

Public Document Pack



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21 June 2023

Dear Councillor

NOTICE IS HEREBY GIVEN THAT a meeting of the **GOVERNANCE COMMITTEE** will be held in the Council Chamber at these Offices on Thursday 29 June 2023 at 6.00 pm when the following business will be transacted.

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

Yours sincerely

A handwritten signature in dark ink, appearing to be "N. Williams", written over a horizontal line.

Chief Executive

Governance Committee Membership:

H M Williams (Chairman)
S H Beer (Vice-Chairman)
M Bates
R M Knight
J P Loffman
S C Manion
L M Wright

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 4)

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

4 **MINUTES** (Pages 5 - 10)

To confirm the attached Minutes of the meeting of the Committee held on 27 February 2023 and 16 March 2023.

5 **QUARTERLY INTERNAL AUDIT UPDATE REPORT** (Pages 11 - 32)

To consider the attached report of the Head of Audit Partnership.

6 **ANNUAL INTERNAL AUDIT REPORT** (Pages 33 - 47)

To consider the attached report of the Head of Audit Partnership.

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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 at the Council Offices, Whitfield on Monday, 27 February 2023 at 6.00 pm.

Present:

Chairman: Councillor D Hannent

Councillors: S H Beer
D A Hawkes
P D Jull
P Walker

Officers: Strategic Director (Corporate and Regulatory)
Democratic Services Officer

32 APOLOGIES

An apology for absence was received from Councillor S J Jones.

33 APPOINTMENT OF SUBSTITUTE MEMBERS

There were no substitute members appointed.

34 DECLARATIONS OF INTEREST

There were no declarations of interest made by Members.

35 MINUTES

The Minutes of the meeting held on 1 December 2022 were approved as a correct record for signing by the Chairman.

36 REVISED PETITION SCHEME

The Strategic Director (Corporate and Regulatory Services) presented the report on the Revised Petition Scheme to the committee.

The current scheme, which dated from 2010 was based on now repealed statutory guidance. The proposed petition scheme sought to address lessons learned from the operation of the previous scheme and build upon best practice elsewhere. The key changes were:

- Introduction of minimum number of signatures
- Co-defining existing practice of the Overview and Scrutiny Committee as the gate keeper of petitions
- The removal of the requirement that petitions with 1600 or more automatically go to full Council
- Introduction of a minimum number of signatures (20), any fewer referred to Heads of Service to respond
- The new scheme clarified what would constitute an acceptable petition.

Members considered the report and raised the following points in their discussion:

- Whether a minimum age to sign a petition was necessary. Members considered a range of potential ages that could be suitable, which included ranges 10 – 16 years of age
- Whether the automatic referral of petitions of 1600 signatures or more should be retained. The counter argument to keeping it was that the Overview and Scrutiny Committee would be the appropriate body to debate a petition thoroughly and would then be best placed to decide whether the matter should be referred to full Council.

The following recommendation was made to the full Council:

RESOLVED: That the Governance Committee recommends to full Council that it approves the Revised Petition Scheme with the following suggested amendments

- (a) That, the minimum age requirement for signatories be 10 years old on the basis that this is the age of criminal responsibility.
- (b) That an additional paragraph be added after paragraph 2.13 that reads

“Any petition with 1600 or more signatures will automatically be referred to full Council after consideration by the Overview and Scrutiny Committee”.

37 REVIEW OF THE CONSTITUTION 2022/23

The Strategic Director (Corporate and Regulatory) presented the Review of the Constitution 2022/23. Members’ attention was drawn to the following changes that formed part of the review:

- Amendments to the Scheme of Officer Delegations
- Incorporation of previously approved new Contract Standing Orders
- Incorporation of the previously approved Members’ Allowances Scheme
- Incorporation of the previously approved Parental Leave Scheme
- Additional minor administrative changes.

Additionally, it was stated that the Scheme of Officer Delegations would need to be amended to change references to the Head of Community and Digital Services to the Head of Transformation.

Members raised the following points:

- The need for a future review to consider changes to Area Committees and Forums to reflect current arrangements
- That a review of Article 10 be included in the next review.

RESOLVED: That it be recommended to Council

- (a) That the proposed changes in the review of the Constitution 2022/23, as set out in Appendix 1 (of the report), and

specifically those changes relating to Part 3, Responsibility for Functions, Section 1 (Responsibility for Local Choice Functions), Section 2 (Responsibility for Council Functions) and Section 6, Sub Section C (Scheme of Officer Delegations) that related to Council functions be approved and incorporated into the Council's Constitution, issue no. 25.

- (b) That references to the Head of Community and Digital Services be replaced with the Head of Transformation.

The meeting ended at 6.48 pm.

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Minutes of the meeting of the **GOVERNANCE COMMITTEE** held at the Council Offices, Whitfield on Thursday, 16 March 2023 at 6.00 pm.

Present:

Chairman: Councillor P D Jull

Councillors: S H Beer
N J Collor (as substitute for Councillor S S Chandler)
D A Hawkes
S J Jones
P Walker

Also Present: Audit Manager (Grant Thornton (External Auditors))

Officers: Head of Finance and Investment
Head of Audit Partnership (East Kent Audit Partnership)
Deputy Head of Audit Partnership (East Kent Audit Partnership)
Democratic and Corporate Services Manager
Democratic Services Officer

38 APPOINTMENT OF A CHAIRMAN

In the absence of the Chairman and the Vice-Chairman, the Democratic Services Officer called for nominations for a chairman for the meeting.

It was proposed by Councillor S J Jones and duly seconded that Councillor S H Beer be elected Chairman for the duration of the meeting.

It was proposed by Councillor S H Beer and duly seconded that Councillor S J Jones be elected Chairman for the duration of the meeting.

It was proposed by Councillor D A Hawkes and duly seconded that Councillor P D Jull be elected Chairman for the duration of the meeting.

Members voted on the proposals for Chairman until one candidate remained.

RESOLVED: That Councillor P D Jull be elected Chairman for the duration of the meeting.

39 APOLOGIES

Apologies for absence were received from Councillors S S Chandler and D Hannent.

40 APPOINTMENT OF SUBSTITUTE MEMBERS

It was noted that in accordance with Council Procedure Rule 4, Councillor N J Collor had been appointed as substitute member for Councillor S S Chandler.

41 DECLARATIONS OF INTEREST

There were no declarations of interest made by Members.

42 QUARTERLY INTERNAL AUDIT UPDATE REPORT

The Deputy Head of Audit Partnership presented the Quarterly Internal Audit Update report. The report included a summary of the work completed by the East Kent Audit Partnership since the last meeting of the Governance Committee.

The Deputy Head of Audit Partnership drew Members' attention to the following points:

- The following audits were highlighted: Substantial Assurance (EKS Business Rates and EKS Discretionary Housing Payments); Reasonable Assurance (Housing Allocations and Absence Management – Annual Leave and Flexi); Reasonable/Limited Assurance (Planning Applications, Income and s.106 Agreements) and Limited Assurance (Absence Management - Sick Leave).
- The four follow-up reviews completed which had all received substantial assurance after follow-up.
- The work-in-progress in respect of the proposed 22-23 VAT audit as this had been postponed to summer 2023 due to resource implications within the finance department. The Council had accepted the risk resulted from being behind in submitting its VAT returns.
- The number of audit days completed.

Members welcomed the update and raised the following points in response:

- Expressed concerns at the number of Reasonable or Limited Assurances, in particular in respect of the level of sick leave in the organisation.
- To highlight their concerns in respect of the use and distribution of s.106 funds.
- To question the nature of the risks to the Council in respect of the postponed 22-23 VAT audit.

The Deputy Head of Audit Partnership reassured Members that reasonable and limited assurances would be followed up and an update provided to the next meeting of the Governance Committee. It was acknowledged that due to the local election there would be a change in the membership of the Governance Committee however, officers would still be in post and would ensure this was done.

Members were assured that the council was adequately managing the risks in respect of the postponed 22-23 VAT audit. The council would be back on track within the next few months.

Members noted the report.

43 INTERNAL AUDIT CHARTER AND DRAFT INTERNAL AUDIT PLAN 2023-24

The Head of Audit Partnership presented the Internal Audit Charter and Draft Internal Audit Plan 2023-24. The Audit Charter set out the overarching vision, aims

and strategy for the Internal Audit Service together with the draft plan of work for the forthcoming 12 months.

Members expressed support for the inclusion of climate change and environmental stability as a key risk following the “Risk in Focus” survey. The Head of Audit Partnership advised that there would be greater emphasis on Environment, Social and Governance factors.

