
Subject:	QUARTERLY INTERNAL AUDIT UPDATE REPORT
Meeting and Date:	GOVERNANCE COMMITTEE – 28 SEPTEMBER 2017
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 2017

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 30th June 2017.

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 six Internal Audit reports that have been completed during the period, of which three reviews were classified as providing Substantial assurance, one as Reasonable Assurance, and one with a split assurance level of Substantial/Limited. Additionally, there was one assignment for which an assurance level is not applicable as it comprised of quarterly housing benefit testing.
- 2.8 In addition six 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 2017, 58.6 chargeable days were delivered against the planned target of 260.95, which equates to 22% 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 2017-18 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 2017-18 - Previously presented to and approved at the 6th April 2017 Governance Committee meeting.
- Internal Audit working papers - Held by the East Kent Audit Partnership.

Contact Officer: Christine Parker, Head of Audit Partnership



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

1. INTRODUCTION AND BACKGROUND

1.1 This report includes the summary of the work completed by the East Kent Audit Partnership since the last Governance Committee meeting, together with details of the performance of the EKAP to the 30th June 2017.

2. SUMMARY OF REPORTS:

Service / Topic		Assurance level	No. of Recs.	
2.1	Homelessness	Substantial	C H M L	0 0 1 1
2.2	EK Services - Housing Benefit Subsidy	Substantial	C H M L	0 0 0 0
2.3	EK Services - Housing Benefit Payments	Substantial	C H M L	0 0 0 1
2.4	EKHR – Payroll & Benefits in Kind	Substantial / Limited	C H M L	0 1 2 0
2.5	Anti-Fraud and Corruption	Reasonable	C H M L	0 0 1 2
2.6	EK Services – Housing Benefit Quarterly Testing (Quarter 4 of 2016-17 and Quarter 1 of 2017-18)	Not Applicable		

2.1 Homelessness – Substantial Assurance.

2.1.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that the Council deals fairly and efficiently with all homelessness applications and provides advice and/or housing accommodation

where appropriate, whilst complying with the Council's Homelessness Strategy and Policies.

2.1.2 Summary of Findings

Households experiencing, or threatened with homelessness are often trapped in cycles of deprivation that impact on their health, emotional well-being and life chances. The effects on children within households experiencing or threatened with homelessness can be life-long. Many homeless households are 'hidden' as they may have access to some sort of shelter, but lack a stable, long term, settled home. Homelessness can also have significant cost implications for local housing authorities and their partners.

During 2016-17 the Housing Options team made determinations on 268 homeless applications. This does not include the 274 households who presented themselves as homeless but with assistance from the Housing Options Team, were prevented from becoming so. This compares to the preceding years as follows:

	2014-15	2015-16	2016-17
No. of homelessness determinations	194	244	268
No. of households presenting themselves as homeless	209	243	274
Net cost of housing homeless families	Actual £452k	Actual £518k	Actual £751k
	Budget £400k	Budget £421k	Budget £522k

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

- The Council has an approved homeless prevention strategy and a local action plan;
- There is an effective 'Out of Hours' service available;
- The Council has numerous options for assisting those making a homeless application including emergency accommodation, short term housing and the rent deposit bond scheme, and;
- Income and expenditure is monitored.

Scope for improvement was however identified in the following areas:

- Ensure the decision to not collect from the household the shortfall between housing benefit and the cost of the accommodation is correctly authorised, and;
- A relatively minor recommendation is to remove old strategies from the Council's website.

2.2 EK Services – Housing Benefit Subsidy - Substantial Assurance

2.2.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the processes and procedures in place to ensure that the Council completes the Housing Benefit

Subsidy return accurately and seeks to maximise the amount of re-imburement payable to the authority in respect of the Housing Benefit payments which have been made to the benefit claimants within the district.

