

## INTERNAL AUDIT: PERFORMANCE INDICATORS (AT MARCH 2014)

## SERVICE

Indicator	Target	Purpose
% of audit plan (Critical Areas)	100 %	Coverage of the key systems
% Actions accepted by management	100 %	<p>Internal Audit strives to agree all actions with management.</p> <p>Acceptance by management ensures that where improvements are required to the internal control environment, appropriate action will be taken to secure these enhancements.</p> <p>However, there can be occasions where actions are disputed. In these cases, there may be justifiable reasons for management not supporting them. Conversely, management can take the decision to accept the risks identified, particularly if insufficient resources preclude action being taken. However, this will mean that there are vulnerabilities in systems of internal control, which are not being addressed.</p>
% Actions implemented to timescale	90%	This indicator measures the effectiveness of management in making change. Management commitment in implementing actions ensures that high profile risks / fundamental flaws in systems of internal control are suitably resolved.
Days between the completion of audit fieldwork and issue of draft report	15 working days	The draft report is the first stage after which management will have written confirmation of the audit outcomes. Issue on a timely basis provides better opportunity for management to be able to comment, and also ensures that the audit plan is delivered as expected.
Days between the issue of the draft and final report	10 working days	Delivery of a timely final report ensures that management can commence the process of addressing internal control weaknesses.
Average audit questionnaire Scores	Above 7	Audit reports are followed up with a questionnaire gauged views on performance. A score rating of between 1 (very poor) – 10 (excellent) can be provided.

## COMPLIANCE WITH STANDARDS

Compliance with the Public Sector Internal Audit Standards	Full	<p>These Standards encompass the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework.</p> <p>A checklist has been developed from the guidance, which will be completed annually, with the results feeding into our review of the effectiveness of internal audit.</p>
Compliance with the CIPFA Statement on the Role of the Head of Internal Audit	Full	<p>This Statement sets out what CIPFA considers being best practice for Heads of Internal Audit in terms of providing a summary of the core responsibilities entailed in the role to support the Council in achieving its objectives, by giving assurance on its internal control arrangements and playing a key part in promoting good corporate governance. A checklist has been developed from the guidance, which is completed annually and feeds into our review of the effectiveness of internal audit.</p>