RESOLVED: (a) That the Internal Audit Charter be approved and adopted for delivery of the Internal Audit Service for the next three years.

(b) That the Council’s Internal Audit Plan for 2023/24 be approved.

44 TREASURY MANAGEMENT QUARTER THREE REPORT 2022/23

The Head of Finance and Investment presented the Treasury Management Quarter Three for 2022/23 report to the Committee for its consideration and provided details of the Council’s treasury management for the quarter ended 31 December 2022.

The Council’s investment return for the period was £1,718k (annualised), which was £78k more than the original budget estimates. There had been no new long-term borrowing although £10m in short-term loans were required on 31 December for strategic cash flow purposes.

The Council had remained within its Treasury Management guidelines and complied with the Prudential Code guidelines.

With regard to a query raised by Councillor P D Jull and the value for money offered by the Council’s Treasury Management Advisors, Arlingclose, the Head of Finance and Investment was satisfied with the broad package of support provided and that having gone out to tender within the last year, they were happy they were the best value for money.

RESOLVED: That the report Treasury Management Quarter Three Report 2022/23 be noted.

45 AUDIT PROGRESS REPORT AND SECTOR UPDATE

The Audit Manager (Grant Thornton) who was in attendance remotely, presented the Audit Progress Report and Sector Update. Members were informed that the financial statements audit for 2019/20 had been certified in December 2022. In respect of the financial statements audit for 2020/21, due to delays from the unavailability of key working papers and due to a change of focus to auditing the NHS, the audit was still ongoing. The financial statement audits for 2021/22 and 2022/23 were subject to discussions with officers concerning the formation of a plan to complete these audits.

Members expressed concern that the financial statements audits for previous years were still outstanding.

The meeting ended at 6.50 pm.

Subject:	QUARTERLY INTERNAL AUDIT UPDATE REPORT
Meeting and Date:	Governance Committee – 29th June 2023
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 31 st May 2023
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 have been eight internal audit assignments completed during the period, which are summarised in the table in section 2 of the report.
- 2.8 In addition five follow-up reviews have been completed during the period, which are detailed in section 3 of the quarterly update report.
- 2.9 For the two-month period to 31st May 2023, 63.69 chargeable days were delivered against the target of 318, which equates to 20.03% plan completion.

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 2023-24 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 2023-24 - Previously presented to and approved at the 16th March 2023 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

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 May 2023.

2. SUMMARY OF REPORTS:

Service / Topic		Assurance level	No. of Recs.	
2.1	EKS - Debtors	Substantial	C H M L	0 0 0 2
2.2	Homelessness	Reasonable	C H M L	0 3 3 1
2.3	Housing Repairs & Maintenance & Void Property Management	Reasonable	C H M L	0 5 2 5
2.4	Commercial Let Properties and Concessions	Reasonable/Limited	C H M L	0 4 2 3
2.5	Employee Health & Safety	Reasonable	C H M L	0 11 3 9
2.6	GDPR Compliance within Housing	Limited	C H M L	0 9 5 2
2.7	Car Parking & Enforcement	No	C H M L	2 8 1 0
2.8	Climate Change	Not Applicable		

2.1 EK Services - Debtors – Substantial Assurance

2.1.1 Audit Scope

To ensure that the processes and procedures used by CIVICA UK are sufficient to provide the level of service required by the partner Councils and incorporate relevant internal controls regarding debtors.

2.1.2 Summary of findings

The recovery of Sundry Debts is covered by the Local Government Act 1972, the Accounts and Audit Regulations 2011, The Harbours Act 1964 and the Late Payment of Commercial Debts Regulations 2002. Sundry debts relate to all monies owed to Local Authorities other than Council Tax, Business Rates and Housing Benefit overpayments. The collection of sundry debts has been outsourced to Civica.

This audit review has focused on the role carried out by Civica UK and not the elements of the debtors process carried out by officers at each council.

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

- Established processes are in place for the sundry debtor process carried out by the Corporate Income Team within Civica.
- Performance is regularly and accurately reported by Civica to the partner Councils.
- Debts are only written off after all available recovery methods have been exhausted.

Scope for improvement was however identified in the following areas:

- Although the Income Management Policy is reviewed on a regular basis, consideration should be given to putting in a change control / version history document as part of the policy that confirms the date of any changes, who has approved them and also that the council's websites have been updated with the revised policy each year.
- There are issues with the reporting to Members and the appropriate committees at Dover and Thanet Councils regarding annual reports and write offs. EK Services are aware of this and are addressing these issues.

2.2 Homelessness – Reasonable Assurance

2.2.1 Audit Scope

To provide assurance that the Council deals fairly and efficiently with all homelessness applications whilst:

- Minimising the length of stay in temporary accommodation.
- Minimising the cost to the Council of temporary accommodation; and
- Maximising income from all available sources to cover the costs incurred.

2.2.2 Summary of Findings

The main pieces of Legislation relevant to homelessness are Part 7 of the Housing Act 1996, the Homelessness Act 2002 and most recently the Homelessness Prevention Act 2017 which came into effect in April 2018 and requires local authorities to provide more advice and resource targeted at preventing homelessness.

As at March 2023 there were 217 homelessness cases / families living in temporary accommodation which includes 240 dependent children. The general trend across Kent is that homelessness cases are rising which is correlating to increases in homeless households being placed into temporary accommodation. The cost of temporary accommodation is also increasing as demand for temporary accommodation outstrips supply as private landlords look for a better return on investment.

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

- There is an approved Homelessness and Rough Sleeping Strategy in place that meets the requirements of the Homelessness Act 2002.
- The Council is operating in compliance with legislative requirements and has good processes in place for the assessment of homelessness applications.
- There are processes and tools in place for moving homelessness families from temporary accommodation into permanent secure accommodation, although this is becoming harder to achieve as less and less housing is available for rent.
- There are effective processes in place in relation to the financial administration of temporary accommodation up to the point of tenant debt recovery.
- There are KPIs in place and good governance arrangements for monitoring the homelessness service.

Scope for improvement was however identified in the following areas:

- Training is required for managers to produce their own in-year budget monitoring reports within the Tech One system.
- The Rent Deposit Scheme processes in place need to be reviewed as there are inconsistencies in the audit trail for the processing of payments to landlords in relation to rent in advance, rent deposits and financial incentives to landlords.
- The Council is not consistently utilising discretionary housing payments (DHP) for payments made to landlords through financial incentives for housing homelessness cases.
- Recovery processes could be improved.

2.3 Responsive Repairs & Maintenance. & Void Properties – Reasonable Assurance

2.3.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that that the Council's housing stock is well maintained, proving a good level of service to Council tenants (which demonstrates value for money and tenant participation), in partnership with the Council's contractors and in accordance with Council policy and procedures.

2.3.2 Summary of Findings

Dover District Council is responsible for managing and delivering planned and cyclical maintenance works and responsive repairs for a combined stock of approximately 4,350 council dwellings. For 2022/23 an initial budget of £1.25m was approved for responsive repairs and maintenance which has recently been increased to £2m largely due to the impact on damp and mould requests for work.

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

- Control over routine repairs and maintenance work and voids are good. There was evidence to demonstrate officers were proactively detecting contractor issues through a good programme of post inspections.
- Budget monitoring controls are well established.
- Contractor performance is adequately monitored.
- There is a sufficient 35 year planned maintenance programme in place although there is a need for the Council to review the reliability of the stock condition data being used to produce this plan.
- Information made available to tenants and tenant involvement processes were well established and helps the Council demonstrate compliance with the tenant involvement and empowerment standard with the exception of complaint handling processes which was identified as an area of improvement.
- The Council is managing well with the unforeseen increase in demand for investigations and work requests relating to damp and mould, however this is an area that is likely to take up significant officer and financial resource again next winter.

Scope for improvement was however identified in the following areas:

- There is a need to introduce a Responsive Repairs Policy that sets out objectives, roles and responsibilities and contract management processes and is aligned to the Decent Homes Standard of getting repairs 'right first time'.
- The co-ordination and handling of housing complaints and the processes that underpin them require review and improvement.
- Using the IDEA software to data match, two discrepancies were identified between the list of properties on the Finance Record of Properties and those listed on the Housing Records.
- The average cost of void variations from the sample tested was £557.50 higher than the estimate and whilst there are sufficient processes in place to control void variations there were some weaknesses identified in the audit trail of the processes in place.

2.4 Commercial Let Properties and Concessions – Reasonable/ Limited Assurance
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2.4.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that the Council derives the maximum value from its let

properties and concessions and that where applicable these lettings further support the Council's regeneration aims and aspirations.

