

**Agenda Item No:** 7  
**Report To:** AUDIT COMMITTEE  
**Date:** 6 DECEMBER 2016  
**Report Title:** INTERIM INTERNAL AUDIT REPORT 2016/17  
**Report Author:** Rich Clarke



|                 |   |
|-----------------|---|
| <b>Summary:</b> | The report sets out progress against the agreed audit plan for the first half of 2016/17, including detail on audit findings and commentary on wider issues on audit and the service. |
|-----------------|---|

**Key Decision:** No

**Affected Wards:** All

**Recommendations:** **1. The Audit Committee notes and comments as appropriate on the interim report.**

**Policy Overview:** Not Applicable

**Financial Implications:** Not Applicable

**Risk Assessment** No

**Equalities Impact Assessment** No

**Other Implications:** Not Applicable

**Exemptions :**

**Background Papers:** Interim Internal Audit Report 2016/17

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## **Report Title: Interim Internal Audit Report 2016/17**

### **Purpose of the Report**

1. As in previous years, we provide Members with an 'interim' report halfway through the year summarising our findings to date against the audit plan agreed in March. This report therefore is to update Members as to our findings and allow for discussion and comment both on those findings, and the associated updates on audit, corporate governance and risk management and the audit service developments.

### **Background**

2. At the March 2016 meeting of this Committee Members gave outline approval for our strategic plan and specific approval to our 2016/17 audit plan.
3. The report therefore takes Members through our work assessing the Council's internal control, corporate governance and risk management and includes sections describing our work following up recommendations and considering the Council's counter fraud arrangements. The report also includes commentary on the progress of the audit service more generally.

### **Risk Assessment**

4. Not applicable.

### **Equalities Impact Assessment**

5. There are no proposals made in the report that require an equalities impact assessment.

### **Other Options Considered**

6. No other options for reporting were considered, as providing an interim report has been previous practice expected by the Committee.

## **Consultation**

7. The audit findings reported in the document were discussed and agreed with relevant officers (audit sponsors) prior to finalisation.

## **Implications Assessment**

8. Not Applicable

## **Handling**

9. Not Applicable

## **Conclusion**

10. The report presents for Member comment and enquiry the results and progress of the audit service against agreed plans at an interim point in the year. Our full report and findings will come to Members as part of our Annual Report that we plan to complete by June 2017 to inform the Council's Annual Governance Statement.

## **Portfolio Holder's Views**

11. The relevant Portfolio Holder, Cllr Neil Shorter, is a member of the Audit Committee. We also maintain quarterly meetings to update on audit progress, and comments from those meetings inform our reports.

