

Audit Benchmarking Club
2006

Epping Forest District Council

compared with

Aylesbury Vale
Braintree
Castle Point
Eastbourne
Harlow
Maidstone

Basildon
Cambridge
Chelmsford
Epping Forest
Huntingdonshire
Winchester

PREFACE

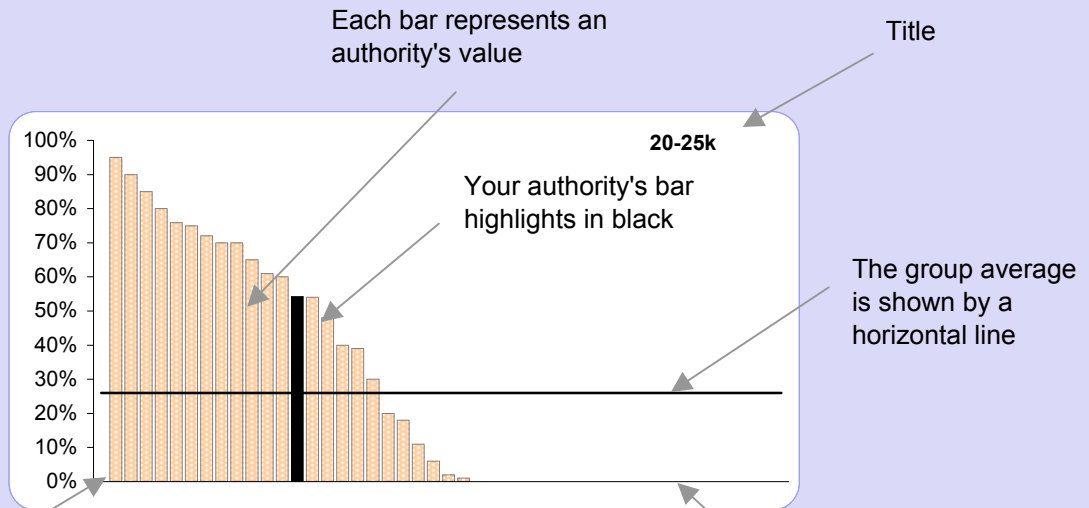
This report compares your data with the group of authorities specified on the title page.

Throughout the report your figures are shown in tables and in graphical form. If you are not familiar with our reports we hope this page will help you to better understand the way we present this data.

Averages: Almost all of our tables and charts compare your figure with a group average. The average is the unweighted mean value for the group. This average value ignores missing data, or data that we have excluded and for this reason sets of averages sometimes do not reconcile precisely.

Charts: We display a large amount of data on charts as this allows us to show the data for the entire group efficiently and gives far more information than a simple average (i.e. range of data, individual authority values etc...). Below we have annotated an example chart to help explain what they show.

Bar Charts: These are our standard method of displaying a full set of data



Salary Bandings	FTE	%	Avg
under 20k	0.9	14%	15%
20-25k	3.4	54%	26%
25-30k	1.5	24%	61%
30-35k	0	0%	2%

'Missing bars' on the left represent missing data or excluded data and are not included in calculating the average

'Missing bars' on the right represent zero values and are included in the average

INTRODUCTION

This report compares your performance with the group of authorities specified on the title page. It is divided into four sections.

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Section 1 - Cost Analysis

This section shows the analysis of audit costs for 2005/06 actuals and 2006/07 estimates. The main benchmarks are cost per audit day, cost per £m turnover and chargeable days per auditor.

Section 2 - Audit Coverage

This section looks at audit days per £m gross revenue turnover and the split by type of audit. It then goes on to analyse the days spent on fundamental financial systems. It then analyses audit days per £m gross revenue turnover by service and finally looks at sample times spent on establishment audits.

Section 3 - Staffing

This section shows salary bandings and staff qualifications.

Section 4 - Timeseries

This section is particularly useful as it shows performance over time compared with the tier average. The timeseries shown are for cost per £m gross revenue turnover, cost per audit day, audit days per £m gross revenue turnover, cost per auditor and chargeable days per auditor.

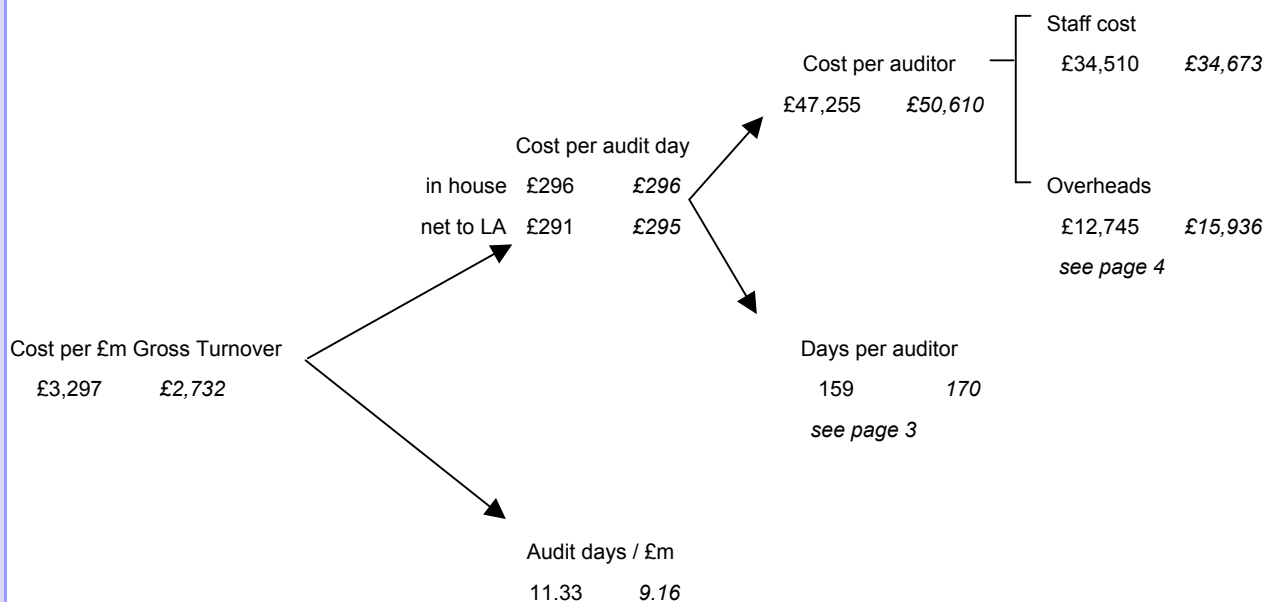
Section 5 - Quartiles

This section compares a member's figures with the quartile figures for the tier of authority. The quartile information is only included with the final reports.

SECTION 1 - COST ANALYSIS

2005/06 ACTUALS

This tree diagram starts with the audit cost/£m of gross turnover and breaks it down to cost/audit day and audit days/£m gross turnover. The cost/audit day is further analysed by cost/auditor and audit days/auditor. Finally cost/auditor is split between pay and overheads. For each benchmark two figures are given, the first being the authority's value and the second (in italics) is the group average.



Chargeable Audit days

	Audit Days	Cost £'k	Cost/day	Avg
In-house	813	241	£296	£296
Bought-in ⁺	156	41	£263	£277
Gross	969	282	£291	£298
Charged out	0	0	na	£277
Net to LA	969	282	£291	£295
Excluded work	0	0		
Mainline audit	969	282		

⁺ Bought-in days are shown inclusive of non-chargeable days to show a consistent cost/day figure.

