
Subject: QUARTERLY INTERNAL AUDIT UPDATE REPORT

Meeting and Date: Governance Committee – 22nd September 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 30th June 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 30th June 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 seven Internal Audit reports that have been completed during the period, of which two reviews were classified as providing Substantial Assurance, and four as Reasonable Assurance. 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 three-month period to 30th June 2015, 40.48 chargeable days were delivered against the planned target of 271.32, which equates to 15% 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 2015-16 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 2015-16 - Previously presented to and approved at the 26th March 2015 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	EKS – Housing Benefit Appeals	Substantial
2.2	EKS – Housing Benefit Discretionary Housing Payments	Substantial
2.3	EKS – PC and Laptop Controls	Reasonable
2.4	EKS – ICT File Controls and Back-ups	Reasonable
2.5	East Kent Housing – Contract Standing Order Compliance	Reasonable
2.6	Your Leisure	Reasonable
2.7	EK Services – Quarterly Housing Benefit Testing (Quarter 4 of 2014-15)	Not Applicable

2.1 EKS Housing Benefit Appeals – Substantial Assurance.

2.1.1 Audit Scope

To ensure that the processes and procedures established by EKS are sufficient to provide the level of service required by the partner councils and these incorporate relevant internal controls to ensure that EKS undertakes appeals by members of the public against their Housing Benefit awards in a fair and consistent manner and in line with Housing Benefit guidance from the DWP.

2.1.2 Summary of Findings

The Housing Benefit (Decision and Appeals) Regulations 2001 state that any 'person affected' by a relevant decision can ask the Council to revise its decision. It also states that a person affected can appeal against the decision of a Local Authority to an independent appeal tribunal (the First-tier Tribunal).

The processes in place for dealing with the appeals received by EKS reflect the guidance issued by the DWP.

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

- A central record is maintained of all appeals received and this is monitored.
- There are effective controls in place to ensure that appeals are dealt with expediently.
- EK Services have allocated specific officers to process appeals and to ensure that they are administered in accordance with government legislation.

2.2 EKS Housing Benefit Discretionary Housing Payments – Substantial Assurance.

2.2.1 Audit Scope

To ensure that the processes and procedures established by EKS are sufficient to provide the level of service required by the partner councils and these incorporate relevant internal controls regarding the provision of additional financial assistance to claimants who are already receiving either Housing Benefit or Council Tax Benefit, and who are experiencing particular financial hardship with regard to paying the shortfall of housing rent or council tax by the evaluation of, and then approval or rejection of applications.

2.2.2 Summary of Findings

Discretionary housing payments were introduced in 2001 as part of the Discretionary Financial Assistance regulations. The regulations provide Local Authorities with the right to award further assistance towards housing benefit. The regulations were updated in April 2014 to reflect the changes in the housing benefit legislation.

Each local authority receives a government contribution towards the discretionary housing payment scheme. Discretionary housing payment can be applied for to assist with rent in advance, rent deposits, rent arrears and shortfalls in rent levels. There are specific officers within the Quality Team that deal with the administration and processing of the discretionary hardship applications.

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

- There is an approved policy in place for the administration of discretionary housing payments and this reflects central government guidance.
- A central record is maintained of all applications received and this is monitored regularly.
- There are effective controls in place to monitor the value of discretionary housing payment granted.
- Specific officers have been allocated to process applications for discretionary housing payment. Any decision appeals are reviewed and adjudicated by the Quality Team Leader.

2.3 EKS – PC & Laptop Controls – Reasonable Assurance.

2.3.1 Audit Scope

To ensure that the procedures and internal controls established by EKS are sufficient to provide the level of service required by the partner Councils with regard to the control of the use of computers both by officers of EKS and the partner councils.

2.3.2 Summary of Findings

EKS provides the ICT service to the three East Kent partner councils as well as to East Kent Housing. The service is detailed in the collaboration agreement between the various parties. This includes the provision, but not the funding, of the hardware equipment such as PCs, laptops and smart devices, their management and maintenance. Early in 2014 EK Services were involved in a project concerning a large scale equipment roll out across the partners which was to be achieved by a specified deadline and involved many hundreds of machines and users.

