

Public Document Pack



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7 April 2021

Dear Councillor

NOTICE IS HEREBY GIVEN THAT a meeting of the **GOVERNANCE COMMITTEE** will be held as a Remote Meeting - Teams Live Event on Thursday 15 April 2021 at 6.00 pm when the following business will be transacted.

Members of the public who require further information are asked to contact Jemma Duffield on (01304) 872305 or by e-mail at democraticservices@dover.gov.uk.

Yours sincerely

A handwritten signature in black ink, appearing to read "N. Beer", written over a white background.

Chief Executive

Governance Committee Membership:

D Hannent (Chairman)
S S Chandler (Vice-Chairman)
S H Beer
S J Jones
P D Jull
J Rose
P Walker

AGENDA

- 1 **APOLOGIES**
To receive any apologies for absence.
- 2 **APPOINTMENT OF SUBSTITUTE MEMBERS**
To note appointments of Substitute Members.
- 3 **DECLARATIONS OF INTEREST** (Page 3)

To receive any declarations of interest from Members in respect of business to be transacted on the agenda.

4 **MINUTES** (Pages 4 - 6)

To confirm the attached Minutes of the meeting of the Committee held on 26 November 2020.

5 **QUARTERLY INTERNAL AUDIT UPDATE REPORT** (Pages 7 - 26)

To consider the attached report of the Head of Audit Partnership (East Kent Audit Partnership).

6 **DRAFT INTERNAL AUDIT PLAN 2021-22** (Pages 27 - 36)

To consider the attached report of the Head of Audit Partnership (East Kent Audit Partnership).

7 **TREASURY MANAGEMENT REPORT - QUARTER THREE**

To consider the report of the Head of Finance and Investment (to follow).

Access to Meetings and Information

- The Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime Panel Meetings) (England and Wales) Regulations 2020 have changed the basis of the public's legal right to attend meetings. This means the public now has the right to hear Councillors attending the remote committee meeting that would normally be open to the public to attend in person. It is the intention of Dover District Council to also offer the opportunity for members of the public to view, as well as hear, remote meetings where possible. You may remain present throughout them except during the consideration of exempt or confidential information.
- Agenda papers are published five clear working days before the meeting. Alternatively, a limited supply of agendas will be available at the meeting, free of charge, and all agendas, reports and minutes can be viewed and downloaded from our website www.dover.gov.uk. Minutes will be published on our website as soon as practicably possible after each meeting. All agenda papers and minutes are available for public inspection for a period of six years from the date of the meeting.
- If you require any further information about the contents of this agenda or your right to gain access to information held by the Council please contact Jemma Duffield, Democratic Services Officer, telephone: (01304) 872305 or email: democraticservices@dover.gov.uk for details.

Large print copies of this agenda can be supplied on request.

Declarations of Interest

Disclosable Pecuniary Interest (DPI)

Where a Member has a new or registered DPI in a matter under consideration they must disclose that they have an interest and, unless the Monitoring Officer has agreed in advance that the DPI is a 'Sensitive Interest', explain the nature of that interest at the meeting. The Member must withdraw from the meeting at the commencement of the consideration of any matter in which they have declared a DPI and must not participate in any discussion of, or vote taken on, the matter unless they have been granted a dispensation permitting them to do so. If during the consideration of any item a Member becomes aware that they have a DPI in the matter they should declare the interest immediately and, subject to any dispensations, withdraw from the meeting.

Other Significant Interest (OSI)

Where a Member is declaring an OSI they must also disclose the interest and explain the nature of the interest at the meeting. The Member must withdraw from the meeting at the commencement of the consideration of any matter in which they have declared a OSI and must not participate in any discussion of, or vote taken on, the matter unless they have been granted a dispensation to do so or the meeting is one at which members of the public are permitted to speak for the purpose of making representations, answering questions or giving evidence relating to the matter. In the latter case, the Member may only participate on the same basis as a member of the public and cannot participate in any discussion of, or vote taken on, the matter and must withdraw from the meeting in accordance with the Council's procedure rules.

Voluntary Announcement of Other Interests (VAOI)

Where a Member does not have either a DPI or OSI but is of the opinion that for transparency reasons alone s/he should make an announcement in respect of a matter under consideration, they can make a VAOI. A Member declaring a VAOI may still remain at the meeting and vote on the matter under consideration.

Note to the Code:

Situations in which a Member may wish to make a VAOI include membership of outside bodies that have made representations on agenda items; where a Member knows a person involved, but does not have a close association with that person; or where an item would affect the well-being of a Member, relative, close associate, employer, etc. but not his/her financial position. It should be emphasised that an effect on the financial position of a Member, relative, close associate, employer, etc OR an application made by a Member, relative, close associate, employer, etc would both probably constitute either an OSI or in some cases a DPI.

Minutes of the meeting of the **GOVERNANCE COMMITTEE** held as a Teams Live Events remote meeting on Thursday, 26 November 2020 at 6.00 pm

Present:

Chairman: Councillor D Hannent

Councillors: S H Beer
S S Chandler
P D Jull
P Walker

Officers: Head of Audit Partnership (East Kent Audit Partnership)
Deputy Head of Audit Partnership (East Kent Audit Partnership)
Head of Finance and Investment
Head of Governance
Head of Leadership Support
Benefits Manager (Civica)
Democratic Services Officer

18 APOLOGIES

There were no apologies for absence.

19 APPOINTMENT OF SUBSTITUTE MEMBERS

There were no substitute members appointed.

20 DECLARATIONS OF INTEREST

There were no declarations of interest made by Members.

21 MINUTES

The minutes of the meeting held on 1 October 2020 were approved as a correct record for signing by the Chairman.

22 ANNUAL COMPLAINTS REPORT

The Head of Leadership Support presented the Annual Complaints Report to the Committee which provided the number of complaints received for each service provided by the Council for the financial years 2019/20 and from April to October 2020.

It was highlighted to Members that there was a two stage corporate complaints process for Council services although there was a slight variation to the Housing Management Service, that had come back in-house on 1 October 2020, and that it had a three stage process, with the complaint being referred to the Portfolio Holder for further investigation and then onto the Ombudsmen if necessary.

Members noted the reduction in the number of complaints received overall and welcomed the reduction of Planning Enforcement complaints.

RESOLVED: That the report be noted.

23 QUARTERLY INTERNAL AUDIT UPDATE

The Deputy Head of Audit Partnership (East Kent Audit Partnership) (EKAP) introduced the Quarterly Internal Audit Update report to the Committee which provided a summary of the work completed by the EKAP to 30 September 2020.

There had been two internal audit assignments completed, Cemeteries and EKHR Disclosure and Barring Service Checks, and were concluded Substantial and Limited Assurances respectively. The Limited Assurance was hoped to be raised to Reasonable Assurance having received a completed Action Plan. Following concerns from Members given the nature and seriousness of the area of work, the Deputy Head of Audit Partnership agreed this would be reported to the next meeting of the Committee in March, once the follow-up was completed.

Two follow up reviews were also completed during the period and there was confidence in East Kent Housing – Tenant's Health and Safety – Fire Safety, raising its Assurance to Reasonable now that the service was back in-house and given time to become embedded.

Members were assured that overall, the audit plan was progressing well despite the Tier 3 Covid measures in place in Kent. Staff had been co-operative in assisting audit work remotely and any areas that couldn't be completed remotely would be pushed back in the audit plan.

RESOLVED: That the Quarterly Internal Audit Update report be noted.

24 TREASURY MANAGEMENT QUARTERS 1 AND 2 2020/21

The Head of Finance and Investment presented the Treasury Management Quarter One and Two 2020/21 report to the Committee. The report provided details of the Council's treasury management for the quarters ended 30 June 2020 (Q1) and 30 September 2020 (Q2). It was reported that the Council's investment return for Q1 was 2.80% which outperformed the benchmark by 2.67% by 30 September 2020. The total forecast interest and dividends income for the year was £129k below the original budget estimate as at 30 June 2020 although a slight improvement as at 30 September 2020 was reported.

