

Internal Audit

Half Year Report 2014/15

Devon County Council
Audit Committee

December 2014

Not Protectively Marked



Auditing for achievement

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Devon Audit Partnership

The Devon Audit Partnership has been formed under a joint committee arrangement comprising of Plymouth, Torbay and Devon councils. We aim to be recognised as a high quality internal audit service in the public sector. We work with our partners by providing a professional internal audit service that will assist them in meeting their challenges, managing their risks and achieving their goals. In carrying out our work we are required to comply with the Public Sector Internal Audit Standards along with other best practice and professional standards.

The Partnership is committed to providing high quality, professional customer services to all; if you have any comments or suggestions on our service, processes or standards, the Head of Partnership would be pleased to receive them at robert.hutchins@devonaudit.gov.uk.

Confidentiality and Disclosure Clause

This report is protectively marked in accordance with the National Protective Marking Scheme. It is accepted that issues raised may well need to be discussed with other officers within the Council, the report itself should only be copied/circulated/disclosed to anyone outside of the organisation in line with the organisation's disclosure policies.

This report is prepared for the organisation's use. We can take no responsibility to any third party for any reliance they might place upon it.

Introduction

The Audit Committee, under its Terms of Reference contained in Devon County Council's Constitution, is required to consider the Chief Internal Auditor's audit reports, to monitor and review the internal audit programme and findings, and to monitor the progress and performance of Internal Audit.

The Accounts and Audit (Amendment) (England) Regulations 2006 introduced the requirement that all Authorities need to carry out an annual review of the effectiveness of their internal audit system, and need to incorporate the results of that review into their Annual Governance Statement (AGS), published with the annual Statement of Accounts.

The Internal Audit plan for 2014/15 was presented to and approved by the Audit Committee in March 2014. The following report and appendices set out the current position of the audit service provision; reviews work undertaken to date in 2014/15 and provides an opinion on the overall adequacy and effectiveness of the Authority's internal control environment.

The Public Sector Internal Audit Standards require the Head of Internal Audit to provide a report providing an opinion that can be used by the organisation to inform its governance statement. This report provides a position statement at half year on the progress towards that opinion.

Expectations of the Audit Committee from this half year report

Audit Committee members are requested to consider:

- the assurance statement within this report;
- the completion of audit work against the plan;
- the scope and ability of audit to complete the audit work;
- progress impact against strategic aims
- audit coverage and findings provided;
- the overall performance and customer satisfaction on audit delivery.

In review of the above the Audit Committee are required to consider the assurance provided alongside that of the Executive, Corporate Risk Management and external assurance including that of the External Auditor as part of the Governance Framework and satisfy themselves from this assurance that the internal control framework continues to be maintained.

Robert Hutchins
Head of Audit Partnership

Assurance Statement

Overall, and based on work performed during 2014/15 and that of our experience from the current year progress and previous years audit, Internal Audit is able to provide reasonable assurance on the adequacy and effectiveness of the Authority's internal control framework.

This assurance statement will provide Members with an indication of the direction of travel for their consideration for the Annual Governance Statement.

In carrying out systems and other reviews, Internal Audit assesses whether key, and other, controls are operating satisfactorily within the area under review, and an opinion on the adequacy of controls is provided to management as part of the audit report.

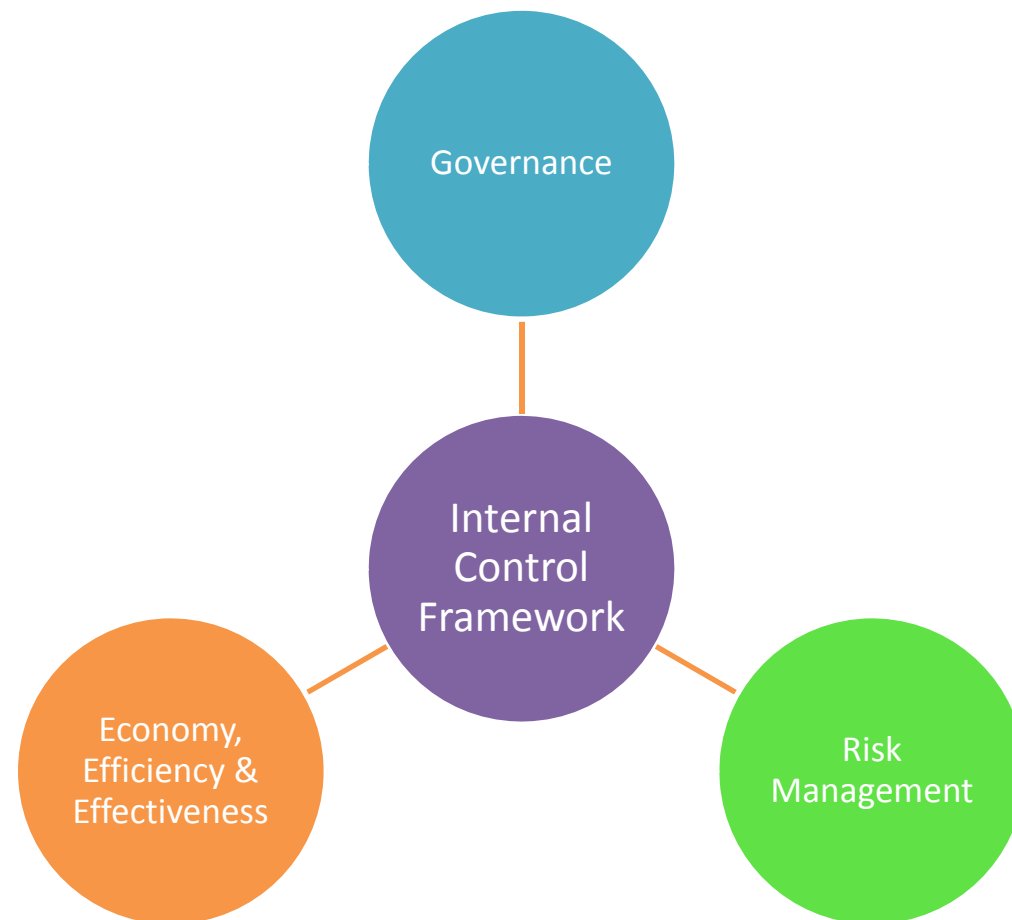
All final audit reports include an action plan which identifies responsible officers, and target dates, to address control issues identified during a review. Implementation of action plans are reviewed during subsequent audits or as part of a specific follow-up process.

Directors have been provided with details of Internal Audit's opinion on each audit review carried out in 2014/15. If significant weaknesses have been identified in specific areas, these will need to be considered by the Authority in preparing its Annual Governance Statement later in the year when preparing the Statement of Accounts for 2013/14.

Generally, our work has not been affected by notable planned changes during the first six months. There have been no significant changes made to the Corporate Services, Public Health and Place plans to date. Changes were made to the People plan at the start of the year post Audit Committee approval.

As in 2013/14 the level of irregularity work has remained high and this has had an impact on the overall completion of the plan. Although this has had an impact on the planned assurance work, we feel, based on previous year's work, that the framework of control remains in operation.

This statement of opinion is underpinned by our consideration of :



Progress Against Plan

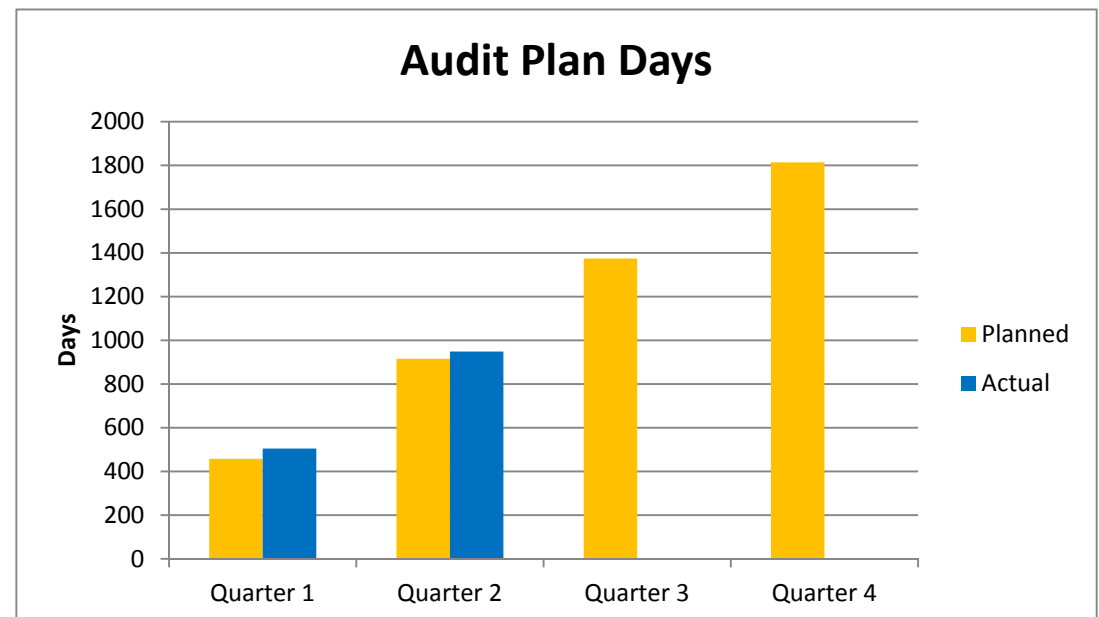
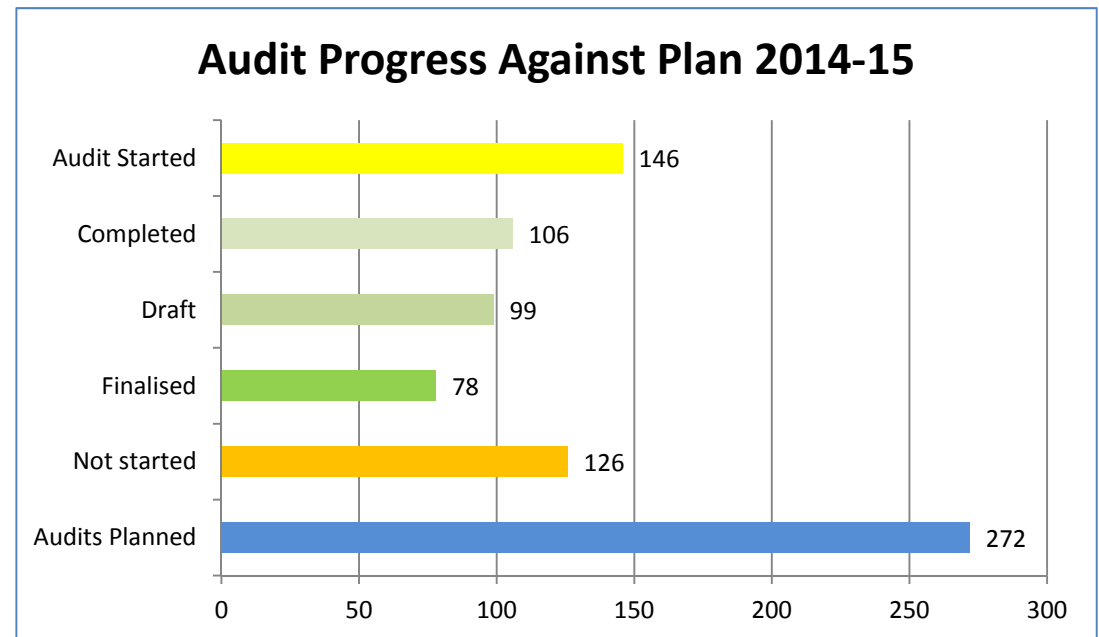
This report compares the work carried out with the work that was planned through risk assessment, presents a summary of the audit work undertaken, includes an opinion on the adequacy and effectiveness of the Authority's internal control environment and summarises the performance of the Internal Audit function against its performance measures and other criteria. The report outlines the level of assurance that we are able to provide, based on the internal audit work completed during the year. It gives:

