

February 2016

Isle of Wight Council
FINAL Audit Committee Internal Audit Progress
Report

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1) Introduction and Internal Audit Overview

Introduction

This report presents a summary of the activities of Internal Audit for the period December 2015 to February 2016. It provides executive summaries for the three reports issued as final since the last meeting of the Audit Committee; it also details progress regarding the wider 2015/16 plan.

Internal Audit Overview

Summary of progress against 2015/16 plan

Following September's Audit Committee meeting we have finalised three of our quarter three reports, with fieldwork underway or imminent for our quarter four programme of work; updates are provided below regarding our delayed quarter one review of Adult Safeguarding and three of our quarter three reports, where finalisation has also been delayed:

- *Adult Safeguarding*: we reported to the Committee in December that, due to competing priorities within Adult Social Care, it had not proved possible to complete the sample testing element of the review. We are pleased to report that we have now concluded our sample testing and our fieldwork is substantively complete. The final element of our fieldwork to be completed will be a wide ranging online survey of those charged with safeguarding, both within the Council and third party organisations. This will occur once scheduled safeguarding training has been provided. This is due in February, with our survey scheduled to run in March.
- *Destination Management Organisation (DMO)*: fieldwork was delayed until January 2016, to allow more time for the Council to source documentary evidence regarding compliance with the expectations of the agreement with the DMO. Our fieldwork is now complete and the report is at the draft stage.
- *Economic Development*: we have completed our fieldwork and our report is at the draft stage. Finalisation has been delayed to allow time for the Council to source evidence regarding the ongoing engagement of senior officers and councillors with the Solent LEP, for example the regular meetings to coordinate activity attended by the Leader of the Council.
- *Waste*: we have completed our review of the arrangements the Council has in place to manage the new Waste Contract, which went live in November 2015. Finalisation has been delayed to allow further documentary evidence to be reviewed regarding waste disposal costs, which, while not specifically linked to the new Waste Contract, may impact on costs incurred by the Council.

All of the reports above are scheduled to be presented to the next meeting of the Audit Committee, in May 2016.

In December we reported that time freed by the postponement of the scheduled review of Property Assets had allowed us to undertake

an additional high level review, focussed on how ‘speed’ is specified in the Rural Broadband Contract and the mechanisms in place to ensure that the projected bandwidth is delivered. Our fieldwork is now complete; a summary will be included in our Progress Report presented to the next meeting of the Audit Committee, in May 2016.

We have also agreed to delay our scheduled review of the Council’s strategic partnership with Hampshire County Council for Children’s Services to quarter one, 2016/17. This will allow the review to be refocussed specifically on the Education side of the Partnership, ensuring that there are appropriate sustainable and affordable long term plans for how the Partnership will be managed in future.

During quarter four we have carried out an additional review of Newport Primary School, at the request of the Council’s Head of Internal Audit. Our fieldwork for this review is now complete and the report is in the process of being finalised. A summary of our findings will be presented to the next meeting of the Audit Committee.

Full details regarding the 2015/16 Plan is set out in Appendix 1 of this report.

TrAction

Current internal audit agreed action status reported from our TrAction action tracking tool, is shown below:

	2012/13	2013/14	2014/15
Open	30	31	87
Completed	62	52	33

The performance above is disappointing – if agreed actions are not implemented in a timely manner then control and efficiency findings reported by internal audit have not been addressed as intended by the agreed actions proposed by management and the risk remains unaddressed. However we are aware from our wider audit work that there are likely to be actions which while implemented have not had evidence uploaded to TrAction to allow implementation to be validated and actions to be closed. This is linked to significant changes in staffing at the Council in the last 12 months, which has resulted in a number of actions no longer having owners who are employed by the Council.

In our 2016/17 Internal Audit Plan, covered under a separate agenda item, the Committee will note that from April 2016 we will be taking ownership of actively following up actions stemming from our internal audit programme of work, previously the responsibility of Council staff. Our initial focus will be to ensure that all actions have correct ownership and to source evidence for implementation for actions which are flagged as open from 2012/13 and 2013/14.

Summary of performance against key performance indicators


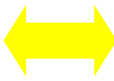
We have met the key performance indicators which were within internal audit's control in relation to providing a high quality internal audit service to the Council. We are pleased to report that our average customer satisfaction score for 2015/16, based on six returned Customer Satisfaction surveys, is 9.5 out of 10.

