

By: Neeta Major – Interim Head of Internal Audit
To: Governance and Audit Committee – 18 April 2012
Subject: **Internal Audit Progress Report**
Classification: Unrestricted

Summary: This report summarises the outcomes of Internal Audit activity since the November 2011 Governance and Audit Committee.

FOR ASSURANCE

Introduction

1. This report summarises:
 - the key findings from Internal Audit reviews;
 - implementation of agreed high and medium priority recommendations;
 - progress against, and amendments to, the 2011/12 Internal Audit Plan since the last report to the Governance and Audit Committee; and
 - achievement against Internal Audit's Key Performance Indicators.

Overview of Progress

2. This report details the outcome of Internal Audit work completed, at draft report stage or in progress for November 2011 to March 2012. During this period fourteen audits were finalised and thirteen draft reports were issued. Further details of the final reports issued can be found at Annex A.
3. Annex B shows the progress of Directorates in the implementation of the agreed recommendations arising from our audit reports.
4. Progress against the Audit Plan for 2011/12 is shown in Annex C; this shows an increase from 33% to 87% since the last progress report to Governance and Audit Committee.
5. Annex D shows amendments to the Audit Plan. There are 6 additional audits to the 2011/12 Internal Audit plan. A further 5 audits have been carried forward from the plan to 2012/13. Reasons for the amendments made are shown in the Annex.
6. Annex E provides detail of our progress against the agreed Internal Audit Key Performance Indicators for the 2011/12 year.

Implications for Governance

7. No significant control weaknesses have been identified from the audits completed in the current financial year. All audits are allocated one of four assurance levels which are defined in Annex F.

Recommendation

8. Members are asked to note:

- the amendments to, and progress against, the 2011/12 Audit Plan.
- the assurance provided in relation to the Council's control environment as a result of the outcome of Internal Audit work completed to date.

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Summaries of Completed Audits

Revenue Budget Monitoring**Scope**

The overall objective of the audit was to provide assurance that the revenue budget monitoring process ensures that revenue income and expenditure is properly recorded and reviewed. This provides forecasts that can be relied upon to identify potential issues in time for corrective action to be taken.

Overall assessment - substantial

Substantial assurance was given as there are no significant issues that require management attention.

The current revenue budget monitoring process is sufficiently sound to report an accurate financial position to senior management and Members; however this is heavily reliant on substantial input from the finance officers who provide advice and support to budget managers. A corporate led training programme and improved access to Oracle financial systems for budget managers is now in place to provide them with the tools required to report their financial positions accurately with reduced assistance from finance officers.

We have made recommendations to improve on existing controls that management have accepted. None of the recommendations made were high priority.

Medium Term Financial Plan**Scope**

The overall objective of the audit was to provide assurance on the management arrangements for the preparation, monitoring and review of the Medium Term Financial Plan (MTFP). The work assessed the process for developing this key planning document, designed to ensure that future resources and service planning are closely aligned.

Overall assessment – Substantial

The MTFP is an important part of the Council's financial governance arrangements; it provides the necessary assurance on prudential stewardship and will support the overall Strategic Plan, "Bold Steps for Kent". The changed approach outlined in "Bold Steps for Kent" will mean that the Council will need to provide services with less funding available and recognise that the structure for service provision will need to change to meet this challenge.

'Substantial' assurance was given as there is a process in place to ensure that the MTFP is compiled within given timescales. It is written in line with other strategic documents within the Council. Project Initiation Documents had been written for savings targets over £200,000 and progress against those targets is reported to Policy Overview and Scrutiny Committees and Cabinet. Data from the previous year's MTFP feeds into the current year's plan and progress against the plan is monitored closely.

Recommendations raised in relation to this audit were procedural and will support accuracy and efficiency in compiling the MTFP in future years. There were no high priority recommendations raised as a result of this audit.

Summaries of Completed Audits

Payroll**Scope**

The overall objective of the audit was to provide assurance that adequate and effective controls are operating within the Council's Payroll system. The controls were evaluated to ensure that salaries are only paid for bona fide staff employed in approved posts and that payments are accurately processed and recorded.

Overall assessment - Substantial

Substantial assurance was given as controls reviewed were managed effectively and provide a secure environment to ensure that payroll information is processed accurately and that payments are only made to bona fide employees.

