

INTERNAL AUDIT PERFORMANCE INDICATORS 2013/14 AS AT 22 NOVEMBER 2013

COST

DESCRIPTION	TARGET	ACTUAL
<p>Ensure the cost of the internal audit service is competitive, but audit cover is still sufficient to comply with the requirements of the Public Sector Internal Audit Standards.</p> <p>Report on this every two years.</p>	Met	Met See below

PRODUCTIVITY OF COMBINED TEAM (SOUTHEND AND CASTLE POINT)

DESCRIPTION	TARGET	ACTUAL
<p>Maximise the staff days available after deducting leave and bank holidays, to spend on audit related tasks across the combined team (SBC & CPBC). (i.e. managing the audit plan, delivering audits and reporting to Audit Committee)</p>	75%	75%
<p>Minimise the days lost annually per team member to sickness absence.</p>	<p>2013/14 target = less than 5 days per FTE</p>	<p>Annual target not yet due</p>
	<p>Target for 30 Nov 2013 = 3.4 days per FTE</p>	<p><0.5 days per FTE</p>

OPERATING ARRANGEMENTS

DESCRIPTION	TARGET	ACTUAL
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<i>In Year Target: Delivery of the Audit Plan</i>		
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Plan to deliver audits across the year, taking into account staff resource availability and when certain audits have to be undertaken, so as to meet the annual target. (In this context, <i>delivery</i> means field work is complete up to the final report being issued)	21% as at 31 Aug	21%
	44% as at 30 Nov	44%
	62% as at 28 Feb	Not yet due
	100% as at 31 May	Not yet due

<i>Annual Audit Opinion</i>		
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Deliver sufficient work for the Head of Internal Audit to be able to give an opinion on the adequacy and effectiveness of the Council's government, risk management and control framework.	90% of the audit plan is delivered by 30 Apr 2014	Not yet due
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<i>Quality of Work</i>		
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Produce audit work that External Audit can rely on	Met	Not yet due
Report annually on compliance with:		
<ul style="list-style-type: none"> the Public Sector Internal Audit Standards and CIPFA Local Government Application Note 	Met	Initial assessment undertaken refer Appendix 5
<ul style="list-style-type: none"> the CIPFA Statement on the Role of the Head of Internal Audit. 	Met	Not yet due

IMPACT

DESCRIPTION	TARGET	ACTUAL
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Client Satisfaction with Internal Audit

Deliver audits that clients consider to be timely, professionally delivered, well communicated, that also addressed key risks and made useful and practical recommendations that added value to the service.	90% of the surveys are scored as good	83% [10 out of 12 surveys]
Deliver an internal audit function that senior management and Audit Committee members consider provides a good service and adds value to the Council.	90% of those surveyed score the service as good	Not yet due

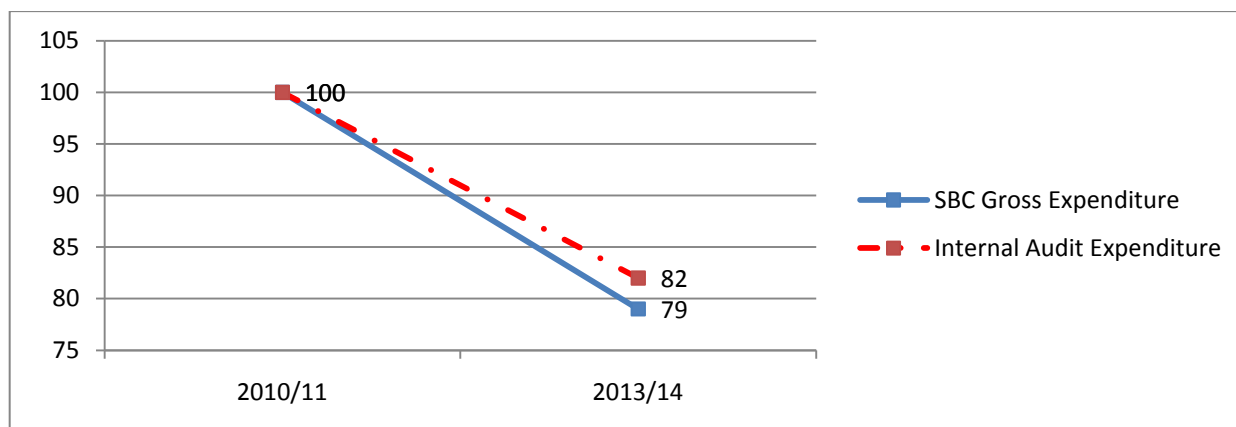
Corporate Target to Improve its System of Internal Control

Implement opportunities to mitigate risks by strengthening controls, properly within the agreed timescales.		Refer to Summary Report
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Cost of the Internal Audit Service

A service review has been completed, as required by the 2013/14 budget process. In summary, this showed that:

- the net cost of the internal audit service represents just c.0.1% of all Council expenditure or £1,100 of every £m spent in 2013/14
- the internal audit service's overall net cost has reduced significantly since 2010/11 i.e. by 18% or £93,000, which is very marginally slower than the Council's overall rate of reduction in gross expenditure during the same period of 21%



- relative number of internal audit days per £m gross expenditure has increased from 2.9 in 2010/11 to around the benchmarked mean average of 3.2 days in 2013/14
- the relative average daily cost of an in house audit day is in line with the benchmark figure mean average for local authorities of £300 per audit day and, subject to appointment of a further graduate trainee, forecast to reduce
- the £70,000 savings required from the Internal Audit and Counter Fraud Services in 2014/15 have been identified.

Therefore, it is possible to conclude that the cost of the service is competitive.

During this period, the number of potential auditable activities has changed very little i.e.

	2010/11	2013/14
Approx. number of service areas (as measured by budget book objective summary headings incl. HRA services delivered by SHE as audited through SEH SLA)	105	105
Number of capital schemes (incl. HRA schemes as audited through SEH SLA) and annual capital budget	98 £112m	136 £53m
Number of schools	54	43