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**MID KENT AUDIT**

# **Interim Internal Audit & Assurance Report**

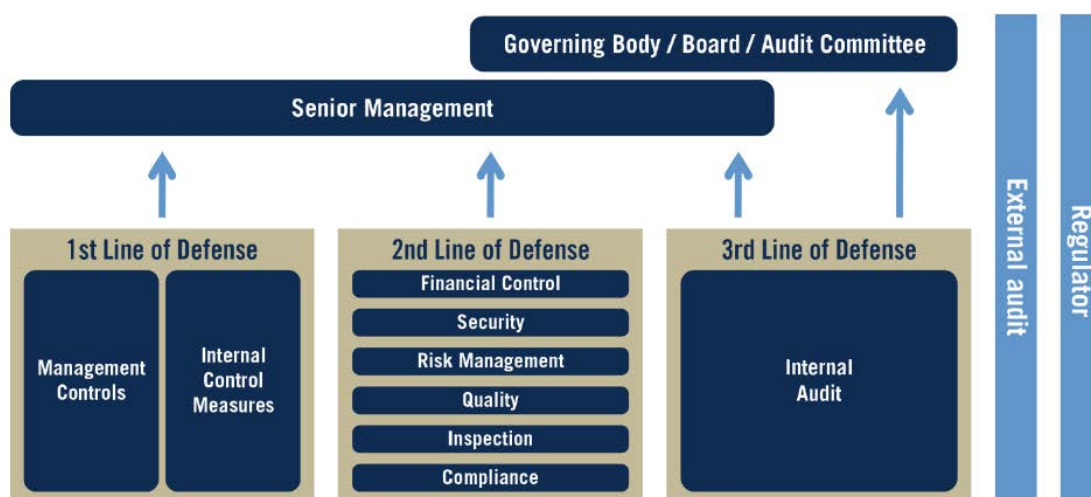
**December 2016**

**Ashford Borough Council**



## Introduction

1. Internal audit is an objective and independent assurance and consulting service designed to enhance and protect the Council’s values and priorities. It helps the Council by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control and governance.
2. Regulation 5 of the Accounts and Audit Regulations 2015 shows the authorities must keep an internal audit service. That service must “*evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance*”.
3. We base our work on the [Public Sector Internal Audit Standards](#) [the Standards]. These stem from, and extend, the Institute of Internal Audit’s Global Standards, Code of Ethics and International Professional Practices Framework. This means internal audit at the Council conforms to the same demands present across similar services throughout the world in public, private and voluntary organisations.
4. The Standards demand an annual opinion from the Chief Audit Executive (the Head of Audit Partnership fulfils this role at the Council). The Opinion considers internal control, corporate governance and risk management. It is a key part of the overall assurance Members and Officers of the Council draw on when evaluating governance. The diagram below<sup>1</sup> shows internal audit’s position alongside other sources of assurance:



5. This report updates Members on progress and findings so far as we complete the Audit Plan approved by this Committee in March 2016.

<sup>1</sup> Taken from the Institute of Internal Audit’s Professional Practices Framework. Like all IIA publications intended for a global audience, it uses US spelling.

## Internal Control

6. Internal control is how the Council ensures achievement of its objectives. In particular, internal control achieves and displays effectiveness and efficiency, reliable financial reporting and compliance with law, rules and policies. It incorporates both financial and non-financial aspects.
7. We gather evidence to support this part of the Opinion principally through completing the reviews set out in our audit plan. Besides considering the findings of each review individually we must assess whether there are any overall messages we need to report to Members and Senior Management.
8. Our work so far this year has continued the Council's generally good record in displaying a sound control environment. We are grateful for the support of officers and Members in taking action on the findings and implementing recommendations to improve the quality of the Council's control environment.
9. On progress, since at least 2005 the Audit Partnership completed a chunk of one year's audit plan in the following year. To an extent this is a natural consequence of a service that is often (but not always) retrospective, it is clearly beneficial to start work early on current years plan. We have reduced that overspill in recent years but still around a third of our time in 2016/17 has been spent concluding the 2015/16 plan.
10. Seeking to resolve this issue, rather than just chip away year to year, potentially required a shorter plan or additional resource, neither of which are attractive options. However, in 2016/17 we completed an extensive cost review, eliminating under-used subscriptions and maximising income from providing activities such as training. Without incurring additional cost, we have been able to put out to tender a block of work for 2016/17 that I am confident will enable timely plan completion in full.
11. The firms we have contact to tender for the work are only those that already have a track record of providing local authority audit services. We have also made clear that the contractor will work within our control and supervisory environment and produce output in our recognisable format and style.

## Audit Plan Progress

| Type of work              | Plan Days  | To Oct 16  | To Oct %   | Forecast Y/E | Forecast %  |
|---------------------------|------------|------------|------------|--------------|-------------|
| Assurance Projects        | 317        | 84         | 27%        | 320          | 101%        |
| Concluding 15/16          | 0          | 77         | n/a        | 77           | n/a         |
| Other Work                | 78         | 59         | 76%        | 90           | 115%        |
| <b>Total (excl 15/16)</b> | <b>395</b> | <b>143</b> | <b>36%</b> | <b>410</b>   | <b>104%</b> |

## Audit Review Findings so far

12. The table below summarises audit project findings and outturn up to the date of this report. Where there are material matters finished between report issue and committee meeting we will provide a verbal update. (\* = days split between partners, ABC only shown).