2.4.2 Summary of Findings

CiPFA sets out the purpose of Asset Management *'to align the asset portfolio with the needs of the organisation. Corporate objectives express the needs and wishes of the organisation at high level; the asset requirements to deliver these objectives should be expressed in a medium/long term plan (five to ten years), variously known in different organisations as an asset strategy, an asset management strategy or a corporate property strategy. The conversion of these corporate aims and visions into asset reality is the business of the asset management plan'*.

The Council has a total of 124 mixed use assets within its corporate property portfolio with an insurable re-build value of £164.5 million (excluding housing and garages). The mix of usage is summarised below: -

Property Usage	Re-build Value	Number of Units
Leased Offices	£7,555,239	3
Leased Industrial	£4,139,315	10
Leased Sports & Leisure	£61,783,085	47
Leased Shops & Hotels	£26,018,723	27
Leased Commercial & Charity	£60,950,982	19
Dolphin House (Flats)	£2,805,063	12
Dolphin House (Shops)	£1,236,971	6
Total	£164,489,378	124

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

- Income and debt management arrangements are generally working effectively.
- Records management is good.
- There are adequate insurance arrangements in place.
- There are 145 leases in place, 96 of which have no provision for periodic rent reviews. Of the remaining 49 leases, 42 are up to date with their rent reviews.

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

- There is not an up-to-date Asset Management Plan in place with objectives which aligns the asset portfolio with the needs of the organisation. The Council is relying on an Asset Management Plan covering the period 2008 – 2013.
- There are no performance indicators in place to monitor performance.
- There is a need to review and update all policies in place.
- The overall arrangements in place for Crabble Rugby Club Pavilion and New Century Nursery in North Deal need to be looked at by management.

Management Response

We welcome the audit findings and are progressing with the agreed actions.

Asset Manager

2.5 Employee Health & Safety – Reasonable Assurance

2.5.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the policies and procedures established to protect Council staff in relation to various health and safety issues, such as fire safety, lone working and home working, whilst also taking into account the legislative requirements placed upon the Council as their employer.

2.5.2 Summary of Findings

At the time of the Audit, it was made known that there is currently a move from the use of multiple filing methods by managers to the use of a single dedicated recording system: AssessNET (a dedicated Health and Safety document recording system). It was the use of this current and preferred method that has been reviewed as moving forward it is to be the dedicated system for all things relating to Health & Safety for the Council.

Although AssessNet has been implemented in January 2020 this was at the onset of the Pandemic. During this period, due to other Council priorities, the system was not embedded within the planned timescales. The system is now being used but is in its infancy stage. The industry standard for a system of this type would take three years to become fully embedded and operational.

Since conducting this Audit the Corporate Health and Safety function moved reporting lines on 1 April 2023 and now sits within the Human Resource Department reporting to the Head of HR, Payroll and Communications.

The current overall spend for corporate Health and Safety (includes first aid, PPE, fire safety, training etc) is as follows:

Year	Total
2020/21	£122,196
2021/22	£128,863

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

- There is an appropriate system in place for the reporting of all accidents, incidents and near misses which is managed by the Health & Safety Advisor (HSA); scrutinised by the Joint Health, Safety and Welfare Consultative Forum and a reminder to managers on reportable incidents under RIDDOR by HR via the sickness reporting process.
- Health, Safety and Welfare matters are being reported to, scrutinised and where possible actioned by a Joint Health, Safety and Welfare Consultative Forum.
- PPE is being identified via risk assessments and method statements.
- Working from Height has been considered and documented via risk assessments. A ladder register is also being managed and maintained.
- Home, Lone and flexible working policies are in place with a further policy regarding hybrid working currently out for consultation. Within these policies health, safety and well-being are documented and promoted.
- Insurance provision is adequate and up to date.

Scope for improvement was however identified in the following areas:

- A full workplace risk profile assessment needs to be undertaken, documented and findings reported to management. This then follows on to ensuring all other risk assessments and method statements (to include manual handling, working from height, Fire Safety, First Aid, PPE, Issue and use of Ladders etc.) are being carried out and documented via the AssessNET system which allows for assigning an appropriate manager and for a review process to occur.
- Fire Safety records and safety testing need to be up to date and undertaken in accordance with the fire safety policy. Electrical testing (PAT testing) was being scheduled for late April and a Lift inspection requires to be undertaken,
- The implementation of a full training programme, its management and monitoring require to be documented via the Health & Safety Policy. Once recognised and detailed (along with frequency on renewals) staff should keep this up to date.
- A first aid needs assessment should be regularly carried out to assess the Council's needs with any findings actioned.
- The asbestos register requires to be updated with the recent survey information. Any follow-up actions to recommendations made within these surveys should also be evidenced.
- Whilst the Council has a Health and Safety Policy and Procedures in place that are reviewed and updated on a regular basis there is no document change control process and no review timeframe specified. It should also be noted that whilst policies and procedures are available via the SharePoint pages these need to be actively promoted.

2.6 GDPR Compliance within Housing – Limited Assurance

2.6.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that the housing service 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 Data Protection Act 2018.

2.6.2 Summary of Findings

The General Data Protection Regulation came in to force on 25th May 2018. To date 12 high profile fines have been issued by the ICO to 12 UK organisations ranging from £22m to British Airways to £11k to HIV Scotland. Nearly all the fines were issues for breach of Article 5 (1) f of the GDPR which relates to 'insufficient technical and organisational measures to ensure information security'.

So far there have been two pieces of audit consultancy work commissioned by senior management in 2018 and 2020 that focused on helping the Council reach a reasonable compliance position. This audit focuses on the housing service provided to tenants and homelessness applicants because it is one of the higher risk areas for the Council due to the nature and volume of the personal and very sensitive data being processed.

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

- There are some gaps contained within the current Record of Processing Activities which need to be addressed.
- There is not a sufficient programme of information audits in place to monitor compliance across the organisation.
- There is incorrect information contained within the two housing related privacy notices when cross referencing them to other data protection documentation.
- The completion of Data Protection Impact Assessments (DPIAs) and Technical Landscape Documents which are documents used to assess high risk processes and to assess the security capabilities of new cloud-based systems needs to improve.
- Hard copy files containing personal and sensitive data and information are likely to still in circulation within Housing Options and Housing Needs and presents a risk to data protection processes in place in particularly relation to subject access requests, document retention and data security.

Effective control was however evidenced in the following areas:

- There are good processes in place for the processing of Subject Access Requests.
- There were no additional unknown data breaches discovered as part of the audit.
- There are sufficient data protection policies and procedures in place, and these are easily accessible to staff working within Housing and Housing Options.
- The culture for reporting data breaches and data protection in general is positive.
- The data protection training materials are good, and this training has had a positive impact on data breaches from human error, however refresher training is now overdue.

Management Response

We welcome the audit findings and the support provided to identify options for resolving the issues raised. We are progressing well with the agreed actions, with some already completed and resolved.

Corporate Response.

2.7 Car Parking & Enforcement – No Assurance

2.7.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that:

- Car park machine income (on-street and off-street) is adequately monitored and reconciled to expected income and that income trends are monitored for individual car parks for management information.
- Income due to the Council from PCNs is adequately monitored and reconciled to expected income and that income trends are monitored for management information.

2.7.2 Summary of Findings

The primary findings giving rise to the No Assurance opinion are as follows:

- The Council is not complying with its Data Retention schedule for PCN related information and as a result is holding information relating to 9,079 PCNs which should have been deleted; it therefore is not complying with GDPR regulations.
- The Council has not published an Annual Parking report for 21/22; it therefore is not complying with the Traffic Management Act 2004.
- Income received from car parking machines has not been reconciled by Finance Officers to confirm that it has been banked in full since July 2022.
- CEOs are not being provided with suitable equipment to enable them to fulfil their enforcement duties efficiently and effectively.
- Management do not undertake analytical reviews of income being generated by the parking function to identify trends or underperforming car parks or residential permit areas. Similarly no analytical reviews take place around PCNs.
- Insufficient information is being added to the PCN system to adequately explain the reasons for cancelling PCNs.
- There is no evidence in place to show that Senior Officers are reviewing PCNs cancelled or written off.
- No reports of write offs have been submitted to the Council's Governance Committee in 22/23 in accordance with the Council's constitution.
- Unpaid PCNs are being submitted to Collection Agents in large batches infrequently rather than smaller more manageable batches at a regular frequency.
- No performance indicators are in place for the parking enforcement function.

