

Public Document Pack



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20 March 2024

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 28 March 2024 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 black ink, appearing to read "Nicky", written over a white background.

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 - 12)

To confirm the attached Minutes of the meetings of the Committee held on 7 December 2023, 31 January 2024 and 5 March 2024.

5 **QUARTERLY INTERNAL AUDIT UPDATE REPORT** (Pages 13 - 31)

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

6 **DRAFT INTERNAL AUDIT PLAN 2024-25** (Pages 32 - 39)

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

7 **GRANT THORNTON PROGRESS REPORT**

To consider the report of the external auditors, Grant Thornton (to follow).

8 **AUDITOR'S ANNUAL REPORT 2021-22 AND 2022-23**

To consider the report of the external auditors, Grant Thornton (to follow).

9 **S151 OFFICER RESPONSE TO AUDITOR'S ANNUAL REPORT**

To consider the report of the S151 Officer (to follow).

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The meetings in which these cameras will be used include meetings of: (a) Council; (b) Cabinet; (c) Dover Joint Transportation Advisory Board; (d) General Purposes Committee; (e) Electoral Matters Committee; (f) Governance Committee; (g) Planning Committee; (h) General Purposes Committee and (i) Overview and Scrutiny Committee. Only agenda items open to the press and public to view will be broadcast.

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

Declarations of Interest

Disclosable Pecuniary Interest (DPI)

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

Other Significant Interest (OSI)

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

Voluntary Announcement of Other Interests (VAOI)

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

Note to the Code:

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

Minutes of the meeting of the **GOVERNANCE COMMITTEE** held at the Council Offices, Whitfield on Thursday, 7 December 2023 at 6.00 pm.

Present:

Chairman: Councillor H M Williams

Councillors: S H Beer
M Bates
R M Knight
J P Loffman
L M Wright

Officers: Strategic Director (Corporate and Regulatory)
Strategic Director (Place and Environment)
Head of Corporate Services and Democracy
Head of Audit Partnership (East Kent Audit Partnership)
Deputy Head of Audit Partnership (East Kent Audit Partnership)
Democratic Services Officer

20 APOLOGIES

An apology for absence was received from Councillor S C Manion.

21 APPOINTMENT OF SUBSTITUTE MEMBERS

There were no substitute members appointed.

22 DECLARATIONS OF INTEREST

There were no declarations of interest made by Members.

23 MINUTES

The Democratic Services Officer advised Members of a correction to the draft minutes within the resolution of item. No 17 and the need to amend 'him' to 'her' where required. Having agreed to that change the Minutes of the meeting held on 28 September 2023 were approved as a correct record for signing by the Chairman.

24 RISK MANAGEMENT STRATEGY

The Head of Corporate Services and Democracy presented the Risk Management Strategy report to the Committee. The report addressed several areas identified for review following a Risk Management desktop review of the Council's Corporate Risk Strategy and Risk Register, undertaken by Zurich Resilient Solutions in August 2022.

The Strategy had been developed using examples shared by the Kent Risk Network who were consulted on their models of corporate risk management and examples of best practice elsewhere were sought. A draft of the Strategy was shared with East Kent Audit Partnership who provided feedback and these comments were integrated into the final draft.

The Risk Management Strategy was predominantly an internal document for officers and Members. An 'at-a-glance' style summary sheet would be included in a redesigned Risk Register to provide details to the public of the risks facing the Council.

Members' attention was drawn to a typographical error at page 12 of the Corporate Risk Toolkit at Step 6: Monitor and Update and that competition should read as completion.

It was explained that whilst some risks may not be possible to mitigate the Council may want to proceed to determine how to manage the risk and the key point was whether to tolerate the risk or act. Being a living document (one that is continually updated and edited), it was recommended that all risks should be documented to show the direction of travel of that risk even if the risk level was minimal (Risk Score 1) thus documenting the changes and mitigations associated with that risk.

RESOLVED: That it be recommended to Council that the new Risk Management Strategy and accompanying tool kit be adopted.

25 ANNUAL COMPLAINTS REPORT

The Head of Corporate Services and Democracy presented the Annual Complaints Report 2022/23 to the Committee. The report included the number of complaints received for each service provided by the Council for the financial year from 1 April 2022 to 31 March 2023, detailing where the number of complaints had increased or decreased. Members were advised that an in-house computer system for handling complaints was in the process of being implemented and was due to go live on 8 January 2024, automating many of the manual processes currently in place and that, within the year, the Council had approved an amended Complaints Policy reflecting changes in line with Housing Ombudsmen guidance.

Members' attention was drawn to the following headlines within the report:

- The total number of complaints received had fallen from 281 in 2021/22 to 267 in 2022/23. Some of the key areas were as follows:
 - The number of complaints relating to Council Tax had increased by 19, from 22 in 2021/22 to 41 in 2022/23. This increase was expected to be due to the cost-of-living crisis.
 - Housing Options complaints had increased by 22, from 14 in 2021/22 to 36 in 2022/23 and had been due to staff shortages and the implementation of a new database which created delays to medical assessments and the processing of information.
 - Housing Repairs complaints had increased by 38, from 26 in 2021/22 to 64 in 2022/23. The majority of complaints related to the length of time taken to carry out work, some which were legacy complaints from East Kent Housing. The Council had been pro-active in seeking repairs, encouraging tenants to report through the complaints process.
 - Waste Services complaints decreased from 120 in 2021/22 (abnormally high and as a result of problems encountered with the new waste contract) to 12 in 2022/23.

- Two complaints made to the Local Government and Social Care Ombudsman were upheld and related to the Housing Options service.

Further, a typographical error was noted at paragraph 2.10 of the report and was corrected to read 'The decision was not upheld by the Ombudsman...'.

Members were advised that the service areas were responsible for the monitoring of the complaints made against the service and taking appropriate corrective measures. The new in-house computer system would be able to create a log to help identify emerging patterns. It would be the responsibility of the service managers to deal with re-emerging issues, including those involving contractors. Any complaints made against staff, such as staff attitudes and behaviours, would be dealt with by managers. There were different mechanisms in place to deal with staff issues (via Human Resources if necessary) and they would not be recorded on the complaints database.

RESOLVED: That the report be noted.

26

QUARTERLY INTERNAL AUDIT UPDATE REPORT

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

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

- The audits completed and concluded, which were: Substantial Assurance (Local Code of Corporate Governance and East Kent Services (EKS) – Housing Benefit Admin & Assessment); Substantial/Reasonable Assurance (Community Safety); Reasonable Assurance (Housing – Anti Social Behaviour); No Assurance (Planned Maintenance – Procurement and Contract Management) and an audit of East Kent Services – Housing Benefit Testing 2022-23 where an assurance opinion was not applicable.
- The seven follow-up reviews completed and that after follow-up: EKS Business Rates and EKS Discretionary Housing Payments revised assurance level remained Substantial; Homelessness and Housing Allocations revised assurance level remained Reasonable and Car Parking & Enforcement revised assurance level was Reasonable, having previously received No assurance.
- The number of audit days completed and provided an update to the report that as of 30 November 2023 75% of the audit plan was completed and they were ahead of schedule.
- The number of customer Satisfaction Questionnaires issued and the number returned was raised and whilst EKAP would like more of these completed and returned there was a steady 30% return rate achieved across the partnership.