The Council had remained within most of its Treasury Management guidelines with an exception that the limit on short term borrowing had been exceeded earlier in the year, protecting the council's cashflow whilst assessing the impact of the Coronavirus lockdown. The Prudential Code guidelines had been complied with during the period.

Members considered the report and various elements were explained and clarified. Members thanked the officers for their hard work in producing the report and congratulated the team for their hard work throughout the year.

RESOLVED: That the Treasury Management Quarter 1 and 2 2020/21 report be received.

25 EXCLUSION OF THE PRESS AND PUBLIC

Prior to the meeting a decision had been made by the Head of Governance that as the report at Item 9 (Annual Debt Collection Report for East Kent Services) of the agenda did not contain significant information relating to the financial position of

individuals or individual companies it was not necessary to exclude the press and public and that the report could be considered in public.

26 ANNUAL DEBT COLLECTION REPORT FOR EAST KENT SERVICES
(MANAGED BY CIVICA LIMITED)

The Annual Debt Collection report for East Kent Services was presented to the Committee by the Benefits Manager, Civica UK Ltd. The annual report was constitutionally required to provide an overview of the debt and write-off position for debts managed by Civica UK Ltd.

The Benefits Manager summarised the report and Members passed their thanks to officers for their work. It was noted that the Housing Benefit Overpayment Recovery – Bad Debt Provision figure in the table at paragraph 9 of the report should read £1,792k.

RESOLVED: That Members noted

- (a) The value of income collected and write-offs for each type income, as set out in the report;
- (b) The generally high collection rates;
- (c) The aged debt profile.

The meeting ended at 6.55 pm.

Subject: QUARTERLY INTERNAL AUDIT UPDATE REPORT

Meeting and Date: Governance Committee – 15th April 2021

Report of: Christine Parker – Head of Audit Partnership

Decision Type: Non-key

Classification: Unrestricted

Purpose of the report: This report includes the summary of the work completed by the East Kent Audit Partnership since the last Governance Committee meeting, together with details of the performance of the EKAP to the 31st December 2020

Recommendation: That Members note the update report.

1. Summary

This report includes the summary of the work completed by the East Kent Audit Partnership since the last Governance Committee meeting.

2. Introduction and Background

2.1 For each Audit review, management has agreed a report, and where appropriate, an Action Plan detailing proposed actions and implementation dates relating to each recommendation. Reports continue to be issued in full to each member of Corporate Management Team, as well as an appropriate manager for the service reviewed.

2.2 Follow-up reviews are performed at an appropriate time, according to the status of the recommendation, timescales for implementation of any agreed actions and the risk to the Council.

2.3 An Assurance Statement is given to each area reviewed. The assurance statements are linked to the potential level of risk, as currently portrayed in the Council's risk assessment process. The assurance rating given may be Substantial, Reasonable, Limited or No assurance.

2.4 Those services with either Limited or No Assurance are monitored and brought back to Committee until a subsequent review shows sufficient improvement has been made to raise the level of Assurance to either Reasonable or Substantial. A list of those services currently with such levels of assurance is attached as Annex 2 to the EKAP report.

2.5 The purpose of the Council's Governance Committee is to provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent review of the Authority's financial and non-financial performance to the extent that it affects the Authority's exposure to risk and weakens the control environment, and to oversee the financial reporting process.

2.6 To assist the Committee meet its terms of reference with regard to the internal control environment an update report is regularly produced on the work of internal audit. The purpose of this report is to detail the summary findings of completed audit reports and follow-up reviews since the report submitted to the last meeting of this Committee.

SUMMARY OF WORK

- 2.7 There has been six internal audit assignments completed during the period, which are summarised in the table in section 2 of the report.
- 2.8 In addition three follow-up reviews have been completed during the period, which is detailed in section 3 of the quarterly update report.
- 2.9 For the nine-month period to 31st December 2020, 204.91 chargeable days were delivered against the revised target of 311.76, which equates to 65.76% plan completion.
- 2.10 Due to the Covid19 virus the EKAP team were redirected to community work on behalf of the partner councils early in the 2020/21 year. This has impacted upon the amount of internal audit work that can be completed within the year resulting in a revision to the audit plan in appendix 3. At the same time East Kent Housing Limited was taken back in house by the partner councils from 1st October 2020, therefore the plan is further adjusted to bring back in 30 days for 2020/21 in respect of housing reviews.

3 Resource Implications

- 3.1 There are no additional financial implications arising directly from this report. The costs of the audit work will be met from the Financial Services 2020-21 revenue budgets.
- 3.2 The financial performance of the EKAP is currently on target at the present time.

Appendices

Appendix 1 – Internal Audit update report from the Head of the East Kent Audit Partnership.

Background Papers

- Internal Audit Annual Plan 2020-21 - Previously presented to and approved at the 25th June 2020 Governance Committee meeting.
- Internal Audit working papers - Held by the East Kent Audit Partnership.

Contact Officer: Christine Parker, Head of Audit Partnership



INTERNAL AUDIT UPDATE REPORT FROM THE HEAD OF THE EAST KENT AUDIT PARTNERSHIP.

1. INTRODUCTION AND BACKGROUND

1.1 This report includes the summary of the work completed by the East Kent Audit Partnership since the last Governance Committee meeting, together with details of the performance of the EKAP to the 31st December 2020.

2. SUMMARY OF REPORTS:

Service / Topic		Assurance level	No. of Recs.	
2.1	Civica – Housing Benefits Subsidy	Substantial	C H M L	0 0 0 0
2.2	Civica - Housing Benefits Overpayments	Substantial	C H M L	0 0 0 0
2.3	Dover Leisure Centre Project – Post Implementation Review	Not Applicable	C H M L	0 0 0 3
2.4	Compliance with GDPR and home working implications.	Not Applicable	C H M L	1 7 6 0
2.5	COVID-19 Business Grant Fraud Data Match	Not Applicable		
2.6	Civica – Housing Benefits Quarterly Testing Quarters 1 & 2 2020/21	Not applicable		

2.1 Civica; Housing Benefit Subsidy – Substantial Assurance

2.1.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the processes and procedures in place to ensure that the Council completes the Housing Benefit Subsidy return accurately and seeks to maximise the amount of reimbursement payable to the authority in respect of the Housing Benefit payments which have been made to the benefit claimants within the district.

2.1.2 Summary of Findings

Housing Benefit Subsidy is the monies provided by the DWP for the authorities to process and pay housing benefit to claimants across each of the three districts. An annual claim is submitted by each authority to the DWP. The detail contained within each subsidy claim is then verified and signed off by the external auditors. Adjustments to the claim may result in an unexpected loss of monies to the Council. Therefore the accurate completion of the subsidy claim is necessary to reduce any potential financial loss to each Council.

Management can place Substantial Assurance on the system of internal controls in operation around the preparation and completion of the annual Housing Benefit Subsidy claim.

The primary findings giving rise to the Substantial Assurance opinion in this area are as follows:

- Well practiced routines are in place for the completion of subsidy claims.
- Officers responsible for the completion of subsidy claims are all experienced and familiar with what is expected of them to complete claims.
- Entries on claims are supported by clear and concise working papers and evidence.
- Sufficient resources are in place to complete subsidy claims, and assist external auditors with their audit so that the claim may be submitted on time.
- Findings arising from audits of previous claims are all addressed so that future errors are reduced.

All of the expected controls tested during the audit were found to be in place and working effectively. Consequently, no recommendations have been made in this report. Each Council should remain aware however that (so as to not duplicate work) this audit has had a different scope to that of the audit of the Subsidy claim and has not looked in detail at the content of the 2019/20 subsidy claim as that will be undertaken by the External Auditors in due course.

2.2 Civica; Housing Benefit Overpayments – Substantial Assurance

2.2.1 Audit Scope

To ensure that the processes and procedures established by EK Services are sufficient to provide the level of service required by the partner Councils and incorporate relevant internal controls regarding the administration of overpayments of Housing Benefit.

