

Annual Audit Opinion

2019-20

July 2020



Introduction

All Local Authorities must make proper provision for internal audit in line with the [Local Audit and Accountability Act 2014](#) and the [Accounts and Audit Regulations 2015](#). The Regulations state that services must follow the [Public Sector Internal Audit Standards \(PSIAS\)](#). The PSIAS sets out a consolidated approach to internal auditing standards across the whole of Public Sector.

Internal Audit is a vital component to the Council's effective running. We provide assurance, advice and insight to help protect and enhance internal control, governance and risk management arrangements. The service has a wider role to be the Council's 'critical friend', with the ability to confidently challenge current practice, champion best practice and support management to improve how the Council operates. This is achieved through the provision of combined assurance and consulting activities, as set out in the mandated definition within the Standards:

'an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes'

The Standards require that the Chief Audit Executive (Audit Manager) provides periodic updates on progress against the audit plan and to issue an annual Audit Opinion. The Opinion is a conclusion of the effectiveness of the Council's **internal control, corporate governance** and **risk management** arrangements. It is a key part of the overall assurance that Members and Officers of the Council draw on when evaluating governance. The extract below shows the expectations for the Annual Opinion as set out in the Standards:

2450 Overall Opinions

When an overall opinion is issued, it must take into account the strategies, objectives and risks of the organisation and the expectations of senior management, the board and other stakeholders. The overall opinion must be supported by sufficient, reliable, relevant and useful information.

Interpretation:

The communication will include:

- the scope including the time period to which the opinion pertains
- scope limitations
- consideration of all related projects including the reliance on other assurance providers
- a summary of the information that supports the opinion
- the risk or control framework or other criteria used as a basis for the overall opinion, and
- the overall opinion, judgment or conclusion reached.

The reasons for an unfavourable overall opinion must be stated.

Public sector requirement

The chief audit executive must deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement.

The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

The annual report must also include a statement on conformance with the Public Sector Internal Audit Standards and the results of the quality assurance and improvement programme.

The following report sets out the Chief Audit Executive's annual Audit Opinion for the financial year 2019/20, including a summary of all audit work completed during 2019/20.

Scope

The Audit Committee approved the [Internal Audit Charter](#) in March 2019 and an updated version of the Internal Audit Charter is to be reviewed by Audit Committee as a separate agenda item. The Charter sets out the scope of our work, and includes the parameters and safeguards in place for us to undertake assurance, advisory and consultative work.

Evidence to support the Opinion is principally obtained through completing the work as set out in our [audit plan](#), in addition to the expertise, knowledge and intelligence gained over the course of the year. There are three areas within the scope for the Opinion, these are:

Internal control: How the Council ensures achievement of its objectives. In particular, effectiveness and efficiency of operations, reliability of financial reporting and compliance with law, rules and policies.

Governance: The system of rules, practices and processes by which the Council is directed and controlled.

Risk Management: How the Council identifies, evaluates and responds to risks facing the achievement of objectives.

The Opinion relates to the 2019/20 financial year.

Limitations

The Standards demand that the audit plan remains flexible throughout the year to react to emerging risks. Limitations on available audit resources mean it is not possible to address **all** risks facing the Council. The Opinion can therefore only give *reasonable assurance* that the systems of internal control, governance and risk management are effective.

During 2019/20 the Internal Audit service has been through a number of significant challenges and changes, which has reduced our productivity. The main factors to note are as follows:

- Full Team restructure, leading to a prolonged vacancy factor of 2 FTE
- Recruitment and induction of the Trainee Auditor, Lead Auditor (x2) and Audit Manager posts
- Covering the vacant Audit Manager / Chief Audit Executive role between January and May 2020.
- Audits postponed on client request due to COVID-19
- Audit resources redeployed to assist the Council's response to COVID-19 between March – June 2020

This therefore means the 2019/20 Annual Audit Opinion is limited to 10 audit projects, out of the originally agreed 25 projects. However, we have also been able to base our annual audit opinion on other non-project consultancy related work which has been completed during the year,

particularly during the COVID-19 pandemic. This consultancy work includes supporting the Council's Business Continuity response by reviewing all business continuity impact assessments and completing counter fraud checks on a large number of business rate grant applicants.

Independence

In addition to setting out the role, authority and responsibility of Internal Audit, our Charter also defines the safeguards in place for our independence.

At no point during the year have Officers or Members sought to impede, influence or edit the outcomes of our work, our findings or our overall conclusions. I can therefore confirm that we have worked with full independence during the year.

Summary of information that supports the Opinion

Details of the work conducted to inform the Opinion are set out in the remainder of this report, including; use of audit resources, summaries of audit work issued, governance and risk management, client satisfaction and service performance.

The Opinion

It is my opinion, in the capacity as Chief Audit Executive for Sevenoaks District Council, based on the work completed in the given period, that for 2019/20 the Council has operated and maintained a **SOUND** system of internal control, governance and risk management.



Fran Chivers

Audit Manager (Chief Audit Executive)

30 June 2020

Delivery of the 2019/20 Audit Plan

The Audit Committee approved our 2019/20 Audit Plan in [March 2019](#). The Audit Plan set out the following projects:

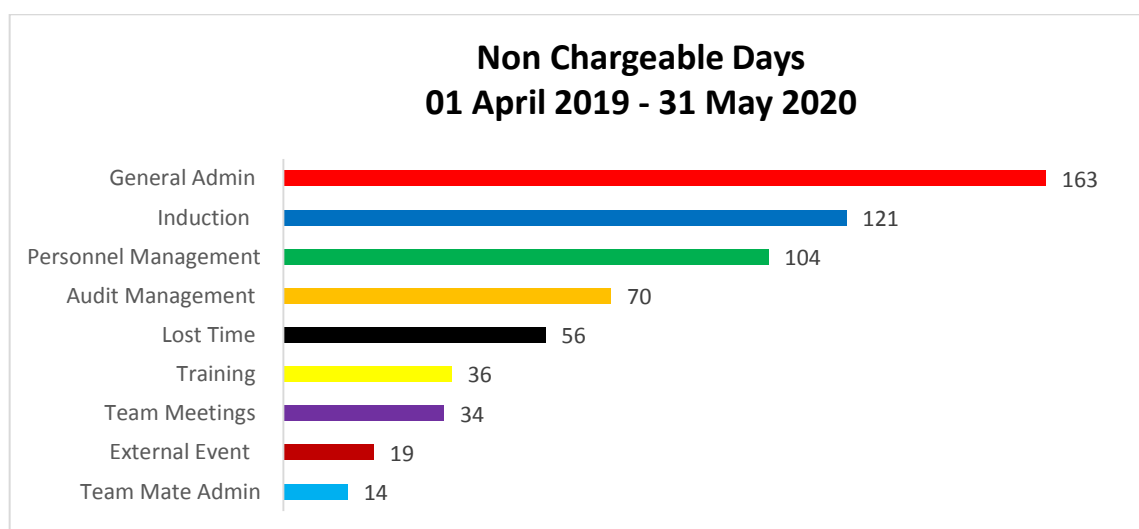
AUDIT TITLE			
1	Capital Programme: Monitoring	14	Housing Allocations Policy
2	Housing Benefits	15	Planning Enforcement
3	Budgetary Control & Monitoring	16	Application of Discretionary Powers
4	Pay & Display Income	17	Grounds Maintenance
5	Accounts Payable (Creditors)	18	Private Sector Housing: Enforcement
6	Contract Procedure Rules	19	Local Air Quality Management
7	Scheme of Delegations & Decision Making	20	Community Safety Partnership
8	Complaints	21	Fleet Management
9	Fraud Risk Assessment	22	Purchasing & Stock Management
10	Programme Governance	23	Domestic Waste & Recycling
11	Annual Governance Statement	24	HR Policy Compliance
12	Corporate Governance Code	25	Recruitment
13	Animal Welfare / Control		

