
Subject: QUARTERLY INTERNAL AUDIT UPDATE REPORT

Meeting and Date: Governance Committee – 27th June 2019

Report of: Christine Parker – Head of Audit Partnership

Decision Type: Non-key

Classification: Unrestricted

Purpose of the report: This report includes the summary of the work completed by the East Kent Audit Partnership since the last Governance Committee meeting, together with details of the performance of the EKAP to the 31st May 2019

Recommendation: That Members note the update report.

1. Summary

This report includes the summary of the work completed by the East Kent Audit Partnership since the last Governance Committee meeting.

2. Introduction and Background

- 2.1 For each Audit review, management has agreed a report, and where appropriate, an Action Plan detailing proposed actions and implementation dates relating to each recommendation. Reports continue to be issued in full to each member of Corporate Management Team, as well as an appropriate manager for the service reviewed.
- 2.2 Follow-up reviews are performed at an appropriate time, according to the status of the recommendation, timescales for implementation of any agreed actions and the risk to the Council.
- 2.3 An Assurance Statement is given to each area reviewed. The assurance statements are linked to the potential level of risk, as currently portrayed in the Council's risk assessment process. The assurance rating given may be Substantial, Reasonable, Limited or No assurance.
- 2.4 Those services with either Limited or No Assurance are monitored, and brought back to Committee until a subsequent review shows sufficient improvement has been made to raise the level of Assurance to either Reasonable or Substantial. A list of those services currently with such levels of assurance is attached as Annex 2 to the EKAP report.
- 2.5 The purpose of the Council's Governance Committee is to provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent review of the Authority's financial and non-financial performance to the extent that it affects the Authority's exposure to risk and weakens the control environment, and to oversee the financial reporting process.
- 2.6 To assist the Committee meet its terms of reference with regard to the internal control environment an update report is regularly produced on the work of internal audit. The purpose of this report is to detail the summary findings of completed audit

reports and follow-up reviews since the report submitted to the last meeting of this Committee.

SUMMARY OF WORK

- 2.7 There have been six internal audit assignments completed during the period, which are summarised in the table in section 2 of the report.
- 2.8 In addition seven follow-up reviews have been completed during the period, which is detailed in section 3 of the quarterly update report.
- 2.9 For the two month period to 31st May 2019, 30.27 chargeable days were delivered against the revised target of 250.41, which equates to 12.09% 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 2018-19 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 2019-20 - Previously presented to and approved at the 14th March 2018 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 April 2019.

2. SUMMARY OF REPORTS:

Service / Topic		Assurance level	No. of Recs.	
2.1	Food Safety	Substantial	C H M L	0 0 0 0
2.2	EKS Debtor accounts	Substantial	C H M L	0 0 0 1
2.3	EKHR Absence Management	Reasonable	C H M L	0 0 4 0
2.4	Bank Reconciliation	Reasonable	C H M L	0 1 1 1
2.5	Data Protection	Limited	C H M L	6 10 6 4
2.6	EKS – Housing Benefit Quarterly Testing – Quarters 3 and 4 2018/19	Not Applicable	C H M L	0 0 0 0

2.1 Food Safety – Substantial Assurance

2.1.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to reduce the incidence of food poisoning within the district

through effective registration and inspection of all food businesses, investigation of food complaints, enforcement of the Food Safety and Hygiene (England) Regulations 2013 and associated legislation and offering advice and guidance.

2.1.2 Summary of Findings

The Council has a statutory duty to provide an effective food safety service which meets the requirements of the Food Standards Agency (FSA). Functions are carried out by authorised officers within the Public Protection Team under the provision of the Food Safety Act 1990 and the Food Safety & Hygiene (England) Regulations 2013.

The Council is currently responsible for registering all food businesses and, although there is no legal requirement to proactively investigate unregistered businesses, the Public Protection Team is watchful for any evidence of new businesses and also reviews social media and newspapers.

