

kpmg

Argyll and Bute Council

Internal audit performance indicators

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1 Internal audit performance measurement

1.1 Internal audit performance indicators

1.1.1 Performance indicators are a means of measuring the performance of internal audit. This allows comparisons to be made year-on-year and set targets for improvement. By meeting such targets, the audit committee can have confidence that internal audit will be delivering a quality service.

1.1.2 In addition, to those indicators listed below, internal audit can participate in benchmarking reviews, which allow comparison with other local authorities. This will provide additional information on where improvements could be made compared to peers.

1.1.3 The table below sets out performance measures for internal audit. These provide both quantitative and qualitative feedback on internal audit activity.

Ref	Performance indicator	Target
1.	Percentage of audit work qualified and specialist staff.	65%
2.	Audit operational plan to be submitted to the audit committee by 31 March each year.	31 March of each year (100%)
3.	Follow-ups to be performed within one year of the audit taking place.	100% of recommendations followed up in following year
4.	Completion of every assignment in the annual plan (in budgeted time), subject to variations agreed by audit committee, and if appropriate, audit managers..	100%
5.	Issue of draft reports within 10 working days of work being completed.	10 days – 100%
6.	Issue of final reports within 5 working days of management responses be received.	5 days – 100%
7.	Recommendations accepted compared to recommendations made.	Fundamental – 100% Material and minor - 80%
8.	Reports display: <ul style="list-style-type: none"> ■ clear opinion; ■ action plan of prioritised recommendations and management responses; ■ person responsible; and ■ date for completion 	All reports (100%) state a clear conclusion/opinion, contain and action plan, prioritised recommendations, allocated responsibility and target dates for completing recommendations.

Ref	Performance indicator	Target
8	Management's feed back on audit planning, fieldwork and	To achieve 'average' or better in questionnaire ratings. (ie: a mean score of '3' or more for each question
9	Internal audit costs are within budget (including in-year budget variations)	100% (Total costs within budget)
10	Percentage of time direct audit time	67%