2.2.2 Summary of Findings

Civica are responsible for the administration of Housing Benefits which includes the processing of Housing Benefit claims and collection of overpaid Housing Benefits. Strong controls continue to be in place for the billing and collection of overpaid Housing Benefits by early identification of changes to circumstances for claimants, raising invoices, agreeing and monitoring repayment arrangements.

Our testing has established that Civica continues to deliver services in accordance with the requirements of the contract with each of the Partner Councils in terms of the Housing Benefits Overpayment function.

The primary findings giving rise to this Substantial Assurance opinion are as follows:

- Detailed information is available to members of the public at each authority in terms of housing benefit overpayments and how overpayments will be recovered.
- A consistent approach is taken across all Partner Councils for the identification, recovery and where necessary writing off of overpayments which are not considered cost effective to collect.
- Civica make good use of information available to them from outside sources such as HMRC and the Department of Work and Pensions to keep Housing Benefit claims up to date, and therefore levels of overpayments as low as practical.
- Civica report their performance achieved each quarter in comprehensive performance reports to the Partner Councils.

All of the expected controls tested during the audit were found to be in place and working effectively. Consequently, no recommendations have been made in this report.

2.3 Dover Leisure Centre Project – Post Implementation Review – Not Applicable

2.3.1 Audit Scope

To provide independent assessment of the lessons learned regarding the Project Management processes employed for the capital project from the start to delivery.

2.3.2 Summary of Findings

Background:

Opened on 25th February 2020, the Dover District Leisure Centre includes the first publicly accessible 8-lane country standard short course championships swimming pool in Kent, certified by Swim England.

The 25m x 17m 8-lane swimming pool includes starting platforms, automatic timing touch pads with an electronic scoreboard, and anti-turbulence lane ropes. There is also a 15m x 8.5m learner pool with moveable floor, which allows for the depth to be adjusted for a variety of uses. Alongside swimming, the leisure centre features a range of dry-side facilities including; four court sports hall, clip 'n climb interactive climbing arena, 120-station gym and fitness suite, two aerobic fitness studios, spin studio, multi-purpose studio, glass-backed squash court with spectator seating, two floodlit five-a-side 3G pitches, sauna and steam room, a café and free parking for 250 vehicles including electric charging points.

Project Information:

The Dover District Leisure Centre was designed and constructed as part of a special project which was funded by the Dover District Regeneration & Economic Development Reserve (£7m), low cost borrowing (£17.15m), capital receipt from sale of old leisure centre site (£0.95m) and a Grant from Sports England (£1.5m). The project governance was setup in to three tiers of governance i) Council, Partners & Stakeholders, ii) Project Manager and Cost Consultants, and iii) the Technical Team. The Project Manager (job share) was responsible for engaging with all stakeholders and stakeholder groups involved with the project and for managing the flow of information to various stakeholder groups.

The project was delivered within budget without any significant delay at a total cost of £26.6m.

Audit Methodology:

Various information was examined to independently and objectively determine the effectiveness of the project management processes and controls employed which included an examination of: -

- Agendas, minutes and reports from various meetings;
- Project risk management documentation;
- Conversations with key officers involved;
- Budget management information; and
- Documentation and audit trail retained for each project stage.

What were the project strengths?

A summary of strengths are summarised below: -

- The project governance arrangements were well executed and helped the Cabinet retain control and make decisions throughout the project (2015 – 2018);
- The Project Advisory Group (PAG) included a member of the public that was initially opposed to the project;
- The PAG included members of the Cabinet and were fully engaged with the process;
- Stakeholder engagement and communication was a significant strength throughout the project;
- The officer project team included a mix of professions and were well managed, sufficiently knowledgeable and fully engaged;
- The project risk matrix was an excellent document utilised to identify and assess project risks;
- The 61 project risks identified were adequately controlled;
- The project management framework and methodology used were well established (RIBA stages) and well documented and helped to deliver positive outcomes;
- The consultants and contractors used had worked together on other similar projects in other areas of the country and worked well together;
- The project cost estimations were accurately calculated; and
- The project costs were well managed throughout the project.

What areas could be improved in future?

There are four learning areas that were identified that should be considered by management to help deliver successful projects of this kind in future. These are: -

- Any future Project Advisory Group (setup to support the Cabinet) in a project of this scale should consider project risks and project costs from the outset;
- Project risks assessments should follow the same risk categories setup for this project but should also include 'engagement and communication' as a separate risk category;

- A copy of the Project Risk Register at each stage of the project should be retained to allow internal audit or senior management to scrutinise and assess risk management processes;
- The guidance provided on the intranet, particularly on how to manage project risks, could be improved. The Dover District Leisure Centre Project was managed with an excellent risk management matrix and should be used as a template for future projects.

2.4 Compliance with GDPR & Home Working Implications – Not Applicable

2.4.1 Audit Scope

- To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that the Council creates, holds, and maintains personal information about living individuals in accordance with the requirements of the GDPR and deals with subject access requests and information sharing requests in accordance with the Act.
- To provide assurance that the Council has identified all GDPR related risks arising from the move to home working caused by the COVID-19 pandemic and has taken all reasonable steps to mitigate these risks as far as it possible

2.4.2 Summary of Findings

Background

In May 2019 an internal audit on GDPR compliance concluded that the Council was not yet compliant with data protection requirements and needed to take 26 actions to bring it to a position of compliance. Since then, 16 recommendations have been implemented, two are no longer relevant and eight actions remain outstanding.

In October 2020 the Council commissioned the East Kent Audit Partnership to carry out some additional audit consultancy on GDPR in order to strengthen the Council's position and move the Council towards full compliance, taking into account the significant increase in homeworking and the various risks this presents. This piece of work will help the DPO fulfil his duty to monitor compliance, so long as the new GDPR action plan is used to push forward with control improvements and minimise the risks laid out within this report.

Methodology

In order to gain insight into data processing activities, senior management designed and issued a staff questionnaire to all Dover District Council employees in October 2020 and 203 responses were received. (This equates to 50.7% of the establishment). The responses provided management with some interesting findings which gives an extremely valuable insight into the way staff are adapting to homeworking and presented some additional and unresolved potential data protection weaknesses.

The audit consultancy work used the findings from the initial audit, the audit follow-up, the results from the questionnaire and the data breach trends to carry out a risk assessment on a service by service basis. The consultancy was also used to help develop staff guidance and used to suggest amendments to the Corporate Information Governance Group (CIGG) information management policies as part of the formal consultation process.

Summary of Findings

Below is a summary of the positive actions taken to reduce data protection risks: -

- The Council has implemented 16 of the audit recommendations from May 2019;
- The Council has initiated a data protection questionnaire to gather information on homeworking processes and highlighted some weaknesses;
- The Council is reviewing its CIGG information management policies at just the right time;
- The Council has very good data breach reporting processes in place; and
- The Council has successfully encouraged staff to be open and honest with the way in which they are processing personal data from their home environments which will help management and audit assess risk accurately and effectively.

Scope for improvement was however identified in the following areas:

- There are still 8 audit recommendations outstanding from May 2019 which are aimed at strengthening the data protection framework in place to bring the Council closer to compliance with GDPR requirements;
- Following a risk assessment carried out there is evidence to suggest that more needs to be done to raise the awareness of data protection risk at the very top of the organisation;
- Some service areas are at more at risk of data protection breaches due to the nature of their transactions); and
- There are additional controls required to sufficiently protect the Council now that homeworking has dramatically changed the way personal data is processed by staff across the organisation.

2.5 COVID-19 Business Grant Fraud Data Match – Not Applicable

2.5.1 Audit Scope

To provide assurance that none of the business rate grants paid out by Dover District Council were made to known fraudulent bank accounts as notified by the National Anti-Fraud Network (NAFN).

2.5.2 Summary of Findings

The Council made various grant payments to eligible business rate payers on behalf of the Government in the early part of the pandemic. The payment of the grants was required to be made swiftly to provide financial assistance to the local companies in the district who qualified for assistance.

