



**Devon Audit
Partnership**

Internal Audit Report

Torbay Council

Internal Audit Monitoring – Six Month Report

2011 - 2012

Restricted

Devon Audit Partnership

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

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

Confidentiality and Disclosure Clause

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

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

1 Introduction

This report provides a summary of performance in the first six months against the internal audit plan for the 2011 – 12 financial year, highlighting the key areas of work undertaken and summarising our main findings and audit opinions.

The key objectives of the Devon Audit Partnership (DAP) are to provide assurance to the Commissioners, the Chief Executive and Audit Committee on the adequacy and security of the systems and controls operating within the Council.

2 Opinion

In our opinion, and based upon our audit work in this and previous years, we consider that adequate controls are in place to control operations in the Council.

Where weaknesses have been identified management have agreed these findings and have either agreed the recommendations or accepted the associated risks. Where management actions have been agreed and as appropriate, we shall undertake follow up work to ensure that the identified risks have been mitigated.

3 Performance against the Plan

The status of planned audits as at the end of September 2012 and their associated reported executive summaries is contained in the table at Appendix A.

Overall, we have made good progress in the first six months of 2011/12, with 54 % of the planned audits commenced (against expected rate of 50%). However, there has been some turnover in staff and the team has been faced with higher than normal instances of sickness; as a result the number of audits completed is down on that expected, as is the actual number of audit days delivered (please see Appendix B for details). We are aware of these issues and are taking action to ensure that the plan is effectively delivered.

Due to the fluidity of audit delivery some audits relating to the previous year (2010 – 11) have been brought to conclusion in 2011 – 12.

At this stage we remain confident that we will be able to deliver the plan as expected.

4 Executive Summary

Appendix A details the assurance opinions for individual audits for which the definitions of the assurance opinion ratings are given in Appendix B.

Adults & Operations - we are able to report that Material Systems controls have been maintained and that improvements have been made to address previously identified weaknesses. The completion of the 2010/11 IT Audit work and related follow up activities has confirmed that a number of ICT control weaknesses still exist, but that ICT are aware of the issues and are taking action to address them.

In addition to these key areas, audits were undertaken of specific functions / elements and also a 'watching brief' was maintained or direct advice provided for a number of ongoing projects.

Communities and Local Democracy - we have maintained an oversight of certain critical transformation programmes of the Council and commenced working on the more operational audits planned for 2011/12. A number of instances of direct advice has also been provided when required by this Commissioning area.

People – An audit of Youth Offending was undertaken as a joint piece of work looking at both the Youth Offending team at Torquay alongside the three Youth Offending teams within Devon County Council. The main findings were that capacity exists for shared working in certain areas while differences in working practices and resources need to be reviewed and best practice evolved across all teams.

Our review of the Education Management System identified that written protocols and guidance had not been established for the various modules and the EMS as a whole.

Place & Environment - Work has commenced on a further review of the monitoring arrangements in place for the TOR2 JVC contract. This is a continuation of DAP's initial review, started in 2010/11, which acknowledged the initial operational "teething" problems experienced by the Council and the on-going development of the monitoring arrangements.

We have been able to certify that the Council has fulfilled its obligations with regard to the submission of data and compilation of supporting evidence for the CRC Energy Efficiency Scheme. Our reviews did highlight the dependence on the expertise and knowledge of one officer in this area as well as issues with the software package used.

A special exercise on the Tourism Strategy has been carried out at the request of the Environment Commissioner. The findings of this review confirmed that the detailed statistics in the Strategy are in line with reliable industry sources. In addition, an audit of business systems and administration has been completed, indicating that sound business processes are in place.

DAP continues to support the South West Devon Waste Partnership Waste PFI project as it now supports MVV through the planning application stage, following the award of the contract to MVV Umwelt. DAP have been asked to advise on governance and risk issues, in particular the Partnership's contractual responsibilities in respect to Section 106 planning obligations, thus ensuring that the Partnership continues to act appropriately.