The production of payroll is a highly complex and well documented process which is order and time critical. All stages are properly substantiated and signed off as required by management. Evidence was obtained that the expected systems and processes are operating correctly with sufficient documentation retained in the Oracle Payroll system and IDOX Document Imaging system to confirm all appointments and the subsequent accurate payment of salaries. The same process was applied to employees leaving the employment of Kent County Council.

There were a number of issues identified around the administrative process which do not materially affect the overall security of the payroll production system.

No high priority recommendations were raised.

East Kent Payroll: Follow-up**Scope**

This audit follow-up review was undertaken subsequent to the original audit of the East Kent Payroll Service in 2011. The overall objective of this review was to consider the action taken on the recommendations in the original report, make further recommendations as necessary, and to review the original assurance level.

Overall assessment - Substantial

Substantial assurance was given as the controls over the operation of the East Kent Payroll Service are now acting effectively. It is clear that the project is now managed to a high standard. The audit and the subsequent post implementation review by Employee Services have allowed positive action to be taken on the development and operation of the East Kent Payroll Service. All the General Ledger Interface reports are working correctly and the format and content of information has been signed off by all partners.

The agreed actions on all the recommendations have been implemented with one exception relating to the development of a comprehensive pro-forma specification for future Payroll/ HR developments. This is in progress following the publication of the post implementation review in December 2011, but does not have a determined deadline for completion. A further recommendation was made for this to be resolved within a defined timescale.

Summaries of Completed Audits

Employment Contracts**Scope**

The overall objective of the audit was to provide assurance that policy and procedures in place ensure that an accurate and appropriate written statement of employment particulars is issued within the statutory eight weeks of the date when employment starts and is in line with relevant legislation and organisational policy.

Overall assessment - Substantial

The Blue Book sets out the detail of the terms and conditions of employment for all staff on Kent Scheme terms and conditions. Section C of the Blue Book (Contracts of Employment) describes the specific conditions included in the Kent Scheme contract and also outlines the various contracts issued by the Council.

Substantial assurance was given because there are processes in place to ensure that employment contracts contain all required information and are updated to reflect any policy and/or legislative changes that are introduced. The majority of contracts and contract variations were issued within eight weeks of the employee's start date and there was a reasonable rate of acceptance of contracts by employees.

The recommendations that were raised were procedural in nature and do not pose a significant risk to achievement of the Council's objectives. There were no high priority recommendations raised as a result of this audit.

Total Contribution Pay**Scope**

The overall objective of the audit was to provide assurance that the TCP process is correctly and equitably applied through proper appraisal of staff performance. This should ensure fairness and consistency in rewarding performance and measurement of individual performance throughout each year.

Overall assessment – Substantial

Substantial assurance was given as there are no significant issues that require management attention. The audit found that in the majority of cases the TCP process was applied equitably and fairly. However sample testing identified that the documentary evidence to support that process was lacking in detail and there were inconsistencies in guidance and documentation provided to managers in relation to the cash award process. Recommendations have been made to improve these areas. Other recommendations were also made e.g. to review approval levels for cash payments.

There were no high priority recommendations raised as a result of this audit.

Summaries of Completed Audits

Member Expenses**Scope**

The overall objective of the audit was to provide assurance that the current system for review, approval and monitoring of Members' expenses and related expenditure is adequate to ensure all payments made are accurate and bona fide.

Overall assessment – Substantial

The substantial assurance was given as the current system for review, approval and monitoring of Members' expenses and related expenditure is adequate to ensure all payments made are accurate and bona fide.

Payments to Members are recorded on the Council's financial system. Payments made are monitored on a monthly basis by officers within the Democratic Services team. In the sample of expense claims reviewed payments were only made to Members with supporting documentation, for example complete mileage log sheets, and supporting receipts for parking, public transport/hotel expenses.

The Council has met its statutory requirement to publish a list of county councillors' allowances and expenses claimed every year.

Several recommendations to further improve the current process were made, none of which are high priority recommendations.

Areas for improvement as recommended in the report include;

- Enhancing the level of detail submitted on individual expense claims to improve the verification process.
- Improving the process for verifying the mileage claimed.
- Ensuring that the Members' handbook is corrected to comply with the Constitution so that Members are aware of time limits for claiming expenses.
- Ensuring the Head of Department signs and approves all manually submitted expenses.