Basic data

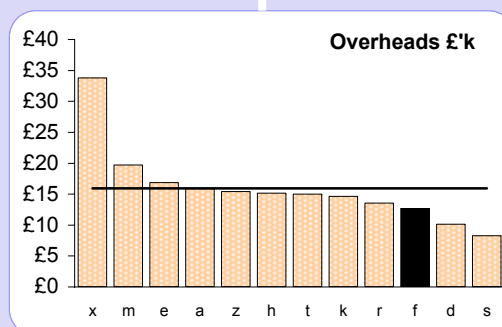
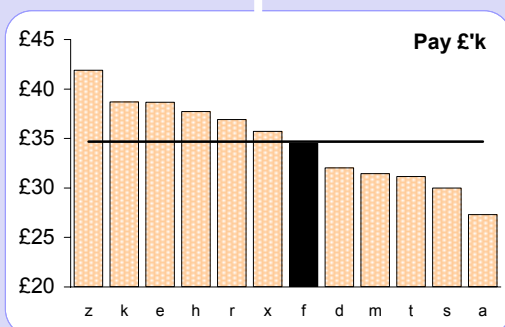
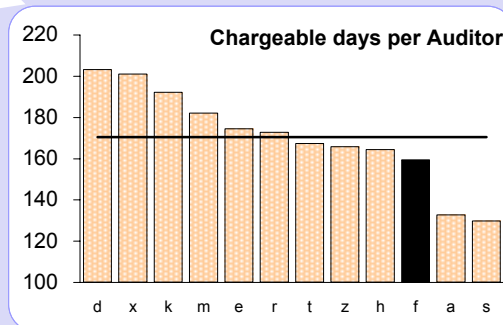
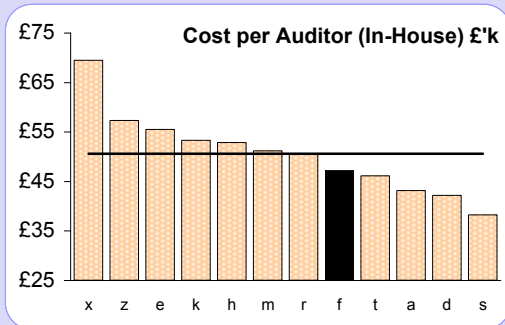
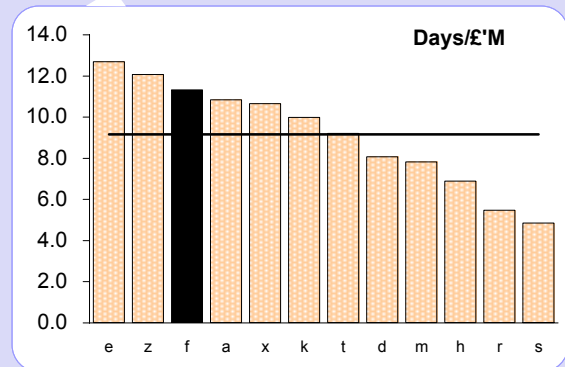
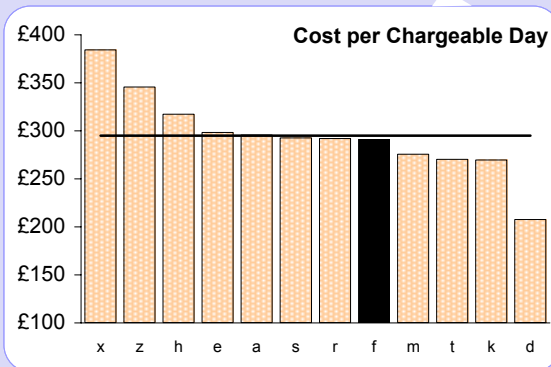
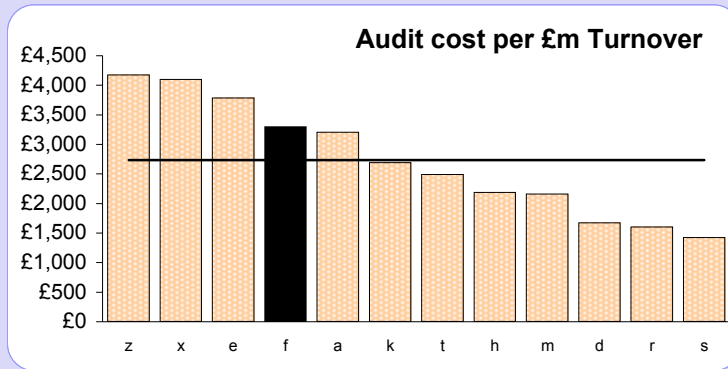
	Authority
Gross Turnover £m	£85.5
FTE staff (on payroll)	5.1
FTE agency staff	0.0
Staff cost (on payroll) £'000	£176.0
Agency Staff cost £'000	£0.0
Overheads cost £'000	£65.0

Benchmarks

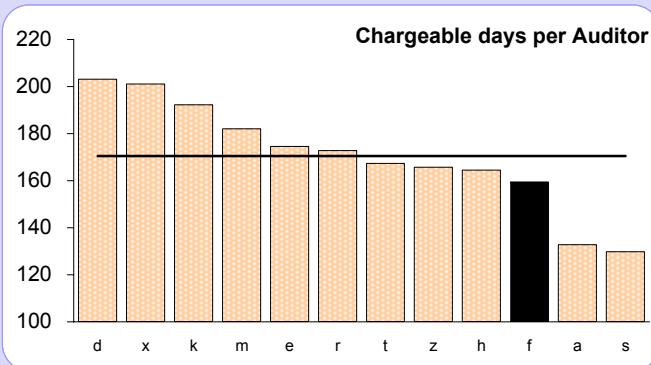
	Authority	Avg
Audit days per £m gross turnover	11.33	9.16
Cost per £m gross turnover	£3,297	£2,732
Days per auditor (staff on payroll)*	159	170
Cost per auditor (all staff)	£47,255	£50,610
Staff cost per auditor (all staff)	£34,510	£34,673
Overheads cost per auditor (all staff)	£12,745	£15,936

*see page 3 for details

2005/06 ACTUALS



CHARGEABLE DAYS PER AUDITOR - 2005/06 Actuals



Staff (Payroll)	5.1
Agency Staff	0.0

Chargeable days - Staff on payroll

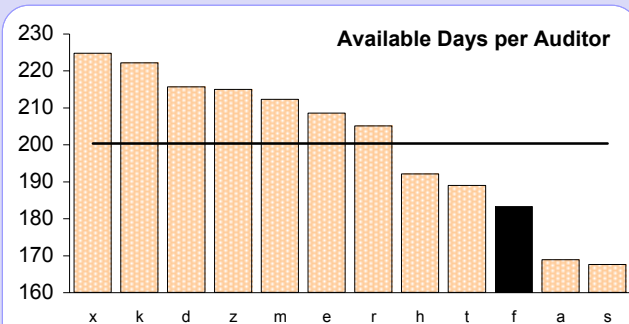
	days/FTE	avg	
Total days pa	1330	260.8	261.0
Non-productive days:			
Bank holidays	27	5.3	6.1
Annual leave	131	25.7	28.0
Special leave	179	35.1	8.4
Sickness	38	7.5	9.7
Training - Audit qualification	12	2.4	2.4
- other	8	1.6	6.0
Available Days	935	183.3	200.4
Other non-chargeable days	122	23.9	30.0
Chargeable days	813	159.4	170.4

Chargeable days - Agency Staff

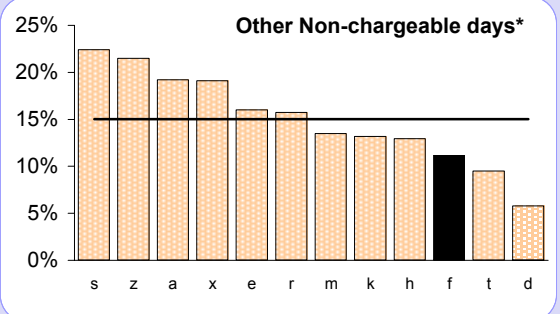
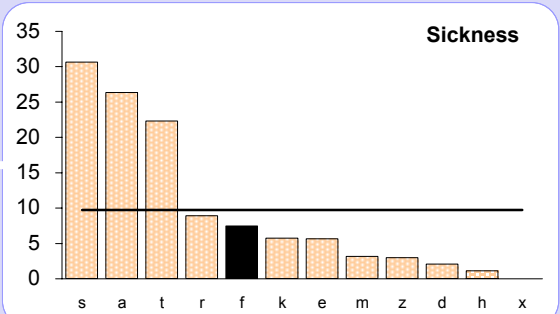
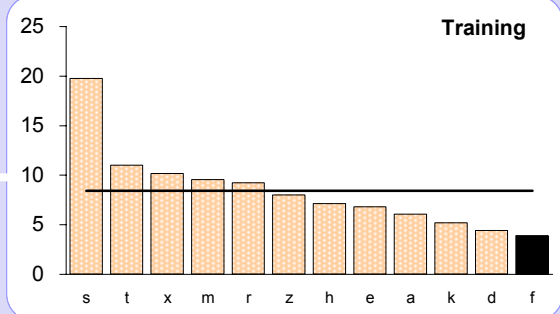
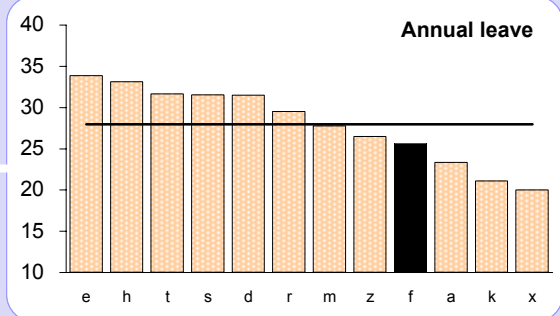
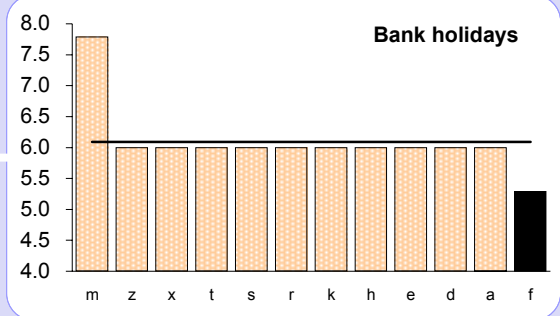
Total agency staff days	0.0
Non-chargeable days	0.0
Chargeable agency staff days	0.0

