
Subject: QUARTERLY INTERNAL AUDIT UPDATE REPORT

Meeting and Date: Governance Committee – 26th March 2015

Report of: Christine Parker – Head of Audit Partnership

Decision Type: Non-key

Classification: Unrestricted

Purpose of the report: This report includes the summary of the work completed by the East Kent Audit Partnership since the last Governance Committee meeting, together with details of the performance of the EKAP to the 31st December 2015.

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, together with details of the performance of the EKAP to the 31st December 2015.

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 reports that have been completed during the period, of which three reviews were classified as providing Substantial Assurance, three as Reasonable Assurance, and one as Limited. There was one additional piece of work for which an assurance level was not applicable as it comprised quarterly housing benefit claim testing. Summaries of the report findings and the recommendations made are detailed within Appendix 1 to this report.
- 2.8 In addition two 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-month period to 31st December 2014, 194.69 chargeable days were delivered against the planned target of 260.96, which equates to 74.61% 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 2014-15 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 2014-15 - Previously presented to and approved at the 20th March 2014 Governance Committee meeting.
- Internal Audit working papers - Held by the East Kent Audit Partnership.

Contact Officer: Christine Parker, Head of Audit Partnership



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

1. INTRODUCTION AND BACKGROUND

- 1.1 This report includes the summary of the work completed by the East Kent Audit Partnership since the last Governance Committee meeting, together with details of the performance of the EKAP to the 31st December 2014.

2. SUMMARY OF REPORTS:

Service / Topic		Assurance level
2.1	Pest Control	Substantial
2.2	EK Services – Council Tax	Substantial
2.3	EK Services - Housing Benefit Administration & Assessment	Substantial
2.4	EK Services – Customer Services	Reasonable
2.5	EK Services – ICT Physical & Environmental Controls	Reasonable
2.6	EK Services – ICT Internet and email	Reasonable
2.7	East Kent Housing – Leasehold Services	Limited
2.8	EK Services – Quarterly Housing Benefit Testing (Quarter 1 of 2014-15)	Not Applicable

2.1 Pest Control – Substantial Assurance.

2.1.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established in order to provide an efficient, economic and effective pest control service within the district

2.1.2 Summary of Findings

The current pest control contract was awarded in 2012 (for a four year period until 2016) in a joint procurement exercise with Shepway and Thanet District Councils. Shepway District Council took the lead on the tendering process on behalf of the three authorities. Under the terms and conditions of the contract, there is no cost to the Council and the contractor is required to pay a concession fee to the Council if the income collected exceeds £35,000 per quarter; however, to date that income level has not been achieved.

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

- The pest control service has been market tested.
- The pest control service is advertised via the Council website.
- Monitoring of the service has been carried out and the Environmental Protection Manager is aware that there is the need to arrange another meeting soon with the contractor although there have been no complaints received from the public in respect of the service provided.

2.2 EK Services Council Tax – Substantial Assurance.

2.2.1 Audit Scope

To ensure that the processes and procedures established by EK Services are sufficient to provide the level of service required by the partner councils and incorporate relevant internal controls regarding the administration of Council Tax especially the recording of accounts, billing and monitoring of accounts including changes in responsible person.

2.2.2 Summary of Findings

Canterbury City Council, Dover District Council and Thanet District Council participate in a shared service programme with EK Services. A Service Level Agreement (SLA) has been created between the partner organisations detailing service delivery. Included within the SLA is the provision for EK Services to undertake the processing and administration of Council Tax for the three authorities. The SLA is reviewed annually by all partners and it is updated accordingly.

The performance of EK Services is monitored very closely by EK Services Senior Management and the client officers from the partner authorities. Targets have been set to ensure that EK Services meet the expectations set by each authority and the commitments agreed in the SLA.

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

- There is a SLA in place which details the expectations of the partner authorities
- There are targets and performance indicators in place to ensure that EK Services attain a high standard for the processing and administration of council tax and this is reported regularly to the relevant senior management.

Scope for improvement was however identified in the following areas:

- The notes or diary are not always being utilised to provide a clear picture of the action taken on an account.
- The council tax accounts in credit need to be reviewed periodically to ensure they are kept to a minimum.

