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<b>Subject:</b>	<b>ANNUAL INTERNAL AUDIT REPORT</b>
<b>Meeting and Date:</b>	<b>Governance Committee – 27<sup>th</sup> June 2019</b>
<b>Report of:</b>	<b>Christine Parker – Head of Audit Partnership</b>
<b>Decision Type:</b>	<b>Non-key</b>
<b>Classification:</b>	<b>Unrestricted</b>

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**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 31<sup>st</sup> March 2019.

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**Recommendation:** That Members note the report.

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### **Internal Audit Annual Report 2018-19.**

#### 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 2018-19 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 2018-19 the EKAP delivered 101.89% of the agreed audit plan days, with 4.59 days over delivered to be adjusted for in 2019-20. 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 delivered financial savings against its agreed budget to all its partners in the delivery of the service.

### **Background Papers**

- **Internal Audit Annual Plan 2018-19 - Previously presented to and approved at the March 2018 Governance Committee meeting.**
- **Internal Audit working papers - Held by the East Kent Audit Partnership.**

### **Resource Implications**

There are no financial implications arising directly from this report. The costs of the audit work have been met from the Financial Services 2018-19 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 2018-19 in accordance with the Public Sector Internal Audit Standards.

### **Attachments**

Annex A – East Kent Audit Partnership Annual Report 2018-19

CHRISTINE PARKER  
Head of Audit Partnership

# Annual Internal Audit Report for Dover District Council 2018-19

## 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 7.23. 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. The measures themselves were reviewed by the Client Officer Group at their annual meeting and no changes were made.

### **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 2019 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**

- 3.6.1 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 with the Client Officer Group 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 and this risk is noted in the AGS.
- 3.6.2 The internal audit activity adds value to the organisation (and its stakeholders) when it provides objective and relevant assurance, and contributes to the effectiveness and efficiency of governance, risk management and control processes.
- 3.6.3 In 2018-19 EKAP as required by the standards has demonstrated that it achieved the Core Principles in three key ways. Firstly, by fulfilling the definition of Internal Auditing which is the statement of fundamental purpose, nature and scope of internal auditing. The definition is authoritative guidance for the internal audit profession (and is shown at paragraph 1 above). Secondly by demonstrating that it has been effective in achieving its mission showing that it;-

- Demonstrates integrity.
- Demonstrates competence and due professional care.
- Is objective and free from undue influence (independent).
- Aligns with the strategies, objectives, and risks of the organization.
- Is appropriately positioned and adequately resourced.
- Demonstrates quality and continuous improvement.
- Communicates effectively.
- Provides risk-based assurance.
- Is insightful, proactive, and future-focused.
- Promotes organisational improvement.

And thirdly by complying with The Code of Ethics, which is a statement of principles and expectations governing behaviour of individuals and organisations in the conduct of internal auditing. The Rules of Conduct describe behaviour norms expected of internal auditors. These rules are an aid to interpreting the Core Principles into practical applications and are intended to guide the ethical conduct of internal auditors.

### 3.7 Financial Performance

Expenditure and recharges for year the 2018-19 are all in line with the Internal Audit cost centre hosted by Dover District Council. Financial management has delivered a cashable saving against budget.

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 2018-19 included a total of 20 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 (8) have therefore been pushed back in the overall strategic plan, to permit some higher risk projects to come forward (2). The total number of projects undertaken in 2018-19 was 12, with 2 being WIP at the year end to be finalised in April. In addition 5 projects were finalised from the 2017-18 plan.

## Review of the Internal Control Environment

### 4.1 Risks

During 2018-19, 99 recommendations were made in the agreed final audit reports to Dover District Council. These are analysed as being Critical, High, Medium or Low risk in the following table:

Risk Criticality	No. of Recommendations	Percentage
Critical	4	4%
High	46	47%
Medium	39	39%
Low	10	10%
<b>TOTAL</b>	<b>99</b>	<b>100%</b>

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 2018-19 the EKAP has raised and reported to the quarterly Governance Committee meetings 99 recommendations, and whilst 90% were in the Critical, 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 ten pieces of completed work for Dover District Council, together with the finalisation of the five 2017-18 audits is as follows:

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

<b>Assurance</b>	<b>No.</b>	<b>Percentage of Completed Reviews</b>
Substantial	2	15%
Reasonable	8	62%
Limited	3	23%
No	0	0%
Work in Progress at Year-End	2	-
Not Applicable	3	-

\* 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 77% of the reviews account for substantial or reasonable assurance, whilst 23% 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 six reviews completed on behalf of East Kent Housing Ltd. and the assurances for these audits were - 0 Substantial, 4 Reasonable, 2 Limited, 0 Not Applicable and 4 work in progress at the year-end.. Information is provided in Appendix 3.