Total Chargeable days - in house

Total days	813
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"Non-chargeable days"

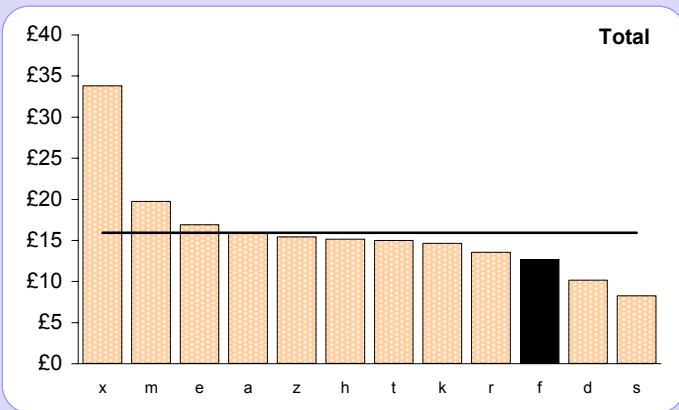


Epping Forest 11.2% Average 15.0%

*This is displayed as a percentage of all available days, including Agency Staff and Bought-In Audit.

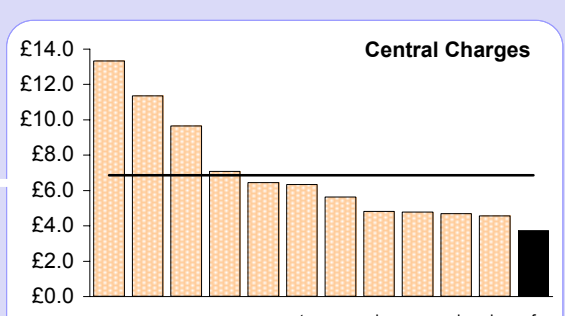
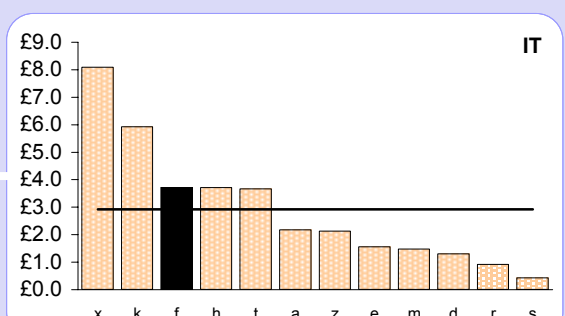
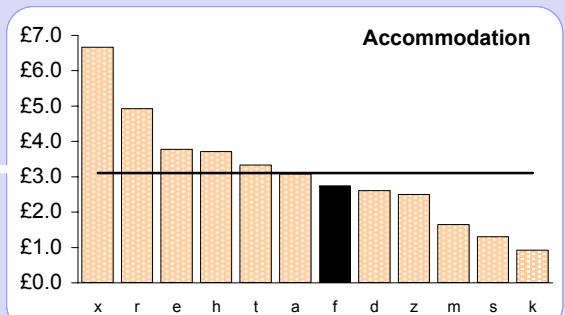
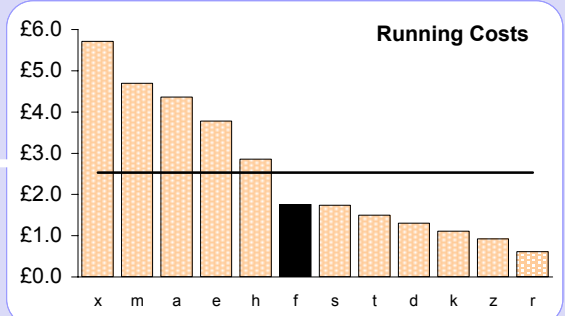
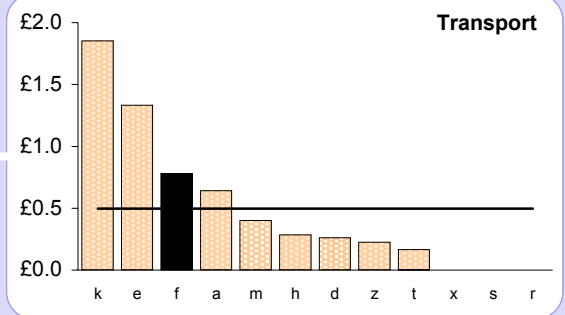
OVERHEAD COSTS - 2005/06 Actuals

£'k per FTE



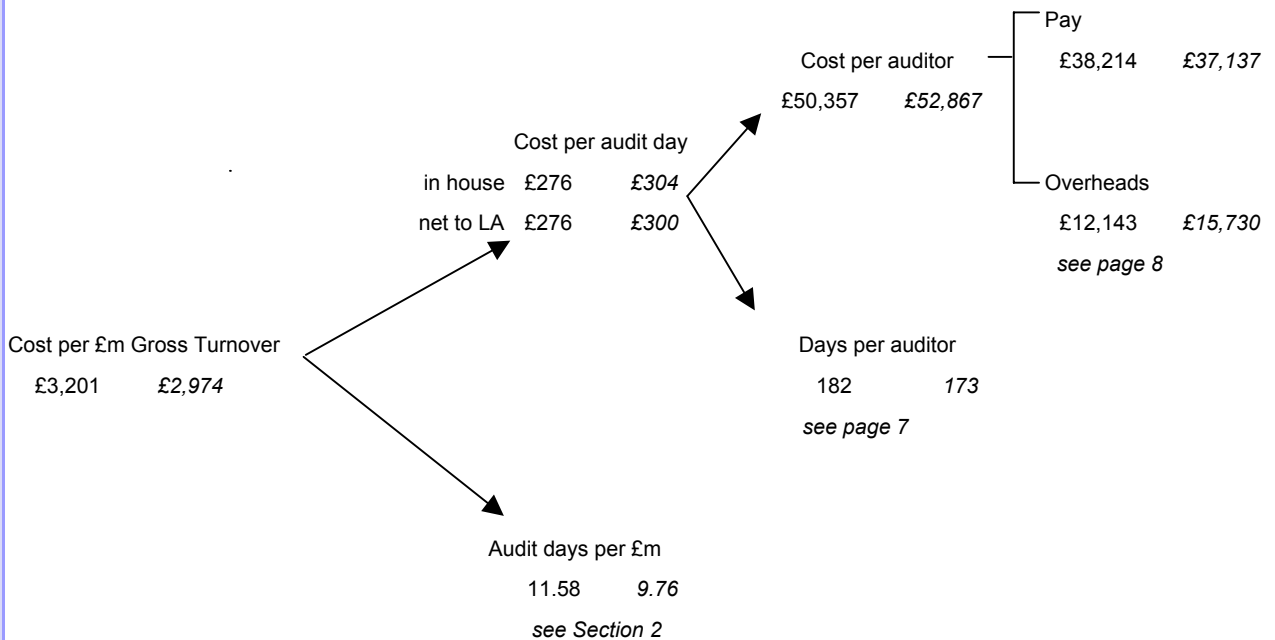
Overhead costs

	£'k	£'k/ FTE	Avg
Transport & Travel	4	0.8	0.5
Other running costs	9	1.8	2.5
Accommodation	14	2.7	3.1
IT	19	3.7	2.9
Other central charges	19	3.7	6.9
Total	65	12.7	15.9



2006/07 ESTIMATES

This tree diagram starts with the audit cost/£m of gross turnover and breaks it down to cost/audit day and audit days/£m gross turnover. The cost/audit day is further analysed by cost/auditor and audit days/auditor. Finally cost/auditor is split between pay and overheads. For each benchmark two figures are given, the first being the authority's value and the second (in italics) is the group average.