Annual Governance Statement (AGS) – Mid-Year Review**Scope**

The overall objective of the audit was to provide an assurance on the mid-year review process for the Annual Governance Statement (AGS).

Overall assessment – Substantial with limitation of scope

Substantial assurance was given as our review established that the current system for mid-year review of the AGS was adequate to ensure all significant control weaknesses were identified, reported and monitored. However, the scope of our work was limited as mid-year review submissions were not received from Education, Learning & Skills (ELS), Families & Social Care (FSC) and Customer & Communities (C&C) directorates. The assurance given and findings that follow therefore relate to the process introduced by Governance and Law and the submissions reviewed from Business Strategy & Support (BSS) and Enterprise & Environment (EE).

Our review found that all control weaknesses that were identified in the relevant 2010/11 AGS submissions were either addressed or in the process of being addressed, and this

Summaries of Completed Audits

was detailed in the mid-year reviews.

There was an appropriate method of identifying new weaknesses, although this could be made more robust through formalising the process and using directorate risk registers as well as ensuring the AGS is on the agenda for management meetings.

A comparison of the Corporate Risk Register to the AGS mid-year reviews showed that issues identified in the risk register had also been addressed in the AGS.

A number of recommendations were made to enhance the process including:

- The introduction of a more formal process where mid-year review submissions had not been received including agreed timescales for reminders and a documented escalation process ;
- A requirement for detailed plans to document actions, timescales and responsible officers where issues are identified ;
- The introduction of formal statements from Statutory Officers to provide assurance on relevant Council-wide issues.

Oracle – Accounts Receivable

Scope

The overall objective of the audit was to provide an assurance that payments made by the Council's debtors are complete, accurate and timely. This included the recovery of outstanding debts and where applicable the write off of irrecoverable debt.

Overall assessment – Substantial

Substantial assurance was given as there is separation of duties throughout Exchequer Services in relation to raising of invoices, debt collection and accounting for income and recovery of outstanding debts. There were controls in place to ensure that the data transferred from feeder systems was accurate and complete. Invoice requests were processed accurately and coded correctly. Invoices uploaded through the Accounts Receivable Wizard were also transferred correctly.

Action was being taken to recover all debt over 60 days old. Approval for write offs was being obtained from the relevant budget manager or Director.

There was one high priority recommendation raised as a result of this audit, which was implemented during the audit. This recommendation related to a small number of staff having the incorrect access levels to Oracle for their current job role. Other minor recommendations were raised that are procedural in nature and do not pose a significant risk to achievement of the Council's objectives.

Summaries of Completed Audits

Firewalls and Firewall Management**Scope**

The overall objective of this Audit was to provide assurance that the Firewall architecture, configuration and management is adequately maintained. This was done through the evaluation of the controls applied in key Firewall administration and management areas.

Overall assessment – Substantial

A firewall is a device or set of devices designed to permit or deny network transmissions based upon a set of rules. These devices are used to protect networks from unauthorised access at a boundary or perimeter while permitting legitimate communications to pass. As well as firewall architecture, careful administration and management of the firewall is essential in maintaining Network Security.

'Substantial' assurance was given as the Council's network is reasonably protected by the firewalls. The rules configured to prevent unauthorised access to the Council's network are also reasonable to prevent Council staff accessing sites on the internet or conduct business which is deemed not to be appropriate. Logging is also in place to monitor user activity on the Council's network as well as activity on the internet.

There were no high priority recommendations raised as a result of this audit.

Business Continuity (BC) Planning**Scope**

The overall objective of this Audit was to provide assurance that an appropriate corporate Business Continuity Plan exists and that adequate plans have been developed by the directorates. This was done through the evaluation of the controls applied to develop, manage and maintain the Council's Business Continuity arrangements.

Overall assessment – Substantial

Business Continuity (BC) Planning forms an integral part of the Council's contingency arrangements. Effective continuity planning helps organisations improve their resilience and reduce the impact of significant events causing disruptions to services, systems and business processes. Whatever the cause, the consequences of such interruptions and failures should be formally analysed with contingency and recovery plans developed so that the Council's core services, key systems and business processes can be maintained or restored based on the Council's priorities. A formally documented, tested and communicated BC process is essential to provide assurance that continuity procedures are in place, effective and can be relied upon should the need arise.