Members discussed the Housing Anti-Social Behaviour audit and the areas identified for improvement, and particularly the lack of monthly data sent to Members about their wards. Councillor M Bates cited a virtual map that had been

used to record the number of incidents by ward that Members had previously been able to access. He was concerned that data was now only provided by Community Services and to provide a more accurate picture he would want data merged from Community Services, Housing Anti-Social Behaviour (ASB) and Kent Police.

The Deputy Head of Audit confirmed that this had been addressed in the audit and identified as an area for improvement and that those recommendations had been accepted by management. The Tascomi system would increase the data available, pulling data from Community Services and Housing ASB, and would encourage combined working between the two teams. It was recognised that data from the Kent Police was not available, and the council was beholden to what it chose to share.

With regard to the Planned Maintenance – Procurement and Contract Management audit, an extensive action plan had been agreed with management and a follow-up would be completed within Quarter 4 to ensure that each recommendation was implemented and effective. A separate audit of procurement was underway to look at wider issues raised within the management response.

RESOLVED: That the update report be noted.

27 EXCLUSION OF THE PRESS AND PUBLIC

It was moved by Councillor S H Beer, duly seconded and

RESOLVED: That, under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting for the remainder of the business on the grounds that the items to be considered involved the likely disclosure of exempt information as defined in paragraph 3 of Part I of Schedule 12A of the Act.

28 QUARTERLY INTERNAL AUDIT UPDATE REPORT - RESTRICTED

The Head of Audit Partnership introduced the report which provided details of a restricted audit completed by the East Kent Audit Partnership during the period and that had received a Limited assurance opinion. An update would be provided to a future meeting of the Committee.

RESOLVED: That the update report be noted.

The meeting ended at 7.31 pm.

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Minutes of the meeting of the **GOVERNANCE COMMITTEE** held at the Council Offices, Whitfield on Wednesday, 31 January 2024 at 5.00 pm.

Present:

Chairman: Councillor H M Williams

Councillors: S H Beer
M Bates
R M Knight
J P Loffman
S C Manion
L M Wright

Officers: Democratic Services Officer
Head of Licensing and Legal Services
Solicitor to the Council

29 APOLOGIES

There were no apologies for absence.

30 APPOINTMENT OF SUBSTITUTE MEMBERS

There were no substitute members appointed.

31 DECLARATIONS OF INTEREST

There were no declarations of interest made by Members.

32 EXCLUSION OF THE PRESS AND PUBLIC

It was moved by Councillor M Bates, duly seconded and

RESOLVED: That, under Section 100(A)(4) of the Local Government Act 1972, the public be excluded from the meeting for the remainder of the business on the grounds that the items to be considered involved the likely disclosure of exempt information as defined in paragraph 1 of Part I of Schedule 12A of the Act.

33 APPOINTMENT OF A HEARING PANEL

The Monitoring Officer presented the Appointment of a Hearing Panel report. The Governance Committee was requested to appoint a politically balanced hearing panel of at least three members in accordance with Annex 3 of the "Arrangements for Dealing with Code of Conduct Complaints under the Localism Act 2011".

It was proposed by Councillor S H Beer and duly seconded that a three-member panel was appropriate. On being put to the vote this was carried.

The Chair called for nominations for panel members. Councillors M Bates, J P Loffman and L M Wright self-nominated and were duly seconded and on being put to the vote it was

RESOLVED: That, in accordance with Annex 3 of the “Arrangements for Dealing with Code of Conduct Complaints under the Localism Act 2011”, Councillors M Bates, J P Loffman and L M Wright be appointed as members of the Governance Hearing Panel.

The meeting ended at 5.18 pm.

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Minutes of the meeting of the **GOVERNANCE COMMITTEE** held at the Council Offices, Whitfield on Tuesday, 5 March 2024 at 5.30 pm.

Present:

Chairman: Councillor H M Williams

Councillors: T J Bartlett (as substitute for Councillor R M Knight)
M Bates
S H Beer
J P Loffman
L M Wright

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

34 APOLOGIES

An apology for absence was received from Councillor R M Knight.

35 APPOINTMENT OF SUBSTITUTE MEMBERS

It was noted that, in accordance with Council Procedure Rule 4, Councillor T J Bartlett was appointed substitute for Councillor R M Knight.

36 DECLARATIONS OF INTEREST

There were no declarations of interest made by Members.

37 REDISTRIBUTION OF FUNCTIONS AMONGST CHIEF OFFICERS

The Strategic Director (Corporate & Regulatory) presented the Redistribution of Functions Amongst Chief Officers report to the Committee. Following recent staffing changes within the organisation it was necessary to reallocate functions amongst the Council's Chief Officers. The report set out the proposed changes to Article 12 of the Council's Constitution which identified the Chief Officers, and the resultant changes to the Officer Scheme of Delegations within the Constitution.

Members considered the distribution of functions and the fact that it was necessary to re-organise since changes had been made to the staffing structure. It was further confirmed that it had never been envisaged that the Chief Executive would retain direct responsibility for functions since a third director had been added to the structure. They were assured that staffing levels amongst Chief Officers were adequate and that functions had been decided upon and distributed where they were considered most appropriate by the Head of Paid Service.

It was proposed by Councillor H M Williams that the addition of 'natural environment' should be added to the list of functions responsible to the Strategic Director (Place & Environment). Whilst it was noted that 'Planning and Development' encapsulated that function, Members further suggested that the addition of 'climate change' would be more appropriate and would still achieve Councillor Williams' proposal.

RESOLVED: That it be recommended to Council that 'climate change' be included in the list of functions of the Strategic Director (Place &

Environment), and that the proposed changes to Article 12 and the Scheme of Officer Delegations be approved and be incorporated into the Council's Constitution version 25a.

The meeting ended at 5.49 pm.

Subject:	QUARTERLY INTERNAL AUDIT UPDATE REPORT
Meeting and Date:	Governance Committee – 28th March 2024
Report of:	Christine Parker – Head of Audit Partnership
Portfolio Holder:	Portfolio Holder for Finance, Governance, Climate Change and Environment – Councillor S H Beer
Decision Type:	Non-key
Classification:	Unrestricted

Purpose of the report: This report includes the summary of the work completed by the East Kent Audit Partnership since the last Governance Committee meeting, together with details of the performance of the EKAP to the 31st December 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 four internal audit assignments completed during the period, which are summarised in the table in section 2 of the report.
- 2.8 In addition four follow-up reviews have been completed during the period, which are detailed in section 3 of the quarterly update report.
- 2.9 For the nine months to 31st December, 257.13 chargeable days were delivered against the target of 318, which equates to 80.86% 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

- 1.1 This report includes the summary of the work completed by the East Kent Audit Partnership since the last Governance Committee meeting, together with details of the performance of the EKAP to the 30th September 2023.