- a comparison of internal audit activity during the year with that planned, placed in the context of internal audit need;
- a summary of significant fraud and irregularity investigations carried out during the year and anti-fraud arrangements; and
- a statement on the effectiveness of the system of internal control in meeting the Council's objectives.

The extent to which our work has been affected by changes to audit plans has not been notable during the first six months of the year. The level of irregularity work has been greater than planned and the need for this investigation work has had an impact on the overall completion of the plan.

The bar charts right show the status of audit progress against plan and audit the days delivered against target planned. The charts demonstrate that progress is largely in line with expectations and that the number of audit days delivered has exceeded that planned.

Appendix 2 provides further performance information for the first six months of 2014/15.



Progress Impact Assessment

Our audits completed to date this year, in the majority of areas, provide assurance that identified risks are being minimised or mitigated where appropriate. Progress impact assessments are detailed below by directorate highlighting developmental areas. The overall audit assurance will have to be considered in light of these positions.

Corporate

Assurance progress on the following reviews / risks remains incomplete or outstanding. The effectiveness of these areas may impact on the success of the organisation's wider strategic risks. For example, continued delivery of services against a backdrop of budgetary and resource constraints require resilient and effective ICT use and arrangements and robust procurement and supplier monitoring frameworks. Key areas are:-

- ICT audits in relation to Service Strategy, Design and Operation;
- Procurement and Supplier Resilience audits.

Our review of the ICT strategy has been in an advisory capacity on the direction of the new strategy. Key within this is Corporate engagement to ensure that the ICT aligns with & meets transformational changes.

Our ongoing work surrounding the development of the control framework include :

- development of continuous auditing of creditor payments and changes to authorisation practices;
- support to the Payroll Self Service Project - improved control framework;
- intended changes to budgeting arrangements with the intention of improving the effectiveness of budget planning and monitoring.

Public Health

Our review of the 'District Offer' identified the requirement and need for a terms of reference clearly defining the roles and responsibilities of both the County Public Health specialist and the individual District. We have suggested improvements in collaborative working including data reporting requirements along with clarification and agreement of approval and authorisation of spend.

Place

Austerity has meant that funding within Highways is focussed on keeping the network safe, but with the longest road network in England this is increasingly challenging. Systems efficiency & effectiveness the Service relies upon is key to drive the most value out of limited resources. Our work, currently in progress, is around the RMS Works Ordering System to ensure processes are lean and efficient, controls effective and proportionate and that the management information produced provide the necessary intelligence to support management of the service.

We are supporting Waste Management and Operational Officers to develop a robust, risk based sampling model that will provide the Intelligent Client with the confidence to reduce the amount of checking undertaken, whilst providing sufficient assurance that the service is not paying any greater sums than it is liable to pay under the terms of the Contract. Our aim is to enable the service to adopt the most appropriate model and ensure that it is in place and fully operational with benefits starting to be realised from 1st April 2015.

People

Audit involvement regarding the Children's Services Lean Review has included post completion demand analysis at the MASH (Multi Agency Safeguarding Hub). Agreement has been made for further audit assistance early in 2015 to revisit and review demand analysis; this will be a year after start of the Lean Review work.

Our assurance work on Adoption Services and Client Finance Services is near completion. Adoption and local authority efforts to increase numbers of children adopted and the speed of this process is on the Government agenda. We are reviewing the process from initial financial referral to the financial assessment, considering a number of improvement opportunities, mainly around the functionality of CareFirst and we will be discussing this with the fairer charging team especially in light of forthcoming changes as a result of the Care Act

Our ongoing work in connection with various safeguarding alerts provides opportunity for DAP to give independent objective assurance regarding relevant documentation and financial records reviewed and assists the safeguarding process in scenarios of allegations of financial abuse against vulnerable people.

Value Added

Our internal audit activity has added value to the organisation and its stakeholders by:

- providing objective and relevant assurance;
- contributing to the effectiveness and efficiency of the governance, risk management and internal control processes.

Senior Management has found our engagement, support as a “trusted advisor” effective and constructive in these significantly changing times.

Our work has identified specific added value benefits in key areas and in mitigating key risks. Notable benefits have been reported in the following areas:

Corporate

- Ongoing consultancy work in relation to means of cost effective identification and continuous monitoring of duplicate creditor payments;
- ongoing involvement in HR One / Payroll system development projects ensuring that control issues are highlighted and resolved before implementation;
- supporting HR One in resolving prior year issues regarding Teachers Pensions contribution;
- ICT Service Strategy Plan – direction of travel for new plan;
- advising on process efficiency changes in relation to returned cheques;
- best practice sharing from other partners in relation to reconciliation of Finest;
- providing assurance that projects are realising the benefits originally intended within business cases;
- providing advice on how the Council conducts financial appraisals of prospective contractors and suppliers.

Public Health

- Within the audit a benchmarking exercise was undertaken seeking details from other Public Health Local Authorities as regards any ‘District Offer’ provided to their districts. Feedback received in the Customer Satisfaction Questionnaire issued found this was helpful and of benefit to the client. The benchmarking responses provided

details of how other authorities undertook such an exercise and gave insight into potential best practice improvements which could be considered in future. The findings from the audit review were used at a Public Health District event in September.

Place

- Providing assurance that there is evidence that the use of Impact Assessments in decision make processes is becoming more embedded across the organisation;
- continued provide support, advice and challenge relating to the South West Devon Waste Partnership to ensure that the County Council’s interests are protected;
- continued support and advice through audit presence on the Devon Highways TMC Cost Monitoring Board.

People

- Being part of the “lean review” project team, where our detailed demand analysis provided a framework to identify and measure the impact of process change introduced at the Multi-Agency safeguarding hub (MASH).

Schools

The Partnership is supporting the School information “Dashboard” process to provide the internal audit view of the financial management of individual schools based on the most recent audit visit. The provision of internal audit’s performance data provides a greater focus on schools causing concern in the wider control environment. This information is used in assessing overall status for schools through FIPS, vulnerable budget reviews and school improvement. The result of our input has been:

- instigation of two audit investigations as detailed under the irregularities section of this report;
- intervention information and review of schools by Governor Support and School Improvement.

The culmination of this work should, once complete, lift the performance of these schools.

Executive Summary - Audit findings

Corporate Services

In our opinion, and based upon our audit work completed during 2014/15, 'watching briefs' and direct advice provided for on-going projects, we are able to report that internal controls continue to operate effectively and where recommendations for improvements have been made, action plans have been agreed with management.

Based on audits completed and on indications from previous and on-going work, we are able to report that material systems controls have either been maintained, or improvements are being made to address previously identified weaknesses. Whilst a number of weaknesses exist, management are aware of these issues, and have either accepted the related risk, or are taking action to address them.

Our ICT Audit work has been received positively with all areas reviewed providing good levels of assurance. Audit resources will continue to support ICT in aligning service delivery processes with ITIL best practice to meet the financial and technological challenges that lie ahead.

No significant concerns have been identified from our work including that on grants and management have responded positively to any recommendations for improvement. The Appendix 1 details the assurance opinions for individual audits for which the definitions of the assurance opinion ratings are given in Appendix 3.

Key Risks / Issues

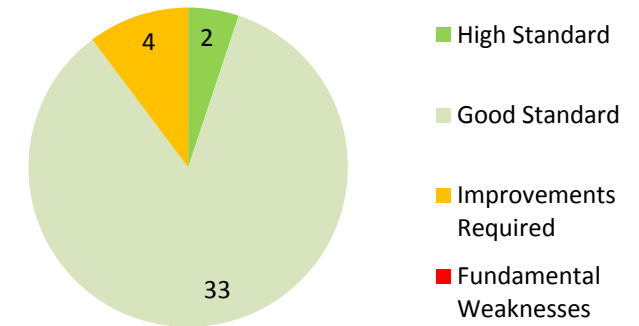
Recent or imminent changes to the material system control framework include changes to creditor payment authorisation for low value items, the introduction of payroll self-service and changes to budget monitoring arrangements. We will review and report on the impacts of these changes in our annual report.

