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**Subject:** QUARTERLY INTERNAL AUDIT UPDATE REPORT

**Meeting and Date:** Governance Committee – 14 March 2013

**Report of:** Christine Parker – Head of Audit Partnership

**Classification:** Unrestricted

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**Purpose of the report:** This report includes the summary of the work completed by the East Kent Audit Partnership since the last Governance Committee meeting, together with details of the performance of the EKAP to the 31<sup>st</sup> December 2012

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**Recommendation:** That Members note the update report.

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## 1. Summary

This report includes the summary of the work completed by the East Kent Audit Partnership since the last Governance Committee meeting, together with details of the performance of the EKAP to the 31<sup>st</sup> December 2012.

## 2. Introduction and Background

- 2.1 For each Audit review, management has agreed a report, and where appropriate, an Action Plan detailing proposed actions and implementation dates relating to each recommendation. Reports continue to be issued in full to each member of Corporate Management Team, as well as an appropriate manager for the service reviewed. Attached as Appendix 1 to the EKAP report is a summary of the Action Plans agreed in respect of the reviews covered during the period.
- 2.2 Follow-up reviews are performed at an appropriate time, according to the status of the recommendation, timescales for implementation of any agreed actions and the risk to the Council.
- 2.3 An Assurance Statement is given to each area reviewed. The assurance statements are linked to the potential level of risk, as currently portrayed in the Council's risk assessment process. The assurance rating given may be Substantial, Reasonable, Limited or No assurance.
- 2.4 Those services with either Limited or No Assurance are monitored, and brought back to Committee until a subsequent review shows sufficient improvement has been made to raise the level of Assurance to either Reasonable or Substantial. A list of those services currently with such levels of assurance is attached as Appendix 2 to the EKAP report.
- 2.5 The purpose of the Council's Audit Committee is to provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent review of the Authority's financial and non-financial performance to the extent that it affects the Authority's exposure to risk and weakens the control environment, and to oversee the financial reporting process.

- 2.6 To assist the Committee meet its terms of reference with regard to the internal control environment an update report is regularly produced on the work of internal audit. The purpose of this report is to detail the summary findings of completed audit reports and follow-up reviews since the report submitted to the last meeting of this Committee.

#### SUMMARY OF WORK

- 2.7 There have been seven Internal Audit reports that have been completed during the period. Three reviews were classified as providing Substantial Assurance, one as Reasonable assurance and two concluded a split assurance level of Reasonable/Limited. The remaining piece of work was of a nature for which an assurance level is not applicable i.e. quarterly housing benefit claim testing. Summaries of the report findings and the recommendations made are detailed within Annex 1 to this report.
- 2.8 In addition six follow-up reviews have been completed during the period, which are detailed in section 3 of the quarterly update report.
- 2.9 For the nine-month period to 31<sup>st</sup> December 2012, 216.20 chargeable days were delivered against the planned target of 300, which equates to 72% plan completion.

### 3 Resource Implications

- 3.1 There are no additional financial implications arising directly from this report. The costs of the audit work have been met from the Financial Services 2012/13 revenue budgets.
- 3.2 The financial performance of the EKAP is currently on target at the present time.

#### Appendices

Appendix 1 – Internal Audit update report from the Head of the East Kent Audit Partnership.

#### Background Papers

- Internal Audit Annual Plan 2012-13 - Previously presented to and approved at the 27th March 2012 Governance Committee meeting.
- Internal Audit working papers - Held by the East Kent Audit Partnership.

Contact Officer: Christine Parker, Head of Audit Partnership



**INTERNAL AUDIT UPDATE REPORT FROM THE HEAD OF THE EAST KENT AUDIT PARTNERSHIP.**

**1. INTRODUCTION AND BACKGROUND**

- 1.1 This report includes the summary of the work completed by the East Kent Audit Partnership since the last Governance Committee meeting, together with details of the performance of the EKAP to the 31<sup>st</sup> December 2012.

