

**Item No: 9**

**Report No: 74/15**

**Report Title: Annual Report on Internal Audit Performance and Effectiveness 2014/15**

**Report To: Audit and Standards Committee Date: 22 June 2015**

**Ward(s) Affected: All**

**Report By: Head of Audit, Fraud and Procurement**

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**Purpose of Report:**

**To inform Councillors of the Internal Audit work of the Audit and Performance Division for 2014/15.**

**To inform Councillors on the outcome of the review of the effectiveness of Internal Audit for 2014/15.**

**Officers Recommendation(s):**

- 1** To note that the Internal Audit coverage in 2014/15 has been sufficient to enable the Head of Audit, Fraud and Procurement (HAFP) to issue an unqualified opinion on the overall adequacy and effectiveness of the Council's control environment (see Section 3.1).
  - 2** To note the satisfactory outcome of the review of the effectiveness of Internal Audit for 2014/15 (see Section 3.3).
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**Reasons for Recommendations**

- 1** The remit of the Audit and Standards Committee includes a duty to consider the annual report by the HAFP, and to keep the work of Internal Audit under review to ensure that it is able to discharge its functions effectively.

**2 Background**

- 2.1** The Internal Audit function at Lewes previously operated in accordance with the Code of Practice for Internal Audit published by the Chartered Institute of Public Finance and Accountancy (CIPFA). CIPFA has, with the other governing bodies that set auditing standards for the various parts of the public sector, adopted a common set of Public Sector Internal Audit Standards (PSIAS) that have applied from 1 April 2013. The HAFP advised the Audit and Standards Committee of the effect of the new standards at its March 2013 meeting.

**2.2** The requirements of the PSIAS overlap with those of the Accounts and Audit (England) Regulations 2011, which require that the organisation conducts a review of the effectiveness of Internal Audit at least annually. This requirement has been met by an internal study carried out by the HAFP, with the results reviewed by the Director of Corporate Services and now reported to the Audit and Standards Committee. The review has drawn on the results of the quality review processes that form part of the PSIAS and the associated Local Government Application Note (LGAN) issued by CIPFA.

### **3 Overall conclusions on Internal Audit Performance and Effectiveness 2014/15**

**3.1** The work carried out by Internal Audit during 2014/15 is outlined in Section 4 of this report. The audit coverage has been sufficient to enable the HAFP to issue an unqualified opinion on the overall adequacy and effectiveness of the Council's control environment. This opinion is included in the Annual Report on the Council's Systems of Internal Control 2014/15 that is presented separately to this meeting of the Committee.

**3.2** In the past year Internal Audit has continued to focus on the Council's main financial systems and the HB subsidy grant claim, whilst at the same time providing resources to assist in the projects that form part of the Council's work on restructuring and regeneration. This approach helps to ensure the adequacy of internal control in key areas, safeguards the Council's subsidy payments, ensures that the work of internal audit is integrated with the work of the external auditors (BDO), and helps to provide assurance on quality and controls in key Council developments. The HAFP believes that these are necessary priorities, which also assist in the Council's management and control of risk.

**3.3** The review of the effectiveness of Internal Audit has taken into account the work carried out by the section during 2014/15 and the results of the performance and quality assurance processes that are outlined in Sections 5 to 7 of this report. The results of the review enable the HAFP to report that the Internal Audit service at Lewes is fully effective, is subject to satisfactory management oversight and has complied with the PSIAS in all major areas.

### **4 Work of Internal Audit 2014/15**

**4.1** This section of the report informs Councillors of the work undertaken by Internal Audit during the year, compared against the annual programme that was agreed by the Audit and Standards Committee in March 2014.

#### **Use of Internal Audit resources**

**4.2** Table 1 shows the total planned audit days compared to the actual audit days spent. As requested by Councillors, Table 1 includes comparative data for 2013/14.

**4.3** Table 1 shows that for 2014/15 a total of 683 audit days have been undertaken compared to the budget of 653 days. The variance of 30 days is largely due to the investigation carried out by HAFP (see paragraph 4.16) that was not planned at the start of the year.

