CIPFA The Chartered Institute of Public Finance & Accountancy

Audit
Benchmarking Club
2011

London Borough of Sutton

COMPARATOR REPORT

Barking	Barnet
Bexley	Bromley
Camden	Kensington
Merton	Richmond
Sutton	

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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.

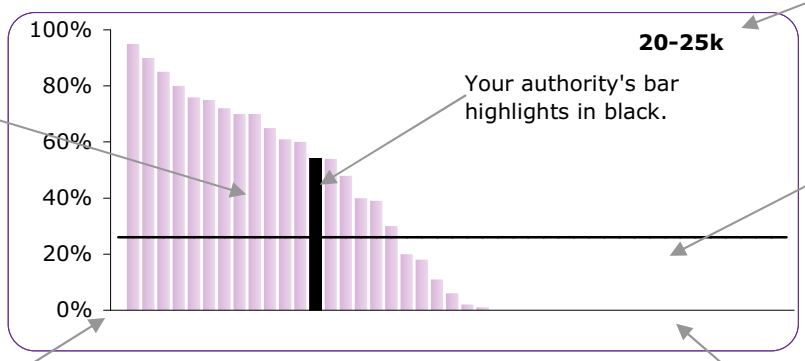
Averages: Almost all of our tables and charts compare your figure with a group average. The average is the unweighted mean value for the group. This average value ignores missing data, or data that we have excluded and for this reason sets of averages sometimes do not reconcile precisely.

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

Each bar represents an authority's value.

Title.



Your authority's bar highlights in black.

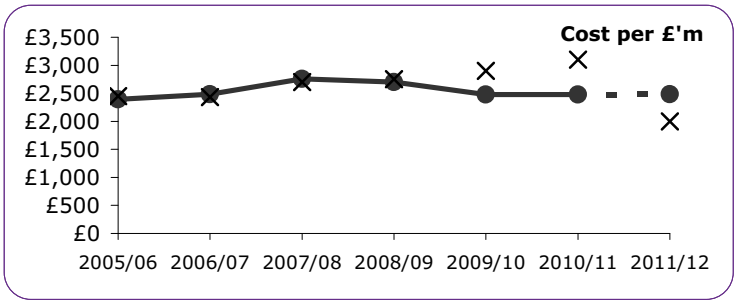
The group average is shown by a horizontal line.

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

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 right represent zero values and are included in the average.

Time Series: These show trends in data.



Key

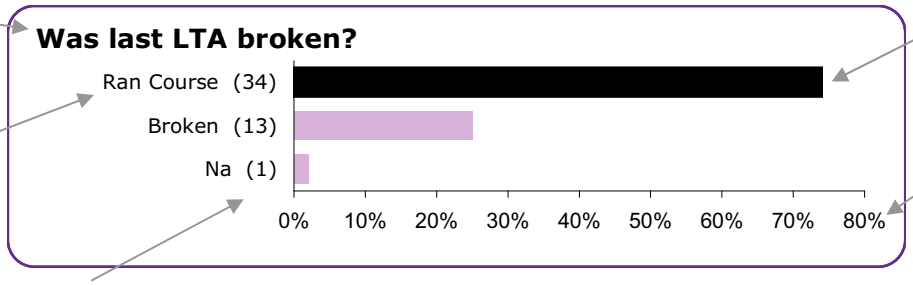
Average = Black lines

Your values = crosses

The 2010 averages are the actual club averages, the 2011 figures are estimates. For previous years (before 2010), the averages shown here are scaled up or down from the 2010 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.

Summary Bar Charts: These present summaries of non-numerical data

Title



Options

The bar is highlighted in black if this matches your authority's position.

The scale is shown in percent, to help judge the relative size of each category.

The number in brackets is the number of authorities that match this option.

Please note: Depending on the type of data being displayed more than one bar may be highlighted black. For example, we use this method to graph which categories you 'self-fund'. Where an authority 'self funds' all the categories looked at, all the bars will show as black.

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7	**Quartiles**	30

Section 1 - Summary
Comparison of key cost benchmarks in 2010/11 and trends in these benchmarks.

Section 2 - Cost Analysis
This section shows the analysis of audit costs for 2010/11 actuals and 2011/12 estimates. The main benchmarks are cost per audit day, cost per £'m turnover and chargeable days per auditor.

Section 3 - 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, operational risks and corporate governance.

Section 4 - Fraud & Investigations
This section looks at fraud workload, NFI and the outcomes of investigations.

Section 5 - Staffing
This section shows salary bandings and staff qualifications.

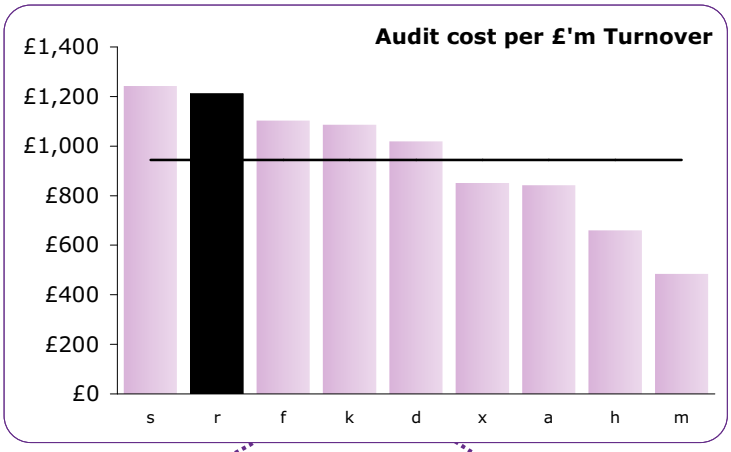
Section 6 - Section Structure
This section shows contextual information about your audit section structure.

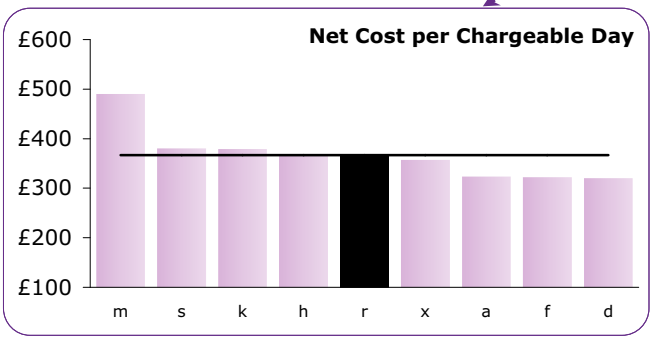
Section 7 - Quartiles
This section compares a member's figures with the quartile figures for the comparison group.

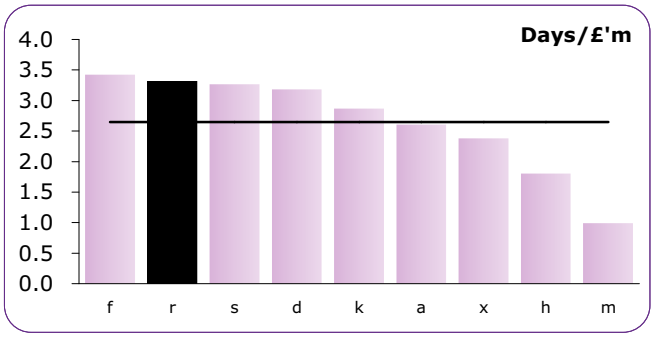
SECTION 1: SUMMARY

Summary of cost headlines across the club (10/11) & the trendlines between 05/06 & the estimates for 11/12.
The trendlines and table below are based on the data received from all members of the club.

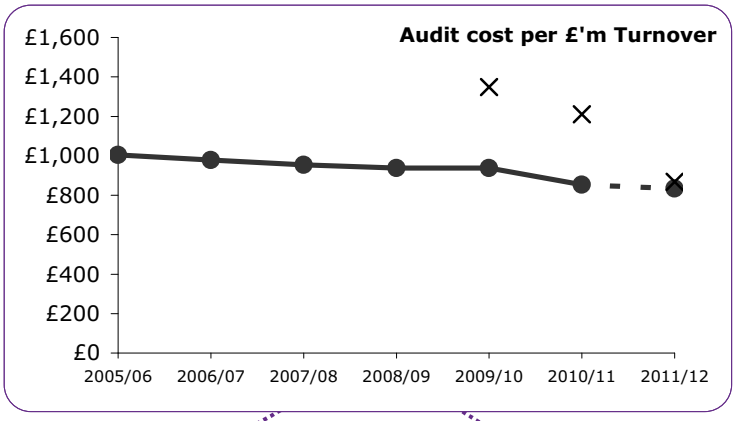
2010/11 Actuals

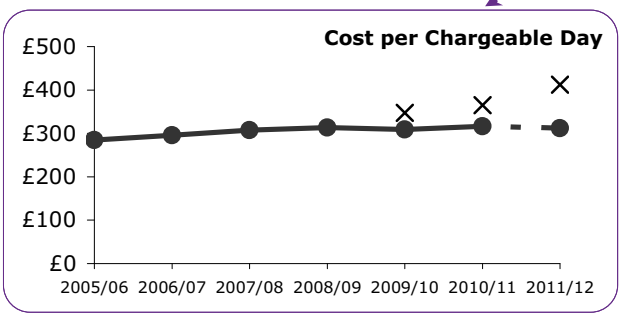


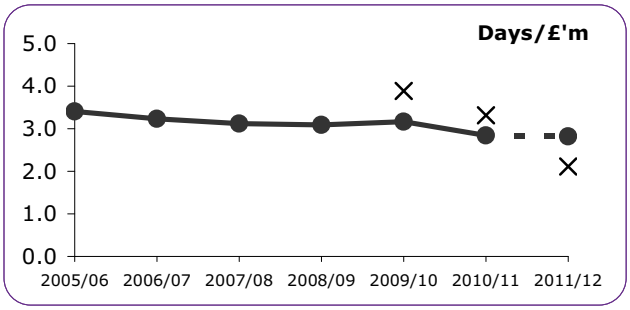




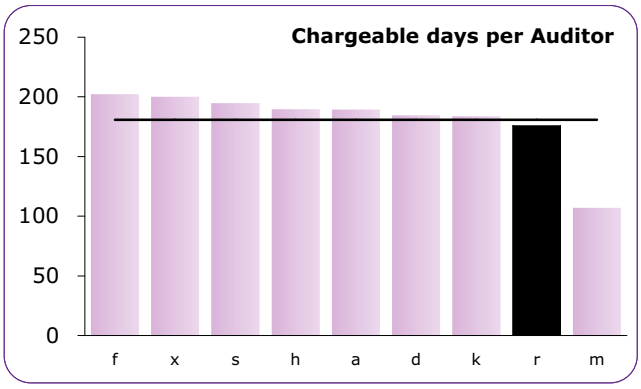
Time series

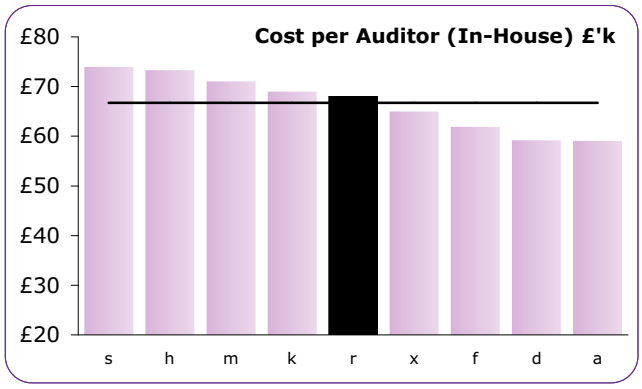




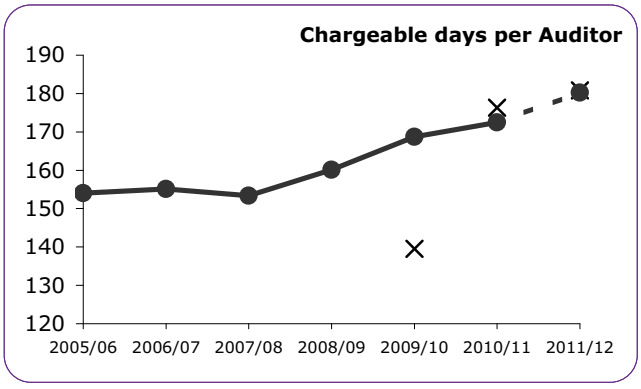


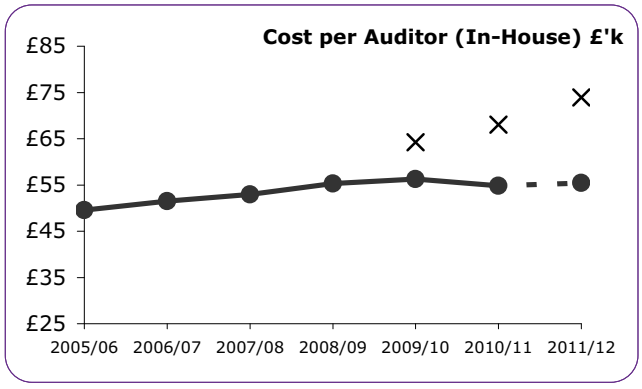
2010/11 Actuals





Time series





KEY: *Club Average - Black Line*

Sutton - Crosses

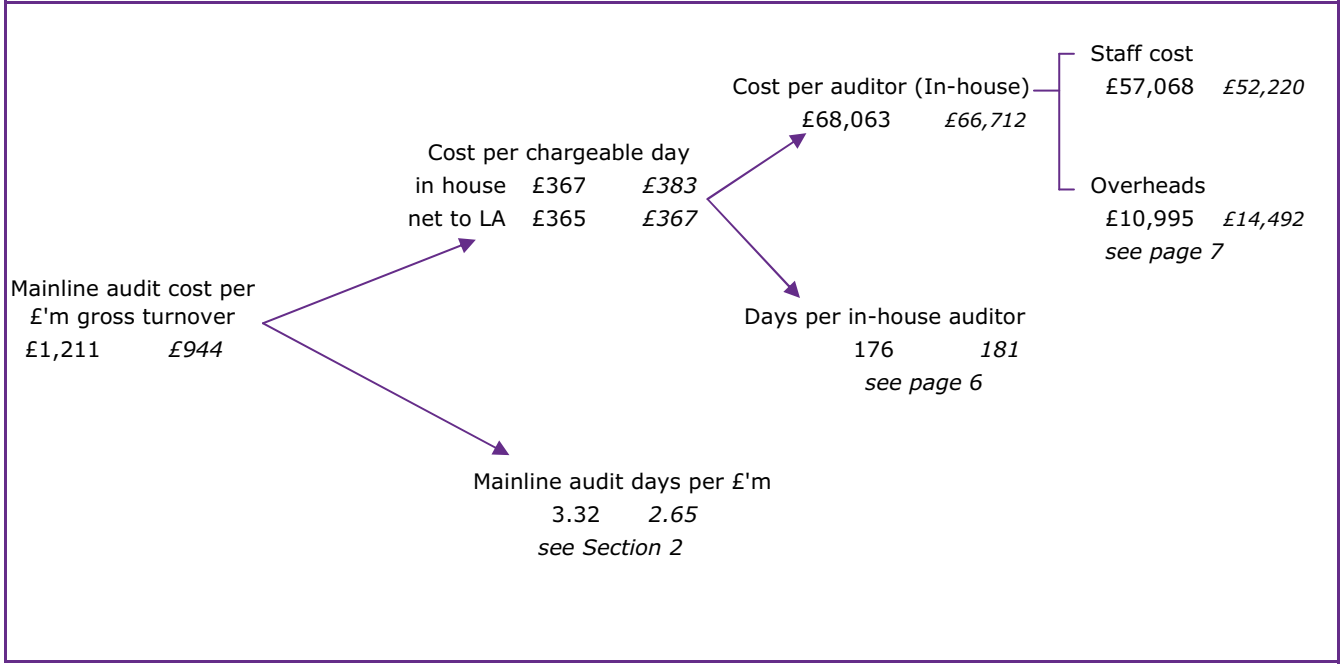
Summary Data	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12
In-house Cost	..	..	..	..	£644k	£650k	£473k
FTE Auditors	..	..	..	..	10.1	7.3	5.0
Cost per Auditor (In-House)	na	na	na	na	£64,257	£68,063	£73,906
Average	*£49,542*	*£51,504*	*£52,950*	*£55,345*	*£56,266*	*£54,859*	*£55,454*
Chargeable days per Auditor	..	..	..	..	140	176	181
Average	*154*	*155*	*153*	*160*	*169*	*172*	*180*
Cost per £'m Turnover	..	..	..	..	£1,349	£1,211	£869
Average	*£1,005*	*£978*	*£954*	*£938*	*£938*	*£853*	*£833*
Cost per Chargeable Day	..	..	..	..	£347	£365	£412
Average	*£285*	*£296*	*£308*	*£314*	*£309*	*£316*	*£312*
Mainline Audit Days	..	..	..	..	1,768	1,714	1,090
Turnover	..	..	..	..	£455m	£517m	£517m
Days per £'m	..	..	..	..	3.9	3.3	2.1
Average	*3.4*	*3.2*	*3.1*	*3.1*	*3.2*	*2.8*	*2.8*

The 2010 & 2011 averages are the actual club averages. For previous years, the averages shown here are scaled up or down from the 2010 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.

SECTION 2 - COST ANALYSIS

2010/11 Actuals

This tree diagram displays a number of key cost benchmarks. For each benchmark two figures are given, the first being the authority's value and the second (in italics) is the group average.