2. SUMMARY OF REPORTS:

Service / Topic		Assurance level	No. of Recs. *	
2.1	Members' Code of Conduct & Standards Arrangements	Substantial	Critical High Medium Low	0 0 0 0
2.2	Dog Warden & Street Scene Enforcement	Substantial	Critical High Medium Low	0 0 1 0
2.3	Payroll	Substantial	Critical High Medium Low	0 0 0 0
2.4	Risk Management	Reasonable Limited	Critical High Medium Low	0 4 7 1

*For Assurance and Recommendation priority definitions see Annex 5

2.1 Members' Code of Conduct & Standards Arrangements – Substantial Assurance

2.1.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that the highest standards of Member conduct and probity are maintained.

2.1.2 Summary of Findings

In accordance with the Localism Act 2011 the authority must promote and maintain high standards of conduct by Members and co-opted Members of the authority. In discharging this duty, the authority must adopt a code dealing with the conduct that is expected of Members and co-opted Members of the authority when they are acting in that capacity. Dover District Council has adopted the Kent model Code of Conduct which can be viewed and downloaded from the Council's website.

Councillors are required to adhere to the Council's agreed code of conduct for elected members. A failure to comply with the Council's code can be dealt with via the arrangements in place for investigating allegations, which can be found on the Council's webpages.

Following the abolition of Standards for England on 31 March 2012, the Council assumed responsibility for dealing with and investigating all complaints relating to breaches of the Code, including those made against Parish Councillors within the district. Specific responsibility for assessing alleged breaches of the Code rests with the Monitoring Officer, in consultation with the Independent Person, who is appointed by Council. If the Monitoring Officer, in consultation with the Independent Person, considers that the complaint meets certain prescribed test so as to merit investigation, they will appoint an investigation officer to undertake the investigation. Once the investigation has concluded, the Monitoring Officer may consider that informal resolution is appropriate. Alternatively, they may convene a meeting of the Hearing Panel.

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

- There are effective procedures established to promote and communicate the Members' Code of Conduct, Member / Officer relations protocol and Gifts and Hospitality policies and procedures for the Council for both new and existing Members.
- The Code of Conduct holds sufficient information to ensure there is relevant guidance to promote the ongoing probity and propriety of Members.
- Members are made aware of the rules covering the registration and declaration of interests. The requirement for comprehensive information to be declared by Members to conform to the guidance given and the 28-day rule is actively promoted.
- Suitable arrangements are in place to help ensure that Members disclose all relevant Disclosable Pecuniary Interest (DPI) and Other Significant Interest (OSI) at Council and Committee meetings.
- Members have received clear guidance and sufficient training to ensure that they make the necessary disclosures when considering planning decisions.
- The Standards arrangements and rules comply with the Localism Act.
- The procedure for handling complaints is well documented and information on making complaints is easily available to the public.
- All investigations comply with the rules established by the Council's own stated procedures.
- The initial assessment process for complaints against Members are adequate and well documented.
- Members and the Monitoring Officer responsible for carrying out any assessment of complaints have received suitable training to carry out their role. Guidance and advice is available to Parish and Town Councils if requested.

2.2 Dog Warden & Street Scene Enforcement – Substantial Assurance

2.2.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that the Council has an effective dog warden service encompassing both the recovery and kennelling of stray dogs and also enforcement action of dog fouling, graffiti, fly-tipping and littering.

2.2.2 Summary of Findings

The primary findings giving rise to the Substantial Assurance opinion in respect of both Procurement and Contract Management are as follows:

- The Council has up to date procedures in place covering the Stray Dog service.
- The Dog Warden was found to be suitably trained to undertake their duties.
- The Council provides clear information to the public on its website on how to report stray dogs.
- The Dog warden has been provided with suitable PPE and equipment in general to be able to safely deal with stray dogs.
- The Council has a Stray Dog Register which is kept up to date and available to members of the public when requested.
- The Council has up to date policies and procedures in place covering the Street Scene Enforcement function.
- Street Scene Enforcement Officers have been provided with suitable training to enable them to fulfil their job role.
- All officers working on Street Scene related enforcement should have suitable delegated authority to do so.

A review of the Privacy Notice for the service did identify that it is out of date as it makes reference to contractors which the service no longer uses. The Service should therefore review and update its Privacy Notice.

2.3 Payroll - Substantial Assurance

2.3.1 Audit Scope

To ensure that the payroll service administered on behalf of Canterbury, Dover and Thanet Councils, including EK Services is adequately controlled to ensure that the right people are getting paid the right amounts at the right time and all the relevant data held is accurate.

2.1.2 Summary of findings

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

- Responsibility for the payroll function is clearly specified in the Service Agreement between Dover District Council and each organisation which it provides the payroll service for.
- Detailed procedure notes and checklists are in place covering the process for adding and paying new starters.

- Suitable procedures are in place for the collection of information relating to new starters so that they can be paid the correct amount in line with their appointment.
- For a sample of 14 new starters tested, all tax codes and tax earnings year to date were found to be correct.
- Accurate information is being sent to the KCC Pension Administrators to enrol all new starters eligible to join the pension scheme.
- For a sample of 14 new starters tested, the correct deductions in respect of pension contributions are being made.
- Once a new starter has been added to the payroll system, suitable procedures are in place to confirm that the payroll calculation is correct prior to the monthly payroll being processed.
- For a sample of 14 new starters tested, all were found to have their payroll correctly calculated with no errors being identified in the sample tested.

2.4 Risk Management – Reasonable / Limited Assurance

2.4.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that the organisation adopts best practices in the identification, evaluation and cost-effective control of risks to ensure that they are reduced to an acceptable level or eliminated, and also maximise opportunities to achieve the organisation's visions and priorities.

2.4.2 Summary of Findings

Risk management is defined by the Institute of Internal Auditors as '*a process to identify, assess, manage and control potential events or situations to provide reasonable assurance regarding the achievement of the organisation's objectives.*' The Council is in the final stages of introducing a new Risk Management Strategy which is scheduled for adoption in January 2024 and will help address some of the issues raised in this report. This audit examined the risk management processes in place over the past 18 months.

As at September 2023 there were 33 risks on the Strategic Risk Register with the top five high risks being:

- Recession, Inflation & Reduced funding;
- Business Rate Funding;
- Increased Homelessness;
- Failure to produce Local Plan; and
- Volatility around the Port Health function.

The assurance for Risk Management has been split.

Management can place;

Reasonable Assurance on the system of internal controls in operation for managing risk, and

Limited Assurance regarding risk governance and transparency and project risk management.

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

- There is a Risk Management Strategy in place which is kept under review.

- There are clear processes in place to manage and monitor strategic risks at a senior management level and appropriate intervals.
- Strategic risks are being managed and controlled effectively.
- Some strategic risk information is reported to elected members.
- The strategic risk register has recently been published on the intranet.
- The Council is soon to adopt a new Risk Management Strategy.

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

- The current risk appetite of the organisation is not approved or communicated and the 3x3 risk scoring matrix is not sufficient for effective risk scoring.
- The Governance Committee is unable to sufficiently fulfil its terms of reference without reviewing the strategic risk register on a bi-annually or quarterly basis.
- For strategic risks, there are weaknesses in the transparency of risk management such as the completeness of information i.e. the audit trail of risk review and an absence of residual risk scoring (numerical scores).
- For operational risks, there are weaknesses in the transparency of risk management arrangements such as the completeness and audit trail of service plans generally and the absence of residual risk scoring (written and numerical).
- For project risk management there is an absence of sufficient information and guidance for staff to follow.