There were eleven reviews completed on behalf of EK Services and the assurances for these audits were - 3 Substantial, 5 Reasonable, 3 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, or
- (for critical or high risks only) escalated to the audit committee.

At the conclusion of the follow up review the overall assurance level is re-assessed.

The results for the follow up activity for 2018-19 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 2018-19.

Total Follow Ups undertaken 17	No Assurance	Limited Assurance	Reasonable Assurance	Substantial Assurance
Original Opinion	0	3	10	2
Revised Opinion	0	2	12	5

The reviews with an original limited assurance, together with the result of the follow up report, are shown in the following table which concludes there is one DDC review showing a partial limited assurance after follow up, this was escalated to the Governance Committee on 28 June 2018 (Planning & s.106).

Area Under Review	Original Assurance	Follow Up Result
Inward Investment	Reasonable /Limited	Reasonable
Homelessness	Substantial /Limited	Substantial /Reasonable
Planning & s.106	Substantial /Reasonable	Substantial /Limited

East Kent Housing received seven follow up reviews for which the revised assurance levels were all Reasonable except one regarding Contract Management, which remains at a partially Limited assurance after follow up.

EK Services received four follow ups; the revised assurances were Substantial for one review, Reasonable for three reviews and there were none with a Limited assurance.

Consequently, there are no fundamental issues of note arising from the audits and follow up undertaken in 2018-19. There is one DDC review showing a partially 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 in 2018-19.

#### 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. 247.48 audit days were completed for Dover District Council during 2018-2019 which represents 101.89% plan completion. The 4.59 days ahead at the year end, will be adjusted in 2019-20. 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 31<sup>st</sup> 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 4.59 days ahead of schedule as we commence 2019-20, 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	271.30	257.22	94.8%	-12.78
2016-17	270	-14.1	255.90	278.15	97.91%	+8.15
2017-18	255	+5.95	260.95	273.06	104.64%	+18.06
2018-19	255	-12.11	242.89	247.48	101.89%	-7.52
<b>Total</b>	<b>3,522</b>			<b>3,526.59</b>	<b>100.13%</b>	<b>+4.59</b>

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. From 2017-18 an additional 15 days has been contributed to the EKH Plan from each partner taking their total plan to 140 days. The EKH Annual Report in its full format will be presented to the EKH - Finance and Audit Sub Committee on 1<sup>st</sup> July 2019.

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 24<sup>th</sup> July 2019.

## **5. Overall assessment of the System of Internal Controls 2018-19**

Based on the work of the EKAP on behalf of Dover District Council during 2018-19, 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 good level of assurance in respect 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 were three areas where a partially limited assurance level was given which reflected a lack of confidence in arrangements. One of these reviews has been followed up and is detailed in the table at Paragraph 4.3 (Homelessness) the remaining two are shown in the table in Paragraph 6 which details the planned follow up activity.

## **6. Significant issues arising in 2018-19**

From the work undertaken during 2018-19, 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 was one review that remained a partially Limited Assurance after follow up, and three recommendations that were originally assessed as high risk, which remained a high priority and outstanding after follow up were escalated to the Governance Committee during the year (Planning 26.06.18, Land Charges 27.09.18 Counter Fraud 14.03.19).

Reviews previously assessed as providing a 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.

<b>Area Under Review</b>	<b>Original Assurance (Date to Committee)</b>	<b>Progress Report</b>
Private Sector Housing & HMO Licensing	Limited December 2018	Quarter Two 2019-20
GDPR & Information Management	Limited June 2019	Quarter Two 2019-20

And for EK Services there were no reviews previously assessed as providing a Limited Assurance that were followed up in 2018-19. Four follow up reviews were undertaken which resulted with 1 Substantial and 3 with Reasonable assurance. There are no reviews with a limited assurance awaiting a follow up.

And for East Kent Housing there was one review remaining at partially 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 at the year end. There are no reviews with no or limited assurance currently 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 2018-19, 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 2018-19 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 Agreed 2018-19  
Dover District Council Audit Plan**

