

Is the final decision on the recommendations in this report to be made at this meeting?

Yes**Internal Audit Annual Report 2014/15**

Final Decision-Maker	Audit, Governance & Standards Committee
Lead Director or Head of Service	Rich Clarke - Head of Audit Partnership
Lead Officer and Report Author	Russell Heppleston – Audit Manager
Classification	Non-exempt
Wards affected	N/A

This report makes the following recommendations to the final decision-maker:

1. The Audit, Governance and Standards Committee **notes** the Head of Audit opinion and supporting work and that the opinion will inform the Council's Annual Governance Statement.
2. That the Audit, Governance & Standards Committee **notes** the effectiveness of the Mid Kent Audit service and its conformance to the Public Sector Internal Audit Standards (PSIAS).

This report relates to the following corporate priorities:

- Great People
- Great Place
- Great Opportunity

The role of the Audit, Governance & Standards Committee includes the consideration of risk, controls and governance across the whole Council. The effectiveness of the Committee therefore has an impact across all of the Council's Corporate Objectives.

Timetable

<i>Meeting</i>	<i>Date</i>
Policy and Resources Committee	N/A
Council	N/A
Other Committee	Audit, Governance & Standards – 13 July 2015

Internal Audit Annual Report 2014/15

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 This report meets the Head of Internal Audit annual reporting requirements set out in the Public Sector Internal Audit Standards (the “Standards”), including the Head of Audit Partnership’s annual opinion on the overall adequacy and effectiveness of the organisation’s framework of governance, risk management and control, which is used to inform the Annual Governance Statement 2014/15.
- 1.2 The Standards, particular Standard 2450: Overall Opinions, direct that the annual report must incorporate:
 - The annual internal audit opinion on the overall adequacy and effectiveness of the organisation’s framework of governance, risk management and control;
 - A summary of the work completed that supports the opinion; and
 - A statement on conformance with the Public Sector Internal Audit Standards and the results of the quality assurance and improvement programme.

2. INTRODUCTION AND BACKGROUND

- 2.1 Internal Audit is a required service under the Accounts & Audit Regulations 2011. The principal objective of Internal Audit is to examine and evaluate the adequacy of the Council’s systems of internal control, risk management and corporate governance.
- 2.2 As those charged with overseeing Governance, the Terms of Reference for the Audit, Governance & Standards Committee require it to ‘receive the annual report of the Head of Audit Partnership’. In order for the Committee to fulfil its duties we provide regular updates on the performance and effectiveness of the Internal Audit Service. The Council’s internal audit service is provided by Mid Kent Audit as a partnership between Swale, Maidstone, Ashford and Tunbridge Wells Borough Councils. The four way partnership has been in operation since 2010.
- 2.3 The overall scope of the Council’s audit service is set out in advance within the annual internal audit plan. During 2014/15, it was the Council’s Audit Committee (as existed at the time) that agreed the audit plan at its meeting in March 2014, and the revised plan in December 2014.
- 2.4 We have completed the audit work set out in that plan, subject to minor modifications in year in response to prevailing risks and needs of the Council, in

accordance with mandatory standards and good practice contained within the Standards. Where there is work outstanding at the time of issuing this report, the work is sufficiently advanced that the Head of Audit Partnership is satisfied its conclusions will not materially affect the Head of Audit Opinion. The final conclusions of any work outstanding will be reported to the Committee verbally during the meeting (where available) or as part of the first scheduled 2015/16 update.

3. AVAILABLE OPTIONS

- 3.1 Public Sector Internal Audit Standards demand that the Head of Audit present an annual opinion on internal control, corporate governance and risk management, and detail the work underpinning that opinion, to the organisation's audit committee (or equivalent). No other alternative action is possible while maintaining conformance with required professional standards.
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4. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 4.1 The Audit & Governance Committee **notes** the Head of Audit opinion and supporting work and that the opinion will inform the Council's Annual Governance Statement.
- 4.2 The report presents the Head of Audit opinion for 2014/15 and conclusions of work undertaken during the year. The Audit, Governance & Standards Committee is required to consider the Head of Audit Opinion and the findings of internal audit in order to meet its own requirements set out in its terms of reference.
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5. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

- 5.1 The Internal Audit Annual Report summarises the work of internal audit across 2014/15 which has been completed with on-going consultation to senior officers in their roles as audit sponsors and in particular the Director of Environment & Shared Service who sits as Maidstone's representative on our governing Shared Service Board.
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6. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities	Internal Audit includes the consideration of risk, controls and governance across the whole Council. The effectiveness of which underpins all of the Council's Corporate Objectives.	
Risk Management	The report includes an unqualified opinion on the Council's risk management	

	arrangements.	
Financial	The report includes an unqualified opinion on the Council's internal controls (financial and non-financial).	
Staffing	None identified at this stage.	
Legal	None identified at this stage.	
Equality Impact Needs Assessment	None identified at this stage.	
Environmental/Sustainable Development	None identified at this stage.	
Community Safety	None identified at this stage.	
Human Rights Act	None identified at this stage.	
Procurement	None identified at this stage.	
Asset Management	None identified at this stage.	

7. REPORT APPENDICES

The following documents are to be published with this report and form part of the report:

- Appendix I: **Internal Audit Annual Report 2014/15**
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8. BACKGROUND PAPERS

8.1 None

MID KENT AUDIT

**Annual
Internal Audit
Report**

April 2014 – March 2015

**Maidstone Borough
Council**



Introduction

1. Internal audit is an independent and objective assurance and consulting activity designed to add value and improve the Council's operations. It helps the Council accomplish its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes¹.
2. Authority for Internal Audit is within the Accounts and Audit Regulations 2011 that require the Council to undertake an adequate and effective internal audit of its accounting records and its systems of internal control in accordance with the 'proper practices'. From 1 April 2013 the 'proper practices' are the Public Sector Internal Audit Standards (PSIAS).
3. As required by these standards the Head of Audit Partnership must provide an annual opinion on the overall adequacy and effectiveness of the Council's framework of control, governance and risk. The opinion takes into consideration:
 - **Internal Control:** Including financial and non-financial controls.
 - **Corporate governance:** Including effectiveness of measures to counter fraud and corruption.
 - **Risk Management:** Principally, the effectiveness of the Council's risk management framework.
4. In addition, the Head of Audit Partnership must confirm to the Audit & Governance Committee at least annually, the organisational independence of internal audit activity.

Independence:

5. Mid Kent Audit is provided through a shared service partnership together with Ashford, Maidstone, Swale and Tunbridge Wells.
6. At Maidstone Borough Council, the Head of Audit Partnership has direct and unrestricted access to the Chief Executive, senior management and the Chair of the Audit, Governance & Standards Committee. This right of access is contained within and reinforced by the Audit Charter, as approved by Management and the Audit, Governance & Standards Committee
7. Organisationally the Head of Audit Partnership reports to the Director of Mid Kent Services and, through the Shared Service Board, to the Director of Environment & Shared Service who is a member of the Council's senior management team. On no occasion has the Director of Mid Kent Services, the Director of Environment & Shared Service or any member of the senior management team sought to restrict the scope of audit work or to change any report prepared by the Head of Audit Partnership.
8. We are satisfied that Internal Audit is organisationally independent and fully meets the necessary standard for independence and objectivity.