Issues identified in relation to redundancy processing arrangements and structure changes are being addressed through the introduction of a Customer Relationship Management System (CRM) and a structures project which is now complete, however if intended benefits are not realised there is a risk to the accuracy of management data in relation to staffing and future restructure exercises.

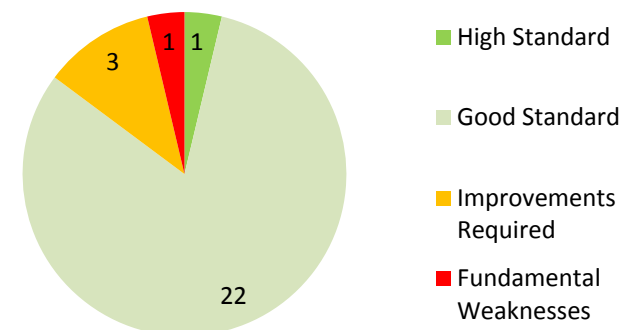
An exercise is underway to address issues identified in relation to hiring temporary workers, but until resolved and new practices embedded there are risks in relation to compliance with HMRC expectations.

We have previously reported on the status of the risk management framework at the authority and acknowledged the significant amount of work undertaken to strengthen the arrangements. In the second half of the year we will carry out a light touch follow up to review the how embedded the new arrangements are.

Assurance Opinions 2013/14



Assurance Opinions Apr - Sept 2014/15



Public Health

During the 2013/14 financial year a review of Public Health Payments was completed and an assurance of Good Standard provided. The operation of internal control within this area was found to be effective. In the first year of Public Health being within Devon County Council this was the only audit work undertaken within the directorate.

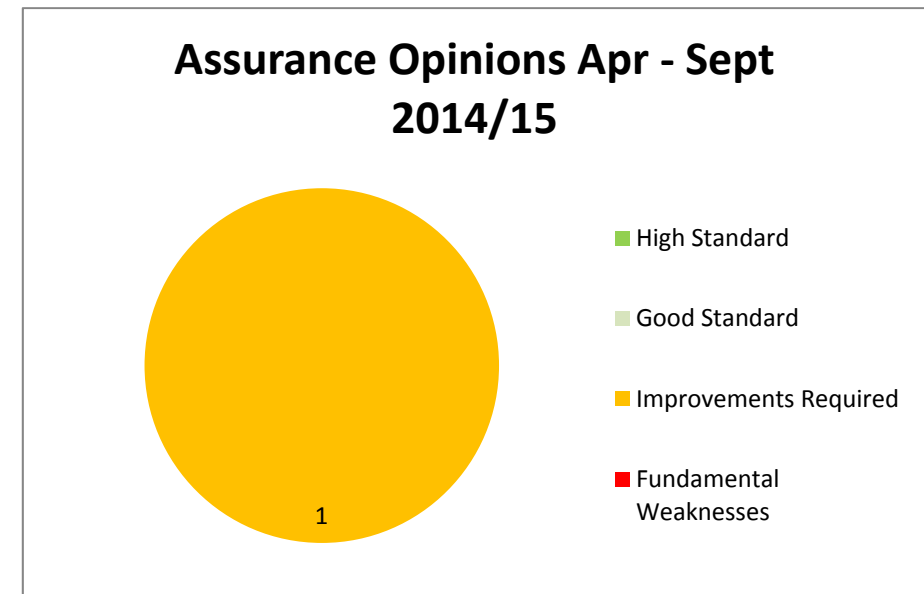
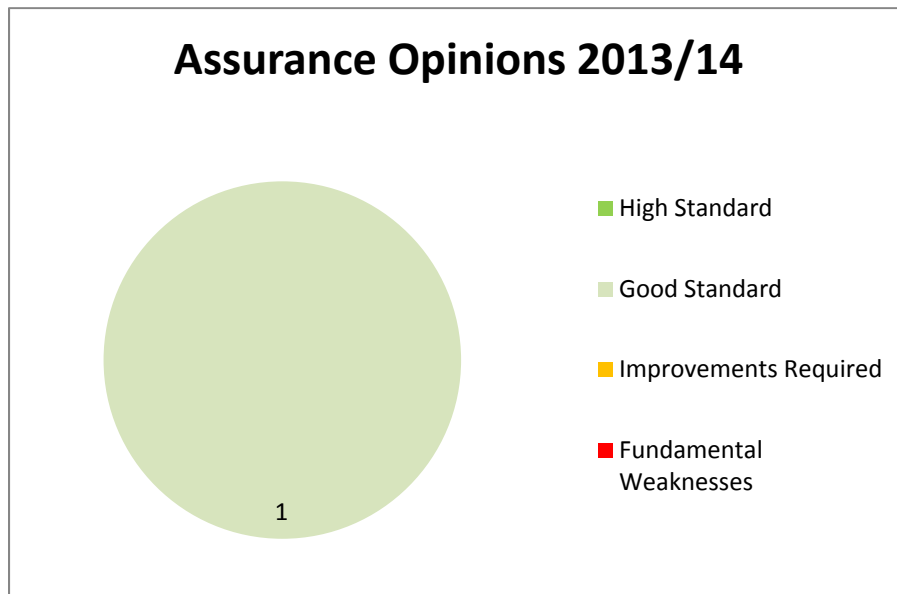
The District Offer £20k Allocation audit has an assurance of Improvements Required. Despite this lesser assurance rating from the more recent work undertaken it is felt that the general internal control environment within Public Health works effectively based upon the review of Payments last year.

Where recommendations for improvements have been made, actions plans have been agreed with management and management have responded positively to any recommendations for improvement.

The Appendix 1 details the assurance opinions for individual audits for which the definitions of the assurance opinion ratings are given in Appendix 3.

Key Risks / Issues

Further to transfer of Public Health to Devon County Council on 1st April 2013, 2013/14 was the first year the £20k District Offer had been made and it has been acknowledged as a period of learning. Lessons learned from what worked well and where a clear lack of control and documented procedures exist leading to action being taken to remedy this along with relationship building and learning opportunities around procedures, policy and understanding. A potential for a more joined up approach across districts exists where resources / funding could be pooled for example to provide joint training initiatives.



Place

In our opinion, and based upon our audit work completed during 2014/15 'watching briefs' and direct advice provided for ongoing projects, we are able to report that internal controls continue to operate effectively and where recommendations have been made, action plans have been agreed with management.

The Devon Audit Partnership (DAP) continues to work alongside the South West Waste Partnership. We have been providing the recently appointed Contract Manager with support and challenge on the contract management arrangements as well as on how the Financial Allocation Mechanism (FAM) will operate in practice.

DAP were able to certify that the Council had fulfilled its obligations with regard the submission of data and compilation of supporting evidence for the CRC Energy Efficiency Scheme Annual Certificate issued 31st July 2014.

No significant concerns have been identified from our work and management have responded positively to our recommendations for improvement.

The Appendix 1 details the assurance opinions for individual audits for which the definitions of the assurance opinion ratings are given in Appendix 3.

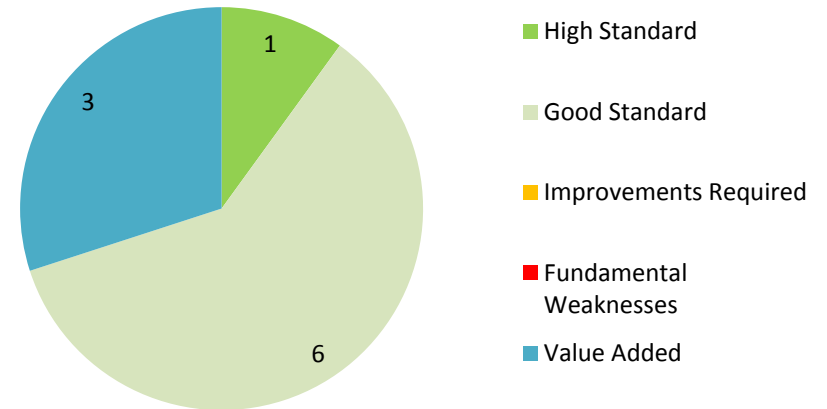
The charts opposite specifically identify where the scope of our audit activity was in a support / challenge 'added value' role; further details are given in Appendix 1.

Key Risks / Issues

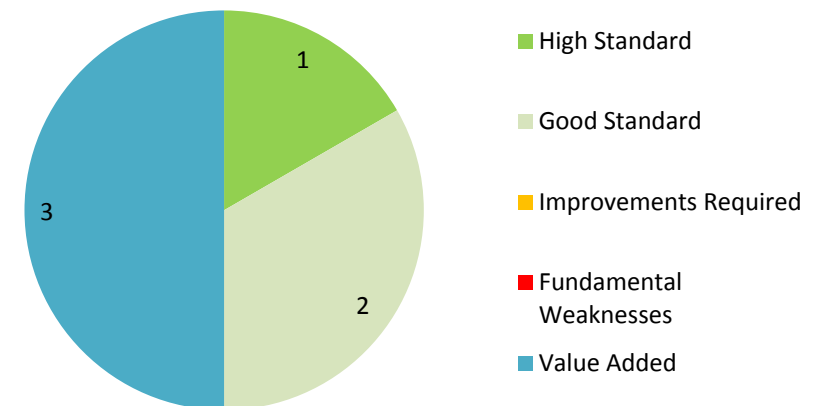
To reduce the £800k operational deficit for the Civil Parking Enforcement (CPE) element of the Decriminalisation Parking Service, the On-street CPE which was carried out by the eight District and City Councils working under agency arrangements on behalf of the County Council, was brought back 'in-house' from 1st April 2014. A review of this service area is planned for quarter 4 and will include benefit realisation.