2.2.2 Summary of Findings

Housing Benefit Subsidy is the grant provided by the Department for Work and Pensions (DWP) for the authorities to process and pay housing benefit to claimants across each of the three districts. An annual claim is submitted by each authority to the DWP that is verified and signed off by the external auditors. For 2016/17 the housing benefit subsidy claim for each authority was approximately:

- Canterbury City Council £46.3 million pounds.
- Dover District Council £38.1 million pounds.
- Thanet District Council £64.2 million pounds.

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

- Established four weekly processes are in place to monitor the subsidy claim and carry out any adjustments that are needed to ensure that the subsidy figures are fully maximised.
- Supporting guidance and training is in place for the officers responsible for carrying out the four weekly processes and preparing the annual subsidy claim at each of the authorities.
- The 2016/17 subsidy claims have been submitted to the DWP and will be verified by the external auditors.

2.3 EK Services – Housing Benefit Payments – 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 City Council, Dover District Council and Thanet District Council and incorporate relevant internal controls regarding the payments of Housing Benefit.

2.3.2 Summary of Findings

EK Services provides housing benefit services to 37,285 claimants cross Canterbury, Dover and Thanet Councils. In 2016/17 a total of £148.8m of housing benefits payments were distributed to claimants and landlords in the private rent sector and public rent sector.

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

- Policies and procedures clearly set out roles and responsibilities in respect of housing benefit assessment and payment;
- A sample of 90 payments across the three Councils were correctly administered to a mixture of claimants, landlords and third parties;
- The coding and reconciliation controls were well established and correctly and consistently employed;
- System based controls and management reports were well utilised; and

- No fraud or error was detected during the samples of walkthrough testing or substantive testing carried out.

Scope for improvement was however identified in the following areas:

- The physical security of claim forms stored before they are sent for shredding should be improved at CCC.

2.4 EKHR – Payroll & Benefits in Kind – Substantial Assurance

2.4.1 Audit Scope

To ensure that the payroll service administered by EKHR on behalf of Canterbury, Dover and Thanet Councils, including EK Services is adequately controlled to ensure;

Payroll

that the right people are getting paid the right amounts at the right time. That all statutory requirements such as income tax and national insurance are complied with.

Benefits In Kind

that the correct regulatory requirements are being adhered to in relation to the benefits in kind that are being provided to the officers and members.

2.4.2 Summary of Findings

The payroll process was brought in house in November 2015 when the contract with Kent County Council ended. EKHR provides the payroll service and currently pays on average 1770 employees and councillors approximately £2.6 million pounds net salaries for the three authorities each month.

Payroll - Management can place Substantial Assurance on the system of internal controls in operation for payroll processing.

The primary finding giving rise to the Substantial Assurance opinion in this area is as follows:

- Established processes are in place for the monthly payrolls to be carried out in a timely fashion thus ensuring that employees and councillors are paid on time.
- Staff responsible for processing the monthly payrolls have a very good knowledge base of payroll and the supporting legislation and are able to provide responses to questions raised by employees and statutory bodies.
- They have developed good relationships with the managers across the authorities for dealing with payroll issues.

Scope for improvement was however identified in the following areas:

- To assist in performance management the number of payroll errors broken down into those that are due to incorrect information given by managers for processing and those that are due to incorrect payroll processing should be considered.
- The good practice for passwords to be regularly changed is not active for Managers and employees with access to the iTrent self-service system.

Benefits In Kind - Management can place Substantial Assurance on the system of internal controls in operation at Canterbury City Council and EKHR for the processing of the P11d's and other supporting documentation and Limited Assurance for both Dover and Thanet District Councils in respect of ensuring that where applicable the payroll exemptions are now in place.

The primary finding giving rise to the Substantial Assurance opinion in this area is as follows:

- Established processes are in place at Canterbury City Council to ensure that payroll exemptions are reviewed on a regular basis and that P11d information has been submitted when applicable to HMRC.
- East Kent Human Resources have completed and submitted the applicable documentation for the P11d's and Class 1A National Insurance Contributions in respect of Dover District Council.