<b>Review</b>	<b>Original Planned Days</b>	<b>Revised Planned Days</b>	<b>Actual days to 31-03-2019</b>	<b>Status and Assurance Level</b>
<b>FINANCIAL SYSTEMS:</b>				
Capital	10	10	9.91	Finalised – Substantial
Bank Reconciliation	5	5	6.95	Finalised – Reasonable
VAT	10	10	9.94	Finalised – Substantial
<b>RESIDUAL HOUSING SYSTEMS:</b>				
Homelessness	10	20	18.19	Finalised – Substantial/Limited
Housing Allocations	10	0	0	Budget used for the Homelessness review
<b>GOVERNANCE RELATED:</b>				
GDPR, FOI and Information Management	15	15	17.32	Finalised – Limited
Anti-Fraud & Corruption Assurance Mapping	10	10	5.39	Finalised – N/A
Complaints Monitoring	10	10	0	Carried Over
Risk Management	10	10	0.18	Carried Over
Corporate Advice/CMT	2	2	7.29	Completed
s.151 Meetings and support	9	9	9.78	Completed
Governance Committee Meetings and Reports	12	12	12.73	Completed
2019-20 Audit Plan Preparation and Meetings	9	9	12.21	Completed
<b>SERVICE LEVEL:</b>				
Safeguarding Children & Vulnerable Adults	10	10	0	Carried Over
Private Sector Housing & HMO Licensing	10	10	17.10	Finalised - Limited
Food Safety	10	10	6.98	Work-in-progress
Pest Control	10	0	0.18	Carried Over
Events Management	10	0	0	Carried Over
Local Plan, MTFP and Corporate Plan	10	0	0	Carried Over
Building Control	12	12	10.05	Work-in-progress
Uniform iDox – Post Implementation Review	13	13	20.36	Finalised – N/A

<b>Review</b>	<b>Original Planned Days</b>	<b>Revised Planned Days</b>	<b>Actual days to 31-03-2019</b>	<b>Status and Assurance Level</b>
White Cliffs Countryside & Up on the Downs	12	12	14.80	Finalised - Reasonable
Waste Management & Street Cleansing	15	15	0.35	Carried Over
<b>Responsive Assurance Work:</b>				
Post Implementation Review	0	10	10.13	Finalised – N/A
<b>OTHER</b>				
Liaison with External Auditors	1	1	0.24	Completed
Follow-up Work	15	15	23.97	Completed
<b>FINALISATION OF 2017-18- AUDITS</b>				
Car Parking & PCNs	5	30	0.44	Finalised - Reasonable
Creditors & CIS			9.86	Finalised - Reasonable
Licensing			1.72	Finalised - Reasonable
Income			8.92	Finalised – Substantial/Reasonable
Project Management			3.72	Finalised - Reasonable
Grounds Maintenance			8.79	Finalised - Reasonable
Days over delivered in 2017-18				-7.11
<b>TOTAL</b>	<b>255</b>	<b>242.89</b>	<b>247.50</b>	<b>101.89%</b>

**Performance against the Agreed 2018-19  
East Kent Housing Audit Plan**

<b>Review</b>	<b>Original Planned Days</b>	<b>Revised Planned Days</b>	<b>Actual days to 31-03-2019</b>	<b>Status and Assurance Level</b>
<b>Planned Work:</b>				
CMT/Finance & Audit Sub Ctte/External Audit Liaison	4	4	6.46	Completed
Follow-up Reviews	4	14	15.68	Completed
Repairs & Maintenance	30	30	18.07	Work-in-Progress
Void Property Management	20	20		
Health & Safety	20	0	0	Carried Over to 2019-20
Contract Monitoring	17	27	27.58	Finalised - Limited
Staff Performance Management	15	15	8.48	Work-in-Progress
Welfare Reform	10	10	6.14	Work-in-Progress
Resident Involvement	10	0	0.35	Carried Over to 2019-20
Service Level Agreements	10	15	15.64	Work-in-Progress
<b>Responsive Assurance Work:</b>				
Contract Management	0	5	4.74	Finalised
Single System – Planned Maintenance Module	0	0	0.18	Finalised
<b>Finalisation of 2018-19 Work-in-Progress:</b>				
Days under delivered in 2017-18	0	10.94		Allocated
Complaints Management			0.36	Finalised - Reasonable
GDPR & Information Management			4.14	Finalised - Reasonable
Leasehold Services			1.15	Finalised - Reasonable
Tenancy & RTB Fraud Prevention			14.34	Finalised - Limited
Property Services Action Plan			8.14	Finalised - Reasonable
<b>Total</b>	<b>140</b>	<b>150.94</b>	<b>131.44</b>	<b>87.08%</b>

**Performance against the Agreed 2018-19  
East Kent Services Audit Plan**

<b>Review</b>	<b>Original Planned Days</b>	<b>Revised Planned Days</b>	<b>Actual days to 31-03-2019</b>	<b>Status and Assurance Level</b>
<b>EKS &amp; Civica Reviews:</b>				
Housing Benefits Assessment	15	15	0.18	Work In Progress
Housing Benefit Testing	15	25	25.49	Finalised - N/A
Housing Benefits – DHPs	15	20	17.15	Finalised - Reasonable
Debtor Accounts	20	20	11.25	Finalised - Substantial
ICT – Network Security	15	0	0.32	Deferred to accommodate PSN
ICT – PSN Review	0	15	16.11	Finalised – N/A
ICT – PCI-DSS Compliance	15	15	6.02	Work In Progress
KPIs	5	5	0.63	Work In Progress
<b>EKHR Reviews:</b>				
Payroll	15	15	14.20	Work In Progress
Apprenticeships	15	15	16.00	Finalised - Substantial/Reasonable
Absence Management	15	15	18.27	Finalised - Reasonable
<b>Other:</b>				
Corporate/Committee	8	8	8.19	Completed
Follow up	7	7	8.81	Completed
Days under delivered in 2017-18	0	47.79		Allocated as below
<b>Finalisation of 2017/18 Audits:</b>				
Housing Benefit Testing			6.82	Finalised - N/A
Payroll			4.96	Finalised - Substantial
Employee Allowances & Expenses			1.28	Finalised - Reasonable
ICT – Procurement & Disposal			14.92	Finalised - Reasonable
Council Tax Reduction Scheme			9.92	Finalised - Substantial
<b>Total</b>	<b>160</b>	<b>207.79</b>	<b>180.52</b>	<b>86.88%</b>