|  | Review Type | Title                       | Plan Days | 16/17 Days | Report Issue | Assurance Rating | Notes                      |
|--|-------------|-----------------------------|-----------|------------|--------------|------------------|----------------------------|
| <b>2015/16 Assurance Projects Completed After 1 April 2016</b> |             |                             |           |            |              |                  |                            |
|  | Operational | Training & Development      | 15        | 11         | May-16       | <b>STRONG</b>    | Reported to Members Jun-16 |
|  | Operational | ICT Service Desk            | 15        | 4          | May-16       | <b>SOUND</b>     | Reported to Members Jun-16 |
|  | Governance  | Corporate Projects Review   | 10        | 4          | Jun-16       | <b>N/A</b>       | Reported to Members Jun-16 |
|  | Governance  | Good Governance Framework   | 5*        | 4*         | Jul-16       | <b>N/A</b>       | Reported to Members Sep-16 |
| I  | Finance     | Procurement                 | 15        | 23         | Jul-16       | <b>SOUND</b>     |                            |
| II   | Operational | Tourism                     | 12        | 19         | Jul-16       | <b>N/A</b>       |                            |
| III  | Operational | Member Training & Induction | 15        | 12         | Jul-16       | <b>SOUND</b>     |                            |
| <b>Planned 2016/17 Assurance Projects Completed to Date</b>    |             |                             |           |            |              |                  |                            |
| IV   | Finance     | Council Tax Billing         | 10        | 10         | Sep-16       | <b>STRONG</b>    |                            |
| V  | Operational | Street Cleansing            | 15        | 19         | Oct-16       | <b>SOUND</b>     |                            |
| VI   | Operational | Housing Maintenance         | 15        | 10         | Oct-16       | <b>N/A</b>       |                            |
| <b>Planned 2016/17 Assurance Projects In Progress</b>          |             |                             |           |            |              |                  |                            |
|  | Operational | IT Development              | 15        | 14         |              |                  | Draft report stage         |
|  | Governance  | Public Sector Equality Duty | 15        | 10         |              |                  | Fieldwork stage            |
|  | Operational | Elections & Registration    | 15        | 7          |              |                  | Fieldwork stage            |
|  | Operational | Customer Services           | 15        | 3          |              |                  | Fieldwork stage            |
|  | Finance     | Payroll                     | 10        | 2          |              |                  | Fieldwork stage            |
|  | Operational | Appraisals                  | 15        | 2          |              |                  | Fieldwork stage            |
|  | Governance  | Members' Allowances         | 15        | 2          |              |                  | Planning stage             |
|  | Operational | Development Management      | 15        | 1          |              |                  | Planning stage             |

|  | Review Type | Title                         | Plan Days | 16/17 Days | Report Issue | Assurance Rating | Notes  |
|--|-------------|-------------------------------|-----------|------------|--------------|------------------|--|
|  | Operational | Arts & Culture                | 15        | 1          |              |                  | Planning stage   |
|  | Operational | HR Policy Compliance          | 15        | 1          |              |                  | Planning stage   |
|  | Governance  | Arms Length Companies         | 15        | 1          |              |                  | Planning stage   |
|  | Finance     | Business Rates                | 10        | 1          |              |                  | Planning stage   |
|  | Operational | Corporate Communications      | 15        | 1          |              |                  | Planning stage   |
| <b>Planned 2016/17 Assurance Projects Yet To Begin</b>           |             |                               |           |            |              |                  |  |
|  | Finance     | General Ledger                | 10        |            | Contractor   |                  |  |
|  | Finance     | Accounts Payable              | 15        |            | Contractor   |                  |  |
|  | Finance     | Budgetary Control             | 15        |            | Contractor   |                  |  |
|  | Finance     | Bank Reconciliations          | 10        |            | Contractor   |                  |  |
|  | Operational | Property Management           | 12        |            | Contractor   |                  |  |
|  | Governance  | Counter Fraud Risk Assessment | 10        |            |              |                  | Delayed to later in 16/17 following recruitment of new Counter Fraud Manager   |
|  | Governance  | Business Continuity           | 5*        |            |              |                  | Originally scheduled as a joint review with Swale, scope to be revisited and expanded following decision to end the shared arrangement with SBC. |
|  | Governance  | ICT Controls & Access         | 15        |            |              |                  |  |
|  | Governance  | Corporate Governance          | 10        |            |              |                  |  |
| <b>Planned 2016/17 Assurance Projects Postponed or Cancelled</b> |             |                               |           |            |              |                  |  |
|  | Operational | Housing Services              | 10        |            |              |                  | Scope merged within expanded consultancy review of Housing maintenance (see VI,above))   |