¹ This is the definition of internal audit included within the Public Sector Internal Audit Standards

Head of Audit Partnership Annual Opinion

9. This opinion statement is provided for Maidstone Borough Council (the Council) in support of its Annual Governance Statement 2015, which is published alongside the statement of accounts for the year ended 31 March 2015.

Scope of responsibility

10. The Council is responsible for ensuring its business is conducted in accordance with the law and proper practices and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
11. In discharging this responsibility the Council is also responsible for ensuring that there exists a sound system of internal control with allows for effective exercise of the Council's functions and arrangements for the management of risk.

The purpose of the system of internal control

12. The system of internal control is designed to manage risk to a reasonable level rather than eliminate risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised and to manage them efficiently, effectively and economically.

The control environment

13. The Public Sector Internal Audit Standards (the 'Standards') states that the control environment includes the following elements:
- Integrity and ethical values.
 - Management's philosophy and operating style.
 - Organisational structure.
 - Assignment of authority and responsibility.
 - Human resource policies and practices.
 - Competence of personnel.
14. In examining the control environment, I have had regard to these elements and how they support the Council's framework of governance, risk management and control.

Basis of assurance

15. Mid Kent Audit has conducted audits both in accordance with the mandatory standards and good practice contained within the Standards and additionally from our own internal quality assurance systems, which include operating to an agreed audit manual with adequate supervision and review.
16. My opinion is limited to the work carried out by Internal Audit during the year on the effectiveness of the management of those principal risks, identified within the Council's assurance framework, that are covered by Internal Audit's programme. Where principal risks are identified within the Council's framework that do not fall under Internal Audit's coverage or that are not included in Internal Audit's coverage, I am satisfied that an assurance framework is in place that provides reasonable assurance that these risks are being managed effectively.
17. Our work for the year to 31 March 2015 was completed in line with the operational plan approved by the Audit Committee (as then existed) in March 2014.

Internal control

18. From the Internal Audit work undertaken in relation to 2014/15 it is my opinion that I can provide assurance that the system of internal control that has been in place at Maidstone Borough Council for the year ended 31 March 2015 accords with proper practice. This assurance extends to both the financial and non-financial systems of the Council insofar as they have been subject to audit review.

Corporate governance

19. In my opinion the corporate governance framework complies in all significant respects with the best practice guidance on corporate governance issued by CIPFA/SOLACE.

Risk management

20. I am satisfied that the risk management processes are effective and provide regular information on key risks and issues to the Council's management team and through to Members.
21. I have based these opinions on the work outlined in the detail of this report.

Internal Control

22. The system of internal control is a process for assuring achievement of the Council's objectives in operational effectiveness and efficiency, reliable financial reporting and compliance with laws, regulations and policies. It incorporates both financial and non-financial systems.
23. We obtain audit evidence to support the Head of Audit opinion on internal control principally through completing the reviews set out within our agreed audit plan, approved by the Audit Committee in March 2014.

Summary of Audit Work – Maidstone BC 2014/15

24. The table below sets out the internal audit projects undertaken during the year, including progression of work currently in the process of being finalised. Since the plan was agreed in March 2014 there have been a number of revisions to the scheduling of audit projects over the year, therefore a list of changes to the plan is also included as part of the table:

No.	Audit Project	Brief Agreed	Fieldwork	Draft Report	Final Report	Assurance Rating
	Audit Assurance Projects					
1	Business Rates Retention (Risk)	◆	◆	◆	◆	STRONG
2	Compliance with Computer Use	◆	◆	◆	◆	SOUND
3	VAT Management	◆	◆	◆	◆	SOUND
4	Members Allowances	◆	◆	◆	◆	SOUND
5	Emergency Planning	◆	◆	◆	◆	WEAK
6	Bank Reconciliation	◆	◆	◆	◆	SOUND
7	Communications & Social Networking	◆	◆	◆	◆	SOUND
8	Leisure Centre Contract	◆	◆	◆	◆	SOUND
9	Data Protection	◆	◆	◆	◆	WEAK
10	Members & Officers Declarations of Interest	◆	◆	◆	◆	WEAK
11	Payroll (Systems Audit)	◆	◆	◆	◆	STRONG
12	Waste Collection Contract	◆	◆	◆		SOUND
13	Planning Support Shared Service - Income Controls	◆	◆	◆	◆	MEMO ISSUED
14	Accounts Payable	◆	◆	◆	◆	SOUND
15	Corporate Credit Cards	◆	◆	◆	◆	SOUND
16	Business Rates (Systems audit)	◆	◆	◆	◆	STRONG
	Other Projects					
17	Business Assurance Mapping	◆	◆	◆	◆	COMPLETE
18	Teammate Development: Team Central	◆	◆	◆	◆	COMPLETE
19	Individual Electoral Registration: Data Matching	◆	◆	◆	◆	COMPLETE

No.	Audit Project	Brief Agreed	Fieldwork	Draft Report	Final Report	Assurance Rating
20	Investigation Liaison Protocol	◆	◆	◆	◆	COMPLETE
21	Fraud Risk Review	◆	◆	◆	◆	COMPLETE
22	National Fraud Initiative	◆	◆	◆	◆	PHASE 1 & 2
23	Rent Accounting System	◆	◆	◆	◆	PROJECT ASSURANCE

25. The team have completed 23 projects; of which 16 include a full assessment and assurance rating. All projects had been finalised and issued at the time of drafting this report.
26. Note also that this table reflects only projects included within the Maidstone BC 2014/15 audit plan. For 2014/15 and earlier our practice when examining shared services was to distribute them between partner authority's audit plans. Although we have changed this approach for 2015/16 – shared service reports now feature in the audit plans and outcomes are reported automatically to the audit committee (or equivalent) of each partner – for 2014/15 the reviews below are also relevant to gaining an understanding of audit work completed that supports our overall view of the control environment at the Council:

No.	Audit Project	Brief Agreed	Fieldwork	Draft Report	Final Report	Assurance Rating
	Audit Assurance Projects					
1	ICT Service Desk (SBC plan)	◆	◆	◆	◆	WEAK
2	Housing Benefit System	◆	◆	◆	◆	STRONG
3	Cashless Pay & Display	◆	◆	◆	◆	SOUND
4	Council Tax System	◆	◆	◆		
	Other Projects					
5	Planning Support Project Implementation Review	◆	◆	◆	◆	N/A

27. There is one project (Council Tax) incomplete at the time of preparing this report, but we are satisfied that the work is sufficiently progressed to provide assurance that there are no matters arising that materially affect the Head of Audit Opinion. We can provide an update on the progress of this project to the Committee verbally during the meeting (where available) or as part of the first scheduled 2015/16 update.
28. We include a summary of each completed review below.