Basic data	Authority
Gross Turnover £'m	£516.8
FTE staff (on payroll)	7.3
FTE agency staff	2.3
Staff cost (on payroll) £'k	£397.0
Agency Staff cost £'k	£148.0
Overheads cost £'k	£105.0
Bought-in cost £'k	£11.0

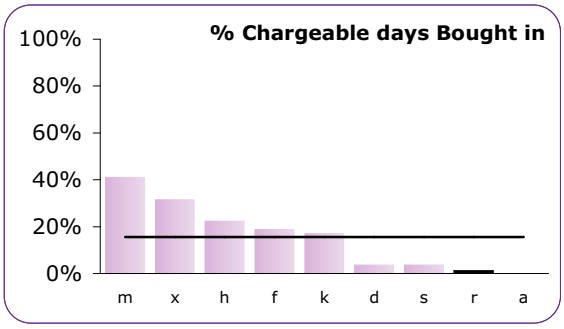
Benchmarks	Authority	*Avg*
Audit days per £'m Gross Turnover	3.32	*2.65*
Cost per £'m Gross Turnover	£1,211	*£944*
Chargeable Days per in-house auditor*	176	*181*
Cost per auditor (In-house)	£68,063	*£66,712*
Staff cost per auditor (In-house)	£57,068	*£52,220*
Overheads cost per auditor (In-house)	£10,995	*£14,492*

In-house means staff on payroll and agency staff, excluding bought-in

**see page 5 for details*

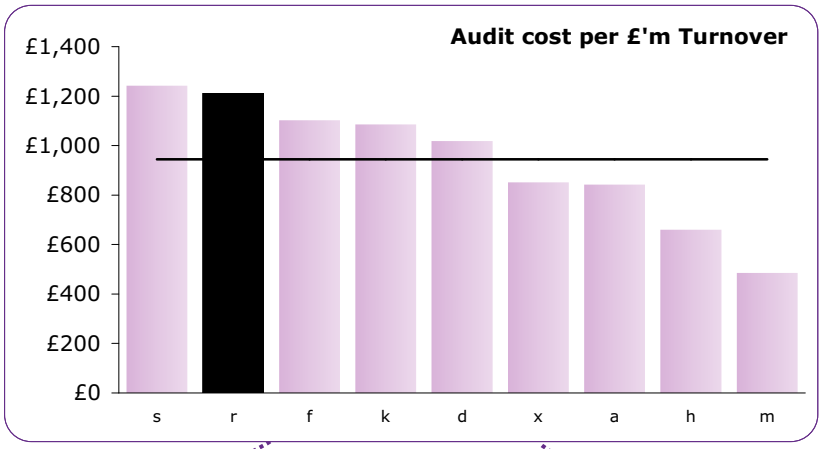
Chargeable Audit days	Audit Days	Cost £'k	Cost/ day	*Avg*
In-house	1,770	£650	£367	*£383*
Bought-in +	24	£11	£458	*£362*
Gross	1,794	£661	£368	*£367*
Charged out	80	£35	£438	*£335*
Net to LA	1,714	£626	**£365**	***£367***
Excluded work	0	£0		
Mainline audit	**1,714**	**£626**		

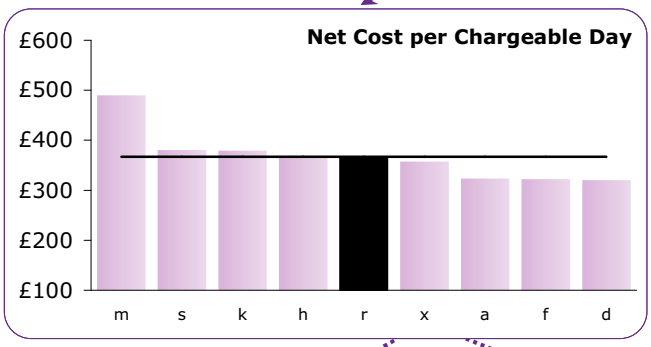
+ Bought-in days are shown inclusive of non-chargeable days to show a consistent cost/day figure.

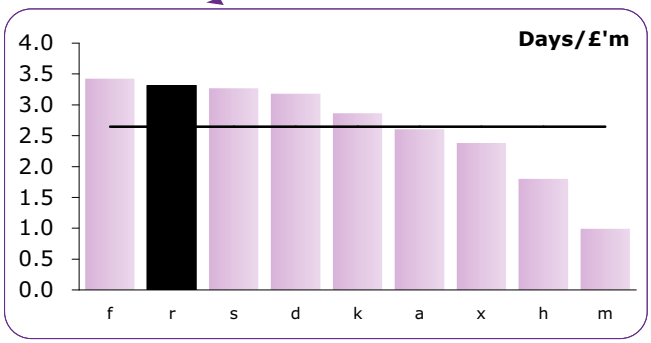


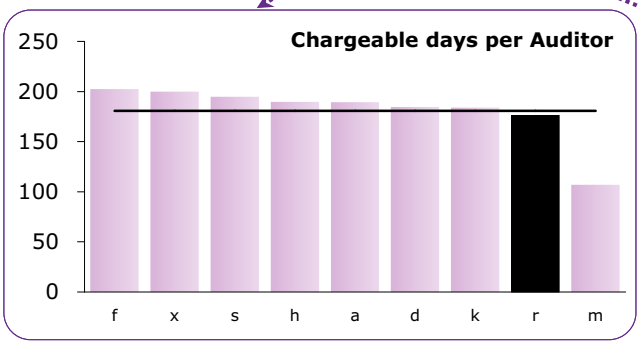
Sutton 1.3% *Avg.* *15.6%*

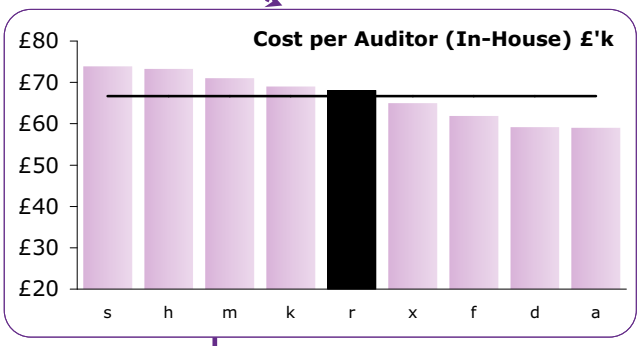
2010/11 Actuals

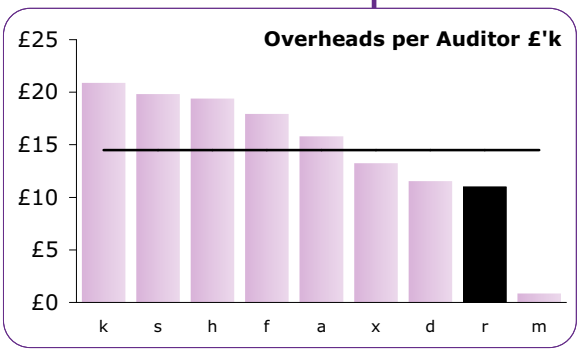






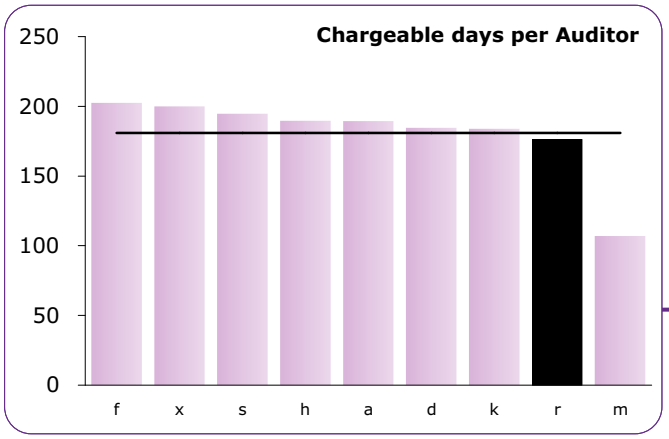






CHARGEABLE DAYS PER AUDITOR

2010/11 Actuals



	FTE
Staff (Payroll)	7.3
Agency Staff	2.3

Chargeable days - Staff on payroll

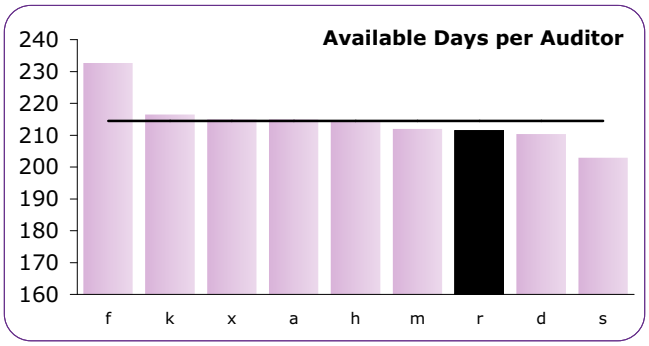
	Days	Days/ FTE	*Avg*
Total days pa	1,892	261.0	*261.0*
Non-productive days:			
Bank holidays	58	8.0	*8.0*
Annual leave	189	26.1	*26.4*
Special leave	0	0.0	*0.3*
Sickness	20	2.8	*4.6*
Training	92	12.7	*7.3*
Available Days	**1,533**	**211.5**	***214.5***
Other non-chargeable days	255	35.2	*33.7*
Chargeable days	**1,278**	**176.3**	***180.9***

Agency Staff Days

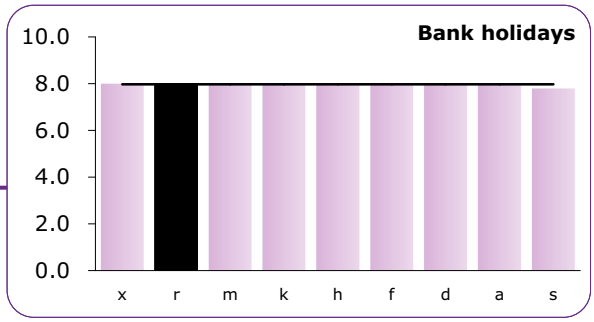
	Days
Total agency staff days	572.0
Non-chargeable days	40.0
Chargeable agency staff days	532.0

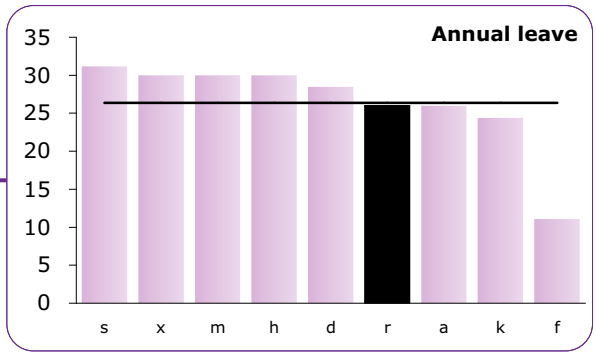
Total Chargeable Days - In House

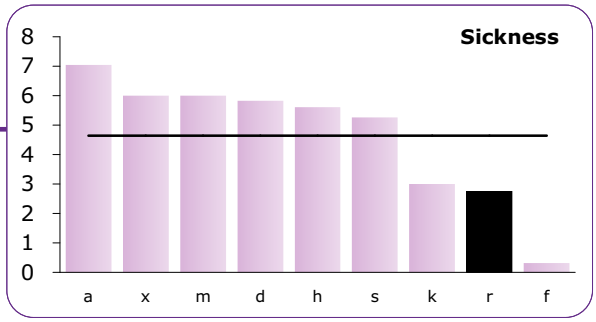
	Days
Total days	1,770

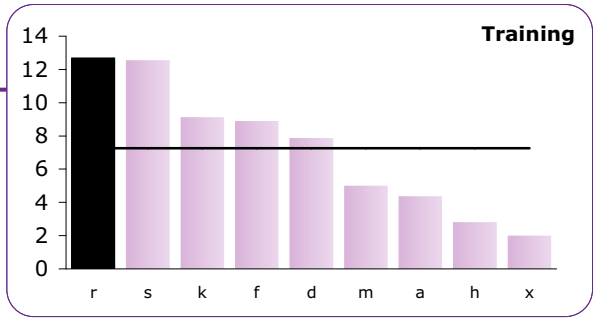


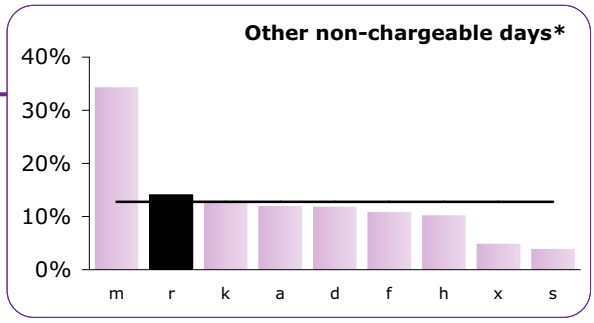
"Non-chargeable days"









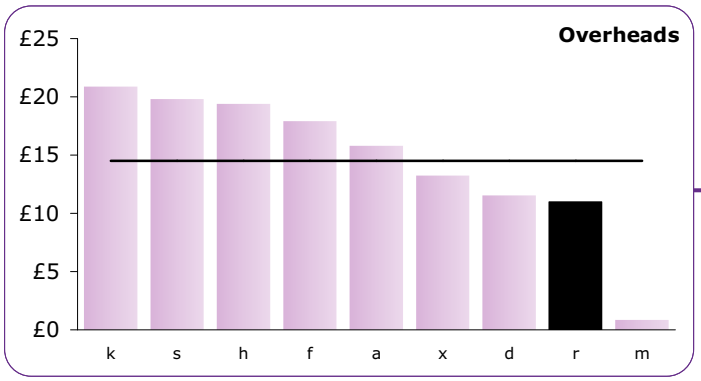


Sutton 14.1% *Average* *12.8%*

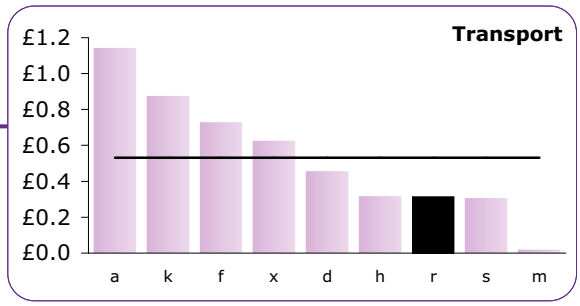
**This is displayed as a percentage of all available days, including Agency Staff and Bought-In Audit.*

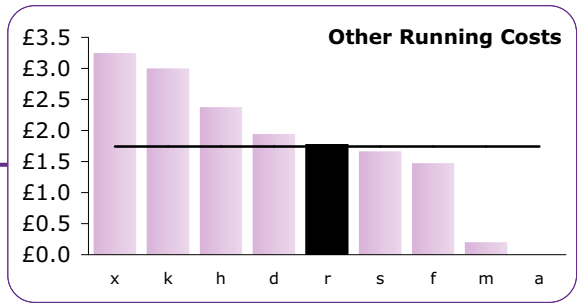
OVERHEAD COSTS - 2010/11 Actuals

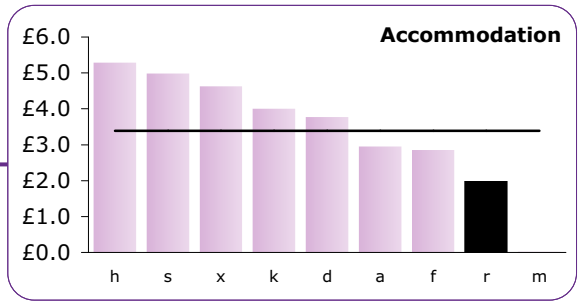
£'k per FTE

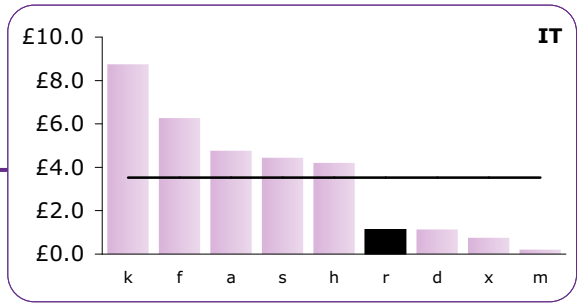


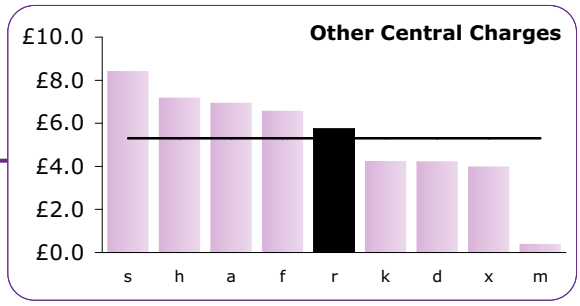
	£'k	/FTE	*Avg*
Transport & travel	3	0.3	*0.5*
Other running costs	17	1.8	*1.7*
Accommodation	19	2.0	*3.4*
IT	11	1.2	*3.5*
Other central charges	55	5.8	*5.3*
	105	11.0	*14.5*





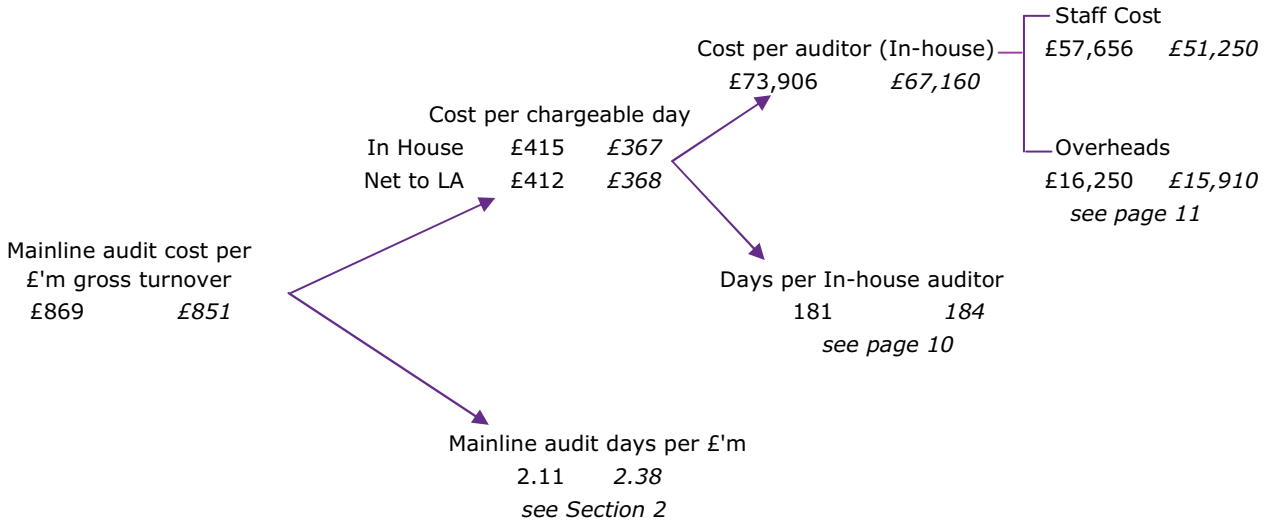






2011/12 PLAN

This tree diagram displays a number of key cost benchmarks. For each benchmark two figures are given, the first being the authority's value and the second (in italics) is the group average.