2.3 EK Services Council Tax – Substantial Assurance.

2.3.1 Audit Scope

To ensure that the processes and procedures established by EK Services are sufficient to provide the level of service required by the partner authorities of Canterbury CC, Dover DC and Thanet DC and incorporate relevant internal controls regarding the administration and assessment of housing benefit claims.

2.3.2 Summary of Findings

EK Services undertake the administration of housing benefit and council tax support for the three East Kent authorities. The SLA is reviewed annually by all partners and it is updated accordingly.

Since the last audit in March 2013, significant work has been undertaken to create a payment page on the EK Services Intranet which provides all staff with a central place where they can access assessment tools, training aids, benefit circulars, forms, case law, useful desk tools and internal guidance and procedures.

The performance of EK Services is monitored very closely by EK Services Senior Management and the client officers from the partner authorities. Targets have been set to ensure that EK Services meet the expectations set by each authority and the commitments agreed in the SLA.

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

- There is a SLA in place which details the expectations of the partner authorities
- There are targets and performance indicators in place to ensure that EK Services attain a specific standard for the administration of housing benefit and this is reported regularly to the relevant senior management.
- Since the last audit, action has been taken to collate all important and relevant information regarding the processing of housing benefit on to a page on the EK Services intranet which all staff can access.
- The Systems Team ensure that comprehensive testing is undertaken on any software patches and upgrades before they are installed onto the live systems.

Scope for improvement was however identified in the following areas:

- The procedures and records used by the Quality Team are not being consistently applied across all partner authorities.

2.4 EK Services Customer Services – Substantial Assurance.

2.4.1 Audit Scope

To ensure that the processes and procedures established by EK Services are sufficient to provide the level of service required by the partner councils and incorporate relevant internal controls regarding the interface with the public to respond to customer enquiries and requests for service via e-mail/internet, post, telephone and face-to-face contact points.

2.4.2 Summary of Findings

Customer Services is the first point of contact for most of the customers that visit or call Canterbury City, Dover District and Thanet District Councils. EK Services operates with a total of 90 full and part-time staff. Resources are distributed at a ratio of approximately 34 staff for Canterbury, 26 staff for Dover and 30 staff for Thanet.

EK Services have built some resilience within the service, training some staff to cover two or three sites in order to meet operational needs such as peaks and troughs in demand throughout the year.

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

- The service is supported by well documented and clearly defined Service Level Agreement and Service Plan;
- The Service Standards expected of staff are clearly defined in the Customer Service Standards Policy which is available on the intranet;
- Face to face contact and telephone contact was compliant with the expectations set out in the Customer Service Standards Policy;
- The training regime was well implemented;
- Information made available to the public was clear and concise; and
- The Risk Management Process seemed to be working effectively.

Scope for improvement was however identified in the following areas:

- EK Services could be more effective by introducing performance indicators which attempt to measure how effective it is at meeting it's own objective of 'right first time';
- No recorded minutes are currently being taken at Management Team Meetings and Meetings with Client Officers at each of the three councils;
- There is still some cash handling routines in place which present some level of risk to two of the Councils; and
- There is no clear instruction on what to do in an emergency available on the intranet for employees based at Thanet.

2.5 EK Services ICT Physical & Environment – Substantial Assurance.

2.5.1 Audit Scope

To ensure that the physical and environmental controls over the main ICT assets, including the servers are robust and are sufficient to enable EK Services to provide the level of ICT service required by the partner Councils.

2.5.2 Summary of Findings

EK Services ICT services is responsible for protecting and maintaining the network and providing ICT support services across all partner authorities. EK Services Business Support procures ICT equipment according to the specifications provided by EK ICT Services.

Individual authorities retain ownership of their ICT assets and are responsible for the physical and environmental controls of their ICT suites e.g. fire suppressant and cooling systems, power supplies and access controls.

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

- ICT security policies are in place and are accessible to all staff;
- Approximately 95% of local authority ICT equipment is recorded on a centrally held system (Track-IT);
- EK Services/all partner authorities are members of the PSN which means that they must satisfy an independent IT Health Check and be CoCo compliant;

- A new, more efficient, back-up system is currently being implemented.

Scope for improvement was however identified in the following areas:

- ICT server rooms should be kept clear of hazards;
- Reconcile ICT equipment across all partner authorities.