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

Based on our work in previous years and in the first six months of 2011/12 our opinion is that the systems and controls in schools generally mitigate the risks

identified. All schools were expected to meet the FMSiS by 31st March 2010, those that did not will have been audited by the end of this year and will have needed to satisfy the requirements of the SFVS through self-assessment by March 2012.

The key matters arising from our audits are the:

- quality of governance arrangements;
- absence or overdue statutory policy approval;
- single central records of CRB checking and;
- inventories and asset management.

Overall - We are pleased to report that Council systems continue to be well controlled officers have responded positively to our recommendations for improving control and / or enhancing efficiency.

It should be noted that the Council is facing significant changes in the way it operates. There is pressure on all parts of the organisation to improve efficiency, and this puts pressure on traditional control arrangements. We are working with staff and managers throughout the organisation to ensure that required changes can be made in an effective way that protects the assets and employees of Torbay Council

5 Irregularities

There have been a number of issues reported to us for investigation and resolution. Some of the key issues reviewed are as follows

National Fraud Initiative (NFI) - Data matching investigation work associated with the 2010/11 National Fraud Initiative (NFI) exercise has continued throughout the first six months of 2011/12. The Council has now received a total of 5,242 data matches of which the Audit Commission categorised 1,164 as the highest priority. To date, a total of 808 of the high priority matches have been investigated and work remains ongoing to address the other 356 matches.

People - Three significant referrals were received by DAP during the first half of the 2011/12 financial year in respect of potential fraud or irregularity within Children, Schools and Families. Brief details relating to the scenarios investigated are shown at Appendix A.

Place & Environment - Two significant referrals were received by DAP during the first half of the 2011/12 financial year in respect of potential fraud or irregularity within Place and Environment Services. Brief details relating to the scenarios investigated are shown at Appendix A.

Schools - Internal Audit staff have been working alongside the HR Practice in conducting investigations at both schools and centrally. A number of instances of misuse of computers, fraud and / or irregularity have been reported to us during the year. In each of these instances we have assisted in dealing with the matter and, where appropriate, have made recommendations aimed at improving controls and preventing reoccurrence.

6 Inherent Limitations

The opinions contained within this report are based on our examination of restricted samples of transactions / records and our discussions with officers responsible for the processes reviewed.

7 Acknowledgements

We would like to express our thanks and appreciation to all those who provided support and assistance during the course of the audits in the first six months of 2011 - 2012.

Martin Gould
Head of Audit Partnership

Appendix A

2011–2012 Assurance Opinion and Executive Summaries for completed audits as at Month 6 (September)

Commissioning Area: Adults & Operations				
Audit Area	Year	Status	Assurance Opinion	Executive Summary
Main Accounting System	2010/11	Final	Good Standard	An established and robust control framework for the maintenance of the General Ledger ensures that budgetary and transactional data is accurately recorded enabling reporting of accurate financial information. The functionality within FIMS and the operation of manual controls provides further assurance of the integrity of the accounting data which is subsequently used to produce the Statement of Accounts and inform the Council's budgetary requirements.
Payroll	2010/11	Final	Improvements Required	<p>Although the individual and overall assurance opinions remain as 'Improvements Required', this is due to the breadth of the audit scope and it should be noted that Internal Audit found that the progress continues to be made in addressing audit recommendations and improving the payroll control environment.</p> <p>No new control issues were identified during the audit and recommendations have been made to assist in progressing points previously raised that remain outstanding or require embedding / enhancing to make fully effective.</p>
Debtors	2010/11	Final	Improvements Required	<p>Since the establishment of the dedicated Debtors Administration role, there has been ongoing improvement in the operation of the Debtors function and progress made against previous recommendations. The system is well managed centrally and users are effectively supported by comprehensive procedural and training provision. The lack of adequate segregation of duty continues with the associated risks accepted by management as acceptable given operational / business need.</p> <p>Recommendations have been made to assist with improving the effectiveness of liaison between Debtors Admin, the Corporate Debt Team and Legal Services in order to prevent debts becoming aged and aid recovery.</p>