Basic data	Authority
Gross Turnover £'m	£516.8
FTE staff (on payroll)	5.0
FTE agency staff	1.4
Staff cost (on payroll) £'k	£289.0
Agency Staff cost £'k	£80.0
Overheads cost £'k	£104.0

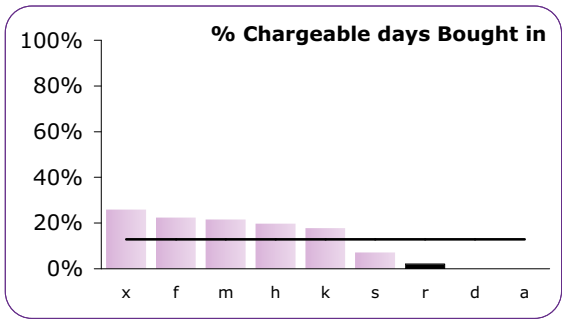
Benchmarks	Authority	*Avg*
Audit days per £'m Gross Turnover	2.11	*2.38*
Cost per £'m Gross Turnover	£869	*£851*
Chargeable days per in-house auditor*	181	*184*
Cost per auditor (in-house)	£73,906	*£67,160*
Staff cost per auditor (in-house)	£57,656	*£51,250*
Overheads cost per auditor (in-house)	£16,250	*£15,910*

In-house means staff on payroll and agency staff, excluding bought-in

**see page 9 for details*

Chargeable Audit Days	Audit Days	Cost £'k	Cost/ day	*Avg*
In-house	1,140	£473	£415	*£367*
Bought-in *	24	£11	£458	*£399*
Gross	1,164	£484	£416	*£369*
Charged out	74	£35	£473	*£422*
Net to LA	1,090	£449	**£412**	***£368***
Excluded work	0	£0		
Mainline audit	**1,090**	**£449**		

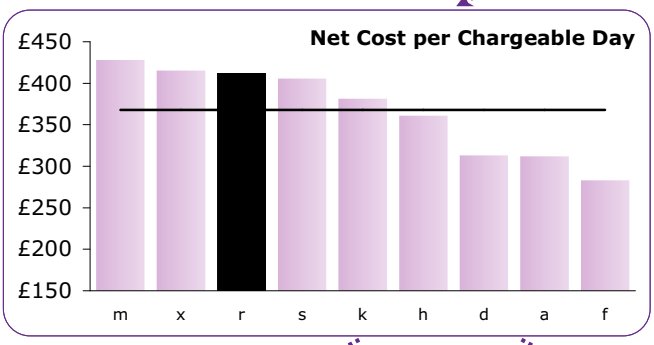
+ Bought-in days are shown inclusive of non-chargeable days to show a consistent cost/day figure.

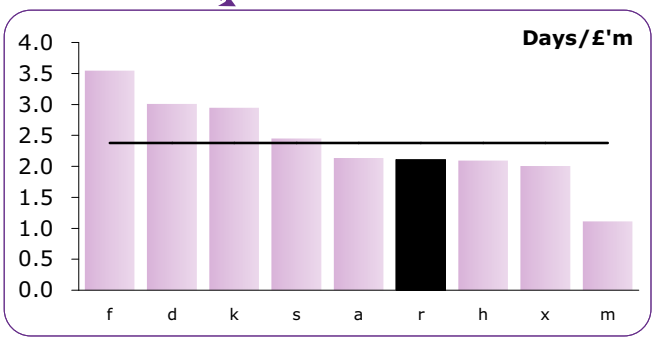


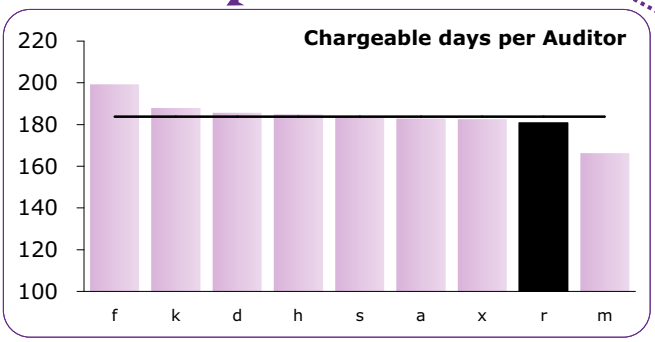
Sutton 2.1% *Avg. 15.6%*

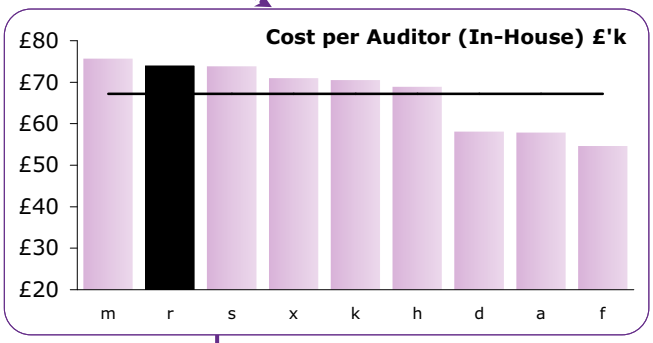
2011/12 Plan

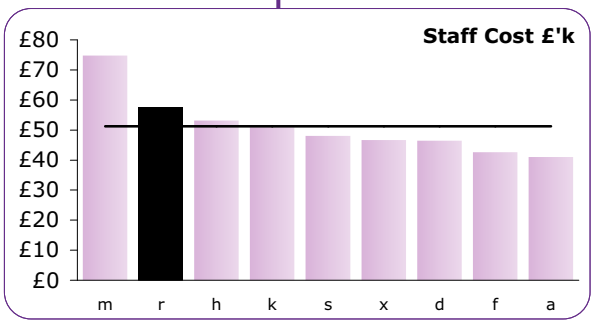
Audit cost per £'m Turnover
£1,200
£1,000
£800
£600
£400
£200
£0
k f s d r x h a m

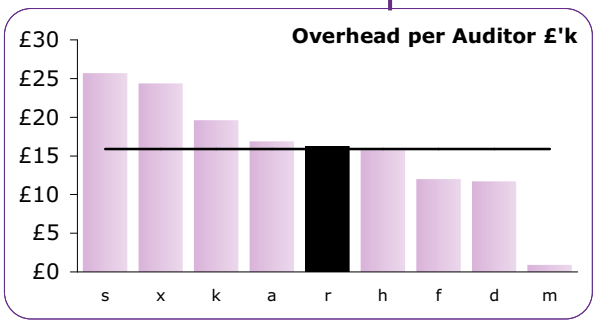

Net Cost per Chargeable Day
£450
£400
£350
£300
£250
£200
£150
m x r s k h d a f


Days/£'m
4.0
3.5
3.0
2.5
2.0
1.5
1.0
0.5
0.0
f d k s a r h x m


Chargeable days per Auditor
220
200
180
160
140
120
100
f k d h s a x r m

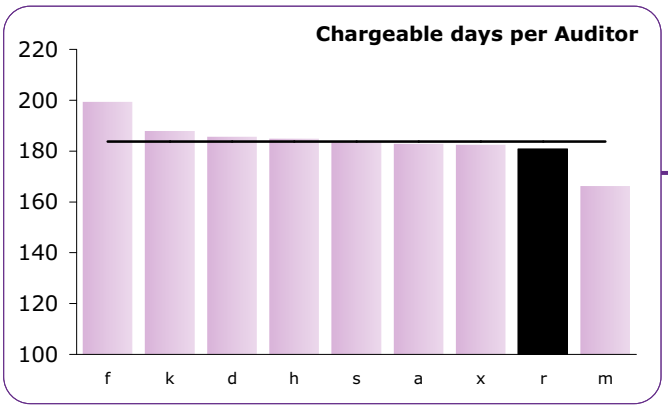

Cost per Auditor (In-House) £'k
£80
£70
£60
£50
£40
£30
£20
m r s x k h d a f


Staff Cost £'k
£80
£70
£60
£50
£40
£30
£20
£10
£0
m r h k s x d f a


Overhead per Auditor £'k
£30
£25
£20
£15
£10
£5
£0
s x k a r h f d m

CHARGEABLE DAYS PER AUDITOR

2011/12 Plan



	FTE
Staff (Payroll)	5.0
Agency Staff	1.4

Chargeable days - Staff on payroll

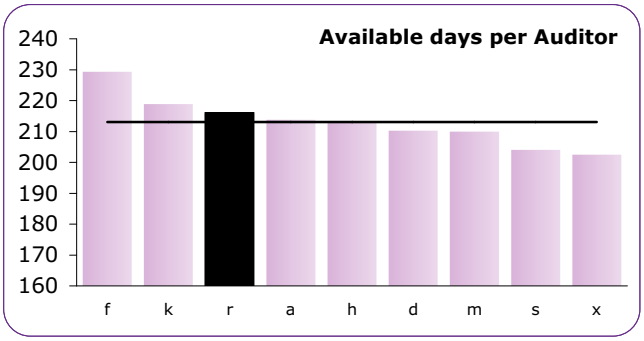
	Days	Days/ FTE	*Avg.*
Total days pa	1,310	262.0	*262.0*
Non-productive days:			
Bank holidays	45	9.0	*9.0*
Annual leave	154	30.8	*28.8*
Special leave	0	0.0	*0.1*
Sickness	0	0.0	*3.9*
Training	30	6.0	*7.1*
Available days	**1,081**	**216.2**	***213.1***
Non-chargeable days	177	35.4	*29.4*
Chargeable days	**904**	**180.8**	***183.7***

Agency staff days

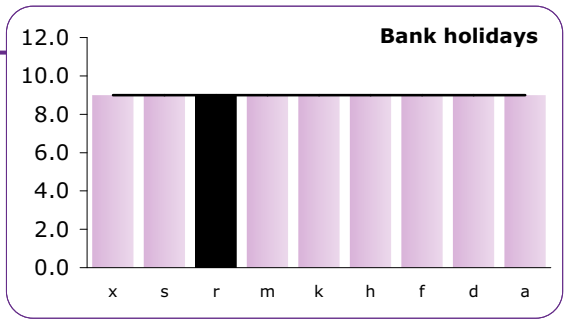
	Days
Total agency staff days	316.0
Non-chargeable days	40.0
Chargeable agency staff days	276.0

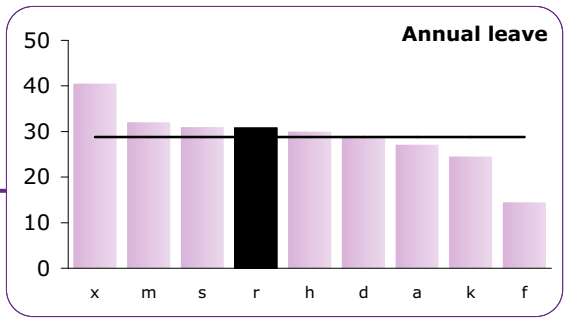
Total chargeable days - in house

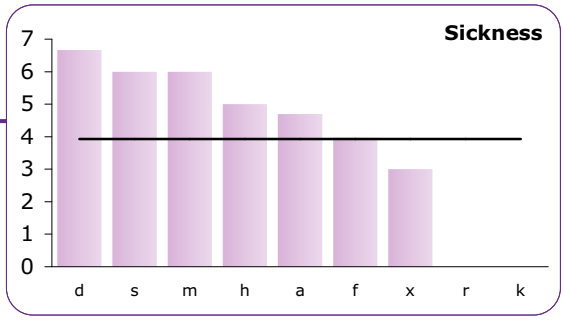
	Days
Total days	1,140

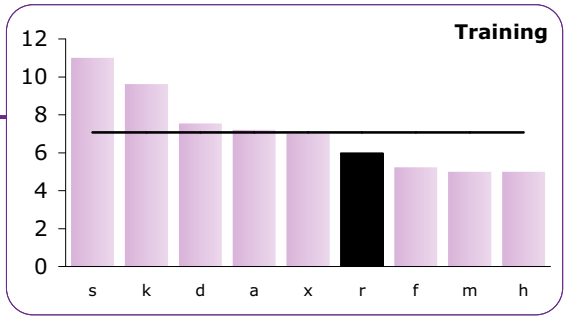


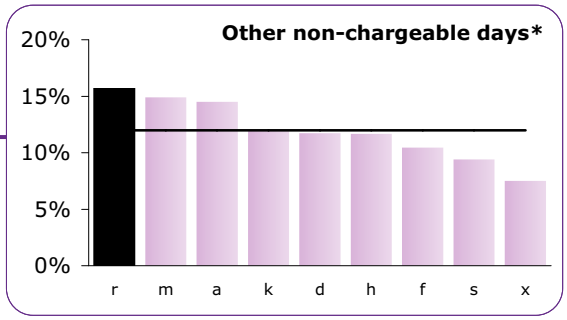
"Non-chargeable days"









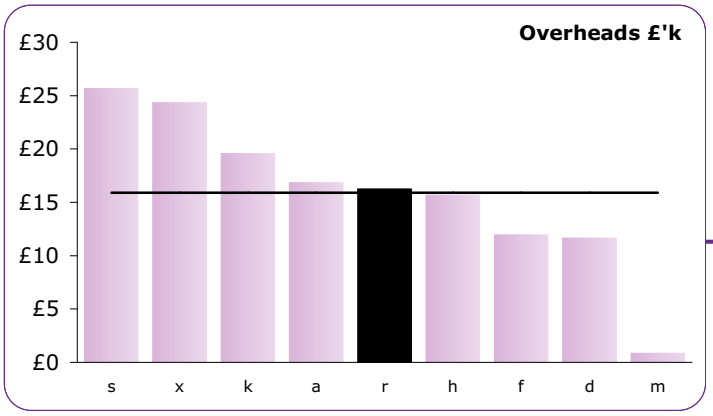


Sutton 15.7% *Average 12.0%*

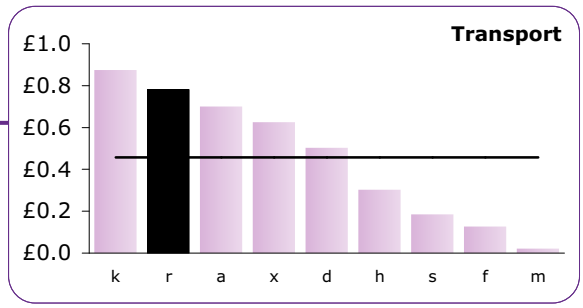
**This is displayed as a percentage of all available days, including Agency Staff and Bought-In Audit.*

