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| Subject: | QUARTERLY INTERNAL AUDIT UPDATE REPORT |
| Meeting and Date: | Governance Committee – 19 March 2020 & 25 June 2020 |
| 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 December 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 five follow-up reviews have been completed during the period, which is detailed in section 3 of the quarterly update report.
- 2.9 For the nine-month period to 31st December 2019, 152.06 chargeable days were delivered against the revised target of 250.41, which equates to 60.72% 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 2019-20 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 2019 Governance Committee meeting.
- Internal Audit working papers - Held by the East Kent Audit Partnership.

Contact Officer: Christine Parker, Head of Audit Partnership



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

1. INTRODUCTION AND BACKGROUND

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

2. SUMMARY OF REPORTS:

| Service / Topic | | Assurance level | No. of Recs. | |
|-----------------|--|-----------------|------------------|------------------|
| 2.1 | East Kent Housing – Welfare Reform | Substantial | C H M L | 0 0 0 3 |
| 2.2 | EK Services – Business Rates Credits & Reliefs | Substantial | C H M L | 0 0 3 2 |
| 2.3 | Members' Code of Conduct & Standards Arrangements | Substantial | C H M L | 0 1 2 3 |
| 2.4 | Let Commercial Properties and Concessions | Reasonable | C H M L | 0 1 1 3 |
| 2.5 | Dover Museum & VIC | Reasonable | C H M L | 0 2 3 3 |
| 2.6 | East Kent Housing – Compliance Indicators Data Quality | Reasonable | C H M L | 1 1 0 0 |

2.1 East Kent Housing; Welfare Reform – Substantial Assurance

2.1.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to guard against the potential risks arising from the introduction of Welfare Reform Act in terms of increased caseload, rent arrears and higher debt levels.

2.1.2 Summary of Findings

The Welfare Reform Act 2012 is an Act of Parliament in the United Kingdom which makes changes to the rules concerning a number of benefits offered within the British social security system. It was enacted by the Parliament of the United Kingdom on 8 March 2012.

The Department of Work and Pensions started work on Universal Credit (UC) in 2010 with an original completion date of October 2017. However, the government reset the programme in 2013 after a series of problems with managing the programme and developing the necessary technology. There have been many revised completion dates and in June 2018 it announced a further delay to the completion of the programme to March 2023.

East Kent Housing manages the housing portfolio for Canterbury, Dover, Folkestone & Hythe, and Thanet Councils. This means that they have to manage the expectations of the tenants and as such are one of the main points of contact for tenants who may be affected by changes in the welfare system. As part of the reforms one of the main changes has been the introduction of UC, as part of the new system tenants are now expected to manage their benefits payments and pay their rent direct. In addition to which there is an expectation that the first payments under the new regime will be delayed having a knock-on effect on the tenants' capability to meet normal household costs, pay their essential bills and their rent. This will all have to be sensitively managed.

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

- There is an up to date Risk Strategy Process in place;
- Up to date Action Plans are in place to detail how the roll out of Universal Credit and its impact is to be managed and reported on;
- Information, advice and assistance relating to the Welfare Changes have been made available to tenants and the general public via the website and staff have been kept up to date via the intranet and staff meetings; and
- Benefit & Money advisors have been put in place to assist tenants during the changeover process.

Scope for improvement was however identified in the following areas:

- Staff procedures relating to the Welfare Reform need to be made more accessible to staff, perhaps via a link on the intranet pages; and
- Training needs of staff involved with the new scheme need to be more comprehensive and customer focused.

2.2 EK Services; Business Rates Credits & Reliefs – Substantial Assurance

2.2.1 Audit Scope

To ensure that the processes established by EK Services/CIVICA, on behalf of the partner councils, are sufficient to adequately manage the monitoring of Business Rates accounts where these are in credit and that these procedures comply with legislation. Also to ensure the accurate documentation, proper approval and allocation of relevant reliefs from liability in compliance with government legislation.

2.2.2 Summary of Findings

The Local Government Finance Act 1988 and subsequent legislation requires each Council to grant discretionary relief for premises occupied by Charities and similar organisations that own or occupy them wholly or mainly for charitable purposes. Likewise, certain premises situated within a rural settlement area will be eligible for relief. Powers have also been granted under the Localism Act 2011, which allow for the granting of discretionary rate relief to any premises where a Council feels the granting of such relief would be of benefit to the local community.