**2. SUMMARY OF REPORTS:**

Service / Topic		'Delivering Effective Services' Standard	Assurance level
2.1	Members' Allowances	Silver	Substantial
2.2	EK Services – Council Tax	Shared Service	Substantial
2.3	Bank Reconciliation	Gold	Substantial
2.4	Let Properties and Concessions	Silver	Reasonable
2.5	VAT Compliance	Gold	Reasonable/ Limited
2.6	Data Protection Compliance	Gold	Reasonable/ Limited
2.7	EK Services – Housing Benefit Quarterly Testing (Qtr 3 of 2012-13)	Shared Service	Not Applicable

**2.1 Members' Allowances – Substantial Assurance:**

2.1.1 Audit Scope

To ensure that Members' allowances are calculated and paid in accordance with the prevailing rules.

2.1.2 Summary of Findings

The Members' Allowances process is generally working very well and almost all of the expected controls have been established, are effective, and are consistently adhered to. Positive action is taken to control risk with good processes in place to ensure that Members are paid correctly.

**2.2 Council Tax – Substantial Assurance:****2.2.1 Audit Scope**

To ensure that the processes and procedures established by EK Services are sufficient to provide the level of service required by the partner Councils and incorporate relevant internal controls regarding the administration of Council Tax, especially the recording of accounts, billing, income collection, monitoring of accounts and debt recovery.

**2.2.2 Summary of Findings**

There is an ongoing project in place to align working practices across all authorities (i.e. refunds) with the vision of having staff at any office being able to deal with council tax issues on behalf of any of the three authorities. A considerable amount of work has been carried out on this already by the Council Tax team across all three sites (i.e. aligning of court dates). In addition collection rate targets are on track to be achieved by the end of the financial year.

A special debt team was put in place by EK Services who specifically target debts over £4,000 in Thanet, Canterbury and Dover. Cases have been fully reviewed and action taken in respect of Dover and Canterbury, priority is now being given to Thanet where the majority of the debts over £4,000 are located.

Regular meetings are held with the bailiffs to ensure that they are providing a service that meets the requirements of the service level agreements that are in place with them and to assist in reducing the outstanding liabilities for each authority. In house reconciliation routines are also in place to ensure that all monies are correctly accounted for and credited to the correct council tax account.

**2.3 Bank Reconciliation – Substantial Assurance:****2.3.1 Audit Scope**

To ensure that the bank reconciliation is calculated correctly.

**2.3.2 Summary of Findings**

The bank reconciliation process was found to be well established with all of the expected controls being fully effective and adequate evidence being in place to support the entries on the bank reconciliation.

**2.4 Let Properties and Concessions - Reasonable Assurance:****2.4.1 Audit Scope**

To ensure that the Council derives the maximum value from its let properties and concessions and that where applicable these lettings further support the Council's regeneration aims and aspirations.

## 2.4.2 Summary of Findings

The majority of the requisite internal controls have been established to manage and safeguard the Council's commercial property portfolio.

The Council maintains good reliable hard copy file records and the department has established clear and effective lines of authorisation. The Council's Property Portfolio is much smaller than other councils within East Kent and the records are generally well kept and the portfolio is well managed.

The Council adopted its Asset Management Strategy in 2008. This is due to be reviewed in 2013. A review of the Corporate Disposals Policy could be undertaken as part of the implementation of the next Asset Management Strategy.

Steps have been recommended to address improvements to the records for tracking the issue and return of keys for Council property to minimise the risk of theft or misuse of Council property. Recommendations have also been made to strengthen the links between different departments such as Legal, Accountancy and Sundry Debtors. As it is important for staff to have access to information on its tenants, to mitigate the risk is that the Council renews leases to tenants who have a poor payment history.

The introduction of a number of key office procedures were also suggested to strengthen control, improve the resilience within the team and help reduce potential input errors.