Changes to the Audit Plan

29. The Internal Audit plan needs to be flexible and reactive to the changing risks of the Council. As the needs and priorities of the Council change, assurance work is re-directed to ensure that it remains relevant and valuable. The plan is therefore reviewed regularly, and projects are removed, added or deferred accordingly. Six projects were removed from the plan as assurance could be gained from additional sources, or through internal audit fulfilling an advisory or consultative role.

Removed from the Plan (where assurance has been provided elsewhere)

No.	Head of Service	Title	Outcome	Comments
1	Head of Policy & Communication	Channel Shift Project	REMOVED	Being managed as a corporate project. Low risk.
2	Head of Environment & Public Realm	Street Cleansing	REMOVED	Internal quality assessment conducted. Low Risk.
3	Head of Policy & Communication	Information Management	REMOVED	Has been externally assessed. Low risk.
4	Head of Internal Audit Partnership	Risk Management Framework	REMOVED	This resource will be used to facilitate Risk Management Strategy work.
5	Head of Commercial & Economic Development	Commercialisation Programme	REMOVED	Head of Audit Partnership has provided guidance on risk and controls through consultation on the Commercialisation Strategy.
6	Head of Policy & Communication	Customer Services	REMOVED	External review conducted in November 2014.

30. There have been seven projects deferred or extended into 2015/16. Of these, all feature within the 15/16 audit plan approved by the Committee in March 2015.

Projects Deferred from the Plan

No.	Head of Service	Title	Outcome	Comments
1	Head of Finance & Resources	Commercial Property Development	DEFERRED	Deferred until 2015/16.
2	Head of Planning & Development	Land Charges	DEFERRED	Deferred until 2015/16.
3	Head of Planning & Development	Business Continuity Planning	DEFERRED	Deferred until 2015/16.
4	Head of Policy & Communication	Corporate Governance	DEFERRED	Deferred until 2015/16.
5	Head of Finance & Resources	Asset Management Plan	DEFERRED	Deferred until 2015/16.
6	Head of Mid Kent ICT	Business Support	DEFERRED	Deferred until 2015/16.
7	Head of Finance & Resources	Procurement	DEFERRED	Deferred until 2015/16.

Assurance Ratings Guide

Full Definition	Short Description
Strong – Controls within the service are well designed and operating as intended, exposing the service to no uncontrolled risk. There will also often be elements of good practice or value for money efficiencies which may be instructive to other authorities. Reports with this rating will have few, if any, recommendations and those will generally be priority 4.	Service/system is performing well
Sound – Controls within the service are generally well designed and operated but there are some opportunities for improvement, particularly with regard to efficiency or to address less significant uncontrolled operational risks. Reports with this rating will have some priority 3 and 4 recommendations, and occasionally priority 2 recommendations where they do not speak to core elements of the service.	Service/system is operating effectively
Weak – Controls within the service have deficiencies in their design and/or operation that leave it exposed to uncontrolled operational risk and/or failure to achieve key service aims. Reports with this rating will have mainly priority 2 and 3 recommendations which will often describe weaknesses with core elements of the service.	Service/system requires support to consistently operate effectively
Poor – Controls within the service are deficient to the extent that the service is exposed to actual failure or significant risk and these failures and risks are likely to affect the Council as a whole. Reports with this rating will have priority 1 and/or a range of priority 2 recommendations which, taken together, will or are preventing from achieving its core objectives.	Service/system is not operating effectively

Audit Review Findings

31. We have completed 18 projects relevant to the Council that included an assessment and assurance rating (15 from the Maidstone plan, and 3 shared service reviews). We include below an extract from each report supporting the conclusion of the audit. We are pleased to report that management accepted our audit findings, and set target dates for implementing the recommendations. We will follow up that implementation as the recommendations fall due over the coming months.

No.	Audit Project	Assurance Rating
1	Business Rates Retention (Risk)	STRONG
2	Compliance with Computer Use	SOUND
3	VAT Management	SOUND
4	Members Allowances	SOUND
5	Emergency Planning	WEAK
6	Bank Reconciliation	SOUND
7	Communications & Social Networking	SOUND
8	Leisure Centre Contract	SOUND
9	Data Protection	WEAK
10	Members & Officers Declarations of Interest	WEAK
11	Payroll (Systems audit)	STRONG
12	Waste Collection Contract	SOUND
13	Accounts Payable	SOUND
14	Corporate Credit Cards	SOUND
15	Business Rates (Systems audit)	STRONG
No.	Non-MBC Plan Audit Projects	Assurance Rating
16	ICT Service Desk (SBC plan)	WEAK
17	Housing Benefit System (TWBC plan)	STRONG
18	Cashless Pay & Display (SBC plan)	SOUND

1: Business Rates Retention (Risk)

32. We conclude based on our audit work that there are **STRONG** controls in place for the successful management of the risks associated with the Business Rates Retention Scheme.
33. The Council has identified and assessed the risks associated with the business rates retention scheme within its Medium Term Financial Strategy. Our testing confirmed that adequate actions exist to mitigate these risks though the current controls are not formally documented or assigned. The Council has sought to identify opportunities to maximise income through the scheme, analysing and approving appropriately where taken forward for implementation. The Council successfully manages and monitors its involvement in the Mid Kent Pool as part of the overall business rates retention scheme. The Council has additional resilience with regards to operating the scheme through the operation of the shared service.

2: Compliance with Computer Use Policy (ICT)

- 34. We conclude based on our audit work that there are **SOUND** controls in place to ensure the Council operates in compliance with its Computer Use Policy (the Policy).
- 35. Our work establishes the Policy is widely available and effectively incorporated within induction. Officers demonstrate a good awareness of the Policy both in their knowledge and day to day ICT use. The Policy is comprehensive, covering a range of ICT activity from purchase and disposal of hardware, guidance on software use and controls to monitor and inhibit unauthorised activity and connections. This is notable also because a shared Policy will soon be implemented across MKIP. However, we identified weaknesses for the Council to address in how it tracks hardware assets from purchase onto the asset register and ultimately to disposal.

3: VAT Management

- 36. We conclude based on our audit work that there are **SOUND** controls in place for the successful management of VAT returns in compliance with VAT legislation and the procedures adopted by HMRC.
- 37. Our work established that officers responsible for administering VAT have appropriate experience and knowledge to provide advice and support. Our testing also confirmed that input and output VAT is accurately accounted and allocated within the finance system. The Council prepares accurate and well evidenced VAT returns submitted each month in line with HMRC procedures. We did however identify that the Council does not currently monitor its partial exemption position in year. The Council was close to its exemption limit in 2012/13 (4.92% against a 5% limit), so a relatively small unexpected change in position could result in having to make repayments.

4: Members Allowances

- 38. We conclude based on our audit work that the Council has **SOUND** controls in place over the management and administration of the Members' Allowances Scheme.
- 39. The Council's Members' Allowances Scheme fully complies with Regulations. Allowances and expenses paid to Members are paid in accordance with the Scheme and the Council's Financial Regulations. However, the total allowances paid for 2013/14 have not been correctly reported on the Council's website and the Members Allowance Scheme does not currently include the allowances paid to the Mayor and Deputy Mayor.