We noted that considerable work had been undertaken since the last audit of the Council's BC arrangements in December 2009, where it received a limited assurance (Report finalised in April 2010). Since then a framework has been set up and there is clear management commitment to the development of BC plans for the various divisions/service units, directorates and the Council as a whole.

Whilst it is evident that there is still a lot of work required to complete the BC Plans, the 'Substantial' assurance is based on the current state of the framework which has recently been implemented and the momentum of the BC Programme through the collection of data, training being undertaken, and use of information being gathered. It is evident through testing that there is now a real commitment to BC within the Emergency Planning team and the Council, and where there are current deficiencies, these are not so much due to inadequacies in the process but the point in the development cycle when

Summaries of Completed Audits

the audit fieldwork was undertaken. Deficiencies identified (e.g. final generation of plans and testing of plans) are scheduled as part of the programme and therefore the risks were seen to be managed. However, should the programme be suspended before completion the assurance level would need to be re-visited.

There were no high priority recommendations raised as a result of this audit.

Freedom Pass Application

Scope

The overall objective of this work was to provide assurance on the adequacy and effectiveness of the key controls being applied over the Council's Freedom Pass Application. This was done through the evaluation of key controls applied to maintain the confidentiality, integrity and availability of data retained and processed within the application.

Overall assessment – Substantial

The Kent Freedom Pass provides young people, who are residents of Kent, free use of public buses within Kent for an annual fee of £100, with some young people and young carers qualifying for a discounted rate. The success of the initial pilot scheme led to the programme being rolled out across the County. There are now in excess of 25,000 passes currently in use, with individuals saving £500 - £600 per year compared to an average season ticket.

To support the countywide roll out, the Council has developed the Online Freedom Pass application to allow customers who are paying the £100 rate to apply and pay for a Freedom Pass online. At present, over 12,000 customers have used the website to apply and pay for the Pass which accounts for 49% of Pass applications.

'Substantial' assurance is based on the fact that the Online Freedom Pass application, in its current state, adequately supports the Council's ability to process Freedom Pass applications in a timely and secure manner. The Controls in place for the Online Freedom Pass application are adequate to allow customers to apply and pay for the Kent Freedom pass through the Council's website and for that data to be securely transferred to the Council's Routewise application. Recommendations raised primarily relate to improvements in documenting standards and strengthening the controls around user accounts.

There were no high priority recommendations raised as a result of this audit.

Summaries of Completed Audits

IT Policy and Policy Framework**Scope**

The overall objective of this work was to provide assurance that the ICT Security Policy framework is robust and provides a foundation for the development of the Council's IT Security Standards, guidelines and procedures.

Overall assessment – Substantial

In today's IT reliant world, it is imperative to have a well thought out ICT Security Policy and Policy Framework. Threats to the Council's data exist from both within the Council as well as external sources such as hackers, the press or even interested members of the public. Policy forms the foundation for developing procedures, guidelines and practices for configuring and managing security, and is essential to allow the Council to consistently manage these threats.

The 'Substantial' assurance is based on the existence of a formal process for the development and maintenance of the ICT Security Policy. It should be noted that an authority wide standard for development of operational procedures is currently being developed and once developed the ICT policy should link into this.

CaRA Registrations Application Audit**Scope**

The overall objective of this work was to provide assurance on the adequacy and effectiveness of the key controls being applied over the Council's CaRA Registration Application.

Overall assessment – Limited

The CaRA application has been developed for the Registration Service in Kent to process appointments made for registering Births, Marriages, Civil Ceremonies and Deaths across the County, as well as recording payments made for these appointments. The application also includes a module for processing new Approved Premises applications for venues within the County. The CaRA application is currently used by about 100 members of staff at Register offices across the County as well as being available online for the public to make appointments for registering births and deaths.

Whilst the CaRA application is not an integral part of the Council's day to day operation its failure could affect the Council's reputation. The 'Limited' assurance is based on the significant issues with the CaRA Registration application that require immediate management attention to help to ensure that the application is able to meet the objectives of the division and maintain security. Particular attention should be paid to improving the current access controls to prevent unauthorised access and/or any flaws being exploited.