Table 1: Plan audit days compared to actual audit days for 2014/15

<b>Audit Area</b>	<b>Actual audit days for 2013/14</b>	<b>Plan audit days for 2014/15</b>	<b>Actual audit days for 2014/15</b>
Main Systems	260	285	336
Central Systems	31	65	25
Departmental Systems	178	100	79
Performance and Management Scrutiny	64	40	39
Computer Audit	11	65	28
Environmental Audit	65	-	-
Management Responsibilities/Unplanned Audits	132	98	176
Days Total	741	653	683

**4.4** As was anticipated when the Audit Plan 2014/15 was prepared, the ongoing restructuring of the Council has necessitated a review of the annual plan. The results of this review exercise were reported to the January 2015 meeting of the Committee. The appropriate sections of that report are included below to provide new Committee members with an overall view of the changes that were agreed.

#### **Review of the 2014/15 Audit Plan (reported January 2015)**

**4.5** The review has taken place at the nine month stage, and the results of the review are now presented to the Committee. The review was scheduled to take account of a range of issues, in particular the ongoing restructuring and the impact of the significant extra work on the Benefits subsidy claim with BDO. The HAFP plans the following adaptations to the programme of work in the Audit Plan for 2014/15.

- The issue of the updated Business Continuity Plan in December 2014 means that further audit work is not necessary during 2014/15. The next audit of this subject will be scheduled for a future date in the audit cycle.
- The audit of Communications that was begun in 2013/14 was halted in agreement with the Director of Business Strategy and Development in recognition of the major restructuring that was taking place in the department. The restructuring has been ongoing during 2014/15 and further audit work is not yet appropriate. The next audit of this subject will be scheduled for a future date in the audit cycle.
- The audit of Estates Management was halted to enable resources to be directed to the investigation requested by the Chief Executive. A summary of key conclusions on Estates Management is being prepared to inform the ongoing restructuring of the Facilities function. No further work is planned in 2014/15 and the next audit of this subject will be scheduled for a future date in the audit cycle.
- The audit of Trade Waste reached the fieldwork stage before being suspended because resources had to be re-assigned to the completion of the work on the HB subsidy claim. There is now no time to reschedule this audit in 2014/15 because of higher priority work on the key financial systems, and the audit of Trade Waste will be a priority task in the programme of audits for early 2015/16.

- The planned audit of Internet/Intranet has been postponed because of the ongoing work on the redesign of the Council's website. The next audit of this subject will be scheduled for a future date in the audit cycle.

Other audits in the programme for 2014/15 that are planned or underway will continue to a normal conclusion.

### **Audit Work Undertaken**

- 4.6** The paragraphs below summarise the main functional areas reviewed in the year and the key audits undertaken and completed. More detailed information on the audits completed in 2014/15 has been provided to each meeting of the Audit and Standards Committee.
- 4.7 *Main Systems:*** The initial work was on completing the testing of the major financial systems in order to gain assurance on the adequacy of internal controls for the Annual Governance Statement (AGS) and to inform BDO's work on the Council's accounts for 2013/14. The audit did not identify any significant control issues that would have an impact on the Council's main accounts. A summary report was finally issued. The corresponding work for the accounts for 2014/15 is largely completed, and the audit is at the draft report stage.
- 4.8** The initial work on behalf of BDO to test the Council's subsidy claim for Benefits for 2013/14 was completed to plan. The work identified errors in the processing of claims and, at the request of BDO, this required additional testing to determine the extent and impact of the issues noted. During October 2014, BDO checks identified further issues that required additional testing, and this process of further check and testing meant that it was not possible to submit the claim by the due date of 30 November 2014.
- 4.9** After a series of further checks, BDO issued a letter of qualification on 11 February 2015 that contained agreed estimates of the impacts of the issues noted. The claim for £35.6m was then submitted to DWP. The BDO report on the results of this work was presented to the March 2015 meeting of the Committee. During May 2015, DWP advised the Council that the full amount of the subsidy claim would be paid with no conditions applied. A summary report by Internal Audit on the Benefits subsidy claim work is at the draft stage, but will be completed shortly to include the final outcome from DWP.
- 4.10** It has not been necessary to carry out the anticipated work to verify the Council's subsidy claim for NDR. This follows a decision by DCLG and the Audit Commission that there need not be verification of the NDR claim return for 2013/14.
- 4.11 *Central Systems:*** An initial outline study for the audit of Business Continuity Planning resulted in a summary report being issued to the Director of Corporate Services; an updated Business Continuity Plan for the Council's services was issued in December 2014. A final report was issued for the audit of Safeguarding. A summary of findings from the work on Estates Management was issued to assist managers in re-organising the functions. The audit of Health and Safety is underway.
- 4.12** Final reports were issued for the 2013 and 2014 annual audits of Ethics. These audits are required to ensure compliance with the PSIAS. To date the audits have not been planned as part of the coverage of Central Systems although

they cover key aspects of the Council's corporate governance arrangements. This planning issue will be rectified in the preparation for the Strategic Audit Plan 2016/19 that will be presented to the Committee in March 2016. The work on the 2014 Ethics audit has meant that the planned audit of Building Maintenance had to be moved to 2016/17.