In addition to the above, Central Government is keen that in certain cases, assistance should be provided to businesses that have had increases in their rate liability due to the revaluation of premises in April 2017. In these cases, and where a Council meets Central Government guidelines, grants are available under section 31 of the Local Government Act 2003. Whilst all Councils are obliged to grant relief to premises, which fall within the mandatory category, the Partnership Councils also have powers to grant discretionary relief and reductions to ratepayers, subject to certain criteria being met.

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

- Established working practices have been in place for a considerable period of time even prior to the transfer to an outside contractor for the service provision.
- Supporting policies are in place that inform the public of both the mandatory and discretionary business rate reliefs that are available. However the policies when updated could show the version of the document, and the date of issue. They should also be easily accessible on each authority's website however currently they are not easily found on the Canterbury City Council website.

Scope for improvement was however identified in the following areas:

- Historic credits going back a number of years are being investigated on an ad-hoc basis by CIVICA therefore a timetable for this work being carried out should be considered and agreed; this could be reflected within the SLA / Contract that is in place.
- The Business Rates Officers need to ensure that copies of any bespoke letters sent from outside of the main systems are recorded so that a full audit trail is in place for each business rate account..

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| 2.3 Members' Code of Conduct & Standards Arrangements – Substantial Assurance |
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2.3.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that the highest standards of Member conduct and probity are maintained.

2.3.2 Summary of Findings

In accordance with the Localism Act 2011 the authority must promote and maintain high standards of conduct by Members and co-opted Members of the authority. In discharging this duty, the authority must adopt a code dealing with the conduct that is expected of Members and co-opted Members of the authority when they are acting in that capacity. Dover District Council has adopted the Kent model Code of Conducts (district and parish) which were last updated in June 2015 and can be viewed and downloaded from the Council's website.

As a councillor there is a requirement to adhere to the Council's agreed code of conduct for elected members. A failure to comply with the Council's code can be dealt with via the arrangements in place for investigating allegations. These can be found on the Council's webpages.

Following the abolition of Standards for England on 31 March 2012, the Council assumed responsibility for dealing with and investigating all complaints relating to breaches of the Code, including those made against Parish Councillors within the district. Specific responsibility for assessing alleged breaches of the Code rests with the Monitoring Officer, in consultation with the Independent Person, who is appointed by Council. If the Monitoring Officer, in consultation with the Independent Person, considers that the complaint merits investigation, he will appoint an investigation officer to undertake the investigation. Once the investigation has concluded, the Monitoring Officer may consider that informal resolution is appropriate. Alternatively, he may convene a meeting of the Hearing Panel.

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

- There is a Code of Conduct in place which is accessible to view via the Council's webpages;
- There is a documented process in place for the investigation into allegations of non-compliance with the code, which again can be viewed and downloaded from the Council's webpages;
- Declarations of interests are being adequately recorded, although some files reviewed were lacking signatures;
- Complaints are being considered and dealt with in accordance with the Act.

Scope for improvement was however identified in the following areas:

- General housekeeping functions need to be strengthened to ensure up to date information is available and to evidence a full audit trail for both the declaration and complaint processes;
- Notes on the meetings held/discussions/investigation process of the monitoring officer and independent persons i.e. the complaint assessment checklist, needs to be retained on file until such a time they can be destroyed under the retention policy; and

- The investigator should be made aware that recommendations are not required as part of the report and therefore not required as part of the executive summary.

2.4 Let Commercial Properties and Concessions – 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 Council derives the maximum value from its let properties and concessions and that where applicable these lettings further support the Council's regeneration aims and aspirations.

2.4.2 Summary of Findings

The Council has a corporate property portfolio with a net book value of £125,376 million (excluding housing and garages) as at March 2019. These assets include investment properties and operational properties.

Asset management should seek to align the asset portfolio with the needs of the organisation. Corporate objectives express the needs and wishes of the organisation at high level; the asset requirements to deliver these objectives should be expressed in a medium/long term plan (five to ten years), variously known in different organisations as an asset strategy, an asset management strategy or a corporate property strategy. The conversion of these corporate aims and visions into asset reality is the business of the asset management plan'; CiPFA.