We have previously reported on the status of the risk management framework at the authority and acknowledged the significant amount of work undertaken to strengthen the arrangements. In the second half of the year we will carry out a light touch follow up review of how embedded the new arrangements are.

Assurance Opinions 2013/14



Assurance Opinions Apr - Sept 2014/15



People

In our opinion, and based upon our audit work completed we are able to report that internal controls continue to operate effectively and where recommendations for improvements have been made, action plans have been agreed with management who have responded positively to the matters raised.

Appendix 1 details the assurance opinions for individual audits and records these as 'improvements required'; this work in the main relates to 2013/14 audits finalised within the current financial year. Definitions of the assurance opinion ratings are given in Appendix 3.

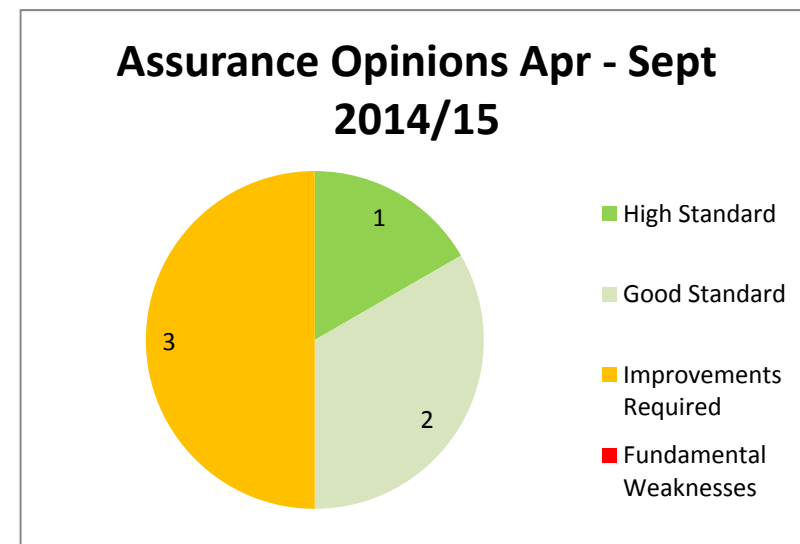
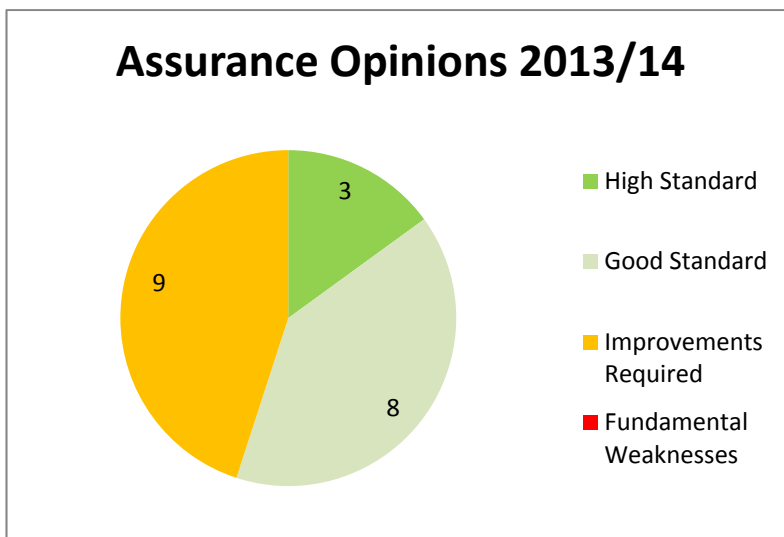
Findings from work in connection with our involvement in the various safeguarding alerts in which Internal Audit has been involved are being collated and will shortly be provided in the form a report to management.

Key Risks / Issues

The Children Missing in Education report identified areas for improvement including procedures needing to improve at both schools and the Council to ensure that data is entered into the relevant systems accurately and timely. Maintenance of the data within such systems should be undertaken on a timely basis to ensure that the data is accurate and complete. Appropriate and timely action should be taken to follow-up on any children that have been identified as missing in education or at risk of missing an education. CME cases should be reported to senior management on a regular basis so that they can be monitored and appropriate action taken where necessary.

Management responded by producing a robust action plan and introducing significant improvements leading to increased confidence in data received. A significant reduction in the initial number of potential CME requiring further investigation has resulted and the CME steering group has been restructured.

The risks and issues emanating from the PLUSS (social care equipment) review identified a significant number of equipment delivery issues to satellite stores and customers where the system / procedure has insufficient stock availability, stock-outs, high priority delivery costs and poor order delivery tracking. The delivery models and procedures available are not effective. Our recommendations are being considered by management and we understand being built into the new contract for equipment supply



Schools

We have made good progress in the delivery of our audit plan to schools and schools have again been very appreciative of the quality of our service. The requirements to meet the challenges through change to the SFVS are significant. We are focusing all of our effort to achieve the targets and support schools to the fullest of our ability.

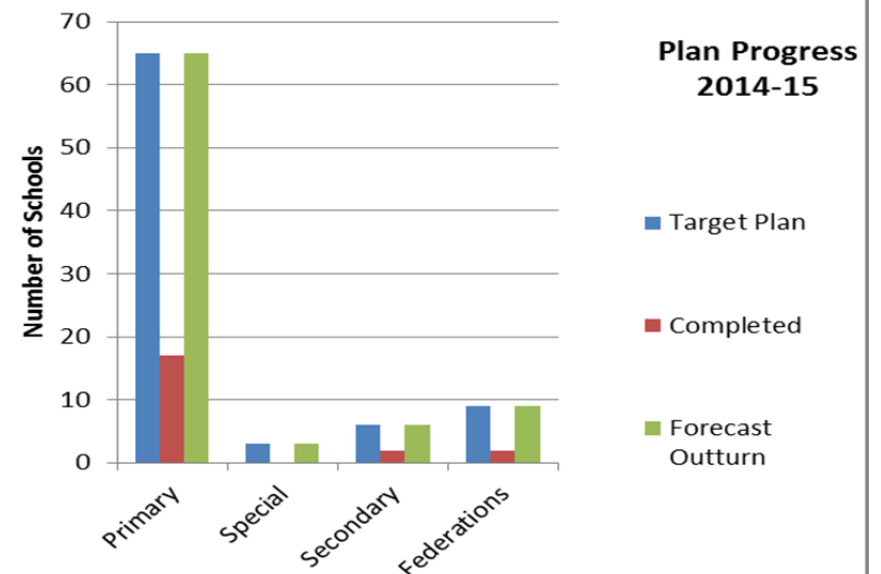
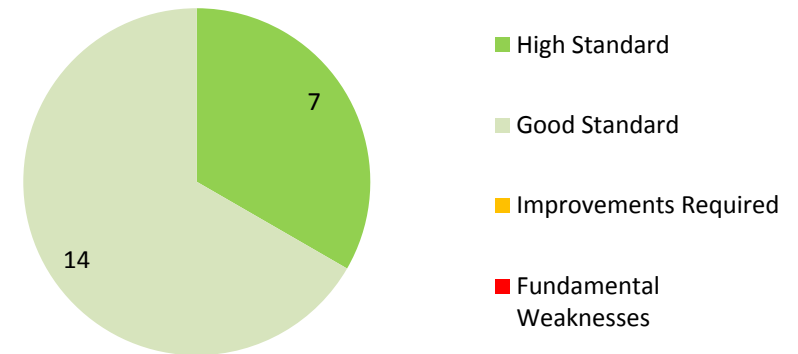
Good Standard - our opinion is that the systems and controls in schools mitigate the risks identified in many areas. Although specific risks have been identified on the core element of the audit review at some schools, recommendations have been made to reduce risks and in other areas and are made to strengthen what are reliable procedures.

Key Risks / Issues

- understanding of financial management by governors as evidenced by the requirements of the Standard, skills assessment and absence of key business from meetings;
- demonstrable benchmarking & financing of plans for raising standards and attainment;
- business continuity planning;
- safeguarding CRB single central record;
- bank imprest accounts, and,
- inventories and asset management.

Recommendations have been made to reduce risks and in other areas, recommendations made serve to strengthen what are reasonably reliable procedures.

Assurance Opinions Apr - Sept 2014/15



Fraud Prevention and Detection

Fraud Prevention and Detection and the National Fraud Initiative

Counter-fraud arrangements are a high priority for the Council and assist in the protection of public funds and accountability. The Audit Commission runs a national data matching exercise (National Fraud Initiative - NFI) every two years. For the 2014/15 exercise, Internal Audit has been co-ordinating the extract of relevant datasets, as defined by the Audit Commission. Departments have supplied their datasets and these have been uploaded onto the NFI secure website. The subsequent matching reports should be received back from the Audit Commission at the end of January 2015 and these will be examined either by Internal Audit or provided to relevant departments for their investigation.

Proactive anti-fraud work has been undertaken during the first six months of 2014/15. Two Fraud bulletins have been produced and published on DAP's website. Car Plan data has been reviewed in order to identify anomalies and enhance the oversight of Car Plan claims. Accounts payable data has been reviewed in order to identify duplicate payment. As at 30th September, of around £9k of previously unidentified duplicate payments have been identified and reported to the payments section for recovery.

Irregularities - During the first six months of 14/15, Internal Audit have carried out, or assisted in a total of 12 new irregularity investigations within the Authority, including schools. Analysis of the types of investigation and the number undertaken shows the following:-

Issue	Number
Employee Conduct	7
Financial Irregularity	2
IT Misuse	1
Poor Procedures	1
Bribery and Corruption	1

The details of these irregularities have been reported to Directors, and where appropriate or relevant have been mentioned within the Services' findings above.