Full details of performance against key performance indicators for 2015/16 can be found in Appendix 2 within this report.

2) Executive Summaries from Internal Audit Reports

In this Section we provide the executive summaries for the three reports which have been issued as final since the Audit Committee last met in December 2015.

Executive summary – Value for Money

Report classification  Medium Risk	Trend  We have not previously reviewed Vfm	Total number of findings					
			Critical	High	Medium	Low	Advisory
		Control design	0	0	3	3	0
		Operating effectiveness	0	0	0	0	0
		Total	0	0	3	3	0

Summary of findings:

The Council has been under increasing financial pressure throughout the last five years and has faced an unprecedented challenge as a result of reduced central government funding. The effects of successive grant settlements will continue to impact on the Council’s resources in future years.

This means that the Council must implement measures to live within its means, focusing on its four priorities as described within the 2015-17 Corporate Plan. In the context of scarce resources, it is therefore essential that value for money (VFM) is secured.

The National Audit Office (NAO) uses three criteria to assess the value for money of government spending, i.e. the optimal use of resources to achieve the intended outcomes:

- *Economy*: minimising the cost of resources used or required (inputs) – spending less.
- *Efficiency*: the relationship between the output from goods or services and the resources to produce them – spending well.
- *Effectiveness*: the relationship between the intended and actual results of public spending (outcomes) – spending wisely.

Value for money at the Council has been driven by the need to make savings. The council has delivered savings of £50m since 2011/12, and has plans in place to deliver further savings of £17m in 2016/17.

We have undertaken a review of value for money controls at the Council.

(i) VFM Strategy

There is a document called the ‘Value for Money Strategy’ in place, also known as the framework, however this is out of date, having not been reviewed or updated since its initial approval in September 2011. As such, this document references a number of other outdated Council plans and strategies, and does not present a tailored view of the Council’s approach to value for money in the context of the current external environment.

This framework does not clearly define roles and responsibilities in respect of value for money, both at member and officer level, across the Council. However, the Council’s Constitution provides additional clarity over this area, defining it as the role of audit committee members and chief officers to deliver value for money, and explaining that every contract entered into by the Council must demonstrate value for money. The framework also does not comprehensively cover all Council activities which could contribute towards value for money, for example Information Technology. The framework should also be clearly linked to the Council’s four priorities. We have incorporated these observations into a **medium risk** finding.

It is important that value for money is embedded into relevant policies and strategies across the Council. Following discussions with the Business Improvement Manager, we reviewed several relevant documents, policies and strategies to ensure that value for money had been appropriately referenced and considered. As a result of this work, we noted three instances where policies did not reference value for money, and ten instances where the policies themselves were out of date. We have raised this as a **medium risk** finding.

From an officer perspective, scrutiny of spending decisions for externally provided goods and services falls within the remit of the Procurement Board. However, the Council should consider their approach at a strategic level to other sourced spend such as ongoing contract management, partnerships, in house activity and grant sourced spend, ensuring that all services implement a consistent approach. However it was noted that services are also scrutinised by Target Groups, Service and Budget Review Groups, and the Star Chamber, which have all in their turn, dealt with issues regarding ongoing contract management.

We have raised this as a **medium risk** finding

(ii) Implementation

In order to ensure the strategy is effective, it needs to be implemented by senior forums at both a member and officer level.

As described above, the Procurement Board, comprised of Council officers, is an important forum in this respect. However, the Procurement Board was suspended in September 2015, having typically met weekly throughout the year in person until this point in time. Through conversations with key personnel, it was explained that this occurred as a result of a project aiming to re-evaluate the Council wide procurement process. As a consequence, cases were dealt with on an exception basis after this point, inviting members to provide comment over email. The relaxation in approach during the period of board suspension is potentially not inclusive or immediate enough to ensure a robust consideration of value for money, however officers commented that decisions would still be scrutinised by a range of professionals in the Council at senior level on a case-by-case basis.

The 'Call Over' is a body made up of Senior Management representatives who have oversight over key decision making at the Council. The Call Over typically meet weekly, and as such we reviewed meeting minutes to ensure that the strategy was being implemented by this group. However, we were not able to evidence that value for money had been specifically considered during their meetings. We have incorporated this, and the issues with the procurement board, into a **low risk** finding.