Procedures were found to be in place and working effectively in the following areas:

- Staff involved in the car parks system are aware of, and have copies of, the relevant regulations, legislation and procedures.
- All PCNs tested were found to have been correctly issued and have sufficient evidence in place to support the issuing of the PCN.
- All fees being charged in each car park or street are in accordance with the Approved Fees and Charges.
- Sound procedures were found to be in place to ensure that the cash received from parking machines reconciles to audit tickets generated by parking machines.
- 9.5 FTE CEOs are in place to effectively enforce all on and off-street parking across the whole of the district all year.
- Suitable procedures are in place to ensure that evidence is being provided to support residential and business permits.
- Permits are not issued until the correct fee has been paid.

Management Response

The Parking services audit was carried in agreement of the new HoS with an agreed criteria for the audit looking at the current service condition, the causes attributable to the present delivery model and identifying the consequences of ineffective practice. We thank the auditor and although disappointing, welcome the findings and we are now already making strong improvements to the agreed corrective actions required to ensure sustained robust service improvement.

Head of Community and Digital Services

2.8 Climate Change – Not Applicable

2.8.1 Summary of Findings

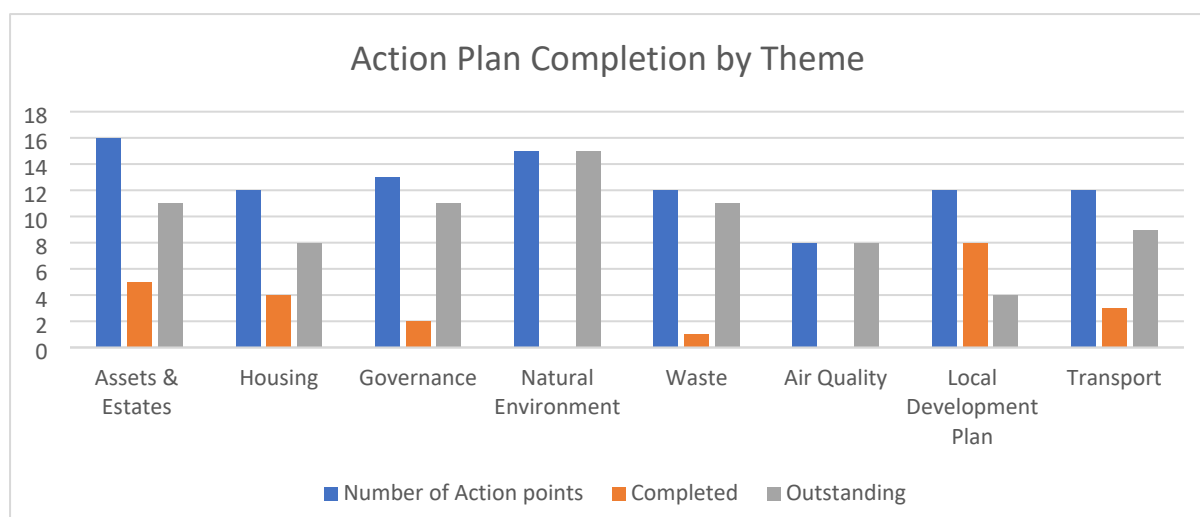
Internal Audit has now concluded follow-up of the agreed management actions resulting from the initial review of Climate Change, which was completed in February

2022. However, it should be noted that this was a position statement review that was designed to review progress to date, highlight any gaps, and suggest further ways of reaching the Council's zero net carbon and improved biodiversity goals.

This position statement report contained 31 ideas for improvement detailed under 11 subheadings (which are now the priorities distinguished within the Climate Change Strategy), for management to consider in taking action to ensure the Council meets its pledge to be net zero by 2030. The table below identifies what these were, any management comments on progress and whether or not they have been implemented to date.

The previous audit concluded that the Council has some positive high-profile projects in the pipeline such as the new electric Fastrack service which will connect large housing estates in Whitfield to the town centre and the train station in the most efficient way. The district also boasts some high-quality green spaces. However, the Council has a way to go in adopting a joined-up collaborative approach to tackling the climate and ecological crises, both internally with staff and with external stakeholders. Staff education and engagement is crucial since climate change is immense. It cuts across all departments and affects every person. The Council must raise the profile of climate change amongst staff and invite participation from everyone. Currently the message is just not reaching people and the Council is missing an opportunity to get support and expertise in-house.

Theme	Action Points				Time-scales					Co mpleted	Outsta nding
	Total Number of Action points	Emission within our control	Emissions within our influence	Emissions of concern	Short term	Medium Term	Long Term	Not set	On-going		
Assets & Estates	16	10	2	4	3	4	4	2	3	5	11
Housing	12	4	5	3	2	0	5	5	0	4	8
Governance	13	7	4	2	3	4	2	4	0	2	11
Natural Environment	15	9	2	4	0	2	10	0	3	0	15
Waste	12	3	4	5	3	0	5	4	0	1	11
Air Quality	8	3	3	2	1	0	4	3	0	0	8
Local Development Plan	12	3	6	3	2	2	7	0	1	8	4
Transport	12	5	4	3	3	2	7	0	0	3	9



2.8.2 Conclusion

The Council's Climate Change Process continues to improve; of the 31 ideas for improvement put forward, 5 remain outstanding, 2 have been considered and no action taken; 2 have been partially implemented; 4 have been implemented with further actions to be considered; 10 have been implemented and remain on-going and 8 have been fully implemented.

It should also be noted that there is also a Climate Strategy (dated January 2021) in place and available to download via the Council's website. Both the strategy and action plan have been linked within the comments towards progress, there has been some forward motion and action points have been identified.

3.0 FOLLOW UP OF AUDIT REPORT ACTION PLANS:

- 3.1 As part of the period's work, five 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) Food Safety	Substantial	Substantial	C H M L	0 0 1 0	C H M L	0 0 0 0
b) Grounds Maintenance	Reasonable /Limited	Reasonable	C H M L	0 6 4 3	C H M L	0 1 0 0
c) Garden Waste & Recycling Income	Limited	Limited	C H M L	0 2 4 1	C H M L	0 1 2 2
d) Cloud Computing	Reasonable	Reasonable	C H M L	0 4 0 5	C H M L	0 0 0 2
e) Phones, Mobiles and Utilities	Reasonable /Limited	Reasonable/ Limited	C H M L	0 7 3	C H M	0 1 0

Service/ Topic	Original Assurance level	Revised Assurance level	Original Number of Recs	No of Recs Outstanding	
			4	L	2

- 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.

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.

c) Garden Waste & Recycling Income - The day-to-day management and collection of garden waste fees is generally working well. However, a full reconciliation of expected income against actual income received remains absent. The Waste Services Team continue to seek guidance from the Accountancy Team on how best to achieve this, meanwhile the risk is being tolerated and the assurance level after follow up remains Limited.

Management Response

The need to tighten the financial control mechanisms covering garden waste transactions is recognised and accepted, however, at the current time, progress towards achieving this has been hampered by the departure and absences of key members of staff. There is commitment to resolve the situation as soon as is practicable. **Waste Services Manager.**

e) Phones, Mobiles and Utilities - The Council has made steady progress to improve the management of phones, mobile phones and utilities since the initial audit took place in November 2022, however, a change in senior management has slowed progress and more needs to be done to ensure new responsibilities and control improvements are embedded.

Phones

The management of phone lines across the Council has improved. Management is now getting to know which phone lines are essential and which can be closed. This work requires ongoing pro-active collaboration between staff working within the property services team, individual service managers and accountancy.

Mobile Phones

The management of mobile phones is good, however there are still mobile phones or tablets in existence with out-of-date operator systems which is posing a small level of security risk. Management have provided assurance that this is going to be addressed over the summer 2023.

Utilities

Management is now monitoring meter readings on a spreadsheet within property services. This is a control improvement; however senior management are aware that not all meters are currently contained on the spreadsheet and an ongoing project over the following year will be required to sufficiently improve the control in this area.

Management Response

We welcome the audit findings and are progressing well with the agreed actions, with a number already completed and resolved – **Head of Finance & Housing**.

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 Protection Service Requests, Cyber Security, Waste Management & Street Cleansing, Leasehold Services, and VAT had been delayed at client request.

5.0 CHANGES TO THE AGREED AUDIT PLAN:

- 5.1 The 2023-24 Audit plan was agreed by Members at the meeting of this Committee on 16th March 2023.
- 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.

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 two-month period to 31st May 2023, 63.69 chargeable days were delivered against the target of 318, which equates to 20.03% plan completion.
- 7.2 The financial performance of the EKAP is currently on target at the present time.
- 7.3 Thee 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.