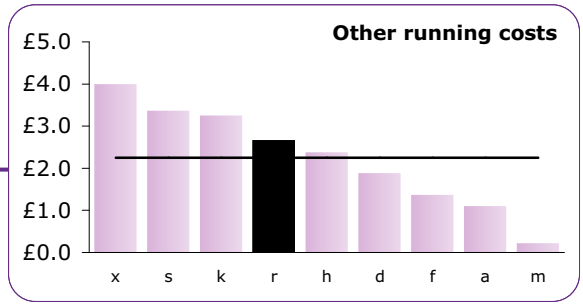
OVERHEAD COSTS - 2011/12 Plan

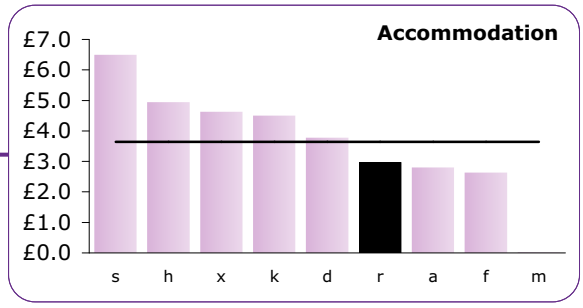
£'k per FTE

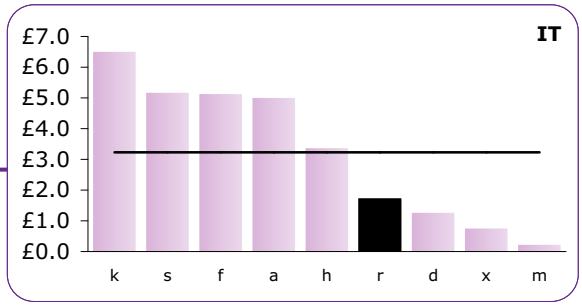


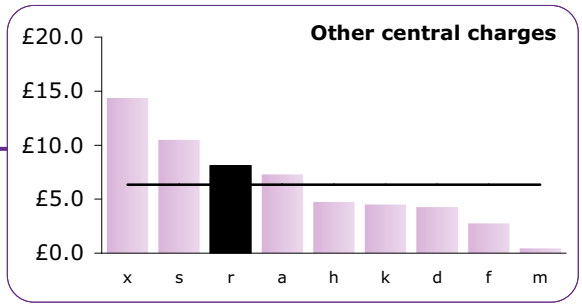
	£'k	/FTE	*Avg*
Transport & travel	5	0.8	*0.5*
Other running costs	17	2.7	*2.2*
Accommodation	19	3.0	*3.6*
IT	11	1.7	*3.2*
Other central charges	52	8.1	*6.3*
	104	16.3	*15.9*







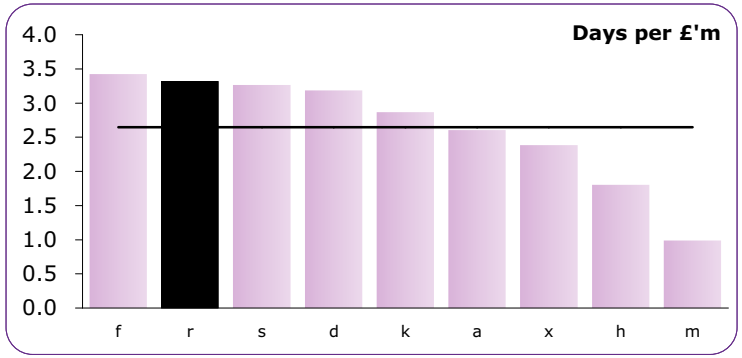




SECTION 3 - AUDIT COVERAGE

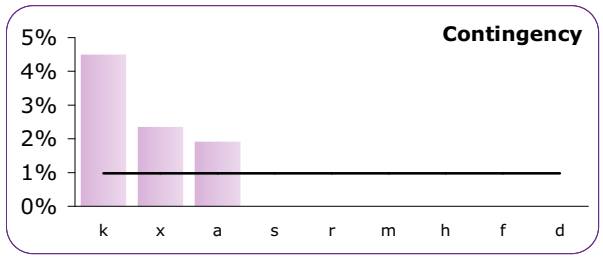
AUDIT DAYS PER £'m 2010/11 Actuals

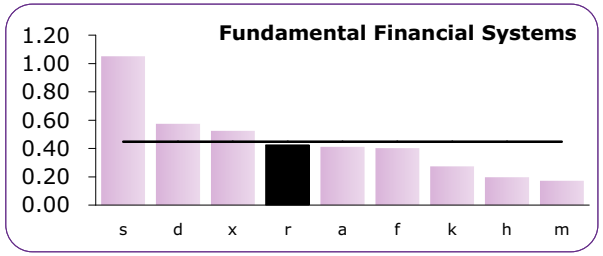
by type of audit

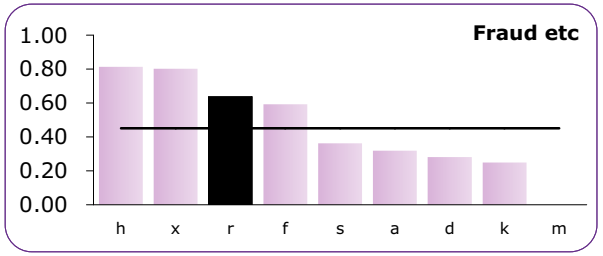


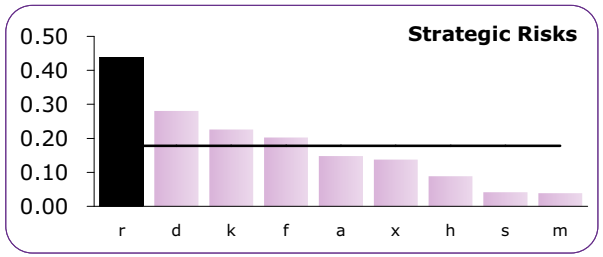
Gross Turnover £'m	516.8		
Audit days per £'m	Days	days/£'m	*Avg*
Fundamental Financial Systems	220	0.43	*0.45*
Strategic Risks	227	0.44	*0.18*
Operational Risks	458	0.89	*0.86*
Corporate Governance	28	0.05	*0.09*
I.T. Audit	40	0.08	*0.14*
Fraud etc	330	0.64	*0.45*
Consultancy/Advice	185	0.36	*0.14*
Grant Certification	35	0.07	*0.04*
Corporate Support	120	0.23	*0.14*
Other	71	0.14	*0.12*
Contingency*	0	0.0%	*1.0%*
	1,714	3.32	*2.63*

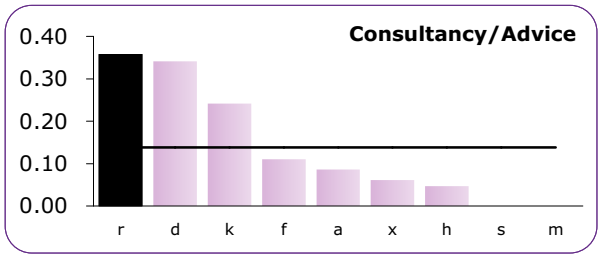
**Contingency is shown as a percentage of the total no. of days*

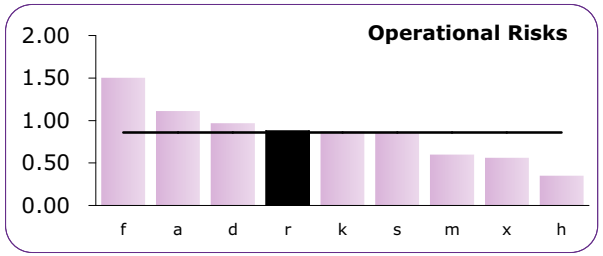


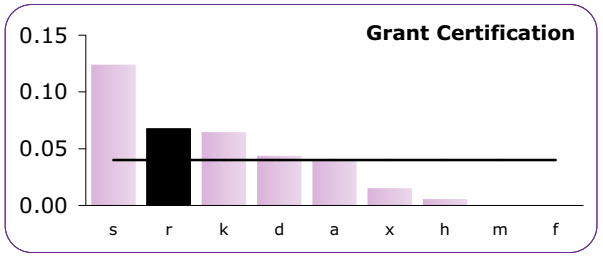


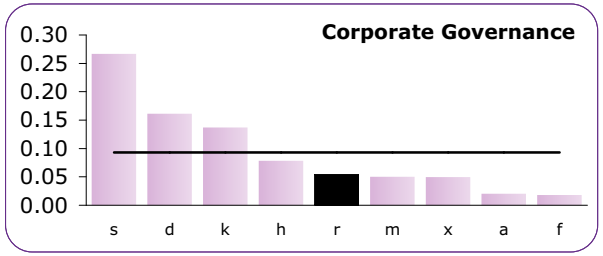


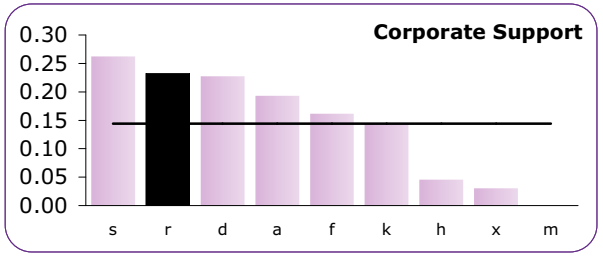


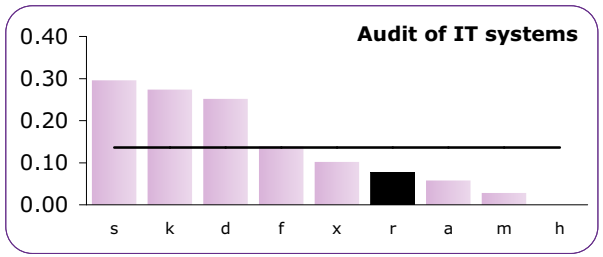


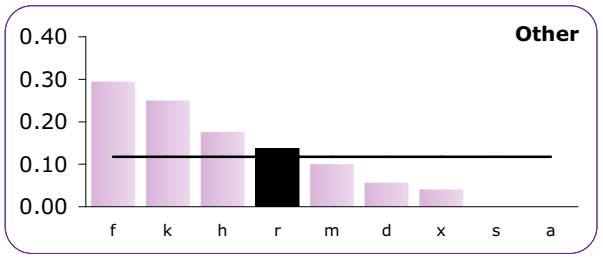








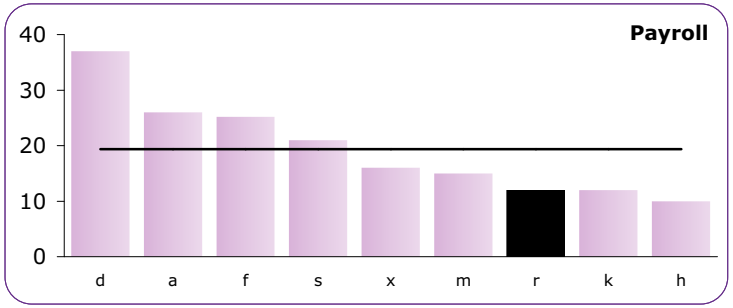


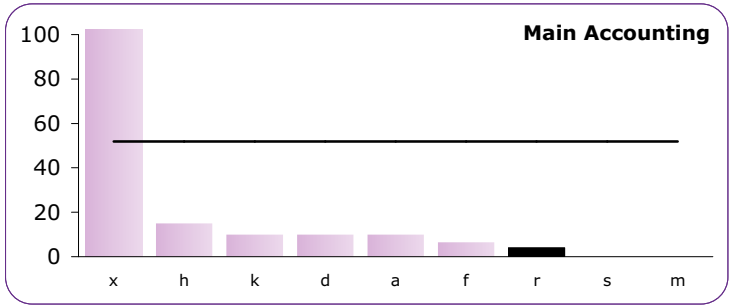


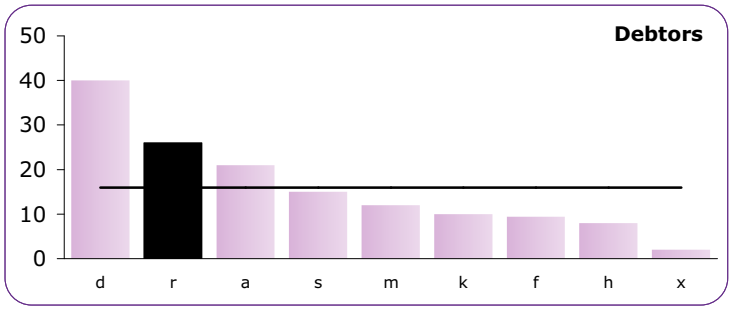
Fundamental Financial Systems - with no adjustment for size of authority

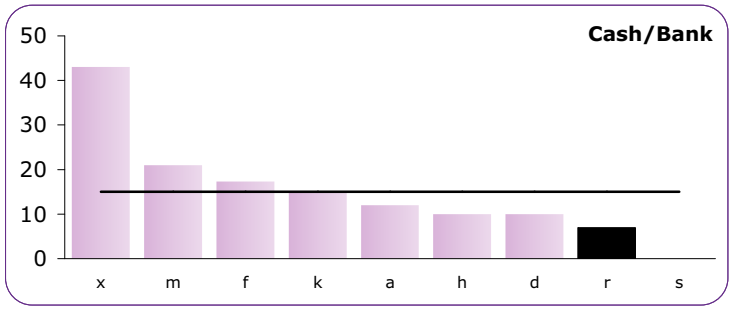
2010/11 actuals

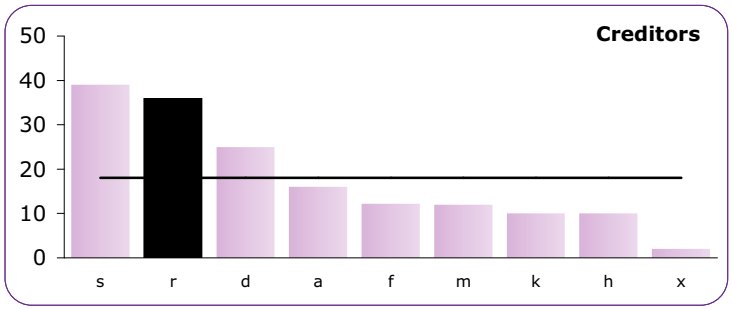
	Days	*Avg*
Payroll	12	*19*
Debtors	26	*16*
Creditors	36	*18*
Main Accounting	4	*52*
Cash/Bank	7	*15*
Budgetary Control	17	*12*
Core Integrated System	0	*3*
Council Tax	14	*14*
NNDR	14	*14*
Procurement	0	*46*
Housing Rents	0	*6*
Benefits Administration	14	*23*
Treasury Management	63	*16*
Car Parking	0	*10*
Others	13	*14*
Total	220	*277*

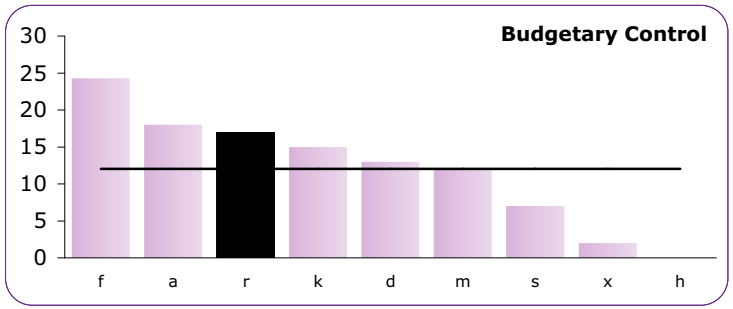


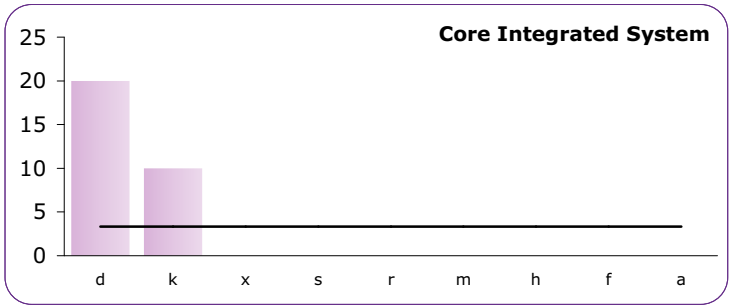






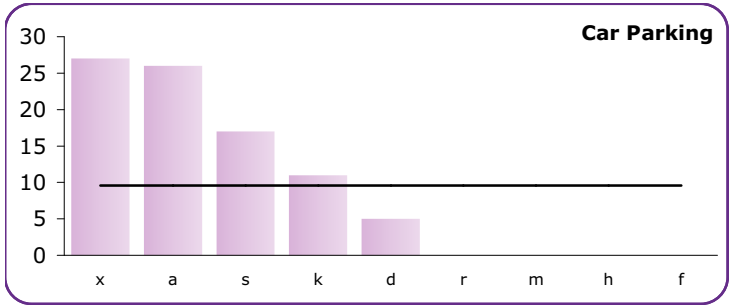


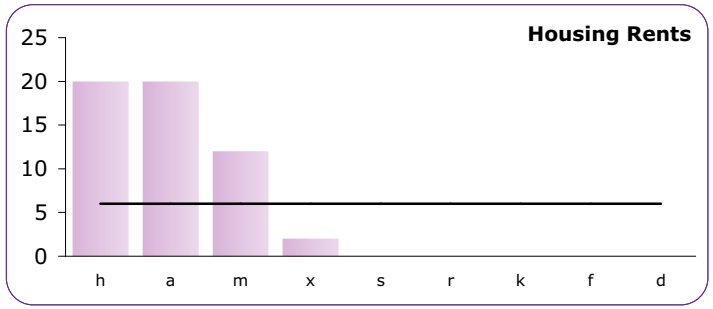


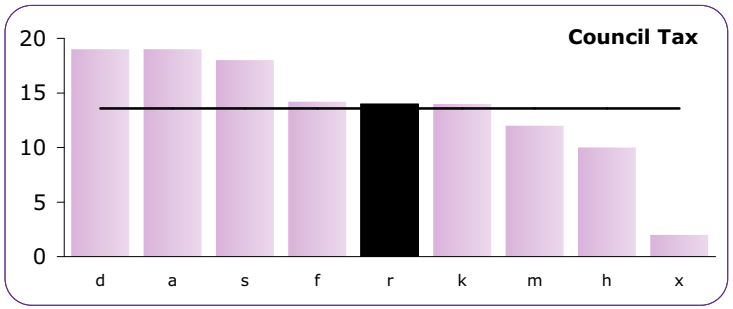


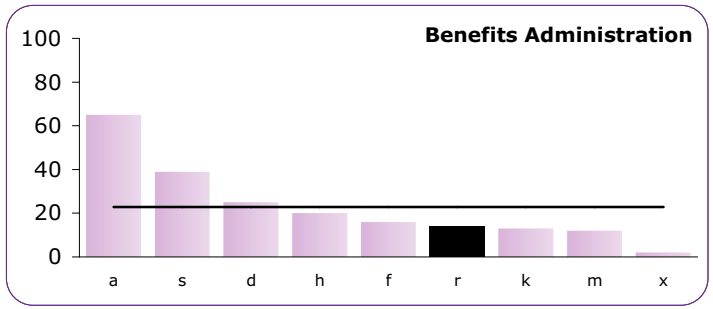
Fundamental Financial Systems (continued) - with no adjustment for size of authority