**I: Procurement**

- 13. We conclude based on our audit work that the service has **SOUND** controls in place to manage the risks associated with procurement.
- 14. The Council’s Contract Standing Orders (CSOs) and Procurement Guidance are the overarching policy that sets out how contracts and services should be procured. Our testing identified minor instances of non-compliance which did not fundamentally thwart the CSOs objectives. The most notable of these suggest a need for the Council to improve processes to enable demonstration of compliance with the CSOs, and adopt a more proactive approach for the recording and monitoring of exceptions to the CSOs (waivers).
- 15. We confirmed through testing that the tendering process for the Council is working in accordance with procedures, and that the process is appropriately supported by the Procurement team. The Council does not currently operate an e-procurement system (although are currently exploring the options to implement one) which means the receiving and opening of bids is a manual process. Weaknesses in the process were identified through testing which we feel will be addressed if the Council reviewed its procedures and clarified officer responsibilities in the process.

**II: Tourism**

- 16. We designed this review to look at the partnerships and relationships the Tourism team has with attractions within the Borough. The team has only limited ability to achieve its objectives direct and so relies on partners, making those relationships key.
- 17. We found strong links with these businesses with continuous communication by forums, memberships of groups, reviews and other channels. The Tourism team manage links consistently, keeping up with current activities and projects in the local area.
- 18. We looked also at how the Economic Development Team works with partners in similar businesses. We found both teams work well together and avoid duplication.

| <b>Notable practice identified</b>  |
|---|
| <ul style="list-style-type: none"> <li>• Good working relationships with local Tourism businesses</li> <li>• Good working relationships with Economic Development team</li> <li>• Strong knowledge within Tourism team</li> </ul>   |
| <b>Areas of improvement to consider</b>   |
| <ul style="list-style-type: none"> <li>• Recognise, document and devise mitigation strategies to address the risk of personnel change within the tourism and economic development teams.</li> <li>• Verifying key data on visitor numbers via periodic checks.</li> </ul> |

### III: Member Training & Induction

19. We conclude based on our audit work that the Council has **Sound** controls in place to train and induct elected Members.
20. We found that the Member Training Panel provides a sound overview of Members' training needs including one-off requests. Our review of training records found that 84% of Members undertook some training in 2015/16, including more than 90% of new Members. The records also showed good attendance rate and take up. Statutory role Committees (Planning and Licensing) have sound mandatory training regimes and appropriate, if not universally attended, refresher sessions. Beyond specific training, the Council offers helpful and comprehensive updates.
21. However, we identified that unlike with officers, the Member training needs analysis occurs once per administration. A move to consider needs yearly would bring many of the benefits already open to Officers plus help reduce risks of missing regulatory changes.

### IV: Council Tax Billing

22. We conclude based on our audit work that the Revenues and Benefits department has **Strong** controls in place to manage its risks and support its objectives in relation to Council Tax - Billing.
23. Our review found only minor changes to the Council Tax system since we reviewed it in April 2015, meaning control design remains robust.
24. There are established processes for billing which have been enhanced with the increased use of Victoria Forms to automate the moving out process. Our testing identified a pro-active move towards e-billing, with customer's being automatically opted in when they complete any of the Council's online forms and provide their email address. This has led to an increase in the number of e-bills being sent from 40 in 2015/16 to 1113 in 2016/17.
25. However the monitoring of the Virtual Mailroom (VM) contract needs improvement. Officers who monitor the reports provided by VM were unaware of the timescales in which they had to be provided and adequate monitoring records were not being kept. This means that the performance of VM is not being measured against the standards in the contract.

## **V: Street Cleansing (Ashford)**

26. We conclude based on our audit work that there are **Sound** controls in operation to support the monitoring of the street cleansing element of the Joint Waste Contract.
27. We found good working relationships between the Council and contractor. This relationship includes regular performance monitoring and proper application of contractual performance penalties. We also found sound controls over payments.
28. Although we found sound monitoring arrangements, the real-time monitoring solution specified in the contract (Springboard) is not operational and the contractor has provided no implementation date. The interim approach provides reasonable assurance on cleanliness standards, but places additional demands on the monitoring team. The demand increases risks to capacity and resilience the service should address to avoid infringing on tasks such as environmental enforcement.