Three investigations with regard to 'employee conduct' concerned mobile phone and email activity. In all three cases nothing untoward was found. A library had concerns regarding a library user accessing inappropriate images on a library PC. DAP were able to provide data that confirmed this. It is understood that the user was banned from using the library and PC access removed for 6 months.

Internal Audit assistance has been requested by both the People Directorate and the Police with regard safeguarding issues. Work in connection with four different care providers has been undertaken.

We found evidence of poor procedures and high levels of spending at a primary school as a result of a weak financial control framework and governance. Additional financial concerns have since been raised regarding the same school and these are currently being investigated.

Customer Value

Performance Indicators - Resources

Overall, performance against the indicators has been very good (see appendix 2). We are aware that some of our draft and final reports were not issued to the customer within the agreed timeframes (15 working days for draft report and 10 working days for final report). We have identified areas where performance has been poor, and are working with our staff to ensure improvement is achieved.

Customer Service Excellence (CSE)

DAP continues to be maintain accreditation by G4S Assessment Services of the CSE standard. We highly value customer comments on our service and how we can improve our work.

During the period we issued client survey forms with our final reports. The results of the surveys returned are very positive. The overall result is very pleasing, with near 99% being "satisfied" or better across our services, see appendix 3. It is very pleasing to report that our clients continue to rate the overall usefulness of the audit and the helpfulness of our auditors highly.

What Our Customers Said

We have had some very complimentary feedback in the last six months. More details can be found on our website www.devonaudit.gov.uk but some of the more relevant comments include:-

"The Auditor was extremely helpful and responsive throughout the planning phase. The Auditor was efficient and flexible which helped us respond and plan appropriately. The reporting was timely, and the outcome of the audit was as expected by the board and senior safeguarding staff. The process has provided a useful vehicle to help us plan next steps and future requirements".

"The Auditor was accessible and pragmatic in his approach recognising the range of issues we were dealing with and it has been a positive experience".

"I cannot praise the Auditor's professionalism highly enough"

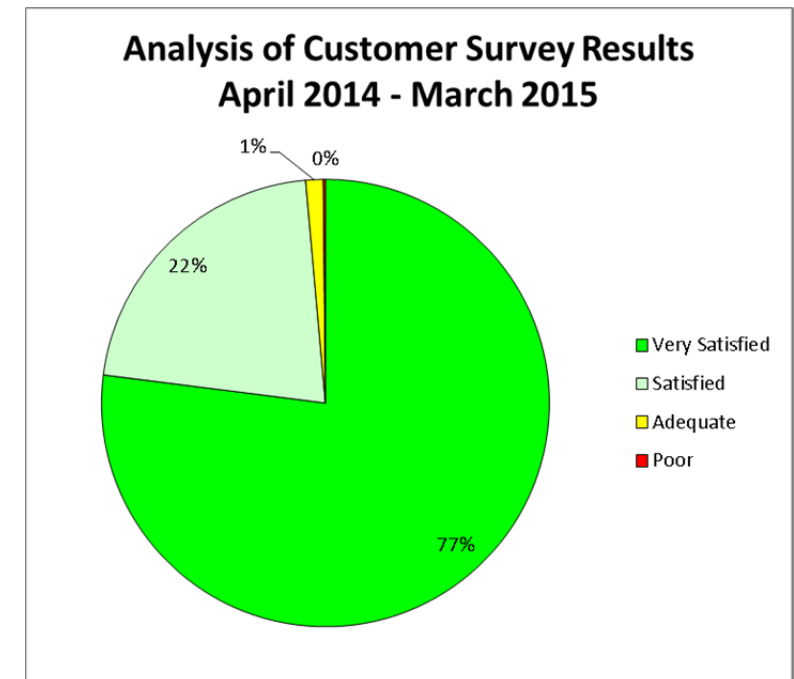
Added Value

We aim to provide a cost effective, efficient and professional internal audit service that takes the opportunity to add value whenever possible. Some of the specific examples of where our team have been able to add value to the Council in the first six months of 2014/15 include:-

"The main area of added value is the resource saving made by the audit 'pulling together' all the areas of improvement needed in one document, and providing a useful template for our response and action plan".

"From my perspective, the benefits of using the audit service is that it provides objective and balanced feedback from auditors who know their subject area. It provides assurance that the service is effective as well as offering recommendations for improvement (which is sometimes difficult to see when you are working with it day to day)".

We continue to develop and train our staff so that they can add value to the organisation as it faces the difficult challenges ahead.








Appendix 1 – Summary of audit reports and findings for 2014/15

Risk Assessment Key



LARR – Local Authority Risk Register score Impact x Likelihood = Total & Level
 ANA - Audit Needs Assessment risk level as agreed with Client Senior Management
 Client Request – additional audit at request of Client Senior Management; no risk assessment information available

Assurance Progress Key

Green – action plan agreed with client for delivery over an appropriate timescale;
 Amber – agreement of action plan delayed or we are aware progress is hindered;
 Red – action plan not agreed or we are aware progress on key risks is not being made.
 * report recently issued, assurance progress is of managers feedback at debrief meeting.

CORPORATE SERVICES					
Risk Area / Audit Entity	Risk Assessment / Audit Needs Assessment	Audit Report			Assurance Progress RAG Score
		Status	Assurance Opinion	Executive Summary	
Corporate Services – Finance					
Income Collection	ANA - Low	Final	Good Standard	Assurance was reported in the 2013-14 annual report; please refer to that report for details.	
Debtors / Debt Recovery	ANA - Low	Final	Good Standard	Assurance was reported in the 2013-14 annual report; please refer to that report for details.	
Barclaycard / Debit Cards	ANA - Low	Final	Good Standard	Assurance was reported in the 2013-14 annual report; please refer to that report for details.	
Main Accounting System	ANA - Low	Final	Good Standard	Assurance was reported in the 2013-14 annual report; please refer to that report for details.	
Finest System Administration	ANA - Low	Final	Good Standard	<p>System management arrangements ensure that the system remains in balance and effective business continuity / disaster recovery arrangements ensure that the system is recoverable in the event of a disaster.</p> <p>Access to the system is adequately controlled and administered with access being subject to annual review. Leavers are now being reviewed periodically, and discussions are in place to further enhance this process. There is a lack of segregation of duty between the system administration function and operational tasks, with the associated risks accepted by management due to organisational needs.</p> <p>Change management arrangements are inconsistently operated and recorded creating an unnecessary risk to the ongoing system operation.</p>	

CORPORATE SERVICES

Risk Area / Audit Entity	Risk Assessment / Audit Needs Assessment	Audit Report			Assurance Progress RAG Score
		Status	Assurance Opinion	Executive Summary	
Creditors	ANA - Low	Final	Good Standard	<p>Creditor processes are operating effectively within a reasonably sound overall control environment with most processes operating as expected and as required by the organisation.</p> <p>It is also pleasing to note that progress has been made against last years agreed actions and recommendations. In addition to the outstanding points, a serious creditor payment error in March 2014 resulted in a further action plan which is similarly in progress.</p> <p>In addition, there are ongoing projects in relation to establishing arrangements and introducing mitigating controls to reduce the risk of duplicate payments.</p> <p>There are some areas where consideration and implementation of additional measures would enhance the existing control framework and therefore reduce the risk to the Authority, however it is noted that due to operational needs management have previously accepted the associated risks or action to resolve remains ongoing.</p>	
Fixed Assets	ANA - Low	Final	Good Standard	<p>Controls in relation to property assets are robust, with adequate procedures in place for additions, disposals, and ensuring that asset register entries are complete and accurate.</p> <p>All new 'Plant, Vehicle, Furniture & Equipment' (PVFE) expenditure is reviewed by capital accountants before being added to the asset register, however this cannot be done as thoroughly for devolved school expenditure. The Council applies a de-minimus accounting policy of £12,000 to PVFE expenditure for recognition purposes, with the exception of schools, where no de-minimus applied. The Council may wish to review this accounting policy, as there is a risk that efficient administration of the asset register may be compromised where high volumes of low value school PVFE assets accumulate.</p>	

CORPORATE SERVICES

Risk Area / Audit Entity	Risk Assessment / Audit Needs Assessment	Audit Report			Assurance Progress RAG Score
		Status	Assurance Opinion	Executive Summary	
				<p>The Council has an accounting policy which does not require the asset register administrator to be notified when PVFE assets are disposed. This does not create a significant risk of material misstatement of the accounts for lower value items and there is a process in place to mitigate the risk for higher value items that remain on the register inappropriately.</p> <p>A separate audit will be undertaken to look in more detail at devolved capital expenditure in schools to establish whether current arrangements have resulted in inappropriate classification of revenue or capital expenditure.</p>	





The following audits are in currently in progress:

- Duplicate Payments (continuous monitoring) (ANA - Medium)
- Capital Programme (ANA – High)
- Fixed Asset Register (ANA – Low)
- Treasury Management (ANA – Medium)



It is anticipated that the reports will be issued & agreed in the third quarter of 2014-15. No issues of major concern have been identified from our fieldwork to date.