2.6 EKS ICT Internet and email – Reasonable Assurance.

2.6.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that the Council's Officers and Members use of the Internet and email facilities are in line with corporate guidelines and legislative requirements such as the Misuse of Computers Act.

2.6.2 Summary of Findings

Canterbury City Council, Dover District Council and Thanet District Council provide technology devices, such as PCs, laptops, thin client devices, Blackberrys, and PDAs, together with access to the Internet and email to officers and members.

There are a number of legislative requirements that must be adhered to in relation to telephony, IT networks and any specific applications, e-mail and Internet use. The acceptable use policy defines for all staff what is acceptable and unacceptable use of Council systems and equipment.

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

- There are clear and concise policies relating to the acceptable use of the councils' internet and email facilities.
- EK Services are able to run reports to show usage if management request them.
- Suitable virus protection is in place to protect the councils' networks.
- Internet filtering takes place to stop access to inappropriate websites.

Scope for improvement was however identified in the following areas:

- The policies need reviewing to ensure they are still up to date with legislation.
- Internal emails are not monitored, the councils should determine if they would benefit from some monitoring to prevent miss-use.

2.7 East Kent Housing Leasehold Services – Limited Assurance.

2.7.1 Audit Scope

To provide assurance that the service costs incurred by the partner council in respect of relevant properties within the housing portfolio, for which the Council owns the freehold, and which are occupied on lease, or have been sold are appropriately re-charged to the tenants/leaseholders/owners in accordance with statutory provisions and Council policy.

2.7.2 Summary of Findings

There are approximately 1,400 Leaseholders in the housing stock of the four East Kent councils, representing around 8% of the housing stock managed by East Kent Housing (EKH). EKH provides a management service to these leaseholders, although the nature of the service varies quite widely between each council dependant on the arrangements in place prior to the transfer of the service from each Local Authority to EKH.

The main focus of the review was directed at the following arrangements listed below. It should be noted that the results of the audit have been passed on to City West Homes who was also completing an independent review of the leaseholder service at the same time as this audit review: -

- Examination of key areas and the links between departments and partner councils;
- Examination of the consultation arrangements with leaseholders;
- Examination of the invoicing and debt collection arrangements;
- Examination of documentation and completeness of the audit trail;
- Examination of the way in which service charges were calculated and apportioned.

From the testing completed during this review many of the necessary controls were found to be either partially effective or not effective. This leads us to conclude a Limited Assurance opinion.

Despite this assurance opinion there were identified areas of good practice. Each authority could benefit from adopting at least one of the processes in place at one or more of the partner authorities. Some of the issues that arose spanned across all four sites and these are summarised below: -

- Reliable procedure notes needed to be developed and used;
- EKH needs to strengthen the links between leaseholder services and asset management;
- The Section 20 consultation process was not well exercised and a new process should be adopted which lays out clear areas of responsibility;
- Specified leaseholder satisfaction questionnaires are not provided to leaseholders for major works;
- The annual reports containing individual jobs which are passed to the leaseholder section for the purpose of annual billing should be redesigned in order to strengthen the reconciliation routines; and
- The Leaseholder Handbooks are out of date and should be rebranded, updated and put online.

Some of the issues that arose spanned across two or three sites and these are summarised below: -

- Those Councils that produce estimates should consider reviewing the arrangements and consider changing the word 'estimate' to 'payment in advance';
- Some debt collection arrangements were found to be weak;
- In some instances the audit trail was not complete; and
- In some instances the reconciliation routines were weak;

Some of the other issues that arose were individual to either each Council or to EKH.

2.8 EK Services – Housing Benefit Quarterly Testing (Quarter 1 of 2014-15):
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2.7.1 Background:

Over the course of 2014/15 financial year the East Kent Audit Partnership will be completing a sample check of Council Tax, Rent Allowance and Rent Rebate and Local Housing Allowance benefit claims.

2.8.2 Findings:

For the first quarter of 2014/15 financial year (April to June 2014) 40 claims including new and change of circumstances of each benefit type were selected by randomly selecting the various claims for verification.

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

2.8.3 Audit Conclusion:

Forty benefit claims were checked and of these two had financial errors that did not impact on the benefit calculation, one had both a data quality error and an error that impacted on the benefit calculation (in total 1 fail - 2.50%) and two were just data quality errors.