## **2.5 VAT Compliance – Reasonable/ Limited Assurance:**

### 2.5.1 Audit Scope

To ensure that VAT is accounted for completely and correctly accounted for in a timely manner.

### 2.5.2 Summary of Findings

The audit focused on the procedures in place within the Council to ensure that input VAT on expenditure, and output VAT on income is completely and correctly accounted for in accordance with current VAT legislation. The review resulted in a split assurance where Reasonable Assurance is placed on the systems and processes to submit VAT returns accurately and on time, and a Limited assurance in respect of complying with the HMRC requirement for local authorities to complete a partial exemption calculation every year to show how much of the input tax that they have claimed back in the year relates to the exempt supplies they have made. An action plan has been agreed to rectify some of the issues raised and this will be reported on as part of follow up work later in the year.

## **2.6 Data Protection Act Compliance– Reasonable / Limited Assurance:**

### 2.6.1 Audit Scope

The audit examined and evaluated the procedures and controls established by management to ensure that the Council creates, holds and maintains personal

information about living individuals in accordance with the requirements of the Data Protection Act 1998 (DPA).

### 2.6.2 Summary of Findings

There are two angles to this review, giving rise to the split assurance level. The Reasonable assurance applies to the behaviour of staff, who act responsibly with personal data and are not taking risks on a daily basis, the Limited assurance applies to the physical access to the building and the exposure to risks our co-occupiers and visitors may pose, and the concerns over the ICT Network in terms of what potential mobile devices can be attached to it and removed (not that there is evidence of this happening, but there is the potential risk that it can). The review found good practice in high risk areas holding personal data such as HR and Housing Benefits however, examples of personal data were found to be held in virtually all Council departments. There is scope for additional controls to be developed to control both physical access to the building and strengthen the rules pertaining to permitting mobile devices access to the network, an officer working party will investigate and propose solutions to CMT to mitigate these risks.

The ICO recommends that every council continuously make staff aware of the existing information governance policies and guidelines, emphasising the importance of following them in practice and that a breach of policy will be regarded as a disciplinary matter. It was established that the DDC Information and Computer Security Policy is due to be reviewed, following which it will be publicised on the Intranet, and this will remind staff of what is 'acceptable' and is 'not acceptable' when using Council supplied ICT equipment and how to care for data. The Council will also use the Ivysoft corporate training system to ensure staff remain aware of the risks.

## **2.7 EK Services Housing Benefit Quarterly Testing (Quarter 3 of 2012-13):**

- 2.7.1 Over the course of the 2012/13 financial year the East Kent Audit Partnership will be completing a sample check of council tax, rent allowance and rent rebate and Local Housing Allowance benefit claims to support the Audit Commission's verification work.

For the third quarter of 2012/13 financial year (October to December 2012) 20 claims including new and change of circumstances of each benefit type were selected by using Excel software to randomly select the various claims for verification.

In total 20 benefit claims were checked and of these, two (10%) were found to have failed the criteria set by the former Audit Commission's verification guidelines.

## **3.0 FOLLOW UP OF AUDIT REPORT ACTION PLANS:**

- 3.1 As part of the period's work, six follow up reviews have been completed of those areas previously reported upon to ensure that the recommendations previously made have been implemented, and the internal control weaknesses leading to those recommendations have been mitigated. Those completed during the period under review are shown in the following table.