Our time recording system (Team Mate) logs all time spent on the different audit related tasks throughout the year. This system enables us to capture time spent delivering different activities and individual audit projects.

The table below shows how we have utilised audit days between 01 April 2019 – 31 May 2020:

Category	2019/20 Plan Days	01 April 2019 – 31 May 2020	Audit Plan Days Remaining	Percentage against 2019/20 Audit Plan Days		
Risk Management	10	6				
Counter Fraud	5	3				
Member Support / Training / Meetings	10	24				
Follow-Up	15	14				
Audit Planning	10	19				
Advisory & Consultancy	74	33				
NON-AUDIT TOTAL	124	99				
2018/19 Audit Projects	0	65				
2019/20 Audit Projects	301	120				
2020/21 Audit Projects	0	1				
AUDIT PROJECTS TOTAL	301	186				
OVERALL TOTAL	425	285			140	67%

The total available days for the partnership also takes into account *non-chargeable days*. Non-chargeable activities include administration, general management and the ongoing professional development of the team. The graph below shows our chargeable and non-chargeable totals between 01 April 2019 and 31 May 2020 (data for June was not available at the time of writing):



Audit Work

The following section of this report provides a summary of progress against the 2019/20 audit plan.

Audit projects completed

The following table provides a summary of all audits completed between 01 July 2019 and 30 June 2020:

Sevenoaks Audit Plan 2018/19			
Audit Plan No	Title	Date Issued	Conclusion
2018/19 Carry Forward			
-	Business Continuity	August 2019	Substantial
-	Homelessness Reduction Act	October 2019	Not Rated
-	Private Sector Letting Scheme	November 2019	Limited
2019/20 Audit Work Completed			
4	Pay & Display Income	January 2020	Full
5	Accounts Payable	March 2020	Full
8	Corporate Complaints	January 2020	Full
11	Annual Governance Statement	March 2020	Consultancy – Not Rated
-	Section 106 Agreements *	March 2020	Consultancy – Not Rated
6	Procurement Service Review	June 2020	Consultancy – Not Rated
12	Corporate Governance Code	June 2020	Consultancy – Not Rated

* Consultancy review added to the audit plan in-year

Audit projects in progress

The following reviews are currently in progress and due to be reported by 31 July 2020:

Project Title	
13	Animal Welfare – Control
24	HR Policy Compliance

Postponed audit projects

The following audits have been deferred to 2020/21:

	Project Title	Reason for deferral
2	Revenues & Benefits Shared Service Review	Coronavirus
3	Budgetary Control & Monitoring	Service request
9	Counter Fraud Risk Assessment	Coronavirus
14	Housing Allocations Policy	Coronavirus
15	Planning Enforcement	Service request
17	Grounds Maintenance - Tree Maintenance	Coronavirus
18	Private Sector Housing – Enforcement	Service request
19	Local Air Quality Management	Service request
21	Fleet Management	Service request
23	Domestic Waste & Recycling	Coronavirus
25	Recruitment	Service request
-	Cyber Security *	Coronavirus

* Added to 2019/20 audit plan in-year

Removed from 2019/20 Audit Plan

The following audits have been removed from the 2019/20 audit plan:

	Project Title
1	Capital Programme: Monitoring
7	Scheme of Delegations & Decision Making
10	Programme Governance
16	Application of Discretionary Powers
20	Community Safety Partnership
22	Purchasing & Stock Management
-	GDPR – Data sharing (this was an in-year addition to the 2019-20 Internal Audit Plan)

Audit Work Summaries

We issue a full report for all of the work completed on the audit plan. Members have requested to see executive summaries of all final reports issued. We provide the definitions of our assurance ratings at Appendix I.

Business Continuity – Issued in August 2019

We conclude based on our audit work that the controls over the Council’s Business Continuity arrangements offer Substantial assurance.

This review gives independent assurance over the effectiveness of controls in place for the Business Continuity process. We reviewed current legislation and compliance requirements and aligned these against Council policies and practice. Our testing confirms that the controls are effective to allow for compliance with requirements and recognised good practice. Business Continuity Plans are in place for each service and have been maintained and updated. The Council actively engages with the Kent Resilience Forum for the provision of guidance and sharing of best practice across Kent.

Our testing identified some areas for improvement around training and testing of Plans. A training programme is in place for Officers and specified roles in the Plans, however, training requirements have not been assessed or cross referenced to any in-house training that has been attended. In addition, while there has been a lot of work and testing undertaken around the Council’s Emergency Plan (mainly as a response to Brexit), there have been no recent training exercises to test the Business Continuity Plan.

Historically, the Council has responded effectively in the event of a business continuity incident, however, to ensure that this response remains effective (particularly given changes to staff) is it important that the arrangements are tested.

The priority ratings for the actions identified in this review are set out below:

Priority Ranking	Number of recommendations
Critical	0
High	0
Medium	1
Low	2
Advisory	0
Total	3

Homelessness Reduction Act – Issued in October 2019

The Homelessness Reduction Act 2017, implemented on 5 April 2018, placed new duties on Local Authorities to ensure that everyone who was eligible for assistance and was homeless, or at risk of homelessness, would have access to meaningful help regardless of their priority status.

This review was not assurance rated, and was conducted as a cross authority risk review. We undertook workshops with Managers from Dartford and Sevenoaks to identify the risks associated with the implementation of the Act. We then tested the effectiveness of the Council's response to each risk.

Based on the results of the review, it is clear to see that both Councils have responded in different ways to the same challenges. Both have taken full advantage of funding options to increase resource, expertise and resilience, however, the uncertainty of a long-term funding means that permanent solutions are difficult to implement.

Closer working with colleague across the County could help to provide greater development and insight. Our initial workshop for instance enabled the Managers from both Councils to compare and contrast approaches and to explore possible sharing of best practice.

While the challenges around Homelessness remain high on the risk agenda for all Local Authorities, the Council appears to be responding effectively to ongoing demands and challenges.

