
Subject:	ANNUAL INTERNAL AUDIT REPORT
Meeting and Date:	Governance Committee – 29th June 2017
Report of:	Christine Parker – Head of Audit Partnership
Decision Type:	Non-key
Classification:	Unrestricted

Purpose of the report: This report provides a summary of the work completed by the East Kent Audit Partnership together with details of the performance of the EKAP against its targets for the year ending 31st March 2017.

Recommendation: That Members note the report.

Internal Audit Annual Report 2016-17.

SUMMARY

The main points to note from the attached report are that the agreed programme of audits has been completed. The majority of reviews have given a substantial or reasonable assurance and there are no major areas of concern that would give rise to a qualified opinion.

1.0 INTRODUCTION

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

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

1.2 The report attached as Annex A therefore summarises the performance of the East Kent Audit Partnership (EKAP) and the work it has performed over the financial year 2016-17 for Dover District Council, and provides an overall assurance on the system for internal control based on the audit work undertaken throughout the year, in accordance with best practice. In providing this opinion, this report supports the Annual Governance Statement.

- 1.3 The internal audit team is proactive in providing guidance on procedures where particular issues are identified during audit reviews. The aim is to minimise the risk of loss to the Authority by securing adequate internal controls. Partnership working for the service has added the opportunity for the EKAP to share best practice across the four sites within the East Kent Cluster to help drive forward continuous service improvement.
- 1.4 During 2016-17 the EKAP delivered 97.91% of the agreed audit plan days, with 5.95 days under delivered to be adjusted for in 2017-18. The performance figures for the East Kent Audit Partnership as a whole for the year show good performance against targets, particularly as the EKAP has experienced staffing changes and delivered financial savings against its agreed budget to all its partners in the delivery of the service.

Background Papers

- **Internal Audit Annual Plan 2016-17 - Previously presented to and approved at the March 2015 Governance Committee meeting.**
- **Internal Audit working papers - Held by the East Kent Audit Partnership.**

Resource Implications

Having delivered a cost per audit day in 2016-17 of £294.47 against the budget cost of £326.61 this has resulted in a budgetary saving for Dover District Council of £8,675.80 against a target of 10%.

There are no other financial implications arising directly from this report. The costs of the audit work have been met from the Financial Services 2016-17 budget.

Consultation Statement

Not Applicable.

Impact on Corporate Objectives and Corporate Risks

The recommendations arising from each individual internal audit review are designed to strengthen the Council's corporate governance arrangements, control framework, counter fraud arrangements and risk management arrangements, as well as contributing to the provision of economic, efficient and effective services to the residents of the District. This report summarises of the work of the East Kent Audit Partnership for the year 2016-17 in accordance with the Public Sector Internal Audit Standards.

Attachments

Annex A – East Kent Audit Partnership Annual Report 2016-17

CHRISTINE PARKER
Head of Audit Partnership

Annual Internal Audit Report for Dover District Council 2016-17

1. Introduction

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

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

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

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

2. Objectives

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

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

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

3. Internal Audit Performance Against Targets

3.1 EKAP Resources

The EKAP has provided the service to the partners based on a FTE of 7.2. Additional audit days have been provided via audit contractors in order to meet the planned workloads.

3.2 Performance against Targets

The EKAP is committed to continuous improvement and has various measures to ensure the service can strive to improve. The performance measures and indicators for the year are shown in the balanced scorecard of performance measures at Appendix 5.

3.3 Internal Quality Assurance and Performance Management.

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

3.4 External Quality Assurance

The external auditors, Grant Thornton, conducted a review in February 2016 of the Internal Audit arrangements. They have concluded that, where possible, they can place reliance on the work of the EKAP.

3.5 Liaison between Internal Audit and External Audit.

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

3.6 Compliance with Professional Standards

The EKAP self-assessment of the level of compliance against the Public Sector Internal Audit Standards shows that some actions are required to achieve full compliance which EKAP will continue to work towards. There is however, no appetite to pay for an External Quality Assessment of the EKAP's level of compliance, relying on a review by the s.151 officers of the self-assessment. Consequently the EKAP can only say that it partially conforms with PSIAS.