Service/ Topic		Original Assurance level	Revised Assurance level	Original Number of Recs		No of Recs Outstanding	
a)	Risk Management	Reasonable	Reasonable	H M L	0 1 1	H M L	0 0 1
b)	East Kent Housing – Rent Setting, Collection and	Reasonable	Reasonable	H M L	1 6 3	H M L	0 0 0
c)	EK Services – Business Rates	Reasonable	Reasonable	H M L	1 2 2	H M L	1 0 0
d)	Partnerships	Limited	Reasonable	H M L	5 3 0	H M L	0 2 0
e)	Dog Warden	Reasonable	Reasonable	H M L	0 3 3	H M L	0 1 1
f)	Payroll - Accuracy -Performance Mgmt -Governance	Reasonable Limited Limited	Reasonable Limited Limited	H M L	15 6 0	H M L	6 3 0

- 3.2 Details of each of the individual high priority recommendations outstanding after follow-up are included at Appendix 1 and on the grounds that these recommendations have not been implemented by the dates originally agreed with management, they are now being escalated for the attention of the s.151 Officer and Members of the Governance Committee.

The purpose of escalating outstanding high-risk matters is to try to gain support for any additional resources (if required) to resolve the risk, or to ensure that risk acceptance or tolerance is approved at an appropriate level.

- 3.3 As highlighted in the above table, those areas previously reported as having either Limited or No assurance have been reviewed and, in respect of those remaining at below Reasonable assurance, Members are advised as follows:

a) Payroll:

The main operational controls within the payroll system are working well with the right people paid the right amount and on time. 12 out of the 21 recommendations have been implemented and the remainder are either in progress or are being managed. However, at this time the assurance remains the same.

#### 4.0 WORK-IN-PROGRESS:

- 4.1 During the period under review, work has also been undertaken on the following topics, which will be reported to this Committee at future meetings: Payroll, ICT – Software Licences, ICT – Network Security, Housing Repairs and Maintenance, Housing Benefit Payments, Housing Benefit Administration and Assessment, and Housing Allocations.

**5.0 CHANGES TO THE AGREED AUDIT PLAN:**

- 5.1 The 2012-13 Audit plan was agreed by Members at the meeting of this Committee on 27th March 2012.
- 5.2 The Head of the Audit Partnership meets on a monthly basis with the Section 151 Officer to discuss any amendments to the plan. Members of the Committee will be advised of any significant changes through these regular update reports. Minor amendments have been made to the plan during the course of the year as some high profile projects or high-risk areas have been requested to be prioritised at the expense of putting back or deferring to a future year some lower risk planned reviews. The detailed position regarding when resources have been applied and or changed are shown as Appendix 3.

**6.0 FRAUD AND CORRUPTION:**

- 6.1 There were no other new or recently reported instances of suspected fraud or irregularity that required either additional audit resources or which warranted a revision of the audit plan at this point in time.

**7.0 INTERNAL AUDIT PERFORMANCE**

- 7.1 For the nine-month period to 31<sup>st</sup> December 2012, 216.20 chargeable days were delivered against the planned target of 300, which equates to 72% plan completion.
- 7.2 The financial performance of the EKAP is currently on target at the present time.
- 7.3 As part of its commitment to continuous improvement and following discussions with the s.151 Officer Client Group, the EKAP has improved on the range of performance indicators it records and measures. The performance against each of these indicators for 2012-13 is attached as Appendix 4. There are no concerns regarding the resources engaged or outputs achieved at this time, and the East Kent Audit Partnership has performed well against it's targets for the first three quarters of 2011-12.
- 7.4 The EKAP introduced an electronic client satisfaction questionnaire, which is used across the partnership. The satisfaction questionnaires are sent out at the conclusion of each audit to receive feedback on the quality of the service. Current feedback arising from the customer satisfaction surveys is featured in the Balanced Scorecard attached as Appendix 4.