Private Sector Letting Scheme – Issued in November 2019

We concluded, based on the findings of our audit fieldwork, that the controls in place to ensure compliance with the Private Sector Letting Scheme (PSLS) were **Limited**.

The objective of the Private Sector Letting Scheme is to use properties in the private rented sector to help house people who are in housing need. Along with social housing, and bed & breakfast, the PSLS is a key initiative that helps the Council to more effectively manage its housing register and prevent homelessness.

At the time of scoping our review, actions were already being taken by the Service to address control weaknesses, following a complaint. We conducted our own independent testing of properties within the scheme to establish compliance, but also included review of any new controls put in place by the service.

Our compliance testing found cases of missing documentation to evidence that properties had been inspected before being accepted onto the scheme. This included missing gas or electric safety certificates. We were given verbal assurances that each of the properties had been fully inspected, but without the necessary evidence it is not possible to give assurance that they have met the necessary minimum safety regulations and standards.

In order to secure private sector properties, the Council offers a number of incentives. One such incentive is advance rental payments, where the Council will pay rent in advance and then charge the tenant over a 24-month timeframe to repay the advance. A rental agreement is in place to govern the scheme and to set out repayment terms. We tested a sample of ten repayment agreements and found that 70% of the repayments due (up to 1st July 2019) had not been received.

We raised actions resulting from our testing, the priority rankings of these actions were:

Priority Ranking	Number of actions
Critical	0
High	2
Medium	3
Low	0
Total	5

We have since followed up these actions and found that all had been fully implemented.

Pay & Display Income – Issued in January 2020

We conclude based on our audit work that controls regarding the Council’s Pay and Display income arrangements offer FULL assurance.

The Council operates 15 car parks and 16 on-street pay and display parking areas in the District. In addition to payments by cash, pay and display machines also offer a pay-by-phone cashless system (Parkmobile). Pay and display provides a significant and important income stream for the Council, and for 2018/19 gross parking income exceeded £2.5m.

We reviewed current legislation and compliance requirements and aligned our testing against existing Council policies and procedures. Operation of the pay and display processes are compliant with relevant requirements, and reflect the agreed procedures as set out by the Council. Income procedures are effectively designed to ensure the complete and efficient receipt, collection and banking of pay and display income. We tested these procedures independently and found no issues. Income records are being maintained and allow for income to be reconciled. We found no variances between income collected and cash banked for the period of our testing.

We conducted a walkthrough of the maintenance and repairs process, and tested repairs conducted by the new in-house team. While our sample was limited, due to the infancy of the new arrangements, all repairs were carried out effectively, and were promptly resolved.

The priority ratings for the actions identified in this review are set out below:

Priority Ranking	Number of actions
Low	1
Total	1

Corporate Complaints – Issued in January 2020

We conclude based on our audit work that the controls in place to ensure compliance with the Council’s Corporate Complaints procedure provide Full assurance.

On average, the Council receives between 60 - 80 formal complaints via the complaints procedure each year. The majority of these complaints are processed and resolved at stage one. For the year to date of fieldwork, four complaints had been escalated to stage 2. This occurs when the complainant provides additional & new evidence, not seen during the stage 1 investigation. If still unsatisfied, the complaint can be taken to stage 3, and escalated to the independent ombudsman’s office. Complaints can also be raised directly with the ombudsman without prior Council investigation. For the twelve months ending 31/3/2018, ten complaints relating to Sevenoaks District Council were received by the Ombudsman but none of these were upheld. Complaints to the Ombudsman during 2018-19 and the current financial year was not available at the time of the audit fieldwork.

We independently tested a sample of 15 complaints. Our testing followed each complaint through the process, to determine the overall level of compliance, up to satisfactory resolution or escalation. We found no issues within our testing, and are able to conclude that effective arrangements are in place to ensure corporate complaints are being dealt with promptly and in accordance with agreed procedures. Quality control checks are in place to ensure that every complaint is investigated and reviewed prior to a response being sent. Complaint performance is reported and monitored on a regular basis, and any lessons learned or actions identified are recorded.

A summary of the action raised in the review is set out below:

Priority Ranking	Number of actions
Low	1
Total	1

Accounts Payable – Issued in March 2020

We conclude based on our audit work that the controls in place over the Accounts Payable system provide FULL assurance.

Accounts Payable (Creditors) is administered through Agresso, and provides for the ordering, approval and payment for goods and services received by the Council. It is a key financial system processing a total of 6,796 invoices (2018/19), with a cumulative value in excess of £30.6 million paid (for the same period).

This review provides independent assurance over the adequacy of controls for the Accounts Payable process. We mapped the system from ordering of goods and services to approval and payment of invoices and identified the key controls and risks. Our testing of the key controls confirms that the system is effective in design and operation.

We identified no errors in our key controls testing.

Section 106 Agreements – Issued in March 2020 (Additional Work - not rated)

Our review has identified weaknesses with the current arrangements over the recording, reporting, monitoring and tracking of S106 agreements.

However, our review also established that the service is aware of these and has been proactively taking action to address them through the development and implementation of a new S106 system. Furthermore, the service had not caused any significant delays on the release of the S106 monies from the Horton Kirby paper-mill development.

The new system, when in place, will provide a more effective and robust platform to proactively track and monitor all S106 agreements to avoid the risk of developer claw-back. It will also ensure that the reporting functionality / capacity is vastly improved to satisfy both stakeholder expectations and statutory obligations.

In order to support the service in the implementation of the new system - Exacom, by way of follow up to this review, and to provide further assurance to all stakeholders, we have offered audit resource to assist with the data migration testing and we have agreed to schedule a full assurance based review of S106 agreements in 2021/22.

Code of Corporate Governance – Issued in June 2020

Our review confirmed that the Council's arrangements in fulfilling the requirements of the Good Governance Framework in respect of Principle A – behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of the law, are sound in design. We identified some strong practices, particularly in relation to the organisation's culture and values, officer appraisals and training. We have also noted an opportunity to introduce performance measures / success criteria to track and monitor the promises set out in the Council's Plan.

Procurement Arrangements Review – Issued in June 2020

This was a consultancy-based review of governance arrangements over the Council's procurement activities and to establish whether procurement arrangements (including waivers) are compliant with the Council's Contract Procedure Rules. We have raised suggestions for improvement which will now be presented to SMT and the Procurement Group for consideration.