3.7 Financial Performance

Expenditure and recharges for year the 2016-17 are all in line with the Internal Audit cost centre hosted by Dover District Council. Financial management has delivered a cashable saving of 10% against budget.

Year	Cost / Audit Day
2006-07	£288
2007-08	£277
2008-09	£262 (Reserve Refunded to Partners)
2009-10	£281

2010-11	£268
2011-12	£257
2012.13	£279
2013-14	£290
2014-15	£287
2015-16	£293
2016-17	£294

The EKAP was formed to provide a resilient, professional service and therefore achieving financial savings was not the main driver, despite this considerable efficiencies have been gained through forming the partnership. The net result is a reduced EKAP cost per audit day below the original budget estimate.

4. Overview of Work Done

The original audit plan for 2016-17 included a total of 24 projects. We have communicated closely with the s.151 Officer, CMT and this Committee to ensure the projects actually undertaken continued to represent the best use of resources. As a result of this liaison some changes to the plan were agreed during the year. A few projects (5) have therefore been pushed back in the overall strategic plan, to permit some higher risk projects to come forward in the plan (4). The total number of projects undertaken in 2016-17 was 23, with 7 being WIP at the year end to be finalised in April.

Review of the Internal Control Environment

4.1 Risks

During 2016-17, 70 recommendations were made in the agreed final audit reports to Dover District Council. These are analysed as being High, Medium or Low risk in the following table:

Risk Criticality	No. of Recommendations	Percentage
Critical	0	0%
High	21	30%
Medium	33	47%
Low	16	23%
TOTAL	70	100%

Naturally, more emphasis is placed on recommendations for improvement regarding high risks. Any high priority recommendations where management has not made progress in implementing the agreed system improvement are brought to management and members' attention through Internal Audit's quarterly update reports. During 2016-17 the EKAP has raised and reported to the quarterly Governance Committee meetings 70 recommendations, and whilst 77% were in the High or Medium Risk categories, none are so significant that they need to be escalated at this time.

4.2 Assurances

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

been identified, a follow up progress review is undertaken and, where appropriate, the assurance level is revised.

The summary of Assurance Levels issued on the 23 pieces of work commissioned for Dover District Council over the course of the year is as follows:

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

Assurance	No.	Percentage of Completed Reviews
Substantial	8	50%
Reasonable	6	38%
Limited	2	12%
No	0	0%
Work in Progress at Year-End	7	-
Not Applicable	0	-

* See list in the table below

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

Taken together 88% of the reviews account for substantial or reasonable assurance, whilst 12% of reviews placed a (partial) limited assurance to management on the system of internal control in operation at the time of the review. There were no reviews assessed as having no assurance.

There were two reviews completed on behalf of East Kent Housing Ltd. one was a management request that did not attract an assurance and the other was Substantial Assurance. Information is provided in Appendix 3.

There were 16 reviews completed on behalf of EK Services and the assurances for these audits were - 5 Substantial, 4 Reasonable, 1 Limited, 2 Not Applicable and 4 work in progress at the year-end. Information is provided in Appendix 4.

For each recommendation, an implementation date is agreed with the Manager responsible for implementing it. Understandably, the follow up review is then timed to allow the service manager sufficient time to make progress in implementing the agreed actions against the agreed timescales. Those areas assessed as being as either 'limited' or 'no' assurance audit opinion during the year are detailed in the table at paragraph 6, these areas are also recorded as an appendix to the quarterly report until the follow up report is issued, so that they do not get overlooked. The results of any follow up reviews yet to be undertaken will therefore be reported to the Committee at the appropriate time.

4.3 Progress Reports

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

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

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

At the conclusion of the follow up review the overall assurance level is re-assessed. As Internal Audit is tasked to perform one progress report per original audit and bring those findings back, it is at this juncture that any outstanding high-risks are escalated to the Governance Committee via the quarterly update report.