**Attachments**

- Annex 1 Summary of High priority recommendations outstanding after follow-up.
- Annex 2 Summary of services with Limited / No Assurances
- Annex 3 Progress to 31<sup>st</sup> December 2012 against the agreed 2012/13 Audit Plan.
- Annex 4 EKAP Balanced Scorecard of Performance Indicators to 31<sup>st</sup> December 2012.
- Annex 5 Assurance statements



**SUMMARY OF HIGH PRIORITY RECOMMENDATIONS OUTSTADING OR IN PROGRESS AFTER FOLLOW-UP - ANNEX 1**

Original Recommendation	Agreed Management Action , Responsibility and Target Date	Manager's Comment on Progress Towards Implementation.
<b>EK Services – Business Rates</b>		
<p>The commitment to review each Discretionary Relief case as set out in the new Revenues &amp; Benefits - Council Tax &amp; Business Rates Discretionary And Hardship Relief Policy section 2.6.1 should be commenced immediately to allow the relevant notice to be applied in time for 2013.</p>	<p>Proposed to write out to discretionary relief cases advising that current entitlement will cease from 01.04.13 and invite them to complete a review form to renew entitlement from 01.04.13.</p> <p><b>Proposed Completion Date:</b> End of March 2012.</p> <p><b>Responsibility:</b> Business Rates Team Leader.</p>	<p>The Service Manager stated that they did not have the resources at year-end to progress with this. This task is now set to take place in Dec 2012 /Jan 2013 to end relief in 31.03.14.</p> <p align="center">Recommendation Outstanding</p>

<b>SERVICES GIVEN LIMITED / NO ASSURANCE LEVELS STILL TO BE REVIEWED</b>				
<b>Service</b>	<b>Reported to Committee</b>	<b>Level of Assurance</b>	<b>Management Action</b>	<b>Follow-up Action Due</b>
Business Continuity	June 2011	Limited	On-going management action in progress to remedy the weaknesses identified.	Deferred until 2013-14
CSO Compliance	June 2012	Limited	On-going management action in progress to remedy the weaknesses identified.	As part of planned audit in 2013-14

## PROGRESS AGAINST THE AGREED 2012-13 AUDIT PLAN.

## DOVER DISTRICT COUNCIL:

Review	Original Planned Days	Revised Planned Days	Actual days to 31-12-12	Status and Assurance Level
<b>FINANCIAL SYSTEMS:</b>				
Car Parking Income & Enforcement	10	13	13.22	Finalised - Reasonable
Bank Reconciliation	5	5	1.05	Finalised - Substantial
Creditors and CIS	10	12	12.05	Finalised - Reasonable
Income	10	10	9.71	Finalised - Substantial
VAT Compliance	8	10	10.22	Finalised – Reasonable/Limited
Insurance & Inventories of Portable Assets	12	0	0	Deleted from plan to accommodate unplanned work
<b>RESIDUAL HOUSING SYSTEMS:</b>				
Housing Allocations	10	10	0.34	Work-in-Progress
<b>GOVERNANCE RELATED:</b>				
Governance Investigations	12	25	24.82	Work-in-Progress throughout 2012-13
Officers' Code of Conduct, Gifts & Hospitality, and Whistleblowing	8	8	0.47	Work-in-Progress
Equality & Diversity	10	10	0.17	Deleted from plan to accommodate unplanned work
Contingency for an audit of VfM Strategy or Contribute to DES Projects	10	0	0	Deleted from plan to accommodate unplanned work
Data Protection Act Compliance	10	15	12.82	Finalised – Reasonable/Limited
Business Continuity & Emergency Planning	10	0	0.2	Deleted from plan to accommodate unplanned work
New Homes Bonus Validation	2	2	3.92	Finalised
Risk Management	9	9	11.18	Finalised - Reasonable
Corporate Advice/CMT	2	2	8.69	Work-in-Progress throughout 2012-13
s.151 Meetings and support	9	9	8.08	Work-in-Progress throughout 2012-13

