report had a proposed completion date of August 2014 (as per Delivering Differently Action Log 16 July 2014) but this has been subsequently amended to now be due to be reported to Executive on 25 November 2014. The change from the Change Programme to Delivering Differently was made in July 2014 and so the Executive approval for the revised process and the new terms of reference should be treated as a priority.	Agreed management action: Completed. The Terms of Reference and Governance Arrangements were agreed by Executive on the 25 November 2014.
Recommendation 4: The Delivering Differently terms of reference are reported to the Executive as a priority for their	

Risk exposure if not addressed:	Responsible manager for implementing:
• The Delivering Differently programme works for an extended period without authorised terms of reference; and • The Delivering Differently programme works under terms of reference which are not subsequently accepted or authorised by the Executive.	**Catherine McNicholas (Interim Transformation Programme Manager)** Date to be implemented: **Implemented with immediate effect**

● **Advisory issue**

Audit finding	Management response
(d) **Communications Plan** Although key stakeholders are consulted on proposed changes as part of the annual budget process, there has been no clear communication strategy in place for the Change Programme. However, a Communications Plan is being devised for the Delivering Differently programme, with a proposed completion date of August 2014 (as per Delivering Differently Action Log 16 July 2014) but this has been subsequently amended to now be due to be reported to Executive on 25 November 2014. Internal staff briefings have been carried out to update staff on the work of the programme; however, wider stakeholders have not be included or updated.	Agreed management action: The Communication Plan will be developed by the Communications Manager.
Recommendation 5: The Delivering Differently Communications Plan is devised and reported to the Executive as a priority for their authorisation and approval.	
Risk exposure if not addressed: • Negative publicity for the Council because the change programme has not been effectively publicised to make the community aware of the impacts the proposed changes would have; • Stakeholders are unaware of the proposed changes under the Delivering Differently programme; and • Stakeholders are unable to comment on specific aspects of the programme and their likely impacts.	Responsible manager for implementing: **Karen Morley-Chesworth (Communications Manager)** Date to be implemented: **28/02/15**

APPENDIX B
AUDIT & GOVERNANCE COMMITTEE   29 January 2015
INTERNAL AUDIT PERFORMANCE MEASURES (Q3 2014/15)

KPI	Measure of Assessment	Target	*Actual performance data*
Output Measures			
Planned audits completed To enable an annual opinion to be provided on the overall systems of risk management, governance and internal control.	% of planned audit reviews (or approved amendments to the plan) completed in respect of the financial year.	95% (annual per shared service agreement, 95% target reflects need for audit plans to be dynamic and respond to emerging risks). This indicator will be monitored and reported quarterly to ensure the plan is on track to be delivered.	*Number of final reports planned by end Q2 -12* *Actual final reports – 6 (50% achieved)* 6 originally planned review not yet finalised:- IT Strategy – agreed to defer testing until evidence available to support project management arrangements to develop IT Strategy. Beacon Museum – work in progress, draft due 31 Jan 2015 NCL contract – draft report issued 10 december but close out meeting could not be arranged until 15 Jan (too late for Committee deadline) Cemeteries/Crematoria – originally scheduled for Q1 but deferred at management request. Now combined with Parks/Open Spaces audit. Parks/Open spaces - see above Performance management – audit deferred to Q3 as requested by management. Draft due 31 Jan 2015

KPI	Measure of Assessment	Target	*Actual performance data*
			20 risk-based reports in plan – estimate of reports to be issued as follows – Q1 – 2; Q2 - 3; Q3 - 7; Q4 - 8. In addition, 2 follow up reports – both completed. ***Cumulative planned days to end Q2 – 315 Actual days –236*** *(this does not include 20 days completing 13/14 work in 14/15)* 500 days in full 14/15 plan – estimated profile as follows (Q1 -80, Q2 - 109, Q3 - 126, Q4 – 145, Q1 15/16* - 40) * Now anticipate that approximately 40 audit days will need to be in Q1 of 15/16 Cumulative (Q1 – 80, Q2 – 189, Q3 – 315, Q4 – 460) If Committee agrees to delete audit from plan then days will be reduced by 20 and Q1 15/16 time should reduce to 20 days.
Audit scopes agreed	% of audit scopes agreed with management and issued before commencement of the	100% Reported quarterly	*Actual – 100%*

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INTERNAL AUDIT PERFORMANCE MEASURES (Q3 2014/15)

KPI	Measure of Assessment	Target	*Actual performance data*
	audit fieldwork		
Draft reports issued by agreed deadline	% of draft internal audit reports issued by the agreed deadline or formally approved revised deadline agreed by Audit Manager and client.	80% (target is a reflection that this is a new way of working and deadlines may be impacted by several factors including client availability) Reported quarterly	*Actual -100%*
Timeliness of final reports	% of final internal audit reports issued for senior manager comments within 5 working days of management response or closeout.	90% (target recognises that there may on occasion be delays in finalising reports, eg where further work is required to resolve matters identified at closeout meeting) Reported quarterly	*Actual – 100%*
Recommendations agreed	% of recommendations accepted by management	95% quarterly (target reflects that it is management's responsibility to assess their risks and take final decision on whether risk may be accepted)	*Actual – 100%*
Follow up	% of high priority audit recommendations implemented by target date	100% Quarterly	*Overdue actions are now included in a separate report from S 151 Officer.*
Assignment completion	% individual reviews completed to required standard within target days or prior approved extension by Audit Manager	75% (target reflects that this is a new way of working for the audit service and systems for monitoring time spent on assignments may need to be further developed)	*Actual – 66% (4 out of 6 completed reports)* *One of these (FOI review) exceeded budget as a result of delays/additional work in agreeing report.*

APPENDIX B
AUDIT & GOVERNANCE COMMITTEE   29 January 2015
INTERNAL AUDIT PERFORMANCE MEASURES (Q3 2014/15)

KPI	Measure of Assessment	Target	*Actual performance data*
Quality Assurance checks completed	% QA checks completed	100%. Reported quarterly	*Actual – 100%. QA checks completed as required.*
Customer Measures			
Post audit customer satisfaction survey feedback	% of customer satisfaction surveys scoring the service as 'good'	80% (target reflects the need for internal audit to strive to deliver a customer focused service, but that due to the nature of internal audit roles and responsibilities, may not always elicit positive feedback) Reported quarterly	*Have issued 6 surveys to date re 2014/15* *2 surveys returned - too small a sample to aggregate.*
People Measures			
Efficiency	% chargeable time	80% (target takes account of non-chargeable activities such as staff holidays, service development projects and team meetings. Reported quarterly	*Actual YTD – 71%* *This percentage is for all staff across IA Shared Service and is lower than target mainly because of time spent on relocation of Carlisle office, restructure of Finance Department and set up costs for new risk-based audit approach.*