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 31-05-2023 against the agreed 2023-24 Audit Plan. |
| Annex 4 | 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>Grounds Maintenance – May 2023:</i>		
The Council should consider introducing performance indicators linked to the Grounds Maintenance service standards once these have been formally approved.	<p>Will be generated through the Confirm system once the new officer is appointed.</p> <p>Proposed Completion Date & Responsibility</p> <p>March 2023 - Parks and Open Spaces Manager (DS)</p>	<p>Management Comment:</p> <p>This recommendation is outstanding with intent to action. This will be completed once the newly appointed Cabinet is in place.</p> <p>Outstanding. Revised Implementation Date – October 2023.</p>
<i>Garden Waste & Recycling Income – May 2023:</i>		
<p>Moving forward the payment process should be amended to ensure:</p> <ul style="list-style-type: none"> • That the correct sack fee is being charged, including those purchased with a subscription, • All sacks sale fees are correctly coded; and • That VAT is appropriately accounted for on all garden waste sacks sale, including those purchased with a subscription. <p>A VAT adjustment should be calculated for garden sack sales where it has not already been correctly accounted for and actioned for both the current year (2022/23) and 2021/22 where necessary.</p>	<p>Agreed, the Cost rates have all been amended on the various online platforms; and it is understood that that updated online rate took account of the VAT requirement however, the service is between 'accountants' so will ensure that this is in fact the case.</p> <p>Proposed Completion Date</p> <p>January 2023 before scheme is opened for renewals.</p> <p>Responsibility</p> <p>Waste Services Manager in liaison with the Finance Team</p>	<p>Advice / support on this matter being sought from Accounts team.</p> <p>Outstanding.</p>

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>Phones, Mobiles and Utilities</i>		
Management should acknowledge that 21 of the 214 DDC mobile phones or tablets had an operating system of 12 or 13 which may expose the Council to some security risks if not updated.	<p>The Digital Team have sent email to those affected. Digital Team to send email to line managers to ensure that the updates happen.</p> <p>Proposed Completion Date & Responsibility</p> <p>Digital Lead (AR) - March 2023</p>	<p>Management Comment: Management have completed a report and have budget code for completing the out of support mobile devices. Management will be looking to order these over the next 2 months.</p> <p>Recommendation outstanding with intention to implement. Revised implementation date August 2023.</p>

SERVICES GIVEN LIMITED / NO ASSURANCE LEVELS YET TO BE REVIEWED			
Service	Reported to Committee	Level of Assurance	Follow-up Action Due
<u>Absence Management:</u> Sick Leave; Annual Leave; and Flexi Leave.	16-03-2023	Limited Reasonable Reasonable	Spring/Summer 2023
Planning Applications, Income & s.106 Agreements	16-03-2023	Reasonable/Limited	Spring/Summer 2023
GDPR Compliance within Housing	29-06-2023	Limited	Summer 2023
Car Parking & Enforcement	29-06-2023	No	Autumn 2023
Commercial Let Properties and Concessions	29-06-2023	Reasonable/Limited	Autumn 2023

**PROGRESS AGAINST THE AGREED 2023-24 AUDIT PLAN
DOVER DISTRICT COUNCIL**

Review	Original Planned Days	Revised Planned Days	Actual days to 31-05- 2023	Status and Assurance Level
FINANCIAL SYSTEMS:				
Car Parking & Enforcement	10	0	0	See finalisation of 22-23 audits
HOUSING SYSTEMS:				
Homelessness	10	10	8.34	Finalised - Reasonable
Void Property Management	10	0	0	See finalisation of 22-23 audits
Contract Letting & Management	10	10	0.18	Work-in-Progress
Resident Involvement	10	10	0	Quarter 3
Anti-Social Behaviour	5	5	0	Quarter 3
Energy Efficiency	10	10	0	Quarter 4
HR RELATED:				
Payroll	6	6	0	Work-in-Progress
GOVERNANCE RELATED:				
Members' Code of Conduct & Standards	10	10	0.97	Work-in-Progress
Local Code of Corporate Governance	10	10	0.86	Quarter 3
Risk Management	10	10	0	Quarter 3
Corporate Advice/ CMT	2	2	1.44	Ongoing
s.151 Meetings & Support	9	9	3.27	Ongoing
Governance Committee Meetings & Reports	12	12	2.74	Ongoing
2023-24 Audit Plan Preparation & Meetings	9	9	0	Quarter 4
COUNTER FRAUD & CORRUPTION:				
Counter Fraud	10	10	0	Quarter 2
CONTRACT RELATED:				
Procurement	10	10	0	Quarter 3
ICT RELATED:				
Change Controls	13	13	0	Quarter 3
Cyber Security	13	13	2.5	Work-in-Progress
Physical & Environmental Controls	13	13	0	Quarter 4

Review	Original Planned Days	Revised Planned Days	Actual days to 31-05- 2023	Status and Assurance Level
SERVICE LEVEL:				
Commercial Let Properties & Concessions	10	10	8.76	Work-in-progress
Community Safety	10	10	0	Quarter 3
Climate Change	5	5	0	Quarter 4
Dog Warden, Fly Tipping & Litter Enforcement	10	10	0	Quarter 3
Electoral Registration	10	10	0	Quarter 4
Port Health	10	10	0	Quarter 2
Environmental Protection Service Requests	10	10	6.08	Work-in-progress
Equality & Diversity	10	10	0	Quarter 4
Events Management	8	8	0.18	Work-in-progress
Building Control	10	10	0	Quarter 4
Waste Management & Steet Cleansing	10	10	5.35	Work-in-progress
OTHER:				
Liaison with External Auditors	1	1	0.19	Work-in-progress throughout 2023-24
Follow-up Work	15	15	1.92	Work-in-progress throughout 2023-24
FINALISATION OF 2022-23 AUDITS:				
Car Parking & Enforcement	5	15	2.76	Finalised – No Assurance
Employee Health & Safety			6.12	Finalised - Reasonable
Leasehold Services			7	Work-in-progress
VAT			0.08	Delayed at Client Request
Responsive Repairs & Maintenance & Void Property Management			1.09	Finalised - Reasonable
Safeguarding			2.41	Draft Report
GDPR			0.18	Finalised - Limited
RESPONSIVE ASSURANCE:				
Performance Management	0	10	0	To be undertaken instead of Void Property Management
Elections	0	0	1.27	Finalised
TOTAL	318	318	63.69	20.03%

**PROGRESS AGAINST THE AGREED 2023-24 AUDIT PLAN
EAST KENT SERVICES**

Review	Original Planned Days	Revised Planned Days	Actual Days to 31/05/2023	Status and Assurance Level
EKS REVIEWS:				
Housing Benefits Administration	15	15	0.11	Quarter 2
Housing Benefits Testing	20	20	0.27	Quarter 1
Council Tax Reduction Scheme	15	15	0.10	Quarter 3
Customer Services	15	15	0	Quarter 4
OTHER:				
Corporate/ Committee	4	4	1.43	Ongoing
Follow Up	2	2	0.04	Ongoing
FINALISATION OF 2022-23 AUDITS:				
Debtors	2	2	1.45	Finalised - Substantial
Data Management	1	1	1.01	Draft Report
TOTAL	74	74	4.42	5.97%

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:	ANNUAL INTERNAL AUDIT REPORT
Meeting and Date:	Governance Committee – 29th June 2022
Report of:	Christine Parker – Head of Audit Partnership
Decision Type:	Non-key
Classification:	Unrestricted
Purpose of the report:	This report provides a summary of the work undertaken by the East Kent Audit Partnership to support the annual opinion. The report includes the Head of Audit Partnership's opinion on the overall adequacy and effectiveness of the system of internal control in operation and informs the Annual Governance Statement for 2022-23, together with details of the performance of the EKAP against its targets for the year ending 31 st March 2023.
Recommendation:	That Members note the Opinion of the Head of Audit Partnership. That Members note the Annual Report detailing the work of the EKAP and its performance to underpin the 2022-23 opinion.

Internal Audit Annual Report 2022-23.

SUMMARY

The main points to note from the attached report are the majority of reviews have given a substantial or reasonable assurance and there are no major areas of concern that would give rise to a qualified opinion for 2022-23.