Scope for improvement was however identified in the following areas:

- The previous audit report in June 2014 highlighted an issue in ensuring that the payroll exemptions are reviewed on a regular basis. Resolution rests with it being determined who will carry this out for both Dover and Thanet councils.

2.5 Anti-Fraud & Corruption – Reasonable Assurance:

2.5.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to prevent fraud and corruption.

2.5.2 Summary of Findings

Local authorities are at risk from a wide range of fraud. Known fraud risks that remain significant to local authorities are tenancy, procurement, payroll, council tax, grants, internal, and identity fraud. Emerging and increasing fraud risks to local authorities are business rates, right to buy, money laundering, insurance, disabled facility grants, local enterprise partnerships, cyber dependent crime and cyber enabled fraud.

CiPFA published its Code of Practice on Managing the Risk of Fraud and Corruption in October 2014. The five key elements of the code are to:

- Acknowledge the responsibility of the governing body for countering fraud and corruption;
- Identify the fraud and corruption risks;
- Develop an appropriate counter fraud and corruption strategy;
- Provide resources to implement the strategy; and
- Take action in response to fraud and corruption.

In early 2016 the Local Government Counter Fraud and Corruption Strategy was updated to produce a forward look for 2016-2019. This extends the earlier requirement to transform counter fraud and corruption performance over the next three years and introduces the six C's; Culture, Capability; Capacity; Competence; Communication and Collaboration.

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

- The Council has an Anti-Fraud and Corruption policy and supporting policies in place;
- Annual fraud reports are produced to monitor the level and types of fraud being investigated;
- Fraud is reported to the Section 151 and the Monitoring Officer;
- The Council participates in national and sectoral initiatives, such as data matching, to detect fraud and;
- The Council publicises successful fraud investigations.

Scope for improvement was however identified as follows:

- More anti-fraud resource is required in common and emerging fraud related areas. One of the five CIPFA Code of Practice key principles is to provide resources to support the counter fraud policy; however this responsibility is not currently being discharged.
- Providing some relevant anti-fraud training for Officers, Members and Procuring Officers would be useful.

2.6 EK Services – Housing Benefit Quarterly Testing (Quarter 4 of 2016-17 and Quarter 1 of 2017-18):

2.6.1 Background:

Over the course of the 2016/17 and 2017-18 financial years 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.

2.6.2 Findings:

For the fourth quarter of the 2016/17 financial year (January to March 2017) and the first quarter of the 2017-18 financial year (April to June 2017) random samples of 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.

2.6.3 Audit Conclusion:

2016/17 Quarter 4 - For this quarter twenty benefit claims were checked and of these one had a financial error that impacted on the benefit calculation (5%). In this instance the weekly rent figure had been calculated incorrectly.

For 2016/17 a total of 80 benefit claims have been checked of which three (3.75%) had a financial error that impacted on the benefit calculation. In all three instances the rent figure had been calculated incorrectly.

2017/18 Quarter 1 - For this quarter twenty benefit claims were checked and of these two had a financial error that impacted on the benefit calculation (10%) and three had a data quality error (15%) which did not impact on the financial calculation.

3.0 FOLLOW UP OF AUDIT REPORT ACTION PLANS:

3.1 As part of the period's work, six 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)	Data Protection, FOI and Records Management	Reasonable	Substantial	C	0	C	0
				H	3	H	0
				M	3	M	0
				L	1	L	0
b)	Budgetary Control, Main Accounting System & Treasury Management	Substantial	Substantial	C	0	C	0
				H	0	H	0
				M	2	M	0
				L	2	L	0
c)	Let Commercial Properties and Concessions	Reasonable	Reasonable	C	0	C	0
				H	1	H	1
				M	1	M	0
				L	0	L	0
d)	Playgrounds	Limited	Reasonable	C	0	C	0
				H	4	H	0
				M	7	M	1
				L	1	L	0
e)	EK Services – PCI-DSS	Limited	Reasonable	C	0	C	0
				H	3	H	1
				M	1	M	0
				L	0	L	0
f)	EK Services ICT Disaster Recovery	Substantial/ Reasonable	Substantial/ Reasonable	C	0	C	0
				H	5	H	0
				M	1	M	1
				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:., Officer Code of Conduct, Local Code of Corporate Governance, Scheme of Officer Delegations, External Funding Protocol, CCTV, CSO Compliance, and Port Health.