The following audits have not yet been started as they are not due to commence until the second half of the year:


- Debtors / Debt recovery (ANA – Medium)
- Bank Reconciliation (ANA – Medium)
- Finest System Administration (ANA – Medium)
- Creditors (ANA – Medium)
- Income Collection (ANA – Medium)
- Main Accounting System (ANA – Medium)
- Strategic Financial Planning (ANA – High)

CORPORATE SERVICES					
Risk Area / Audit Entity	Risk Assessment / Audit Needs Assessment	Audit Report			Assurance Progress RAG Score
		Status	Assurance Opinion	Executive Summary	
Corporate Services – Human Resources					
Payroll	ANA - Medium	Final	Improvements Required	Assurance was reported in the 2013-14 annual report; please refer to that report for details.	
Auto Enrolment	Client Request	Final	Good Standard	Assurance was reported in the 2013-14 annual report; please refer to that report for details.	
Payroll – Redundancy	Client Request	Final	Improvements Required	<p>The methodology used to approve a redundancy and calculate its financial value is robust and accurate and no errors were identified in the calculation and processing of redundancy payments.</p> <p>Supporting procedural documents and the arrangements for the associated dissemination of changes to legislation and policy are insufficient. Further, there is a lack of central and complete storage of redundancy documentation. These factors could cause inconsistency in practice and lead to incorrect decisions. It is acknowledged that the introduction of the Customer Relationship Management System (CRM) is intended to improve routing and processing arrangements and should therefore aid achievement of consistency.</p> <p>Records in relation to structures and changes as a result of redundancy are inadequate and require improvement. A project is underway to update all structures in the Oracle System and also upload structures to the intranet, which it is hoped will be completed by October. Responsibility will be established to ensure structures are maintained in future.</p>	
HR – Job Evaluation Process	Client Request	Final	Good Standard	Effective arrangements have been established that ensure compliance with the job evaluation policy and in turn compliance with the GLPC and HAY schemes. These arrangements are supported with a dedicated and trained resource, and procedural documents and process maps that ensure consistent practice. The results of the evaluation process were found to be reliable and the decision process appropriately evidenced and recorded.	

CORPORATE SERVICES

Risk Area / Audit Entity	Risk Assessment / Audit Needs Assessment	Audit Report			Assurance Progress RAG Score
		Status	Assurance Opinion	Executive Summary	
HR – Consultants & Employment	Client Request	Final	Fundamental Weaknesses	<p>Testing of a sample of temporary workers found a widespread lack of adherence to the Council’s ‘Hiring Temporary Workers’ Policy throughout all areas of DCC. This puts DCC at serious risk of not complying with relevant legislation and the risks associated with engaging temporary workers, and recommendations have been made accordingly.</p> <p>An exercise is being undertaken to ensure that the information held on FINEST, the Procurement Contract Register and Temp Solutions reconcile. Audit work has highlighted the difficulties in undertaking such an exercise and ascertaining that the coding and classifications are correct. In order to ensure that accurate information is available, responsibility for contract co-ordination needs to be assigned to a single point of contact. This should ensure that contract monitoring is carried out in this area and that all information is contained in one area.</p> <p>In order to complete relevant end of year account statements it is important that those who have been employed during the year, particularly interim managers are recorded and listed.</p>	
HR – Records Disclosure Service	Client Request	Draft	High Standard	<p>Overall, the Council was able to demonstrate that the implementation of the online Disclosure and Barring Service (DBS) application submission solution realised the benefits identified around the service's workflow leading to a faster and simpler process. Costs and charges are subject to twice-yearly review, however, at the time of our review some specific information was not available.</p> <p>The current contract with Kent County Council expires in November 2014 but plans have been put in place such that a continuous service will be delivered to both internal and external clients. Assurances concerning the security of the solution provided by Kent County Council were given at the commencement of the contract. Further assurances will be sought upon the extension of this contract in November 2014. The Council engaged effectively with the requirements of the Protection of Freedoms Act 2012 and there should be no impact on the delivery of this service.</p>	

CORPORATE SERVICES

Risk Area / Audit Entity	Risk Assessment / Audit Needs Assessment	Audit Report			Assurance Progress RAG Score
		Status	Assurance Opinion	Executive Summary	
Payroll – Advance Payments	ANA - Low	Final	Good Standard	<p>Controls in relation to the making of manual payments are generally robust, in that there are comprehensive procedures in place, payments are checked and authorised before being raised, and there is adequate separation of duty throughout the process. Recommendations have been made in terms of further improvements to current practices, specifically in the area of processing and recovering related charges, and we understand that a revised process will be in place from August 2014.</p> <p>Although we have no current concerns in relation to clearing this year's suspense account entries, our review has been limited to the early part of the financial year. A further review will be undertaken as part of the main payroll audit.</p>	




The following audits are currently in progress:

- Payroll (ANA - High)
- Payroll – Self Service Project (ANA – High)
- Payroll – RTI (ANA – Medium)
- HR - LPGS Changes (ANA – Low)

It is anticipated that the reports will be issued & agreed in the first quarter of 2014/15. No issues of major concern have been identified from our fieldwork to date.

The following audits have not yet been started as they are not due to commence until the second half of the year:

- Payroll - Bike Scheme (ANA – Low: client request)
- Payroll - Car Loans (ANA – Low: client request)
- HR - Absence Management and Recording (ANA – Medium: client request)
- HR - CRB Checks (ANA – Low: client request)
- HR - Contracts of Employment (Client Request)

CORPORATE SERVICES					
Risk Area / Audit Entity	Risk Assessment / Audit Needs Assessment	Audit Report			Assurance Progress RAG Score
		Status	Assurance Opinion	Executive Summary	
Corporate Services – IT Audit					
ICT Service Operation (Process) - Access Management	ANA - High	Draft	Good Standard	Assurance was reported in the 2013-14 annual report; please refer to that report for details.	
ICT Audit – Service Transition (Change Management)	ANA - High	Draft	Good Standard	<p>The implementation of ITIL and its individual processes and functions is best achieved by taking an evolutionary process in order to bring about the necessary operational and cultural changes over an appropriate and deliverable period of time. Whilst the change management culture and associated procedures are relatively immature, the key finding is that the journey has commenced and the increase in the submission of change requests provides demonstrable evidence that the initial steps have been successful.</p> <p>Following this initial success, it is important that care should be taken to maintain momentum in order to deliver incremental value to the business. Processes and functions within the ITIL framework need to compliment and support each other to add most value and periodic re-affirmation of goals and objectives will assist in ensuring that change management processes continue to benefit ICT and its customers. As with any procedural and cultural change, continued effective communication with all stakeholders remains vitally important.</p>	 *
ICT Audit – Service Strategy	ANA - High Client Request	Final	Improvements Required	<p>The strategy, nearing the end of its cycle, combined with the absence of options appraisal has led to the assurance of improvements required, however, the impending creation of a new strategy considered in our review, incorporating our recommendations will lead to a good standard of assurance.</p> <p>The current ICT strategy (nearing the end of its cycle) is based upon the creation of a strong 'intelligent client' function which would serve to ensure that value for money is obtained when identifying and procuring future business solutions. Our review has built upon this in consideration of the future strategy, yet to be fully documented and implemented, by</p>	

CORPORATE SERVICES

Risk Area / Audit Entity	Risk Assessment / Audit Needs Assessment	Audit Report			Assurance Progress RAG Score
		Status	Assurance Opinion	Executive Summary	
				<p>reviewing the strengths / weaknesses of various service delivery models.</p> <p>In terms of best practice, the proposals closely mirror the strengths of industry best practice, ITIL, 'Service Design' and the adoption of a lifecycle approach to service delivery. This would form a strong basis for delivering affordable business solutions. Furthermore, the focus on strong 'business intelligence' has increased nationally and the level of spend via a 'Smart Sourcing' approach has increased significantly in recent years.</p> <p>Further review is needed to identify the individual elements of best practice that would help ensure a successful transition in the way future services are delivered. Strengths, weaknesses, opportunities and threats have been identified by audit along with a number of critical success factors (CSF). The most important of these is obtaining wider corporate buy-in and understanding of what ICT offers as a vehicle for transformational change. The key risks and CSF's are being considered by ICT to help progress the strategy further as the delivery vehicle changes, pending approval by Business Solutions & Strategy Leadership Team.</p>	

The following audits are in currently in progress:

- ICT Audit - CareFirst 6 (ANA - Critical)
- ICT Audit - Service Operation Processes (ANA – High)

It is anticipated that the reports will be issued & agreed in the third quarter of 2014-15. No issues of major concern have been identified from our fieldwork to date.

The following audits have been cancelled

- ICT Audit – Hosted Services (ANA - High)




The following audits have not yet been started as they are not due to commence until the second half of the year:

- ICT audit - Service Design (ANA - High)
- ICT audit - Service Operation Function (ANA - High)
- ICT audit - ICT backup (Client Request)
- NPS Data Security (Client Request)

CORPORATE SERVICES

Risk Area / Audit Entity	Risk Assessment / Audit Needs Assessment	Audit Report			Assurance Progress RAG Score
		Status	Assurance Opinion	Executive Summary	

Corporate Services – Business Strategy and Support

Management of mobile phones	Client Request	Final	Improvements Required	Assurance was reported in the 2013-14 annual report; please refer to that report for details.	
Car Hire Booking System	Client Request	Final	Good Standard	Assurance was reported in the 2013-14 annual report; please refer to that report for details.	
Devon Assessment Framework IT System – Holistix	ANA – High	Draft	Improvements Required	<p>The Holistix system supports the Devon Assessment Framework (DAF), a single assessment and planning framework to assess young people and their families for their social needs. The Council recently completed the implementation of the new DAF IT system, QES HolistiX eCAF, which will be administered by the Early Help Coordination Centre and used by multiple agencies that provide a package of services to a child or family. Our review examined the arrangements put in place to ensure the data it contains is protected against unauthorised access or disclosure and to provide effective oversight and governance going forward.</p> <p>The key issues considered are around data security and access where systems controls are generally sound in principle however, there remain unmitigated risks due to the newness of the system including arrangements to add and remove users from the application, limited access restriction on reporting, alignment of responsibility through job descriptions and ensuring the new application is included in the Council's Retention Schedule.</p> <p>At present HolistiX is a standalone application, however, it is highly probable that a number of interfaces will be required to allow it to integrate with other corporate applications. Controls around these arrangements are not established.</p>	

The following audit is currently in progress:

- New invoice processing system (Client request)

Internal Audit are providing the project with support and advice within the project procurement process, identifying audit requirements within any proposed Accounts Payable system. In addition, Audit will identify project risks and key success factors. No issues of major concern have been identified from our work to date.