- 4.13 *Departmental Systems:*** Final reports were issued for the audits of Cemeteries, Planning and Development Control, and Building Control. Findings from a review of selected aspects of the procedures for the maintenance of Council housing will be made available to assist managers in reorganising the function. An audit of Sheltered Housing was divided into two parts at the request on Housing managers, with the second element now underway – the audit report will summarise the results from both sections. The audit of the Trade Waste that was moved to 2015/16 is at the draft report stage.
- 4.14 *Performance and Management Scrutiny:*** As part of planned work on Programme Nexus, Internal Audit has examined the internal control aspects of the new service delivery model for Council services. HAFP has been regularly involved as part of the procurement team for the project, and PAM has been part of the officer group that has been evaluating the tenders submitted by suppliers. Internal Audit involvement in four regeneration projects, and the project to develop the North Street Quarter of Lewes, has been less than originally planned.
- 4.15 *Computer Audit:*** Internal Audit completed the IT aspects of the testing of the main financial systems, and a report on the audit of IT Security was finally issued. As noted at 4.5 above, the audit of Internet/Intranet was postponed because of the work on the redesign of the Council's website. With the Council's focus on the development of the new service delivery model (see above) there have been no new individual IT systems that have needed Internal Audit review as part of the Computer Audit coverage.
- 4.16 *Management Responsibilities and Unplanned Audits:*** This category provides resources for activities such as support for the Audit and Standards Committee, managing the Fraud Investigations Team, liaison with BDO, managing the Follow Up procedures, as well as for special projects or investigations.
- 4.17** Internal Audit has been coordinating the Council's response to the 2014/15 NFI data matching exercise. The base data was forwarded to the Audit Commission in October 2014 and the reported matches for LDC were received on 29 January 2015. There are 1,526 matches detailed across 49 reports, each report setting out different types of potential frauds among HB claimants, housing tenants, and anyone receiving payment from the Council. The review and investigation of the matches is underway, with the initial work being to analyse and assess the matches to weed out those that are the result of error, coincidence or entirely proper activity.
- 4.18** At the request of the Chief Executive, Internal Audit investigated the relationship between the Council and Seaford and District Constitutional Club in respect of possible development opportunities at the site. A final summary report was issued and was presented to the December 2014 meeting of the Committee.

## **Follow Up of Audit Recommendations**

- 4.19** As part of the control procedures detailed in the Internal Audit Manual all audit recommendations are followed up. The purpose of this is to check whether all accepted recommendations have been implemented. The early focus for follow up in 2014/15 was on confirming the implementation of the recommendations that had been agreed in the previous year. The results of this work were reported to the June 2014 meeting of this Committee. Since then the follow up procedures have concentrated on the recommendations due to be actioned during 2014/15.
- 4.20** Eight of the recommendations due to be implemented during the year have been actioned. This represents an implementation rate of 67% which is lower than the target of 90%. The factors behind the shortfall are organisational and staffing changes which have required a focus on other priorities. The major impact has been on the implementation of the recommendations from the investigation of the relationship between the Council and Seaford and District Constitutional Club in that not all of the recommendations had been implemented at the year-end (see also Section 9 and Appendix A).

## **5 Review of the Internal Audit Service against its aims, strategy and objectives**

- 5.1** The LGAN requires that the Internal Audit service is periodically reviewed against its aims, strategy and objectives. The aim, objectives and strategy for the service for 2014/15 were set out in the Strategic Audit Plan 2014/17 that was presented to the March 2014 meeting of the Audit and Standards Committee, as outlined below.

### **Service Aim**

Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

### **Service Objectives**

- To provide an efficient and effective Internal Audit function which achieves its service standards, and improves performance where possible.
- To deliver the Council's Annual Audit Plan and Strategic Audit Plan.