## **VI: Housing Maintenance (Ashford)**

29. The purpose of this review was to identify and assess the key controls currently employed by the Service to manage the associated risks around Housing Maintenance. The service is in the process of reviewing how it maintains and repairs its housing stock, and so this audit was designed to complement that review and assist the service as it considers changing and updating its processes. As such, we have not issued this work with an overall level of assurance.
30. This report details the key controls identified for each key stage within the Housing Maintenance process. We have assessed each of the controls in place and identified the key controls as those which we feel provide the greatest level of control to manage the risks.
31. We conclude as a result of our work that the controls currently operating enable the Council to comply with its obligations as a landlord, in accordance with the Landlord and Tenants Act and the Right to Repair legislation. As the service moves to review and update its processes it will be necessary to ensure that any new service delivery model gives consideration as to how these obligations will continue to be fulfilled.
32. The remainder of this report details the key controls assessed as part of a process mapping exercise, and the associated risks. The service should have regard to these key controls as they consider any re-design of process to ensure that the processes continue to operate in accordance with statutory requirements and provide assurance that associated risks are being managed.

## Audit Recommendations

- 33. Our approach to recommendations means at the end of each report we agree with management an action in response and a date for implementation. We then follow up recommendations individually when they fall due, compiling results together each quarter in a report to Senior Management.
- 34. Where we originally reported a **Weak** assurance rating, we also revisit this rating each quarter. Note that we have issued no **Poor** assurance rating reports at the Council. We consider whether management has made enough progress through fulfilling recommendations to resolve concerns behind the adverse assurance rating. When we believe management have made enough progress to materially minimise the risk, we alter our assurance rating to **Sound**. However we continue following up outstanding recommendations until completed.
- 35. During this period we have issued no new reports at **Weak** level, nor any high priority recommendations. **Weak** rated reports on *Safeguarding* and *Data Protection* issued as part of the 2015/16 plan fulfilment have had progress reported separately to Members in line with the Council’s protocol.
- 36. The table below summarises all recommendations raised in this period, so excludes reports that did not raise recommendations. We raised no **critical** rated recommendations. We are pleased to note all recommendations raised by audit were accepted by management and we will track their implementation as they fall due.

| Project and assurance rating    | High     | Med      | Low      | Advisory | Implementation Period |
|---------------------------------|----------|----------|----------|----------|-----------------------|
| Procurement: <b>So</b>          | 0        | 4        | 6        | 1        | Dec 16 – Mar 17       |
| Member Training: <b>So</b>      | 0        | 3        | 1        | 0        | Jul – Dec 16          |
| Council Tax Billing: <b>Str</b> | 0        | 0        | 2        | 0        | Jan 17                |
| Street Cleansing: <b>So</b>     | 0        | 2        | 0        | 2        | Apr 17                |
| <b>Totals</b>                   | <b>0</b> | <b>9</b> | <b>9</b> | <b>3</b> |                       |

37. Our most recent reporting considered recommendations due before 1 October 2016. We set out in the table below progress made and verified up to that point.

| Project and original assurance rating (W/So/Str)                                  | Agreed Actions | Falling due before 1/10/16 | Actions Completed | Outstanding Actions past due date <sup>2</sup> | Actions Not Yet Due |
|---|----------------|----------------------------|-------------------|--|---------------------|
| <b>Projects with actions completed during 2016/17</b>                             |                |                            |                   |  |                     |
| Safeguarding: <b>W</b>  | 6              | 6                          | 6                 | 0  | 0                   |
| Banking Arrangements  | 5              | 5                          | 5                 | 0  | 0                   |
| Housing Rents: <b>So</b>  | 1              | 1                          | 1                 | 0  | 0                   |
| Creditors: <b>So</b>  | 3              | 3                          | 3                 | 0  | 0                   |
| Income System: <b>Str</b>   | 2              | 2                          | 2                 | 0  | 0                   |
| <b>Projects with actions to carry forward into the rest of 2016/17 and beyond</b> |                |                            |                   |  |                     |
| Data Protection: <b>W</b>   | 9              | 4                          | 4                 | 0  | 5                   |
| Member Training: <b>So</b>  | 4              | 1                          | 1                 | 0  | 3                   |
| Procurement: <b>So</b>  | 10             | 0                          | 0                 | 0  | 10                  |
| Council Tax Billing: <b>Str</b>   | 2              | 0                          | 0                 | 0  | 2                   |
| Street Cleansing: <b>So</b>   | 2              | 0                          | 0                 | 0  | 2                   |
| <b>TOTAL</b>  | <b>44</b>      | <b>22</b>                  | <b>22</b>         | <b>0</b>                                       | <b>22</b>           |
|   |                | <b>50%</b>                 | <b>50%</b>        | <b>0%</b>                                      | <b>50%</b>          |