The number of establishments within the district at 31 March 2018, categorised by risk rating (where A is the highest risk and E is the lowest risk) can be seen below:

Risk Rating	Number of premises
A	7
B	39
C	214
D	449
E	479
U (unrated)	198
TOTAL	1386

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

- The Council follows the food law code of practice and is governed by the Food Standards Agency (FSA); it has a service plan which is reviewed bi-annually and many procedure documents which are regularly reviewed to reflect changes in legislation;
- An inspection programme is generated automatically based on previous inspection dates entered into the M3 system;
- Inspection reports, enforcement action and supporting evidence has been satisfactorily recorded and documented in M3 for all cases within the testing sample; and
- The Council appropriately resolved all complaints within the testing sample.

2.2 EKS Debtors Accounts – Substantial Assurance

2.2.1 Audit Scope

To ensure that the processes and procedures used by CIVICA UK are sufficient to provide the level of service required by the partner Councils and incorporate relevant internal controls regarding debtors.

2.2.2 Summary of Findings

The recovery of Sundry Debts is covered by the Local Government Act 1972, the Accounts and Audit Regulations 2011, The Harbours Act 1964 and the Late Payment of Commercial Debts Regulations 2002. Sundry debts relate to all monies owed to Local Authorities other than Council Tax, Business Rates and Housing Benefit overpayments. The collection of sundry debts has been outsourced to CIVICA.

Management can place Substantial Assurance on the system of internal controls in operation. This audit review has focused on the role carried out by CIVICA UK and not the elements of the debtors process carried out by Officers at Dover District Council.

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

- Established processes are in place for the sundry debtor process carried out by the Corporate Income Team within CIVICA.
- Performance is regularly and accurately reported by CIVICA to the partner Councils.
- Credit notes are not used to cancel debts where collection methods have been unsuccessful.
- Debts are only written off after all available recovery methods have been exhausted.

Scope for improvement was identified around procedures for obtaining approval of credit notes, this was raised with CIVICA staff during the audit and positive action has already commenced to make improvements to the credit note approvals process.

2.3 EKHR Absence Management – Reasonable Assurance:

2.3.1 Audit Scope

To provide assurance that staff absences are valid and authorised by management either in advance or in the case of sickness immediately after the event. To ensure that staff resources are adequately controlled and managed.

2.3.2 Summary of Findings

Dover District Council, Canterbury City Council and Thanet District Council (including EK Services) are committed to delivering excellent local services and recognise that this can only be achieved through our employees. They want a healthy, flexible workforce that is capable of responding to the changes and challenges facing local government.

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

- Established EKHR monthly processes are in place for processing sickness absences through the payroll and also for the calculating of annual leave records for each employee.
- Supporting policies and procedures are in place to support managers and employees in monitoring and recording of annual leave, sickness and flexi time.
- Managers across each council and EKS are monitoring flexi records of employees on a regular basis. The assurance for this has been taken from questionnaire responses (from a sample of 35 employees) as there are several time recording systems (Both electronic and paper) in place.

- Managers are also recording sickness and approving annual leave on East Kent People in accordance with policies and procedures.

Scope for improvement was identified in the following areas:

- As part of the annual review of the service level agreement EKHR should review and update the documentation to ensure that it reflects the changes in reporting processes and service provision for absence management following on from the manager`s dashboard being released.
- Dover and Thanet District Councils may wish to consider including the actions to be carried out in relation to absence frequency and the periods of time in the Addendum to the Absence Management Procedure so that managers and employees are fully aware of the actions that will need to be carried out for each of the trigger points and that they can be consistently applied.
- Managers should be reminded of the need to ensure that they are recording the actions that relate to the trigger points for sickness absences.

2.4 Bank Reconciliation – Reasonable Assurance:

2.4.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that:

- The bank reconciliation is calculated correctly.
- There is an effective and efficient evaluation and approval procedure for capital projects and robust financial procedures to enable sufficient budgetary provision to be made available for their funding.

2.4.2 Summary of Findings

The Council operates with four different bank accounts each of which is used for specific functions (i.e. general bank account, account used for making housing benefit payments, and the main investment accounts etc.). The Council operates with two systems (AIM and eFinancials) which are used as the cashbook and main accountancy system respectively.

The objectives of the Bank Reconciliation are:

- To ensure that the amount of cash reported on the Council's balance sheet and the balance in the general ledger cash account is correct.
- To detect any accountancy errors, duplicate receipts and other double entry cash anomalies.
- Increased control in terms of segregation of duties and increased control over cash and bank balance monitoring.