1.0 INTRODUCTION

1.1 The primary objective of Internal Audit is to provide independent assurance to Members, the Chief Executive, Directors and the Section 151 Officer on the adequacy and effectiveness of those systems on which the Authority relies for its internal control. The purpose of bringing forward an annual report to members is to:

- Provide an opinion on the overall adequacy and effectiveness of the Council's internal control environment.
- Present a summary of the internal audit work undertaken to formulate the opinion, including reliance placed on work by other assurance bodies,
- Draw attention to any issues the Head of the Audit Partnership judges particularly relevant to the preparation of the Annual Governance Statement.
- Compare actual audit activity with that planned, and summarise the performance of Internal Audit against its performance criteria.
- Comment on compliance with the Public Sector Internal Audit Standards (PSIAS) and report the results of the Internal Audit quality assurance programme.
- Confirm annually that EKAP is organisationally independent, whether there have been any resource limitations or instances of restricted access.

1.2 The report attached as Annex A therefore summarises the performance of the East Kent Audit Partnership (EKAP) and the work it has performed over the financial year 2022-23 for Dover District Council, and provides an opinion on the system for governance, risk

management and internal control based on the audit work undertaken throughout the year, in accordance with best practice. In providing this opinion, this report supports the Annual Governance Statement.

- 1.3 The EKAP delivered 99.61% of the agreed audit plan days to DDC. The performance figures for the East Kent Audit Partnership as a whole for the year show good performance against the targets. It is the opinion of the Head of Audit that sufficient work has been undertaken to be able to support an opinion for 2022-23.
- 1.4 No system of control can provide absolute assurance, nor can Internal Audit give that assurance. This opinion is intended to provide assurance that there is an ongoing process for identifying, evaluating and managing the key risks.

Background Papers

- **Internal Audit Annual Plan 2022-23 - Previously presented to and approved by the Governance Committee.**
- **Internal Audit working papers - Held by the East Kent Audit Partnership.**

Resource Implications

There are no financial implications arising directly from this report. The costs of the internal audit work have been met from the Financial Services 2022-23 budget.

Consultation Statement

Not Applicable.

Impact on Corporate Objectives and Corporate Risks

The recommendations arising from each individual internal audit review are designed to strengthen the Council's corporate governance arrangements, control framework, counter fraud arrangements and risk management arrangements, as well as contributing to the provision of economic, efficient and effective services to the residents of the District. This report summarises the work of the East Kent Audit Partnership for the year 2022-23 in accordance with the Public Sector Internal Audit Standards.

Attachments

Annex A – East Kent Audit Partnership Annual Report 2022-23

CHRISTINE PARKER
Head of Audit Partnership

Internal Audit Annual Report for Dover District Council 2022-23

1. Introduction

The Public Sector Internal Audit Standard (PSIAS) defines internal audit as:

“Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.”

A more detailed explanation, of the role and responsibilities of internal audit, is set out in the approved Audit Charter. The East Kent Audit Partnership (EKAP) aims to comply with the PSIAS, and to this end has produced evidence to the s.151 and Monitoring Officers to assist the Council’s review of the system of internal control in operation throughout the year.

This report is a summary of the year, a snapshot of the areas at the time they were reviewed and the results of follow up reviews to reflect the actions taken by management to address the control issues identified. The process that the EKAP adopts regarding following up the agreed recommendations will bring any outstanding high-risk areas to the attention of members via the quarterly reports, and through this annual report if there are any issues outstanding at the year-end.

2. Objectives

The majority of reviews undertaken by Internal Audit are designed to provide assurance on the operation of the Council’s internal control environment. At the end of an audit we provide recommendations and agree actions with management that will, if implemented, further enhance the environment of the controls in practice. Other work undertaken, includes the provision of specific advice and support to management to enhance the economy, efficiency and effectiveness of the services for which they are responsible. The annual audit plan is informed by special investigations and anti-fraud work carried out as well as the governance processes and risk management framework of the Council.

A key aim of the EKAP is to deliver a professional, cost effective, efficient, internal audit function to the partner organisations. The EKAP aims to have an enabling role in raising the standards of services across the partners through its unique position in assessing the relative standards of services across the partners. The EKAP is also a key element of each councils’ anti-fraud and corruption system by considering fraud risk throughout its work, and by acting as a deterrent to would be internal perpetrators.

The four partners are all committed to the principles and benefits of a shared internal audit service and have agreed a formal legal document setting out detailed arrangements. The statutory officers from each partner site (the s.151 Officer) together form the Client Officer Group and govern the partnership through annual meetings. The shared arrangement for EKAP also secures organisational independence, which in turn assists EKAP in making conclusions about any resource limitations or ensuring there are no instances of restricted access.

3. Internal Audit Performance Against Targets

3.1 EKAP Resources

The EKAP has provided the service to the partners based on a FTE of 7.23.

3.2 Performance against Targets

The EKAP is committed to continuous improvement and has various measures to ensure the service can strive to improve. The performance measures and indicators for the year are shown in the balanced scorecard of performance measures at Appendix 4. The measures themselves were reviewed by the Client Officer Group at their annual meeting and no changes were made.

3.3 Internal Quality Assurance and Performance Management.

All internal audit reports are subject to review, either by the relevant EKAP Deputy Head of Audit or the Head of the Audit Partnership; all of whom are Chartered Internal Auditors. In each case this includes a detailed examination of the working papers, action and review points, at each stage of report. The review process is recorded and evidenced within the working paper index and in a table at the end of each audit report. Detailed work instructions are documented within the Audit Manual. The Head of Audit Partnership collates performance data monthly and, together with the monitoring of the delivery of the agreed audit plan carried out by the relevant Deputy Head of Audit, regular meetings are held with each s.151 Officer. The minutes to these meetings provide additional evidence to the strategic management of the EKAP performance.

3.4 External Quality Assurance

The external auditors, Grant Thornton, conducted a review in February 2023 of the Internal Audit arrangements. They have concluded that, where possible, they can place reliance on the work of the EKAP. See also 3.6.1 below.

3.5 Liaison between Internal Audit and External Audit

Liaison with the audit managers from Grant Thornton for the partner authorities and the EKAP is undertaken largely via email to ensure adequate audit coverage, to agree any complementary work and to avoid any duplication of effort. The EKAP has not met with any other review body during the year in its role as the Internal Auditor to Dover District Council. Consequently, the assurance, which follows is based on EKAP reviews of Dover District Council's services.

3.6 Compliance with Professional Standards

- 3.6.1 The EKAP self-assessment of the level of compliance against the Public Sector Internal Audit Standards shows that some actions are required to achieve full compliance which EKAP will continue to work towards. There is however, no appetite with the Client Officer Group to undertake an External Quality Assessment of the EKAP's level of compliance, relying on a review by the s.151 officers of the self-assessment, and the collective view of the EKAP Client Officer Group. Consequently, the EKAP can say that it partially conforms with PSIAS and this risk is noted in the AGS.
- 3.6.2 The internal audit activity adds value to the organisation (and its stakeholders) when it provides objective and relevant assurance, and contributes to the effectiveness and efficiency of governance, risk management and control processes.
- 3.6.3 The EKAP as required by the standards has demonstrated that it achieved the Core Principles in three key ways. Firstly, by fulfilling the definition of Internal Auditing which is the statement of fundamental purpose, nature and scope of internal auditing. The definition is authoritative guidance for the internal audit profession (and is shown at paragraph 1 above). Secondly, by demonstrating that it has been effective in achieving its mission showing that it; -

- Demonstrates integrity.
- Demonstrates competence and due professional care.
- Is objective and free from undue influence (independent).
- Aligns with the strategies, objectives, and risks of the organisation.
- Is appropriately positioned and adequately resourced.
- Demonstrates quality and continuous improvement.
- Communicates effectively.
- Provides risk-based assurance.
- Is insightful, proactive, and future-focused.
- Promotes organisational improvement.

And thirdly, by complying with The Code of Ethics, which is a statement of principles and expectations governing behaviour of individuals and organisations in the conduct of internal auditing. The Rules of Conduct describe behaviour norms expected of internal auditors. These rules are an aid to interpreting the Core Principles into practical applications and are intended to guide the ethical conduct of internal auditors. Throughout 2022-23 the EKAP has been able to operate with strong independence, free from any undue influence of either officers or Members.

3.7 Financial Performance

Expenditure and recharges for the year are in line with the Internal Audit cost centre hosted by Dover District Council. Some unplanned income has created a minor saving in year. The EKAP was formed to provide a resilient, professional service and therefore achieving financial savings was not the main driver, despite this, efficiencies have been gained through forming the partnership. The partnership councils have each received a refund of a share of £7,136.76 based on the number of days per partner in the overall plan. This has also reduced the cost per audit day. (See Appendix 4 for full details).