Audit Actions

We raise actions from our work to assist management in addressing control failings, or to suggest service improvements. We track and follow up all audit actions when they become due. The table below summarises the follow-up and implementation activity since 01 April 2019:

SEVENOAKS DISTRICT COUNCIL	Total	High Priority	Medium Priority	Low Priority
Audit Actions carried forward from 2018/19	1	0	1	0
2018/19 Audit actions raised in 2019/20	8	2	4	2
Total 2018/19 actions	9	2	5	2
Implemented between 01/04/19 – 31/5/20	8	2	4	2
2018/19 Actions remaining	1	0	1	0
Audit actions raised in 2019/20	2	0	0	2
Implemented between 01/04/19 – 31/5/20	1	0	0	1
2019/20 Actions remaining	1	0	0	1
TOTAL ACTIONS OUTSTANDING	2	0	1	1

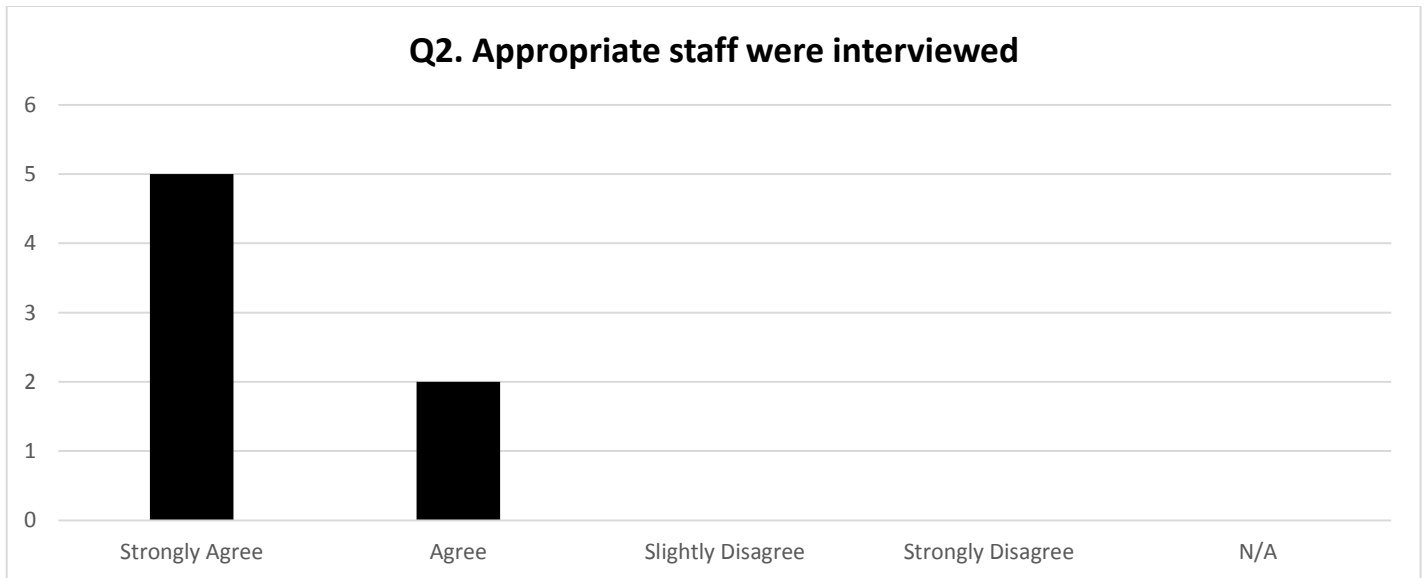
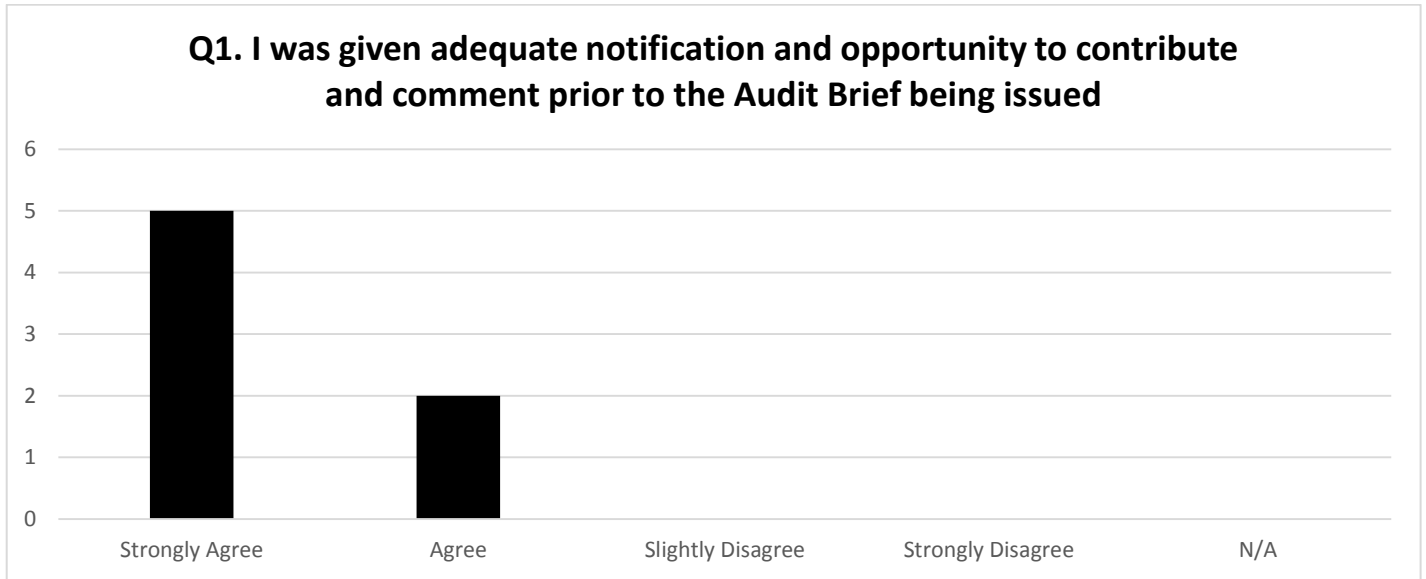
Based on the results of our current follow-up work, there are **2** actions that are 'live' and which we are monitoring. One of these relates to procedure notes for customer complaints; it is a low priority action and we have agreed to defer implementation until August 2020. The other relates to the backlog of new food premises for inspection. We understand that progress had been made but was halted due to the Covid-19 outbreak.