Management can place Reasonable Assurance on the system of internal controls in operation, although there is some evidence of non-compliance with some of the key controls not operating as intended resulting in a risk to the achievement of the system objectives which is a cause for concern.

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

- Up to date documented procedures are in place and being followed.
- Feeder system data is accurately being interfaced and recorded.

Scope for improvement was identified in the following areas:

- Full use of available system automation is not being made.
- A high volume of transactions remain unmatched and are being carried over, often over numerous months, the oldest of these is now in breach of FPRs.
- Bank reconciliation statements are not being signed off by the responsible officer or reviewed by a senior officer.

2.5 Data Protection – Limited Assurance:

2.5.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that the Council creates, holds, and maintains personal information about living individuals in accordance with the requirements of the GDPR and deals with subject access requests and information sharing requests in accordance with the Act.

2.5.2 Summary of Findings

The General Data Protection Regulation (GDPR) (EU) 2016/679 is a regulation in EU law on data protection and privacy for all individuals within the European Union (EU) and the European Economic Area (EEA) which came into effect on 25th May 2018. The GDPR aims primarily to give control to citizens and residents over their personal data and to simplify the regulatory environment. It is widely acknowledged that the majority of risk lies with people, process, systems, contracts and governance.

This audit focused on compliance with GDPR and the mechanisms in place to manage the keys risks to the Council. According to research carried out within the UK as at September 2018 approximately 20% of organisations were compliant with GDPR, 53% were in the implementation phase and 27% had not started their implementation.

Management can place Limited Assurance that the Council is compliant with GDPR and the Data Protection Act 2018.

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

- The Council is working towards full compliance with GDPR;
- Contractors engaged by the Council need to have their contracts varied to include GDPR responsibilities;
- There is a need for a consistent and more effective approach to staff training;
- Some Privacy Notices and Retention Schedules were missing from the website;
- There are areas of the Council where there is a lack of GDPR training, privacy notices and retention schedules;

- There is a need to re-format and revisit the Information Asset Register to ensure the personal data being collated is identified, categorised, risk assessed, is accurate and up to date.

Effective control was however evidenced in the following areas:

- The culture within the organisation is positive towards GDPR implementation;
- The data breach processes are working effectively;
- The data protection policy is good although further clarity is required on specific roles and responsibilities across the organisation;
- The CIGG (Corporate Information Governance Group) is encouraging joint working and collaboration between partnering authorities experiencing the same issues;
- IT Security measures are adequately sufficient to reduce the risk of hacking;
- Consent processes are working effectively; and
- Processes in place for Subject Access Requests are working effectively.

2.6 EKS Housing Benefits Quarterly Testing Quarters 3 & 2018/19 – an assurance is not applicable for this work

2.6.1 Introduction

Over the course of 2018/19 financial year the East Kent Audit Partnership will complete a sample check of Council Tax, Rent Allowance and Rent Rebate and Local Housing Allowance benefit claims.

2.6.2 Findings

For the quarters three and four of 2018/19 financial year (October 2018 to March 2019) 40 claims including new and change of circumstances of each benefit type were selected by randomly selecting the various claims for verification.

A fail is now categorised as an error that impacts on the benefit calculation. However data quality errors are still to be 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

For this period forty benefit claims were checked and none of the claims had any financial errors and there were 2 (5%) data quality errors.

For 2018/19 a total of eighty benefit claims have been checked of which none had a financial error that impacted on the benefit calculation and 2 (2.5%) had a data quality error.