The following additional service objective was added to reflect the move of the Fraud Investigations Team to Internal Audit in November 2014.

- To provide an efficient and effective Investigations Team that supports the Council's Anti-Fraud and Corruption Strategy by carrying out a planned programme of work to help prevent and detect fraud, and provide resources to investigate suspected fraud cases.

### **Expected Outcome**

The Council is able to demonstrate an effective control environment with no significant control issues, and to provide a satisfactory and unqualified audit opinion in its Annual Governance Statement (AGS).

The Council's AGS reports on the effectiveness of the governance framework, and is approved by the Audit and Standards Committee at its September meeting. The AGS is based upon the results from the Council's assurance arrangements, and the work by Internal Audit and the Council's external auditors, BDO.

### **Internal Audit Strategy**

The Internal Audit service is provided internally. The staffing is set at the level necessary to ensure audit coverage of the key areas within the three year audit cycle based on a detailed risk assessment. From February 2014 the staffing of Internal Audit has been set at 3.2 FTE. From November 2014 the staffing has been enhanced by 1.5 FTE with the addition of the Fraud Investigations Team (see Section 10).

- 5.2** The HAFP has compared the performance of the Internal Audit service with the aim, objectives and strategy, and has examined the organisation, working methods, performance and quality standards of the service. The review results, together with the details given in the Annual Report on the Council's Systems of Internal Control 2014/15, demonstrate that the Internal Audit service achieves its service aim, objectives and expected outcome, and operates in accordance with the Internal Audit Strategy as approved by the Audit and Standards Committee.

## **6 Review of Internal Audit Charter**

- 6.1** The PSIAS require that HAFP periodically reviews the Charter and present it to senior management and the Audit and Standards Committee for approval. The Charter for Internal Audit and Internal Audit Code of Ethics were updated to comply with the PSIAS in March 2013, and the revised documents were approved by the Audit and Standards Committee and circulated to senior managers.
- 6.2** HAFP reviews the documents annually to confirm that they remain valid and up to date, and that Internal Audit activities are operated in accordance with the requirements of the documents. HAFP has confirmed that the documents remain largely as approved in March 2013, except for minor changes made in May 2015 to reflect new job titles for some senior positions. If there is a need for more significant changes to the documents they will be presented to the Audit and Standards Committee for approval, and circulated to senior managers. If no significant changes are required, the full Charter for Internal Audit and Internal Audit Code of Ethics will be referred to the Audit and Standards Committee for approval every three years, and so it is anticipated that the next referral to the Committee will be in March 2016.

## **7 Quality Assurance and Improvement Programme (QAIP)**

- 7.1** The PSIAS require that HAFP develops and maintains a QAIP that covers all aspects of Internal Audit activity, and which includes periodic assessments of quality, performance and conformance with the standards. The main elements of the QAIP are set out below.
- 7.2** The results of the quality reviews and assessments have been considered by HAFP, who confirms that the standards of Internal Audit work comply with the audit manual and the PSIAS.

### **Review by external auditors BDO**

- 7.3** BDO make use of Internal Audit's work for their audits of key financial systems and the audits of the grant subsidy claim for HB, and use Internal Audit results to inform their opinion of the Council's control environment.

### **Quality reviews by Internal Audit**

- 7.4** Each audit assignment is subject to quality reviews by the Principal Audit Manager (PAM) to establish that the field work and audit reports have been prepared and completed in accordance with audit manual procedures, quality standards and the objectives of the audit.

### **External assessment**

- 7.5** The PSIAS set new requirements in terms of external assessments, which must be conducted at least every five years by a qualified, independent assessor (or assessment team) from outside the organisation. LDC has until March 2018 to have carried out an external assessment.
- 7.6** HAFP has previously agreed with the Audit and Standards Committee that he will put in place suitable arrangements for an external assessment, and will report the arrangements to the Committee. As anticipated the most economic arrangements will involve the internal audit services in neighbouring authorities in a shared assessment process. During March 2015, the outline arrangements for the assessments were agreed with the authorities comprising the Sussex Audit Group. Following a pilot assessment at a neighbouring authority that is planned for later in 2015/16, Lewes is scheduled to be assessed during 2016/17.