Review	Original Planned Days	Revised Planned Days	Actual days to 31-12-12	Status and Assurance Level
Governance Committee Meetings and Reports	12	12	9.25	Work-in-Progress throughout 2012-13
2013-14 Audit Plan Preparation and Meetings	9	9	2.01	Work-in-Progress
<b>SERVICE LEVEL:</b>				
Dog Warden and Enforcement	8	12	11.91	Finalised - Reasonable
Environmental Health - Environmental Protection Service Requests	8	8	0.24	Work-in-Progress
Environmental Health - Port Health	8	8	0.07	Work-in-Progress
Environmental Health - Health & Safety at Work	8	8	11.11	Finalised - Substantial
Licensing	10	10	7.57	Work-in-Progress
Events Management	8	8	3.19	Finalised
Let Properties and Concessions	10	10	14.1	Finalised - Reasonable
Members' Allowances	8	8	1.74	Finalised - Substantial
Sports and Leisure - VISTA	12	12	9.09	Finalised – Substantial/Reasonable
Dover Museum and Visitor Information Arrangements	19	19	1.67	Work-in-Progress
<b>OTHER</b>				
Liaison with External Auditors	3	3	0.49	Work-in-Progress throughout 2012-13
Follow-up Work	17	8	4.7	Work-in-Progress throughout 2012-13
<b>UNPLANNED WORK</b>				
Internet Monitoring	0	0	1.43	Finalised
Homelessness of Young People	0	11	10.59	Finalised - Substantial
<b>FINALISATION OF 2011-12 AUDITS</b>				
Absence Management, Flexi and Annual Leave	0	0	8.06	Work-in-Progress
Waste Management			0.95	Finalised
Main Accounting Systems			0.12	Finalised
Compliance with Contract Standing Orders			0.64	Finalised
Days under delivered in 2011-12	0	0	-4.99	Finalised
<b>EK HUMAN RESOURCES</b>				

Review	Original Planned Days	Revised Planned Days	Actual days to 31-12-12	Status and Assurance Level
Recruitment	5	5	0.17	Work-in-Progress
Payroll, SMP and SSP	5	5	5.15	Work-in-Progress
HR Systems Development – I-Trent project.	3	0	0	Deleted from plan to accommodate unplanned work
<b>TOTAL - DOVER DISTRICT COUNCIL RESIDUAL DAYS</b>	<b>300</b>	<b>300</b>	<b>216.20</b>	<b>72% complete as at 31<sup>st</sup> December 2012</b>

**EAST KENT HOUSING LIMITED:**

Review	Original Planned Days	Revised Planned Days	Actual days to 31-12-12	Status and Assurance Level
<b>Planned Work:</b>				
Audit Committee/EA liaison/follow-up	4	12	11.2	Work-in progress throughout 2012-13
Repairs and Maintenance – Planned, responsive and Cyclical repairs.	30	25	0.78	Work-in-Progress
Sheltered and Supported Housing	16	0	0	Delay until 2013-14
Tenancy and Estate Management	30	30.35	30.88	Finalised
<b>Finalisation of 2011-12 Audits:</b>				
Rent Calculation, Collections and Arrears Management	17.35	8.2	7.05	Finalised
Finance and ICT			1.15	Finalised
<b>Responsive Work:</b>				
Canterbury Capital and Revenue Budget Overspend Investigation	0	8	7.88	Finalised
Thanet Repairs and Maintenance	0	10	10	Draft Report
Former Tenant Arrears Policy Advice	0	1	0.96	Finalised
Current Tenant Arrears Policy Advice	0	1.5	1.49	Finalised
CSO and Anti-Fraud Presentation	0	1.3	1.28	Finalised
<b>Total</b>	<b>97.35</b>	<b>97.35</b>	<b>72.67</b>	<b>75% Complete as at 31-12-2012</b>