4. Overview of Work Done

The original audit plan for 2022-23 included a total of 24 projects. EKAP has communicated closely with the s.151 Officer, CMT and this Committee to ensure the projects undertaken continued to represent the best use of resources. As a result of this liaison some changes to the plan were agreed during the year. A few projects (8) have therefore been pushed back in the overall strategic plan, to permit one higher risk project to come forward in the plan and to finalise (10) projects from the 2021-22 plan. The total number of projects completed was 25, with 2 being work in progress at the year-end to be finalised in April.

Review of the Internal Control Environment

4.1 Risks

During 2022-23, 97 recommendations were made in the agreed final audit reports to Dover District Council. These are analysed as being Critical, High, Medium or Low risk in the following table:

Risk Criticality	No. of Recommendations	Percentage
Critical	2	2%
High	33	35%
Medium	34	36%
Low	26	27%
TOTAL	97	100%

Naturally, more emphasis is placed on recommendations for improvement regarding critical and high risks. Any high priority recommendations where management has not made progress in implementing the agreed system improvement are brought to management and members' attention through Internal Audit's quarterly update reports. During 2022-23 the EKAP has raised and escalated seven recommendations to the quarterly Governance Committee meetings. Across the year a total of 97 recommendations were agreed, and whilst 37% were in the Critical or High-Risk categories, none require further escalation at this time.

4.2 Assurances

Internal Audit applies one of four 'assurance opinions' to each review, please see Appendix 1 for the definitions. This provides a level of reliance that management can place on the system of internal control to deliver the goals and objectives covered in that particular review. The conclusions drawn are described as being "a snapshot in time" and the purpose of allocating an assurance level is so that risk is managed effectively, and control improvements can be planned. Consequently, where the assurance level is either 'no' or 'limited', or where high priority recommendations have been identified, a follow up progress review is undertaken and, where appropriate, the assurance level is revised.

The summary of Assurance Levels issued on the fifteen pieces of completed work for Dover District Council, together with the finalisation of the ten 2021-22 audits is as follows:

NB: the percentages shown are calculated on finalised reports with an assurance level

Assurance	No.	Percentage of Completed Reviews
Substantial	3	14%
Reasonable	9	43%
Limited	8	38%
No	1	5%
Not Applicable	4	-
Work in Progress at Year-End	2	-

NB: 'Not Applicable' is shown against special investigations or work commissioned by management that did not result in an assurance level.

Taken together 57% of the twenty-one reviews (with an assurance level) account for substantial or reasonable assurance. and 43% of reviews received a low level of assurance to management on the system of internal control in operation at the time of the review. (Please see Section 4.3 on Progress Reports).

There were nine reviews completed on behalf of EK Services and the assurances for these audits were – six Substantial, one (partially) Limited, two Not Applicable, one review was work in progress at the year-end and none were Deferred. Information is provided in Appendix 3.

For each recommendation, an implementation date is agreed with the Manager responsible for implementing it. Understandably, the follow up review is then timed to allow the service manager sufficient time to make progress in implementing the agreed actions against the agreed timescales. The results of any follow up reviews yet to be undertaken will be reported to the Committee at the appropriate time.

4.3 Progress Reports

In agreeing the final Internal Audit Report, management accepts responsibility to take action to resolve all the risks highlighted in that final report. The EKAP carries out a follow up/progress review at an appropriate time after finalising an agreed report to test whether agreed action has in fact taken place and (for high risk) to test whether it has been effective in reducing risk.

As part of the follow up action, the recommendations under review are either:

- “closed” as they have been successfully implemented, or
- “closed” as the recommendation is yet to be implemented but is on target, or
- (for medium or low risks only) “closed” as management has decided to tolerate the risk, or the circumstances have since changed, or
- (for critical or high risks only) escalated to the audit committee.

At the conclusion of the follow up review the overall assurance level is re-assessed.

The results for the follow up activity for 2022-23 are set out below. The shift to the right in the table from the original opinion to the revised opinion also measures the positive impact that the EKAP has made on the system of governance, risk and internal control in operation throughout the year.

Total Follow Ups undertaken 8	N/A	No Assurance	Limited Assurance	Reasonable Assurance	Substantial Assurance
Original Opinion	1	0	0	5	2
Revised Opinion	1	0	0	2	5

There were no reviews that required escalation to the Governance Committee during the year.

EK Services received four follow-ups; the revised assurances for each were Substantial, there were none with a Limited assurance after follow up.

Consequently, the areas with fundamental issues of note arising from the audits and follow up undertaken in the year have been resolved, or escalated to the Governance Committee, during the year.

Reviews previously assessed as providing a (partially) Limited or No Assurance that are yet to be followed up are shown in the table at 5.2 below. The progress reports for these will be reported to the Committee at the meeting following completion of the follow up.

4.4 Special Investigations and Fraud Related Work

The prevention and detection of fraud and corruption is the responsibility of management however, the EKAP is aware of its own responsibility in this area and is alert to the risk of fraud and corruption. Consequently, the EKAP structures its work in such a way as to maximise the probability of detecting any instances of fraud. The EKAP will immediately report to the relevant officer any detected fraud or corruption identified during the course of its work; or any areas where such risks exist.

The EKAP is, from time to time, required to carry out special investigations, including suspected fraud and irregularity investigations and other special projects. Whilst some responsive assurance work was carried out during the year at the request of management, there were no fraud investigations conducted by the EKAP on behalf of Dover District Council.

The EKAP is named in the Council's whistleblowing policy as a route to safely raise concerns regarding irregularities, for which EKAP manages the Hotline (24-hour answer machine service) 01304 872198.

The internal audit team will build on its data analytical skills and will continue to develop exploring the opportunity to discover fraud and error by comparing different data sets and matching data via the use of specialist auditing software.

4.5 Completion of Audit Plan

Appendix 2 shows the planned time for reviews undertaken, against actual time taken, follow up reviews, responsive assurance work and reviews resulting from any special investigations or management requests. 298.83 audit days were completed for Dover District Council which represents 99.61% plan completion.

The EKAP was formed in October 2007; it completes a rolling programme of work to cover a defined number of days each year. As at the 31st March each year there is undoubtedly some "work in progress" at each of the partner sites; some naturally being slightly ahead and some being slightly behind in any given year. The Balanced Scorecard at Appendix 4 provides the overview of plan completion across the partnership.

Appendix 3 shows the planned time for reviews undertaken, against actual time taken, follow up reviews and unplanned reviews resulting from any special investigations for East Kent Services. Dover District Council contributed 60 days from its original plan as its share in this three-way arrangement. As EKS is hosted by TDC, the EKS Annual Report in its full format will be presented to the TDC - Governance & Audit Committee on 26th July 2023.

5. Overall Opinion 2022-23

It is a requirement of s.151 of the Local Government Act 1974 for the Council to maintain an 'effective' internal audit function, when forming my opinion on the Council's overall system of control, I need to have regard to the amount of work which we have undertaken upon which I am basing my opinion. Having completed 99.61% of the planned days, there is sufficient underpinning evidence to provide my opinion, as follows;

5.1 Corporate Governance

Corporate Governance is defined as being the structure of rules, practices and processes that direct and control the Council. To support the Head of Audit's Opinion the EKAP undertakes specific reviews (on a rotational basis) aligned to these processes as a part of the Audit Plan. Complaints Monitoring and Compliance with GDPR were two Governance reviews undertaken in the year, with the Scheme of Delegation being deferred. For 2022-23 the Head of Audit Partnership is satisfied the Council complies with Corporate Governance guidance.

5.2 Internal Control

The EKAP has been commissioned to perform only one follow up, during 2022-23 there were no reviews with a Limited Assurance after follow up, and there were seven recommendations originally assessed as critical or high risk, which remained a high priority and outstanding after follow up escalated to the Governance Committee during the year.

The eight reviews assessed as providing a Limited or No Assurance that are yet to be followed up are shown in the table below. The progress reports for these will be reported to the Committee at the meeting following completion of the follow up. 43% of the 21 assurance reviews completed received a (partially) Limited or no assurance, which is higher than is

usual. Management has agreed an action plan of internal control improvements for each review.