5.0 CHANGES TO THE AGREED AUDIT PLAN:

- 5.1 The 2017-18 Audit plan was agreed by Members at the meeting of this Committee on 6th April 2017.
- 5.2 The Head of the Audit Partnership meets on a quarterly 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 2017, 58.6 chargeable days were delivered against the planned target of 260.95, which equates to 22% 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 30th June 2017 against the agreed 2017/18 Audit Plan.
 Annex 4 EKAP Balanced Scorecard of Performance Indicators to 30th June 2017.
 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>Let Commercial Properties and Concessions:</i>		
<p>Ensure that the Asset Management Plan is updated, approved and published on the intranet as soon as practically possible but not later than December 2016.</p>	<p>The AMP will be drafted and presented to Cabinet by November 2016.</p> <p>Proposed Completion Date December 2016</p> <p>Responsibility Estate Valuation Manager</p>	<p>Since agreeing these timescales, the focus of the Council AMP has changed and needs to be re-examined. We now need to look at why we hold buildings. This will require a radical rethink using the recently installed UNIFORM property management system. This system has a lot of potential to provide relevant information, but needs careful planning for the longer term.</p> <p>The objectives of the AMP will need to emerge over time in order to create a useful working document. It is hoped that the AMP will be produced by April 2018.</p> <p>Outstanding with intent to action.</p>
<i>EK Services – PCI-DSS:</i>		
<p>Each Council should ensure it has the following controls in place to minimise the risk of non-compliance resulting from a member of staff not following protocols: -</p> <ul style="list-style-type: none"> • Regular training for all staff involved in taking payments; • Compliance monitoring undertaken by line managers; • Non-compliance reporting protocols to the Senior Information Risk Owner (SIRO) or PCI-DSS Compliance 	<p><u>All Councils</u> SIROs via the CIGG will ensure suitable training is in place for all three Councils and EK Services. All remaining suggested actions will be considered by each of the SIROs as part of the consideration given to the wider governance arrangements suggested in the recommendation.</p> <p>Proposed Completion Date September 2016</p> <p>Responsibility - 3x SIROs</p>	<p><u>All Councils</u> The CIGG is now responsible for information risk management. The recommendation contains a number of key controls that need to be in place once each Council has declared that it is compliant with the standards. However as each of the Councils is still working towards compliance this recommendation remains outstanding.</p> <p>Recommendation Outstanding.</p>

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

Original Recommendation	Agreed Management Action, Responsibility and Target Date	Manager's Comment on Progress Towards Implementation.
Officer; <ul style="list-style-type: none">• Responsibilities of front line staff set out in job descriptions;• Sufficient internal communication channels to communicate standards to staff;• Use of staff briefings to raise awareness.		

SERVICES GIVEN LIMITED / NO ASSURANCE LEVELS STILL TO BE REVIEWED			
Service	Reported to Committee	Level of Assurance	Follow-up Action Due
Performance Management	March 2017	Reasonable/Limited	Autumn 2017
Land Charges	June 2017	Reasonable/Limited	Autumn 2017

PROGRESS AGAINST THE AGREED 2017-18 AUDIT PLAN.