5: Emergency Planning

40. We conclude based on our audit work that emergency planning has **WEAK** controls to mitigate its risks and achieve its objectives.
41. Our review satisfies us that the Council is capable of responding to emergency events, not least because of the substantial capabilities and dedication of its staff as demonstrated in the floods last winter. However, there are significant weaknesses in the underlying plans and processes which leave the Council potentially vulnerable in being able to deal effectively with larger or more sustained events and leave it disproportionately reliant on staff goodwill to deliver its Major Emergency Plan. These weaknesses include a Plan that does not fully comply with legal requirements, uncertainty on the role of staff working in partnership and a potential lack of resources – including unfilled staff posts. In addition, we identified that the Council has no asset register for emergency supplies, as well as gaps in the security and re-stocking of the assets it holds.
42. Since our review, we have followed up all but two of the audit recommendations. We are pleased to reports that to date all recommendations falling due have been implemented as agreed. We are due to follow up the final two audit recommendations in July and if implemented we will re-consider the level assurance offered by the arrangements.

6: Bank Reconciliation

43. We conclude based on our audit work that there are **SOUND** controls in place over the reconciliation processes for the Councils bank account.
44. We established that the Council conducts its bank reconciliations in compliance with its Financial Procedure Rules. We did identify some minor weaknesses on clearing suspense accounts, particularly the timeliness and level of retained evidence.

7: Communications: Social Networking

45. We conclude based on our audit work that there are **SOUND** controls in place over the management and use of the Council's external and internal communications through the use of social media.
46. The Council has a clear Social Media Policy with controls to ensure content is reviewed before publishing. The Council is making good use of its social media presence, particularly during emergency events. We did however identify some areas for improvement to ensure that the controls in the policy reflect how the controls work in practice.

8: Leisure Centre Contract

47. We conclude based on our audit work that there are **SOUND** controls for the monitoring and management of the Leisure Centre Contract.
48. Our review found that the Agreements which, taken together, describe the services to be provided at the Leisure Centre are comprehensive and support well established arrangements between the Council and SERCO (the ultimate operator). The Council has a good relationship with SERCO and Maidstone Leisure Trust (the intermediate operator). However, we did identify some areas where the Council should strengthen its monitoring arrangements to ensure continued compliance with contractual provisions.

9: Data Protection

49. We conclude based on our audit work that there are **WEAK** controls in place for achieving compliance with Data Protection requirements.
50. We established that the Council complies with some, but not all, elements of the data protection principles. Some services demonstrate a good understanding of these principles and have reasonable controls in place but such instances are isolated and arise through the diligence of individual officers rather than corporate co-ordination. The gaps we found expose the Council to increased risk of a data protection breach, which would bring further reputational and financial risks. Key areas of non-compliance include uncertainty on retention and destruction of data, including sensitive personal data. We also identified weaknesses in processing, receiving and transporting data that could result in inappropriate sharing.
51. Management have responded positively to the audit recommendations and an action plan has been considered by the Council's Information Management Group. This group consists of senior officers across the Council with expertise and responsibility for information management. We will consider progress against the audit recommendations as they fall due later in 2015.

10: Members & Officers Declarations of Interest

52. We conclude based on our audit work that there are **WEAK** controls in place to achieve compliance with the Council's Codes of Conduct (for officers and members) with regards to declarations of interest.
53. We assessed how the Council collects, records and reports declarations made by both elected members and officers. We are satisfied that how the Council manages Members' interests is sound in both design and operation to ensure statutory compliance. However, we identified weaknesses in the design and operation of the system to collect and monitor officers' interests. These weaknesses have led to the current register being limited in its utility – we found more than 300 out of date declarations – and having gaps in its compilation process such that the Council cannot currently state with confidence it is fully aware of any potential conflicts of interest.

54. To assess the effectiveness of the process in practice we undertook a data matching exercise between Member and Officer declarations against information held by Companies House. We identified 5 of 8 Member matches and 14 of 18 Officer matches were not declared, although none of the missing declarations related to organisations where the Council has a current business relationship. We have provided those details to the Monitoring Officer and Head of Policy and Communications for further review, although it is important to note that there are legitimate circumstances that would make such an interest non-declarable.
55. Since we issued our report the Council has moved in particular to address the weaknesses identified in the officers' process by placing responsibility unequivocally with the Monitoring Officer and the legal department. We will consider progress against the audit recommendations as they fall due later in 2015.

11: Payroll (Systems Audit)

56. We conclude based on our audit work that there are **STRONG** controls in operation within the Payroll service provided for Maidstone and Swale.
57. The Council manages its payroll effectively, resulting in accurate and timely payment of employees. Our testing confirms the adequacy of key controls in both design and operation as well as management of risks within the payroll system and associated processes. We have identified opportunities to enhance some of the controls within the process, such as on retaining supporting evidence for leavers and offering additional guidance on expenses.

12: Waste Collection Contract

58. We conclude based on our audit work, that there are **SOUND** controls in operation to enable effective monitoring of the Waste Collection Contract.
59. The Council and the local contractor (BIFFA) have developed a good working relationship enhanced further through working in close proximity at the Council's Depot. The parties collectively maintain appropriate evidence to demonstrate discharge of their contract management and monitoring processes.
60. Since the contract began in August 2013, the partnership, MBC, and the contractor have - for pragmatic operational reasons - developed their arrangements for contract management and monitoring with some divergence from the contract as written. The consequence is that, in some instances, operations no longer reflect the formal agreement.
61. Since 2013 a number of changes in personnel have diluted contract knowledge and understanding, meaning that the Council would benefit from undertaking further work to establish roles and responsibilities. This work will benefit the Council ahead of further changes to personnel, especially the forthcoming appointment of a new Head of Service.

13: Accounts Payable

- 62. We conclude based on our audit work that there are **SOUND** controls in operation within the Accounts Payable system.
- 63. The controls within the Accounts Payable system are designed and operate effectively. The process as a whole is well controlled and mitigates the risk of fraud and error. We identified during our testing some areas for improvement. In particular we note the sharp decline in compliance with requiring a purchase order to be raised prior to payment. While there are a range of mitigating controls continuing to limit the risks to the Council, the fact that almost a fifth of its expenditure is incurred without the required purchase order should be addressed.

14: Corporate Credit Cards

- 64. We conclude based on our audit work that the Council has **SOUND** controls in place to manage the risks associated with operating corporate credit cards.
- 65. The Council has in place appropriate arrangements to manage and control issue and use of its credit cards. This includes a well-designed and operated system, clear procedures, and appropriate safeguards to ensure that credit card spending is checked and verified prior to payment.
- 66. An analysis of the credit card expenditure undertaken as part of the audit found credit card usage to be in accordance with the appropriate usage requirements of the policy. However, the Council should introduce a clear procedure for return of cards from leavers to help minimise the risk of loss from fraudulent use of ex-employees' cards.

15: Business Rates (Systems Audit)

- 67. We conclude based on our audit work that the Business Rates system demonstrates **STRONG** controls in both design and operation.
- 68. The controls within the Business Rates system are effective in design and operation. The Business Rates process is well controlled and mitigates the risk of fraud and error to an acceptably low level. Management controls exist to check validity and integrity of systems information. Our testing found no areas of concern, or significant areas where the service might reasonably seek to improve.