Chargeable Audit days

	Audit Days	Cost £'000	Cost/day	Avg
In-house	1020	282	£276	£304
bought in	0	0	na	£317
Gross	1020	282	£276	£302
Charged out	0	0	na	£267
Net to LA	1020	282	£276	£300
Excluded work	0	0		
Mainline audit	1020	282		

Basic data

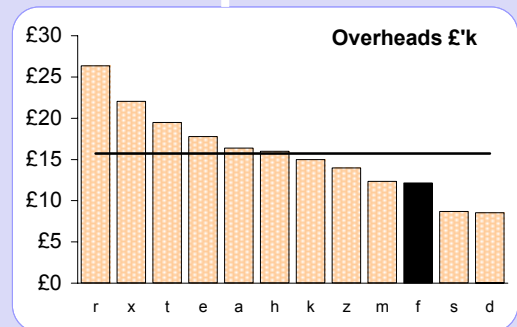
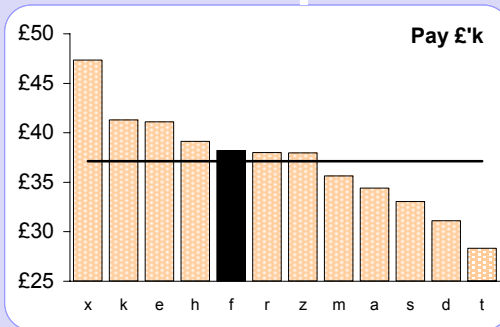
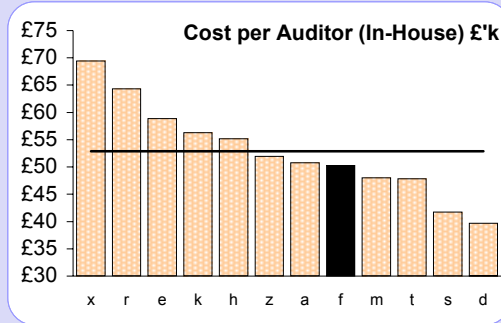
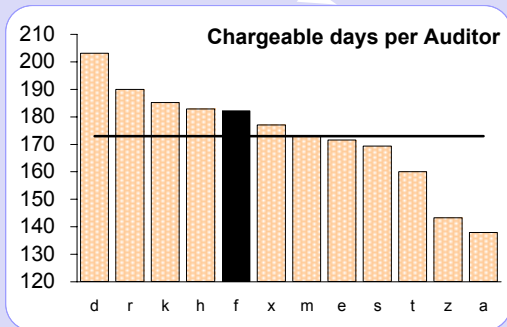
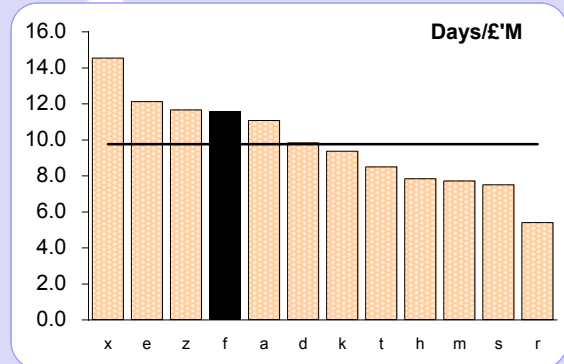
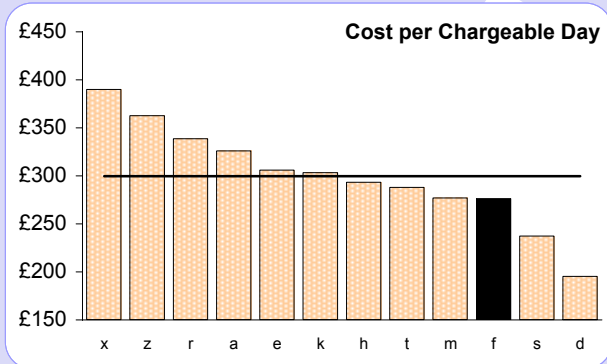
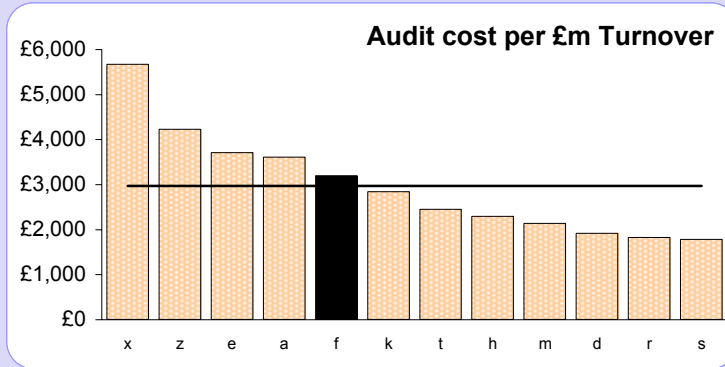
	Authority
Gross Turnover £m	£88.1
FTE staff (on payroll)	5.6
FTE agency staff	0.0
Staff cost (on payroll) £'000	£214.0
Agency Staff cost £'000	£0.0
Overheads cost £'000	£68.0

Benchmarks

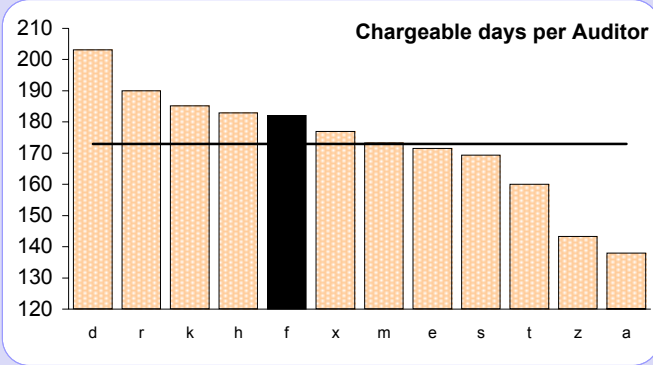
	Authority	Avg
Audit days per £m gross turnover	11.58	9.76
Cost per £m gross turnover	£3,201	£2,974
Days per auditor (staff on payroll)*	182	173
Cost per auditor (all staff)	£50,357	£52,867
Staff cost per auditor (all staff)	£38,214	£37,137
Overheads cost per auditor (all staff)	£12,143	£15,730

*see page 7 for details

2006/07 ESTIMATES



CHARGEABLE DAYS PER AUDITOR - 2006/07 Plan



FTE Auditors 5.6

Chargeable days - Staff on payroll

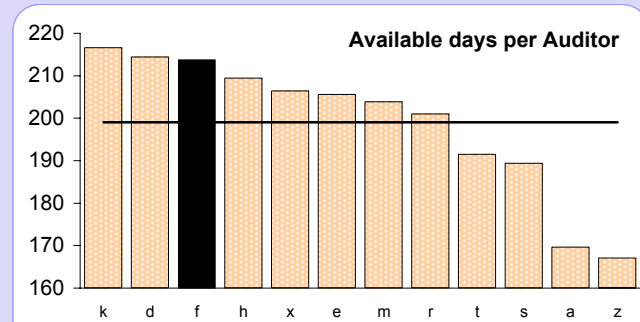
	days/FTE	avg
Total days pa	1,466	261.8
Non-productive days:		
Bank holidays	45	8.0
Annual leave	153	27.3
Special leave	4	0.7
Sickness	32	5.7
Training - Audit qualification	12	2.1
- other	23	4.1
Available Days	1,197	213.8
Non-chargeable days	177	31.6
Chargeable days	1,020	182.1

Chargeable days - Agency Staff

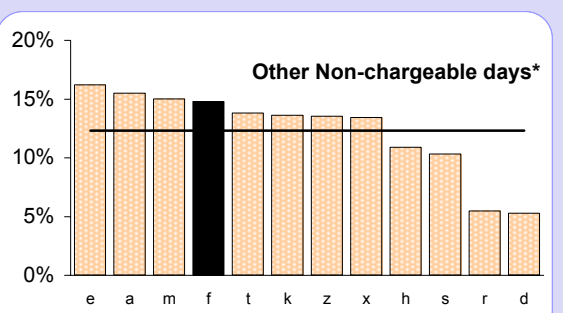
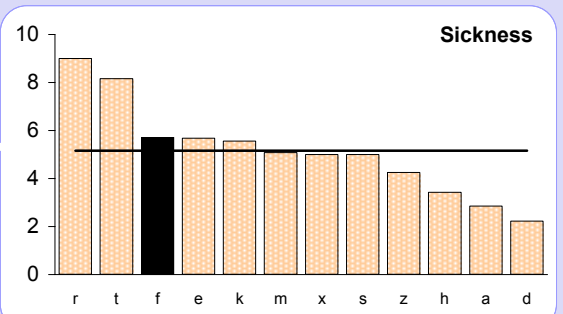
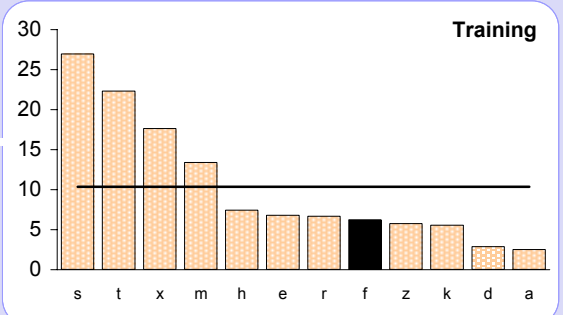
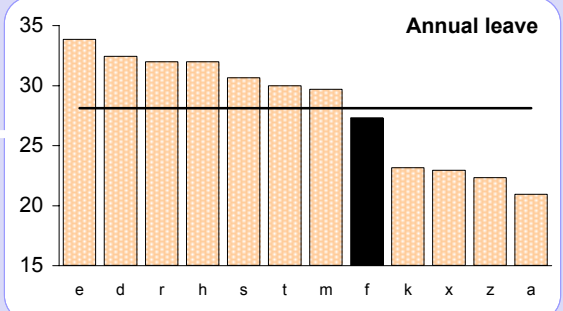
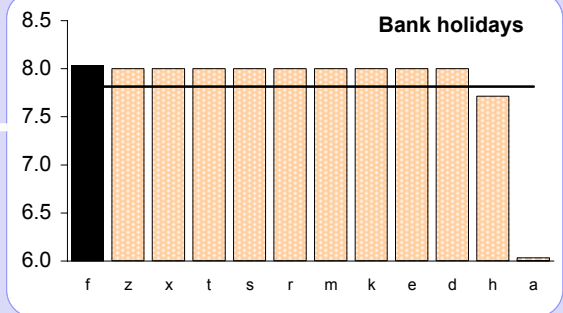
Total agency staff days	0.0
Non-chargeable days	0.0
Chargeable agency staff days	0.0