The Executive Board aligns decision making with corporate objectives, ensuring that value for money is considered as part of the decision record. From our review of Executive Board meeting minutes, we noted that value for money is frequently considered in this context.

From a Member perspective, the Audit Committee have various oversight responsibilities in respect of value for money. These responsibilities include challenging the delivery of value for money by officers; periodically reviewing arrangements for managing contracts and securing value for money from contractors; and reviewing the Council's annual value for money self-assessment.

In order for the Value for Money Framework to be effectively implemented, it is important that all staff play their part and a bottom-up approach of participation is encouraged, including consideration of value for money as part of routine decision making. As part of our work, we noted that the Council lack robust mechanisms which encourage staff to take ownership of value for money, with the aim of embedding it as business as usual. Although organisational change updates are published in the weekly newsletter sent to Council employees called 'The Vine', this is not a key control and as such we have raised this as a **low risk** finding.

(iii) Monitoring, Reporting and Alignment with Good Practice

To ensure that the value for money process is effectively monitored and reported, it is key that relevant forums have an agreed terms of reference, appropriate membership, meet with sufficient regularity and are formally managed with minutes and agendas produced.

As noted above, the suspension of the Procurement Board has meant that meetings were not conducted as formally as previously, although it was noted that the board could be convened if required. On an exception basis members would be emailed regarding their thoughts on procurement decisions. Although membership of the group had been reduced to four members, the Board is comprised of senior officers with appropriate knowledge and experience.

Upon an inspection of the board's terms of reference, it was noted that the document had not been updated since 2012, with scrutiny over value for money not

being specifically mentioned within the remit of responsibilities. Furthermore, the terms of reference does not follow a standard Council format.

Likewise, the Call Over terms of reference do not explicitly describe that value for money is within its remit. Although it was noted that the terms of reference had been recently reviewed, the document again does not follow a standard Council format. We have incorporated these issues into the low risk finding raised within the implementation section above.

Benchmarking is an important tool which can provide insight into the VFM of Council activities and functions. A more consistent and considered approach to VFM benchmarking should be implemented and included in the revised VFM Framework. This has been raised as a **low risk** finding.

Through conversations with key personnel, although value for money is continually under review at the Council it was noted that there has been a focus on economy in response to the required budgetary cuts, potentially at the expense of efficiency and effectiveness. Although it is recognised that economy is important in the current climate, the Council should seek to ensure that all VFM elements are considered when making decisions and that this principle is clearly articulated in the revised VFM Framework.

Executive summary – Schools

Total number of findings					
School	Critical	High	Medium	Low	Advisory
Overarching	0	0	✓	0	0
Brading CE Primary School	0	0	✓	0	0
Brighstone CE Primary School	0	0	✓	0	0
Nettlestone Primary School	0	0	✓	0	0
Nine Acres Community Primary School	0	0	0	✓	0
St Helens Primary School	0	0	✓	0	0
Total	0	0	5	1	0

Summary of findings:

Five Schools were selected for audit. The reviews focused on four key areas; Budgeting, Income, Management of Unofficial Funds and Expenditure Transactions. We have also assessed whether there are any major discrepancies from the results of our audit work and each school's submitted SFVS (School's Financial Value Standard) assessment.

The five schools reviewed were:

- Brading CE Primary School
- Brighstone CE Primary School
- Nettlestone Primary School
- Nine Acres Community Primary School
- St Helens Primary School

The overall results of the audit have been detailed within this summary, with a specific finding covering issues applicable across the schools' portfolio. The specific findings have been communicated to each school prior to the issuing of the audit report. In summary:

Issues applicable to all schools: While each school had differing specific issues, there were a number of common control issues identified. The Council should consider addressing these issues centrally across all Council schools:

- The Council do not provide feedback and challenge on financial monitoring statements, submitted by the schools in the year, therefore limiting the ability to identify and correct errors and inaccuracies. Monitoring statements outline the school's actual income and expenditure in the year to the submitted budget. The Council should challenge the school on large variances reported to the budget to ensure the accuracy of the report and any large variances are explained.
- Schools do not consistently monitor Pupil Premium Grant (PPG) Expenditure throughout the financial year.
- The majority of the sampled schools' SFVS were submitted after the SFVS deadline.
- The procedures and controls in place over unofficial funds were inconsistent.
- Most schools do not use online banking potentially missing an efficiency opportunity.