16: ICT Service Desk (SBC Plan)

- 69. We conclude based on our audit work that the ICT Service Desk has **WEAK** controls to control its risks and support its objectives.
- 70. We found that the service offered to customers, while often prompt and efficient, has a number of issues and inconsistencies with regards to logging, prioritising and resolving calls such that we cannot be confident on its overall effectiveness. A significant number of incidents are not logged so we cannot place reliance on accuracy of service performance data. In addition, calls allocated to the Application Support Team – who are not managed by the service desk team directly - are not routinely managed or progressed resulting in a significant backlog.
- 71. The ability of the service to consistently deal effectively with these issues is limited by a lack of formalised and agreed procedures. Current service standards as set out in the ICT collaboration agreement do not accurately reflect how the service operates as we found Service Desk Engineers do not deal consistently with accepting, recording, and monitoring calls. The most significant inconsistency being how the Engineers record new incidents reported via the telephone.
- 72. Since our final report in early March, the Council has taken part in a special meeting of the shared service board dedicated to addressing the issues raised in the report. None of the recommendations have yet fallen due; although we understand good progress is being made as described in updates provided to subsequent meetings of the board.

17: Housing Benefits (Systems Audit) (TWBC Plan)

- 73. We conclude based on our audit work that controls within the Housing Benefit System are **STRONG** in design and operation. Based on this assessment we are able to provide assurance that the system is operating effectively and as designed.
- 74. We found that the controls are designed to effectively manage risks associated with administering Housing Benefit. Our testing also established that the controls operated successfully as designed throughout the year, in particular in making good use of the quality assurance module provided with the software and strong procedures for reconciling payments into the councils' finance systems. We identified two minor matters the service could consider to further improve the service; undertaking more regular review of irrecoverable debts for write-off at Maidstone and refreshing training for its officers in the identification of false documents across both sites.

18: Cashless Pay & Display (SBC Plan)

75. We conclude based on our audit work that the service has **SOUND** controls in place to manage the risks associated with the cashless pay and display system.
76. The cashless pay and display system provided by Bemrose Mobile was successfully rolled out across Maidstone and Swale in October 2014. We tested the service by phone and app, and confirm effective operation in line with the contract. The system is fully integrated to the handheld devices used by parking attendants to enable effective enforcement.
77. We found two respects where operative practice is not in line with the contract: frequency and formality of contract monitoring meetings, and timely payment of income. The Service has highlighted both issues in a recent formal remediation notice issued to the Contractor but revised procedures are not yet agreed.

Follow-up of Internal Audit Recommendations

78. In September 2014 we advised the Audit Committee of our revised process for following up agreed audit recommendations. We undertook work throughout the year to systematically follow-up on all agreed audit recommendations as they fell due. We have reported progress each quarter to senior managers. We are pleased to report that our new approach has been received positively and already developing case studies to demonstrate how an increased and systemic focus on recommendations has assisted management in making the changes agreed as arising from audit work. The table below sets out in more detail progress against specific reports with respect to recommendations falling due for implementation on or before 31 March 2015.

Project		Agreed Actions	Actions Completed	Actions past due date	Actions Not Yet Due
Housing Options	Limited (May 14) Substantial (Feb 15)	4	3	0	1
Museum Collections	Limited (Sept 13) Substantial (Nov 14)	13	10	0	3
Freedom of Information	Limited (Nov 13) Substantial (Nov 14)	5	3	0	2
PC & Internet Controls	Substantial	18	11	0	7
Maidstone Leisure Centre	Sound	6	1	0	5
Property Income	Substantial	6	2	0	4
CCTV	Substantial	10	7	0	3
Emergency Planning	Weak (Sept 14)	11	9	0	2
Project Management Framework	Substantial	14	12	0	2
Food Safety (Commercial)	Substantial	12	10	0	2
Compliance with Computer Use Policy	Sound	5	4	0	1
Treasury Management	Substantial	5	4	0	1
Council Tax Recovery & Enforcement	Substantial	11	10	0	1
Mid Kent HR – Recruitment	Substantial	8	7	0	1
General Ledger Feeder Systems & Journals	Substantial	3	2	0	1

Project		Agreed Actions	Actions Completed	Actions past due date	Actions Not Yet Due
Public Sector Equalities Duty	Substantial	15	15	0	CLOSED
Car Park Income & Season Tickets	Substantial	14	14	0	CLOSED
Commercial Waste	Substantial	8	8	0	CLOSED
Waste Collection Payment Processes	Substantial	3	3	0	CLOSED
Mid Kent Legal Services	Substantial	6	6	0	CLOSED
VAT Management	Substantial	2	2	0	CLOSED
Business Rates – Liability & Billing	Substantial	6	6	0	CLOSED
Business Rates Retention Scheme (Risk)	Substantial	3	3	0	CLOSED
Community Safety Grants	Substantial	2	2	0	CLOSED
Accounts Receivable	Substantial	5	5	0	CLOSED
Health & Safety	Substantial	1	1	0	CLOSED
Bank Reconciliation	Substantial	3	3	0	CLOSED
Housing Grants	Substantial	2	2	0	CLOSED
Accounts Payable	Substantial	2	2	0	CLOSED
Mid Kent HR – Payroll	Strong	3	3	0	CLOSED
TOTAL		206	170	0	36
			83% of agreed (100% of due)		17% of agreed

79. Of the 30 projects followed-up in 2014/15 three - **Museum, Housing Options, Freedom of Information** - originally received a level of assurance rating of **limited**. All three of the service areas have worked hard to address the issues raised in the audits, and to implement recommendations. We have re-tested the controls as part of the follow up and conclude that the controls now provide a **substantial** level of assurance. We will follow-up the remaining actions as they fall due in early 2015. As the reviews were assessed using the 2013/14 assurance ratings, we have for consistency, employed the same rating system for the re-assessment.

80. One project – **Emergency Planning** – received **weak** assurance rating at the time of audit. Although management have worked hard to implement the majority of actions (9 of 11) there is one high priority rated recommendation not yet implemented. The remaining recommendations fall due after the 31 March 2015. We will examine these recommendations when they are due and potentially re-assess the assurance rating, reporting our revised findings to the Committee in due course.
81. Overall, we are very pleased with the performance of management in addressing recommendations, demonstrating audit and services working closely together to help improve how the Council operates. We would like to draw particular attention to the assistance we have received from Directors in supporting the process, which represented a significant change from our previous practice and can only be effective where management are dedicated to taking appropriate action in response to our findings.