CTAX & NDR	2010/11	Final	Improvements Required	Despite considerable change within Customer Contact, the Revenues Team has maintained accuracy and control over property valuations with amendments to billing adequately supported. The effective systems in place for recording payments have been maintained and the requirements of the External Auditor's key controls have been met. Although liability is accurately recorded, there remains a lack of consistent and comprehensive review of ongoing entitlement to reductions in liability.
Asset Register	2010/11	Final	Good Standard	Significant progress has been made on the recommendations contained in the previous report and in achieving compliance with IFRS reporting standards relating to the information contained in TOAD. Notably, componentisation of assets for depreciation purposes has now been completed in line with IFRS requirements.
POP (electronic ordering)	2010/11	Final	Good Standard	The ordering functionality within POP is highly effective and provides all expected controls of an electronic ordering system including robust authorisation controls. It provides for accurate recording of all the key information and the automated transfer (and reversal) of commitment data to the general ledger. Weaknesses continue to exist in the goods receipting functionality, however steps have been taken to establish mitigating processes and the residual associated risks continue to be accepted by management.
Benefits	2010/11	Final	Improvements Required	The audit confirmed that benefit claims are verified in line with guidance and evidence is appropriately retained to support the assessment of the claim. Although the testing of claims input during the audit was found to be generally accurate, the level (Performance Indicator EB079a - accuracy of processing) is below target.
FIMS System Admin	2010/11	Final	Good Standard	FIMS is effectively managed with robust processes and controls including comprehensive and effective system reconciliation. The processes are fully supported with complete and disseminated policies and procedures for both the Systems Admin (SA) team and the system users. Training is provided and data quality expectations stated to support correct use of the system and accurate data.
IBS Open System Admin	2010/11	Final	Improvements Required	Progress continues to be made in improving the system management arrangements for Open Revenues. The system has been kept current and fit for purpose and the team show a willingness to address the remaining weaknesses identified, however issues relating to segregation of duty impact the overall assurance opinion that can be provided.

Creditors	2010/11	Final	Improvements Required	<p>The processing procedures and practices are robust and a high degree of accuracy continues to be achieved leading to data quality and correct payments being made; this is despite reductions in resource necessitating informed and risk assessed decisions regarding permanent changes in practices. It is therefore pleasing to acknowledge that these changes have not resulted in the audit identifying any processing errors or any new control issues.</p> <p>Although outside the direct control of payments weaknesses in the cheque printing control environment have impacted the assurance opinion than can be provided in relation to the generation of output.</p>
Executive Head Payroll Verification Process	2011/12	Final	Good Standard	The Quarter 4 process to verify the accuracy of payroll for core Council was found to be effectively undertaken. A number of recommendations have been made to enhance the process and ensure that all elements of the process are appropriately evidenced.
Debtors Substantive Testing	2011/12	Final	Good Standard	The substantive testing on debtor invoices raised in 2010/11 has confirmed that invoices are being raised and coded correctly. Some exceptions were identified, however these related to functions that have now transferred from the Council.
JE Back pay	2011/12	Final	Not Applicable	This was not issued as a standard report and no overall assurance opinion was given. Detailed findings on the sample testing undertaken was provided to the Project Team enabling them to determine the appropriateness of payment of the various groups processed in the period.
E Commerce	2010/11	Draft	Good Standard	The FIMS systems team has worked hard over a number of years to generate and evolve a highly efficient and sophisticated integrated seamless and paperless procurement system that uses a process of single sign on at the FIMS level to cover the entire / complete end to end process. This work has generated a very efficient and cost effective vehicle for e-procurement within the Council, and in our opinion this should continue to be further developed and resourced to allow the already significant benefits to be further exploited through the addition of further suppliers and systems integration.
ITRA	2010/11	Final	Improvements Required	Work has been carried out jointly with the Audit Commission in connection with the IT Risk Assessment for 2010/11 culminating in a visit by the Audit Commission to evaluate the present status of controls within the IT department. The outcome of this visit was to confirm that the internal audit recommendations made as part of this year's audit plan should be implemented. As recommended, a separate SPAR based IT Risk Register has now been established by IT.