38. Note the table above excludes reviews which did not feature recommendations for action (such as the *Good Governance* review). Note that we do not follow up on advisory recommendations.
39. We reported previously to Members in our 2015/16 annual report that officers had made sufficient progress on the *Safeguarding* review to revise the assurance rating from **weak** to **sound**. During 2016/17 officers continued progress and have now implemented all recommendations.
40. That revision left *Data Protection* as the only current review carrying a **weak** assurance rating. A separate report on progress towards implementing *Data Protection* recommendations is on the agenda of this meeting.

<sup>2</sup> Including occasions where we have agreed to defer due dates after proposal from the service. We only agree to a deferral after considering the continuing risk to the authority of non-implementation, which will include assessment of any interim measures in place.

## **Corporate Governance**

42. Corporate governance is the system of rules and practices that direct and control the Council.
43. We gain audit evidence to support the Head of Audit Opinion through completion of relevant reviews in the audit plan, as well as specific roles on key project and management groups. We also consider matters brought to our attention by Members or staff through whistleblowing and the Council's counter fraud and corruption arrangements.
44. During the year we also undertook a specific review examining the Council's position for compliance with the new Code of Corporate Governance published by CIPFA/SOLACE in April 2016. We report the main conclusions of that review earlier in this report.
45. Internal audit is one route for members of staff and others to raise concerns under the Council's whistleblowing policy. We received one notification through the policy in the first half of 2016/17 but, after initial investigation and correspondence with the individual, did not proceed further.

## **Risk Management**

46. Risk management is the process of identifying, quantifying and managing the risks that the Council faces in attempting to achieve its objectives.
47. During 2016/17 we have continued to work with the Council to adapt and improve its risk management arrangements as set out in the revised framework presented to this Committee in September 2015. Our work has include facilitating risk workshops with senior officers to identify risks and providing additional training and guidance.
48. The revised risk register and results of the approach are reported regularly to Members, including most recently to this Committee in September 2016. We will also use the Council's identified risks to inform our audit planning.

# Mid Kent Audit Service Update

## Team Update

49. In the first half of 2016/17 we bade farewell to one of our trainee auditors who left the partnership to change career into healthcare. However, following a full recruitment exercise drawing 37 applications we appointed Louise Taylor, previously our team administrator, to the Trainee position. Louise originally joined the team as part time administrator in November 2015 and has integrated well and shown great enthusiasm for continuing her career in audit. She will now work full-time as a trainee, beginning professional qualifications with the Institute of Internal Audit.
50. As a result, the Team Administrator role has fallen vacant. Previously we could not join in the Council's apprentice scheme as none of the roles covered audit responsibilities; however we can shape our administrator role to meet the scheme. Early in November Shahbaz Rehman joined as our audit administrator and will work with us as an apprentice while completing a qualification at Mid Kent College.

## Quality Assurance and Improvement

51. We continue to develop our Quality and Improvement Plan including, for 2016/17 a revision and refresh to our audit manual. See appendix A for an extract, summarising our audit approach. Our manual and approach is now on a par, or even ahead of, leading practice in the public sector. Leading on from this CIPFA invited the Head of Audit Partnership to prepare and present national training to around 50 other local authority audit services on Insights into Internal Audit Professional Standards.
52. We have also kept ahead of changes to Audit Standards through the role the Head of Audit Partnership has as Local Government Representative on the Internal Audit Standards Advisory Board (IASAB). The IASAB is the body that recommends changes applicable across the UK public sector. The forthcoming changes to Standards include those consulted by the Global Institute for Internal Audit in autumn 2016. Although the revisions will not apply in the public sector until 1 April 2017 (subject to consultation and agreement with devolved governments) we already show conformance. This includes with Standards 1320 and 2060 which the IIA has adapted to extend and clarify matters for reporting to Members.