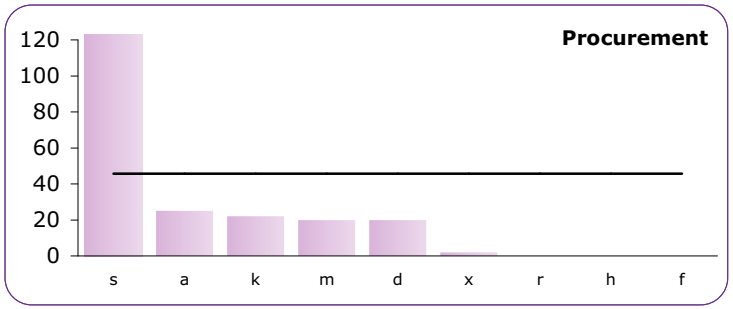
2010/11 actuals

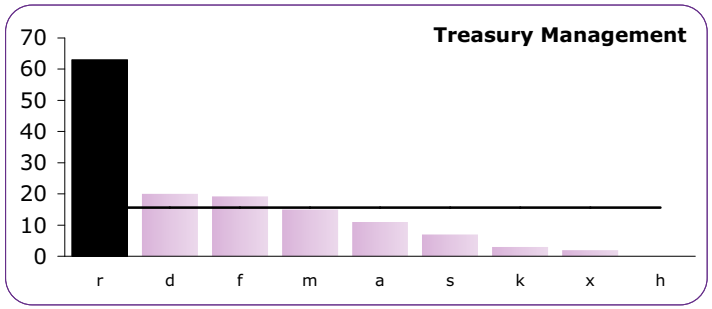


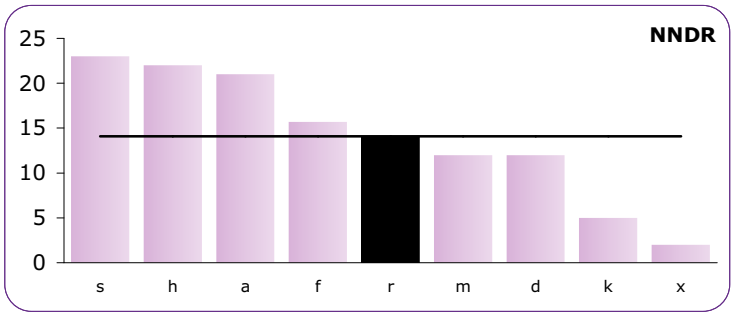


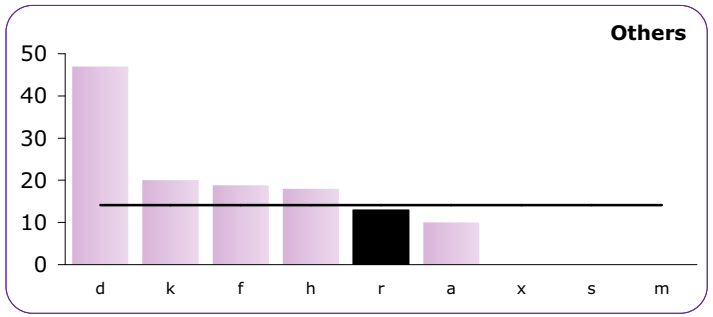










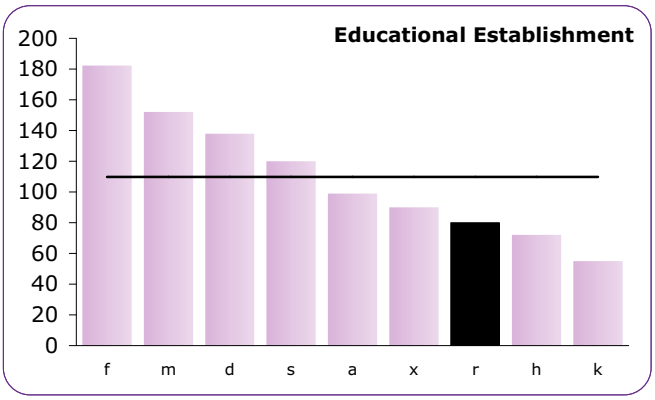


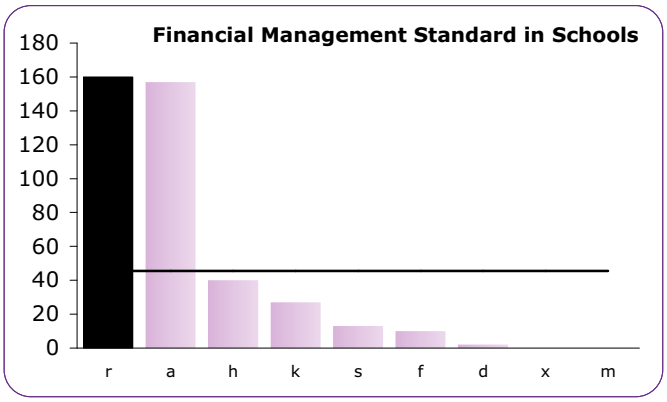
Operational Risks Breakdown - with no adjustment for size of authority

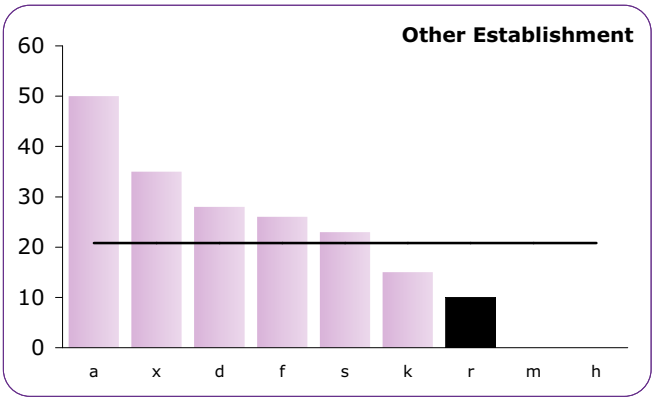
2010/11 Actuals

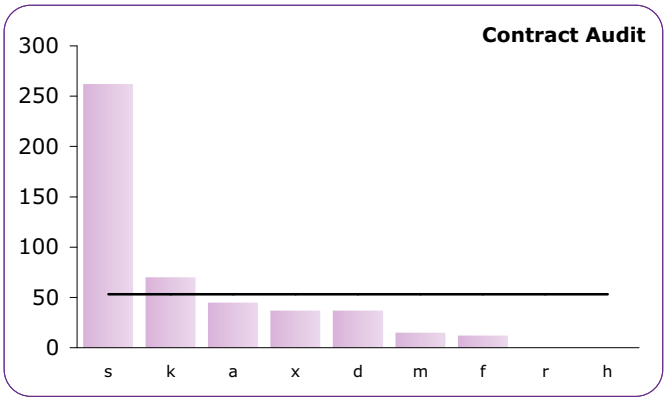
Total Number of Operational Risks Days **458**

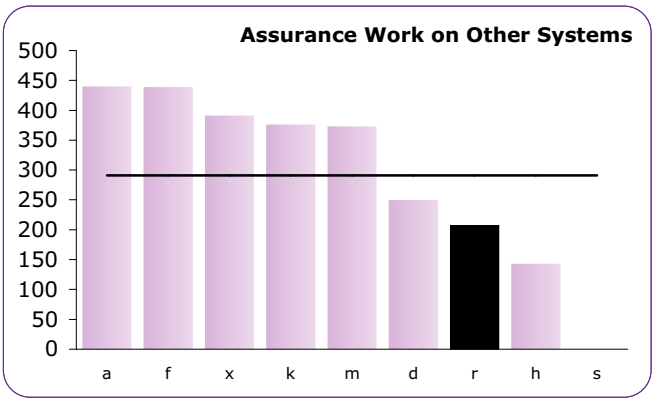
	No. of Days	*Avg*
Educational Establishment	80	*110*
Financial Management Standard in Schools	160	*45*
Other Establishment	10	*21*
Contract Audit	0	*53*
Assurance Work on Other Systems	208	*291*
Other	0	*8*









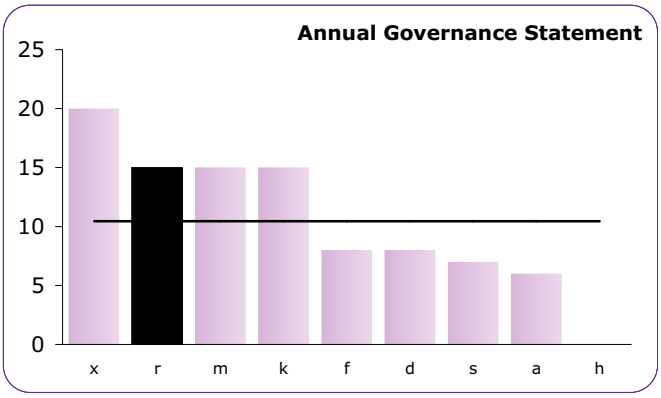


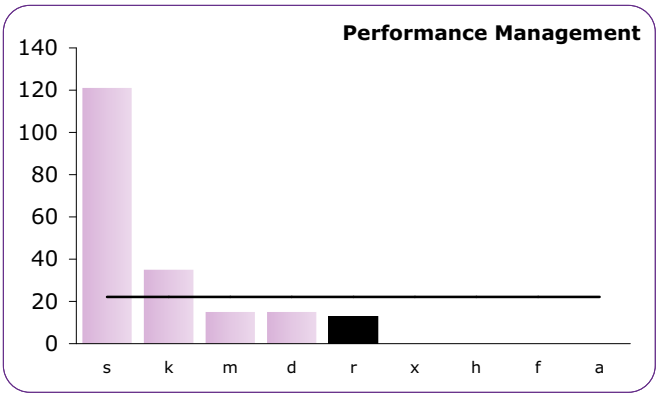
Corporate Governance Breakdown - with no adjustment for size of authority

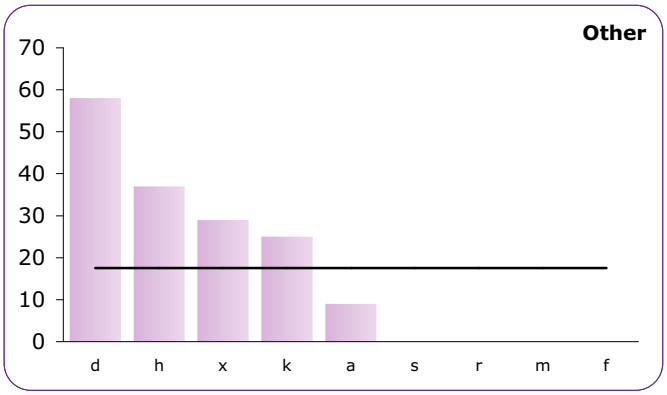
2010/11 Actuals

Total Number of Corporate Governance Days **28**

	No. of Days	*Avg*
Annual Governance Statement	15	*10*
Audit of Risk Management Process	0	*6*
Performance Management	13	*22*
Other	0	*18*

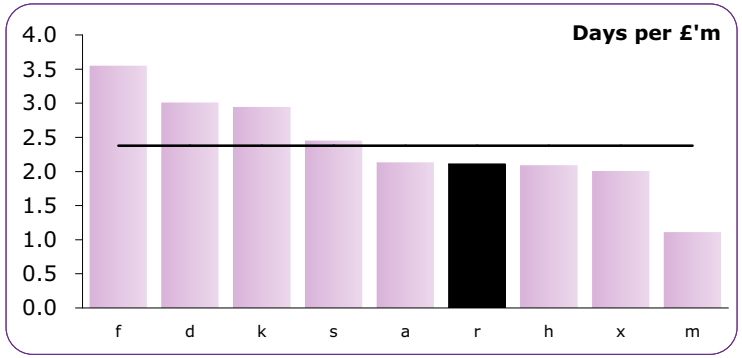






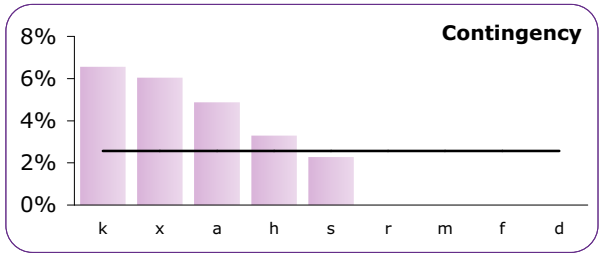
AUDIT DAYS PER £'m 2011/12 Plan

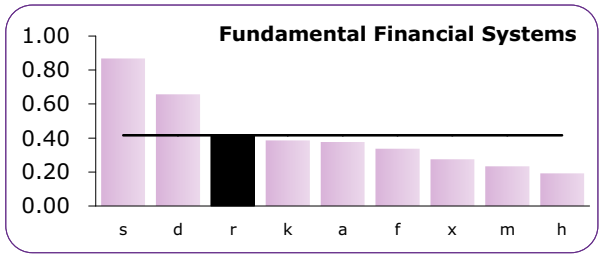
by type of audit

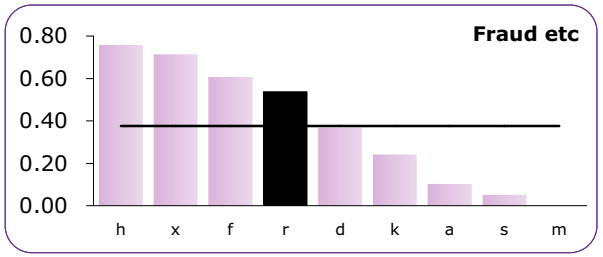


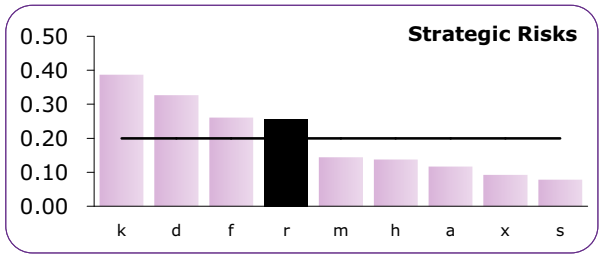
Gross Turnover £'m	516.8		
Audit days per £'m	Days	days/£'m	*Avg*
Fundamental Financial Systems	213	0.41	*0.42*
Strategic Risks	132	0.26	*0.20*
Operational Risks	165	0.32	*0.64*
Corporate Governance	22	0.04	*0.09*
I.T. Audit	34	0.07	*0.13*
Fraud etc	278	0.54	*0.38*
Consultancy/Advice	157	0.30	*0.16*
Grant Certification	22	0.04	*0.02*
Corporate Support	67	0.13	*0.17*
Other	0	0.00	*0.10*
Contingency*	0	0.0%	*2.6%*
	1,090	2.11	*2.36*

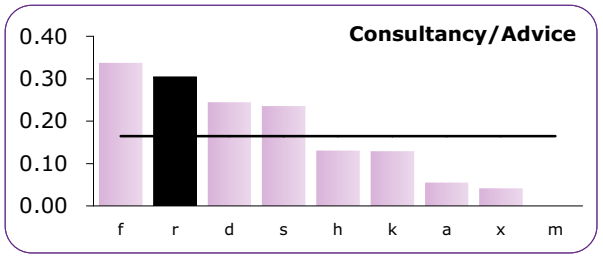
**Contingency is shown as a percentage of the total no of days*