Management can place Reasonable Assurance on the system of internal controls in operation to manage commercial leases and income. However, whilst assets are largely being managed in line with corporate priorities and to maximise income, it must be recognised that Property Services are adhering to a draft Asset Management Plan dated 2016 that is yet to be completed and formally approved.

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

- A detailed corporate property portfolio is maintained on a single system.
- Record of ownership can be found within the Council's systems.
- Valuations and Rebuild calculations for insurance purposes are up to date although a significant proportion of these are desk based.
- Debtor accounts are monitored, and any arrears are pursued.

Scope for improvement was however identified in the following areas:

- The Asset Management Plan and its associated policies has remained in draft since 2016 and is yet to be completed, approved and published.
- Regular performance monitoring of property yields should be reported to management demonstrating income achieved from assets, balanced against community needs and to highlight areas for improvement.

2.5 Dover Museum & VIC – Reasonable 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's Museum is operated in an efficient and effective manner which safeguards Council assets (exhibits, income, stock, reputation etc.) and minimises risk.

2.5.2 Summary of Findings

The Dover Museum and Bronze Age Boat Gallery is located in Market Square, Dover. Admission is now free to members of the public so income is generated through various means the majority of which in 2018/19 included: the sale of souvenirs (£28.5k), admission fees from Schools (£20.1k), service charges (£16k), town council contribution (£10k), donations (£7,7k), the sale of various documents, stamps / books etc. (£6.6k), and income generated from sales commission (£2.1k).

For 2019/20 the Council has valued the artefacts and exhibits under its control at £7m for insurance purposes. £3m of the museum collections are located at the Dover Museum and the remaining £4m are located at Dover Town Hall, Deal Town Hall, Western Road, Whitfield Offices and various sculptures located across the district.

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

- There are adequate fire prevention and environmental controls in place to protect the museum collections from fire, flooding and theft, although these need to be assessed at the other locations (i.e. Dover Town Hall, Western Road etc.)
- The insurance arrangements in place for all museum and other collections is adequate and includes arrangements for the movement of collections;
- The financial controls in place are generally operating well;
- Educational operations are operating extremely well and help to drive shop sales;
- The shop management controls are operating effectively; and
- Visitor information arrangements are well managed.

Scope for improvement was however identified in the following areas:

- The audit trail of museum collections could be improved to help track, value, record and locate each collection and any stories attached to each artefact;
- Not all museum staff (and volunteers) have received safeguarding and other training in accordance with the requirements set by Dover District Council and there may be a case to introduce DBS checks on staff and volunteers;
- The daily museum shop cashing up / reconciliation record could be improved slightly and consistently applied; and
- The museum shop annual stock take is labour intensive and could be improved with technology.

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| 2.6 East Kent Housing; Compliance Indicators Data Quality – Reasonable Assurance. |
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2.6.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established by East Kent Housing to ensure the safety of all residents in all properties for which they are responsible for is not compromised.

2.6.2 Summary of Findings

Following concerns being raised around the integrity of Health & Safety compliance data streams being reported to each of the East Kent Councils, this audit has been undertaken to review systems and processes in place in East Kent Housing (EKH) to produce compliance reports to establish the level of reliance which can be placed on the reports by each Council.

Having reviewed and assessed the methodology, accuracy of collection and measurement of performance indicators relating to tenant health & safety, there is emerging evidence that management can have reasonable assurance in the information being reported to them each week.

It is the following findings which result in a conclusion of Reasonable Assurance.

- EKH is making considerable improvement in the monitoring and reporting of compliance for properties which it is responsible for.
- EKH recognised that it still has some work to do to ensure that the new compliance monitoring and reporting processes become embedded across the organisation.

Audit testing identified the following weaknesses resulting in a marginal level of risk to the achievement of the system objectives.

- Cloned data from a partial stock condition survey means that EKH cannot place full reliance on the data it has and properties it is responsible for compliance on. Until a 100% survey has been undertaken on all properties, this will remain the case.
- Partner Councils have not given EKH any guidance on the format and content of compliance reports, other than to accept the reports EKH are presenting them with. This could mean that there are other areas where weak compliance is not being reported.
- Current reporting arrangements are placing a significant burden on EKH which is not only unsustainable, but also, detracting resources away from making improvements in overall compliance performance.
- Some compliance reports contain minor differences in the property populations being reported across different compliance streams from week to week.