- The Council do not provide finance training to new school business managers to support them to perform the required procedures outlined in the SFVS to the required standards. The schools reviewed indicated this limits their ability to meet a number of requirements outlined in the SFVS and by Hampshire County Council (HCC). We have raised these issues in a combined **medium risk** finding.

Brading CE Primary School: Brading CE Primary School financial controls are rated as **medium risk**. Our main findings concerned pre-employment checks on supply teachers, late submission of the 15/16 budget and required improvements to debt collection procedures.



Brighstone CE Primary School: Brighstone CE Primary School financial controls are rated as **medium risk**. Brighstone met all the prescribed Council deadlines, filing their budget on time as well as meeting the national deadline in filing their SFVS. Our main findings concerned the authorisation of budget virements prior to processing, tracking of PPG expenditure, clarity over income payment terms and expenditure authorisations.

Nettlestone Primary School: Nettlestone Primary School financial controls are rated as **medium risk**. Our main findings concerned review of new employee's payroll data prior to uploading to the payroll, tracking of PPG expenditure, clarity over income payment terms and expenditure authorisations.

Nine Acres Community Primary School: Nine Acres Community Primary School financial controls are rated as **low risk**. Our main findings concerned PPG expenditure tracking and reporting and clarity over expenditure approval levels.

St Helens Primary School: St Helens Primary School financial controls are rated as **medium risk**. Our main findings concerned PPG expenditure tracking, the development of additional income stream and clarity of expenditure authorisation limits.

Executive summary – Local Taxation

Report classification  Low Risk	Trend  Consistent risk rating with prior year	Total number of findings					
			Critical	High	Medium	Low	Advisory
		Control design	0	0	0	1	0
		Operating effectiveness	0	0	0	2	1
Total		0	0	0	3	1	

Summary of findings:

The Council receives a significant amount of its Local Taxation income from Council Tax and Non-Domestic Rates (NDR), with the responsibility for the collection of both falling under the remit of the Revenues department at the Council. The Northgate system is used to record information, in conjunction with the Civica system, on properties and individuals/businesses that are liable to pay Council Tax and Business Rates. Charges are revised on an annual basis and bills are raised using property bandings provided by the Valuation Office. We have undertaken a review of local taxation controls at the Council. Our key findings have been set out below.

(i) Billing

Council Tax charges are based on a banding report that is updated and approved by the Council on an annual basis, with rates split by Council Tax bands and location. In order to agree these were charged accurately a sample of thirty properties were tested. Through the testing it has been identified that Council Tax has been billed accurately. Five had slight, but acceptable, rounding differences of £0.01 between the Council's charge in Northgate and the agreed charges per the Council Tax banding spreadsheet. NDR is billed based on the rates stated by the VOA (Valuation Office Agency), these are updated annually. In order to test if these had been accurately billed, a sample of 30 were tested with no issues noted. In addition to billing, schedules of alterations were also tested to ensure alterations were timely. A sample of twenty five alterations were tested, with no issues noted.

(ii) Recording of income on Northgate

A daily reconciliation takes place between AXIS, Northgate and SAP for totals of daily income collections. AXIS records information from all local points of receiving income i.e. post offices. Every evening an interface file is created between AXIS and Northgate to record the daily cash intake, in doing so Northgate informs the cash officers of the posting to Northgate. SAP is the accounting software used to manage the Council's financial accounts, the daily cash receipts are input into the accounting system. A reconciliation between the three systems takes place to ensure income is correctly and accurately recorded by the Council. The reconciliation procedure documentation has been obtained and agreed as accurate. A walkthrough of the process was completed to ensure accurate implementation of the controls, alongside sample testing of 20 income items, to ensure that income is accurately recorded. The testing identified no issues, confirming income is accurately recorded within the Council. As well as this, monthly Corvu reports are produced, which outline the revenue and benefits performance statistics on a monthly and yearly basis. Reports have been obtained and analysed, no issues have been noted with the Corvu process and analysis of Corvu reports.