Total Chargeable days - in house

Total days	1,020
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"Non-chargeable days"

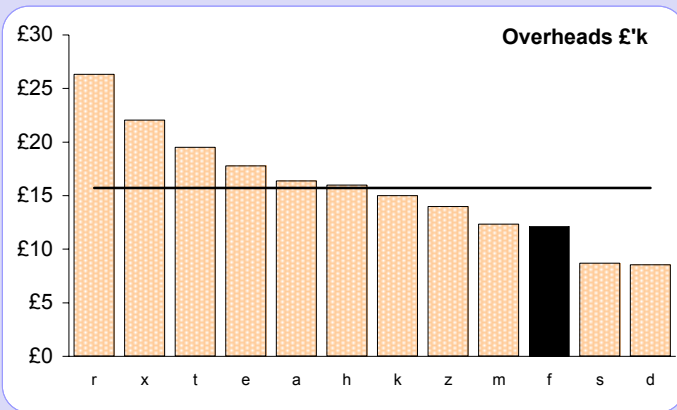


Epping Forest 14.8% Average 12.3%

*This is displayed as a percentage of all available days, including Agency Staff and Bought-In Audit.

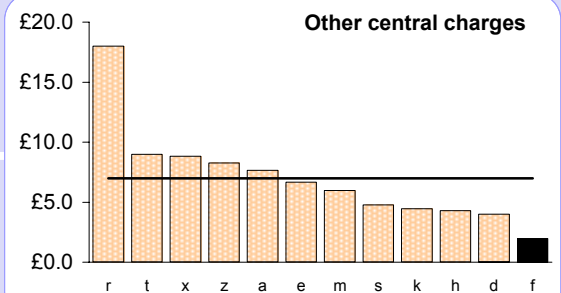
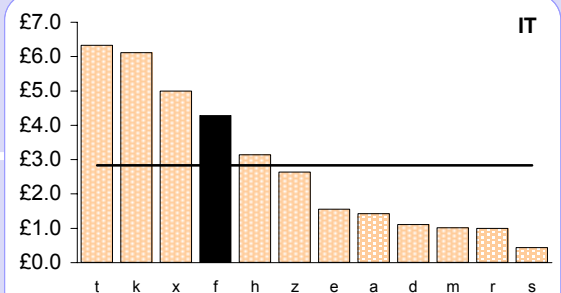
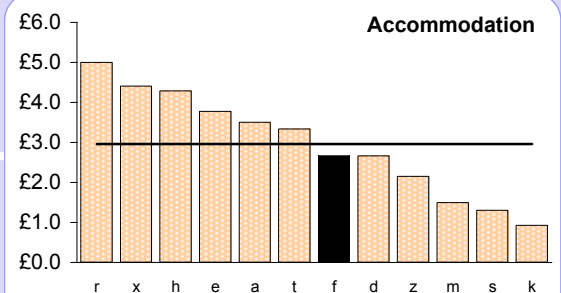
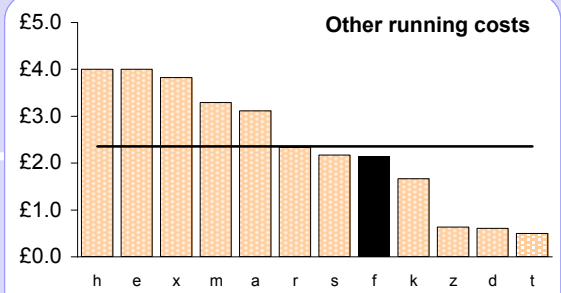
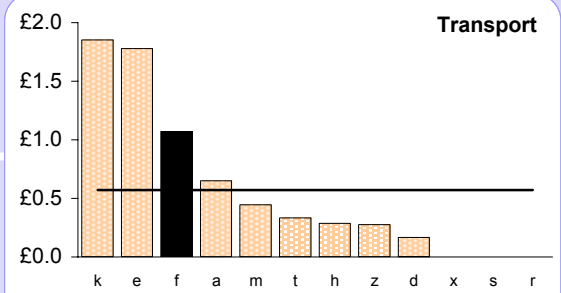
OVERHEAD COSTS - 2006/07 Estimates

£'k per FTE



Overhead costs

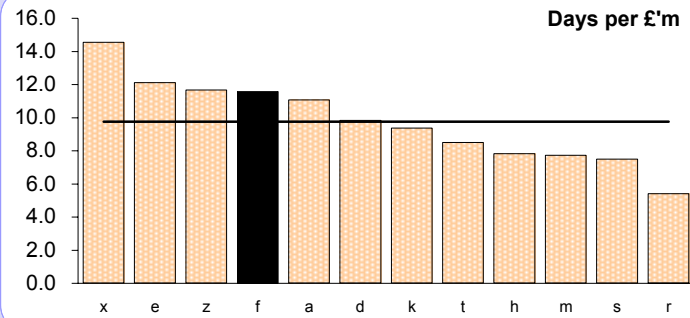
	£'k	£'k/FTE	Avg
Transport & Travel	6	1.1	0.6
Other running costs	12	2.1	2.4
Accommodation	15	2.7	3.0
IT	24	4.3	2.8
Other central charges	11	2.0	7.0
Total	68	12.1	15.7