3.0 FOLLOW UP OF AUDIT REPORT ACTION PLANS:

3.1 As part of the period's work, two 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)	East Kent Housing – Rent Collection and Debt Management	Reasonable	Reasonable	H	1	H	1
				M	5	M	1
				L	1	L	0
b)	EK Services – Housing Benefit Payments	Substantial	Substantial	H	0	H	0
				M	1	M	0
				L	1	L	0

3.2 Details of each of the 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.

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: Creditors and CIS, Income, Car Parking, Tackling Tenancy Fraud and Payroll.

5.0 CHANGES TO THE AGREED AUDIT PLAN:

5.1 The 2014-15 Audit plan was agreed by Members at the meeting of this Committee on 20th March 2014.

5.2 The Head of the Audit Partnership meets on a regular basis with the 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 have been made to the plan during the course of the year as some high profile projects or high-risk areas have been 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-month period to 31st December 2014, 194.69 chargeable days were delivered against the planned target of 260.96, which equates to 74.61% plan completion.

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

7.3 As part of its commitment to continuous improvement and following discussions with the s.151 Officer Client Group, the EKAP has improved on the range of performance indicators it records and measures. The performance against each of these indicators is attached as Annex 4.

7.4 The EKAP introduced an electronic client satisfaction questionnaire, which is used across the partnership. The satisfaction questionnaires are sent out at the conclusion of each audit to receive feedback on the quality of the service. Current feedback arising from the customer satisfaction surveys is featured in the Balanced Scorecard attached as Annex 4.

Attachments

Annex 1	Summary of High priority recommendations outstanding after follow-up.
Annex 2	Summary of services with Limited / No Assurances
Annex 3	Progress to 31 st December 2014 against the agreed 2014/15 Audit Plan.

- Annex 4 EKAP Balanced Scorecard of Performance Indicators to 31st December 2014.
- 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.
<p>Dover – Reduce the £1,000 limit for refunds that are checked with EK Services for outstanding amounts to the same level that is in place at the other 3 authorities so that any refunds due are checked for outstanding amounts.</p>	<p>Dover team are not able check all debts with EKS due to access issues. I have contacted the relevant Manager at EK Services to confirm what access they can have. I am still waiting on a response on this to bring Dover into line with the other three districts – this will be a DDC decision also.</p> <p><u>Responsibility / Original Completion Date:</u></p> <p>Income Recovery Manager - 15/05/14</p>	<p>Refund limit has been reduced following discussions with Dover District Council and Area Manager. Dover team are still waiting for access from EKS for the corporate debt system so that they are able to check all debts.</p>

SERVICES GIVEN LIMITED / NO ASSURANCE LEVELS STILL TO BE REVIEWED				
Service	Reported to Committee	Level of Assurance	Management Action	Follow-up Action Due
Absence Management	June 2013	Limited	On-going management action in progress to remedy the weaknesses identified.	Work-in-progress as part of a planned audit
Employee Benefits-in-Kind	September 2014	Limited	On-going management action in progress to remedy the weaknesses identified.	Work-in-progress
Safeguarding Children and Vulnerable Groups	September 2014	Limited	On-going management action in progress to remedy the weaknesses identified.	Work-in-progress
EKS – ICT Change Control	June 2014	Limited	On-going management action in progress to remedy the weaknesses identified.	Work-in-progress

PROGRESS AGAINST THE AGREED 2014-15 AUDIT PLAN.

DOVER DISTRICT COUNCIL:

Review	Original Planned Days	Revised Planned Days	Actual days to 31-12-14	Status and Assurance Level
FINANCIAL SYSTEMS:				
Car Parking & PCNs	10	10	0.42	Work-in-Progress
Creditors and CIS	10	10	0.21	Work-in-Progress
Income	10	10	0.34	Work-in-Progress
RESIDUAL HOUSING SYSTEMS:				
HRA Business Plan	10	0	0	Postpone to accommodate additional work b/fwd from 2013-14
GOVERNANCE RELATED:				
Asset Management	10	0	0	Postpone to accommodate additional work b/fwd from 2013-14
Anti-Money Laundering	5	5	4.84	Finalised - Substantial
Fraud Prevention	10	0	0	Postpone to accommodate unplanned work
Complaints Monitoring	10	10	10.24	Finalised - Reasonable
Partnerships and Shared Service Monitoring	10	0	0.17	Postpone to accommodate DES review of property services
Corporate Advice/CMT	2	2	4.59	Work-in-Progress throughout 2014-15
s.151 Meetings and support	9	9	8.28	Work-in-Progress throughout 2014-15
Governance Committee Meetings and Reports	12	12	9.48	Work-in-Progress throughout 2014-15
2015-16 Audit Plan Preparation and Meetings	9	9	3.06	Work-in-Progress
CONTRACT RELATED:				
CSO Compliance	10	31	31	Finalised - Reasonable
Receipt and Opening of Tenders	6	0	0.17	Postpone to accommodate

Review	Original Planned Days	Revised Planned Days	Actual days to 31-12-14	Status and Assurance Level
				additional work b/fwd from 2013-14
SERVICE LEVEL:				
Safeguarding Children & Vulnerable Groups	10	15	14.28	Finalised - Limited
Community Safety	10	0	0	Postpone to accommodate additional work b/fwd from 2013-14
Pest Control	10	10	0.17	Finalised - Substantial
Towards a Digital Future	18	18	15.57	Work-in-Progress
HMO Licensing	10	10	7.3	Finalised - Reasonable
Land Charges	10	0	0	Postpone to accommodate additional work b/fwd from 2013-14
Building Control	10	0	0	Postpone to accommodate additional work b/fwd from 2013-14
Waste Management	10	10	8.96	Finalised - Reasonable
White Cliffs Countryside Partnership and 'Up on the Downs'	10	10	14.05	Finalised - Reasonable
OTHER				
Liaison with External Auditors	2	2	0.5	Work-in-Progress throughout 2014-15
Follow-up Work	17	17	11.43	Work-in-Progress throughout 2014-15
UNPLANNED WORK				
DES Review – Property Services	0	10	5.82	Work-in-Progress
Enterprise Zone Grant Certification	0	0	0	Work-in-Progress
FINALISATION OF 2013-14- AUDITS				
Planning	5	35.96	11.54	Finalised – Substantial/Limited/ Limited
Tackling Tenancy Fraud			7.72	Work-in-Progress
Payroll			4.22	Work-in-Progress
Main Accounting System			0.47	Finalised - Substantial

Review	Original Planned Days	Revised Planned Days	Actual days to 31-12-14	Status and Assurance Level
Homelessness			11.51	Finalised – Substantial/Limited
Employee BIKs			1.23	Work-in-Progress
Car Parking Investigation			6.94	Finalised
Days over delivered in 2013-14			0	Finalised
EK HUMAN RESOURCES				
Absence Management	5	5	0.18	Work-in-Progress
Payroll	5	5	0	Quarter 3
Employee Allowances & Expenses	5	5	0	Quarter 3
TOTAL - DOVER DISTRICT COUNCIL RESIDUAL DAYS	270	260.96	194.69	74.61% at 31st December 2014

EAST KENT HOUSING LIMITED:

Review	Original Planned Days	Revised Planned Days	Actual days to 31-12-2014	Status and Assurance Level
Planned Work:				
Audit Ctte/EA Liaison/Follow-up	8	8	6.41	Work-in-Progress throughout 2014-15
Finance & ICT Systems	10	10	0	Postpone until 2015-16
Tenant Health & Safety	17	27.93	27.93	Finalised
Void Property Management.	15	0	0	Postpone until 2015-16
Sheltered Housing	30	0	0.2	Postpone until 2015-16
Finalisation of 2013-14 Audits:				
Leasehold Services	0	14.77	23.19	Work-in-progress
Rent Collection and Debt Management	0	2.36	2.36	Finalised - Reasonable
Days under delivered in 2013-14	0	0	-0.32	Completed
Unplanned – CSO Compliance	0	16.94	0	Work-in-Progress
Total	80	80	59.77	74.71% at 31-12-2014

Review	Original Planned Days	Revised Planned Days	Actual days to 31-12-2014	Status and Assurance Level
Additional Days purchased with saving from 2013-14	0	8.1	0	Allocated to Leasehold Services Audit
Complaint Investigation – CSO Compliance	0	0	6.28	Finalised