DOVER DISTRICT COUNCIL:

Review	Original Planned Days	Revised Planned Days	Actual days to 30-06-2017	Status and Assurance Level
FINANCIAL SYSTEMS:				
Car Parking & Enforcement	12	12	0.18	Work-in-Progress
Creditors & CIS	12	12	0	Work-in-Progress
External Funding Protocol	10	10	0.28	Work-in-Progress
Income	10	10	0	Quarter 3
GOVERNANCE RELATED:				
Officers' Code of Conduct	10	10	0.34	Work-in-Progress
Local Code of Corporate Governance	8	8	0.45	Work-in-Progress
Scheme of Officer Delegations	7	7	0.78	Work-in-Progress
Project Management	10	10	0	Work-in-Progress
Corporate Advice/CMT	2	2	1.48	Work-in-Progress throughout 2017-18
s.151 Meetings and support	9	9	3.19	Work-in-Progress throughout 2017-18
Governance Committee Meetings and Reports	12	12	3.73	Work-in-Progress throughout 2017-18
2018-19 Audit Plan Preparation and Meetings	9	9	0.14	Quarter 4
CONTRACT RELATED:				
CSO Compliance	12	12	1.4	Work-in-Progress
Service Contract Monitoring	10	10	7.52	Work-in-Progress
SERVICE LEVEL:				
Safeguarding Return to KCC	1	1	0	Quarter 3
Coastal Management	10	10	0	Quarter 4
CCTV	10	10	0	Work-in-Progress
Port Health	10	10	0.18	Work-in-Progress
Pollution, Contaminated Land, Air & Water Quality	10	10	0.26	Work-in-Progress
Health & Wellbeing	10	10	0	Quarter 4

Review	Original Planned Days	Revised Planned Days	Actual days to 30-06-2017	Status and Assurance Level
Grounds Maintenance	15	15	0	Quarter 4
Licensing	12	12	0	Quarter 4
Asset Management	15	15	0	Quarter 4
Phones, Mobiles & Utilities	8	8	0	Quarter 3
OTHER				
Liaison with External Auditors	1	1	0	Work-in-Progress throughout 2017-18
Follow-up Work	15	15	4.81	Work-in-Progress throughout 2017-18
FINALISATION OF 2016-17- AUDITS				
Homelessness	5	5.95	5.93	Finalised - Substantial
Planning Applications, Income & s106 Agreements			3.51	Finalised – Substantial/Reasonable
Land Charges			7.81	Finalised – Reasonable/Limited
Anti-Fraud & Corruption			1.43	Finalised - Reasonable
Inward Investment			13.94	Work-in-Progress
Right to Buy			1.24	Work-in-Progress
Days under delivered in 2016-17	0	14.1	0	Completed
RESPONSIVE ASSURANCE:				
None to date in 2017-18	0	0	0	
TOTAL	255	260.95	58.6	22% as at 30th June 2017

EAST KENT HOUSING LIMITED:

Review	Original Planned Days	Revised Planned Days	Actual days to 30-06-2017	Status and Assurance Level
Planned Work:				
CMT/Audit Sub Cttee/EA Liaison	4	4	1.15	Work-in-progress throughout 2017-18
Follow-up Reviews	4	4	0.78	Work-in-progress throughout 2017-18
Finance Systems & ICT Controls	15	15	0	Quarter 4

Review	Original Planned Days	Revised Planned Days	Actual days to 30-06-2017	Status and Assurance Level
Data Protection & Information Management	12	12	0	Quarter 4
Leasehold Services	15	15	0	Quarter 4
Fire Safety	15	15	1.2	Work-in-Progress
Safeguarding Children & Vulnerable Groups	10	10	0.18	Work-in-Progress
Anti-Fraud & Corruption	10	10	0	Work-in-Progress
Risk Management	10	10	0.18	Work-in-Progress
Performance Management	5	5	0	Quarter 4
Complaints Monitoring	10	10	0.18	Work-in-Progress
Single System – Post Implementation Review	10	10	0	Quarter 4
Property Services Improvement Plan	20	20	0	Quarter 3/4
Days under delivered in 2016-17		7.84		
Responsive Assurance:				
Performance Indicator Data Quality	0	0	8.52	
Total	140	147.84	12.19	8.25% at 30-06-2017