Client Satisfaction

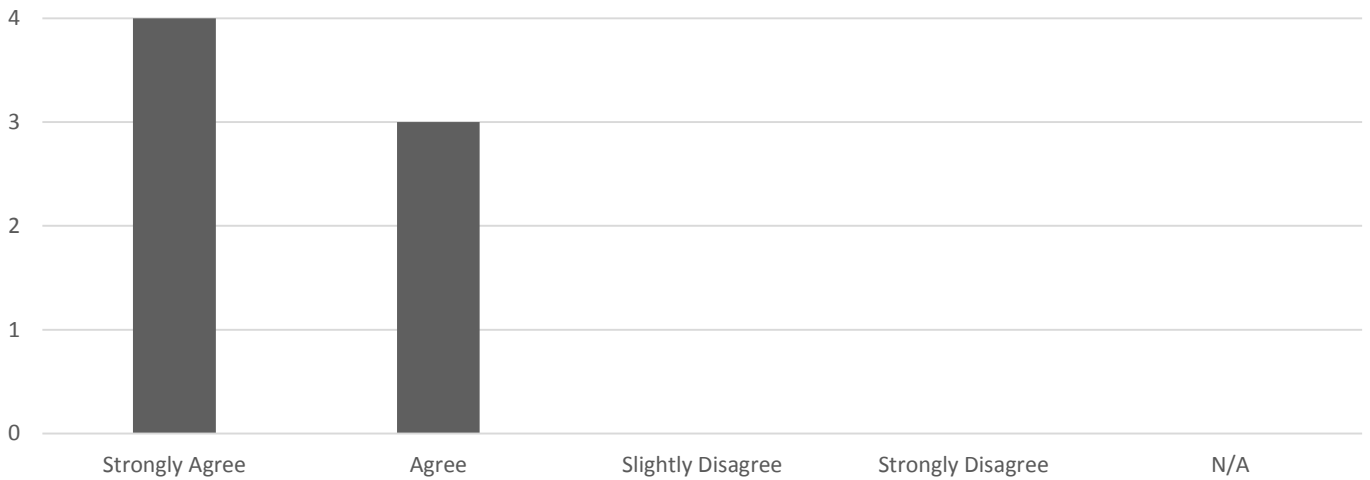
We issue a client survey each time that we complete a piece of audit work. Feedback is important, as it helps us to shape the future of the service – to protect areas of good practice, and to address areas where we need to improve.

We received 13 responses during 2019/20. Seven of the returned questionnaires were completed using the old manual questionnaire and the remaining 6 were completed using the new electronic and redesigned survey.

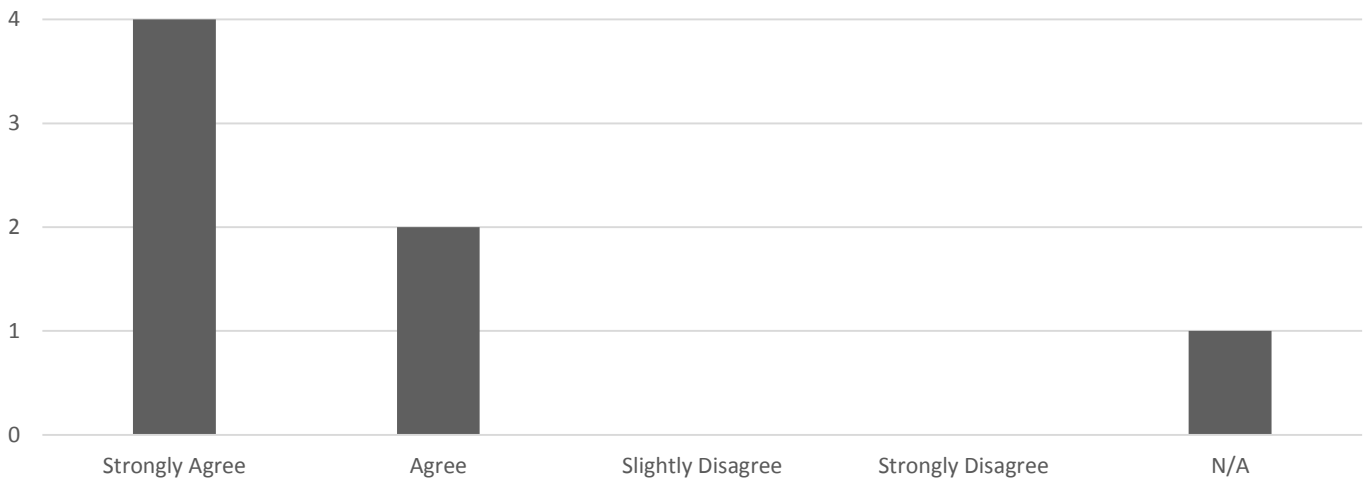
The following tables provide a summary of the responses received:



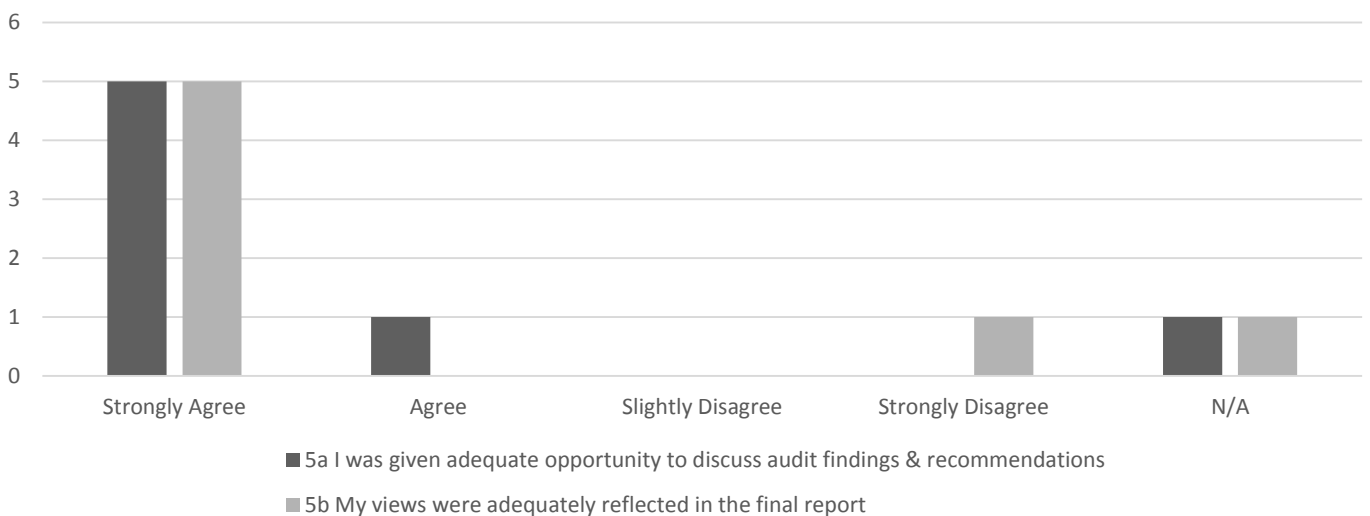
Q3. Audit grasped relevant issues



Q4. I am confident with the accuracy of the audit findings



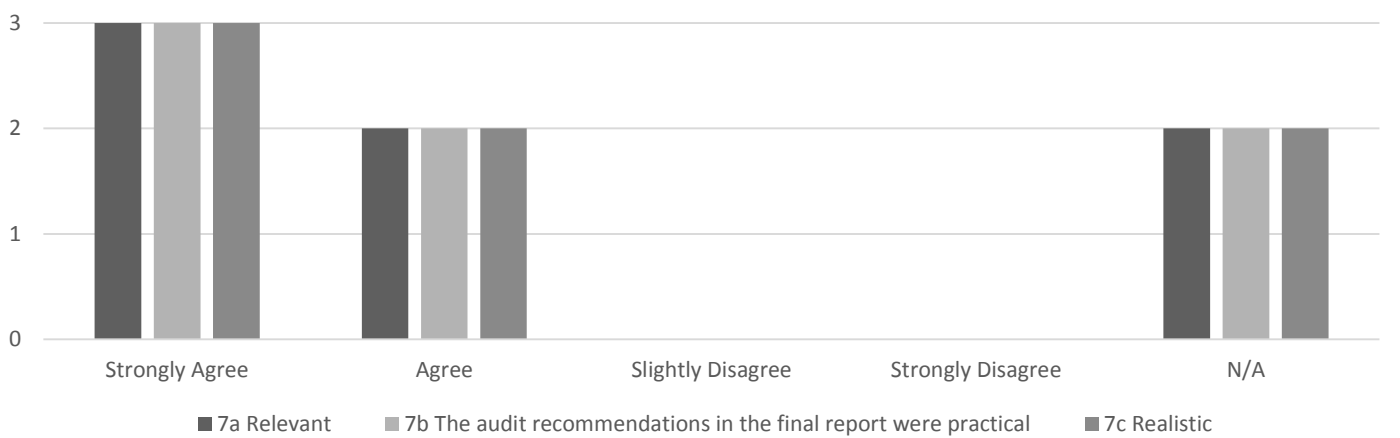
Q5. I was given the opportunity to....



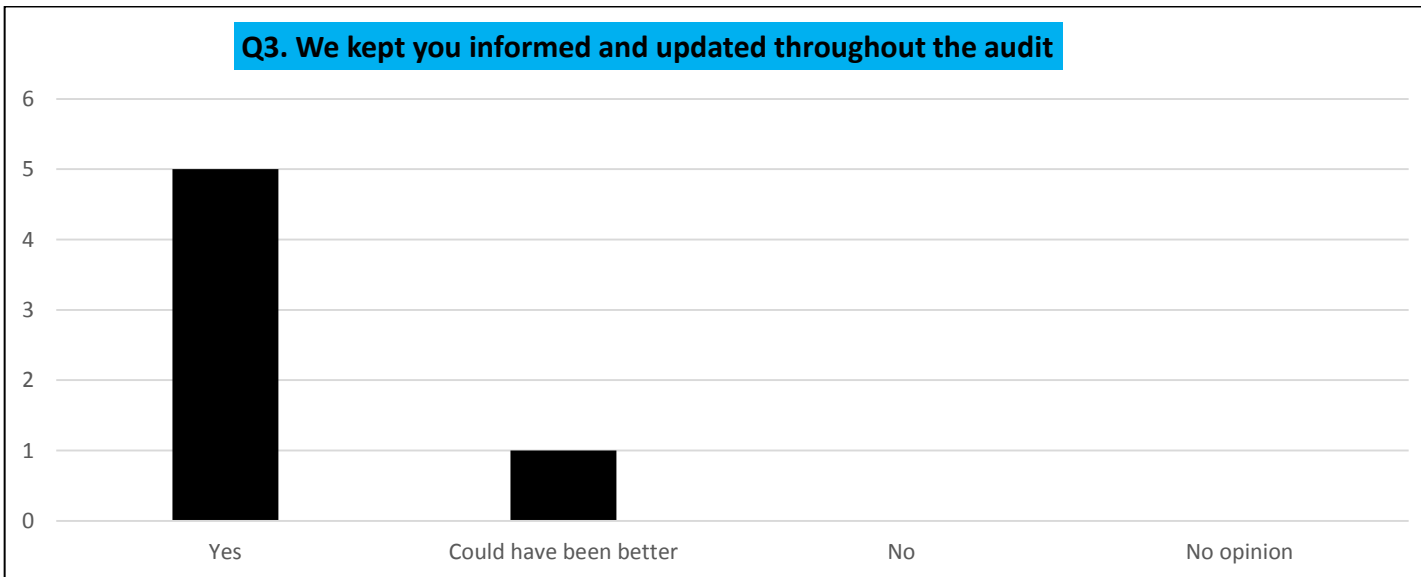
Q6. The audit report was.....



Q7. The audit recommendations were....



Redesigned questionnaire responses:



Q4. We were sensitive to your availability and workload



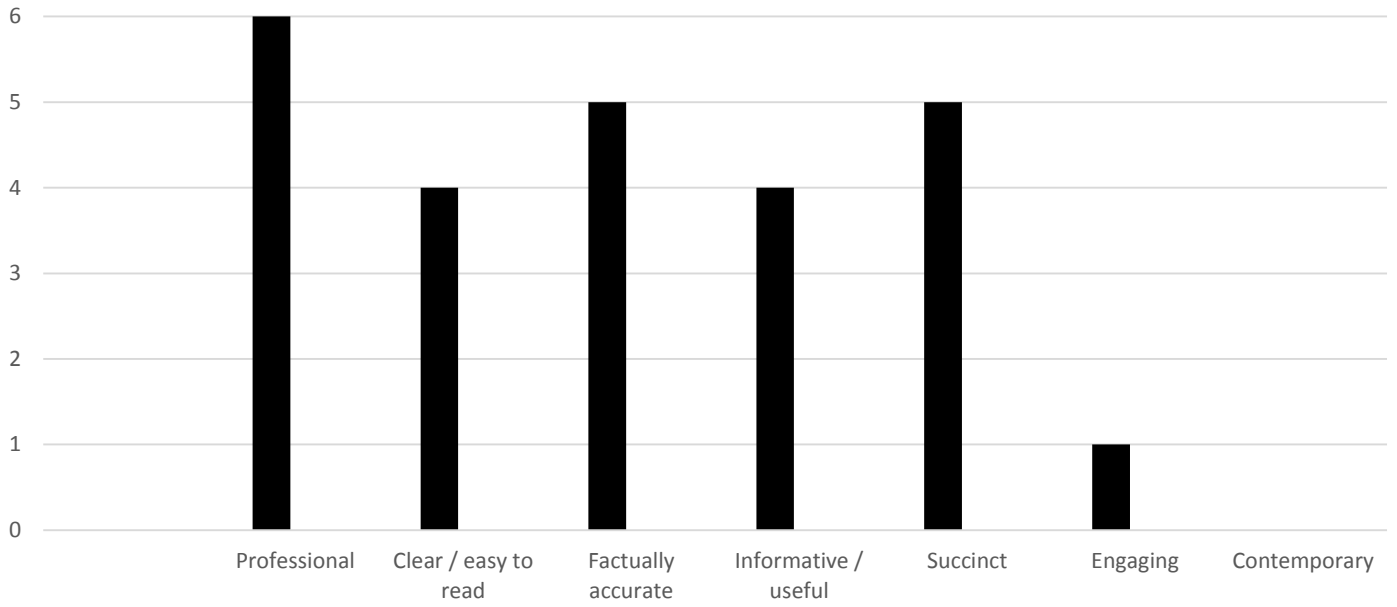
Q5. Did we demonstrate sufficient knowledge of the audit area (service area)?