3.0 FOLLOW UP OF AUDIT REPORT ACTION PLANS:

- 3.1 As part of the period's work, seven 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)	Project Management	Reasonable	Reasonable	C	0	C	0
				H	1	H	0
				M	0	M	0
				L	0	L	0
b)	Grounds Maintenance	Reasonable	Reasonable	C	0	C	0
				H	2	H	0
				M	3	M	1
				L	1	L	0
c)	Service Contract Monitoring	Reasonable	Reasonable	C	0	C	0
				H	1	H	1
				M	4	M	4
				L	1	L	0
d)	East Kent Housing – Contract Management	Limited	Reasonable / Limited	C	3	C	1*
				H	5	H	2*
				M	0	M	0
				L	0	L	0
e)	EKS ICT Software Licensing	Reasonable	Reasonable	C	0	C	0
				H	2	H	0
				M	6	M	3
				L	0	L	0
f)	EKHR Apprenticeships	Substantial / Reasonable	Substantial / Reasonable	C	0	C	0
				H	2	H	0
				M	5	M	0
				L	1	L	0
g)	EKHR Allowances & Expenses	Substantial / Reasonable	Substantial / Reasonable	C	0	C	0
				H	0	H	0
				M	3	M	2
				L	2	L	1

* Partially outstanding

- 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.

- 3.3 As the assurance for the Contract Management review is partially limited at the time of follow up, a management response has been included within this report.

Management Response to Contract Management

Management recognises that 'Limited Assurance' has been placed upon the Gas Servicing and Heating Installations audit and Audit Committee members are reminded of the previous reports detailing the challenges of these contracts and the management of them. The ability of EKH and the Client Councils to resolve a number of the partially outstanding matters will be influenced by the decision of the contractor to bring the contracts to an end and we continue to seek resolution as part of the final account process in collaboration with the Client Councils and contractor.

East Kent Housing - Director of Property Services

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: Housing Repairs & Maintenance, Welfare Reform, Tenant Health & Safety, Community Safety, Printing, Postage & Photocopying, Waste Management & Street Cleansing, Risk Management, and Building Control.

5.0 CHANGES TO THE AGREED AUDIT PLAN:

- 5.1 The 2019-20 Audit plan was agreed by Members at the meeting of this Committee on 14th March 2019.
- 5.2 The Head of the Audit Partnership meets on a quarterly basis with the Strategic Director (Corporate Resources) - Section 151 Officer to discuss any amendments to the plan. Members of the Committee will be advised of any significant changes through these regular update reports. Minor amendments 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 two month period to 31st May 2019, 30.27 chargeable days were delivered against the revised target of 250.41, which equates to 12.09% 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.
- 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 31st May 2019 against the agreed 2019/20 Audit Plan.
- Annex 4 Balanced Scorecard of performance indicators to 31st March 2019 – See Annual Report.
- 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>Service Contract Monitoring – April 2019</i>		
<p>Consider setting a basic management procedure to highlight current working practices, with a view to improving the way in which contract monitoring is undertaken across the authority. This should be documented and implemented via procedure / guidance notes. This will ensure all contract matters (performance management, contract variations, deductions, retentions etc.) can be confidently applied and documented to provide an audit trail</p>	<p>Contract management guidance and procedure to be implemented as part of revised Procurement Guide.</p> <p>Proposed Completion Date: August 2018</p> <p>Responsibility: Procurement Manager</p>	<p>To discuss with Head of Finance April 19</p> <p>Outstanding</p>
<i>East Kent Housing – Contract Management (May 2019):</i>		
<p>Ensure that all legal requirements for heating installations are met including that the correct documentation is received and checked for accuracy before approving payment for the work.</p>	<p>a. Contracts Manager/Surveyor performance expectations and guidance notes</p> <p>b. Contracts Manager/Surveyor to read, understand and follow contract requirements</p> <p>Proposed Completion Date</p> <p>a – Ongoing</p> <p>b - Completed</p>	<p>The outstanding documentation for 17/18 installations was to be collated and provided as part of an ongoing piece of work as part of the annual LGSR programme to reduce the number of visits to each property. This has recently been reviewed by EKH as a result of the</p>