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

- There is an approved agreement between the EK Services and the partners.
- The recent roll out of equipment has brought the asset base of computers up to date.
- There is various guidance and policies setting out the expectations required of users.
- There are security measures and encryptions in place to restrict access to the equipment and data available via remote connections.

There are however some areas which could be improved and these are as follows:-

- The sharing of best practice guidance.
- Reminding users of their responsibilities regarding machines and data.
- Health and safety issues regarding portable ICT assets.

2.4 EKS ICT File Controls and Back-ups – Reasonable Assurance.

2.4.1 Audit Scope

To ensure that the controls over the administration of ICT electronic files and back-ups are robust and sufficient to enable EKS to provide the level of ICT service required by the partner councils.

2.4.2 Summary of Findings

EKS ICT are responsible for the provision of technical and business ICT systems to three partner local authorities and East Kent Housing. This shared service was formed in 2012 and is hosted by Thanet DC.

Business Systems includes the delivery of a range of services using multiple software systems running on the EK Services managed infrastructure and in the case of internet sites, hosted externally for some clients.

Technical Systems includes the provision of a secure network & telecommunications infrastructure and server computing environment through which ICT services & solutions are provided; this includes the desktop computer environment for around 1800 staff and the ICT Service Desk.

The service is governed by the way of a Collaboration Agreement and yearly Service Level Agreements. Both documents have recently been re-drafted to give a more comprehensive overview of the service delivery expected and required by each partner.

At the start of the review there were weaknesses in the system of internal controls in operation. However, due to the improvements implemented during the audit it can conclude Reasonable Assurance.

The primary findings which gave rise to the Reasonable assurance opinion in this area are as follows:

- Policies and Procedures governing file controls and back-ups were out of date, this was addressed via the introduction of the Corporate Information Governance Group (CIGG) who have been tasked with agreeing and introducing these which will be implemented across all partner councils
- Access and password control needed to be controlled and documented and the risk of Password cycling within each business unit is being addressed and a project for change control is collaboratively being undertaken.
- The current Back-up regime needed to be documented and improved and the new back-up project has now been completed and should adequately address any findings relating to back-ups raised during this review.

Effective control was evidenced in the following areas:

- Business Continuity and Disaster Recovery, and this has also been enhanced by the new back-up project.
- Identification of key systems and risks accompanied with the setting up and use of focus groups (i.e. ICT user group and CIGG) to aid with the decision process and service delivery.

2.5 East Kent Housing CSO Compliance – Reasonable Assurance.

2.5.1 Audit Scope

To ensure that East Kent Housing apply the Council's practices for the procurement of goods and services, achieves economic cost and good value for money and that Contract Standing Orders and the guidance and supporting procurement practices and user instructions are relevant and complied with as appropriate.

2.5.2 Summary of Findings

The purpose of the Contract Standing Orders (CSOs) is to provide a structure within which procurement decisions are made and implemented. This is to ensure that resources are used efficiently, value for money is sought, corporate objectives are met, and transparency is evident. The CSOs specify financial limits which determine, prior to purchase, the number of quotes that must be obtained or whether a full tender process should be followed. In addition, high value tenders for works and services are governed by EU procurement laws and must be advertised in the OJEU (Official Journal of the European Community). The EU financial thresholds as at January 2014 are: supplies and services £172,515 and works £4,322,012. These thresholds are revised every two years.

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

- Officers are mindful of the CSOs and often seek three quotes regardless of the value;
- Many framework agreements are in place;
- The Procurement Initiation Form (PIF) has been harmonised across the four authorities;
- Two surveyors represent East Kent Housing at regular LA procurement meetings; and
- Spending officers have been provided with CSOs/procurement guides (versions not verified).