CORPORATE SERVICES

Risk Area / Audit Entity	Risk Assessment / Audit Needs Assessment	Audit Report			Assurance Progress RAG Score
		Status	Assurance Opinion	Executive Summary	

The following audits have not yet been started as they are not due to commence until the second half of the year:

- Procurement - Accessibility for SMEs and Third Sector (ANA - High: client request)
- Procurement - Financial resilience of significant suppliers to ensure service provision in face of Public Sector cuts (ANA - High: client request)
- Procurement - Governance protocols in relation to contract award procedures and contract life cycle (ANA - High: client request)
- Business Strategy & Support - Risks as a result of People and Place budget saving strategies (ANA - High: client request)
- Information Governance including PSN (ANA - High)
- Management of Mobile Phones - follow up (ANA - Low)
- Property Disposal Programme (ANA - Medium: client request)

Corporate Services – Legal Services




The following audits have not yet been started as they are not due to commence until the second half of the year:

- Coroners – Recharging of Costs (ANA – Low: client request)
- Coroners – Expense Claims (ANA – Low: client request)

Grants – the majority of which relate to 2013-14, but audited as part of the 2014-15 plan

Making it Local	Client Request	Completed	Certified	No issues identified	
Local Transport Capital Block Funding	Client Request	Completed	Certified	No issues identified	
Additional Highways Maintenance Funding	Client Request	Completed	Certified	No issues identified	
Local Pinch Point Fund x3	Client Request	Completed	Certified	Amendment to standard declaration made	
Rural Enterprise Gateway	Client Request	Completed	Certified	No issues identified	
Adoption Reform	Client Request	Completed	Certified	A number of amendments made	

CORPORATE SERVICES

Risk Area / Audit Entity	Risk Assessment / Audit Needs Assessment	Audit Report			Assurance Progress RAG Score
		Status	Assurance Opinion	Executive Summary	
Skills Funding Agency	Client Request	Completed	Certified	No issues identified	
South Devon Link Road	Client Request	Completed	Certified	No issues identified	
Active Devon	Client Request	Completed	Certified	Minor amendment made	

The following audits are currently in progress

- Teachers' Pensions (Client request)
- Targeted Family Support Programme x4 (Client request)

It is anticipated that the Teachers' Pensions return audit will be completed in the third quarter of 2014-15. Work on Targeted Family Support will be ongoing until the end of 2014-15. No major concerns have been identified from our fieldwork to date.

The following audits have not yet been started as they are not due to commence until the second half of the year:


- Local Infrastructure Fund
- Local Sustainable Transport Fund
- Dartmoor Granite & Gears
- Education SCITTS

The following audits have either been cancelled, or been deferred until 2015-16

- Growing Places Fund (Client request)
- Rural Growth Network (Client request)
- Bikeability (Client request)
- Flood Resilience Community Pathfinder (Client request)
- S256 Reablement Fund (Client request)

Public Health					
Risk Area / Audit Entity	Risk Assessment / Audit Needs Assessment	Audit Report			Assurance Progress RAG Score
		Status	Assurance Opinion	Executive Summary	

Public Health

PH – District Offer £20k Allocation		Final	Improvements Required	Lessons can be learnt from what areas worked well during the first year and where there is a clear lack of control and documented procedures in place, action can be taken in subsequent years to remedy this. Outcomes may be difficult to quantify as improvements may take several years to see. However, the public health district allocation is a good opportunity for relationship building between the LA and the Districts and this can be progressed forward in subsequent years if the recommendations made in this audit report are considered and implemented where felt necessary. Future years may also allow for a more joined up approach being adopted across the districts where it may prove beneficial for resources / funding to be pooled together to provide training etc across Devon.	
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The following audits have not yet been started as they are not due to commence until the second half of the year:

- PH – Sexual Health

PLACE					
Risk Area / Audit Entity	Risk Assessment / Audit Needs Assessment	Audit Report			Assurance Progress RAG Score
		Status	Assurance Opinion	Executive Summary	

Services for Communities

Identification of Spend – Com & Vol Sector Orgs	Client Request	Complete	Value Added	Included in the 2013/14 annual report; please refer to that report for details.	N/A
Impact Assessments Review	Client request	Draft	Good Standard	The review found good progress in developing and embedding the use of Impact Assessments in decision make processes and from October 2013, Impact Assessments have been uploaded and made available on line at https://new.devon.gov.uk/impact providing openness and transparency.	

The following audits are in currently in progress:


- Trading Standards Partnership - review of new intelligence unit and security of evidence (ANA – Medium, Client Request)
- Performance Management - how performance teams join up (ANA – High, Client Request)


It is anticipated that the reports will be issued & agreed in the third quarter of 2014-15. No issues of major concern have been identified from our fieldwork to date.

The following audit has yet been started as it is not due to commence until the second half of the year:

- Risk Management Corporate - detailed follow up of the report finalised in 2013/14 review (ANA - High)

Highways Capital Development & Waste Management

Build Environments – St Leonards Primary	Client Request	Final	Value Added	Lessons learnt relating to the building project covering Phase 1 of the refurbishment and extension of St Leonard’s Primary School were identified at the request of the Head of Built Environments. The conclusions from our work mirror for the most part those which resulted from the Project Post Implementation Review. Recommendations were made regarding the tender process, the	
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PLACE					
Risk Area / Audit Entity	Risk Assessment / Audit Needs Assessment	Audit Report			Assurance Progress RAG Score
		Status	Assurance Opinion	Executive Summary	
				choice of the correct type of contract, the control of design changes, the need for formal handovers, contingency arrangements for resourcing such projects, the need for a communication strategy and change of contractor for the next phase of the project.	
Highways Deep Dive	Client Request	Completed	Value Added	Details of the project were reported in the 2013-14 annual report; please refer to that report for details.	N/A
Waste Recycling Centres	ANA - High	Final	High Standard	Assurance was reported in the 2013-14 annual report; please refer to that report for details.	
Highways VJV Partnership	ANA - High	Ongoing	Not Applicable	Continued audit presence is provided on the Devon Highway TMC Cost Monitoring Board to provide real time support and challenge as the Partnership strives to improve the efficiency of works under the Highways Contract and achieve savings through the target costing mechanism.	N/A

The following audit is currently in progress:

- Tree Management (ANA – High)
- South West Highways / DCC Partnership - flood works monitoring/optimisation of Bellwin, RMS work ordering system & the claims system (ANA - High)

It is anticipated that the report will be issued & agreed in the third quarter of 2014-15. No issues of major concern have been identified from our fieldwork to date.

The following audits have not yet been started as they are not due to commence until the second half of the year:

- Capital Development Programme - capital monitoring of projects (ANA - High)


Audit involvement was not required for the following:

- Waste Management - Deep Dive (ANA – High)

PLACE

Risk Area / Audit Entity	Risk Assessment / Audit Needs Assessment	Audit Report			Assurance Progress RAG Score
		Status	Assurance Opinion	Executive Summary	

Planning, Transportation and Environment

Climate Change – Carbon Reduction Commitment	Statutory Requirement	Completed	Certified (Good Standard)	No issues identified	
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The following audit is currently in progress:

- Local Transport plan - independent review of LTP (ANA – High)

It is anticipated that the report will be issued & agreed in the third quarter of 2014-15. No issues of major concern have been identified from our fieldwork to date.





The following audits have not yet been started as they are not due to commence until the second half of the year:

- Civil Parking Enforcement - review of processes and benefits realisation (ANA - Medium)
- Public Transport Co-ordination - impact of changes on transport use (ANA - High)
- Transport - Deep Dive (ANA - High)
- Flood Response - follow up of 13/14 review (ANA - High)

Economy and Enterprise

The following audits have not yet been started as they are not due to commence until the second half of the year:

- Connecting Devon & Somerset - assurance re BT contract (ANA - Medium)

People					
Risk Area / Audit Entity	Risk Assessment / Audit Needs Assessment	Audit Report			Assurance Progress RAG Score
		Status	Assurance Opinion	Executive Summary	
<u>Interim Head of Children's Social Work Service & Child Protection (Fiona Fitzpatrick)</u>					
Children's Centres	ANA - Low			Assurance was reported in the 2013/14 annual report; please refer to that report for details.	
Barnardos – Tavistock		Final	Good Standard		
AFC – Two Moors / Wilcombe		Final	High Standard		
Care Leavers – Training Flat	In year request	Final	Improvements Required	Training flats per se can be a valuable tool in Social Care provision for care leavers. The contractual arrangements around the current flat however are perceived to leave the Local Authority at risk of reputational damage and possibly financial loss. Whilst the service provision should continue, it should only do so when there are proper contractual arrangements in place.	
'Troubled Families'	N/A	Ongoing	N/A	Checking and certification of periodic grant claims.	
<p>The following audit is currently in progress:</p> <ul style="list-style-type: none"> Adoption Services (ANA - Low) <p>It is anticipated that the report will be issued and agreed in the third quarter of 2014/15.</p> <p>The following audits have not yet been started as they are not due to commence until the second half of the year:</p> <ul style="list-style-type: none"> Fostering Services (ANA - High) Early Help Offer 					
<u>Head of Education & Learning (Sue Clarke)</u>					
Children Missing in Education	ANA - Medium	Final	Improvements Required	Assurance was reported in the 2013/14 annual report; please refer to that report for details.	
Access to Education Services (Traded Services for Schools)	ANA - Medium	Draft	Good Standard	Assurance was reported in the 2013/14 annual report; please refer to that report for details.	