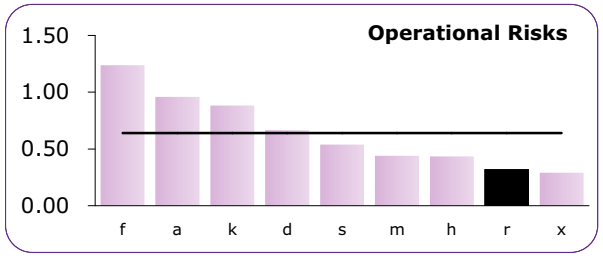


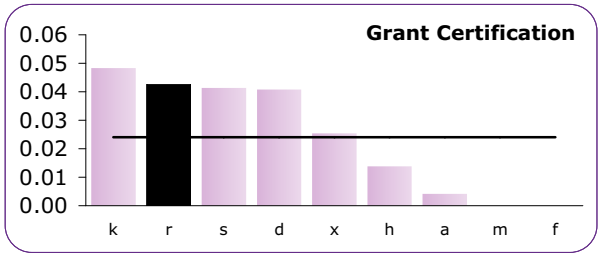


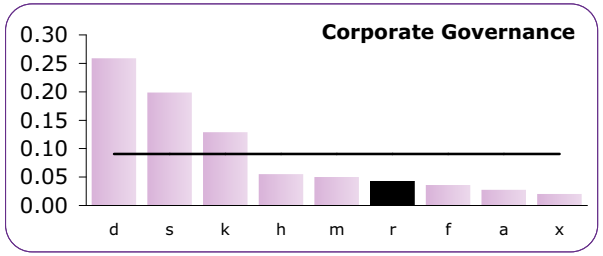


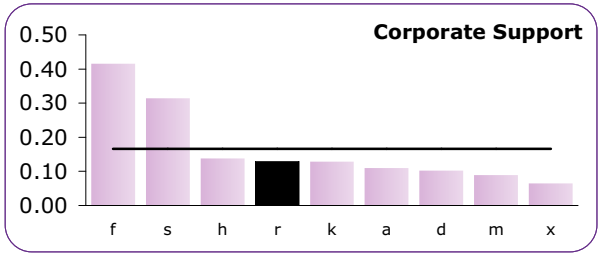


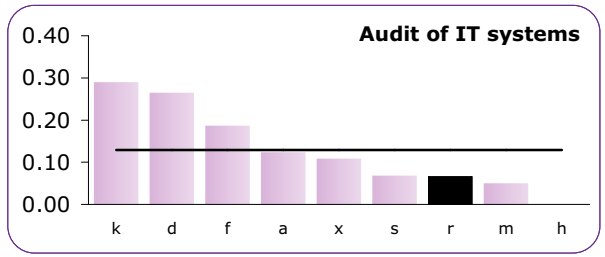


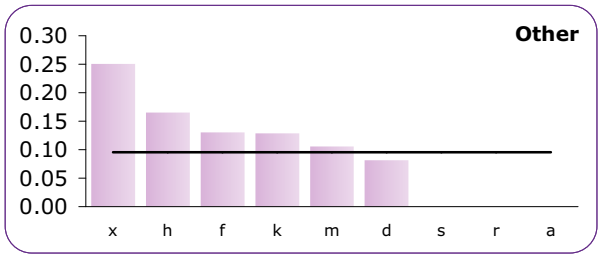








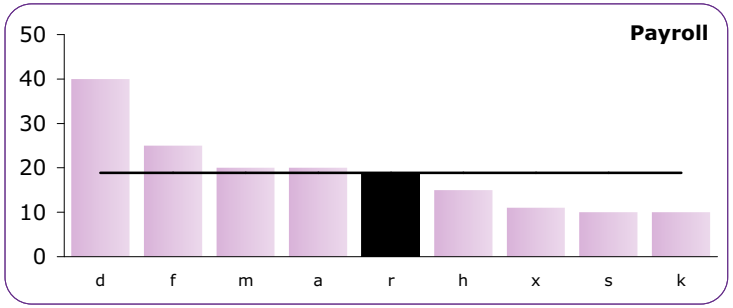


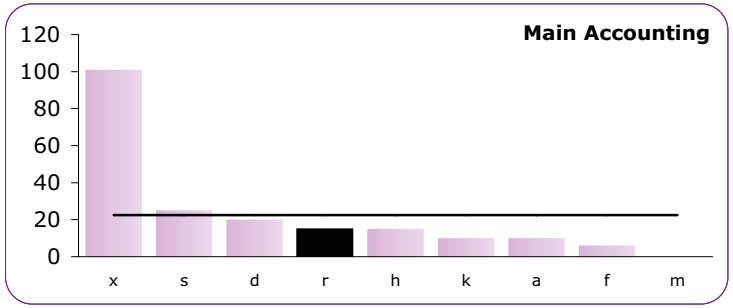


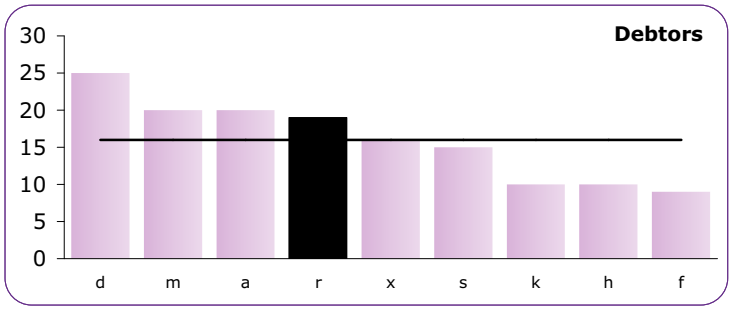
Fundamental Financial Systems - with no adjustment for size of authority

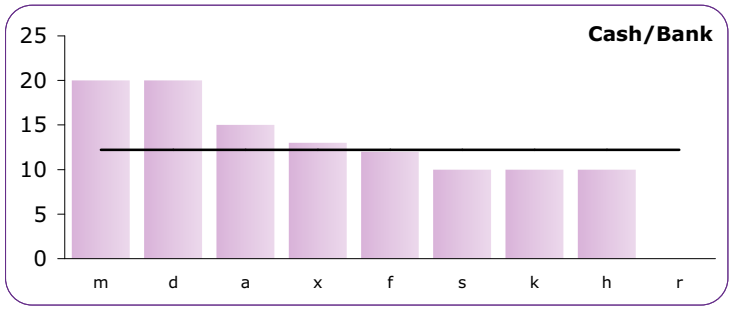
2011/12 plan

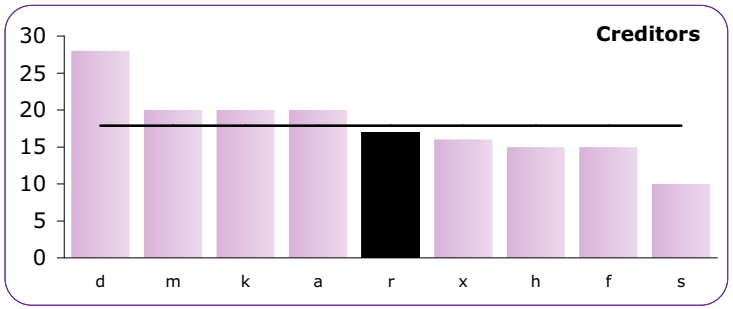
	Days	*Avg*
Payroll	19	*19*
Debtors	19	*16*
Creditors	17	*18*
Main Accounting	15	*22*
Cash/Bank	0	*12*
Budgetary Control	17	*12*
Core Integrated System	0	*8*
Council Tax	16	*15*
NNDR	16	*13*
Procurement	0	*39*
Housing Rents	0	*7*
Benefits Administration	16	*18*
Treasury Management	16	*13*
Car Parking	0	*13*
Others	62	*23*
Total	213	*249*

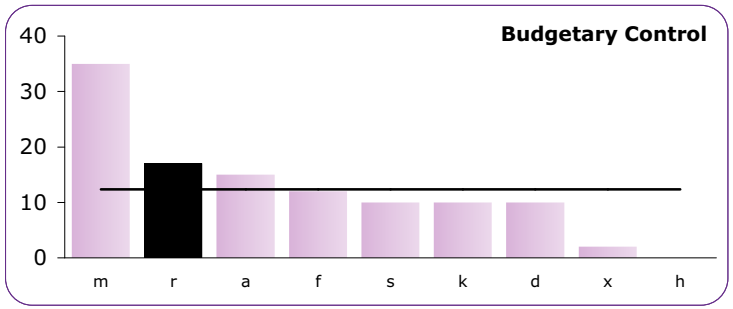


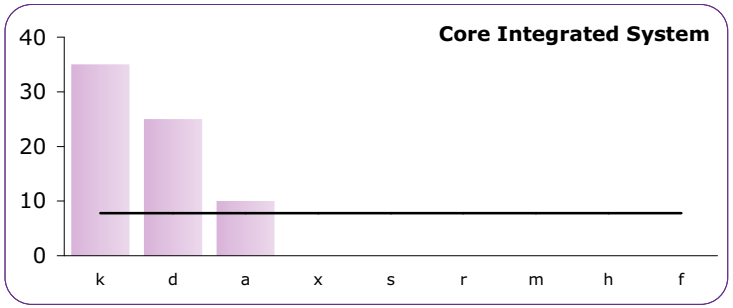






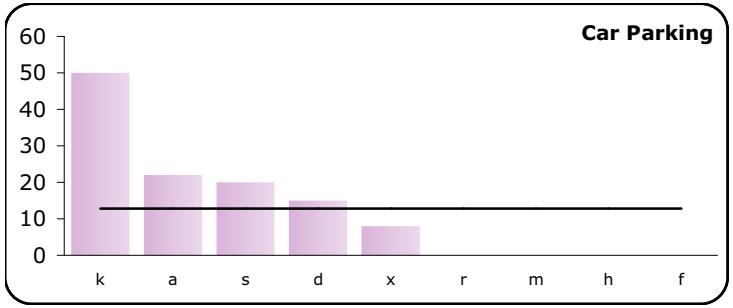


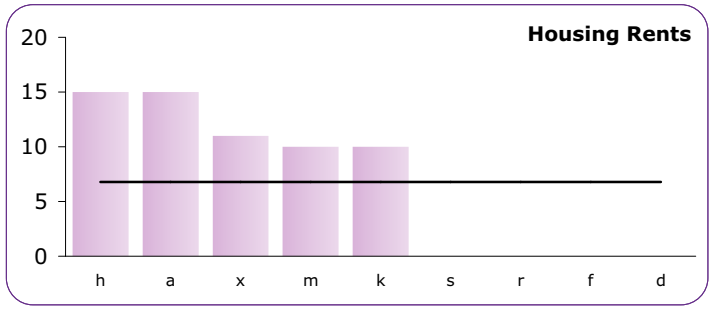


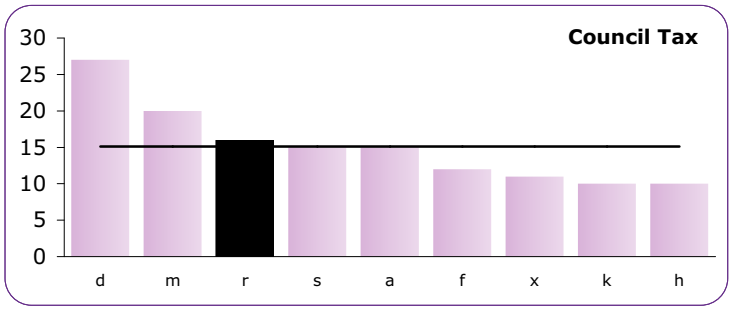


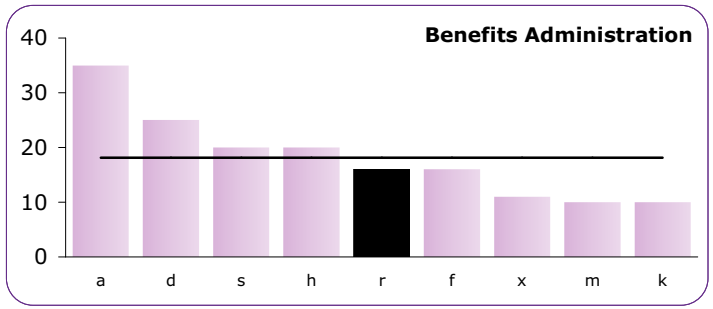
Fundamental Financial Systems (continued) - with no adjustment for size of authority

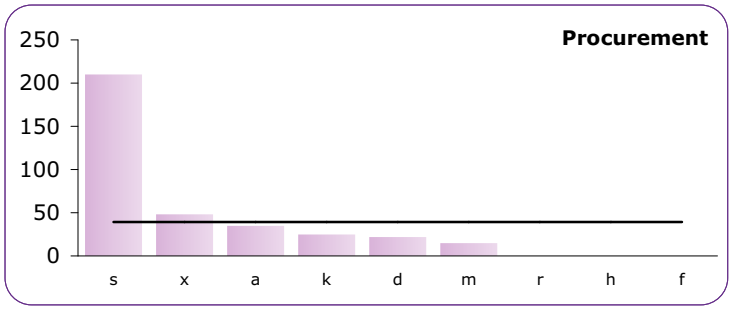
2011/12 Plan

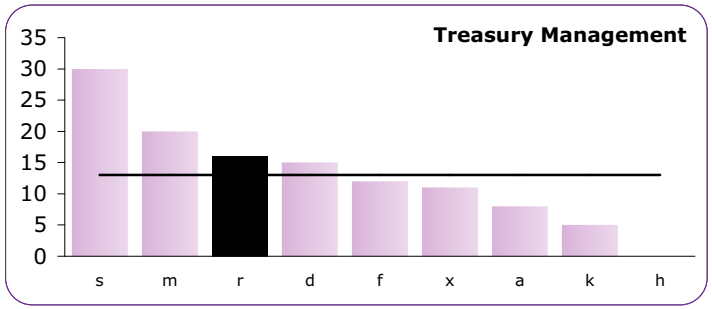


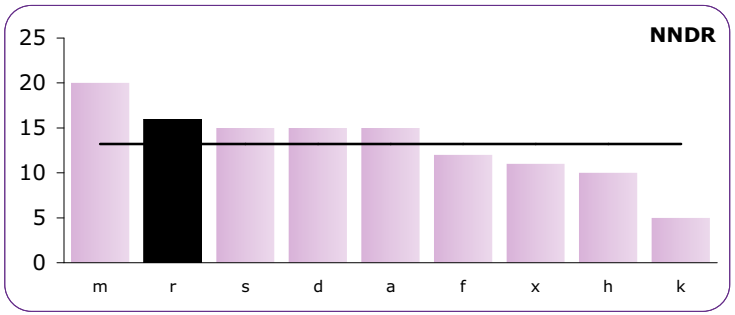


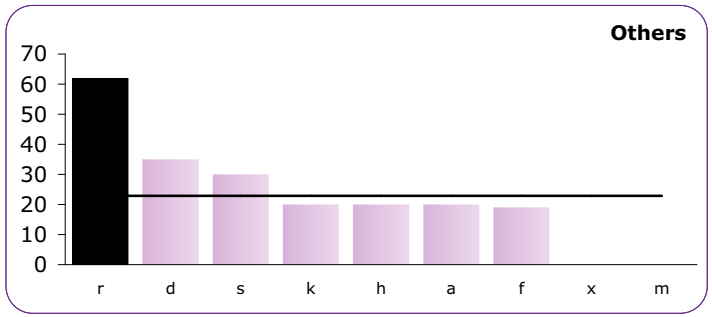










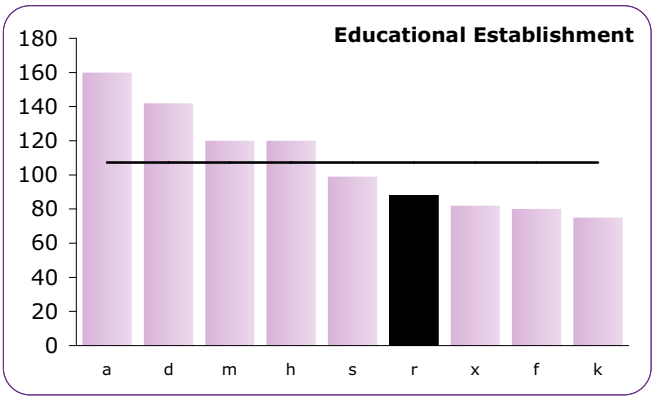


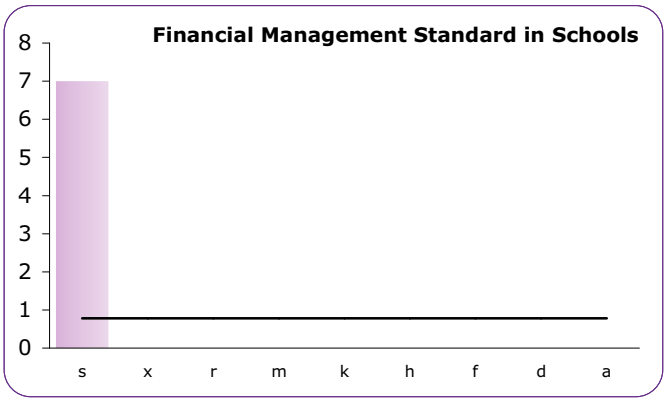
Operational Risks Breakdown - with no adjustment for size of authority

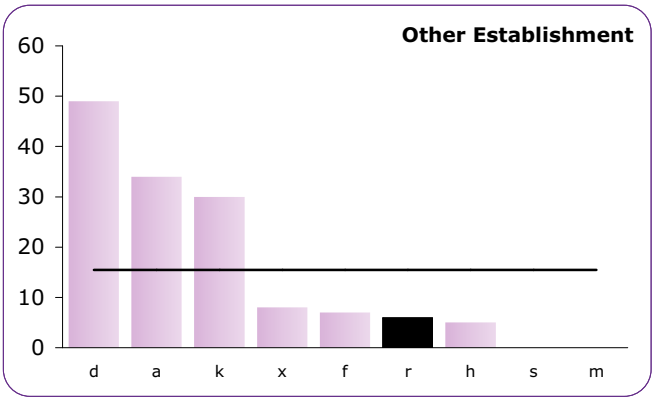
2011/12 Plan

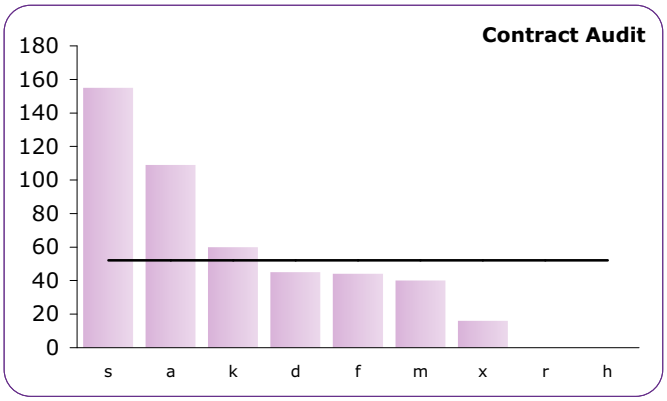
Total Number of Operational Risks Days **165**

