
BENCHMARKING AUDIT SERVICES (Min 138/01)

1 SUMMARY

- 1.1 This report informs Members of the results following a benchmarking exercise of the Council's Internal Audit Services. It also shows the results of the internal audit questionnaire issued to Heads of Service and Managers.
- 1.2 Internal Audit is a statutory requirement.

2 INTRODUCTION

- 2.1 As part of the requirements of Best Value all services need to consider ways of improving the service they currently provide. Internal Audit has undertaken a benchmarking exercise and surveys as a way of establishing their current position; steps can then be taken to move forward.

3 RESULTS FROM THE BENCHMARKING EXERCISE

- 3.1 Appendix 1 shows the results following the benchmarking exercise. Three other local authorities participated with the exercise and it was agreed that they would remain anonymous for reporting purposes.
- 3.2 Authority 1 had not updated their information for 2000/01 at the time of reporting.

4 CONCLUSIONS DRAWN FROM THE FINDINGS

- 4.1 The results provide an indication of areas that need further discussion and analysis. As with all benchmarking exercise there is some element of difference in the way information is collected and recorded. We have tried to eliminate this by discussing the methodology prior to comparison.
- 4.2 Going through the indicators three relate to the number of productive days (no.'s 1,3,4). Rochford compares favourably with the other authorities and the proposed target. Nonetheless this is an area that will be monitored closely over the coming year to determine where improvements can be made. We will need to determine exactly what level of administration and managerial support is included in the other authorities productive time.
- 4.3 The other main area of comparison is the completion of the audit plan (no.'s 5,6,7). Even though we complete a high percentage of the audit plan, when that is broken down into actual audit assignments we are

not performing as well. There are a number of possible reasons why this is happening and the audit manager will need to monitor the work on each audit assignment more closely to determine the reason.

- 4.4 The possibilities are that not enough time is being allowed for the auditors to complete the work, the audit brief is too optimistic or there maybe a training need. Consideration will be given to reviewing the audit plan process and making comparisons with the other authorities.
- 4.5 Over the coming year the audit planning process and monitoring process will be reviewed to take into account the points raised above.
- 4.6 On the whole Internal Audit Service at Rochford is comparable with the three other local authorities. We do appear to be low on cost due to the lower staffing level, which in itself can pose an economy of scale issue. Cost is an area that requires further detailed analysis especially as authorities are now turning to the Best Value format for accounting.

5 RESULTS FROM THE INTERNAL SURVEY

- 5.1 Two surveys were issued to Heads of Service and Managers of Services. The first survey was an overall review of Internal Audit to establish what our customers think of the service and the second survey was to determine how a particular audit was undertaken. (Appendices 2 and 3)
- 5.2 The results show 80% of managers are satisfied they currently receive a quality audit service overall.
- 5.3 For particular audit areas, 90% of the responses show that managers are satisfied with the conduct and results of particular audit assignments.

6 CONCLUSIONS

- 6.1 It is reassuring to receive these results and any comments noted on the forms will be discussed further with the manager concerned to look at how we can further improve our service.

7 RECOMMENDATION

- 7.1 It is proposed that the Committee **RESOLVES:**
 - (1) That the information contained in the benchmarking exercise be noted and that Members agree to the further work outlined in the report as part of the monitoring of the Internal Audit process.
 - (2) The Audit & Process Review Manager reviews the audit planning process and monitoring system. (CEX)

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Appendix 1

No	Benchmark	Targets derived from discussions with other authorities	Authority 1	Authority 2	Authority 3	Rochford DC
1	Direct Time allocation (Productive time) per fte	154 (98/99)	157 (99/00)	173 (00/01)	148 (00/01)	160 (00/01)
2	Number staff fte		6.0	3.00	3.55	2.66
3	Total Productive days		942 (99/00)	520 (00/01)	526 (00/01)	425 (00/01)
4	Direct time allocated as a % of total time	75%	60% (99/00)	67% (00/01)	57% (00/01)	61% (00/01)
5	% of Audit plan implemented – No. of days	100%	N/A*	99% (00/01)	96% (99/00)	96% (00/01)
6	% of Audit plan implemented – No. of audits	100%	74%	92% (00/01)	92% (99/00)	76% (00/01)
7	Audit time allocation under or within 5% of allocation Over allocation	70% 30%	63% 37%	60% 40% (00/01)	73% 27% (99/00)	44% 56% (00/01)
8	Daily rate		£235	£242	£264 (00/01)	£211 (00/01)
9	Total Cost		N/A*	£125,840 (Est. 00/01)	£138,954 (00/01)	£89,624 (00/01)

*Not available