3.0 FOLLOW UP OF AUDIT REPORT ACTION PLANS:

- 3.1 As part of the period's work, four 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) GDPR within Housing	Limited	Reasonable	Critical	0	0
			High	9	2
			Medium	5	0
			Low	2	0
b) Housing Repairs & Maintenance	Reasonable	Reasonable	Critical	0	0
			High	5	2
			Medium	2	1
			Low	5	2
c) Budgetary Control	Reasonable	Substantial	Critical	0	0
			High	0	0
			Medium	1	0
			Low	0	0

Service/ Topic	Original Assurance level	Revised Assurance level	Original Number of Recs		No of Recs. Outstanding
d) Planning Applications, Income & s.106	Reasonable /Limited	Reasonable /Limited	Critical	0	0
			High	4	1
			Medium	2	1
			Low	2	0

*For Assurance and Recommendation priority definitions see Annex 5

3.2 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 fully implemented but is on target with a revised implementation date, 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) “closed” on the EKAP System with a revised implementation date and escalated to management for further tracking and reporting to the audit committee.

3.3 Details of each of any individual critical or 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.

3.4 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.

d) Planning Applications, Income & s.106 - The Council have effective processes in place for taking planning decisions and ensuring income is collected and monitored. However, Planning is a very public service, and it is vital that residents, senior management, and elected members can have confidence in the performance information being presented and reported. One of the high priority recommendations outstanding is key to improving transparency and accountability which will help monitor the use of planning extensions as these agreed extensions do not get included in the planning performance figures and there is a risk that these may be overused.

Whilst management have provided their own assurance that the audit trail of S.106 prior to October 2020 has been investigated back to 2013, and is not considered a risk, this is not able to be independently tested (as access is not possible as it is prior to the implementation of the Tech One system). The independent assurance for this control must therefore remain limited, and both CMT and the audit committee are asked to tolerate this risk or accept Management’s assurance on it.

Management Response - The outstanding actions are underway and timeframes for completion identified. The Local Plan Examination hearings have now finished, which will enable officer time to be spent on the remaining section 106 actions. The Extensions of Time are very likely to be changed and monitored by Government,

subject to a consultation in early 2024, which is likely to be relevant to action 2 going forward.

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, Procurement, Equality & Diversity, Resident Engagement, ICT Change Control, and Events Management.

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 nine months to 31st December, 257.13 chargeable days were delivered against the target of 318, which equates to 80.86% plan completion.

7.2 The financial performance of the EKAP is currently on target at the present time.

7.3 The EKAP introduced an electronic client satisfaction questionnaire, which is used across the partnership. The satisfaction questionnaires are sent out at the conclusion of each audit to receive feedback on the quality of the service.

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 31-12-2023 against the agreed 2023/24 Audit Plan.
Annex 4	Balance Scorecard of KPIs to 31 st December 2023
Annex 5	Assurance Statements

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

Original Recommendation	Agreed Management Action, Responsibility and Target Date	Manager’s Comment on Progress Towards Implementation.
<i>GDPR within Housing – December 2023</i>		
<p>The Council should setup an organisation wide Information Audit Programme that attempts to reconcile the information contained within the Record of Processing Activities with the information contained within departmental Privacy Notices, Data Protection Impact Assessments and historic versions of Information Asset Registers to identify gaps for remedial rectification. An audit programme should also verify areas of non-compliance with documentation retention schedules.</p>	<p>The Data Protection Officer & Governance Officer will discuss and action this recommendation going forward once departments have updated the information records detailed.</p> <p>Proposed Completion Date & Responsibility</p> <p>2023/2024 - Data Protection Officer & Governance Officer</p>	<p>Management has confirmed that put a plan of action in place in the new year to set up an organisation wide Information Audit Programme.</p> <p>Recommendation Outstanding with Intent to Acton. Revised Implementation Date – April 2024.</p>
<p>The Council should undertake a DPIA on the processing and storage of personal data being processed and stored within paper-based and USB files.</p>	<p>The Council has a robust process in place in relation to USBs and the whitelisting of removable media. Before any USB is authorised the purpose and personal data to be downloaded to that USB and processed is reviewed.</p> <p>The Governance Officer will complete a DPIA for hardcopy personal information and data stored in USB files.</p> <p>Proposed Completion Date & Responsibility</p> <p>December 2023 - Governance Officer</p>	<p>Management has confirmed that it intends to implement this recommendation next year.</p> <p>Recommendation Outstanding with Intent to Action. Revised Implementation Date April 2024.</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>Housing Repairs & Maintenance – December 2023</i>		
<p>Introduce a Responsive Repairs Policy or Procedure that sets out: -</p> <ul style="list-style-type: none"> - Objectives (right first time) - Links to other strategic documents such as the Corporate Plan - Roles and responsibilities - Pre-Inspection processes - Post-inspection processes - Target response times - Contract management processes - How tenants can report repairs <p>How performance will be monitored</p>	<p>As part of the development of the new responsive repairs and voids contract, all procedures will be reviewed and amended. This will then feed into the Responsive Repairs Policy. This is likely to be fully complete prior to the new contract starting in April 2025.</p> <p>Proposed Completion Date & Responsibility April 2025 Property Assets Asset Manager (FT)</p>	<p>The new contract documents are under preparation. As part of the tender package, procedures will be included which will also form the Responsive Repairs Policy and work procedure.</p> <p>Recommendation Outstanding with Intent to Action. Scheduled implementation date April 2025.</p>
<p>The Council should renew its commitment to the Rechargeable Works Policy and ensure there are adequate processes in place to identify, calculate and invoice tenants for rechargeable works. The Rechargeable Works Policy should also contain the date it was approved and last reviewed. The Council must note that any failure to take an active decision on whether or not it will chase tenants for debts related to deliberate, careless or frequent damage that tenants cause to their properties means that the Council will continue to</p>	<p>Rechargeable works process is being implemented by Property Services staff. The success of this process is to be reviewed as part of the new Responsive Repairs processes.</p> <p>Proposed Completion Date & Responsibility Ongoing Asset Manager (FT)</p>	<p>Rechargeable works orders are raised by inspectors. These are then recorded on a tracker sheet and a dedicated resource is now responsible to send the required letters and invoices.</p> <p>Work is ongoing with income to track payments made.</p> <p>Rechargeable Works Policy will be updated as part of an overall update of all policies.</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.
<p>send a strong message to tenants that they do not need to look after the social housing properties that they occupy, leading to avoidable and increased levels of repairs and maintenance.</p>		<p>Recommendation Partially Implemented. Scheduled implementation date April 2025.</p>
<p><i>Planning Applications, Income & s106 – December 2023:</i></p>		
<p>The Head of Planning should set departmental targets to reduce the percentage of Extensions of Time agreements across the department annually by determining more applications within the statutory time frames.</p>	<p>Recommendation accepted. Proposed Completion Date & Responsibility July 2023 – Head of Planning (SP)</p>	<p>Management will work to implement all remaining recommendations once the Local Plan has been approved in the new year. Recommendation Outstanding with intent to action. Revised implementation date March 2024.</p>