### **Internal assessment**

- 7.7** The PSIAS require that there are annual internal assessments that are carried out by people external to Internal Audit, but with a sufficient knowledge of internal audit practices, including knowledge of the PSIAS, the LGAN and/or IIA practice guidance.
- 7.8** The PAM has carried out the internal assessment for 2014/15, comparing Internal Audit processes and procedures with the requirements of the PSIAS and LGAN. The PAM is not external to internal audit but has the necessary knowledge of internal audit practices, PSIAS, LGAN and IIA practice guidance.
- 7.9** HAFP has reviewed the results of the internal assessment, and confirms that Internal Audit works in accordance with the detailed requirements of the PSIAS and LGAN in the planning, management, conduct and reporting of engagements.

## **8 Feedback from Users**

- 8.1** Customer satisfaction surveys have been part of Internal Audit's quality assurance measures since 2001. The PSIAS and LGAN require that performance monitoring arrangements include obtaining feedback from stakeholders.
- 8.2** During May 2015, feedback questionnaires were sent to the Chief Executive and members of the Corporate Management Team (CMT), and to those service managers who have had direct contact with Internal Audit during 2014/15. All

comments from that exercise were reported as Very Good, Good or Satisfactory.

## **9 Performance Indicators (PIs)**

**9.1** Proposals for a revised set of PIs for Internal Audit were agreed at the September 2013 meeting of the Committee, and the new PIs formed the framework for the report on Internal Audit Benchmarking that was presented to the December 2013 meeting of the Committee.

**9.2** The Performance Indicator (PI) results for 2013/14, 2014/15 and the targets for 2015/16 are detailed at Appendix A. The main factors leading to variances from the performance targets can be summarised as:

- The unplanned work by HAFP on the investigation of the relationship between the Council and Seaford and District Constitutional Club has added to the effective staffing of Internal Audit, increased the number of chargeable days, and increased staffing costs.
- Total costs are higher than target because of the increased staff costs and increases in the internal recharges for accommodation and other support costs.
- The number of non-chargeable days is higher than target mainly because of additional training, and time spent on Health and Safety that was not originally planned.
- Not all the recommendations from the investigation of the relationship between the Council and Seaford and District Constitutional Club had been implemented by the end of 2014/15. Internal Audit is advised that the recommendations have since been actioned as part of the arrangements for inducting new Councillors after the May 2015 elections.

## **10 Fraud Investigation Team**

**10.1** During the early months of 2014/15 there was some uncertainty over the future of the Benefit Fraud Investigations Team following the set up a national Single Fraud Investigation Service (SFIS) within DWP to manage the investigation of Benefit fraud.

**10.2** CMT agreed a business case for the Investigations Team to work as part of Internal Audit from 1 November 2014, and from that date the team has been working on the prevention and detection of fraud across additional areas of Council services including tenancy fraud and business rates (NDR) fraud. Every meeting of the Audit and Standards Committee receives a progress report on the work of the Investigations Team.

**10.3** The Investigation Team is a member of the East Sussex Fraud Officers Group (ESFOG), a body that enables information sharing and joint initiatives with neighbouring authorities on a wide range of counter fraud work. In response to offers of funding from DCLG for counter fraud initiatives, a sub group of six authorities within ESFOG submitted a successful funding bid for the development of a 'Hub' approach to coordinating new anti-fraud initiatives across East Sussex.

**10.4** The Hub is managed by officers at Eastbourne BC in accordance with the corporate governance arrangements of that authority, with input from ESFOG

partners as appropriate. The early months of the Hub arrangement have seen a programme of standardised training and planning, the testing of case management and data sharing systems, and a pilot scheme (at Eastbourne BC) for a tenancy management application. All these developments have been funded from the DCLG grant. Work on cases in the separate authorities will take priority until there is a fully coordinated Hub joint exercise.

**10.5** Since November 2014, the work on developing the team's approach to counter tenancy fraud has included attendance at the national Tenancy Fraud Conference, obtaining best practice guidance from other authorities, and establishing referral arrangements with LDC officers in Housing. A total of 14 suspected cases of tenancy fraud have been being investigated, and eight of these cases are still underway. Four cases have been closed as the investigations have established that there has been no fraud. Two properties have been returned to the Council's housing stock after the team had proved abandonment by the tenant.