Directorates progress with the implementation of agreed recommendations

Where Internal Audit finds control weaknesses, instances of non compliance with existing controls or gaps in internal controls, recommendations are made to improve the control environment. At the draft report stage of an audit, recommendations are discussed with responsible managers who agree actions to implement the recommendations within a specified timeframe. Each recommendation is allocated a 'priority' ranking (high, medium or low) which relates to the seriousness of the control failure/non compliance and how quickly the agreed action should be implemented. In general we would expect high priority recommendations to be implemented within one month. The agreed action, date and name of the responsible officer are then included in the final audit report. Internal Audit seek assurance from the relevant responsible manager that the recommendation (or an appropriate alternative) has been implemented as agreed.

The attached table shows the progress with the implementation of agreed recommendations, as reported by the relevant managers.

We have requested progress updates in relation to 51 actions that were due to be implemented by March 2012. An additional 15 actions that were due to be implemented were not followed up as part of this process as they are currently being reviewed as part of the 2011/12 Plan. These relate to the following two audits:-

- Data Protection (9 recommendations)
- Corporate Purchase Cards (6 recommendations).

Of the 51 actions where progress updates were requested, 8 were high priority recommendations. Of these 3 remain outstanding, however in all cases actions are in progress and we have agreed revised implementation dates. At this stage this is not considered to present a significant risk.

**Directorates Progress with the Implementation of Audit Recommendations
(Covers October 2011 to March 2012)**

Audit	Recommendations to be implemented by 31 March 2012		Recommendations outstanding as at 31 March 2012		Comments	Revised implementation date
	H	M	H	M		
Authority Wide						
Handling Information Risk	3	3			All recommendations implemented.	
Data Protection	6	3			2011/12 audit currently in progress.	
Governance of Partnerships		1		1	The recommendation is due to be discussed at Supporting Vulnerable Adults Board meeting on 26 March 2012.	30 April 2012
Databases and Spreadsheets	2				All recommendations implemented.	
Use of Consultants		2		1	The recommendation relating to training consultancies is currently not complete due to the structural budget changes taking place within the Council at the moment.	30 April 2012
KCC Elections		5		5	The audit recommendations are yet to be implemented. A formal response to the audit recommendations will be received after discussion by representatives of the District Electoral Registration Officers.	To be confirmed
Section 151						
Corporate Purchase Cards	1	5			Follow up audit is in progress.	
Chief Executive's Department						
Virus Protection		1		1	The recommendation relating to the identification of unauthorised software is yet to be completed. The IT division is to hire a management system called SNOW license manager for a period of 3 months, in order to implement this recommendation.	30 August 2012
PC End User Controls	2	2	2	2	One of the high priority recommendations relates to Patch Management. Due to a manufacturing fault the roll out of new LAN switches has been delayed and now will be completed by June 2012. The second high priority recommendation relates to Blackberry Logical Access Controls. An upgrade of the Blackberry	30 June 2012 30 August 2012

**Directorates Progress with the Implementation of Audit Recommendations
(Covers October 2011 to March 2012)**

Audit	Recommendations to be implemented by 31 March 2012		Recommendations outstanding as at 31 March 2012		Comments	Revised implementation date
	H	M	H	M		
					<p>infrastructure, which should make it compatible with the password parameters identified within the recommendation, is currently underway. Following the completion of this infrastructure upgrade by the end of April 2012, it is anticipated that the recommendation will be implemented by August 2012.</p> <p>One of the medium priority recommendations relates to User Training and Awareness. Due to technical problems experienced with the integration of the NETconsent software with the HR system (KSSIP) and the Council's user identification and authorisation system, implementation of the recommendation has been delayed. However the problems identified have now been resolved and the date of the pilot's relaunch, implementation and roll out of the NETconsent software is to be discussed and agreed at the next NETconsent Project Board, scheduled for 20th April 2012.</p> <p>The final medium priority recommendation relates to Encrypted USB Data Storage Devices. This recommendation was referred to the Information Governance group and was included in the action plan which is owned by the Senior Information Risk Officer. The ICT division are yet to receive formal instructions relating to this action plan. In the meantime, ICT have approached a number of vendors of encryptable external storage devices to establish an estimated cost for these devices. Medway Council's ICT department have also been approached to explore if the unit cost could be reduced through a joint requirement.</p>	<p>20 April 2012</p> <p>To be confirmed</p>
Data Centre and Data Backup		2			NetBackup Version 7 has been implemented addressing the 2 recommendations.	