SERVICES GIVEN LIMITED / NO ASSURANCE LEVELS YET TO BE REVIEWED			
Service	Reported to Committee	Level of Assurance	Follow-up Action Due
Commercial Let Properties and Concessions	29-06-2023	Reasonable/Limited	Work-in-Progress
EKS – Data Management Desegregation Project	28-09-2023	Limited	Work-in-Progress
Waste Management & Street Cleansing	28-09-2023	No	Work-in-Progress
Planned Maintenance – Contract Letting and Management	07-12-2023	No	Work-in-Progress
Risk Management	04-12-2023	Reasonable/Limited	Spring 2024
Procurement	28-03-2024	Limited	Spring 2024

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

Review	Original Planned Days	Revised Planned Days	Actual days to 31-12-2023	Status and Assurance Level
FINANCIAL SYSTEMS:				
Car Parking & Enforcement	10	0	0	Finalised – No Assurance; Time shown under finalisation of 22-23 audits
HOUSING SYSTEMS:				
Homelessness	10	10	8.34	Finalised - Reasonable
Void Property Management	10	0	0	Covered by 22-23 Repairs and Maintenance
Contract Letting & Management	10	20	26.74	Finalised - No Assurance
Resident Involvement	10	10	1.4	Work-in-Progress
Anti-Social Behaviour	5	5	5	Finalised - Reasonable
Energy Efficiency	10	10	0	Quarter 4
HR RELATED:				
Payroll	6	6	3.31	Work-in-Progress
GOVERNANCE RELATED:				
Members' Code of Conduct & Standards	10	10	10.65	Finalised - Substantial
Local Code of Corporate Governance	10	10	10.39	Finalised - Substantial
Risk Management	10	10	10.05	Finalised – Reasonable/ Limited
Corporate Advice/CMT	2	12	12.61	Work-in-Progress
s.151 Meetings and Support	9	9	9.50	Work-in-progress
Governance Committee Meetings and Reports	12	12	13.33	Work-in-Progress
Audit Plan Preparation 24-25	9	9	3.89	Work-in-Progress
COUNTER FRAUD & CORRUPTION:				
Counter Fraud	10	10	0	Quarter 4
CONTRACT RELATED:				
Procurement	10	10	12.62	Finalised - Limited
ICT RELATED:				
Change Controls	13	13	0.54	Work-in-Progress
Cyber Security	13	13	14.85	Finalised
Physical & Environmental Controls	13	13	0	Quarter 4

Review	Original Planned Days	Revised Planned Days	Actual days to 31-12-2023	Status and Assurance Level
SERVICE LEVEL:				
Commercial Let Properties & Concessions	10	10	9.34	Finalised – Reasonable/ Limited
Community Safety	10	10	10.26	Finalised – Substantial/ Reasonable
Climate Change	5	5	0	Quarter 4
Dog Warden, Fly Tipping & Litter Enforcement	10	10	10.73	Finalised - Substantial
Electoral Registration	10	10	0	Quarter 4
Port Health	10	0	0	Postponed until 24-25
Environmental Protection Service Requests	10	10	11.63	Finalised - Reasonable
Equality & Diversity	10	10	0	Quarter 4
Events Management	8	8	2.09	Work-in-Progress
Building Control	10	10	0	Quarter 4
Waste Mgmt. & Street Cleansing	10	10	13.45	Finalised – No/ Reasonable
OTHER:				
Liaison with External Auditors	1	1	0.19	Work-in-Progress
Follow-up Work	15	15	23.16	Work-in-Progress
FINALISATION OF 2022-23- AUDITS:				
Car Parking & Enforcement	5	15	2.76	Finalised – No
Employee Health & Safety			7.14	Finalised - Reasonable
Leasehold Services			10.44	Finalised - Reasonable
VAT			0.19	Delayed at Client Request
Safeguarding			4.76	Finalised - Limited
Repairs & Maintenance & Void Property Management.			1.09	Finalised - Reasonable
GDPR Compliance within Housing			0.18	Finalised - Limited
RESPONSIVE ASSURANCE:				
Risk Management – Consultancy	0	2	2.03	Finalised – N/A
District Election 2023 – Count staff	0	0	1.27	Finalised – N/A
LUF Grant Project Assurance	0	0	0.44	Work-in-Progress
Grant Payment Query	0	0	2.76	Finalised – N/A
TOTAL	318	318	257.13	80.86%

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

Review	Original Planned Days	Revised Planned Days	Actual days to 31/12/2023	Status and Assurance Level
EKS REVIEWS:				
Housing Benefits Administration	15	13	13.15	Finalised - Substantial
Housing Benefits Testing	20	14	13.79	Finalised - N/A
Council Tax Reduction Scheme	15	15	0.95	Work-in-Progress
Customer Services	15	8	0.12	Work-in-Progress
Transition Governance	0	15	7.15	Finalised - N/A
OTHER:				
Corporate/Committee	4	4	4.06	Ongoing
Follow Up	2	2	0.11	Ongoing
FINALISATION of 2022-23 AUDITS:				
Debtors	2	2	1.45	Finalised - Substantial
Data Management Desegregation Project	1	1	1.55	Finalised - Reasonable
Total	74	74	42.33	57.23%

Balanced Scorecard – Quarter 4

<u>INTERNAL PROCESSES PERSPECTIVE :</u>	<u>2023-24 Actual</u>	<u>Target</u>	<u>FINANCIAL PERSPECTIVE:</u>	<u>2023-24 Actual</u>	<u>Original Budget</u>
	Quarter 3		Reported Annually		
Chargeable as % of available days	87%	90%	<ul style="list-style-type: none"> • Cost per Audit Day 	£	£403.37
Chargeable days as % of planned days			<ul style="list-style-type: none"> • Direct Costs 	£	£521,918
CCC	61.63%	75%	<ul style="list-style-type: none"> • + Indirect Costs (Recharges from Host) 	£	£10,530
DDC	80.86%	75%	<ul style="list-style-type: none"> • - 'Unplanned Income' 	£	Zero
TDC	70.02%	75%			
FHDC	66.31%	75%			
EKS	57.23%	75%			
Overall	69.47%	75%	<ul style="list-style-type: none"> • = Net EKAP cost (all Partners) 	£	£532,448
Follow up/ Progress Reviews;					
<ul style="list-style-type: none"> • Issued 	46	-			
<ul style="list-style-type: none"> • Not yet due 	18	-			
<ul style="list-style-type: none"> • Now due for Follow Up 	33	-			
Compliance with the Public Sector Internal Audit Standards (PSIAS) (see Annual Report for more details)	Partial	Partial			

<u>CUSTOMER PERSPECTIVE:</u>	<u>2023-24 Actual</u>	<u>Target</u>	<u>INNOVATION & LEARNING PERSPECTIVE:</u>	<u>2023-24 Actual</u>	<u>Target</u>
	Quarter 3		Quarter 3		
Number of Satisfaction Questionnaires Issued;	50		Percentage of staff qualified to relevant technician level	61%	60%
Number of completed questionnaires received back;	17		Percentage of staff holding a relevant higher-level qualification	50%	50%
	= 34%		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	3.37	3.5
<ul style="list-style-type: none"> • Interviews were conducted in a professional manner • The audit report was 'Good' or better • That the audit was worthwhile. 	100%	100%	Percentage of staff meeting formal CPD requirements (post qualification)	50%	50%
	100%	90%			
	100%	100%			

Definition of Audit Assurance Statements & Recommendation Priorities

CiPFA Recommended Assurance Statement Definitions:

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

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

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

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

EKAP Priority of Recommendations Definitions:

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

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

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

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

Subject:	DRAFT INTERNAL AUDIT PLAN 2024-25
Meeting and Date:	Governance Committee – 28th March 2024
Report of:	Christine Parker – Head of Audit Partnership
Portfolio Holder:	Portfolio Holder for Finance, Governance, Climate Change and Environment - Councillor S H Beer
Decision Type:	Non-key
Classification:	Unrestricted

Purpose of the report:	This report sets out the proposed Internal Audit Plan for 2024-25 detailing a breakdown of audits and an analysis of available days.
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Recommendations:	That Members approve the Council’s Internal Audit Plan for 2024-25
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Summary.