The payment of the grants was processed as per the Government's instructions and this did not include in depth application checks at that time.

Since then it has become known that fraudulent applications had been made across the country by criminals to extract monies from this grant scheme.

As a result, NAFN has been co-ordinating information concerning fraudulent attempts at obtaining funds from the scheme from councils across the country.

NAFN has circulated details of known bank accounts where fraud has been established. Therefore, a data matching exercise was undertaken by EKAP to ascertain whether any of the payments made by the Council, have been made to any of these identified bank accounts.

Using specialist interrogation software an exercise was undertaken to check that no funds had been paid to any of these accounts. The result being that there were no instances of this being found, 100% assurance can be placed that no payments have been made to notified accounts where it is known that fraud has taken place.

2.6 Civica – Housing Benefit Testing 2020/21 Quarters 1 & 2 – Not applicable for assurance

2.6.1 Introduction

Over the course of 2020/21 financial year the East Kent Audit Partnership will complete a sample check of Council Tax, Rent Allowance and Rent Rebate and Local Housing Allowance benefit claims.

2.6.2 Findings

For the first and second quarters of 2020/21 financial year (April to September 2020) 45 claims including new and change of circumstances of each benefit type were selected by randomly selecting the various claims for verification. Below is a summary table of the findings:-

2.6.3 A fail is categorised as an error that impacts on the benefit calculation. However data quality errors are still to be shown but if they do not impact on the benefit calculation then for reporting purposes the claim will be recorded as a pass.

2.6.4 Audit Conclusion

For this period forty-five benefit claims were checked and one (2.22%) of the claims had a financial error and there were no data quality errors.

3.0 FOLLOW UP OF AUDIT REPORT ACTION PLANS:

3.1 As part of the period's work, three follow up reviews have been completed of those areas previously reported upon to ensure that the recommendations previously made have been implemented, and the internal control weaknesses leading to those recommendations have been mitigated. Those completed during the period under review are shown in the following table.

Service/ Topic		Original Assurance level	Revised Assurance level	Original Number of Recs		No of Recs Outstanding	
a)	Members Allowances & Expenses	Substantial	Substantial	C	0	C	0
				H	0	H	0
				M	1	M	0
				L	2	L	0
b)	Dover Museum & Visitor Information Arrangements	Reasonable	Reasonable	C	0	C	0
				H	2	H	0
				M	3	M	0

Service/ Topic		Original Assurance level	Revised Assurance level	Original Number of Recs		No of Recs Outstanding	
				L	3	L	0
c)	EKHR – Absence Management	Reasonable	Reasonable	C	0	C	0
				H	0	H	0
				M	4	M	0
				L	0	L	0

- 3.2 Details of each of any individual high priority recommendations outstanding after follow-up are included at Annex 1 and on the grounds that these recommendations have not been implemented by the dates originally agreed with management, they are now being escalated for the attention of the s.151 Officer and Members of the Governance Committee – None this quarter.

The purpose of escalating outstanding high-risk matters is to try to gain support for any additional resources (if required) to resolve the risk, or to ensure that risk acceptance or tolerance is approved at an appropriate level.

4.0 WORK-IN-PROGRESS:

- 4.1 During the period under review, work has also been undertaken on the following topics, which will be reported to this Committee at future meetings: Environmental Health Protection Requests, Treasury Management, Kearsney Abbey PIR and Receipt & Opening of Tenders.

5.0 CHANGES TO THE AGREED AUDIT PLAN:

- 5.1 The 2020-21 Audit plan was agreed by Members at the meeting of this Committee on 25th June 2020.
- 5.2 The Head of the Audit Partnership meets on a quarterly basis with the Strategic Director (Corporate Resources) - Section 151 Officer to discuss any amendments to the plan. Members of the Committee will be advised of any significant changes through these regular update reports. Minor amendments are made to the plan during the course of the year as some high-profile projects or high-risk areas may be requested to be prioritised at the expense of putting back or deferring to a future year some lower risk planned reviews. The detailed position regarding when resources have been applied and or changed are shown as Annex 3.
- 5.3 There has of course been an impact on the work of the internal audit team as a result of the C19 Crisis the team was re-deployed to assist with C19 response work in the community. As a consequence, no new internal audit work was commissioned or undertaken throughout April to June, leading to a total of 154 audit days being lost (over the partnership). The plan that was approved at the June meeting is set out in the table in Appendix 3, showing the days allocated up to the end of September. It has therefore been necessary to work with the s.151 Officer to agree a revised plan based on 9 month's work not 12, the reviews that are deferred within the overall five-year strategic audit plan are also shown. Additionally, the revised plan also accommodates the new Housing audits which will commence after 1st October once the former EKH Ltd responsibilities have transferred back to the four councils. Except for follow up, no

new EKH Ltd audits commenced before the end of September, and therefore the revised EKH Plan is also shown in Appendix 3.

6.0 FRAUD AND CORRUPTION:

- 6.1 There were no other new or recently reported instances of suspected fraud or irregularity that required either additional audit resources or which warranted a revision of the audit plan at this point in time.

7.0 INTERNAL AUDIT PERFORMANCE

- 7.1 For the nine-month period to 31st December 2020, 204.91 chargeable days were delivered against the revised target of 311.76, which equates to 65.76% plan completion.
- 7.2 The financial performance of the EKAP is currently on target at the present time.
- 7.3 As part of its commitment to continuous improvement and following discussions with the s.151 Officer Client Group, the EKAP has improved on the range of performance indicators it records and measures.
- 7.4 The EKAP introduced an electronic client satisfaction questionnaire, which is used across the partnership. The satisfaction questionnaires are sent out at the conclusion of each audit to receive feedback on the quality of the service. Current feedback arising from the customer satisfaction surveys is featured in the Balanced Scorecard attached as Annex 4.

Attachments

- | | |
|---------|-----------------------------------------------------------------------------------|
| Annex 1 | Summary of High priority recommendations outstanding after follow-up. |
| Annex 2 | Summary of services with Limited / No Assurances yet to be followed up. |
| Annex 3 | Progress to 31 st December 2020 against the agreed 2020/21 Audit Plan. |
| Annex 4 | Balanced Scorecard of performance indicators to 31st December 2020. |
| Annex 5 | Assurance statements |

SUMMARY OF HIGH PRIORITY RECOMMENDATIONS OUTSTANDING OR IN PROGRESS AFTER FOLLOW-UP – ANNEX 1

Original Recommendation	Agreed Management Action, Responsibility and Target Date	Manager's Comment on Progress Towards Implementation.
<i>None to report this quarter</i>		

SERVICES GIVEN LIMITED / NO ASSURANCE LEVELS STILL TO BE REVIEWED			
Service	Reported to Committee	Level of Assurance	Follow-up Action Due
Tenancy & Right to Buy Fraud	March 2019	Limited	The pilot Counter Fraud scheme being undertaken in conjunction with Ashford Borough Council has been delayed due to C19
EKHR – Benefits-in-kind	October 2020	Reasonable/Limited	WIP
EKHR – Disclosure & Barring Service Checks	November 2020	Limited	Spring 2020

PROGRESS AGAINST THE AGREED 2020-21 AUDIT PLAN.