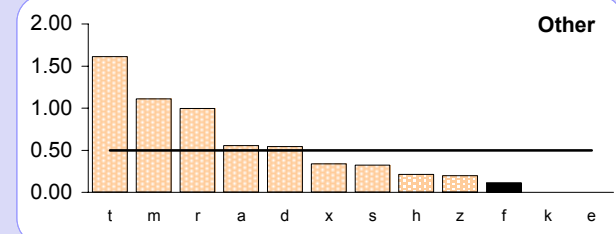
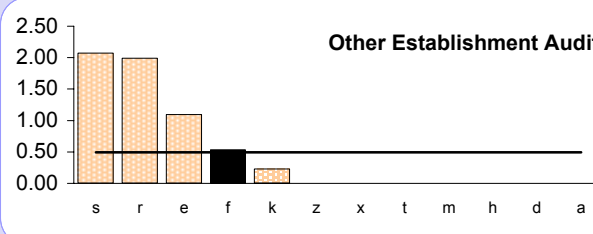
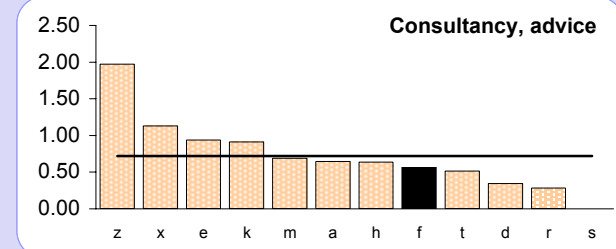
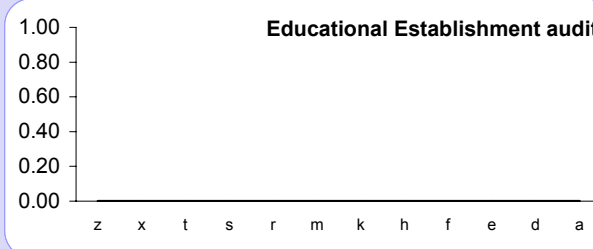
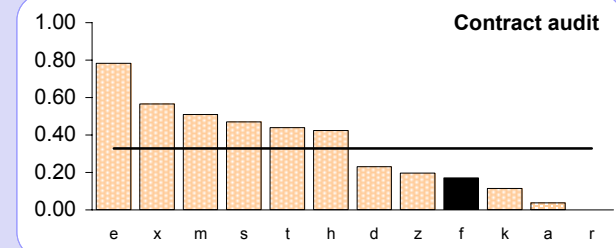
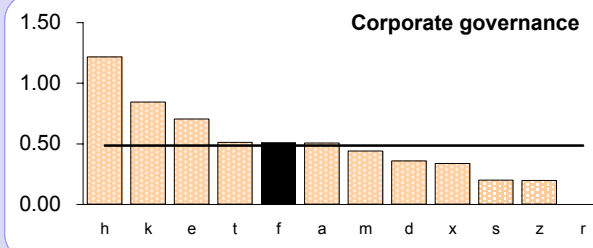
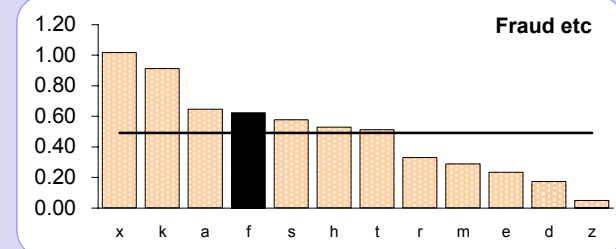
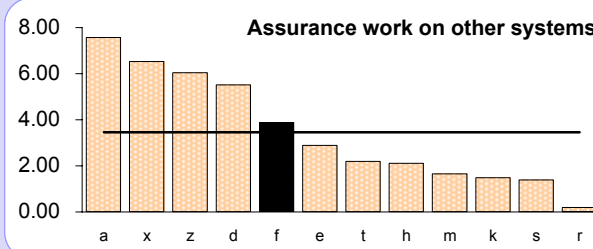
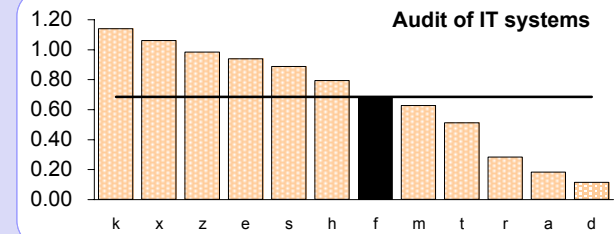
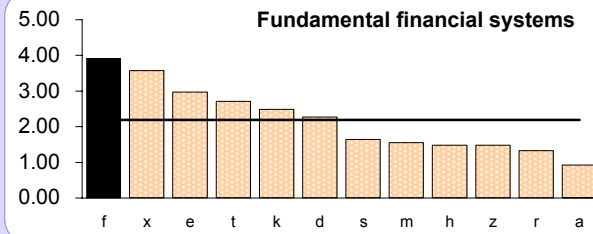
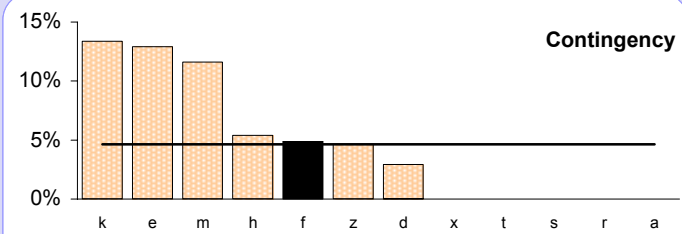
SECTION 2 - AUDIT COVERAGE

AUDIT DAYS PER £'m 2006/07

by type of audit



Gross Turnover £'m	88.1		
Audit days per £m	Days	days/£'m	avg
Fundamental financial systems	345	3.92	2.19
Assurance work on other systems	343	3.89	3.45
Corporate governance	45	0.51	0.49
Educational Establishment audit	0	0.00	0.00
Other Establishment audit	47	0.53	0.49
Audit of IT systems	60	0.68	0.68
Fraud etc	55	0.62	0.49
Contract audit	15	0.17	0.33
Consultancy, advice	50	0.57	0.72
Other	10	0.11	0.50
Contingency*	50	4.9%	4.6%
	1,020	11.58	9.76

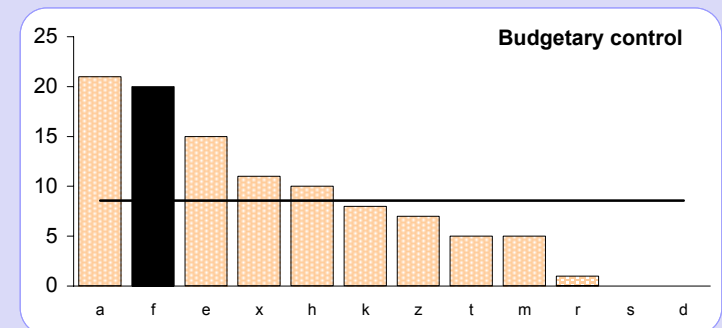
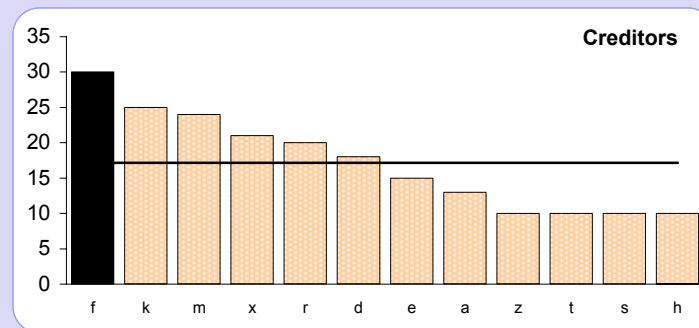
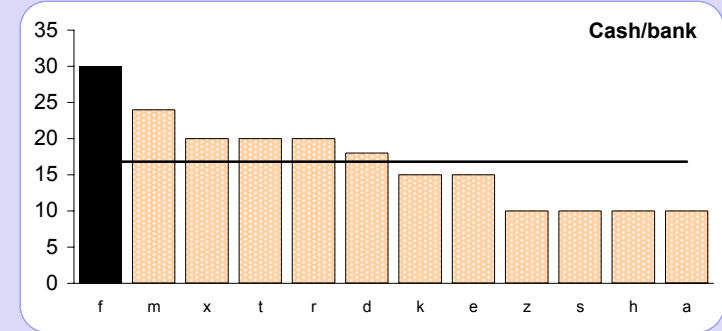
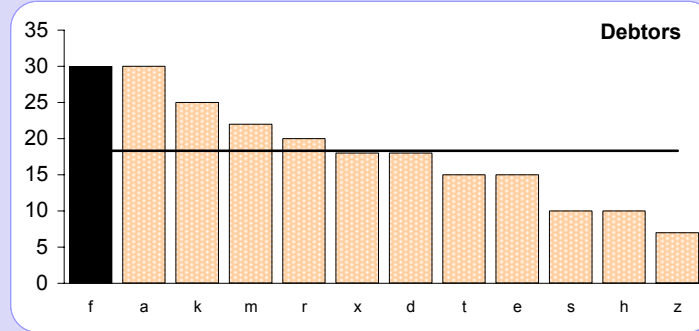
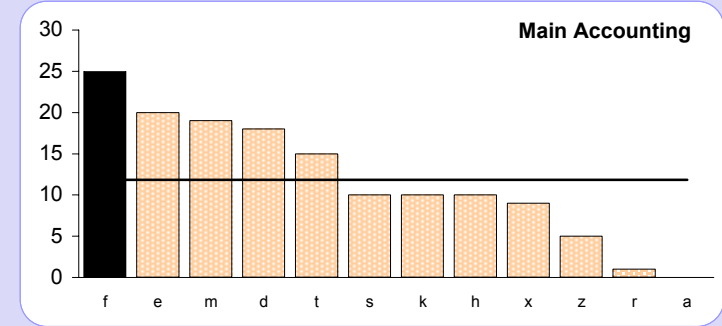
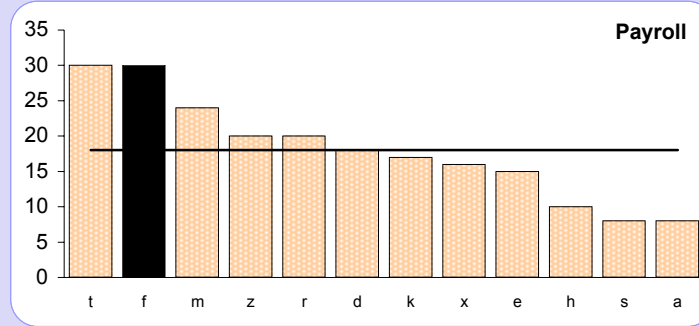


*Contingency is shown as a percentage of the total number of days

FUNDAMENTAL FINANCIAL SYSTEMS - AVG DAYS PER YEAR OVER PLANNING CYCLE - with no adjustment for size of authority