Corporate Governance

- 82. Corporate governance is the system of rules, practices and processes by which the Council is directed and controlled.
- 83. We obtain audit evidence to support the Head of Audit Opinion through completion of relevant reviews in the audit plan, as well as specific roles on key project and management groups. We also consider matters brought to our attention by Members or officers through whistleblowing and the Council's counter fraud and corruption arrangements.
- 84. Members will recall in our interim report in December we reported a response on the Council's behalf to a CLG consultation on secondary legislation following on from the Local Audit and Accountability Act 2014. The Government has since published its response and laid the final regulations before Parliament, confirming arrangements for collective procurement of external audit services via a 'specified person' and bringing forward the accounts publication date from 30 September to 31 July by 2018.
- 85. We also reported in December on a separate review commissioned by the three MKIP Chief Executives examining the implementation of the Planning Support Shared Service. The Head of Audit Partnership presented this report to a joint Overview & Scrutiny Committee meeting in February and it contained extensive commentary on the key issues faced by the project and included issues for consideration by future project boards. We are pleased that report was accepted in full by the MKIP Board who set out their plans in response to its comments. Regarding continuing governance of the shared service, we have allocated time in our 2015/16 audit plan to keep the area under review as each authority considers its role.

Counter Fraud & Corruption

- 86. We consider fraud and corruption risks in all of our regular audit projects as well as undertaking distinct activities to assess and support the Council's arrangements.

Investigations

- 87. During 2014/15 there have been no matters raised with us that required investigation.

Whistleblowing

- 88. The Council's whistleblowing policy nominates internal audit as one route through which Members and officers can safely raise concerns on inappropriate or even criminal behaviour.
- 89. We received no disclosures in 2014/15 raised through the whistleblowing policy.

National Fraud Initiative

90. We have continued to co-ordinate the Council's response to the National Fraud Initiative (NFI). NFI is a statutory data matching exercise, and we are required by law to submit various forms of data, securely, to the Cabinet Office (who have taken on responsibility for managing NFI following the demise of the Audit Commission).
91. The 2014/15 NFI exercise included the following services:
- Creditors
 - Payroll
 - Housing Benefits
 - Licensing
 - Parking
 - Insurance
92. The NFI team then analyse this data and release it back to authorities in the form of 'matches' – items identified by the analysis as potentially indicative of fraud or error. These might include, for example, the same national insurance number appearing as receiving a significant amount of salary from authority A yet making a benefit claim in authority B. Another example might be repeated payments to the same supplier at the same value, potentially indicating erroneous (or even fraudulent) duplicate payments.
93. The NFI team released the data in two tranches, January and March 2015, for investigation by authorities. The matches are generally flagged as 'high priority' where, based on the NFI team's experience, there is more chance of the match having identified a fraud rather than a simple error or quirk in the data. In 2015, all of the Council's 'high priority' matches were within the Housing Benefit data set. The NFI team recommend that councils should seek to follow up, in the first instance, all high priority matches by September 2015. Progress to date is summarised in the table below:

Data Set	Number of Matches	Investigated / In Progress	Outcomes
Housing Benefits	1140	216	£4,204.46
Creditors (History)	685 (202 recommended)	223	0
Creditors (Standing Data)	185	185	0
Payroll	11 (6 recommended)	3	0
Licensing (Taxi)	5	0	0
Licensing (Alcohol)	0	0	0
Parking	0	0	0
Insurance	4	0	0
Market Traders	0	0	0
TOTAL	2,030	627	£4,204.46
		31%	

Risk Management

94. Risk management is the process of identifying, quantifying and managing the risks that the Council faces in attempting to achieve its objectives.
95. We obtain audit evidence to support the Head of Audit Opinion through completion of our audit plan plus continuing monitoring of and contribution to the Council's risk management processes.
96. The Council currently has 6 strategic risks in the following themes:
 - Effective Transport
 - Skills for Employment
 - Affordable Housing
 - Clean Environment
 - Reduce Deprivation
 - Value for Money
97. At present, the Council plans to revisit and update its strategic risks in 2015/16, following on from resetting its corporate priorities.
98. More widely we are currently working with the Council to help improve the process and to clarify the role of the audit service in assisting the Council's risk management. As part of this work, we will work with members and officers to develop a new risk management policy and strategy that will better guide the Council prior to reviewing and refreshing its strategic risks as well as providing clearer management for key operational risks.
99. The refreshed risk management process was approved by the Policy & Resources Committee on the 24 June 2015. We will continue to update the Audit, Governance & Standards Committee as this work progresses through 15/16.

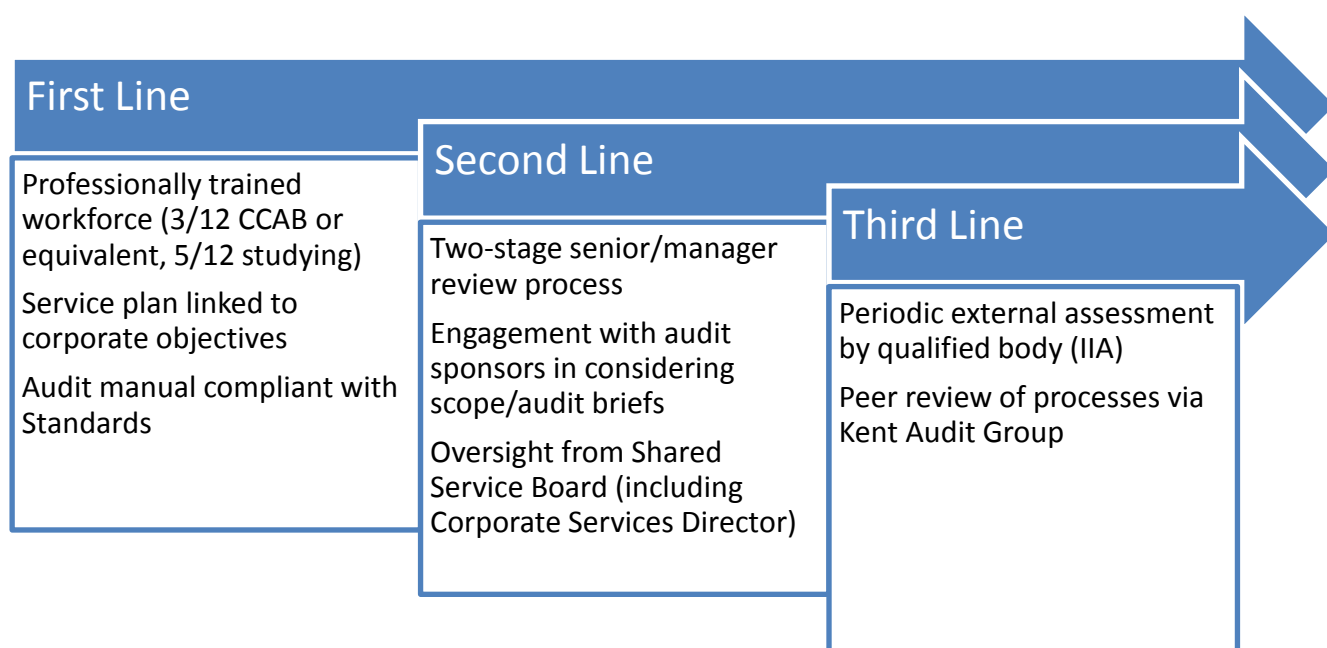
Mid Kent Audit Service Update

Quality Assurance and Improvement Programme: Public Sector Internal Audit Standards