Scope for improvement was however identified in the following areas:

- Reminder needed that lowest price is not the only consideration when selecting a supplier;
- Clarification and training required on the 'aggregation' rule;
- It would be helpful if LA Procurement Officers monitored accumulating spend against single suppliers and highlighted this to the procuring officers at EKH;
- Harmonising of procurement requirements/processes across the LAs would improve efficiency at EKH.
- Earlier involvement of LAs in procurement process especially when using South East Consortium

2.6 Your Leisure – Reasonable Assurance.

2.6.1 Audit Scope

To ensure that Your Leisure are operating the Council's indoor leisure centres, outdoor leisure facilities and catering venues in accordance with the provisions contained within their leases and associated grant condition agreements; and that as a result the Council's leisure arrangements are economic, efficient and effective in meeting the needs of the residents of the district of Dover.

2.6.2 Summary of Findings

Your Leisure is the merger of two local companies that provide leisure and facility management to two local authorities for which they receive grant funding to carry out the functions. The two companies that merged in April 2013 were Thanet Leisure Force and Vista Leisure.

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

- A funding agreement has been put in place (dated 25th March 2013) between Dover District Council and Your Leisure. This funding agreement is now into its 3rd year (2015/16). For each of the first 3 years the funding is £265,000 per annum paid in advance on 1st April at the start of the financial year. Processes are also documented within the funding agreement as to the timetable for the next funding agreement to be put in place.
- Leases were put in place in September 2010 which have been reassigned to Your Leisure with supporting equipment schedules. However, the schedules

have not been updated to reflect changes in equipment over the past 4 and a half years

- For 2015/16 there is a £282,200 budget in the capital programme for repairs and replacement of plant and equipment at the Leisure centres. For any general repairs and maintenance this would come out of the corporate maintenance budget. For the Walmer paddling pool any maintenance would be paid for from the corporate maintenance budget. In 2014/15 £30,000 was spent from the special project reserve to reline the pool and this year there is a proposed project of £35,000 for security at the pool.

Scope for improvement was however identified in the following areas:

- Regular operational meetings are held between the Council and Your Leisure and there are minutes in place for these meetings with the Council and Your Leisure taking turns to produce the minutes. Although the minutes show officers that have been tasked to deal with the various actions they do not show a target date for completion for each action. Also the Strategic meetings do not have formal minutes in place just notes provided of the general outcomes. There is therefore a need for these meetings to be recorded in a more formal manner to ensure that both parties are in agreement with the outcomes and the actions to be carried out and when they have to be carried out and by whom.
- Performance and financial information is provided by Your Leisure. However, this could be further enhanced by having in place more meaningful customer satisfaction statistics, as based on the number of users of the various facilities for quarters 1 to 3 for 2014/15 (336,416) only 0.0025% have made a comment on cards or the website and from this there are statements being made of reasonably high levels of customer satisfaction being in place.
- Within the lease agreements it states that Your Leisure should provide copies of their insurance certificates to confirm that they have the correct public liability insurance and also that they are insuring the fixed and portable equipment. The Principal Leisure Officer has confirmed that she has not seen these documents and also the Insurance Officer has not seen copies of the documentation. Copies of this documentation should be requested annually to ensure that Your Leisure is complying with the lease agreements.

2.7 EK Services – Housing Benefit Quarterly Testing (Quarter 4 of 2014-15):

2.7.1 Background:

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

2.7.2 Findings:

For the fourth quarter of 2014/15 financial year (January to March 2015) 30 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.

2.7.3 Audit Conclusion:

Thirty benefit claims were checked and none had financial errors that impacted on the benefit calculation. Two of the claims that passed did so because the errors which were highlighted did not affect the benefit calculation.

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)	EKS – Customer Services	Substantial	Substantial	H	1	H	0
				M	3	M	2
				L	1	L	1
b)	EKS – ICT Change Controls	Limited	Reasonable	H	2	H	0
				M	1	M	0
				L	0	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: VAT, Community Safety, Housing Allocations, Absence Management, Employee Health and Safety, Public Health Burials, Grounds Maintenance, Dover Museum and VIC, Environmental Protection Service Requests, Sheltered Housing, and Housing Repairs Maintenance and Void Management.