Irregularity Tor 1102 – Internet & Email abuse	2011/12	Final	N/A	We were asked to undertake an investigation into possible abuse of the Council's internet and e-mail by staff. Reports were provided to the management highlighting two members of staff where further management investigation may be required.
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Commissioning Area: Communities & Local Democracy				
Audit Area	Year	Status	Assurance Opinion	Executive Summary
Community Protection	2011/12	In progress		The audit work is nearly complete and it is anticipated that the report will be issued and agreed by the end of December 2011.
People, Place, Productivity & Partnerships (Transformation)	2011/12	In progress		Ongoing oversight being maintained throughout 2011/12. Audit reviewed the progress of the PPP&P Programme to date. It has become apparent that due to the recent ongoing structure changes and budget pressures, work in this area including support at Corporate level is currently on hold with further review and guidance awaited.
Commissioning	2011/12	In progress		Ongoing oversight being maintained throughout 2011/12. EDC and ERTC Commissioning projects are summarised within the Place and Environment Report.

Commissioning Area: People				
Audit Area	Year	Status	Assurance Opinion	Executive Summary
Permanency Planning Team	2010/11	Draft	Good Standard	<p>Generally the procedures for procuring Independent Sector placements for looked after children are in order and the needs of each young person are taken into account.</p> <p>The cost of a young person being in care is budgeted for and monitored. However, when a young person's behaviour becomes too challenging and/ or their needs become too complex for in-house foster care, alternative suitable care can only be found in Independent Sector Placements which offer provision for a range of psychological, emotional and behavioural difficulties. The cost of these Independent Sector places increases with a young person's complexity of need.</p>
Education Management System (EMS)	2011/12	Final	Improvements Required	The Education Management System comprises of approximately fourteen modules. Written protocols and guidance for the EMS as a whole and the individual modules have not been established. Therefore it could not be determined as to whether the correct procedures and processes are being followed.
Youth Offending Team (YOT)	2011/12	Draft	Improvements Required	<p>The provision of Appropriate Adults by Devon Appropriate Adult Volunteer Services was found to be delivered generally to the satisfaction of YOTs and Police. The main weakness is in the lack of cover at night and the insufficient cover available from the Emergency Duty Service. Concern regarding this may arise if the age provision is raised to seventeen without appropriate additional volunteer resources in place by that time.</p> <p>The review into the co-location of the South Devon and Torbay teams did not reveal any cost effective / easy answers without further in-depth analysis of many more cost and qualitative issues.</p>
Irregularity Tor 1105 – Paris database records	2011/12	Final	Not Applicable	An investigation was undertaken into a whistleblowing referral involving the practice of the recording of records on the Paris database. The investigation has been concluded and a response provided to the whistleblower in accordance with the Whistleblowing Policy.

Irregularity Tor 1103 – CRB check	2011/12	Final	Not Applicable	As a result of the NFI data matching exercise, DAP undertook an investigation into the address history records of a Council Worker. This included the incorrect completion of previous CRB forms with regard to the Worker's address history over the last five years. DAP liaised with the Council's HR dept to investigate concerns that the incorrect address history may have invalidated the CRB checking process. HR undertook a subsequent CRB check having discussed the issue with the Worker and this was processed satisfactorily.
Irregularity Tor 1101 – Theft from 'The Nest'	2011/12	Final	Not Applicable	DAP were asked to investigate the theft of £110 from a safe at a nursery centre, Brixham. The police were initially advised although this was not fully logged as a crime. The Centre Manager and Audit subsequently agreed that further police involvement would not be effective. The perpetrator could not be discovered or the cash recovered. However, Audit made recommendations for improvements to controls regarding the security of cash at the Centre. Action was subsequently taken to implement improvements.