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

1. Introduction and Background.

- 1.1 The purpose of the Council’s Governance Committee is to provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent review of the Authority’s financial and non-financial performance to the extent that it affects the Authority’s exposure to risk and weakens the control environment, and to oversee the financial reporting process.
- 1.2 In accordance with current best practice, the Governance Committee should “review and assess the annual internal audit work plan”. The purpose of this report is to help the Committee assess whether the East Kent Audit Partnership has the necessary resources and access to information to enable it to fulfil its mandate and is equipped to perform in accordance with the Professional Standards for Internal Auditors.

2. Risk Based Internal Audit Plan.

- 2.1 The Audit Plan for the year 2024 to 2025 is attached as Annex A and has the main components to support the approved Audit Charter. The plan is produced in accordance with professional guidance, including the Public Sector Internal Audit Standards (PSIAS). A draft risk based plan is produced from an audit software database (APACE) maintained by the EKAP which records our risk assessments on each service area based upon previous audit experience, criticality, financial risk, risk of fraud and corruption etc. Amendments have been made following discussions with senior management, taking account of any changes within the Council over the last 12 months, and foreseen changes over the next.
- 2.2 The plan has then been further modified to reflect emerging risks and opportunities identified by the Chief Executive, Directors, and the links to the Council’s Corporate Plan and Corporate Risk Register. This methodology ensures that audit resources are targeted to the areas where the work of Internal Audit will be most effective in improving internal controls, the efficiency of service delivery and to facilitate the effective management of identified risks.

2.3 Furthermore, wider risks are considered, by keeping abreast of national issues and advice from the auditing profession / firms. The annual “Risk in Focus” report provides an opportunity to track how risk priorities are developing over time. A number of dominant themes are emerging. Climate change, biodiversity and environmental sustainability has gained in prominence more than any other risk type over the past three years. It is a moving target that organisations will have to make continuous efforts to mitigate for decades to come. This should therefore be considered a “forever risk” that is likely to move up the risk rankings over time. Risks related to business continuity, crisis management and disaster response have been heavily impacted by recent events, and the same is true of health, safety & security, Human capital, diversity and talent management and organisational culture. These latter three have a clear human capital element to them. Organisations have been forced to flex and adapt, protecting their workforces from harm as health risks sharply escalated and hybrid working evolved. The top five identified risks through ‘Risk In Focus’ survey have been considered for inclusion in the 2024-25 plan as follows;

1 - Cyber Security & Data Security – retained its long-standing pole position as the top threat. A review of cyber security was undertaken in 2023-24 and given the incident in January 2024 a very detailed follow up will be undertaken in 2024-25. Additional risk areas within ICT identified provision for Network Security, Data Management & PCI-DSS, and also Disaster Recovery which have also been included in the draft plan.

2 - Human Capital, Diversity & Talent Management –also retained its 2nd place ranking in the report as many businesses find themselves out of sync with post-pandemic culture. This is a vital area of risk as both strategic goals and risk management require a broad and deep base of talent and skills for success. There are HR reviews planned across the strategic audit plan including a review of Apprenticeships in 24-25 as well as Payroll and Employee Benefits In Kind.

3 - Macroeconomic and Geopolitical Uncertainty - weathering the economic effects of higher inflation and interest rates and the market changes they engender changes the emphasis of this risk category this year as it cuts across all areas, from financial liquidity and insolvency risk, to business continuity and supply chain resiliency. Reviews of Treasury Management, Main Accounting System, Disaster Recovery and Emergency Planning, as well as Service Contract Management have been allocated in 2024-25 relating to this risk. The inclusion of the Port Health audit reflects the s.25 budget uncertainty surrounding the impact of Central Government intentions in this area.

4 - Climate Change, Biodiversity and Environmental Sustainability - has slipped down the priority rankings, but a raft of new regulations – including Europe’s Corporate Sustainability Reporting Directive - means that organisations expect this to be the 3rd biggest risk by 2027. Keeping a strategic, entrepreneurial attitude will be key to avoid being mired in compliance. A Climate Change review was undertaken in 2022-23 and time has been allocated in the 2024-25 plan for a follow up review, to assess the Council’s progress against this agenda.

5 – Supply Chain, Outsourcing and Nth Party Risk - a key area where dynamic, fast-moving interconnected risks – economic headwinds, deglobalisation, physical threats to logistics, climate related weather events and new regulations, make strategic and operational innovation a must. Stress on supply chains will be a constant feature over the next few years, a review of Service Contract Management has been allocated in 2024-25 relating to this area.

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

- 2.5 To comply with the best practice, the agreed audit plan should cover a fixed period of no more than 1 year. Members are therefore being asked to approve the 2024-25 plan at the present time, and the future years are shown as indicative plans only, to provide Members with assurance that internal audit resources are sufficient to provide effective coverage across all areas of the Authority's operations within a rolling cycle.
- 2.6 The plan has been prepared in consultation with the Directors and the Council's statutory s.151 Officer. The plan is also designed to meet the requirements expected by the External Auditors for ensuring key controls are in place for its fundamental systems. This Committee is also part of the consultation process, and its views on the plan of work for 2024-25 are sought to ensure that the Council has an effective internal audit of its activities and Members receive the level of assurance they require to be able to place assurance on the annual governance statement.
- 2.7 The risk assessment and consultation to date has resulted in;
- | | |
|-----|---|
| 75% | Core Assurance Projects- the main Audit Programme; |
| 3% | Fraud Work – fraud awareness, reactive work and investigating potential irregularities; |
| 0% | Corporate Risk – testing the robustness of corporate risk mitigating action; and |
| 22% | Other Productive Work – Corporate meetings, follow up, general advice, liaison. |

Total number of audits is 27.

For 2024-25 the days available for carrying out audits are 343 days. When compared to the resources available and working on the basis that the highest risk areas should be reviewed as a priority, the EKAP has sufficient resources to undertake 27 audits. The detailed draft audit plan is contained in Annex A. The current resources of the EKAP will allow for an assurance opinion to be given on the Council's key risk areas and systems. This should be sufficient coverage to inform the Annual Governance Statement.