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

Original Recommendation	Agreed Management Action, Responsibility and Target Date	Manager's Comment on Progress Towards Implementation.
	<p>Responsibility Contracts Performance Manager</p>	<p>contractor serving notice to bring the contracts to an end and it is intended to set-off such sums as necessary to regularise this position.</p> <p>Partially Outstanding.</p>
<p>Commitment orders must be correctly placed on the system so that each council can manage their budgets effectively, and to prevent late invoices hitting quarter 4 causing an overspend.</p>	<p>a. Understand Client Council financial requirements and provide training to Client Council finance teams b. Contracts Manager/Surveyor to adhere to financial controls and requirements c. Contracts Manager/Surveyor to provide accurate cashflow forecasting</p> <p>Proposed Completion Date A B and C – Ongoing</p> <p>Responsibility A - Contracts Performance Manager B - AD Property Services/Contracts Performance Manager C - AD Property Services</p>	<p>It was confirmed by the EKH Contract Administrator that commitment orders are not always placed on financial systems at the time the Contract Administrator instructions are being given to the contractor. This may result in a time delay between the contract instruction being issued and the financial commitment being registered on the Client Councils system.</p> <p>EKH has undertaken additional training with the Customer & Transactions Team and has also recruited two administrators within the compliance team to overcome any delays in the process.</p> <p>Partially Outstanding.</p>
<p>EKH should ensure the cross reference of all valuations for new heating installations and smoke alarm/CO detector installations to identify possible duplicate charges. Then obtain repayment from the contractor for any duplicate charges identified.</p>	<p>a. Contracts Manager/Surveyor performance expectations and guidance notes b. GCS engaged to review all 2017/18 installations and produce a report of findings c. Contracts Performance Manager tasked with cross checking all valuations and challenging errors d. Contracts Performance Manager tasked with</p>	<p>Discussions were started with the contractor in August 2018 regarding a repayment relating to new heating installations. Discussions regarding amounts charged in respect of electrical certificates, smoke alarms, CO detectors, TRVs, voids and water hygiene have</p>

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

Original Recommendation	Agreed Management Action, Responsibility and Target Date	Manager's Comment on Progress Towards Implementation.
	<p>Contract Management and Financial Control for the gas servicing and heating installations contracts</p> <p>Proposed Completion Date a. Completed, b & c & d Ongoing</p> <p>Responsibility Contracts Performance Manager</p>	<p>been raised with the contractor and it is now proposed that the value of these be set-off against outstanding payments and future valuations. The EKH Chief Executive and Director of Property Services have been in contact with the four councils' client officers since May 2018 regarding the contracts and more recently have been seeking their views on the way forward.</p> <p>Partially Outstanding.</p>

SERVICES GIVEN LIMITED / NO ASSURANCE LEVELS STILL TO BE REVIEWED			
Service	Reported to Committee	Level of Assurance	Follow-up Action Due
Private Sector Housing & HMO Licensing	December 2018	Limited	Work-in-Progress
Data Protection	June 2019	Limited	Autumn 2019

PROGRESS AGAINST THE AGREED 2019-20 AUDIT PLAN.

DOVER DISTRICT COUNCIL:

Review	Original Planned Days	Revised Planned Days	Actual days to 31-05-2019	Status and Assurance Level
FINANCIAL SYSTEMS:				
Car Parking & Enforcement	10	10	0	Quarter 4
Budgetary Control	10	10	0	Quarter 3
Insurance & Insurance of Portable Assets	10	10	0.24	Postponed till 2020-21 due to retendering of insurance in 2019-20
RESIDUAL HOUSING SYSTEMS:				
HRA Business Plan	10	10	0	Quarter 3
GOVERNANCE RELATED:				
Members' Code of Conduct & Standards Arrangements	10	10	0	Quarter 2
Anti-Fraud & Corruption	2	2	0.3	Quarter 3
Shared Service Monitoring	10	10	0	Quarter 4
Corporate Advice/CMT	2	2	0	Work-in-progress throughout 2018-19
s.151 Meetings and support	9	9	4.22	Work-in-progress throughout 2018-19
Governance Committee Meetings and Reports	12	12	2.89	Work-in-progress throughout 2018-19
2019-20 Audit Plan Preparation and Meetings	9	9	0	Quarter 4
SERVICE LEVEL:				
Procurement	10	10	0	Quarter 2
Community Safety	10	10	3.11	Quarter 1
Dog Warden, Street Scene and Litter Enforcement	10	10	0	Quarter 4
Electoral Registration & Election Management	13	13	0	Quarter 3