Commissioning Area: Place and Environment				
Audit Area	Year	Status	Assurance Opinion	Executive Summary
TOR2 JVCo	2010/11	Final	Improvements Required	<p>Contracts covering the three service areas have been drawn up to comprehensively and robustly cover all expected areas, and ensure that both the Council and TOR2's interests have reference to a legally enforceable framework.</p> <p>The Contracts are described as 'self monitoring' which requires the Council to have in place arrangements to assure itself that the performance data provided by TOR2 is accurate. These arrangements have developed over the first six months and it is accepted that some areas are better covered than others. A review of the effectiveness of these self monitoring arrangements is necessary to ensure that service provision is maintained in accordance with the Contracts and payments to TOR2 correctly reflect this.</p> <p>Periodic inspection of the Council's transferred assets to TOR2 has not been allocated to a senior responsible officer and as these assets remain the property of the Council it is essential that ownership of this function is allocated as soon as possible.</p>
Natural Environment	2011/12	Draft	Improvements Required	<p>Natural Environment with its current functions is newly formed, the arrangements with the Joint Venture Company are still being embedded and in addition the various functions have not been subject to a recent internal audit. These factors have inevitably resulted in a number of findings from this audit, however Natural Environment intend to use the report to develop and improve the control environment within their new department from the outset.</p> <p>Contracts are in place for the maintenance of green space, recreation areas, grounds and play / skate parks that incorporate inspection requirements to ensure that they are maintained to a good and safe condition. However, weaknesses exist in the contract monitoring arrangements and inspection regime undertaken by the Park Wardens.</p>
Tourism Development Company	2011/12	In Progress		<p>An Internal Audit Plan for the work to be carried out during 2011/12 for the new company has been agreed, and two audit reviews carried out. The first, an audit of business systems and administration has been completed, indicating that sound business processes are in place. After discussions with senior management, a second audit review has now been commenced on Material systems.</p>

				<p>Additionally a special exercise on the Tourism Strategy has been carried out at the request of the Environment Commissioner. The findings of this review confirmed that the detailed statistics in the Strategy are in line with reliable industry sources.</p>
Carbon Management	2011/12	In Progress		<p>Responsibility for fulfilment of the requirements for the CRC scheme within the Council lies with Corporate Energy Manager. The authority completed the necessary work for submission prior to the 29th July 2011 deadline.</p> <p>There are potential risks to non-compliance with the scheme, namely with the gathering of data from schools which are not part of the corporate energy contract and the potential difficulty in recouping the costs of purchasing carbon allowances from Academy schools. The latter is due to an anomaly in the CRC scheme which holds local authorities responsible for emissions and subsequently purchase of carbon allowances for schools regardless of whether they are under local authority control.</p>
Irregularity Tor 1104 – Salary overpayment	2011/12	Draft Report	N/a	<p>We were asked to undertake an investigation into an alleged fraudulent overpayment of salary within Library Services. Although the overpayment was confirmed, fraudulent intent was not proven. Weaknesses in controls at various levels were identified, and recommendations for improvements are in the process of being agreed. The overpayment has been set up as a Council debt and is currently being repaid under a Payment Arrangement Plan.</p>
Irregularity Tor 1106 – Bribery / corruption	2011/12	Final Report	N/a	<p>We were asked to undertake an investigation into an alleged case of bribery / corruption. The source of the allegation was interviewed under caution (in line with PACE requirements) but the suggestion of bribery not found to be substantiated. Subsequent management / HR investigation into other related matters will now be undertaken.</p>

School Audit Results 2011-12
Risk Assessment Summary of Audit Opinion

High Std = 3 Good Std = 2 Improvements Req. = 1 Fundamentally Weak = 0 Not Tested or Not Applicable = Space