The results for the follow up activity for 2015-16 are set out below. The shift to the right in the third column in the table from the original opinion to the revised opinion also measures the positive impact that the EKAP has made on the system of internal control in operation throughout 2015-16.

Total Follow Ups undertaken 16	No Assurance	Limited Assurance	Reasonable Assurance	Substantial Assurance
Original Opinion	0	2	9	5
Revised Opinion	0	0	8	8

The reviews with an original limited assurance, together with the result of the follow up report, are shown in the following table:

Area Under Review	Original Assurance	Follow Up Result
VAT	Limited	Reasonable
Grounds Maintenance	Limited	Reasonable

East Kent Housing received three follow up reviews for which the revised assurance levels were one Substantial, one Reasonable and Housing Repairs remained at Limited assurance after follow up, this was escalated to the December 2016 audit committees.

EK Services received four follow ups; the revised assurances were Substantial for one review and Reasonable for three reviews.

Consequently, there are no fundamental issues of note arising from the audits and follow up undertaken in 2016-17. There are no DDC reviews showing a limited assurance after follow up.

4.4 Special Investigations and Fraud Related Work

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

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

4.5 Completion of Strategic Audit Plan

Appendix 2 shows the planned time for reviews undertaken, against actual time taken, follow up reviews and unplanned reviews resulting from any special investigations or management requests. 278.15 audit days were completed for Dover District Council during 2016-2017 which represents 97.8% plan completion. The 5.95 days behind at the year end, will be carried over to 2017-18. The EKAP was formed in October 2007; it completes a rolling programme of work to cover a defined number of days each year. As at the 31st March each year there is undoubtedly some “work in progress” at each of the partner sites; some naturally being slightly ahead and some being slightly behind in any given year. However, the progress in ensuring adequate coverage against the agreed audit plan of work since 2007-08 concludes that EKAP is 5.95 days behind schedule as we commence 2017-18, as shown in the table below.

Year	Plan Days	Plus B/Fwd	Adjusted Requirement from EKAP	Days Delivered	Percentage Completed	Days Carried Forward (Days Planned – Days Delivered)
2008-09	450	0	450.00	459.33	102.07%	+9.33
2009-10	450	-9.33	440.67	431.22	97.80%	-18.78
2010-11	420	+9.45	429.45	445.21	103.60%	+25.21
2011-12	312	-15.76	296.24	291.25	98.32%	-20.75
2012-13	300	+4.99	304.99	313.85	102.91%	+13.85
2013-14	270	-8.86	261.14	270.18	103.46%	+0.18
2014-15	270	-9.04	260.96	259.66	99.49%	-10.34
2015-16	270	1.3	271.3	257.22	94.8%	-12.78
2016-17	270	-14.1	264.05	278.15	97.91%	+8.15
Total	3,012			3,006.05	99.80%	-5.95

Appendix 3 shows the planned time for reviews undertaken, against actual time taken, follow up reviews and unplanned reviews resulting from any special investigations for East Kent Housing Ltd. Dover District Council contributed 25 days from its original plan in 2011-12 and 20 days in subsequent years as its share in this four way arrangement. The EKH Annual Report in its full format will be presented to the EKH - Finance and Audit Sub Committee on 3rd July 2017.

Appendix 4 shows the planned time for reviews undertaken, against actual time taken, follow up reviews and unplanned reviews resulting from any special investigations for East Kent Services. Dover District Council contributed 60 days from its original plan as its share in this three-way arrangement. As EKS is hosted by TDC, the EKS Annual Report in its full format will be presented to the TDC - Governance & Audit Committee on 28th June 2017.