*Standard 1320: Reporting on the Quality Assurance and Improvement Plan*

| <b>Reporting Requirement</b>                             | <b>Comments</b>   |
|--|---|
| Scope and frequency of internal and external assessments | We gained an external quality assessment considering conformance across the Public Sector Internal Audit Standards in April 2015. We will seek another before April 2020.<br>We undertake a full internal assessment against the Standards each year. |
| Conclusions of assessors                                 | The IIA decided we fully conform with standards. Our self-assessments since conclude we have upheld conformance.  |
| Corrective action plans                                  | Not applicable.   |
| Qualifications and independence of assessors             | The IIA team all held suitable professional qualifications and experience. They were also fully independent of the audit service and the authorities.   |

*Standard 2060: Reporting To The Board*

| <b>Reporting Requirement</b>   | <b>Comments</b>   |
|--|---|
| The Audit Charter  | Reported in March 2016. We will consider the need for a revision as part of our 2017/18 planning in March 2017.   |
| Independence of internal audit                                       | We can confirm the continued utility of independence safeguards described in the Charter. The internal audit service works independently and reports free from any inappropriate pressure or influence from management.       |
| Audit Plan and Progress  | Reported earlier in this document.  |
| Resource requirements  | Reported in our 2016/17 plan in March 2016. We continue to receive strong support from the authorities who provide sufficient resources to complete plans agreed by Members.  |
| Results of audit   | Reported earlier in this document.  |
| Conformance with the Standards                                       | As above, we work in full conformance with the Standards.   |
| Risks accepted by management that may be unacceptable to the Council | We are aware of no risks currently accepted by management that we feel would be unacceptable to Members. See the section in this report on Risk Management for information on the significant risks recognised by management. |



## Performance

53. Aside from progress against our audit plan we report on several specific performance measures designed to oversee the quality of audit service we deliver to partner authorities. The Audit Partnership Board (with Ben Lockwood, Head of Finance and s151 Officer representing Ashford) considers these measures at each quarterly meeting.
54. The table below shows our most recent outturn on these performance measures. Note that data is for performance across the partnership rather than council specific (but there are no significant variations from authority to authority).

| Measure  | 2015/16<br>Outturn | 2016/17<br>Target | Q2 16/17<br>Outturn |
|--|--------------------|-------------------|---------------------|
| Cost per audit day                               | On target          | n/a               | 5% ahead of target  |
| % projects completed within budgeted days        | 60%                | 75%               | 75%                 |
| % of chargeable days                             | 63%                | 70%               | 74%                 |
| Full PSIAS conformance                           | 56/56              | 56/56             | 56/56               |
| Audit projects completed within deadlines        | 76%                | 80%               | 88%                 |
| % draft reports within ten days of fieldwork end | 68%                | 80%               | 81%                 |
| Satisfaction with assurance (score /4)           | 3.2                | 3.4               | 3.7                 |
| Final reports presented within 5 days of closing | 92%                | 90%               | 93%                 |
| Satisfaction with auditor conduct (score /4)     | 3.5                | 3.75              | 3.86                |
| Recommendations implemented as agreed            | 98%                | 95%               | 89%                 |
| Exam success                                     | 100%               | 75%               | 75%                 |
| Satisfaction with auditor skill (score /4)       | 3.2                | 3.4               | 3.7                 |

55. We continue on a positive trend for performance across the measures, meeting all but one target in Quarter 2. Notably, this continues the strong upward performance in completing projects to budget (from 18% in 2013/14, rising to 47% in 2014/15 and now at 75%) and to agreed deadlines (up from 41% in 2014/15 to 88% now). We have achieved this result while keeping costs below target per audit day, enhancing audit quality and improving satisfaction scores measured through our post-audit surveys.
56. As always, we could not have achieved this performance without the dedicated expert support of the entire audit team, and the management of Mid Kent Audit offer profound thanks for their skill and hard work. We also thank the Members and Officers who continue to inform, support and guide our work.