School	D/E No.	Auditor	Date of Last Audit	Met FMRS Y = Yes - External Assmt Y = Yes - Self	Leadership and Governance	People Management	Policy and Strategy	Partnership and Resources	Processes	Mandatory Policies	Requisitions, Orders and Payments	Attendance Registers and Payments	Pupil Census	Personnel Payroll and Annual Teacher Payments	Single Central CRB Record	Income Collection and Supply	Imprest (Petty Cash)	Lettings	Security	Computer Security	Inventory	Voluntary Unofficial Fund	School Trips	Education Maintenance Allowance	Minibus	Local Payments Scheme	Total	Areas	%
Ellacombe	2454	AS	19/05/11	Y	1	1	2	1	1	0	1	3	2	0	3	2			3		1		1			22	15	49	
Preston	2464	CT	13/08/11	Y						3	3	3		3					3		3		3			21	7	100	
St Marychurch	3616	CT	07/08/11	Y						3	3	3		3					2		2		3			21	8	88	
Watcombe	2460	CT	22/08/11	Y						3	3	3		3					3		3		3			23	8	96	
Curledge Street	2434	CT	20/08/11	Y	2	1	2	1	1																	7	5	47	
St Margaret Clitherow	3601	CT	10/08/11	Y	1	3	2	3	3	1	3	3	2	1	3	3				2		3		2		35	15	78	
White Rock	2439	CT	05/07/11	Y	2	3	2	2	3	2	3	3	3	3	3	2				2		2		3		41	16	85	
All Saints, Babbacombe	3615	RT	14/08/11	Y						2	2	3		2		2			2		1		2			16	8	67	
Oldway	2438	RT	13/07/11	Y	2		2	3	3	3	2	3	2	2	3	3	3	3	2		3		3		3	45	17	88	
Sacred Heart	3613	RT	05/07/11	N	2		2	2	2	1	2	3	2	3	3	2				2		2		2		30	14	71	
Torquay Special School	7046	CM	20/07/11		2	2	3	3	3	2		3		3					2		2		3			28	11	85	

2011/12 Results to date

Total Score	12	10	15	15	16	20	22	30	11	23	15	14	3	23	0	22	8	24	0	3	3	Average Score 78				
No. of Schools	7	5	7	7	7	10	9	10	5	10	5	6	1	10	0	10	3	10	0	1	1					
% of Max achievable score	57	67	71	71	76	67	81	100	73	77	100	78	100	77	#DIV/0!	73	89	80	#DIV/0!	100	100					
Total less than good standard	2	2	0	2	2	3	1	0	0	2	0	0	0	0	0	2	0	1	0	0	0					
% less than good standard	29%	40%	0%	29%	29%	30%	11%	0%	0%	20%	0%	0%	0%	0%	#DIV/0!	20%	0%	10%	#DIV/0!	0%	0%					

Torbay Council - Internal Audit Plan 2011-12 and Progress to date as at 30 September 2011 (month 6) Appendix B

				Status									
Area	Audit Assignments	Planned days	Actual days	Audit started	Audit fieldwork completed	Draft report issued	Responses Redd	Final Report issued	Draft report issued in target days	Final report issued in target days	Customer satisfaction response red'd	Satisfied	Overall assurance opinion
People	13	180	67.94	8	4	4	1	1	5	1	1	1	2
Operational Support	35	475	176.15	16	13	12	10	11	12	11	10	10	0
Environment	13	200	108.09	8	2	2	2	2	2	2	0	0	0
Corporate Support	12	160	7.5	1	0	0	0	0	0	0	0	0	0
School Visits	24	85	53.06	11	11	11	0	11	10	4	1	0	0
Fraud Prevention & Investigation	15	140	97.12	15	8	5	0	5	4	4	0	0	0
Contract Audit	2	30	1.87	0	0	0	0	0	0	0	0	0	0
Corporate initiatives	1	70	21.09	1	1	1	1	1	1	1	0	0	0
Grant Claims	0	15	0	0	0	0	0	0	0	0	0	0	0
Other Chargeable activities	0	168	64.15	0	0	0	0	0	0	0	0	0	0
Advice/Consultancy	0	65	27.71	0	0	0	0	0	0	0	0	0	0
Followups		25	0	0	0	0	0	0	0	0	0	0	0
Carry forward	0	0	0	0	0	0	0	0	0	0	0	0	0
Contingency	0	85											
TOTAL	115	1698	624.68	60	39	35	14	31	34	23	12	11	2

Performance stats for Torbay (exc. Schools)	Annual Target	Quarter 1 Target	Actual	Quarter 2 Target	Actual	Quarter 3 Target	Actual	Quarter 4 Target	Actual
Percentage of audit plan started	100	25%	40%	50%	54%	75		100	
Percentage of audit plan completed (field work)	94	18%	17%	45%	31%	71		94	
Percentage of planned days delivered	95	24%	19%	48%	35%	72		95	
Draft reports issued in target days	90	90%	80%	90%	100%	90		90	
Final reports issued in targets days	90	90%	63%	90%	95%	90		90	
Customer satisfaction.	90	90%		90%		90		90	