(iii) Debt Recovery and write-off's

The Council have a defined process in place for recovering debtor balances. The procedure document was obtained and analysed, however we noted the procedure document was overdue the required annual review. This has been raised as a **low risk** finding.

In order to test the operation of the controls in place for debt recovery a sample of twenty five outstanding debtor balances has been tested. It was noted that six, which were with the bailiffs, did not seem to be progressing as the Council had received no payments five months into their relationship with the bailiffs. An **advisory finding** has been raised over the process undertaken, particularly regular review of the Council's relationship with bailiffs. Write offs have also been analysed, with no issues noted over the process and procedures undertaken by the Council. All write offs appear reasonable and valid, with appropriate authorisation.

(iv) Suspense accounts

Unreconciled receipts are held in designated suspense accounts for both Council Tax and NDR. We noted that the volume of transactions going through the accounts was relatively small in size and volume compared to the total taxation collected throughout the year. The Council Tax suspense account recorded 67 receipts totalling £17,473 in the year to date, while the NDR suspense account recorded 12 receipts totalling £6,409. The suspense accounts are reviewed daily to match off unallocated receipts with payment information received. Although it is the aim, suspense accounts are not always cleared to zero by the month end if relevant information is not available. Given our review of the suspense accounts identified that receipts are promptly cleared, we have determined this approach reasonable.

(v) Reconciliations

A monthly reconciliation of both Council Tax and NDR is performed between Northgate and the general ledger, SAP. We noted that discrepancies are promptly resolved, however, our sample testing noted that the September 2015 reconciliation had been reviewed a couple of months late. This was an isolated incident, with all other reconciliations being completed and reviewed within one month, as such this has been raised as a **low risk** finding.

(vi) Cost effectiveness and business rates retention

Tax can be paid by the public through a variety of different payment methods, including direct debit, through internet banking, over the phone and by using All Pay. In recognition of its cost effectiveness, the Council's preferred option of receipt is by direct debit. The public are encouraged to use this method, for example the Council's website lists seven reasons to change to direct debit. Monthly monitoring is also performed over the percentage, value and volume of receipts received by direct debit, detailing a total BACS cost per month.

Through conversations with key personnel, it was noted that Council have not calculated the individual cost of all receipt methods available to the public. Although direct debit is the preferred approach, calculating this information would assist with decision making in respect of shifting the public away, or suspending, ineffective methods. We have raised this as a **low risk** finding.

In establishing an accurate collectable business rates income figure for the financial year, it is important that appeal proceedings are carefully forecasted as losses have the potential to materially reduce income. Due to a safety net mechanism, any business rate loss is capped at 7.5% which limits the level of financial risk to which the Council are exposed, however a level of volatility and uncertainty remains. As such, the Council have responded by performing monthly monitoring to forecast the outstanding appeals value. Through our testing, we confirmed that business rates retention has been kept under review, with levels monitored against expectations.

(vii) Follow up

As part of our current year work, we investigated whether the agreed actions from our 2014/15 Local Taxation internal audit review had been implemented. Within the prior year review, we raised two low risk and one advisory finding. In summary, we identified that the agreed actions relating to the two low risk findings had been fully implemented, with the agreed action relating to the advisory finding being partially implemented by the Council. However as per TrAction,, the Council's internal audit agreed action tracking software, all three agreed actions had been registered as being fully completed.