People

Risk Area / Audit Entity	Risk Assessment / Audit Needs Assessment	Audit Report			Assurance Progress RAG Score
		Status	Assurance Opinion	Executive Summary	

The following audit is currently in progress:


- The Virtual School - Children in Care (ANA - High)

It is anticipated that the report will be issued and agreed in the third quarter of 2014/15.

The following audits have not yet been started as they are not due to commence until the second half of the year:

- Children's Centres & Early Years (transformation project - 'critical friend') (ANA - High)
- SEND Implementation & Delivery - single point of assessment (ANA - High)

Head of Social Care Commissioning (Tim Golby)

Framework Contracts	ANA - High	Ongoing			
PLUSS	In year request	Final	Improvements Required	Assurance was reported in the 2013/14 annual report; please refer to that report for details.	

The following audit is currently in progress:

- Client Finance Services - Financial assessments process and review of systems and processes (ANA - High)

It is anticipated that the report will be issued and agreed in the third quarter of 2014/15.

The following audits have not yet been started as they are not due to commence until the second half of the year:

- Quality Assurance Procedures - Commissioning - Children's Social Care (ANA - Critical)
- Quality Assurance Procedures - Commissioning - Adults (ANA - Critical)
- Back to Social Work (ANA - High)
- Contract Management & Monitoring (ANA - High)
- Quality Assurance Procedures - Commissioning - Overall Theme Report (LTP Request)
- Implementation of the Care Bill - Advice / Consultancy (LTP Request)
- Information and Advice Service: Do we have the right platform? & 5 other Qs (LTP Request)
- Mental Health Commissioning Arrangements with the NHS (LD Partnership commissioning / arrangements with DPT) (LTP Request)

People

Risk Area / Audit Entity	Risk Assessment / Audit Needs Assessment	Audit Report			Assurance Progress RAG Score
		Status	Assurance Opinion	Executive Summary	
<u>Head of Adult Social Care (Sally Slade)</u>					
Reablement	ANA - High	Ongoing			
Assistive Technology across Devon		Draft	n/a		

The following audits have not yet been started as they are not due to commence until the second half of the year:

- Review of Adults Assessment Process (LTP Request)

Appendix 2 – Performance Indicators

There are no national Performance Indicators in existence for Internal Audit, but the Partnership does monitor the following Local Performance Indicators LPI's:

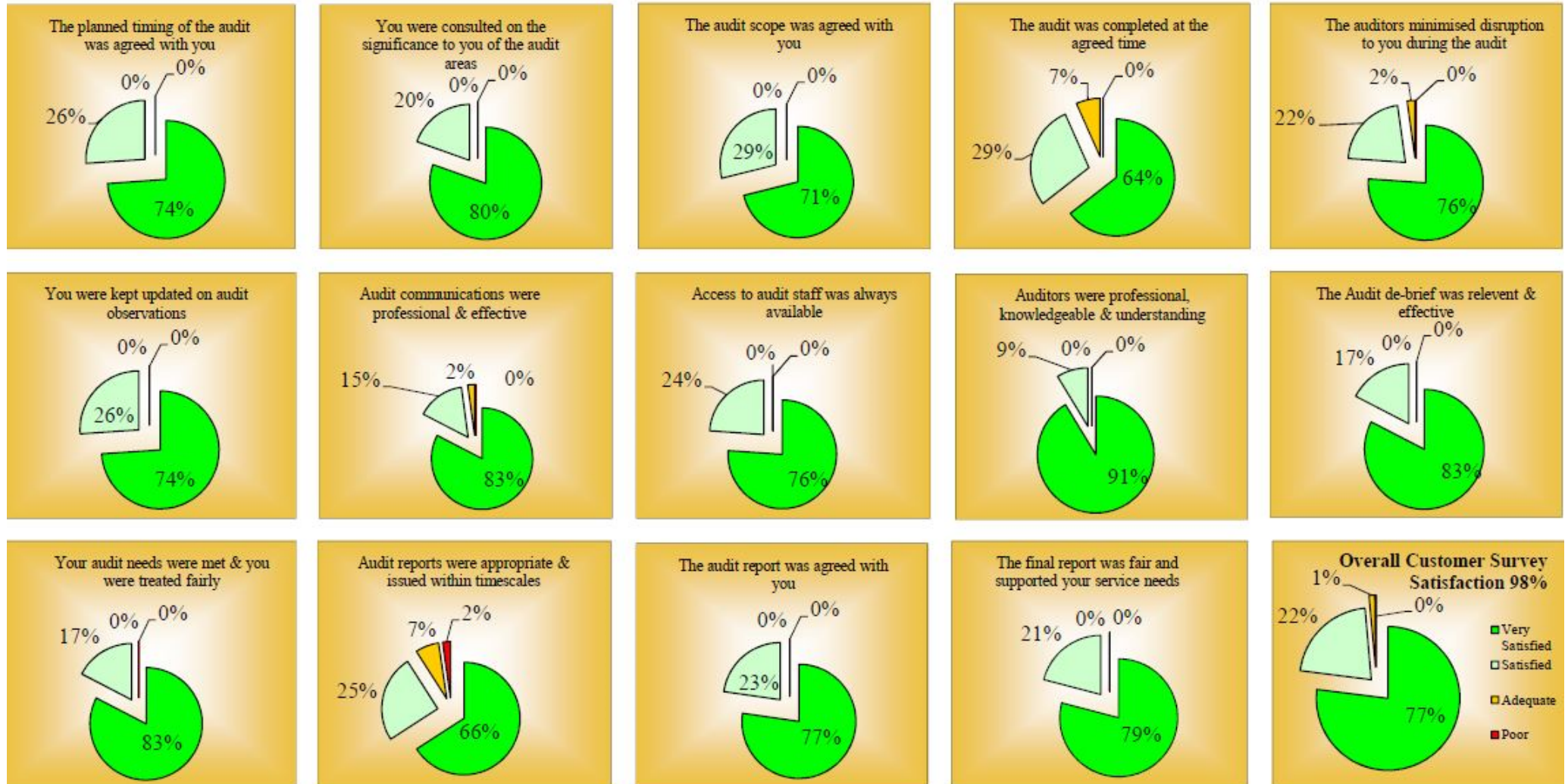
Annual Local Performance Indicators (LPI)	2012/13	2012/13	2013/14	2013/14	2014/15	2014/15
	Target	Actual	Target	Actual	Full Year Target	Six month Actual
Percentage of Audit plan Commenced (Inc. Schools)	95%	97.75%	100%	96.5%	100%	53.7
Percentage of Audit plan Completed (Inc. Schools)	90%	94.3%	93%	94.6%	93%	45%
Actual Audit Days as percentage of planned (Inc. Schools)	90%	99.7%	95%	97.5%	95%	49.7%
Percentage of fundamental / material systems reviewed annually	100%	100%	100%	100%	100%	On target
Percentage of chargeable time	65%	66.1%	65%	69.3	65%	66.6%
Customer Satisfaction - % satisfied or very satisfied as per feedback forms	90%	94.5%	90%	98%	90%	99%
Draft Reports produced within target number of days (currently 15 days)	90%	79.7%	90%	80.1%	90%	82%
Final reports produced within target number of days (currently 10 days)	90%	86.4%	90%	89.1%	90%	83%
Average level of sickness absence (DAP as a whole)	2%	2.9%	2%	3%	2%	2.5%
Percentage of staff turnover (DAP as a whole)	5%	8.5% (3 people)	5%	3%	5%	2% (1 person)
Out-turn within budget	Yes	Yes	Yes	Yes	Yes	On target

Overall, performance against the indicators has been very good. We are aware that some of our draft and final reports were not issued to the customer within the agreed timeframes (15 working days for draft report and 10 working days for final report). They are improving and we have identified areas where performance has been poor, and are working with our staff to ensure improvement is achieved.

Appendix 3 - Customer Service Excellence

Customer Survey Results April 2014 - Sept 2014

The charts below show a summary of 46 responses received.



Appendix 4 – Definitions

Definitions of Audit Assurance Opinion Levels

Confidentiality under the National Protective Marking Scheme

Assurance	Definition	Marking	Definition
High Standard.	The system and controls in place adequately mitigate exposure to the risks identified. The system is being adhered to and substantial reliance can be placed upon the procedures in place. We have made only minor recommendations aimed at further enhancing already sound procedures.	Not Protectively Marked or Unclassified	Documents, information, data or artefacts that have been prepared for the general public or are for the public web pages or can be given to any member of the public without any exemptions or exceptions to release applying, have the classification NOT PROTECTIVELY MARKED. Some organisations will also use the word UNCLASSIFIED for publicly available information.
Good Standard.	The systems and controls generally mitigate the risk identified but a few weaknesses have been identified and / or mitigating controls may not be fully applied. There are no significant matters arising from the audit and the recommendations made serve to strengthen what are mainly reliable procedures.	Official	The majority of information that is created or processed by the public sector. This includes routine business operations and services, some of which could have damaging consequences if lost, stolen or published in the media, but are not subject to a heightened threat profile.
Improvements required.	In our opinion there are a number of instances where controls and procedures do not adequately mitigate the risks identified. Existing procedures need to be improved in order to ensure that they are fully reliable. Recommendations have been made to ensure that organisational objectives are not put at risk.	Secret	Very sensitive information that justifies heightened protective measures to defend against determined and highly capable threat actors. For example, where compromise could seriously damage military capabilities, international relations or the investigation of serious organised crime.
Fundamental Weaknesses Identified.	The risks identified are not being controlled and there is an increased likelihood that risks could occur. The matters arising from the audit are sufficiently significant to place doubt on the reliability of the procedures reviewed, to an extent that the objectives and / or resources of the Council may be at risk, and the ability to deliver the service may be adversely affected. Implementation of the recommendations made is a priority.	Secret and Top Secret	The most sensitive information requiring the highest levels of protection from the most serious threats. For example, where compromise could cause widespread loss of life or else threaten the security or economic wellbeing of the country or friendly nations.