Performance stats for Torbay (Inc Schools)	Annual Target	Quarter 1 Target	Actual	Quarter 2 Target	Actual	Quarter 3 Target	Actual	Quarter 4 Target	Actual
Percentage of audit plan started	100	25%	39%	50%	52%	75		100	
Percentage of audit plan completed (field work)	94	18%	20%	45%	34%	71		94	
Percentage of planned days delivered	95	24%	20%	48%	37%	72		95	
Draft reports issued in target days	90	90%	82%	90%	97%	90		90	
Final reports issued in targets days	90	90%	80%	90%	74%	90		90	
Customer satisfaction.	90	90%		90%		90		90	

Definitions of Audit Assurance Opinion Levels

Assurance	Definition
High Standard.	The system and controls in place adequately mitigate exposure to the risks identified. The system is being adhered to and substantial reliance can be placed upon the procedures in place. We have made only minor recommendations aimed at further enhancing already sound procedures.
Good Standard.	The systems and controls generally mitigate the risk identified but a few weaknesses have been identified and / or mitigating controls may not be fully applied. There are no significant matters arising from the audit and the recommendations made serve to strengthen what are mainly reliable procedures.
Improvements required.	In our opinion there are a number of instances where controls and procedures do not adequately mitigate the risks identified. Existing procedures need to be improved in order to ensure that they are fully reliable. Recommendations have been made to ensure that organisational objectives are not put at risk.
Fundamental Weaknesses Identified.	The risks identified are not being controlled and there is an increased likelihood that risks could occur. The matters arising from the audit are sufficiently significant to place doubt on the reliability of the procedures reviewed, to an extent that the objectives and / or resources of the Council may be at risk, and the ability to deliver the service may be adversely affected. Implementation of the recommendations made is a priority.

Definition of Recommendation Priority

Priority	Definitions
High	A significant finding. A key control is absent or is being compromised; if not acted upon this could result in high exposure to risk. Failure to address could result in internal or external responsibilities and obligations not being met.
Medium	Control arrangements not operating as required resulting in a moderate exposure to risk. This could result in minor disruption of service, undetected errors or inefficiencies in service provision. Important recommendations made to improve internal control arrangements and manage identified risks.
Low	Low risk issues, minor system compliance concerns or process inefficiencies where benefit would be gained from improving arrangements. Management should review, make changes if considered necessary or formally agree to accept the risks. These issues may be dealt with outside of the formal report during the course of the audit.

Confidentiality under the National Protective Marking Scheme

Marking	Definitions
Not Protectively Marked or Unclassified	Documents, information, data or artefacts that have been prepared for the general public or are for the public web pages or can be given to any member of the public without any exemptions or exceptions to release applying, have the classification NOT PROTECTIVELY MARKED. Some organisations will also use the word UNCLASSIFIED for publicly available information.
Protect	Any material that may cause distress to individuals, breach proper undertakings to maintain the confidence of information provided by third parties, breach statutory restrictions on the disclosure of information, cause financial loss or loss of earning potential, or to facilitate improper gain, give unfair advantage for individuals or companies, prejudice the investigation or facilitate the commission of crime, disadvantage government in commercial or policy negotiations with others should be marked PROTECT.
Restricted	Information or data or documents that should only be shared between a specific group of work staff who have to demonstrate a need to know, because of the sensitive content, then the document must be marked RESTRICTED.
Confidential	Material that is so sensitive that only specific named staff should have access. Special handling rules apply and so CONFIDENTIAL must only be applied to highly sensitive data.
Secret and Top Secret	Information with this sensitivity is unlikely to be available to the Partnership and the Chief Executive of the relevant organisation must make the decision to apply either of these protective markings. These markings are only to be used with information that can only be shared on a strict must know basis, with each party having signed a specific confidentiality agreement.