Review	Original Planned Days	Revised Planned Days	Actual days to 31-05-2019	Status and Assurance Level
Environmental Health – Public Health Burials	10	10	0	Quarter 3
Environmental Health – Health & Safety at Work	10	10	0	Quarter 2
Environmental Protection Service Requests	10	10	0.18	Quarter 1
Equality & Diversity	10	10	0.18	Quarter 4
Museum & VIC	12	12	0	Quarter 3
Commercial Properties & Concessions	12	12	0	Quarter 2
Petty Cash & Travel Arrangements	8	8	0	Quarter 2
Printing, Photocopying & Postage	10	10	2.42	Work-in-Progress
Sports & Leisure	15	15	0	Quarter 4
OTHER				
Liaison with External Auditors	1	1	0	Work-in-progress throughout 2018-19
Follow-up Work	15	15	0.75	Work-in-progress throughout 2018-19
FINALISATION OF 2018-19- AUDITS				
Food Safety	5		4.39	Finalised
Data Protection			0.31	Finalised
Building Control			2.66	Draft Report
Waste Management & Street Cleansing			0.18	Work-in-Progress
Risk Management			8.17	Draft Report
Days over delivered in 2018-19	0	-4.59		Completed
Responsive Work:				
Homelessness – 2018-19	0	0	0.27	Finalised
TOTAL	255	250.41	30.27	12.09% as at 31st May 2019

EAST KENT HOUSING LIMITED:

Review	Original Planned Days	Revised Planned Days	Actual days to 31-05-2019	Status and Assurance Level
Planned Work:				
CMT/Audit Sub Cttee/EA Liaison	4	4	2.51	Work-in-progress throughout 2018-19
Follow-up Reviews	4	4	1.76	Work-in-progress throughout 2018-19
Rent Accounting, Collection & Debt Mngmt.	40	40	0	Quarter 2
Rechargeable Works	10	10	0	Quarter 3
Tenants' Health & Safety	15	15	12.35	Work-in-Progress
Customer Contact	12	12	0	Quarter 4
East Kent Housing Improvement Plan	10	10	0	Quarter 3
Estate Management Inspection	15	15	0	Quarter 2
Anti-Social Behaviour	15	15	0	Quarter 4
Employee Health, Safety & Welfare	15	15	0	Quarter 2
Finalisation of 2018-19 Work-in-Progress:				
Days under delivered in 2018-19	0	19.50		Allocated
Staff Performance Management	0	0	4.55	Work-in-Progress
Welfare Reform	0	0	2.05	Work-in-Progress
Repairs & Maintenance	0	0	16.21	Work-in-Progress
Service Level Agreements	0	0	0.97	Finalised
Total	140	159.50	40.40	25.33% as at 31-05-2019

EKS, EKHR & CIVICA:

Review	Original Planned Days	Revised Planned Days	Actual days to 31-05-2019	Status and Assurance Level
EKS, EKHR & Civica Reviews:				
Business Rates – Reliefs and Credits	15	15	0	Quarter 2
Council Tax	20	20	0	Quarter 3
Housing Benefit Appeals	15	15	2.94	Work-in-Progress
KPIs	5	5	0	Quarter 2
ICT Disaster Recovery	15	15	0	Quarter 4
ICT Physical & Environment	15	15	3.77	Work-in-Progress
Housing Benefit Testing	15	15	0	Work-in-Progress
EKHR Reviews:				
Employee Benefits-in-Kind	15	15	0	Quarter 4
Payroll	15	15	0	Quarter 3
Recruitment	15	15	0	Quarter 2
Other:				
Corporate/Committee	8	8	2.96	Work-in-progress throughout 2019-20
Follow up	7	7	3	Work-in-progress throughout 2019-20
Days under delivered in 2018-19	0	27.26		Allocated as below
Finalisation of 2018/19 Audits:				
Days under delivered in 2018-19	0	27.26	0	Allocated below
Housing Benefit Testing	0		8.58	Finalised
Payroll			0.68	Work-in-progress
ICT PCI-DSS Compliance			4.39	Work-in-Progress
Total	160	187.26	26.32	14% at 31-05-2019



This Quarter, the Balanced Scorecard of performance indicators to 31st March 2019 is contained within the Internal Audit Annual Report – please see the separate agenda item.

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.