EK SERVICES:

Review	Original Planned Days	Revised Planned Days	Actual days to 31-12-14	Status and Assurance Level
Planned Work:				
Housing Benefits Admin & Assessment	15	15	14.8	Finalised - Substantial
Housing Benefits Payments	15	16	16.14	Finalised - Substantial
Council Tax	30	16	8.18	Finalised - Substantial
Customer Services	15	15	14.36	Finalised - Reasonable
ICT File Controls / Data Protection / Back ups	12	12	4.15	Work in progress
ICT Internet & Email	12	18	17.64	Finalised - Reasonable
ICT Physical & Environment	12	17	16.69	Finalised - Reasonable
Corporate / Committee /follow up	9	10	8.87	Work in progress throughout 2014-15
DDC / TDC HB reviews	40	40	12.45	Work in progress throughout 2014-15
ICT SAM Procurement	0	11	11.16	Finalised
Finalisation of 2013-14 audits:				
Housing Benefit Verification	0	5.15	4.59	Finalised
Payroll	0	16	15.64	Finalised
Total	160	191.15	144.67	76% at 31-12-2014

BALANCED SCORECARD – QUARTER 2

<u>INTERNAL PROCESSES PERSPECTIVE:</u>	<u>2014-15 Actual</u>	<u>Target</u>	<u>FINANCIAL PERSPECTIVE:</u>	<u>2014-15 Actual</u>	<u>Target</u>
	Quarter 3		Reported Annually		
Chargeable as % of available days	86%	80%	• Cost per Audit Day		£312.86
Chargeable days as % of planned days			• Direct Costs (Under EKAP management)		£392,980
CCC	61%	75%	• Indirect Costs (Recharges from Host)		£19,990
DDC	75%	75%	• 'Unplanned Income'		Zero
SDC	80%	75%	• Total EKAP cost		£412,970
TDC	65%	75%			
EKS	76%	75%			
EKH	75%	75%			
Overall	72%	75%			
Follow up/ Progress Reviews;					
• Issued	41	-			
• Not yet due	17	-			
• Now due for Follow Up	33	-			
Compliance with the PIAS for Internal Audit Standards	Partial	Full			

BALANCED SCORECARD – QUARTER 2

<u>CUSTOMER PERSPECTIVE:</u>	<u>2014-15 Actual</u>	<u>Target</u>	<u>INNOVATION & LEARNING PERSPECTIVE:</u>	<u>2014-15 Actual</u>	<u>Target</u>
	Quarter 3				
Number of Satisfaction Questionnaires Issued;	65		Percentage of staff qualified to relevant technician level	88%	75%
Number of completed questionnaires received back;	18 = 28%		Percentage of staff holding a relevant higher level qualification	43%	32%
Percentage of Customers who felt that;			Percentage of staff studying for a relevant professional qualification	25%	13%
<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%	Number of days technical training per FTE	4.18	3.5
	100%	100%	Percentage of staff meeting formal CPD requirements	43%	32%



ANNEX 5

AUDIT ASSURANCE

Definition of Audit Assurance Statements

Substantial Assurance

From the testing completed during this review a sound system of control is currently being managed and achieved. All of the necessary, key controls of the system are in place. Any errors found were minor and not indicative of system faults. These may however result in a negligible level of risk to the achievement of the system objectives.

Reasonable Assurance

From the testing completed during this review most of the necessary controls of the system in place are managed and achieved. There is evidence of non-compliance with some of the key controls resulting in a marginal level of risk to the achievement of the system objectives. Scope for improvement has been identified, strengthening existing controls or recommending new controls.

Limited Assurance

From the testing completed during this review some of the necessary controls of the system are in place, managed and achieved. There is evidence of significant errors or non-compliance with many key controls not operating as intended resulting in a risk to the achievement of the system objectives. Scope for improvement has been identified, improving existing controls or recommending new controls.

No Assurance

From the testing completed during this review a substantial number of the necessary key controls of the system have been identified as absent or weak. There is evidence of substantial errors or non-compliance with many key controls leaving the system open to fundamental error or abuse. The requirement for urgent improvement has been identified, to improve existing controls or new controls should be introduced to reduce the critical risk.