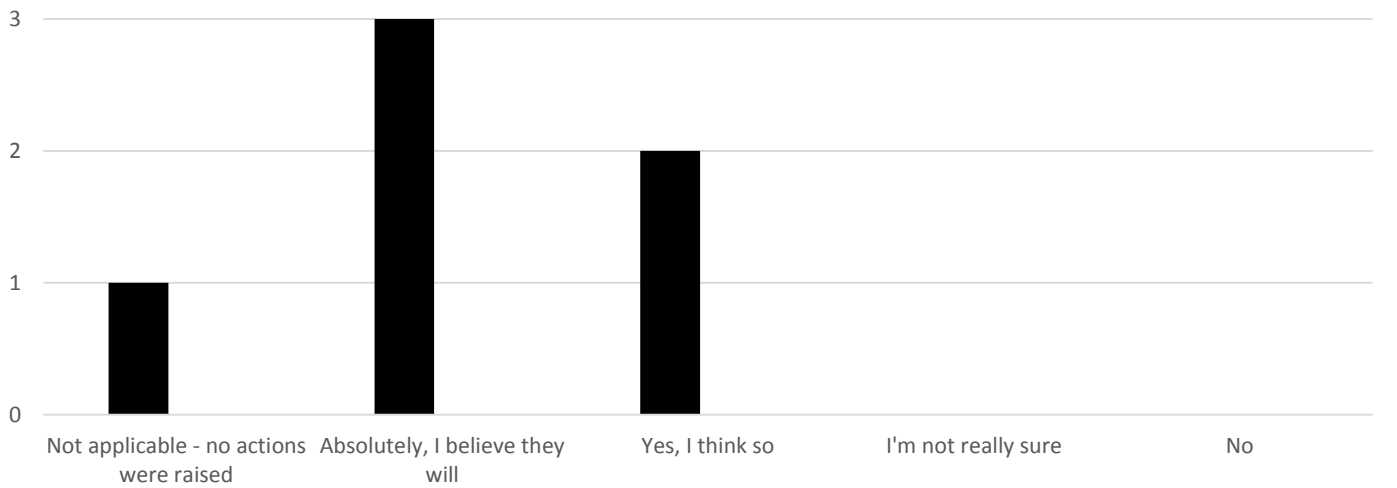
Q6. Did we conduct the audit in a professional and courteous manner?



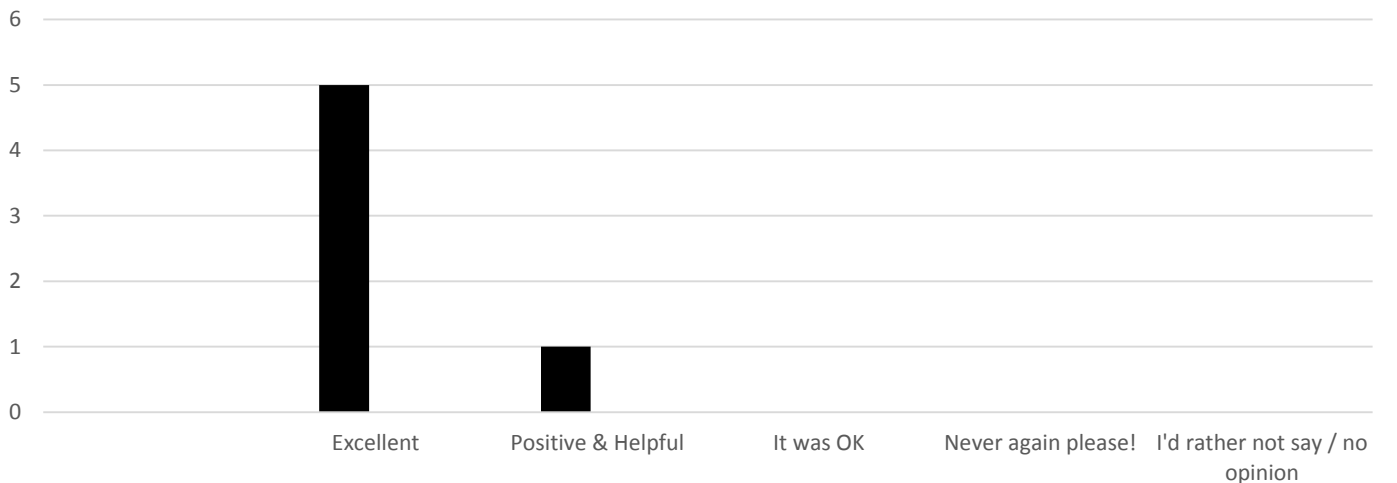
Q7. Our audit report was....



Q8. Do you believe the agreed actions will make a difference?



Q9. How would you rate your overall audit experience?



Q10. Could we have done anything better to improve your overall audit experience?

A	Not that I can think of
B	No
C	The audit experience was fine and the audit team responded positively to management comments on their draft findings.
D	No, it was professionally carried out and non-disruptive
E	No, not at all
F	Useful and helpful exercise and made us tackle an area which needed doing. Provided a useful framework and second view.

Governance

Corporate governance comprises the rules, practices and processes that direct and control the Council. It underpins everything we do, and includes:

- Systems
- Processes & Procedures
- Rules & Laws
- Management & Leadership
- Decision Making

We gain evidence of the effectiveness of the Council's governance through completion of our governance related audits on the audit plan, and also the work we undertake in an advisory or consultative capacity. This work includes:

- **Counter Fraud:** We consider the risk of fraud in all of our regular audit projects. During 2019/20 we have also supported the Council's response to the COVID-19 pandemic by completing counter-fraud checks on a large number of Business Support grants.
- **Whistleblowing (speaking-up):** The Committee reviewed and adopted the most recent policy in March 2017. The Audit Manager is a named officer in the policy, along with Senior Officers and the Chair of the Audit Committee. We received no official disclosures through the policy in 2019/20. The Whistleblowing policy and arrangements are in the process of being reviewed and updated.
- **Ad-hoc advice & Consultancy:** The Council has a number of working groups, and we sit, in an advisory capacity, on some in order to provide insight and a view from the risk and control perspective. Such groups include Safeguarding, Procurement and Data Sharing. In addition, contingency days built into the audit plan have been used to support the Council's Business Continuity Team to review all service areas business impact assessments during the COVID-19 pandemic and assist with the compilation of a strategic asset register. We also supported the Council in the preparation of the 2019/20 Annual Governance Statement. Lastly, in order to support the Council's response to COVID-19, some of the Audit team have been supporting Dartford Borough Council in front line services to ensure vulnerable residents have the food and support needed.

During 2019/20 we have raised no high priority findings with regards to governance.

Risk Management

Risk management is a vital element of corporate governance. It is important for the Council not only to be aware of key risks, but to also have processes in place to ensure that those risks are managed well, and where possible, impact is minimised.