Classification of report findings





Assessment rationale

Finding rating	Effect on Service	Embarrassment/ reputation	Personal Safety	Personal privacy infringement	Failure to provide statutory duties/meet legal obligations	Financial	Effect on Project Objectives/ Schedule Deadlines
Critical	<p>A finding that could result in a:</p> <ul style="list-style-type: none"> Major loss of service, including several important areas of service and /or protracted period. Service Disruption 5+ Days 	<p>A finding that could result in:</p> <ul style="list-style-type: none"> Adverse and persistent national media coverage Adverse central government response, involving (threat of) removal of delegated powers Officer(s) and/or Members forced to resign 	<p>A finding that could result in:</p> <ul style="list-style-type: none"> Death of an individual or several people 	<p>A finding that could result in:</p> <p>All personal details compromised/ revealed</p>	<p>A finding that could result in:</p> <ul style="list-style-type: none"> Litigation/claims/ fines from Department £250k + Corporate £500k + 	<p>A finding that could result in:</p> <ul style="list-style-type: none"> Costs over £500,000 	<p>A finding that could result in:</p> <ul style="list-style-type: none"> Complete failure of project/ extreme delay – 3 months or more
High	<p>A finding that could result in a:</p> <ul style="list-style-type: none"> Complete loss of an important service area for a short period Major effect to services in one or more areas for a period of weeks Service Disruption 3-5 Days 	<p>A finding that could result in:</p> <ul style="list-style-type: none"> Adverse publicity in professional/ municipal press, affecting perception/ standing in professional/local government community Adverse local publicity of a major and persistent nature 	<p>A finding that could result in:</p> <ul style="list-style-type: none"> Major injury to an individual or several people 	<p>A finding that could result in:</p> <p>Many individual personal details compromised/ revealed</p>	<p>A finding that could result in:</p> <ul style="list-style-type: none"> Litigation/claims/ fines from Department £50k to £125k Corporate £100k to £250k 	<p>A finding that could result in:</p> <ul style="list-style-type: none"> Costs between £50,000 and £500,000 	<p>A finding that could result in:</p> <ul style="list-style-type: none"> Significant impact on project or most of expected benefits fail/ major delay – 2-3 months

Finding rating	Effect on Service	Embarrassment/reputation	Personal Safety	Personal privacy infringement	Failure to provide statutory duties/meet legal obligations	Financial	Effect on Project Objectives/Schedule Deadlines
Medium	<p>A finding that could result in a:</p> <ul style="list-style-type: none"> Major effect to an important service area for a short period Adverse effect to services in one or more areas for a period of weeks <p>Service Disruption 2-3 Days</p>	<p>A finding that could result in:</p> <ul style="list-style-type: none"> Adverse local publicity /local public opinion aware Statutory prosecution of a non-serious nature 	<p>A finding that could result in:</p> <ul style="list-style-type: none"> Severe injury to an individual or several people 	<p>A finding that could result in:</p> <ul style="list-style-type: none"> Some individual personal details compromised/ revealed 	<p>A finding that could result in:</p> <ul style="list-style-type: none"> Litigation/claims/ fines from Department £25k to £50k Corporate £50k to £100k 	<p>A finding that could result in:</p> <ul style="list-style-type: none"> Costs between £5,000 and £50,000 	<p>A finding that could result in:</p> <ul style="list-style-type: none"> Adverse effect on project/ significant slippage – 3 weeks–2 months
Low	<p>A finding that could result in a:</p> <ul style="list-style-type: none"> Brief disruption of important service area Significant effect to non-crucial service area <p>Service Disruption 1 Day</p>	<p>A finding that could result in:</p> <ul style="list-style-type: none"> Contained within section/Unit or Directorate Complaint from individual/small group, of arguable merit 	<p>A finding that could result in:</p> <ul style="list-style-type: none"> Minor injury or discomfort to an individual or several people 	<p>A finding that could result in:</p> <ul style="list-style-type: none"> Isolated individual personal detail compromised/ revealed 	<p>A finding that could result in:</p> <ul style="list-style-type: none"> Litigation/claims/ fines from Department £12k to £25k Corporate £25k to £50k 	<p>A finding that could result in:</p> <ul style="list-style-type: none"> Costs less than £5,000 	<p>A finding that could result in:</p> <ul style="list-style-type: none"> Minimal impact to project/ slight delay less than 2 weeks
Advisory	A finding that does not have a risk impact but has been raised to highlight areas of inefficiencies or good practice.						

Report classifications

Findings rating	Points
Critical	40 points per finding
High	10 points per finding
Medium	3 points per finding
Low	1 point per finding

Report classification	Points
 Low risk	6 points or less
 Medium risk	7– 15 points
 High risk	16– 39 points
 Critical risk	40 points and over