**Directorates Progress with the Implementation of Audit Recommendations
(Covers October 2011 to March 2012)**

Audit	Recommendations to be implemented by 31 March 2012		Recommendations outstanding as at 31 March 2012		Comments	Revised implementation date
	H	M	H	M		
Environment, Highways and Waste						
Roadworks Permit		1			Recommendation implemented.	
Communities						
Careworks Application		5		4	One recommendation has been deferred to enable ICT to undertake further work to enhance logical access controls. The recommendation on view only accounts is dependent on new releases due by end of June. The recommendations for Disaster Recover and Business Continuity Planning are also yet to be completed and have been re-scheduled for 30 June.	31 January 2013 30 June 2012 30 June 2012
Fee Income		2		1	The recommendation relating to the CaRA software/booking system is outstanding due to lack of prioritisation by software developer. This is actively being pursued.	30 April 2012
Kent Adult Social Services						
Quality Assurance of Care Homes		7			All recommendations implemented.	
Commercial Services						
Accounts Payable	1	3	1	1	Recommendations relating to duplicate and inactive suppliers are still outstanding. Duplicate suppliers have been identified for action and an inactive supplier report has been created but resulting actions have not been completed. This has been scheduled for completion by 30 April 2012.	30 April 2012
General Ledger		3		2	One recommendation is part implemented as problems have been encountered when trying to reconcile the sales and purchase ledger control account more frequently. This will be further discussed with the manager.	

**Directorates Progress with the Implementation of Audit Recommendations
(Covers October 2011 to March 2012)**

Audit	Recommendations to be implemented by 31 March 2012		Recommendations outstanding as at 31 March 2012		Comments	Revised implementation date
	H	M	H	M		
					The recommendation relating to a review of capability and access levels has been deferred to 1 September 2012.	1 September 2012
Core System						
Payroll		6		2	KPIs have been redesigned to produce more detailed information on overpayments and will be reported in April 2012 for March 2012 data. This will be fully in place from April 2012.	30 April 2012
Total	15	51	3	20		

H = High priority
M = Medium priority

Annex C
Progress against the 2011/12 Audit Plan

Directorate/area	Audit	Status of report	Assurance	Date to G&A
Authority Wide				
Kent County Council Elections		Complete	Non-compliant	November 2011
Corporate Governance		Planning		
Schemes of Delegation and Limits on Approval		Draft Report		
Annual Governance Statement		Complete	Substantial - limitation of scope	April 2012
Performance Management Framework		Fieldwork in progress		
Business Continuity Planning		Complete	Substantial	April 2012
Risk Management		Fieldwork complete		
Core Systems				
Commercial Services – Services Tender Costing		Complete	Substantial	November 2011
Transaction Data Matching		Complete	Substantial	November 2011
Quality Assurance of Care Homes		Complete	Substantial	November 2011
Oracle – General Ledger		Fieldwork complete		
Oracle – Accounts Payable and I Procurement		Fieldwork complete		
Oracle – Accounts Receivable		Complete	Substantial	April 2012
Use of Corporate Purchase Cards		Complete	Limited	September 2011
Use of Corporate Purchase Cards: Follow-up		Draft Report		
Payroll		Complete	Substantial	April 2012
East Kent Payroll Follow-Up		Complete	Substantial	April 2012
Treasury Management		Fieldwork complete		
Cash and Bank		Fieldwork complete		
Medium Term Planning		Complete	Substantial	April 2012
Revenue Budget Monitoring		Complete	Substantial	April 2012
Pensions Contributions		Fieldwork complete		
Pensions Investment Income		Fieldwork complete		
Enterprise & Interprise (Property Information database)		Draft Report		
Routewise		Fieldwork complete		
Financial Controls in Schools		Fieldwork in progress		
IT audit				
Firewalls and Firewall Management		Complete	Substantial	April 2012
Exchange Server and e-mail		Draft Report		