DOVER DISTRICT COUNCIL:

Review	Original Planned Days	Revised Planned Days	Actual days to 31-12-2020	Status and Assurance Level
FINANCIAL SYSTEMS:				
Treasury Management	10	10	3.11	Work-in-progress
Insurance & Inventories of Portable Assets	10	10	0.18	Brief Prepared
HOUSING SYSTEMS:				
Housing Allocations	10	10	0	-
Tenant Health & Safety Compliance	-	10	1.40	Work-in-Progress
Data Quality	-	10	0	Quarter 4
Leasehold Services	-	10	0	Quarter 4
GOVERNANCE RELATED:				
GDPR, FOI & Information Management	10	10	12.59	Finalised – Not Applicable
Performance Management	10	10	0.24	Brief issued
Corporate Advice/CMT	2	2	0.82	Work-in-Progress throughout 2020-21
s.151 Meetings and support	9	9	15.77	Work-in-Progress throughout 2020-21
Governance Committee Meetings and Reports	12	12	12.14	Work-in-Progress throughout 2020-21
2021-22 Audit Plan Preparation and Meetings	9	9	6.38	Work-in progress
POST IMPLEMENTATION REVIEWS:				
Kearnsy Abbey	10	0	0	Work-in-progress
CONTRACT AUDITS:				
Receipt & Opening of Tenders	10	10	9.91	Work-in-progress
SERVICE LEVEL:				
Employee Health & Safety	10	0	0.18	Deferred
Cemeteries	10	12	12.45	Finalised - Substantial
Safeguarding Children & Vulnerable Groups	10	10	0.20	Brief Prepared
Planning Enforcement	10	10	0	Quarter 4
Business Continuity & Emergency Planning	12	0	0.18	Deferred
Playgrounds	10	0	0.22	Deferred

Review	Original Planned Days	Revised Planned Days	Actual days to 31-12-2020	Status and Assurance Level
Disabled Facilities Grants	10	10	11.81	Finalised - Substantial
Land Charges	10	10	0.21	Brief Prepared
Members' Allowances & Expenses	10	10	11.22	Finalised - Substantial
Planning Applications, Income & s106 Agreements	15	0	0	Deferred
Green Waste & Recycling Income	10	10	0	-
OTHER				
Liaison with External Auditors	1	1	0	Work-in-Progress throughout 2020-21
Follow-up Work	15	15	4.93	Work-in-Progress throughout 2020-21
FINALISATION OF 2019-20- AUDITS				
Environmental Health Protection Requests	20	20	4.15	Work-in-Progress
Car Parking & Enforcement			1.88	Finalised - Substantial
Election Management & Electoral Registration			0.45	Finalised - Substantial
Dog Warden			2.81	Finalised – Reasonable
Dover Leisure Centre PIR			10.87	Finalised – Not Applicable
Days under delivered in 2019-20	0	26.76		Allocated
Responsive Work:				
Duplicate Creditor Payment Testing	0	5	1.08	Finalised - N/A
Discretionary Grants – Counter Fraud	0	22	36.21	Finalised - N/A
Asbestos Register	0	0	2.68	Finalised – N/A
Data Image Capturing Project	0	0	2.33	Finalised – N/A
C-19 Redeployments	0	38	38.51	Finalised – N/A
TOTAL	255	*311.76	204.91	65.76% as at 31st December 2020

* 30 days added to the revised planned days from the former East Kent Housing audit plan from 1st October 2020.

EAST KENT HOUSING LIMITED:

Review	Original Planned Days	Revised Planned Days	Actual To 30/09/2020	Status and Assurance Level
Planned Work:				
CMT/Audit Sub Ctte/EA Liaison	4	4	3.09	Finalised for 2020-21
Follow-up Reviews	7	0	0	Finalised for 2020-21
Tenants Health & Safety	8	8	8.13	Finalised -Various
Finalisation of 2019/20 Work-in-Progress:				
Days over delivered in 2019/20		-7.37		Allocated
Welfare Reform	0	1	0.41	Finalised - Substantial
Employee Health & Safety	1	0.63	1	Finalised - Limited
Total	20	12.63	12.63	100% as at 30/09/2020

EKS, EKHR & CIVICA:

Review	Original Planned Days	Revised Planned Days	Actual days to 31/12/2020	Status and Assurance Level
EKS Reviews;				
Housing Benefits Overpayments	10	10	14.08	Finalised - Substantial
Housing Benefit Testing	30	30	16.39	Finalised - Quarters 1&2
Housing Benefit Subsidy	10	10	10.08	Finalised - Substantial
Customer Services Gateway	10	10	0	Quarter 4
ICT – Disaster Recovery	15	15	1.62	Work in progress
ICT – Software Licensing	15	15	8.00	Work in progress
KPIs	5	5	0.45	Work in progress
EKHR Reviews;				
Payroll	15	15	0	Quarter 4
EKHR Employee Allowances /Expense	15	15	0.26	Quarter 4
EK Leavers	15	15	0.48	Quarter 4
Other;				
Corporate/Committee	5	5	5.24	Ongoing
Follow up	5	5	1.98	Ongoing
Finalisation of 2019/20 Audits:				
Days underdelivered in 2019/20		30.67		
EKHR Employee Benefits in Kind	10	2	1.19	Finalised – Substantial / No
Housing Benefit Testing 2019/20		11.67	10.82	Finalised N/A
EKHR Payroll		11	10.34	Finalised - ??
EKHR DBS Checks		16	16.00	Finalised – Limited
Total	160	190.67	96.90	50.82%

EKAP Balanced Score Card 2020-21

Quarter 2

<u>INTERNAL PROCESSES PERSPECTIVE:</u>	<u>2020-21 Actual</u>	<u>Target</u>	<u>FINANCIAL PERSPECTIVE:</u>	<u>2020-21 Actual</u>	<u>Original Budget</u>
	Quarter 3		Reported Annually		
Chargeable as % of available days	90%	80%	<ul style="list-style-type: none"> • Cost per Audit Day 	£	£339.14
Chargeable days as % of planned days			<ul style="list-style-type: none"> • Direct Costs 	£	£437,130
CCC	84.39%	75%	<ul style="list-style-type: none"> • + Indirect Costs (Recharges from Host) 	£	£10,530
DDC	65.76%	75%	<ul style="list-style-type: none"> • - 'Unplanned Income' 	£	Zero
F&HDC	60.65%	75%			
TDC	69.19%	75%			
EKS	50.82%	75%			
EKH	100%	100%			
(C19 Redeployment Days 154.14)			<ul style="list-style-type: none"> • = Net EKAP cost (all Partners) 		£447,660
Overall	66%	75%			
Follow up/ Progress Reviews;					
<ul style="list-style-type: none"> • Issued 	26	-			
<ul style="list-style-type: none"> • Not yet due 	22	-			
<ul style="list-style-type: none"> • Now due for Follow Up 	30	-			
Compliance with the Public Sector Internal Audit Standards (PSIAS) (see Annual Report for more details)	Partial	Full			

<u>CUSTOMER PERSPECTIVE:</u>	<u>2020-21 Actual</u>	<u>Target</u>	<u>INNOVATION & LEARNING PERSPECTIVE:</u>	<u>2020-21 Actual</u>	<u>Target</u>
	Quarter 3		Quarter 3		
Number of Satisfaction Questionnaires Issued;	38		Percentage of staff qualified to relevant technician level	75%	75%
Number of completed questionnaires received back;	17		Percentage of staff holding a relevant higher level qualification	39%	39%
	= 45%		Percentage of staff studying for a relevant professional qualification	15%	N/A
Percentage of Customers who felt that;			Number of days technical training per FTE	2.42	3.5
<ul style="list-style-type: none"> • Interviews were conducted in a professional manner • The audit report was 'Good' or better • That the audit was worthwhile. 	100%	100%	Percentage of staff meeting formal CPD requirements (post qualification)	39%	39%
	100%	90%			
	95%	100%			

Definition of Audit Assurance Statements & Recommendation Priorities

Cipfa Recommended Assurance Statement Definitions:

Substantial assurance - A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

Reasonable assurance - There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.

Limited assurance - Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.

No assurance - Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

EKAP Priority of Recommendations Definitions:

Critical – A finding which significantly impacts upon a corporate risk or seriously impairs the organisation's ability to achieve a corporate priority. Critical recommendations also relate to non-compliance with significant pieces of legislation which the organisation is required to adhere to and which could result in a financial penalty or prosecution. Such recommendations are likely to require immediate remedial action and are actions the Council must take without delay.

High – A finding which significantly impacts upon the operational service objective of the area under review. This would also normally be the priority assigned to recommendations relating to the (actual or potential) breach of a less prominent legal responsibility or significant internal policies; unless the consequences of non-compliance are severe. High priority recommendations are likely to require remedial action at the next available opportunity or as soon as is practical and are recommendations that the Council must take.