3. Benchmarking the level of Internal Audit Provision.

- 3.1 Members should have regard to how audit resources within the Council compare to other similar organisations when considering the adequacy and effectiveness of the internal audit plan. The results of benchmarking show that the average number of internal audit days provided by district councils within Kent is circa 387 days annum. The audit plan of Dover District Council of 318 days plus their share of the Civica audit plan totals 343. The Dover plan is therefore 44 days less well-resourced than the Kent average benchmark.

4. Head of Internal Audit Opinion of the 2024-25 Internal Audit Plan.

- 4.1 This report is presented to Members by the Council's Strategic Director (Corporate Resources) whose s.151 responsibility it is to maintain an effective internal audit plan. In the interests of openness and transparency and in order to enable Members to make an informed decision on the internal audit plan presented for their approval, consideration should also be given to the opinion of the Head of Internal Audit on the effectiveness of the plan.
- 4.2 It is the professional opinion of the Head of the East Kent Audit Partnership that the draft 2024-25 internal plan presented to Members will allow for an assurance opinion to be given on the Council's key risk areas and systems - which accordingly will be limited to commenting on the systems of internal control that have been examined in the year.
- 4.3 The Head of the East Kent Audit Partnership recommends that Members approve the 2024-25 internal audit plan as drafted, noting that to bring the plan up to the Kent average benchmark

would require an additional 44 days per annum, which at an estimated cost per audit day of £400 would cost £17,600 per annum.

5. Background Papers.

- Internal Audit Charter, Strategy and Internal Audit Annual Plan 2023-24 - Previously presented to and approved in March 2023 Governance Committee meeting.
- Internal Audit working papers - Held by the East Kent Audit Partnership.
- Former Audit Mission, Audit Charter and Strategies - Previously presented to and approved at Governance Committee meetings.

Attachments

Annex A Dover District Council & EKS/Civica draft 2024-25 Internal Audit Plans

CHRISTINE PARKER
Head of Audit Partnership

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

Plan Area	Corporate Plan and/or Corporate Risk Ref:	Year Last Audited	Previous Assurance level	2024-25 Planned Days	Quarter Prioritised for 2024-25	2025-26 Planned Days	2026-27 planned days	2027-28 Planned Days
Financial Governance:								
Capital	CR1	2021-22	Substantial			10		
Treasury Management	CR9	2020-21	Substantial	10	3			
Car Parking & Enforcement	CP1	2023-24	Reasonable			10		10
Creditors and CIS		2017-18	Substantial	10	1			
External Funding Protocol	CP1, CP4 & CR 1	2017-18	Reasonable			10		
Main Accounting System	CP4 & CR1	2016-17	Reasonable	10	3			
Income, Cash Collection & Bank Rec.	CP4	2018-19	Substantial/ Reasonable	10	2		10	
Budgetary Control	CP4, CR1 & CR2	2021-22	Substantial			10		
VAT		2022-23	22-23 WIP				10	
Insurance and Inventories of Portable Assets		2016-17	Substantial					
People Management:								
Recruitment & Leavers		2021-22	Substantial			10		
Apprenticeships		2018-19	Substantial/ Reasonable	10	3			
Absence Management, Annual Leave & Flexi Leave		2022-23	Limited/ Reasonable				10	
Payroll		2022-23	Substantial	3	3	3	3	6
Employee Benefits in Kind		2019-20	To be Assessed	3	3			
Employee Allowances and Expenses		2022-23	Substantial			3		
Corporate Governance:								
Members' Code of Conduct, Register of Interests, Gifts & Hospitality, & Standards Arrangements	CP4 & CR18	2023-24	Substantial					10
Officers' Code of Conduct and Gifts & Hospitality	CP4 & CR18	2021-22	Reasonable			10		
Local Code of Corporate Governance	CP4	2023-24	Substantial					10
Risk Management	Corporate Risk	2023-24	Reasonable /Limited					10
Complaints Monitoring	CP4	2022-23	Substantial				10	
Scheme of Officer Delegations	CP4	2017-18	Substantial	8	1		10	
Project Management	CP4	2017-18	Reasonable	10	4	10		
Performance Management	CP4 & CR17	2016-17	Reasonable /Limited			10		
GDPR, FOI & Information Management	CP4 & CR10	2022-23	Limited				12	
Counter Fraud Assurance:								
Data Analytics		2023-24	N/A	8	3	8	8	8
Tenancy Fraud		2017-18	Limited	10				
Duplicate Payments Testing		2017-18	N/A	2	1	2	2	2
Procurement & Contract Assurance:								
CSO Compliance	CP4	2021-22	Reasonable					10
Service Contract Monitoring	CP4, CR27 & CR31	2017-18	Reasonable	10	4			
Receipt and Opening of Tenders	CP4	2020-21	Substantial				10	
Procurement	CP4	2023-24	Limited					10
Asset Management:								
Commercial Let Properties and Concessions	CP4	2023-24	Reasonable /Limited					10
Commercial Properties - Compliance	CR14 & CR30	New Area	To be Assessed	10	2			
Cyber Security & Data Assurance:								
Change Control / Updates		2023-24	23-24 WIP					12
Cyber Security		2023-24	Limited					10
Network Security, Data Mngmt & PCI-DSS		2018/19	Substantial	14	2		15	
ICT – Acquisitions and Disposals		2017/18 (2021)	Reasonable			14		
Physical and Environment (Including Cloud Computing)		2023-24	23-24 WIP					15
Software Licensing		2020/21	Reasonable / Limited			15		
ICT - Disaster Recovery		2020/21	Reasonable	14	3		15	
Service Assurance: General Fund Housing								
Homelessness	CR4	2023-24	Reasonable					10
Housing Allocations and Housing Needs	CP3 & CR4	2022-23	Reasonable				10	