5.0 CHANGES TO THE AGREED AUDIT PLAN:

- 5.1 The 2015-16 Audit plan was agreed by Members at the meeting of this Committee on 26th 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 three-month period to 30th June 2015, 40.48 chargeable days were delivered against the planned target of 271.32, which equates to 15% 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

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| Annex 1 | Summary of High priority recommendations outstanding after follow-up. |
| Annex 2 | Summary of services with Limited / No Assurances |
| Annex 3 | Progress to 30 th June 2015 against the agreed 2015/16 Audit Plan. |
| Annex 4 | EKAP Balanced Scorecard of Performance Indicators to 30 th June 2015. |
| Annex 5 | Assurance statements |

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

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

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
East Kent Housing – Tenant Health and Safety	September 2014	Split Assurance	On-going management action in progress to remedy the weaknesses identified.	Work-in-progress
East Kent Housing – Leasehold Services	March 2015	Limited	On-going management action in progress to remedy the weaknesses identified.	Work-in-progress

PROGRESS AGAINST THE AGREED 2015-16 AUDIT PLAN.

DOVER DISTRICT COUNCIL:

Review	Original Planned Days	Revised Planned Days	Actual days to 30-06-2015	Status and Assurance Level
FINANCIAL SYSTEMS:				
Capital	5	5	0	Quarter 3
Bank Reconciliation	5	5	0	Quarter3
VAT	10	10	0.17	Work-in-progress
RESIDUAL HOUSING SYSTEMS:				
Housing Allocations	10	10	0.17	Work-in-progress
GOVERNANCE RELATED:				
Partnerships and Shared Service Monitoring	10	10	0.24	Work-in-progress
Equality & Diversity	10	10	0	Quarter 3
Risk Management	10	10	0	Quarter 3
Corporate Advice/CMT	2	2	0.51	Work-in-Progress throughout 2015-16
s.151 Meetings and support	9	9	5.40	Work-in-Progress throughout 2015-16
Governance Committee Meetings and Reports	12	12	5.84	Work-in-Progress throughout 2015-16
2016-17 Audit Plan Preparation and Meetings	9	9	0	Quarter 4
CONTRACT RELATED:				
Procurement	10	10	0	Quarter 4
SERVICE LEVEL:				
Community Safety	10	10	1.67	Work-in-progress
Dog Warden and Street Scene Enforcement	10	10	0	Quarter 3
Electoral Registration and Election Management	10	10	0	Quarter 4
Environmental Protection Service Requests	8	8	0	Work-in-progress
Public Health Burials	6	6	0.17	Work-in-progress
Port Health	10	10	0	Quarter 3
Health & Safety at Work	10	10	0	Quarter 4

Review	Original Planned Days	Revised Planned Days	Actual days to 30-06-2015	Status and Assurance Level
Licensing	10	10	0	Work-in-progress
Printing & Post	7	7	0	Quarter 4
Grounds Maintenance	10	10	0.3	Work-in-progress
Dover Museum and VIC	10	10	4.20	Finalised - Substantial
Commercial Properties and Concessions	10	10	0	Quarter 4
Building Control	10	10	0	Quarter 3
Your Leisure	10	10	8.19	Finalised - Reasonable
OTHER				
Liaison with External Auditors	2	2	0	Work-in-Progress throughout 2015-16
Follow-up Work	15	15	2.5	Work-in-Progress throughout 2015-16
FINALISATION OF 2014-15- AUDITS				
Absence Management	5		2.66	Work-in-Progress
Car Parking and PCNs			0.39	Finalised - Reasonable
Creditors and CIS			4.11	Finalised – Substantial
Income			0.20	Finalised - Reasonable
Days under delivered in 2014-15	0	1.32	0	Completed
EK HUMAN RESOURCES				
Recruitment	5	5	0	Quarter 3
Payroll	5	5	0.27	Work-in-Progress
Employee Health & Safety	5	5	3.49	Work-in-Progress
TOTAL	270	271.32	40.48	15% as at 30th June 2015

