

Report to: Audit Committee

Date: 20 September 2006

Report of: Head of Internal Audit &SDT

Report No:

Contact Officer: John Midlane

Tele No: 331620

Report Title: **CIPFA/IPF Internal Audit Benchmarking 2005/06**

Confidential /

Non Confidential: (***Non-Confidential***) This report does **not** contain information which warrants its consideration in the absence of the press or members of the public

Purpose: To inform Audit Committee of the results of the annual IPF Benchmarking Service for Internal Audit

Recommendations: Audit Committee is asked to note the outcome of the annual IPF Benchmarking exercise for 2005/06.

Background Doc(s): IPF Benchmarking Report 2005/06

1. BACKGROUND:

The Internal Audit Service in Bolton subscribes to the annual benchmarking exercise coordinated by IPF, an arm of the Chartered Institute of Public Finance and Accountancy (CIPFA). This service provides comparisons across a large number of local authorities.

2. 2005/06 DATA:

Cost:

The average cost of each auditor in Bolton is £38,200 including all overheads compared to the metropolitan average of £48,200. This puts Bolton in the lowest quartile for cost with lower cost both for direct staff costs and for overheads.

The cost per audit day is £204 in Bolton compared to an average of £282, again putting Bolton in the lowest quartile.

Days:

Total days per auditor in Bolton are higher than the average at 184 per year per auditor but chargeable days are less than the average (174 compared to 175.2). In 2005/06 this is due to us spending time on preparation for the implementation of a new audit management system.

The figures for the number of audit days spent per £m of the authority turnover shows that Bolton spends less than the average (3.27 days compared to the average of 4.3 days). Within this Bolton spends more on educational establishment visits, IT systems audits, contracts audits and contingency and less than average on financial systems corporate governance and other establishment visits.

Staffing:

The information shows that Bolton has a higher than average level of qualified staff.

3. CONCLUSIONS:

The IPF Internal Audit Benchmarking exercise for 2005/06 shows that the cost of the service in Bolton is significantly lower than the average whilst producing more days per auditor. The relatively small size of the section in Bolton means that the required coverage per auditor is higher than the average.

4. RECOMMENDATIONS:

Audit Committee is asked to note the outcome of the annual IPF Benchmarking exercise for 2005/06.

CIPFA/IPF INTERNAL AUDIT BENCHMARKING

Costs: (2005/06 actual)

	Bolton	Met Average	Quartile
	£000	£000	
Cost per Auditor:			
• Staff	30.8	37.3	Lower
• Overheads	7.4	11.0	Lower
• Total	38.2	48.3	Lower
	£	£	
Cost per Audit day	204	282	Lower

Days:

	Bolton	Met Average	Quartile
Total Days per Auditor	184	172	Upper
Total Chargeable Days	174	175.2	
Audit Days per £m Gross turnover	3.27	4.30	Middle

Staffing:

	Bolton	Average
	%	%
CCAB/IIA Qualified	50	38
AAT	23	24
Part Qualified	23	18
Non Qualified	4	15
Other Specialists	0	5
Total	100	100