Plan Area	Corporate Plan and/or Corporate Risk Ref:	Year Last Audited	Previous Assurance level	2024-25 Planned Days	Quarter Prioritised for 2024-25	2025-26 Planned Days	2026-27 planned days	2027-28 Planned Days
Private Sector Housing – HMO Licensing & Pte. Sector Service Requests	CP3	2022-23	Reasonable				10	
Right to Buy		2022-23	Reasonable				10	
Service Assurance: Social Housing Systems								
Responsive Repairs & Maintenance & Void Property Mngmt.		2022-23	Reasonable			10		
Decent Homes & Stock Condition		New Area	To be Assessed	10	4			
Garage Management		New Area	To be Assessed	8	1			
Tenant Health & Safety Compliance		2021-22	Reasonable			10		
Rent Accounting, Collection & Recovery		2019-20	Substantial	10	2			
Leasehold Services		2022-23	Substantial				10	
Rechargeable Works		New Area	To be Assessed	10	3	10		
Contract Letting, Monitoring & Management		2022-23	No					14
Sheltered Housing & Supported Housing		2022-23	Substantial				10	
Resident Involvement		2023-24	23-24 WIP					10
Tenancy & Estate Management and Inspections		2021-22	N/A			10		
Anti Social Behaviour (run alongside Community Safety)		2023-24	Reasonable					5
New Build Capital Programme		New Area	To be Assessed			10		
Energy Efficiency and Carbon Reduction & Fuel Poverty Programmes		New Area	To be Assessed					10
HRA Business Plan	CP3	2010-11	Limited			5		
Service Assurance: Environmental and Operational								
Employee Health & Safety	CR20	2022-23	Limited				10	
Cemeteries		2020-21	Reasonable					10
Safeguarding Children and Vulnerable Groups/DBS Checks	CP3 & CR28	2022-23	Limited				10	
Community Safety	CP2	2023-24	Substantial/Reasonable					10
Coastal Management		2013-14	Substantial	10	1			
Community Grants		New Area	To be Assessed	10	3			
Asylum Resettlement		New Area	To be Assessed			10		
Climate Change		2022-23	N/A	5	3	5	5	5
CCTV	CP2	2021-22	Substantial			10		
Environmental Crime - Dog Warden Service, Street Scene and Litter Enforcement (incl. graffiti and flytipping)	CP2	2023-34	Substantial					10
Electoral Registration & Election Management	CP3 & CR14	2023-24	23-24 WIP				10	
Port Health & Public Protection – Food Safety	CP2 & CP3	2022-23	Substantial				10	
Port Health & Public Protection - Port Health (Assurance Review)	CP3 & CR5/6	New Area	To be Assessed	10	4			10
Planning Enforcement	CR12	2020-21	Reasonable	10	1			
Environmental Health - Environmental Protection Service Requests	CP3	2023-24	Reasonable					10
Environmental Health - Contaminated Land, Air and Water Quality	CP3	2021-22	Substantial			10		
Business Continuity and Emergency Planning	CR7, CR19 & CR25	2020-21	Reasonable	10	4			
Playgrounds	CP3	2020-21	Reasonable	10	4			
Equality and Diversity	CP3 & CR13	2023-24	23-24 WIP					10
Events Management		2023-24	To be Assessed					8
Grounds Maintenance	CP2 & CP4	2021-22	Limited			10		
Disabled Facilities & Other Grants	CP3	2020-21	Substantial			10		
Licensing	CP3	2021-22	Substantial			10		
Dover Lottery		New Area	To be Assessed					
Museum and VIC	CP1	2019-20	Reasonable				10	
Members' Allowances and Expenses		2020-21	Substantial					

Plan Area	Corporate Plan and/or Corporate Risk Ref:	Year Last Audited	Previous Assurance level	2024-25 Planned Days	Quarter Prioritised for 2024-25	2025-26 Planned Days	2026-27 planned days	2027-28 Planned Days
Planning Applications, Income and s106 Agreements	CR12	2022-23	Reasonable /Limited				12	
Self Build Programme		New Area	To be Assessed					10
Building Control		2018-19	Reasonable	10	4			
Phones, Mobiles and Utilities - Expenditure and Controls		2021-22	Limited/ Reasonable			10		
Printing, photocopying and postage		2019-20	Substantial				10	
Sports and Leisure Centres	CP1 & CP3	2015-16	Reasonable					10
Entertainment & Catering		New Area	To be Assessed				10	
Whitecliffs Countryside Partnership	CP2	2018-19	Reasonable	10	2			
Waste Management and Street Cleansing	CP2 & CR13	2023-24	Reasonable /Limited				13	
Garden Waste and Recycling Income	CP2	2021-22	Limited			10		
Other:								
Corporate/ s.151/ Governance Committee		Annually	N/A	32	1 to 4	32	32	32
Liaison with the External Auditors	N/A	Annually	N/A	1	1 to 4	1	1	1
Previous Year Work in Progress b/fwd	N/A	Annually	N/A	5	1	5	5	5
Follow-Up	N/A	Annually	N/A	15	1 to 4	15	15	15
Total Planned Days:				318		318	318	318

Dover Audits falling outside of the 4 year cycle:

External Funding Protocol	CP1, CP4 & CR 1	2017-18	Reasonable	10
Insurance and Inventories of Portable Assets		2016-17	Substantial	10
New Build Capital Programme		New Area	To be Assessed	10
Energy Efficiency and Carbon Reduction & Fuel Poverty Programmes		New Area	To be Assessed	10
HRA Business Plan	CP3	2010-11	Limited	10
Performance Management	CP4 & CR17	2016-17	Reasonable /Limited	10
Receipt and Opening of Tenders	CP4	2020-21	Substantial	10
ICT – Acquisitions and Disposals		2017/18 (2021)	Reasonable	10
Software Licensing		2020/21	Reasonable / Limited	10
Cemeteries		2020-21	Reasonable	10
Disabled Facilities & Other Grants	CP3	2020-21	Substantial	10
Dover Lottery		New Area	To be Assessed	10
Museum and VIC	CP1	2019-20	Reasonable	10
Members' Allowances and Expenses		2020-21	Substantial	10
Self Build Programme		New Area	To be Assessed	10
Sports and Leisure Centres	CP1 & CP3	2015-16	Reasonable	10
Entertainment & Catering		New Area	To be Assessed	10

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EK SERVICES STRATEGIC AUDIT PLAN 2024/28

Plan Area	Year Last Audited	Risk / corp plan / service	Previous Assurance Level	Follow Up Assurance Level	2024-25 Planned Days	2025-26 Planned Days	2026-27 Planned Days
EK Services - Revenues & Benefits (CIVICA)							
Housing Benefits – Payment	2021/22	Service	Substantial	Substantial		16	
Housing Benefits – Overpayments	2020/21	Service	Substantial	Substantial	16		
Housing Benefits – Admin & Assessment	2023/24	Service	Substantial	Substantial			15
Housing Benefit - Appeals	2019/20	Service	Substantial	Substantial	16		
Housing Benefit - DHP	2022/23	Service	Substantial	Substantial		16	
Housing Benefit Subsidy	2020/21	Service	Substantial	Substantial		16	

Plan Area	Corporate Plan and/or Corporate Risk Ref:	Year Last Audited	Previous Assurance level	2024-25 Planned Days	Quarter Prioritised for 2024-25	2025-26 Planned Days	2026-27 planned days	2027-28 Planned Days
Council Tax	2021/22	Service	Substantial	Substantial		16		
Council Tax Reduction Scheme	2023/24	Service	WIP				15	
Customer Services	2016/17	Service	Substantial	Substantial	16			
Business Rates	2022/23	Service	Substantial	Substantial			15	
Business Rates Reliefs / Credits	2019/20	Service	Substantial	Substantial	16			
Debtors and Rechargeable Works	2022/23	Service	Substantial	Substantial			15	
Key Performance Indicators	2022/23	Service	Substantial	Substantial			4	
Sub-Total					64	64	64	
EK Services Corporate								
Meetings/ Audit Plan					5	5	5	
WIP at Year End Carried Forward / Follow Up					5	5	5	
Sub-Total					10	10	10	
Total Days					74	74	74	
Reviews outside of three year cycle								
Housing Benefit Appeals	2019/20	Service	Substantial	Substantial	16			
Housing Benefits – Overpayments	2020/21	Service	Substantial	Substantial	16			
Housing Benefit Subsidy	2020/21	Service	Substantial	Substantial		16		
Customer Services	2016/17	Service	Substantial	Substantial	16			
Business Rates Reliefs & Credits	2019/20	Service	Substantial	Substantial	16			