**EK SERVICES:**

<b>Review</b>	<b>Original Planned Days</b>	<b>Revised Planned Days</b>	<b>Actual days to 31-12-12</b>	<b>Status and Assurance Level</b>
<b>Planned Work:</b>				
Housing Benefits - Payments	15	15	5.36	Work-in-Progress
Housing Benefits – Admin & Assessment	30	30	0.24	Work-in-Progress
Council Tax	30	30	22.54	Finalised
ICT – Network Security	15	15	0.27	Quarter 4
ICT – Procurement & Disposals	15	5	3.01	Finalised
ICT – Software Licensing	15	15	8.83	Work-in-Progress
ICT – Internet / Email Forum	0	2	0.24	Work-in-Progress throughout 2012-13
Corporate / Committee	0	5	1.11	Work-in-Progress throughout 2012-13
Follow up	0	3	2.84	Work-in-Progress throughout 2012-13
DDC / TDC HB Quarterly testing	40	40	39.85	Work-in-Progress
Prior Year b/fwd	0	25.10	25.10	Completed
<b>Total</b>	<b>160</b>	<b>185.10</b>	<b>109.39</b>	<b>59% Complete as at 31-12-2012</b>

**BALANCED SCORECARD – QUARTER 3**

<u>INTERNAL PROCESSES PERSPECTIVE:</u>	<u>2012-13 Actual</u>	<u>Target</u>	<u>FINANCIAL PERSPECTIVE:</u>	<u>2012-13 Actual</u>	<u>Target</u>
	Quarter 3				
Chargeable as % of available days	84%	80%	Cost per Audit Day (Reported Annually)		£309.15
Chargeable days as % of planned days					
CCC	69%	75%			
DDC	73%	75%			
SDC	60%	75%			
TDC	83%	75%			
EKS	59%	75%			
EKH	75%	75%			
Overall	70%	75%			
Follow up/ Progress Reviews;					
• Issued	45	-			
• Not yet due	20	-			
• Now overdue for Follow Up	14	-			
Percentage compliance with the CIPFA Code for Internal Audit 2006	97%	97%			

**BALANCED SCORECARD – QUARTER 3**

<u>CUSTOMER PERSPECTIVE:</u>	<u>2012-13 Actual</u>	<u>Target</u>	<u>INNOVATION &amp; LEARNING PERSPECTIVE:</u>	<u>2012-13 Actual</u>	<u>Target</u>
	Quarter 3				
Number of Satisfaction Questionnaires Issued;	72		Percentage of staff qualified to relevant technician level	75%	75%
Number of completed questionnaires received back;	31 =43%		Percentage of staff holding a relevant higher level qualification	33%	33%
Percentage of Customers who felt that;			Percentage of staff studying for a relevant professional qualification	13%	13%
<ul style="list-style-type: none"> <li>• Interviews were conducted in a professional manner</li> <li>• The audit report was 'Excellent or Very Good'</li> <li>• That the audit was worthwhile.</li> </ul>	100%	100%	Number of days technical training per FTE	4.9	3.5
	87%	90%	Percentage of staff meeting formal CPD requirements	33%	33%
	97%	100%			





## **ANNEX 5**

### **AUDIT ASSURANCE**

#### **Definition of Audit Assurance Statements**

##### **Substantial Assurance**

From the testing completed during this review a sound system of control is currently being managed and achieved. All of the necessary, key controls of the system are in place. Any errors found were minor and not indicative of system faults. These may however result in a negligible level of risk to the achievement of the system objectives.

##### **Reasonable Assurance**

From the testing completed during this review most of the necessary controls of the system in place are managed and achieved. There is evidence of non-compliance with some of the key controls resulting in a marginal level of risk to the achievement of the system objectives. Scope for improvement has been identified, strengthening existing controls or recommending new controls.

##### **Limited Assurance**

From the testing completed during this review some of the necessary controls of the system are in place, managed and achieved. There is evidence of significant errors or non-compliance with many key controls not operating as intended resulting in a risk to the achievement of the system objectives. Scope for improvement has been identified, improving existing controls or recommending new controls.

##### **No Assurance**

From the testing completed during this review a substantial number of the necessary key controls of the system have been identified as absent or weak. There is evidence of substantial errors or non-compliance with many key controls leaving the system open to fundamental error or abuse. The requirement for urgent improvement has been identified, to improve existing controls or new controls should be introduced to reduce the critical risk.