Our audit work takes into account strategic and operational risk management, and our testing considers the effectiveness of the controls in place to manage those risks to acceptable levels. We also have a co-ordination role with regards to the risk management strategy, and will provide support, guidance and training across the Council to help improve our risk management arrangements.

The Council has a **Risk Management Group** which is chaired by the Audit Manager, and is in place to ensure that the Council develops and maintains an effective risk management process and that significant and emerging risk issues are captured and managed to an acceptable level. The Group comprises a cross-section of Managers from key service areas who advocate and champion risk across the Council. The Risk Management Group has not progressed plans to refresh the Council's risk management strategy. However, this will be a priority area for the Group in 2020/21.

We gain assurance over the effectiveness of the risk management process through our audit work, operational risk management and also strategic level risk. Strategic risks are owned by Strategic Management Team. The strategic risk register as a whole is reported annually to Audit Committee and was last reported in September 2019.

Compliance with Professional Standards

The [Public Sector Internal Audit Standards](#) (the Standards) require the Chief Audit Executive (CAE) to develop and maintain a quality assurance and improvement programme (QAIP) which includes both internal and external assessments of compliance with the Standards. Oversight of this programme is provided by the Audit Committee.

A paper regarding the forthcoming external assessment is presented as a separate agenda item.

The previous Audit Manager undertook a self-assessment which was reported to this Committee in September 2019 and presented compliance at 95%. As the new Audit Manager I am unable at the present time to confirm my agreement with this. I am in the process of undertaking a full, new self-assessment which will be used to inform the EQA.

Our quality process also includes provision for supervision and review of each audit and regular team training.

The Quality Assurance and Improvement Programme will be reviewed in 2020/21 to ensure that it is fit for purpose and meet the team's needs.

Performance

These measures have been developed not only to measure performance, but also to monitor quality improvement, compliance with Standards, and training & development. These were implemented across the Partnership in December 2018. The figures reported below represent the Partnership as a whole, for the period of 01 April 2019 – 31 May 2020:

01 April 2019 – 31 May 2020

Finance: Associated performance indicators		Internal processes: Associated performance indicators	
F1: Projects Completed within budgeted days		I1: Time taken between issue of the DRAFT and FINAL Audit Brief	
Indicator measures any variance between the days agreed on the final brief vs. the actual time coded on Teammate TEC	43%	Indicator measures the effectiveness of our project planning and time taken to prepare the work programme	Average 9 days
F2: Chargeable days (time)		I2: Time taken between the issue of the FEEDBACK and DRAFT report	
Indicator measures the actual chargeable activities against the assumptions made in the audit plan	Average 59%	Indicator measures the currency of our audit finding and effective engagement between Auditors and Clients	Average 18 days
F3: PSIAS conformance		I3: Time taken between issue of the DRAFT report and FINAL report	
Indicator measures effectiveness of the Quality Assurance & Improvement Programme (QIAP) to ensure compliance with professional Standards.	September 19 Self-Assessment 95%	Indicator measures the effectiveness of our process to finalise audit reports and issue the report in a timely manner	Average 13 days
Client satisfaction: Associated performance indicators		Learning & Development: Associated performance indicators	
C1: Overall client satisfaction with the audit experience		L1: Audit actions fully implemented within agreed timescales	
Indicator measures overall satisfaction levels, taking into account the audit approach, conduct, findings and competence of the auditor	34/36 94%	Indicator measures the successful implementation of audit actions and the effectiveness of our follow-up process	DBC 15/28 54% SDC 22/44 50%
C2: Respondents agreement with the audit actions		L2: Training & development days	
Indicator measures Client agreement to the audit findings and resulting actions from our audit work	36/39 92%	Indicator measures our investment and time spent on training and development against the assumptions made in the audit plan	36 Days (of 58 days)

Acknowledgements

It has been a significant year for the Audit Partnership, with the focus being on a team restructure and subsequent recruitment and induction. I would therefore like to take this opportunity to extend my public thanks to the hard work and resilience demonstrated by the team this year.

I would also like to thank Officers, Managers and Members for their continued support as we have undertaken our work. In particular, the Audit Committee whose oversight, assistance and challenge has enabled us to make significant progress in shaping the future of the Partnership.

Appendix I

Definitions of Assurance ratings:

OPINION	DEFINITIONS
<p>Full Assurance</p> <p>(no High or Medium priority actions)</p>	<p>A sound framework of control is in place that meets Council or service objectives. All expected controls tested are in place and are operating effectively.</p> <p>A review with this level of assurance will generally have no actions, or very few LOW priority actions. Agreed actions will be followed up as they fall due.</p>
<p>Substantial Assurance</p> <p>(no High priority actions)</p>	<p>There is generally a sound framework of control in place that meets Council or service objectives. However, there are isolated weaknesses in design of controls, or inconsistent application of controls, which puts the achievement of a limited number of objectives at risk.</p> <p>A review of this level of assurance may raise a number of MEDIUM priority actions. Agreed actions will be followed up as they fall due.</p>
<p>Limited Assurance</p>	<p>There are weaknesses within the framework of control or evidence of non-compliance with Council procedures or good practice, which puts the achievement of the Council's or service objectives in many of the areas reviewed at risk.</p> <p>A review with this level of assurance will raise one or more HIGH priority actions. Actions with a high priority should be acted on as soon as practical and will be followed up as soon as they fall due.</p>
<p>No Assurance</p>	<p>Key controls are absent from the framework of control. There are fundamental weaknesses identified with both the design and operation of the system under review. As a result, it is unlikely that Council or service objectives will be achieved.</p> <p>A review of this level may include a number of HIGH or CRITICAL priority actions. Actions of a critical level will be reported as soon as they are identified and escalated to the relevant Senior Manager. Actions to address the findings will be followed up as soon as they fall due.</p>

Audit Findings Priority Ratings

Priority	Definition
Critical	<p>Control weakness that could have a significant impact upon not only the system, function or process objectives, but also the achievement of the organisation's objectives in relation to:</p> <ul style="list-style-type: none">• the efficient and effective use of resources• the safeguarding of assets• the preparation of reliable financial and operational information• compliance with laws and regulations
High	<p>Control weakness that has or is likely to have a significant impact upon the achievement of key system, function or process objectives. This weakness, whilst high impact for the system, function or process does not have a significant impact on the achievement of the overall organizational objectives.</p>
Medium	<p>Control weakness that has a low impact on the achievement of the key system, function or process objectives; or This weakness has exposed the system, function or process to a key risk, however the likelihood of this risk occurring is low.</p>
Low	<p>Control weakness that does not impact upon the achievement of key system, function or process objectives; however implementation of the recommendation would improve overall control.</p>
Advisory	<p>Observations and areas for consideration, these findings are drawn from our shared experience of working across the Council and more widely with partners. These findings require no formal response and will not be followed up.</p>