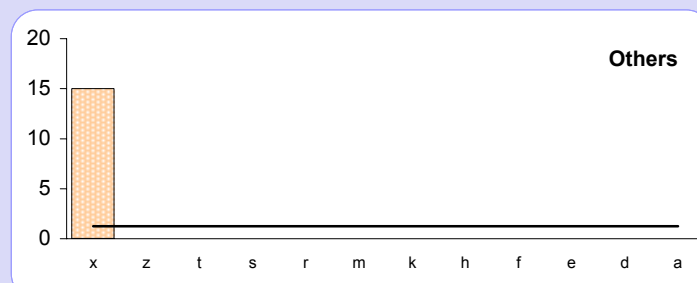
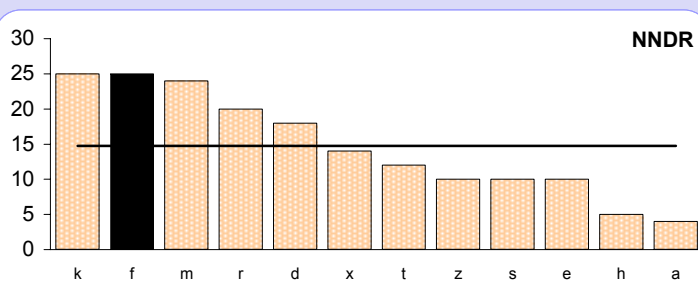
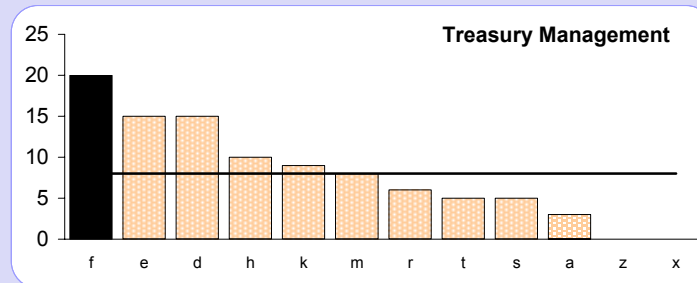
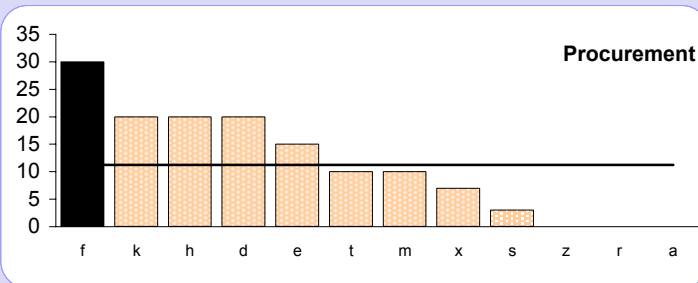
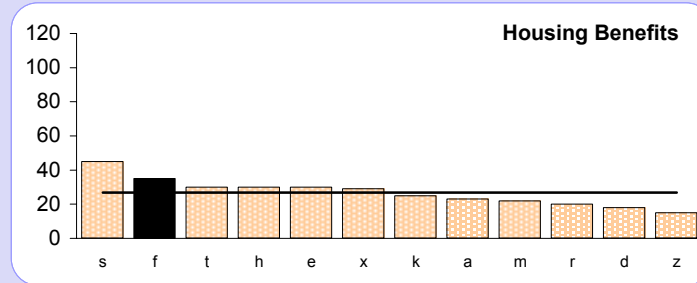
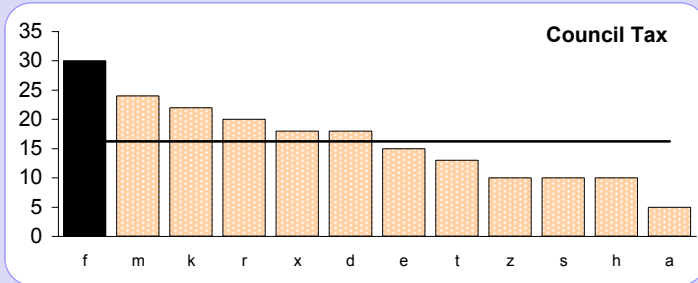
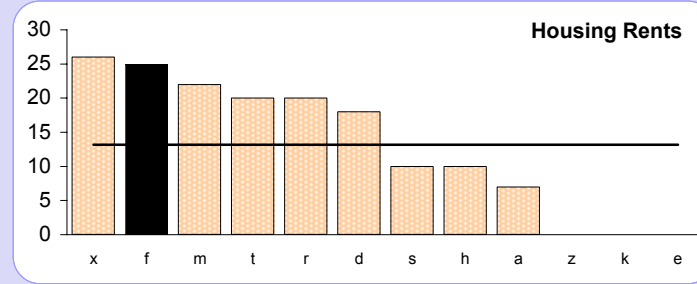
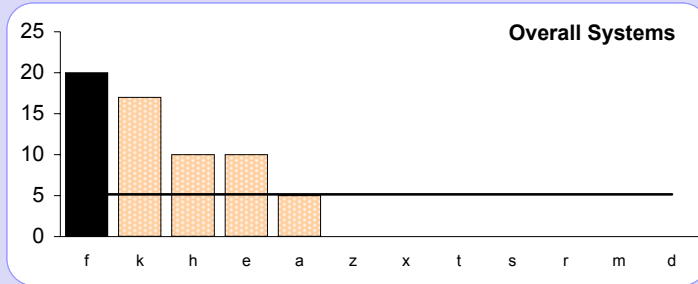
2006/07

Average days audit per year		
	Days pa	avg
Payroll	30	18
Debtors	30	18
Creditors	30	17
Main Accounting	25	12
Cash/bank	30	17
Budgetary control	20	9
Overall Systems	20	5
Council Tax	30	16
NNDR	25	15
Procurement	30	11
Housing Rents	25	13
Housing Benefits	35	27
Treasury Management	20	8
Others	0	1
Total	350	187



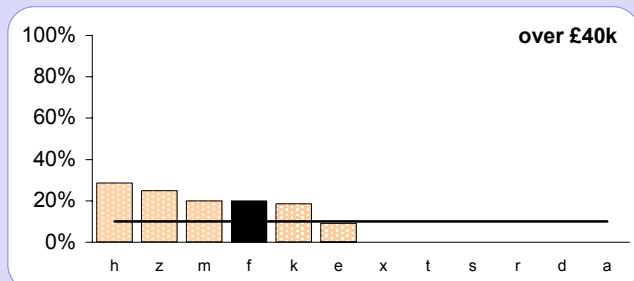
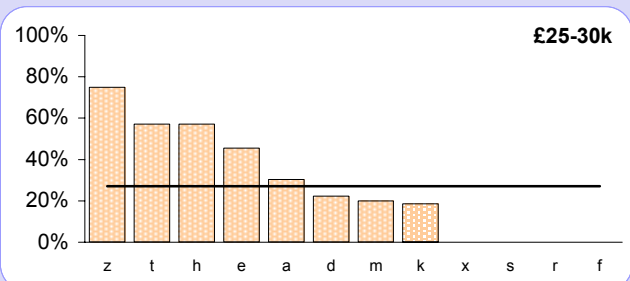
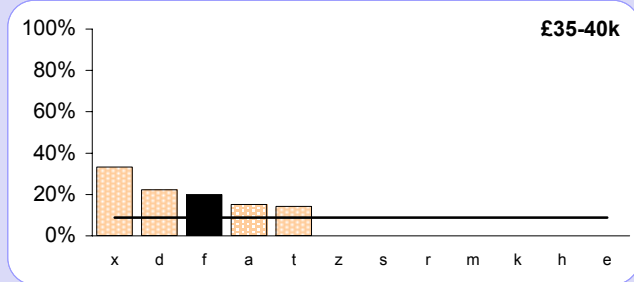
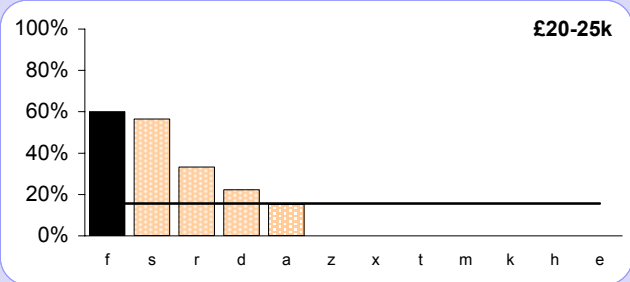
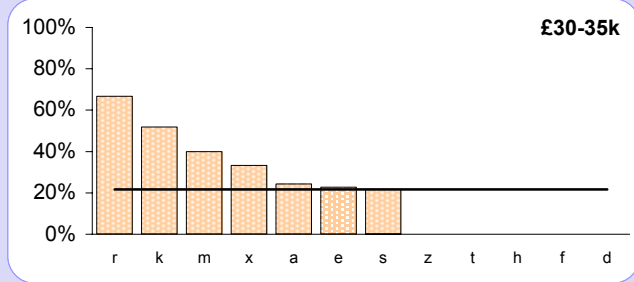
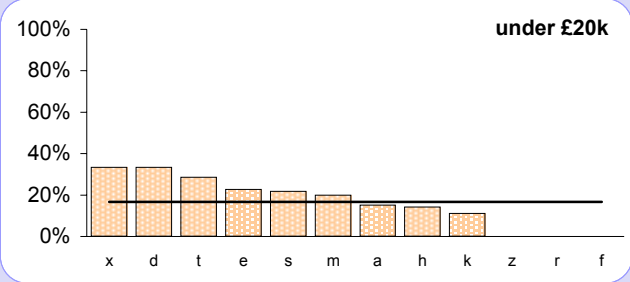
FUNDAMENTAL FINANCIAL SYSTEMS (continued) - AVG DAYS PER YEAR OVER PLANNING CYCLE - with no adjustment for size of authority