Medium – A finding where the Council is in (actual or potential) breach of - or where there is a weakness within - its own policies, procedures or internal control measures, but which does not directly impact upon a strategic risk, key priority, or the operational service objective of the area under review. Medium priority recommendations are likely to require remedial action within three to six months and are actions which the Council should take.

Low – A finding where there is little if any risk to the Council or the recommendation is of a business efficiency nature and is therefore advisory in nature. Low priority recommendations are suggested for implementation within six to nine months and generally describe actions the Council could take.

Subject:	DRAFT INTERNAL AUDIT PLAN 2021-22
Meeting and Date:	Governance Committee – 15th April 2021
Report of:	Christine Parker – Head of Audit Partnership
Decision Type:	Non-key
Classification:	Unrestricted

Purpose of the report:	This report sets out the proposed Internal Audit Plan for 2021/22 detailing a breakdown of audits and an analysis of available days.
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Recommendations:	That Members approve the Council's Internal Audit Plan for 2021/22
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Summary.

This report sets out the draft plan of work for the forthcoming 12 months for approval.

1. Introduction and Background.

1.1 The purpose of the Council's Governance Committee is to provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent review of the Authority's financial and non-financial performance to the extent that it affects the Authority's exposure to risk and weakens the control environment, and to oversee the financial reporting process.

1.2 In accordance with current best practice, the Governance Committee should "review and assess the annual internal audit work plan". The purpose of this report is to help the Committee assess whether the East Kent Audit Partnership has the necessary resources and access to information to enable it to fulfil its mandate, and is equipped to perform in accordance with the professional standards for Internal Auditors.

2.0 2021/22 Risk Based Internal Audit Plan.

2.1 The Audit Plan for the year 2021 to 2022 is attached as Annex A and has the main components to support the approved Audit Charter. The plan is produced in accordance with professional guidance, including the Public Sector Internal Audit Standards (PISAS). A draft risk based plan is produced from an audit software database (APACE) maintained by the EKAP which records our risk assessments on each service area based upon previous audit experience, criticality, financial risk, risk of fraud and corruption etc. Amendments have been made following discussions with senior management, taking account of any changes within the Council over the last 12 months, and foreseen changes over the next.

2.2 The plan has then been further modified to reflect emerging risks and opportunities identified by the Chief Executive, Directors, and the links to the Council's Corporate Plan and Corporate Risk Register. This methodology ensures that audit resources are targeted to the areas where the work of Internal Audit will be most effective in improving internal controls, the efficiency of service delivery and to facilitate the effective management of identified risks.

2.3 Furthermore, wider risks are considered, by keeping abreast of national issues and advice from the auditing profession / firms. Over the last year, incidents of money laundering, sexual misconduct at the workplace, fraud, cyberattacks, and data privacy scandals grabbed news headlines, and provided a reminder of why effective governance, risk management, and compliance are so important. For this year we have considered the inclusion of the top ten Institute of Internal Audit identified risks;

- 1 **Information Security in the Expanded Work Environment** - 2020 brought with it a unique cyber and data security challenge. In addition to known risks surrounding data management, the GDPR data protection regulations and wider information governance, cyber-attacks continued to develop, new risks emerged resulting from the rapid widespread shift to homeworking amid national lockdowns. Lacking personal interaction, staff can be more susceptible to social engineering ploys as they cannot immediately sense-check emails with nearby co-workers. Given that remote and flexible working arrangements are likely to be in place going forward, it is more important than ever that cyber defences are robust and adaptable and that the information security culture is promoted throughout every level of the Council to raise awareness and ensure the integrity of staff behaviour. We have some ICT reviews built into the EKS audit plan to support the network and digital environment, and Information Governance reviews or consultancy work is also planned (Cloud Computing/Digital audit in Quarter 3).
- 2 **Regulatory Risk** – The risk regarding the impact recent operational disruptions have had on the work of compliance and the ability of the Council operations to remain compliant or, the extent to which the Council has been capable of maintaining acceptable standards of compliance amid the shake-up of operations and control systems during the pandemic. This also applies to the reorganisation of the business as staff return to the office and working arrangements are adjusted to whatever “new normal” the Council will determine best suits it and its workforce. It is not an EKAP function to ensure compliance, but it is considered as part of each review in the plan. ‘New legislation’ is a risk factor we consider for each area within the audit plan, and thus a separate ‘cross cutting’ review has not been proposed for 21/22. We have considered Brexit risk and determined not to include anything specific for EKAP relating to Brexit in the 21-22 audit plan, also considering all the collective work the Council has been undertaking with its partners to date.
- 3 **Digital Transformation Risk** – the Council is undertaking various development and digital projects, in considering this risk, it has been agreed that provision for EKAP to become involved at key stages of projects will be agreed on a case by case basis. The events of 2020 have magnified the digital imperative, making such transformations a more pressing priority by driving home the value of digital products and services and the flexibility Councils can achieve by digitalising their operations. Yet the pandemic also may have frustrated digital progress, innovation and transformation initiatives by making them more complex and challenging. Key areas to keep abreast of are ‘big data’, data mining and cloud computing.
- 4 **Financial, Capital and Sustainability Risk** - Even companies with strong balance sheets (i.e. high levels of cash versus low liabilities) will have to consider their financial sustainability in a potentially challenging trading environment through 2021. The world may be facing the deepest recession in living memory and the recovery may take a long time. Therefore, there is pressure on Councils to use cash wisely and cut costs where necessary. The longer-term impact of these risks is recognised in the Corporate Risk Register and through its financial modelling and MTPF.
- 5 **Workforce Risk** – The Council through its EKHR function also faces the challenge of creating safe working environments and ensuring the wellbeing of workers in the face of potential coronavirus resurgences and the psychological impact months of isolation may have had. Diversity is another key human capital risk that organisations need to be conscious of. The Black Lives Matter movement has put social equality at the

centre of public debate and organisations will need to ensure that their hiring and pay policies are fair, representative and do not unintentionally or unconsciously bias against particular demographics. The EKHR reviews come under the EKS plan which is included.

- 6 **Disaster & Crisis Management Risks** - One of the biggest lessons to take from 2020 is the importance of crisis preparedness including the resilience and adaptability of the Council. Whilst there are business continuity plans (BCPs) in place, these are more likely to have accounted for short-lived events like power or network outages, earthquakes and data breaches. The pandemic has set a new precedent in crisis management by showing the extensive and simultaneous impact that global events can have. BCPs must address operational resiliency by identifying and stress testing key processes and assets including the availability of employees and continuity of supply chains to deliver services. A review of this area is planned for a future year.
- 7 **Third Party Risk** – the non-performance of contractors and suppliers is always a risk to the Council, just about everything we do today has some level of third-party involvement, whether we are aware of it or not. The Council should be aware of weaknesses, pressure points and potential bottlenecks in its supply chains, and be able to evidence that supplier/ contractor insolvency risk is being sufficiently managed. We have also considered risks of third parties gaining access to sensitive data, we are proposing reviews of Contract Management in the 21-22 plan including CSO Compliance and service contract management.
- 8 **Fraud, Bribery and Financial Crime Risk**– Exploitation of operational and economic disruption is an ongoing risk assessed in every area of activity that the Council undertakes. There is an increased risk in ploys to capitalise on the pandemic including grant fraud and money laundering. Additionally, the effectiveness of the control environment may have been weakened by the transition to remote working and reduced or limited access to parts of the business and its resources. We have given due consideration in assessing the Counter Fraud Framework within which the Council operates, there is not a cross cutting review of Counter Fraud proposed, rather to consider this risk within each planned review.
- 9 **Climate Change Risk**- organisations are facing a broad range of risks, based in a rapidly changing and evolving area it has been identified as potentially being the next Global Crisis; new rules and legislation are to be anticipated, weaving climate change elements into relevant key risk areas is included in the 21/22 plan.
- 10 **Conduct & Culture Risks** – this risk is an emerging area for assurance, only 30% of bodies have audited this despite honesty and personal conduct being behind several big national (sector wide) headlines. Reviews that we have typically carried out in this area include Gifts and Hospitality, Anti-fraud & Corruption, Whistleblowing, Ethics and compliance with Codes of Conduct. We will keep a watching brief on developments for future consideration, noting that all of our work contributes to the assurances given in the Annual Governance Statement.