Annex C
Progress against the 2011/12 Audit Plan

Directorate/area	Audit	Status of report	Assurance	Date to G&A
IT Support Arrangements (ITL)		In progress		
IT Policy and Policy framework		Complete	Substantial	April 2012
BSS – Sharepoint		Draft Report		
EE – Freedom Pass Application		Complete	Substantial	April 2012
FSC – Business Objects		Draft Report		
CC – CARA Registrations Application		Complete	Limited	April 2012
ELS – CapitaOne Application		Draft Report		
FSC – ICS Implementation		Ongoing – advice and information		
Policies				
Data Protection Act and Freedom of Information		Fieldwork in progress		
Equalities Act		Fieldwork in progress		
Blue Book – Job Evaluation		Draft Report		
Blue Book – Recruitment and Selection		Draft Report		
Blue Book – Total Contribution (TCP)		Complete	Substantial	April 2012
Blue Book – Employment Contracts		Complete	Substantial	April 2012
Blue Book – Equalities Act/Fairness at Work		Draft Report		
Blue Book – Health and Safety at Work		Draft Report		
Blue Book – Performance and Conduct		Complete	Substantial	November 2011
Communications Toolkit		Draft Report		
Procurement		Fieldwork complete		
Managing Change		Fieldwork in progress		
Other				
Carbon Reduction Commitment		Complete	Compliant	November 2011
Implementation of the English National Travel Concessionary Scheme		Complete	Full	September 2011
Unaccompanied Asylum Seeking Children – Grant Fund Data Quality		Fieldwork in progress		
On-Street Parking		Planning		
Direct Payments – Adults		Draft Report		
Direct Payments – Children		Fieldwork complete		
Members Expenses		Complete	Substantial	April 2012

Annex D
Amendments to the 2011/12 Audit Plan

Audit	Comments	Days
ADDITIONS		
East Kent Payroll Follow-Up	Follow-up of limited assurance report	10
Corporate Purchase Cards Follow-Up	Follow-up of limited assurance report	10
Members Expenses	Management Request	20
Direct Payments – Children	Brought forward from 2010/11	20
Direct Payments - Adults	Brought forward from 2010/11	20
On-street Parking	Management Request	15
Total Days		95
AMENDED SCOPE		
Unaccompanied Asylum Seeking Children – Grant Fund Data Quality	Amendment to scope of Capita One – Children’s Social Care System – Management Request	
CARRIED FORWARD		
Complaints	Carried forward to 2012/13 due to proposed re-design and potential centralisation of function	25
Client Billing	Carried forward to 2012/13 due to service review in progress	20
Information Security	Carried forward to 2012/2013 as aspects covered within the scope of other 2011/12 audits.	20
Network Security	Delayed due to server move, therefore carried forward to 2012/13	35
Oracle Modules HR	Carried forward to 2012/13 due to staff availability and assurance from the significant number of audits undertaken in this area in 2011/12	30
Total Days		130

Annex E Internal Audit Performance

The following table is designed to provide Members with Internal Audit's performance against Key Performance Indicators.

Performance Indicator	Target	Actual
<p><u>Effectiveness</u></p> <ul style="list-style-type: none"> • % of recommendations accepted • Compliance with the CIPFA Code of Practice for Internal Audit 	<p>98%</p> <p>80%</p>	<p>100%</p> <p>80%</p>
<p><u>Efficiency</u></p> <ul style="list-style-type: none"> • % of plan delivered • % of available time spent on direct audit work • % of draft reports completed within 10 days of finishing fieldwork • Preparation of annual audit plan • Periodic reports on progress • Preparation of Annual Report and Opinion 	<p>95%</p> <p>85%</p> <p>90%</p> <p>By March annually</p> <p>To each G&A meeting</p> <p>By May</p>	<p>87%</p> <p>86.25%</p> <p>50%¹</p> <p>Achieved</p> <p>Achieved to date</p> <p>Not due</p>
<p><u>Quality of Service</u></p> <ul style="list-style-type: none"> • Average Client Satisfaction Score 	<p>90%</p>	<p>87%</p>

¹ Corrective action is being taken to issue reports more promptly on completion of fieldwork.

Assurance Level	Detailed definition
Full	The controls evaluated are well designed, appropriate in scope and applied consistently and effectively. Any issues identified are minor in nature and should not prevent objectives.
Substantial	Whilst the controls evaluated are generally well designed, appropriate in scope and applied consistently and effectively, weaknesses have been identified that require management attention. These issues increase the possibility that objectives may not be achieved.
Limited	Some controls are generally well designed, appropriate in scope and applied consistently and effectively. However, issues of poor design, gaps in coverage or inconsistent or ineffective implementation have been identified that require immediate management attention. The issues identified, if unresolved, mean that objectives may not be achieved.
No Assurance	Expected controls are absent, or where evaluated are flawed in design, scope or application. The auditor is unable to form a view as to whether objectives will be achieved.