Appendix 1 -Progress on the 2015/16 internal audit plan

Audit name	Fee	Current Status	Report classification for those audits completed
Adult Safeguarding	£7,016	Draft Report	-
Benefit Payments	£4,618	Final Report	Low Risk
Business Continuity, IT Disaster Recovery and Data Centre	£8,892	Fieldwork	-
Contract management	£8,295	Fieldwork	-
Coroners	£7,016	Draft Report	-
Destination Management Organisation	£7,016	Draft Report	-
Economic Strategy	£7,016	Draft Report	-
Fire Partnership Project	£7,016	Final Report	Low Risk
Flood and Water Management Act Responsibilities	£7,016	Fieldwork	-
Fraud & corruption arrangements	£7,016	Final Report	N/A
Hampshire Strategic Partnership*	£7,016	Postponed to 2016/17	-
Highways PFI	£7,016	Fieldwork	-

Audit name	Fee	Current Status	Report classification for those audits completed
IT application: Northgate	£7,016	Fieldwork	-
IT application: SAP	£7,016	Fieldwork	-
IT Network Security	£8,892	Final Report	Medium Risk
IT Strategy	£7,016	Final Report	Medium Risk
Key Financial Systems	£8,228	Fieldwork	-
Local Taxation	£4,618	Final Report	Low Risk
Pensions Governance	£4,618	Draft Report	-
Property Assets**	£7,016	Postponed to 2016/17	-
Schools' Audits	£5,311	Final Report	N/A
Transformation Programme	£7,016	Final Report	Medium Risk
Value for Money	£4,618	Final Report	Medium Risk
Waste	£7,016	Draft Report	-

* As reported to the Audit Committee above our scheduled review of the strategic partnership with Hampshire County Council for Children's Services has been postponed to quarter one 2016/17, to allow the review to be refocussed specifically on the Education side of the partnership, ensuring that there are appropriate sustainable and affordable long term plans for how this partnership will be managed in future.

** As reported to the Committee in December 2015 our scheduled review of Property Assets has been postponed to quarter one 2016/17, resourced freed being used to increase the seniority of staff and coverage of our quarter two fraud review and additional work on the Rural Broadband Project.

Appendix 2 - Internal audit performance against key performance indicators 2015/16

Key performance indicator	Adult Safeguarding	Benefit Payments	Business Continuity, IT Disaster Recovery and Data Centre	Contract management	Coroners	Destination Management Organisation	Economic Strategy	Fire Partnership Project	Flood and Water Management Act Responsibilities	Fraud & corruption arrangements	Hampshire Strategic Partnership*	Highways PFI	IT application: Northgate	IT application: SAP	IT Network Security	IT Strategy	Key Financial Systems	Local Taxation	Pensions Governance	Property Assets**	Schools' Audits	Transformation Programme	Value for Money	Waste
Scope agreed prior to fieldwork commencing?	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	-	Y	Y	Y	Y	Y	Y	Y	Y	-	Y	Y	Y	Y
Exit meeting held?	-	Y	-	-	Y	-	Y	Y	-	Y	-	-	-	-	Y	Y	-	Y	Y	-	Y	Y	Y	Y
Draft report issued within 10 working days of completion of exit meeting?	-	Y	-	-	Y	-	Y	Y	-	Y	-	-	-	-	Y	Y	-	Y	Y	-	Y	Y	Y	Y
Draft report issued within 10 working days of receiving documentation from auditee?	-	Y	-	-	Y	-	Y	Y	-	Y	-	-	-	-	Y	Y	-	Y	Y	-	Y	Y	Y	Y
Management response received?	-	Y	-	-	Y	-	Y	Y	-	Y	-	-	-	-	Y	Y	-	Y	Y	-	Y	Y	Y	Y
Final report issued within five working days of agreement of management response?	-	Y	-	-	-	-	-	Y	-	Y	-	-	-	-	Y	Y	-	Y	-	-	Y	Y	Y	-
Client satisfaction survey score (if received)?	-	8.6	-	-	-	-	-	10	-	-	-	-	-	-	10	9.8	-	9	-	-	-	9.6	-	-

* As reported to the Audit Committee above our scheduled review of the strategic partnership with Hampshire County Council for Children’s Services has been postponed to quarter one 2016/17, to allow the review to be refocussed specifically on the Education side of the partnership, ensuring that there are appropriate sustainable and affordable long term plans for how this partnership will be managed in future.

** As reported to the Committee in December 2015 our scheduled review of Property Assets has been postponed to quarter one 2016/17, resourced freed being used to increase the seniority of staff and coverage of our quarter two fraud review and additional work on the Rural Broadband Project.