100. The Public Sector Audit Standards (the 'Standards') demand that we include for Members a report on how we have assured the quality of our work and plans for maintaining and improving that quality.
101. A key means of quality assurance included within the Standards is the requirement for every internal audit service to receive external assessment against the Standards at least every five years. We commissioned the Institute of Internal Audit (IIA) to undertake an external quality assessment of Mid Kent Audit and we reported the outcome of that review to Members in March 2014, concluding we were fully conforming to 50 of the standards and partially conforming to the remaining 6.
102. During 2014/15 we worked to implement the recommendations left by the IIA, some of which we could only address in early 2015 as they related to the process for compiling our annual audit plan. In April 2015 we invited the IIA back to re-evaluate the audit service based on our progress and we are very pleased to report their assessment that we are now **fully conforming** to the Standards. A copy of the IIA follow up report is included in Annex A.
103. Also during 2014/15 the Head of Audit Partnership was successful in an application to join the **Internal Audit Standards Advisory Board (IASAB)** as its Local Government practitioner representative. The IASAB is responsible for monitoring use and overall adherence to the Standards, including making recommendations for their development. The Head of Audit's presence on the IASAB will give us early insight into developing issues around audit quality as well as access to leading and best practice from across the public and private sectors; other members including representatives from the major audit firms, accountancy bodies, NHS auditors, the London Stock Exchange, HM Treasury and each of the devolved parliaments.

Quality Assurance and Improvement Programme: On-going monitoring

104. However, quality assurance is not simply something to be assessed periodically and externally; it is central to all of our work. The chart below sets out, very briefly, some of the core practices and processes we employ to assure the quality of our work.



Quality Assurance and Improvement Programme: Developments Planned for 2015/16

105. We continue to examine and review our processes, drawing on feedback from Members and officers as well as best practice from across public and private sector audit. For 2015/16 we intend a number of developments to our service to further improve, including:
- a. Increased standardisation of our work around the three core elements of the opinion (internal controls, core finance and corporate governance) while retaining clear mandate to vary the scope according to identified risk,
 - b. Examining the structure of our audit team with a view to making more use of knowledge gained across the partnership to inform best practice both in our work and that of the partner authorities, and
 - c. Continuing to work with partner authorities to develop their risk management processes, including a clear channel into risk management to both record audit findings and use identified risks to drive audit planning.
106. It would be remiss at this point though not to acknowledge the exceptional efforts and talents of our audit team in both enabling us to be recognised by the IIA as full conforming – still a rare distinction – as well as allowing us to continue positive developments within the service. Both the Head of the Partnership and the Audit Manager are grateful for the continuing skill, hard work and dedication of our auditors.

Performance

107. Aside from the progress against our audit plan we also report against a number of specific performance measures designed to monitor the quality of service we deliver to partner authorities. The Shared Service Board (with David Edwards as Maidstone BC's representative) considers these measures at each quarterly meeting, and also included in reports submitted to the MKIP Board (including the Council's Chief Executive and Leader).
108. Below is the outturn from the performance report for 14/15, as reported to Shared Service Board on 4 June. We have withheld only one measure from publication – cost per audit day – as it is potentially commercially sensitive in the event of the Partnership seeking to sell its services to the market. We would be happy, however, to discuss with Members separately on request.
109. Note that all figures are for performance across the Partnership. Given how closely we work together as one team, as well as the fact we examine services shared across authorities, it is not practical to present authority by authority data.

Measure	Outturn	Target & Commentary
% projects completed within budgeted number of days	47%	Much improved from 2013/14 performance (18%) and indicative of continued work within the team to shape realistic budgets based on agreed scope. In 2015/16 we will work towards a target of 60% as suggested by trend towards the end of the year.
% of chargeable days	75%	Proportion of available days spent on productive client-focussed work rather than administration, training, general management and so on. General target used by Kent Audit Group members is 70%.
Full PSIAS conformance	56/56	As confirmed by IIA assessment (see annex).
Audit projects completed within agreed deadlines	41%	As with the budgeted number of days indicator, this is developing as we enhance our planning approach (previously we made no specific commitment at all to audit sponsors on when to expect the final report). In 2015/16 we will work towards a target of 60%.
% draft reports presented within ten days of fieldwork concluding	56%	Another new indicator (previously we did not track how promptly reports were delivered) and has led to a streamlining of our review process which has also enabled giving greater responsibility to the role of Senior Auditors. In 2015/16 we will work towards a target of 70%.
Satisfaction with assurance	100%	From satisfaction surveys (see below).
Final reports presented within 5 days of closing meeting	89%	The only occasions where we did not meet this target were where we engaged in ongoing discussion with the service on how best to respond to recommendations. For this reason, we work to a 90% target for this indicator.
Respondents satisfied with auditor conduct	100%	From satisfaction surveys (see below).
Recommendations implemented as agreed	95%	As reported elsewhere in this review.
Exam success	100%	All of our team were successful in professional exams in 2014/15. We generally work towards a target of 75%, slightly ahead the national pass rate of 70%.
Respondents satisfied with auditor skill	100%	From satisfaction surveys (see below).

Satisfaction with Internal Audit Service – Mid Kent Audit 2014/15

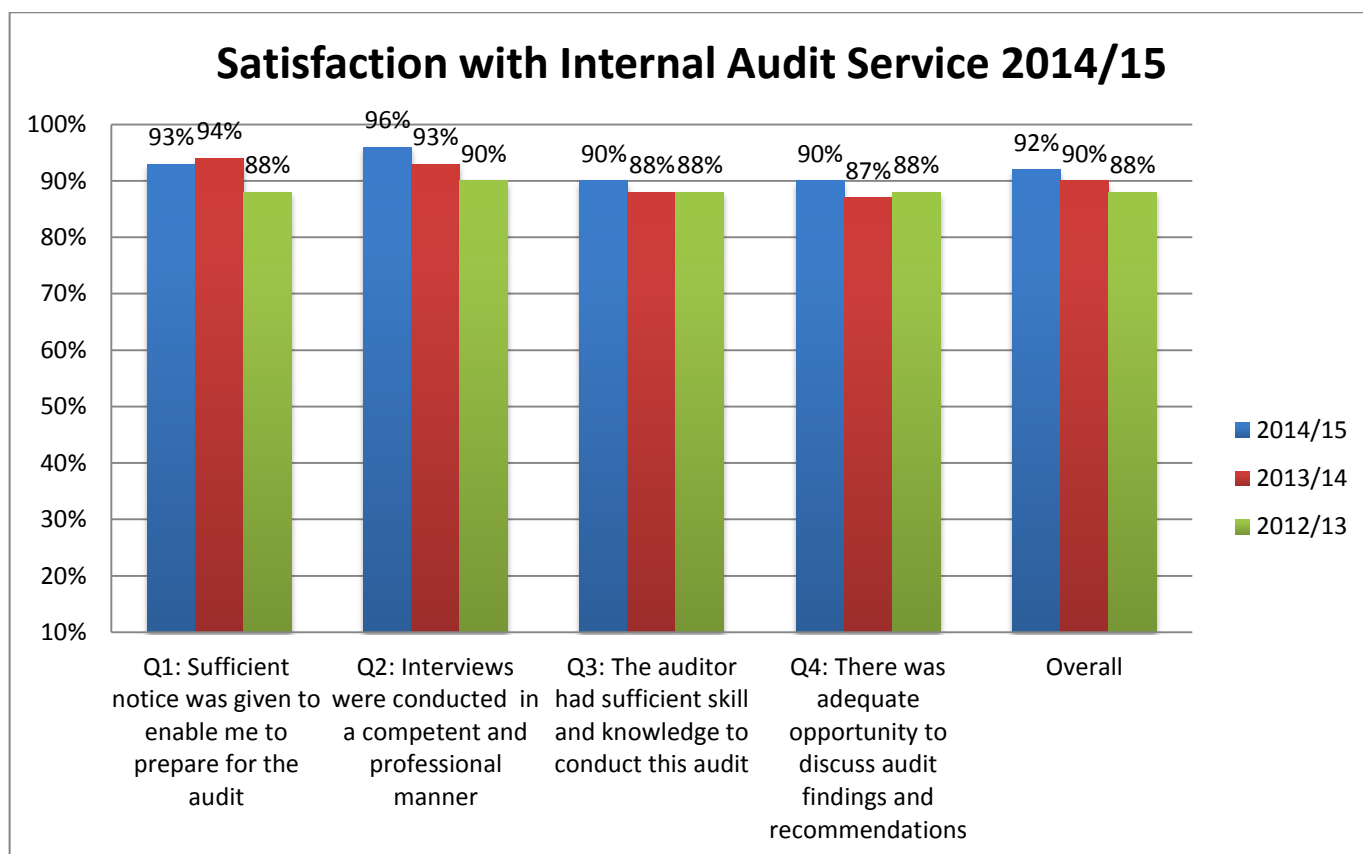
110. At the close of each audit project we issue a satisfaction survey to recipients of our final report, which will include the Audit Sponsor as well as key operational managers engaged in the audit.