**10.6** Internal Audit has in place an agreement with DWP for the management of cases of HB fraud. The team works with local DWP officers to help ensure efficient operation of the processes covered by the agreement. The major work on each HB case will be the responsibility of the national Single Fraud Investigation Service (SFIS). LDC retains a role in referring cases of suspected HB fraud to SFIS and handling requests for information, dealing with the cases of suspected CT Reduction Scheme (CTRS) fraud that are often linked to HB cases, and administering the penalties for cases that are not subject to prosecution. A total of 90 HB cases have been passed to SFIS, and 45 information requests have been actioned. There are currently 42 cases of suspected CTRS fraud under review.

**10.7** NDR is the next priority area for the team, based upon some initial research and a small pilot study. In early June 2015 the team attended training on counter fraud work for NDR in an exercise organised by the Hub, and is working with LDC officers in the Revenues team to set up a referrals process.

## **11 Financial Appraisal**

**11.1** There are no additional financial implications arising from this report.

## **12 Sustainability Implications**

**12.1** I have not completed the Sustainability Implications Questionnaire as this report is exempt from the requirement because it is a progress report.

## **13 Risk Management Implications**

**13.1** The risk assessment shows that if the Audit and Standards Committee does not ensure that Internal Audit is able to discharge its functions effectively there is a risk that a key aspect of the Council's internal control arrangements will not comply fully with best practice. At present, this risk is mitigated by an effective Internal Audit service that is subject to proper management oversight and monitoring by the Audit and Standards Committee.

## **14 Equality Screening**

**14.1** I have given due regard to equalities issues and, as this is an internal progress monitoring report with no key decisions, screening for equalities is not required.

## **15 Background Papers**

[Audit Plan 2014/15](#)

## **16 Appendices**

**Appendix A:** Performance Indicators (PIs) for Internal Audit.

**APPENDIX A PERFORMANCE INDICATORS (PIs) FOR INTERNAL AUDIT**

<b>Performance Indicator</b>	<b>Actual 2013/14</b>	<b>Target 2014/15</b>	<b>Actual 2014/15</b>	<b>Target 2015/16</b>
<b>Input of resources</b>				
1 Staffing FTE	3.80	3.20	3.38	3.25
2 Employee costs	£167,539	£153,003	£164,592	£154,662
3 Total costs	£200,167	£184,126	£191,750	£187,962
4 Cost per chargeable day	£270.13	£281.97	£280.75	£281.80
<b>Productivity and Efficiency</b>				
5 Number of core systems audits carried out in the year	14	14	14	14
6 Number of days spent on core systems audits	260	285	336	285
7 Number of audits/reviews in original plan	48	37	33	39
8 % of original plan carried out	79%	90%	89%	90%
9 Number of audits/reviews in revised plan	59	-	39	-
10 % of revised plan carried out	83%	90%	90%	90%
11 Number of chargeable days	741	653	683	667
12 Number of non-chargeable days	225	168	178	171
13 % of draft reports issued within 15 days of the end of the audit	100%	95%	90%	95%
<b>Compliance with professional standards</b>				
14 Positive opinion from BDO review of Internal Audit as per Management Letter.	Positive opinion	Positive opinion	TBC	TBC
15 Total external audit fee	£72,872	£70,520	TBC	TBC
<b>Outcome and degree of influence of the service</b>				
16 % of recommendations implemented by the agreed date.	61%	90%	67%	90%
17 All comments from client satisfaction questionnaires in Categories 1 (Very Good), 2 (Good) or 3 (Satisfactory).	100%	100%	100%	100%

Notes

All the PIs are for the Internal Audit service. There are no PIs for the Fraud Investigations Team.

Item 1 (Actual 2014/15 and Target 2015/16) reflect the additional time spent by HAFP on Internal Audit work in 2014/15 and the coming year. The authorised complement for the Division has not changed and the budget is as originally approved.

Items 3 and 4 (Target 2014/15) have been adjusted to include planned recharges for IT and accommodation facilities that were not included when the target was set. Target and actual results are on a consistent basis.

Item 9 reflects the position by the end of the year, with audits having been added to/taken from the plan. No target or forecast is appropriate.

Item 16 (Actual) reflects the position at the year-end in that not all the recommendations from the investigation of the relationship between the Council and Seaford and District Constitutional Club had then been implemented. Internal Audit is advised that the recommendations have since been actioned as part of the arrangements for inducting new Councillors after the May 2015 elections.

Item 17 includes results from questionnaires sent to audit clients, and members of the Corporate Management Team.