Area Under Review	Original Assurance (Date to A&G Cttee)	Progress Report Due
Garden Waste	Reasonable/ Limited (December 2022)	Quarter 1 2023-24
Grounds Maintenance	Limited (December 2022)	Quarter 1 2023-24
Absence Management	Reasonable /Limited (March 2023)	Quarter 2 2023-24
Planning Applications, Income & s.106	Reasonable/ Limited (March 2023)	Quarter 2 2023-24
GDPR Compliance within Housing	Limited (June 2023)	Quarter 3 2023-24
Safeguarding (Final Draft)	Limited (June 2023)	Quarter 4 2023-24
Phones, Mobiles & Utilities	Reasonable/ Limited (December 2022)	Quarter 1 2023-24
Car Parking & Enforcement	No (June 2023)	Quarter 4 2023-24

The audit of VAT was deferred at the request of management, as issues relating to the new financial management system had led to VAT claims not being submitted to the HMRC for (at the time) 15 months. Whilst we have been unable to undertake the audit, the information obtained from Management at this time could lead us to conclude a No Assurance opinion due to the likelihood of fines from the HMRC for the late filing of returns, the cashflow implication of the circa £3m in repayment due to the Council and the lack of a partial exemption calculation. The Council is tolerating these risks and resources have been secured to rectify the situation. The independent review of VAT will most likely be postponed until management has cleared the backlog of outstanding VAT reclaims and has resolved the coding issue that has been the root cause of the problem.

For East Kent Services, there is one review previously assessed as providing a partially Limited Assurance that is yet to be followed up (Data Management).

The Head of Audit Partnership is satisfied the Council can place assurance on the aspects of the systems of control tested and in operation during 2022-23.

5.3 Risk Management

The Council keeps a corporate risk register. The Governance Committee are responsible for overseeing the risk management framework, it received the Corporate Risk Register in December 2022, and requested this to be an annual process, alongside the top five risks now being presented quarterly to O&S.

The EKAP has not reviewed the Council's Risk Management arrangements during 2022-23. The previous review was completed in March 2020 resulting with a Reasonable Assurance, with actions agreed regarding the Council's failure to comply with best practice. Omissions which I conclude prevent this committee from fully discharging its responsibilities in respect of risk management in accordance with best practice, and this should be reflected in the AGS.

The area is included for review as part of the 2023-24 audit plan.

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.

**Performance against the Agreed 2022-23
Dover District Council Audit Plan**

Review	Original Planned Days	Revised Planned Days	Actual days to 31-03-23	Status and Assurance Level
FINANCIAL SYSTEMS:				
Income, Cash Collection & Bank Rec.	10	0	0.91	Deferred
VAT	10	2	1.27	Postponed to 2023-24 at client request
Insurance & Inventories of Portable Assets	10	0	0.18	Deferred
HOUSING SYSTEMS:				
Housing Allocations	10	10	11.42	Finalised – Reasonable
Private Sector Housing	10	10	12.21	Finalised – Reasonable
Right to Buy	10	10	10.17	Finalised – Reasonable
Repairs & Maintenance & Void Property Management.	10	10	16.02	Finalised – Reasonable
Leasehold Services	12	12	3.27	Work-in-Progress
Sheltered Housing	10	10	10.01	Finalised – Substantial
HR RELATED:				
Absence Management	10	10	11.95	Finalised – Limited/ Reasonable
GOVERNANCE RELATED:				
GDPR, FOI & Information Management	12	12	12.68	Finalised – Limited
Complaints Monitoring	10	10	10.98	Finalised – Substantial
Scheme of Officer Delegations	10	0	0	Deferred
Corporate Advice/CMT	2	5	4.82	Finalised
s.151 Meetings & Support	9	12	12.22	Finalised
Governance Committee Meetings & Reports	12	14	13.77	Finalised
Audit Plan Preparation & Meetings	9	11	11.58	Finalised
COUNTER FRAUD & CORRUPTION:				
Counter Fraud & Corruption	10	0	0	Postponed to 2023-24
SERVICE LEVEL:				
Employee Health & Safety	10	10	9.93	Finalised – Reasonable
Safeguarding	10	10	10.99	Finalised – Limited

Review	Original Planned Days	Revised Planned Days	Actual days to 31-03-23	Status and Assurance Level
Port Health – Consultancy	10	8	6.04	Finalised – N/A
Port Health – Assurance	10	0	0	Postponed to 2023-24
Climate Change	5	5	5.45	Finalised – N/A
Food Safety	10	10	10.16	Finalised – Substantial
Planning Applications, Income & s106	12	12	15.07	Finalised – Reasonable/ Limited
Corporate Plan, Local Plan & MTFP	10	0	0	Deferred
Building Control	10	0	0	Deferred
Waste Management	15	0	0	Postponed to 2023-24
OTHER:				
Liaison with External Auditors	1	1	0.45	Finalised
Follow-up Work	15	15	12.49	Finalised
FINALISATION OF 2021-22 AUDITS:				
Digital/ Cloud Computing	5	55	10.64	Finalised – Reasonable
Environmental Protection			0.77	Finalised – Reasonable
CSO Compliance			0.14	Finalised – Reasonable
Grounds Maintenance			12.47	Finalised – Limited/ Reasonable
Tenancy & Estate Management			0.45	Finalised – N/A
Budgetary Control			3.14	Finalised – Reasonable
Phones, Mobiles & Utilities			14.70	Finalised – Reasonable/ Limited
Recruitment			4.73	Finalised – Reasonable
Main Accounting System – Post Implementation Review			12.67	Finalised – N/A
Garden Waste & Recycling Income			14.94	Finalised – Limited
RESPONSIVE ASSURANCE:				
Car Parking & Enforcement	0	10	10.17	Finalised – No Assurance
TOTAL	300	300	298.83	99.62%

**Performance against the Agreed 2022-23
East Kent Services Audit Plan**

Review	Original Planned Days	Revised Planned Days	Actual days to 31/03/2023	Status and Assurance Level
EKS REVIEWS:				
Business Rates	15	15	14.97	Finalised - Substantial
Housing Benefit DHPs	15	15	13.73	Finalised - Substantial
Housing Benefit Testing	15	16	16.51	Finalised - N/A
Debtors	15	10	15.61	Finalised - Substantial
ICT – Data Management	15	15	8.47	Finalised – Reasonable/ Limited
ICT – Network Security	15	15	5.00	Work-in-Progress
KPIs	5	7	7.04	Finalised - Substantial
Payroll	18	18	17.60	Finalised - Substantial
OTHER:				
Corporate/Committee	8	5	6.59	Finalised
Follow Up	6	6	2.86	Finalised
FINALISATION OF 2021-22 AUDITS:				
ICT Procurement & Disposal	1	1	1.22	Finalised - Substantial
RESPONSIVE ASSURANCE:				
Joint DWP Investigation	0	5	8.34	Finalised – N/A
Total	128	128	117.94	92.14%

EKAP Balanced Scorecard – 2022-23

<u>INTERNAL PROCESSES PERSPECTIVE :</u>	<u>2022-23 Actual</u>	<u>Target</u>	<u>FINANCIAL PERSPECTIVE:</u>	<u>2022-23 Actual</u>	<u>Original Budget</u>
	Quarter 4		Reported Annually		
Chargeable as % of available days	89%	90%	<ul style="list-style-type: none"> • Cost per Audit Day 	£373.33	£378.73
Chargeable days as % of planned days			<ul style="list-style-type: none"> • Direct Costs 	£488,433	£489,397
CCC	94.03%	100%	<ul style="list-style-type: none"> • + Indirect Costs (Recharges from Host) 	£10,530	£10,530
DDC	99.61%	100%	<ul style="list-style-type: none"> • - 'Unplanned Income' 	£6,172.75	Zero
TDC	103.49%	100%			
FHDC	99.35%	100%			
EKS	92.14%	100%			
Overall	98.89%	100%	<ul style="list-style-type: none"> • = Net EKAP cost (all Partners) 	£492,790.25	£499,927
Follow up/ Progress Reviews;					
<ul style="list-style-type: none"> • Issued 	53	-			
<ul style="list-style-type: none"> • Not yet due 	25	-			
<ul style="list-style-type: none"> • Now due for Follow Up 	28	-			
Compliance with the Public Sector Internal Audit Standards (PSIAS) (see Annual Report for more details)	Partial	Partial			

<u>CUSTOMER PERSPECTIVE:</u>	<u>2022-23 Actual</u>	<u>Target</u>	<u>INNOVATION & LEARNING PERSPECTIVE:</u>	<u>2022-23 Actual</u>	<u>Target</u>
	Quarter 4		Quarter 4		
Number of Satisfaction Questionnaires Issued;	68		Percentage of staff qualified to relevant technician level	61%	60%
Number of completed questionnaires received back;	42		Percentage of staff holding a relevant higher-level qualification	50%	50%
	= 61 %		Percentage of staff studying for a relevant professional qualification	0%	N/A
Percentage of Customers who felt that;			Number of days technical training per FTE	4.35	3.5
• Interviews were conducted in a professional manner	100%	100%	Percentage of staff meeting formal CPD requirements (post qualification)	50%	50%
• The audit report was 'Good' or better	96%	90%			
• That the audit was worthwhile.	98%	100%			