5. Overall assessment of the System of Internal Controls 2016-17

Based on the work of the EKAP on behalf of Dover District Council during 2016-17, the overall opinion is:

There are no major areas of concern, which would give rise to a qualified audit statement regarding the systems of internal control concerning either the main financial systems or overall systems of corporate governance. The Council can have a

very good level of assurance in respect of all of its main financial systems and a good level of assurance in respect of the majority of its Governance arrangements. The main financial systems that have been covered, which feed into the production of the Council's Financial Statements, have achieved good levels of assurance following audit reviews. The Council can therefore be assured in these areas. This position is the result of improvements to the systems and procedures over recent years and the willingness of management to address areas of concern that have been raised.

There was one area where only a limited assurance level was given which reflected a lack of confidence in arrangements. This review is shown in the table in Paragraph 6 which details the planned follow up activity for areas awaiting a progress report.

6. Significant issues arising in 2016-17

From the work undertaken during 2016-17, there were no instances of unsatisfactory responses to key control issues raised in internal audit reports by the end of the year. There are occasions when audit recommendations are not accepted for operational reasons such as a manager's opinion that costs outweigh the risk, but none of these are significant and require reporting or escalation at this time. It is particularly note worthy to report that after follow up there were no high-risk recommendations outstanding at the year-end.

The EKAP has been commissioned to perform only one follow up, there were no reviews that remained a Limited Assurance after follow up, however one recommendation that was originally assessed as high risk, which remained a high priority and outstanding after follow up was escalated to the Governance Committee during the year.

Reviews previously assessed as providing a (partial) Limited Assurance that are yet to be followed up are shown in the table below. The progress reports for these will be reported to the Committee at the meeting following completion of the follow up.

Area Under Review	Original Assurance (Date to Committee)	Progress Report
Playgrounds	Limited December 2016	Quarter Two 2017-18
Performance Management	Reasonable/ Limited April 2017	Quarter Three 2017-18

And for EK Services there was one review that remained Limited Assurance after follow up and two recommendations that were originally assessed as high risk, which remained a high priority and outstanding after follow up were escalated to the Governance and Audit Committee during the year.

Area Under Review	Original Assurance (Date to Committee)	Progress Report
PCI DSS	Limited September 2016	Quarter Two 2017-18

And for East Kent Housing one review (Housing Repairs) remained at Limited assurance after follow up, there are no other limited assurances awaiting a follow up.

7. Overall Conclusion

The Internal Audit function provided by the EKAP has performed well against its targets for the year. Clearly there have been some adjustments to the original audit

plan for the year 2015-16, however, this is as expected and there are no matters of concern to be raised at this time.

It is a requirement of s.151 of the Local Government Act 1974 for the Council to maintain an 'effective' internal audit function, when forming my opinion on the Council's overall system of control, I need to have regard to the amount of work which we have undertaken upon which I am basing my opinion.

From the work undertaken the EKAP assesses the overall system of internal control in operation throughout 2016-17 as providing reasonable assurance. No system of control can provide absolute assurance, nor can Internal Audit give that assurance. This statement is intended to provide reasonable assurance that there is an ongoing process for identifying, evaluating and managing the key risks.

Definition of Audit Assurance Statements & Recommendation Priorities

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.

Priority of Recommendations Definitions:

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

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

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

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

**Performance against the greed 2016-17
Dover District Council Audit Plan**

Review	Original Planned Days	Revised Planned Days	Actual days to 31-03-2017	Status and Assurance Level
FINANCIAL SYSTEMS:				
Treasury Management	5	5	5.06	Finalised - Substantial
Main Accounting System	10	10	7.80	Finalised - Substantial
Budgetary Control	10	10	7.80	Finalised - Substantial
Insurance & Inventories of Portable Assets	10	10	14.93	Finalised - Substantial
RESIDUAL HOUSING SYSTEMS:				
Homelessness	10	10	6.22	Work-in-Progress
HRA Business Plan	10	10	0.45	Work-in-Progress
GOVERNANCE RELATED:				
Data Protection, FOI, and Information Records Management	10	11	11.41	Finalised – Reasonable
Officers' Code of Conduct & Gifts and Hospitality	10	0	0.24	Postpone until 2017-18;
Anti-Fraud & Corruption	10	10	10.09	Finalised - Reasonable
Performance Management	10	10	11.99	Finalised -Reasonable/ Limited
Corporate Advice/CMT	2	2	5.42	Completed
s.151 Meetings and support	9	9	10.03	Completed
Governance Meetings & Reports	12	12	12.69	Completed
2017-18 Audit Plan Prep & Meetings	9	9	9.71	Completed
CONTRACT RELATED:				
Receipt & Opening of Tenders	8	8	6.39	Finalised - Substantial
SERVICE LEVEL:				
Cemeteries	10	10	9.03	Finalised - Reasonable
Safeguarding Return to KCC (s11)	1	0	0	Not Required
Food Safety	10	0	0	Postpone until 2017-18;
Port Health	10	0	1.11	Postpone until 2017-18;
Contaminated Land	10	0	0.21	Postpone until 2017-18;
Business Continuity & Emergency Planning	10	10	17.83	Finalised - Reasonable
Disabled Facilities Grants	10	10	10.78	Finalised - Reasonable

Review	Original Planned Days	Revised Planned Days	Actual days to 31-03-2017	Status and Assurance Level
Land Charges	10	10	0.95	Work-in-Progress
Licensing	10	0	0.30	Postpone until 2017-18;
Members Allowances	10	10	4.67	Finalised - Substantial
Planning & s.106 Agreements	12	12	10.07	Finalised – Substantial
OTHER				
Liaison with External Auditors	2	0	0	Completed
Follow-up Work	10	10	18.23	Completed
FINALISATION OF 2015-16 AUDITS				
Grounds Maintenance	5	36.78	0.68	Finalised - Limited
Shared Service Monitoring			3.95	Finalised – Reasonable
Commercial Properties and Concessions			8.70	Finalised - Reasonable
Dog Warden & Litter Enforcement			3.96	Finalised - Reasonable
Election Management			2.63	Finalised - Reasonable
Equality & Diversity			10.89	Finalised - Reasonable
Recruitment			5.70	Finalised - Substantial
Procurement			0.27	Finalised - Reasonable
Days under delivered in 2015-16	0	14.1	0	Completed
RESPONSIVE ASSURANCE:				
Cash Counting Arrangements	0	2	1.90	Finalised
Right to Buy	0	8	5.30	Work-in-Progress
Playgrounds	0	8	9.99	Finalised - Limited
Garden Waste & Recycling Income	0	8	11.50	Finalised - Reasonable
PCN Complaint	0	0	2.77	Finalised
Inward Investment, External Funding & Project Management	0	26	7.01	Work-in-Progress
EK HUMAN RESOURCES				
Payroll	5	5	3.15	Work-in-Progress
Employee Benefits in Kind	5	5	1.23	Work-in-Progress
Leavers and Disciplinary	5	5	5.11	Finalised - Substantial
TOTAL	270	284.10	278.15	97.90%

**Performance against the Agreed 2016-17
East Kent Housing Audit Plan**

Review	Original Planned Days	Revised Planned Days	Actual days to 31-03-2017	Status and Assurance Level
Planned Work:				
Governance	15	0	0	Postponed to future audit plan
Finance Systems and ICT Controls	15	10	0	Postponed to future audit plan
Finance & Audit Sub Ctte/Plan/CMT	3	4	5.38	Completed
Follow-up Reviews	3	4	4.96	Completed
Rent Accounting & Collection	15	0	0	Postponed to future audit plan
Tenancy & Estate Management	29	22	20.55	Finalised - Substantial
Days over delivered in 2015-16	0	-18.15	0	Completed
Responsive Assurance:				
Procurement	0	15	14.92	Finalised
Repairs and Maintenance Contract Query	0	0	0.60	Finalised
Performance Indicator Data Quality	0	10	5.48	Work-in-Progress
Single System Controls	0	15	2.12	Postponed to 2017-18
Total	80	61.85	54.01	87.32% at 31-03-2017