2.4 There are insufficient audit resources to review all areas of activity each year. Consequently, the plan is based upon a formal risk assessment that seeks to ensure that all areas of the Council's operations are reviewed within a strategic cycle of audits. In order to provide Members with assurance that internal audit resources are sufficient to give effective coverage across all areas of the Authority's operations, a strategic plan has been included.

2.5 To comply with the best practice, the agreed audit plan should cover a fixed period of no more than 1 year. Members are therefore being asked to approve the 2021/22 plan at the present time, and the future years are shown as indicative plans only, to provide Members with assurance that internal audit resources are sufficient to provide effective coverage across all areas of the Authority's operations within a rolling cycle.

- 2.6 The plan has been prepared in consultation with the Directors and the Council's statutory s.151 Officer. The plan is also designed to meet the requirements expected by the External Auditors for ensuring key controls are in place for its fundamental systems. This Committee is also part of the consultation process, and its views on the plan of work for 2021/22 are sought to ensure that the Council has an effective internal audit of its activities and Members receive the level of assurance they require to be able to place assurance on the annual governance statement.
- 2.7 The risk assessment and consultation to date has resulted in;
- 78% Core Assurance Projects- the main Audit Programme
 - 0% Fraud Work – fraud awareness, reactive work and investigating potential irregularities
 - 0% Corporate Risk – testing the robustness of corporate risk mitigating action
 - 22% Other Productive Work – Corporate meetings, follow up, general advice, liaison
- Total number of audits 22.

For 2021/22 the days available for carrying out audit is 290 days. When compared to the resources available and working on the basis that the highest risk areas should be reviewed as a priority, the EKAP has sufficient resources to review all of the high risk areas and all of the medium risk areas this equates to 22 audits.

3.0 **Benchmarking the level of Internal Audit Provision.**

- 3.1 Members should have regard to how audit resources within the Council compare to other similar organisations when considering the adequacy and effectiveness of the internal audit plan. The results of benchmarking show that the average number of internal audit days provided by district councils within Kent is circa 400 days annum. The audit plan of Dover District Council of 290 days plus their share of the EKS audit plan totals 350. The Dover plan is therefore 12.5% less well-resourced than the Kent average.

4.0 **Head of Internal Audit Opinion of the 2021/22 Internal Audit Plan.**

- 4.1 This report is presented to Members by the Council's Strategic Director (Corporate Resources) whose s.151 responsibility it is to maintain an effective internal audit plan. In the interests of openness and transparency and in order to enable Members to make an informed decision on the internal audit plan presented for their approval consideration should also be given to the opinion of the Head of Internal Audit on the effectiveness of the plan.
- 4.2 It is the professional opinion of the Head of the East Kent Audit Partnership that the draft 2021/22 internal plan presented for Members consideration is less well-resourced than the Kent average and accordingly our overall audit opinion at the end of the year will be limited to commenting on the systems of internal control that have been examined. The current resources of the EKAP will allow for an opinion to be given on the Council's key risk areas and systems. This should be sufficient coverage to inform the Annual Governance Statement.
- 4.3 The Head of the East Kent Audit Partnership highlights that Members either approve the 2021/22 internal audit plan as drafted or they may recommend to Cabinet that additional resources should be allocated to bring the plan up to the Kent average. This would require

an additional 50 days per annum, which at an estimated cost per audit day of £350 would cost £17,500 per annum.

5.0 Background Papers.

- Internal Audit Annual Plan 2020/21 - Previously presented to and approved 2020 Governance Committee meeting.
- Internal Audit working papers - Held by the East Kent Audit Partnership.
- Former Audit Mission, Audit Charter and Strategies - Previously presented to and approved at Governance and Audit Committee meetings.

Attachments

Annex A Dover District Council draft 2021/22 Internal Audit Plan

CHRISTINE PARKER
Head of Audit Partnership

The officer to whom reference should be made concerning inspection of the background papers is the Head of Audit Partnership, White Cliffs Business Park, Dover, Kent CT16 3PJ. Telephone: (01304) 821199, Extension 2160.

Draft Audit Plan 2021-22

Plan Area	Corporate Plan and/or Corporate Risk Ref:	Year last audited	Previous Assurance level	2021-22 Planned Days	Quarter Prioritised for 2021-22	2022-23 planned days	2023-24 Planned Days	2024-25 Planned Days
Financial Governance:								
Capital	CR1	2018-19	Substantial	10	3			
Treasury Management	CR9	2020-21	20-21 WIP				10	
Car Parking & Enforcement	CP1	2019-20	Reasonable			10		10
Bank Reconciliation		2018-19	Reasonable			10		
Creditors and CIS		2017-18	Substantial	10	3			
External Funding Protocol	CP1, CP4 & CR 1	2017-18	Reasonable	10	3			
Main Accounting System	CP4 & CR1	2016-17	Substantial	10	3			
Income	CP4	2017-18	Substantial/Reasonable			10		
Budgetary Control	CP4, CR1 & CR2	2016-17	Substantial	10	3			
VAT		2018-19	Substantial			10		
Insurance and Inventories of Portable Assets		2016-17	Substantial					10
General Fund Housing Systems:								
Homelessness	CR4	2018-19	Substantial/Limited			10		
Housing Allocations and Housing Needs	CP3 & CR4	2020-21	20-21 WIP					10
Private Sector Housing – HMO Licensing	CP3	2018-19	Limited			10		
Right to Buy		2016-17	Reasonable			10		
Social Housing Systems:								
Responsive Repairs & Maintenance		2019-20	Various	15	4			15
Decent Homes		New Area	To be Assessed					10
Void Property Management		2019-20	Various			10		
Garage Deposits / Management		New Area	To be Assessed					
Tenant Health & Safety Compliance		2019-20	Various	10	4			
Rent Accounting, Collection & Recovery		2019-20	Substantial				15	
Leasehold Services		2017-18	Reasonable			12		
Rechargeable Works		New Area	To be Assessed	10	2			
Capital Programme, Planned Maintenance								
Contract Monitoring & Management		2018-19	Limited				10	
Contract Letting / Procurement Process/ Specifications		New Area	To be Assessed					5
Sheltered Housing & Supported Housing		2015-16	Reasonable			10		
Tenancy Fraud		2017-18	Limited					5
Resident Involvement		New Area	To be Assessed			10		
Tenancy & Estate Management and Inspections		2012-13	Reasonable	10	2			
Anti Social Behaviour		2012-13	Reasonable					10
New Build Capital Programme		New Area	To be Assessed					10
Energy Efficiency and Carbon Reduction & Fuel Poverty Programmes		New Area	To be Assessed				12	
HRA Business Plan	CP3	2010-11	Limited					10
Information Governance:								
Data Protection, FOI and Information Management	CP4 & CR10	2020-21	N/A			12		
Technocology/Cyber Risks:								
Cloud Computing/Digital		New Area	To be Assessed	10	3			
Corporate Governance:								
Members' Code of Conduct, Register of Interests, Gifts and Hospitality, and Standards Arrangement	CP4 & CR18	2019-20	Substantial				10	
Officers' Code of Conduct and Gifts and Hospitality	CP4 & CR18	2017-18	Substantial	10	4			
Local Code of Corporate Governance	CP4	2017-18	Reasonable				10	
Complaints Monitoring	CP4	2014-15	Reasonable			10		
Shared Services Monitoring	CP4, & CR9	2015-16	Reasonable				10	