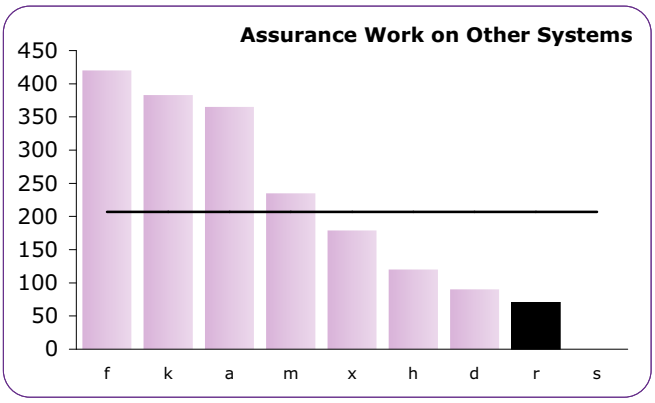
	No. of Days	*Avg*
Educational Establishment	88	*107*
Financial Management Standard in Schools	0	*1*
Other Establishment	6	*15*
Contract Audit	0	*52*
Assurance Work on Other Systems	71	*207*
Other	0	*11*









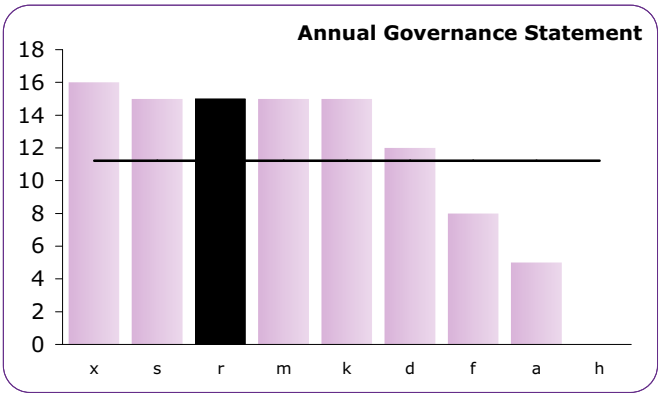


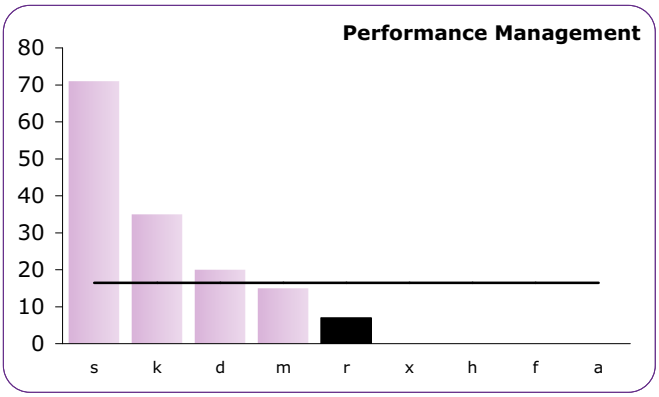
Corporate Governance Breakdown - with no adjustment for size of authority

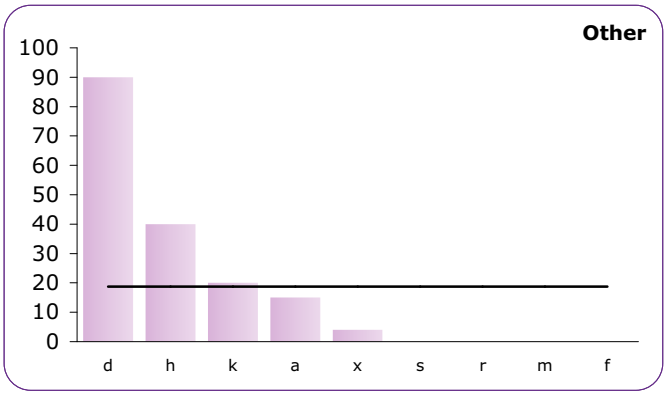
2011/12 Plan

Total Number of Corporate Governance Days **22**

	No. of Days	*Avg*
Annual Governance Statement	15	*11*
Audit of Risk Management Process	0	*5*
Performance Management	7	*16*
Other	0	*19*



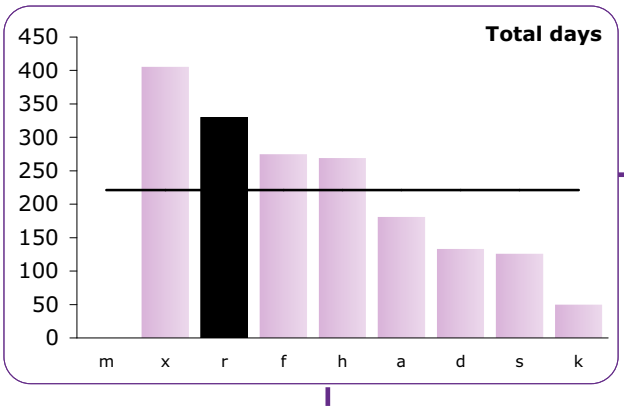


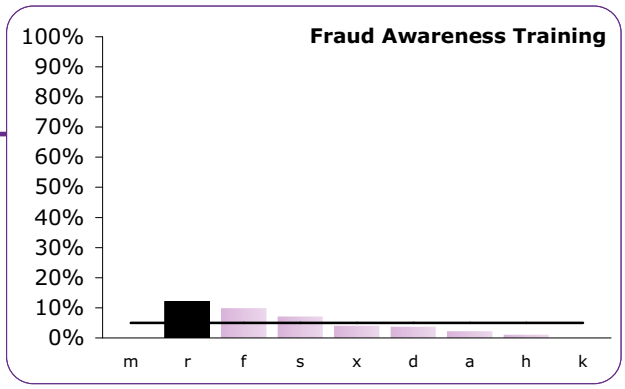


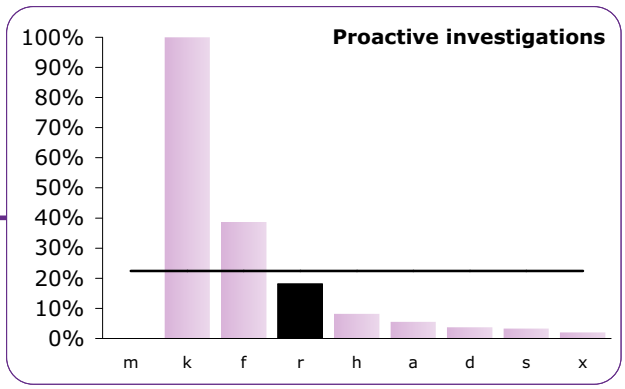
SECTION 4 - FRAUD & INVESTIGATIONS

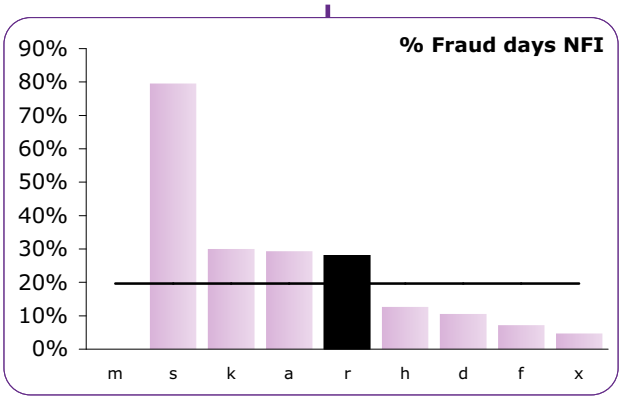
Fraud Workload - 2010/11 Actuals

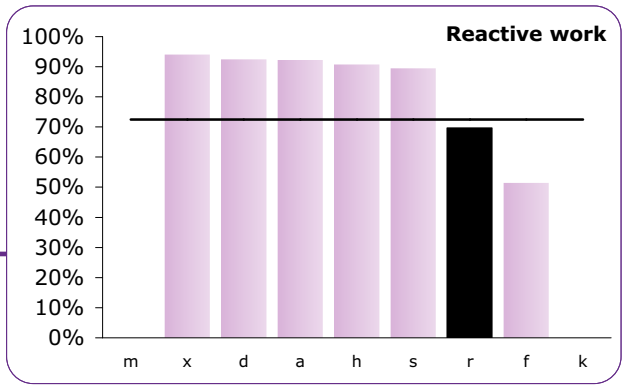
	No. days	*Avg. Days*	% of total	*Avg*
Fraud Awareness Training	40	*13*	12.1%	*5%*
Proactive investigations	60	*33*	18.2%	*22%*
Reactive work	230	*175*	69.7%	*73%*
Total	**330**	***221***		







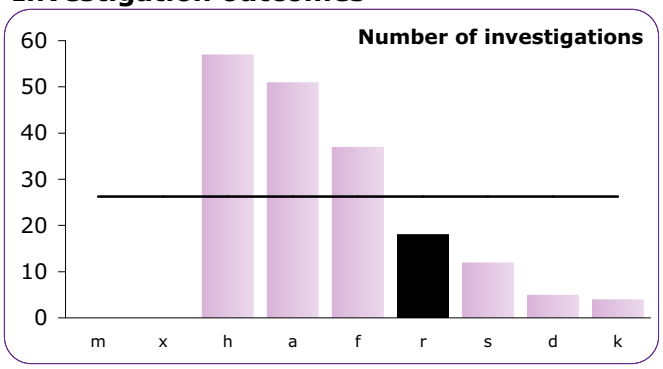


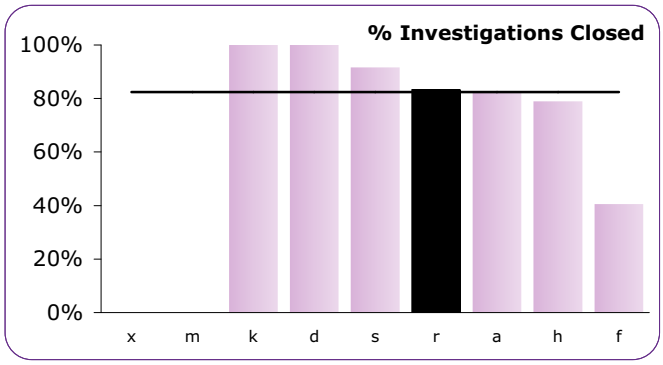


NFI Workload

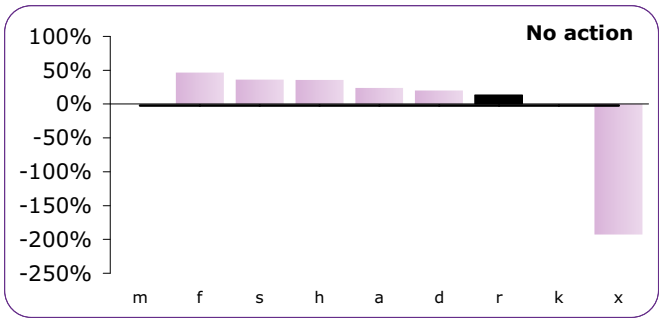
	No. days	*Avg. Days*	% of total	*Avg*
Total days NFI - 2010/11 Actuals	93	*44*	28.18%	*20%*
Total days NFI - 2011/12 Plan	60	*141*		

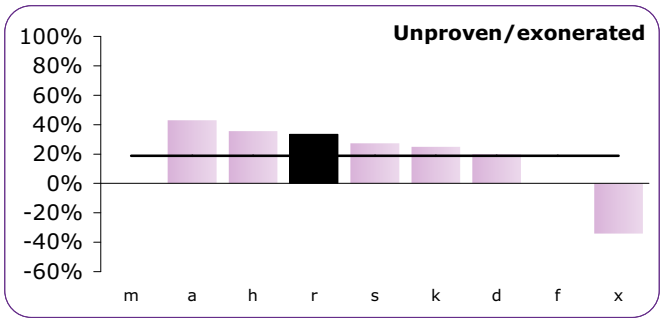
Investigation outcomes

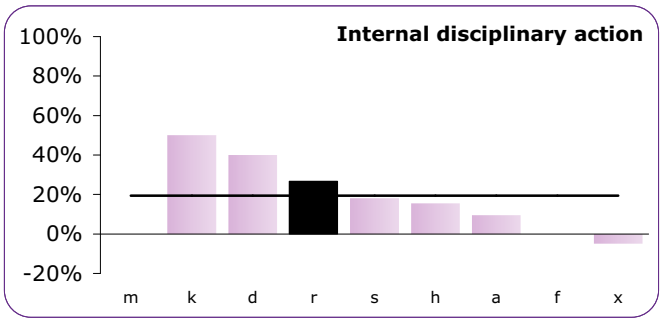


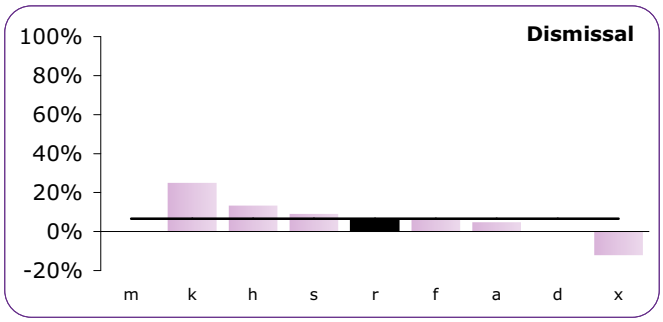


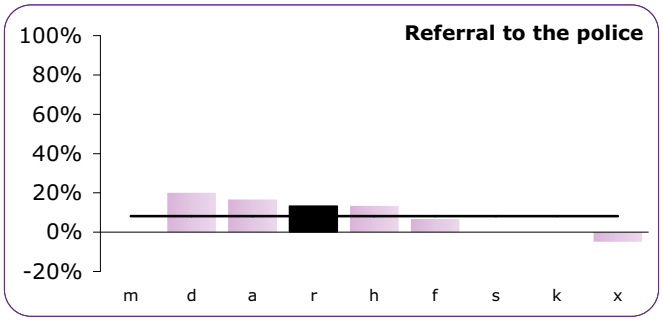
	No.	*Avg*
Total number of investigations undertaken	18	*26*
Total number of investigations closed	15	*12*
% Investigations closed	83%	*82%*

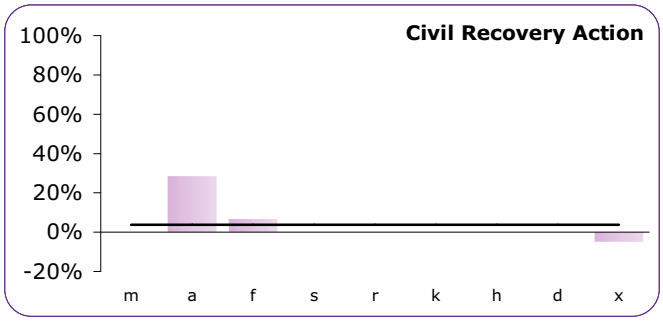






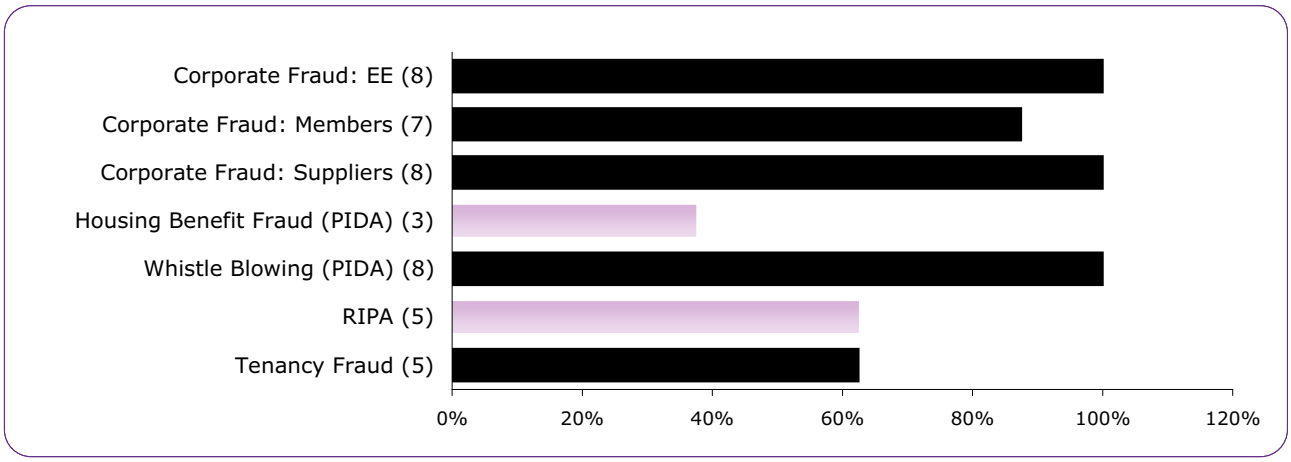






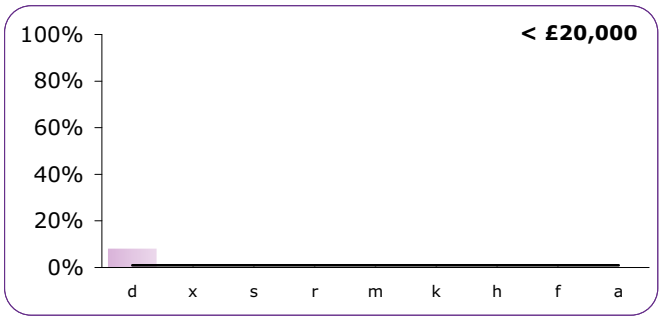
Investigation outcomes	No.	% of Total Closed	*Avg*
No Action	2	13.3%	*-2.1%*
Unproven/exonerated	5	33.3%	*18.7%*
In-house prosecution	0	0.0%	*-0.6%*
POCA	1	6.7%	*7.0%*
Internal disciplinary action	4	26.7%	*19.4%*
Dismissal	1	6.7%	*6.7%*
Referral to the police	2	13.3%	*8.1%*
Civil recovery action	0	0.0%	*3.8%*

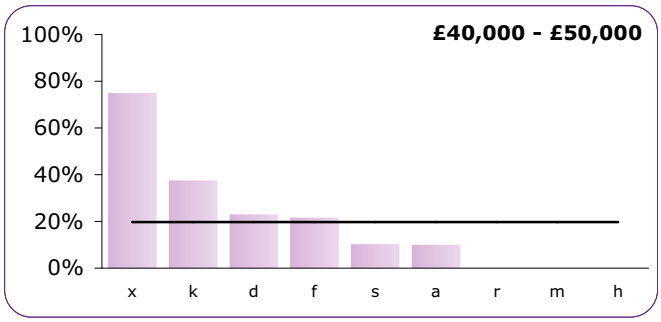
What areas of fraud is the HIA resposible for?