EAST KENT HOUSING LIMITED:

Review	Original Planned Days	Revised Planned Days	Actual days to 30-06-2015	Status and Assurance Level
Planned Work:				
Audit Ctte/EA Liaison/Follow-up	6	6	5.18	Work-in-Progress throughout 2015-16
Sheltered Housing & Supporting People	34	34	32.47	Work-in-Progress
Housing Repairs, Maintenance and Void Management	40	40	4.51	Work-in-Progress
Finalisation of 2015-16 Audits:				
Days over delivered in 2015-16	0	-0.34	0	Completed
Unplanned – CSO Compliance	0	0	5.53	Finalised - Reasonable
Total	80	79.66	47.69	60% at 30-06-2015

EK SERVICES:

Review	Original Planned Days	Revised Planned Days	Actual days to 30-06-2015	Status and Assurance Level
Planned Work:				
Housing Benefit Appeals	15	5	4.8	Finalised – Substantial
Housing Benefit Discretionary Housing Payments	15	8	7.9	Finalised – Substantial
Business Rate Reliefs	15	15	0.21	Quarter 4
Business Rate Credits	15	15	0.23	Quarter 4
Debtors	15	15	0	Quarter 3
ICT – PCI DSS	12	14	0.87	Quarter 3
ICT – Management & Finance	12	13	0	Quarter 3
ICT – Disaster Recovery	12	13	0	Quarter 4
Corporate / Committee /follow up	9	12.04	2.76	Work in progress throughout 2015-16
DDC / TDC Quarterly Housing Benefit Testing	40	40	12.35	Work in progress throughout 2015-16
Days over delivered in 2014-15	-9.79	0	1.48	Allocated
Total	150.21	150.21	30.60	20% at 30-06-2015

BALANCED SCORECARD – QUARTER 1

<u>INTERNAL PROCESSES PERSPECTIVE:</u>	<u>2015-16 Actual</u>	<u>Target</u>	<u>FINANCIAL PERSPECTIVE:</u>	<u>2015-16 Actual</u>	<u>Target</u>
	Quarter 1		Reported Annually		
Chargeable as % of available days	89%	80%	<ul style="list-style-type: none"> • Cost per Audit Day 	£	£321.33
Chargeable days as % of planned days			<ul style="list-style-type: none"> • Direct Costs (Under EKAP management) 	£	£412,450
CCC	38%	25%	<ul style="list-style-type: none"> • Indirect Costs (Recharges from Host) 	£	£11,700
DDC	15%	25%	<ul style="list-style-type: none"> • ‘Unplanned Income’ 	£	Zero
SDC	25%	25%	<ul style="list-style-type: none"> • Total EKAP cost 	£	£424,150
TDC	33%	25%			
EKS	20%	25%			
EKH	60%	25%			
Overall	28%	25%			
Follow up/ Progress Reviews;					
<ul style="list-style-type: none"> • Issued 	14	-			
<ul style="list-style-type: none"> • Not yet due 	30	-			
<ul style="list-style-type: none"> • Now due for Follow Up 	31	-			
Compliance with the Public Sector Internal Audit Standards (PSIAS)	Partial	Full			

BALANCED SCORECARD – QUARTER 1

<u>CUSTOMER PERSPECTIVE:</u>	<u>2015-16 Actual</u>	<u>Target</u>	<u>INNOVATION & LEARNING PERSPECTIVE:</u>	<u>2015-16 Actual</u>	<u>Target</u>
	Quarter 1			Quarter 1	
Number of Satisfaction Questionnaires Issued;	23		Percentage of staff qualified to relevant technician level	88%	75%
Number of completed questionnaires received back;	4 = 17%		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	0.89	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.