EK SERVICES:

Review	Original Planned Days	Revised Planned Days	Actual days to 30/06/2017	Status and Assurance Level
EKS Reviews;				
Housing Benefits Payments	15	15	15.34	Work in progress
DDC / TDC HB Testing	20	20	6.51	Ongoing
Business Rates	20	20	0.20	Quarter 2
Council Tax Reduction Scheme	15	15	0	Quarter 3
ICT – Data Management	15	15	0.17	Quarter 2
ICT – Procurement & Disposal	15	15	0	Quarter 3
EKHR Reviews;				
Payroll	15	15	0	Quarter 3
Employee Allowances & Expenses	15	15	0	Quarter 3

Review	Original Planned Days	Revised Planned Days	Actual days to 30/06/2017	Status and Assurance Level
Employee Health & Safety	15	15	0	Quarter 4
Other;				
Corporate/Committee	8	8	1.29	Ongoing
Follow up	7	7	4.87	Ongoing
Days under delivered in 2016-17		17.70	17.70	Completed
Finalisation of 2016/17 Audits:				
Housing Benefit Subsidy			7.23	WIP
ICT Change controls			2.03	Completed – Substantial
ICT Software Licensing			2.50	WIP -Draft Report
EKHR – Payroll & BIK			6.79	Completed - Substantial
		18.55		
Total	160	177.70	46.93	26.15% at 30/06/2017

BALANCED SCORECARD – QUARTER 1

<u>INTERNAL PROCESSES PERSPECTIVE:</u>	<u>2017-18 Actual</u>	<u>Target</u>	<u>FINANCIAL PERSPECTIVE:</u>	<u>2017-18 Actual</u>	<u>Original Budget</u>
	Quarter 1		Reported Annually		
Chargeable as % of available days	83%	80%	<ul style="list-style-type: none"> • Cost per Audit Day 	£	£309.77
Chargeable days as % of planned days			<ul style="list-style-type: none"> • Direct Costs 	£	£385,970
CCC	25%	25%	<ul style="list-style-type: none"> • + Indirect Costs (Recharges from Host) 	£	£10,530
DDC	22%	25%		£	Zero
SDC	22%	25%	<ul style="list-style-type: none"> • - 'Unplanned Income' 	£	
TDC	26%	25%		£	£396,500
EKS	26%	25%	<ul style="list-style-type: none"> • = Net EKAP cost (all Partners) 	£	
EKH	8%	25%			
Overall	22%	25%			
Follow up/ Progress Reviews;					
<ul style="list-style-type: none"> • Issued 	22	-			
<ul style="list-style-type: none"> • Not yet due 	17	-			
<ul style="list-style-type: none"> • Now due for Follow Up 	19	-			
Compliance with the Public Sector Internal Audit Standards (PSIAS) (see Annual Report for more details)	Partial	Full			

BALANCED SCORECARD – QUARTER 1

<u>CUSTOMER PERSPECTIVE:</u>	<u>2017-18 Actual</u>	<u>Target</u>	<u>INNOVATION & LEARNING PERSPECTIVE:</u>	<u>2017-18 Actual</u>	<u>Target</u>
	Quarter 1			Quarter 1	
Number of Satisfaction Questionnaires Issued;	16		Percentage of staff qualified to relevant technician level	75%	75%
Number of completed questionnaires received back;	8 = 50%		Percentage of staff holding a relevant higher level qualification	38%	38%
Percentage of Customers who felt that;			Percentage of staff studying for a relevant professional qualification	14%	N/A
<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	1.48	3.5
	100%	100%	Percentage of staff meeting formal CPD requirements (post qualification)	38%	38%

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.