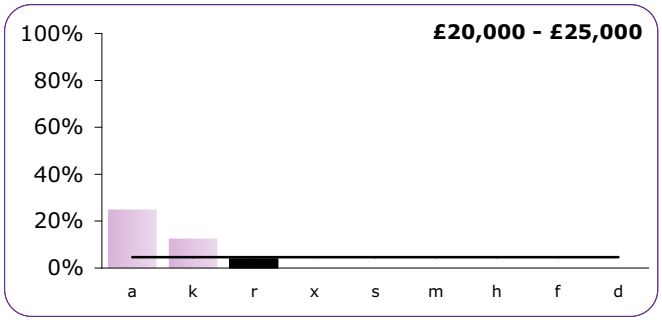


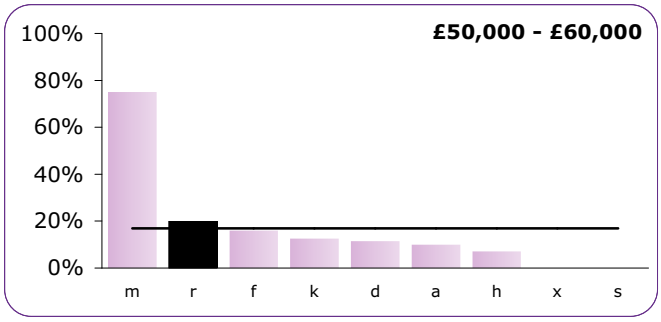
SECTION 5 - STAFFING

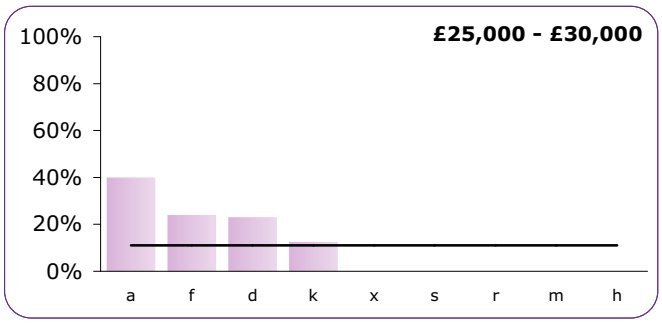
Staff Salary Bandings at 31 March 2011

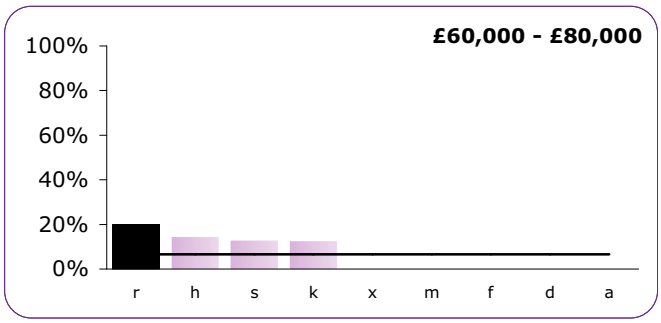


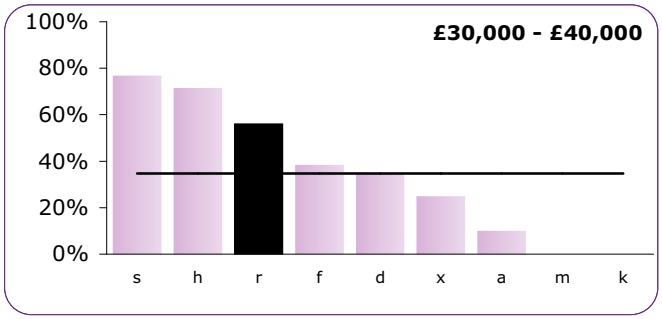


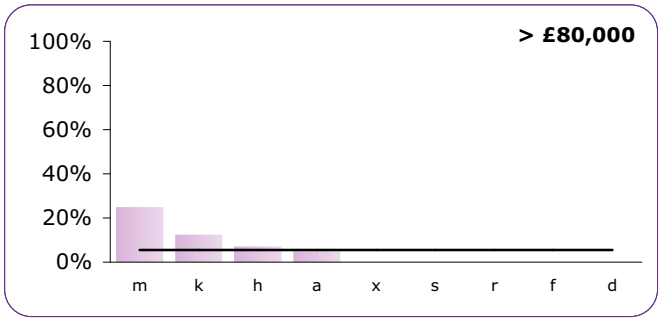




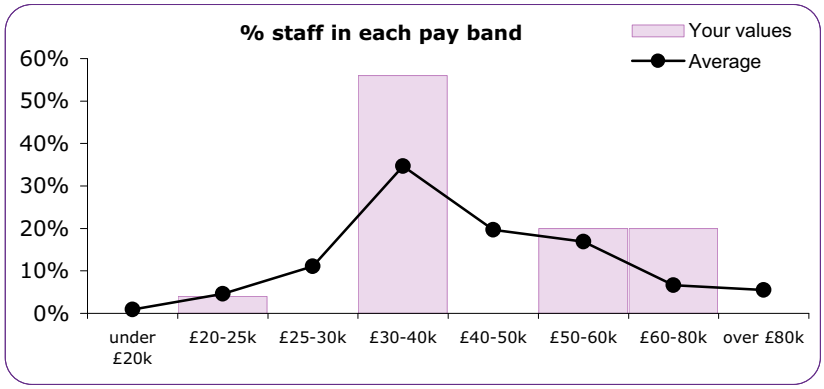






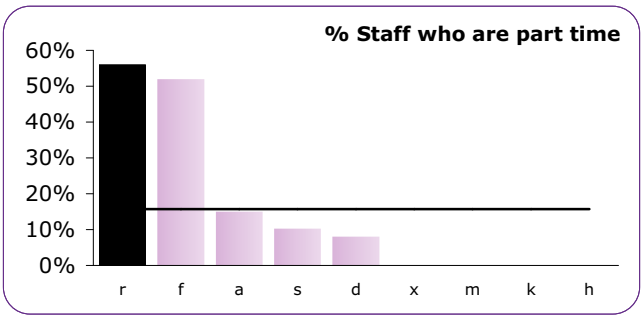


	FTE	%	*Avg*
under £20k	0.0	0%	*1%*
£20-25k	0.2	4%	*5%*
£25-30k	0.0	0%	*11%*
£30-40k	2.8	56%	*35%*
£40-50k	0.0	0%	*20%*
£50-60k	1.0	20%	*17%*
£60-80k	1.0	20%	*7%*
over £80k	0.0	0%	*6%*
	5.0		

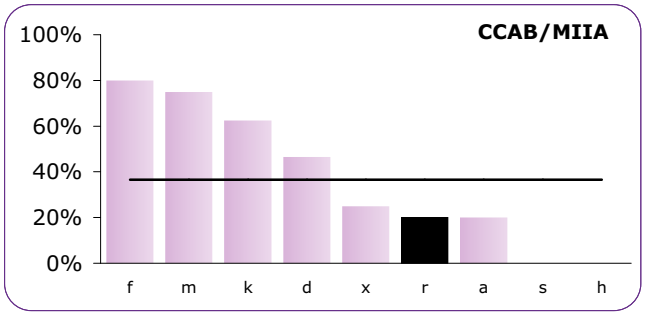


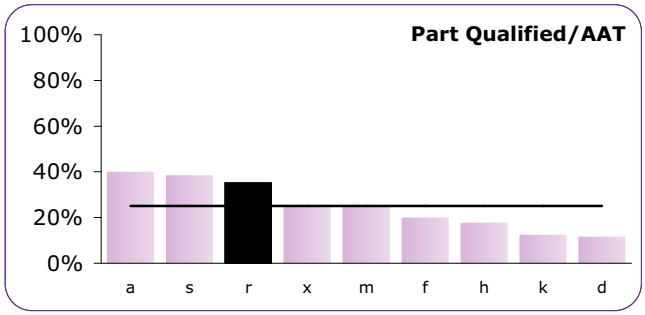
Part Time Staff at 31 March 2011

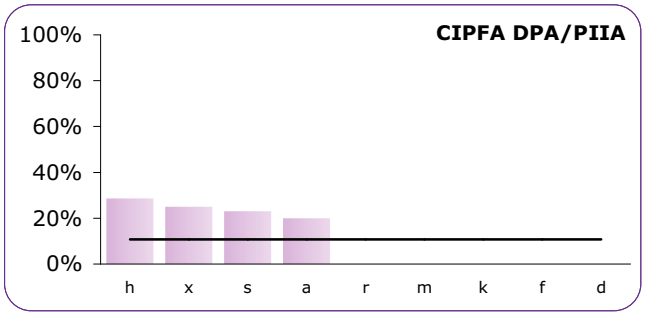
	FTE	%	*Avg*
Full Time	2.2	44%	*84%*
Part Time	2.8	56%	*16%*



Qualifications at 31 March 2011





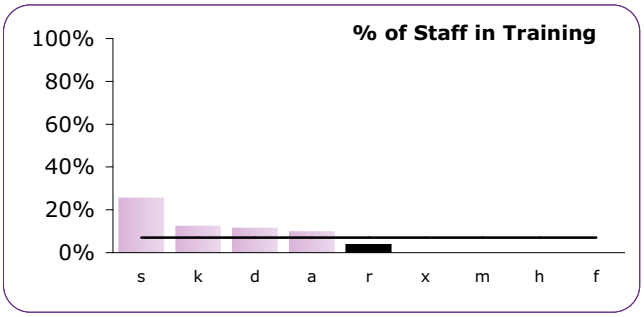


Qualifications

	FTE	%	*Avg*
CCAB/MIIA	1.0	20%	*37%*
CIPFA DPA/PIIA	0.0	0%	*11%*
Part Qualified/AAT	1.8	35%	*25%*
Other specialists	1.0	20%	*13%*
Trainees (actively training)	0.2	4%	*7%*
Non-Qualified	1.0	20%	*7%*
	5.0		

% Staff in Training at 31 March 2011

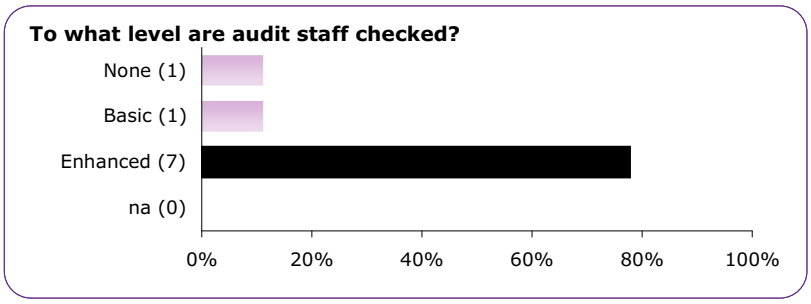
	FTE	%	*Avg*
Training	0.2	4%	*7%*



CRB Checks

Sutton Enhanced

	Authorities	%
None	1	11%
Basic	1	11%
Enhanced	7	78%
na	0	0%

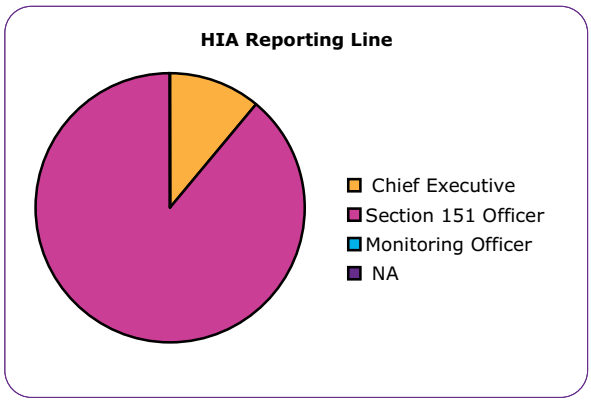


SECTION 6 - SECTION STRUCTURE

Who does your HIA report to?

Sutton Section 151 Officer

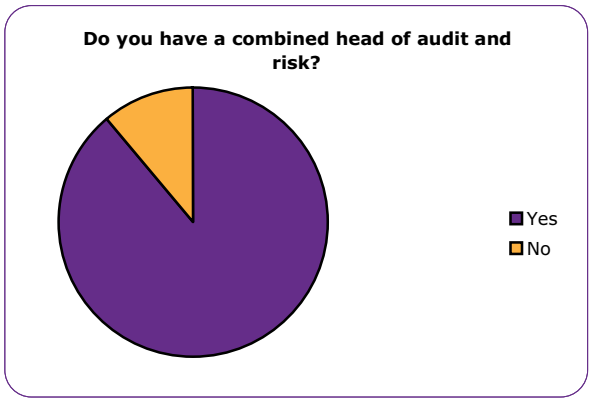
	No.	%
Chief Executive	1	11.9%
Section 151 Officer	8	80.2%
Monitoring Officer	0	7.9%
NA	0	0.0%
Total	**9**	**100.0%**



Do you have a combined head of audit & risk?

Sutton Yes

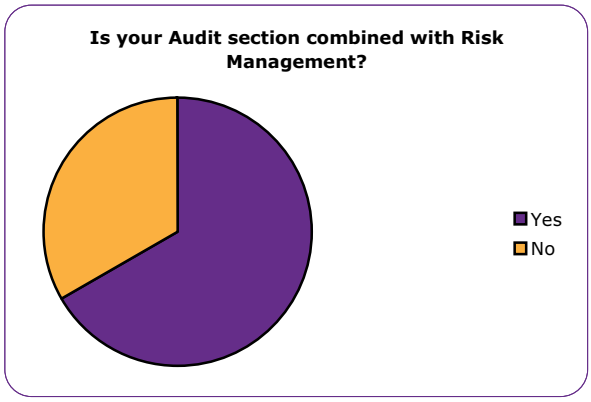
	No.	%
Yes	8	54.5%
No	1	45.5%
Total	**9**	**100.0%**



Is your Audit section combined with Risk Management?

Sutton Yes

	No.	%
Yes	6	66.7%
No	3	33.3%
Total	**9**	**100.0%**



SECTION 7 - QUARTILE FIGURES

Comparator Group

2010/11

	Sutton	*Average*	Lower Quartile	Median	Upper Quartile
Cost/auditor £'k					
Pay	£57.1	*£52.2*	£47.66	£51.8	£54.1
Overheads	£11.0	*£14.5*	£11.54	£15.8	£19.4
Total	£68.1	*£66.7*	£61.87	£68.1	£71.0
Days per Auditor	176	*181*	184	189	195
Cost per Day (net to LA)	£365	*£367*	£323	£365	£379
Days per £'m	3.32	*2.65*	2.38	2.87	3.27
Cost per £'m	£1,211	*£944*	£842	£1,018	£1,103

2011/12

	Sutton	*Average*	Lower Quartile	Median	Upper Quartile
Cost/auditor £'k					
Pay	£57.7	*£51.3*	£46.4	£48.1	£53.2
Overheads	£16.3	*£15.9*	£12.0	£16.3	£19.6
Total	£73.9	*£67.2*	£58.1	£70.5	£73.8
Days per Auditor	181	*184*	183	184	186
Cost per Day (Net to LA)	£412	*£368*	£313	£381	£412
Days per £'m	2.11	*2.38*	2.09	2.14	2.95
Cost per £'m	£869	*£851*	£755	£869	£995