2006/07



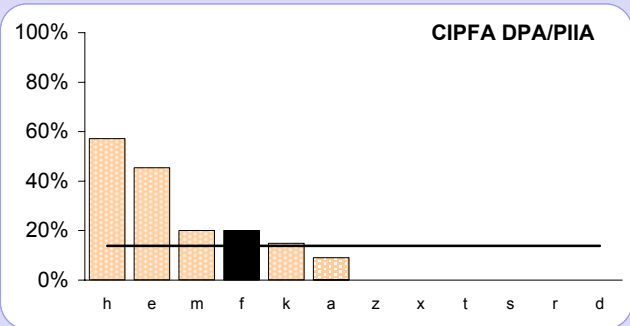
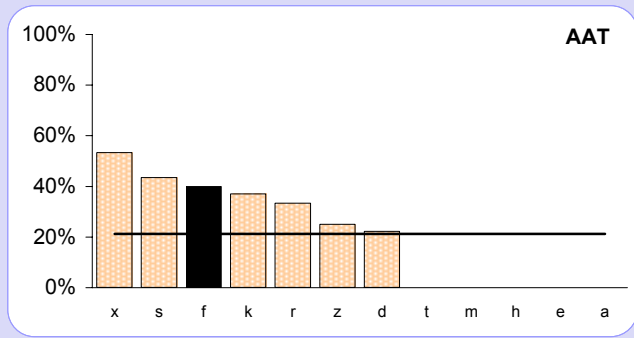
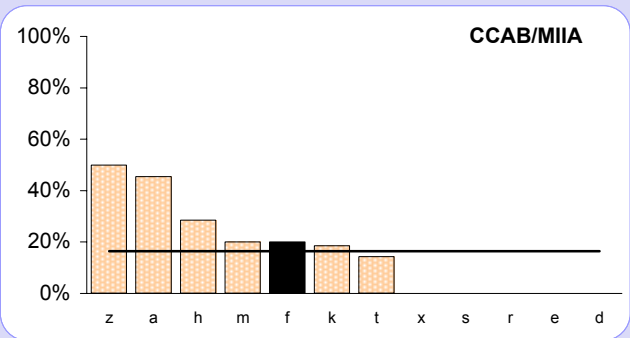
SECTION 3 - STAFFING

Staff Salary Bandings as at 31 March 2006



Salary bandings							
	FTE	%	Avg	FTE	%	Avg	
under £20k	0.0	0%	17%	£30-35k	0.0	0%	22%
£20-25k	3.0	60%	16%	£35-40k	1.0	20%	9%
£25-30k	0.0	0%	27%	over £40k	1.0	20%	10%
					5.0		

Qualifications

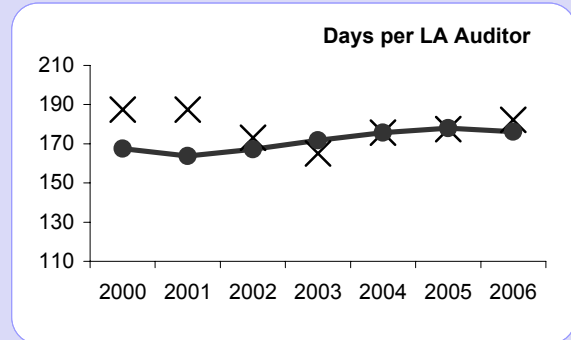
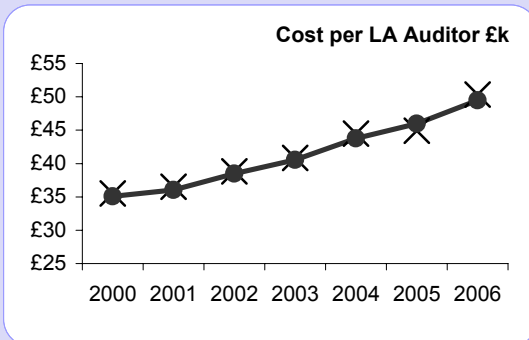
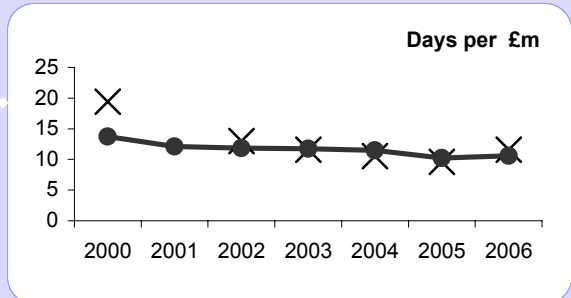
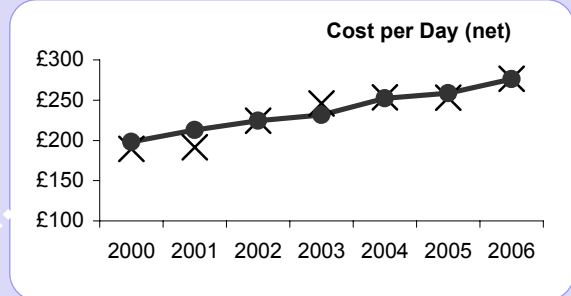
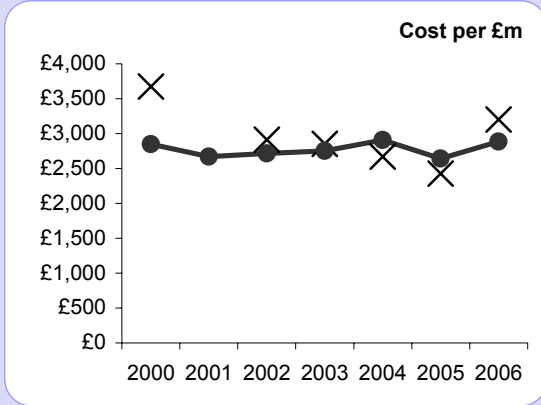


Qualifications	FTE	%	avg
CCAB/MIIA	1.0	20%	16%
CIPFA DPA/PIIA	1.0	20%	14%
AAT	2.0	40%	21%
Other specialists	0.0	0%	8%
Part Qual/Trainees	0.0	0%	6%
Non-Qualified	1.0	20%	31%
	5.0		

SECTION 4 - TIMESERIES

Estimates: e.g. 2006 refers to this years 2006/07 estimates

The 2006 averages are the actual club averages. For previous years, the averages shown here are scaled up or down from the 2006 figure based on the average rate of change in each year. This is calculated using data from members who supplied figures in consecutive years, otherwise the simple average in each year would be distorted by changes in the composition of the club from year to year.



KEY: Club Average - Black Line

Epping Forest - Crosses

Timeseries data		2000	2001	2002	2003	2004	2005	2006
Cost £000*		213	219	233	245	267	274	282
FTE Auditors		6.0	6.0	6.0	6.0	6.0	6.1	5.6
Cost per LA Auditor £k		£35,500	£36,500	£38,833	£40,833	£44,500	£44,918	£50,357
Average		£35,090	£36,047	£38,487	£40,549	£43,760	£45,966	£49,488
Days per LA Auditor		188	188	173	165	176	178	182
Average		168	164	167	172	176	178	176
Cost per £m		£3,672	na	£2,913	£2,852	£2,670	£2,425	£3,201
Average		£2,848	£2,670	£2,714	£2,754	£2,906	£2,643	£2,886
Cost per Day (net)		£189	£192	£224	£246	£253	£253	£276
Average		£198	£213	£224	£232	£252	£259	£276
Mainline Audit Days		1,125	1,125	1,038	1,020	1,054	1,083	1,020
Turnover £m		58	0	80	88	100	113	88
Days per £m		19.4	na	13.0	11.6	10.5	9.6	11.6
Average		13.7	12.1	11.8	11.7	11.5	10.2	10.6