## EKAP Balanced Scorecard – 2018-19

<b><u>INTERNAL PROCESSES PERSPECTIVE:</u></b>	<b><u>2018-19 Actual</u></b>	<b><u>Target</u></b>	<b><u>FINANCIAL PERSPECTIVE:</u></b>	<b><u>2018-19 Actual</u></b>	<b><u>Original Budget</u></b>
	<b>Quarter 4</b>		<b>Reported Annually</b>		
<b>Chargeable as % of available days</b>	<b>87%</b>	<b>80%</b>	<ul style="list-style-type: none"> <li>• <b>Cost per Audit Day</b></li> </ul>	<b>£300.38</b>	<b>£300.38</b>
<b>Chargeable days as % of planned days</b>			<ul style="list-style-type: none"> <li>• <b>Direct Costs</b></li> </ul>	<b>£402,398.02</b>	<b>£385,970</b>
CCC	<b>94%</b>	<b>100%</b>	<ul style="list-style-type: none"> <li>• <b>+ Indirect Costs (Recharges from Host)</b></li> </ul>	<b>£10,530.00</b>	<b>£10,530</b>
DDC	<b>102%</b>	<b>100%</b>	<ul style="list-style-type: none"> <li>• <b>- 'Unplanned Income'</b></li> </ul>	<b>£1,801.25</b>	<b>Zero</b>
F&HDC	<b>88%</b>	<b>100%</b>	<ul style="list-style-type: none"> <li>• <b>- Credit from 2017-18 rolled forward</b></li> </ul>	<b>£14,626.77</b>	<b>Zero</b>
TDC	<b>88%</b>	<b>100%</b>	<ul style="list-style-type: none"> <li>• <b>= Net EKAP cost (all Partners)</b></li> </ul>	<b>£396,500</b>	<b>£396,500</b>
EKS	<b>87%</b>	<b>100%</b>			
EKH	<b>87%</b>	<b>100%</b>			
<b>Overall</b>	<b>92%</b>	<b>100%</b>			
<b>Follow up/ Progress Reviews;</b>					
<ul style="list-style-type: none"> <li>• <b>Issued</b></li> </ul>	<b>60</b>	<b>-</b>			
<ul style="list-style-type: none"> <li>• <b>Not yet due</b></li> </ul>	<b>13</b>	<b>-</b>			
<ul style="list-style-type: none"> <li>• <b>Now due for Follow Up</b></li> </ul>	<b>27</b>	<b>-</b>			
<b>Compliance with the Public Sector Internal Audit Standards (PSIAS) (see Annual Report for more details)</b>	<b>Partial</b>	<b>Full</b>			

<b><u>CUSTOMER PERSPECTIVE:</u></b>	<b><u>2018-19 Actual</u></b>	<b><u>Target</u></b>	<b><u>INNOVATION &amp; LEARNING PERSPECTIVE:</u></b>	<b><u>2018-19 Actual</u></b>	<b><u>Target</u></b>
	<b>Quarter 4</b>		<b>Quarter 4</b>		
<b>Number of Satisfaction Questionnaires Issued;</b>	<b>60</b>		<b>Percentage of staff qualified to relevant technician level</b>	<b>75%</b>	<b>75%</b>
<b>Number of completed questionnaires received back;</b>	<b>23</b>		<b>Percentage of staff holding a relevant higher level qualification</b>	<b>36%</b>	<b>36%</b>
	<b>= 38%</b>		<b>Percentage of staff studying for a relevant professional qualification</b>	<b>14%</b>	<b>N/A</b>
<b>Percentage of Customers who felt that;</b>			<b>Number of days technical training per FTE</b>	<b>2.68</b>	<b>3.5</b>
• Interviews were conducted in a professional manner	<b>100%</b>	<b>100%</b>	<b>Percentage of staff meeting formal CPD requirements (post qualification)</b>	<b>36%</b>	<b>36%</b>
• The audit report was 'Good' or better	<b>100%</b>	<b>90%</b>			
• That the audit was worthwhile.	<b>100%</b>	<b>100%</b>			