111. We ask four questions, designed to measure the overall audit experience:

- Sufficient notice was given to enable me to prepare for the audit.
- Interviews were conducted in a competent and professional manner.
- The auditor had sufficient skill and knowledge to conduct this audit.
- There was adequate opportunity to discuss audit findings and recommendations.

112. Respondents score each question either: Strongly Agree (4), Agree (3), Disagree (2) or Strongly Disagree (1).

113. The level of satisfaction has been calculated by using the total responses received to give an overall level of satisfaction, compared with 12/13 and 13/14 (the percentage indicating proportion of total marks available, i.e. 100% would be each return scoring 'Strongly Agree' (4), 75% if each had reported 'Agree' (3) and so on. We received no responses at the Disagree/Strongly Disagree level in 2014/15):



114. We are encouraged by having maintained consistently high satisfaction ratings during a period in which we have made significant changes to how we complete and report our work.

Acknowledgements

115. We would like to thank Managers, Officers and Members for their continued support, assistance and co-operation as we complete our audit work during the year.

Annex A: IIA Follow Up Report



Chartered Institute of
Internal Auditors

Rich Clarke
Head of Audit Partnership

30 April 2015

Ref:201504Mid-Kentfollow-up

Mid-Kent Audit Partnership External Quality Assessment (EQA) follow-up

Dear Rich

Following our meeting on Wednesday 15 April 2015, during which we discussed and reviewed implementation of EQA actions points, I am pleased to inform you that sufficient progress has been made to enable the partnership to state that it conforms fully to the International Standards for the Professional Practice of Internal Auditing. Our decision is based upon the examination of evidence that addresses the six areas of partial conformance highlighted in our report in January 2014, as follows:

1. **Standard 1000 Purpose, Authority and Responsibility** - Review and update of the internal audit charter in March 2015 that has established a specific and tailored charter for each of your clients within partnership. Also the expansion of the charter to include more detailed explanation of internal audit's role in relation to risk management, projects and fraud. We also acknowledge the inclusion of sections that set out how internal audit will manage quality and make decisions on performing consultancy work based upon defined criteria.
In July 2015 the Institute will be publishing amendments to the professional practice framework to include a new mission statement and a new set of principles. This may present a timely opportunity to review the charters and your audit manual.
2. **Standard 1310 Requirements of the Quality Assurance and Improvement Programme** – Developing a broader range of performance indicators in a balanced scorecard style that was presented to audit committees in March 2015 as an appendix to the 2015/16 audit plans and had been agreed with Management in mid-2014.
With the scorecard in place we suggest that a forward looking timetable of quality reviews with scheduled reports could now be prepared and shared with audit committees.
3. **Standard 2010 Planning** – The 2015/16 audit plans show a clear link to key governance and strategic risk issues based upon defined categories of risk. The revised methodology also demonstrates an internal audit plan that provides a good balance between high profile objectives and important systems and procedures that are relied upon on a day by day basis.
As the organisations within the partnership develop their approach to risk management we anticipate a point where the defined risks and mitigating action can be relied upon as the basis for the internal audit plan and individual audit engagements, making it unnecessary for internal audit to prepare their own

assessment of risk. We would also envisage the need to update plans during the year to accommodate emerging risks.

4. **Standard 2050 Coordination** – Senior managers within the audit partnership are devoting considerable time and effort to developing a coordinated approach to assurance. This began with presentations upon the three lines of defence followed by workshop exercises and surveys to determine who provides assurance and how it is delivered. We appreciate that the next step will be to prepare Assurance Maps showing who is providing assurance against management's mitigation of key risks and to further integrate this information into internal audit plans.
We foresee a time when internal audit will be working on a joint basis with other assurance providers and relying on the assurance of others to maximise assurance coverage. This particularly applies to the coverage of routine systems and procedures as part of the 4 year strategic audit plan.
5. **Standard 2120 Risk Management** – Through its consultancy role internal audit is supporting and facilitating the development of risk management within each of the partner organisations, albeit each organisation is at a different stage in its development. For example, we note the progress upon helping authorities to formulate risk appetite statements. At the same time internal audit has begun to conduct health checks and assurance upon risk management.
Providing assurance upon the maturity and effectiveness of risk management is a key feature of the Standards and of good governance. To achieve this objective internal audit needs to be fully independent from risk management and at some point it will be advantageous for them to stand back from the process. However, for the time being we recognise the value of their risk related work.
6. **Standard 2210 Engagement Objectives** – An updated approach to audit engagements has introduced a new template to prompt internal auditors to consider and focus upon the key objectives and risks of the service under review. This underlines and delivers upon the risk based approach to planning. We acknowledge that the template has been introduced to the audit manual and is part of an audit methodology that is motivating the team.

Finally I would also like to recognise some of the additional changes you have made that support the requirements of the Standards and demonstrate the commitment to continuous improvement, including:

- Reviewing current skill levels to identify potential gaps and resource needs.
- Training and qualifications programmes to fill gaps and develop competencies
- Time recording to enhance management and delivery of plans.
- Refinement and simplification of audit reporting format.
- Improved follow-up procedures using Teammate.

If I can be of further assistance please do not hesitate to drop me an email at my usual address and in the meantime we wish you every success.

Chris Baker

[signed]

Technical Manager, Chartered Institute of Internal Auditors