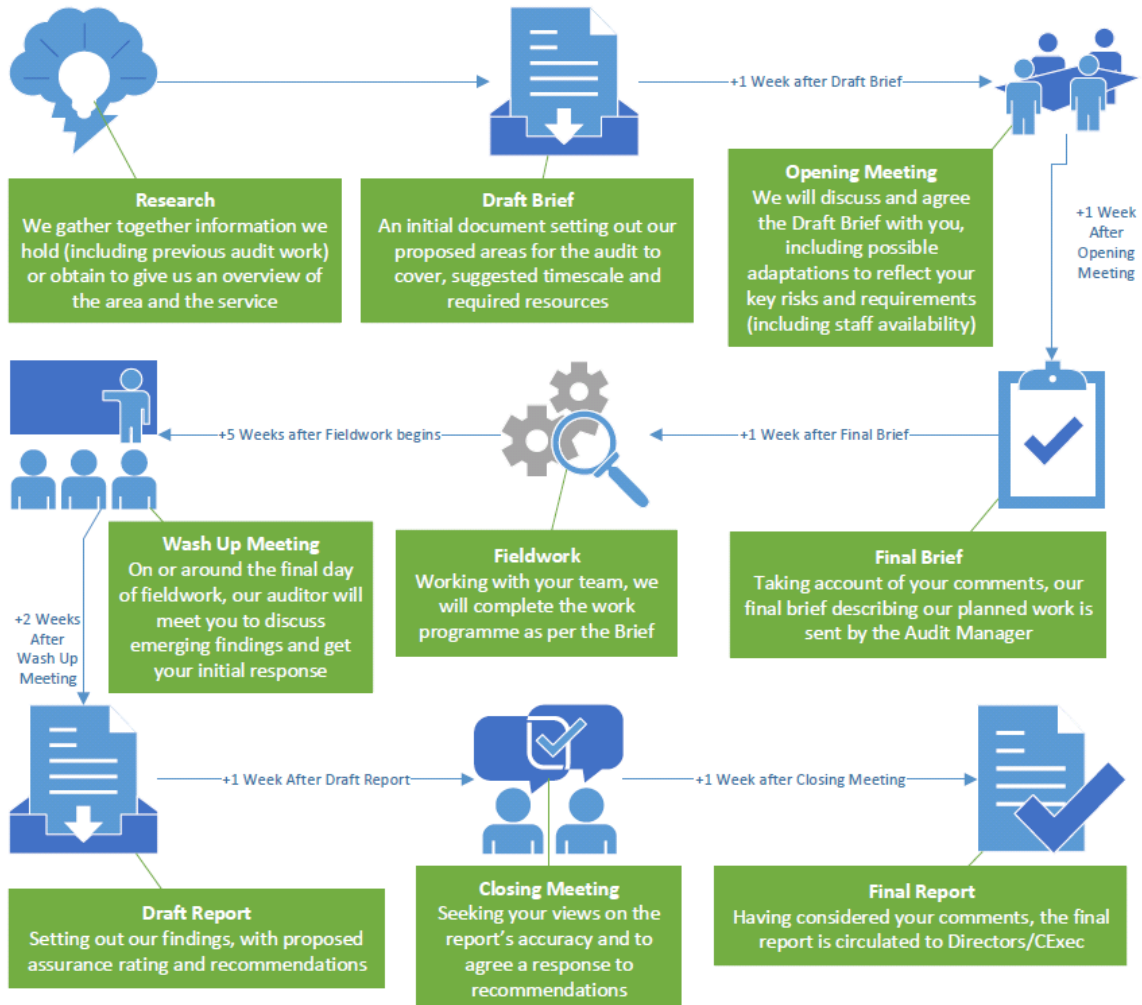
# Mid Kent Audit

Ashford: April 2016

## Audit Project Process Map

There is no single set audit process or timeline; in reality we can and do adapt to circumstances as suits the service and its objectives. However, we hope it is helpful to set out a 'typical' approach to give you an idea of the key stages and possible timings, especially if you want to link in discussion of findings to your service management meetings. This 'typical' approach runs from brief to final report in 12 weeks.

We will discuss and agree a detailed timeline with you when finalising the audit brief.



## Post Audit Project Processes