Plan Area	Corporate Plan and/or Corporate Risk Ref:	Year last audited	Previous Assurance level	2021-22 Planned Days	Quarter Prioritised for 2021-22	2022-23 planned days	2023-24 Planned Days	2024-25 Planned Days
Scheme of Officer Delegations	CP4	2017-18	Substantial			10		
Corporate/Governance and Audit Committee		Annually	N/A	32	1 to 4	32	32	32
Project Management	CP4	2017-18	Reasonable	10	4			
Performance Management & Data Quality:								
Performance Management	CP4 & CR17	2020-21	20-21 WIP					10
Fraud Risk:								
Anti-Fraud & Corruption Assurance mapping		2019-20	N/A			10		
Risk Management:								
Risk Management	Informs all Corporate Risks	2018-19	Reasonable			10		
Other:								
Liaison with the External Auditors	N/A	Annually	N/A	1	1 to 4	1	1	1
Previous Year Work in Progress b/fwd	N/A	Annually	N/A	5	1	5	5	5
Follow-up	N/A	Annually	N/A	15	1 to 4	15	15	15
Capital/Project Post Implementation Reviews:								
Ottaway House				10	1			
Main Accounting System		N/A	N/A	5	3			
Procurement & Contract Management:								
CSO Compliance	CP4	2017-18	Reasonable	13	1			
Service Contract Monitoring	CP4, CR27 & CR31	2017-18	Reasonable	10	4			
Receipt and Opening of Tenders	CP4	2020-21	20-21 WIP					10
Procurement	CP4	2019-20	Reasonable/ Limited				12	
Asset Management:								
Commercial Let Properties and Concessions (incl allotments, Industrial estates, Media Centre, Innovation centre etc)	CP4	2019-20	Reasonable				15	
Commercial Properties - Compliance	CR14 & CR30	New Area	To be Assessed			10		
Service Level Audits:								
Employee Health & Safety	CR20	2020-21	2020-21 WIP					15
Cemeteries		2020-21	Reasonable					10
Safeguarding Children and Vulnerable Groups/DBS Checks	CP3 & CR28	2020-21	20-21 WIP					15
Community Safety	CP2	2019-20	Substantial				10	
Coastal Management		2013-14	Substantial					
Climate Change		New Area	To be Assessed	10	2			
CCTV	CP2	2017-18	Substantial	10	1			
Dog Warden Service, Street Scene and Litter Enforcement (incl. graffiti and flytipping)	CP2	2019-20	Substantial				10	
Electoral Registration & Election Management	CP3 & CR14	2019-20	Substantial				15	
Environmental Health – Food Safety	CP2 & CP3	2018-19	Substantial			10		
Environmental Health – Public Health Burials	CP3	2015-16	Reasonable				10	
Environmental Health - Port Health	CP3 & CR5/6	2017-18	Substantial			13		
Planning Enforcement	CR12	2020-21	2020-21 WIP					10
Environmental Health – Health and Safety at Work	CR8	2019-20	Substantial				10	
Environmental Health - Environmental Protection Service Requests	CP3	2015-16	Substantial				10	
Environmental Health - Contaminated Land, Air and Water Quality	CP3	2017-18	Reasonable	10	1			
Business Continuity and Emergency Planning	CR7, CR19 & CR25	2020-21	Reasonable					12
Playgrounds	CP3	2020-21	Reasonable					10

Plan Area	Corporate Plan and/or Corporate Risk Ref:	Year last audited	Previous Assurance level	2021-22 Planned Days	Quarter Prioritised for 2021-22	2022-23 planned days	2023-24 Planned Days	2024-25 Planned Days
Legal Services		Not audited by EKAP, assurance is instead provided by LEXCEL accreditation						
Equality and Diversity	CP3 & CR13	2019-20	Reasonable				13	
Events Management		Pre 2004-05	To be Assessed					
Grounds Maintenance	CP2 & CP4	2017-18	Reasonable	12	2			
Disabled Facilities Grants	CP3	2020-21	Substantial					10
Land Charges		2020-21	20-21 WIP					10
Licensing	CP3	2017-18	Reasonable	12	1			
Museum and VIC	CP1	2019-20	Reasonable				15	
Members' Allowances and Expenses		2020-21	Substantial					10
Planning Applications, Income and s106 Agreements	CR12	2016-17	Limited/ Substantial				15	
Local Plan, Corporate Plan and MTFP	CR12	New Area	To be Assessed			10		
Self Build Programme		New Area	To be Assessed					
Building Control		2018-19	Reasonable			10		
Phones, Mobiles and Utilities - Expenditure and Controls		2017-18	Substantial/ Reasonable	10	1			
Printing, photocopying and postage		2019-20	Substantial				10	
Sports and Leisure Centres	CP1 & CP3	2015-16	Reasonable				15	
Entertainment & Catering		New Area	To be Assessed					10
Whitecliffs Countryside Partnership	CP2	2018-19	Reasonable			10		
Waste Management and Street Cleansing	CP2 & CR13	2018-19	Reasonable/ Limited			10		
Garden Waste and Recycling Income	CP2	2016-17	Reasonable	10	2			10
Total Planned Days:				290		290	290	290

Plan Area	Year last audited	Previous assurance level	2021-22 Planned Days	2022-23 Planned Days	2023-24 Planned Days	2024-25 Planned Days
EK Services - Revenues & Benefits (CIVICA)						
Housing Benefits – Payment	2017/18	Substantial	15			
Housing Benefits – Overpayments	2020/21	Substantial				15
Housing Benefits – Admin & Assessment	2018/19	Substantial			15	
Housing Benefit - Appeals	2019/20	Substantial			15	
Housing Benefit - DHP	2018/19	Reasonable		15		
Housing Benefit - Subsidy	2020/21	Substantial				15
Housing Benefit Testing	2019/20	N/A	15	15	15	15
Council Tax	2014/15	Substantial	15			
Council Tax Reduction Scheme	2017/18	Substantial			15	
Customer Services/Gateway	2016/17	Substantial	15			
Business Rates	2017/18	Substantial		15		
Business Rates reliefs / credits	2019/20	Substantial				15
Debtors and rechargeable Works	2018/19	Substantial		15		
Key Performance Indicators	2020/21	New	5	5	5	5
Sub-Total EKS Civica			65	65	65	65
EK Services Corporate						
Meetings/ Agree Audit Plan	N/A	Annually	5	5	5	5
Carried forward / Follow Up Reviews	N/A	Annually	15	15	15	15
Sub-Total EKS Corporate			20	20	20	20
EK Services - ICT						
ICT – Change Controls / Updates	2016/17	Substantial	15			
ICT - Data Management	2017/18	Substantial		15		
ICT – Network Security	2018/19	Substantial		15		
ICT – Procurement and Disposal	2017/18	Reasonable	15			
ICT – Physical and Environment	2019/20	Substantial			15	
ICT - Software Licensing	2016/17 (2020)	Reasonable				15
ICT - PCI-DSS	2018/19	Reasonable / Limited			15	

Plan Area	Corporate Plan and/or Corporate Risk Ref:	Year last audited	Previous Assurance level	2021-22 Planned Days	Quarter Prioritised for 2021-22	2022-23 planned days	2023-24 Planned Days	2024-25 Planned Days
ICT - Disaster Recovery	2015/16 (2020)	Sub / Reasonable				15		
Sub -Total EKS ICT			30	30	30	30		
EK Services - EKHR								
Absence Management/Annual Leave and Flexi Leave	2018/19	Reasonable		15				
Payroll, SMP and SSP	2019/20	Reasonable	15	15	15	15		
Employee Allowances and Expenses	2017/18	Sub / Reasonable	15				15	
Employee Benefits-in-kind	2019/20	Substantial / Limited			15			
Leavers / Recruitment	2016/17	Substantial	15				15	
Disclosure & Barring Service	2020/21	Limited			15			
Apprenticeships	2018/19	Sub / Reasonable		15				
Sub-Total EKS HR			45	45	45	45		
Overall EKS Plan total			160	160	160	160		