**Performance against the Agreed 2016-17
East Kent Services Audit Plan**

Review	Original Planned Days	Revised Planned Days	Actual days to 31-03-2017	Status and Assurance Level
Planned Work:				
Housing Benefit Overpayments	15	14	13.85	Finalised - Substantial
Fraud Arrangements	15	0	0.64	Postponed to future audit plan
Housing Benefit Subsidy	15	10	0.36	Work-in-progress
Council Tax	30	15	0.47	Work-in-progress
Customer Services	15	15	15.31	Finalised - Substantial
ICT Change Controls	12	11	11.99	Finalised - Substantial
ICT Software Licensing	12	11	11.85	Finalised - Reasonable
ICT Network Security	12	11	10.89	Work-in-progress
DDC / TDC Quarterly Housing Benefit Testing	20	20	18.43	Completed
Other:				
Corporate/Committee	8	7	9.85	Completed
Follow-up	6	4	4.46	Completed
Finalisation of 2015-16 Audits:				
Business Rates Credits	0	33.58	6.11	Finalised - Reasonable
Business Rates Reliefs			10.43	Finalised - Reasonable
Debtors			2.45	Finalised - Substantial
ICT Disaster Recovery			5.81	Finalised – Reasonable/Substantial
ICT Management & Finance			3.84	Finalised - Substantial
ICT PCI DSS			4.94	Finalised - Limited
Days under delivered in 2015-16	7.33	7.33	0	Completed
Responsive Assurance:				
Housing Benefit +40 testing	0	17	17.95	Completed
Total	167.33	167.33	149.63	89.42% at 31-03-2017

EKAP Balanced Scorecard – 2016-17

<u>INTERNAL PROCESSES PERSPECTIVE:</u>	<u>2016-17 Actual</u>	<u>Target</u>	<u>FINANCIAL PERSPECTIVE:</u>	<u>2016-17 Actual</u>	<u>Original Budget</u>
	Quarter 4		Reported Annually		
Chargeable as % of available days	86%	80%	<ul style="list-style-type: none"> • Cost per Audit Day 	£294.47	£326.61
Chargeable days as % of planned days			<ul style="list-style-type: none"> • Direct Costs 	£378,711.25	£419,420
CCC	102.80%	100%	<ul style="list-style-type: none"> • + Indirect Costs (Recharges from Host) 	£10,530	£11,700
DDC	97.91%	100%	<ul style="list-style-type: none"> • - 'Unplanned Income' 	£536.25	Zero
SDC	94.88%	100%	<ul style="list-style-type: none"> • = Net EKAP cost (all Partners) 	£388,705	£431,120
TDC	106.67%	100%	<ul style="list-style-type: none"> • Saving Target Achieved (shared between all partners) 	£42,415	£42,415
EKS	89.42%	100%			
EKH	87.32%	100%			
Overall	98.15%	100%			
Follow up/ Progress Reviews;					
<ul style="list-style-type: none"> • Issued 	78	-			
<ul style="list-style-type: none"> • Not yet due 	20	-			
<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	Full			

<u>CUSTOMER PERSPECTIVE:</u>	<u>2016-17 Actual</u>	<u>Target</u>	<u>INNOVATION & LEARNING PERSPECTIVE:</u>	<u>2016-17 Actual</u>	<u>Target</u>
	Quarter 4		Quarter 4		
Number of Satisfaction Questionnaires Issued;	80		Percentage of staff qualified to relevant technician level	83%	75%
Number of completed questionnaires received back;	43		Percentage of staff holding a relevant higher level qualification	36%	32%
	= 54%		Percentage of staff studying for a relevant professional qualification	28%	N/A
Percentage of Customers who felt that;			Number of days technical training per FTE	0.97	3.5
• Interviews were conducted in a professional manner	100%	100%	Percentage of staff meeting formal CPD requirements (post qualification)	36%	32%
• The audit report was 'Good' or better	100%	90%			
• That the audit was worthwhile.	100%	100%			