A number of errors were identified in compliance figures being reported when comparing the Word-based compliance report to the Scorecard report for the corresponding week. Whilst the differences in the compliance percentage may have changed, none of the differences were to such an extent that the story being told was any different. In some cases tested the difference between the two reports was less than 1%. In most areas of compliance being reported, levels of compliance are so far away from 100% that a 1% or even 5% difference in the two reports means very little.

For example, in one reporting period on Domestic EICR's. The MS Word report reported 65.38% whilst the Scorecard reported compliance at 65.31%. For the purposes of audit testing this was noted as an error. However, both reports give the council the same important information that compliance on Domestic EICR's is a long way for where it needs to be.

A large reason for the changes being made to property population numbers and errors in repots is down to EKH not knowing exactly what they have in each and every property, and that is as a result of a partial stock condition survey, and the differences/ gaps being made up by cloned data.

3.0 FOLLOW UP OF AUDIT REPORT ACTION PLANS:

- 3.1 As part of the period's work, four 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) | East Kent Housing – Tenant Health & Safety (Electrical Safety) | No | Limited | C | 1* | C | 0 |
| | | | | H | 1* | H | 0 |
| | | | | M | 0 | M | 0 |
| | | | | L | 0 | L | 0 |
| b) | Building Control | Reasonable /No | Reasonable | C | 0 | C | 0 |
| | | | | H | 2 | H | 0 |
| | | | | M | 2 | M | 0 |
| | | | | L | 2 | L | 0 |
| c) | EK Services / ICT Procurement & Disposals | Reasonable | Reasonable | C | 0 | C | 0 |
| | | | | H | 0 | H | 0 |
| | | | | M | 7 | M | 1 |
| | | | | L | 0 | L | 0 |
| d) | GDPR Compliance | Limited | Limited | C | 6 | C | 3 |
| | | | | H | 10 | H | 5 |
| | | | | M | 6 | M | 2 |
| | | | | L | 4 | L | 0 |
| e) | Procurement | Reasonable /Limited | Reasonable /Limited | C | 0 | C | 0 |
| | | | | H | 3* | H | 0 |
| | | | | M | 2 | M | 0 |
| | | | | L | 1 | L | 0 |

*Partially implemented at the time of follow-up

- 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 highlighted in the above table, those areas previously reported as having either Limited or No assurance have been reviewed and, in respect of those remaining at below Reasonable assurance, Members are advised as follows:

a) East Kent Housing – Tenant Health & Safety (Electrical Safety):

There were two main issues identified in the original audit which needed to be addressed. The first being around undertaking action to immediately review and rectify the C1 category faults identified on EICR certificates in Communal blocks and then C2 faults. Discussions with EKH have established that immediate action has been taken to address C1 faults on EICR's held by EKH. Then EKH would be able to work to address C2 faults on EICR's. This work is still ongoing, and therefore the first recommendation is considered to be partially implemented with a positive direction of travel towards full implementation. It is acknowledged however by EKH that due to the number of potential C2 faults, this work is likely to be ongoing until at least March 2020.

The second recommendation that was originally agreed was around moving to a 5 yearly EICR process. All four Councils have agreed and moved to a 5 yearly process, but in doing so, overall levels of compliant EICR's are lower than desired. Compliance reports in early November reported EICR compliance in domestic properties varying between 66% (Dover) and 27% (Folkestone and Hythe). This means that there is still a significant amount of work required to ensure that EICR compliance reaches an acceptable level. For this reason, the second recommendation is also considered to be only partially implemented with a positive direction of travel. See below for levels of EICR compliance as at early November.

Communal Blocks

| | CCC | DDC | F&H | TDC |
|---------------|-----|-----|-----|------|
| Compliant | 302 | 132 | 143 | 204 |
| Non Compliant | 178 | 242 | 3 | 0 |
| Total props | 480 | 374 | 146 | 204 |
| Compliant % | 63% | 35% | 98% | 100% |

Domestic properties

| | CCC | DDC | F&H | TDC |
|---------------|------|------|------|------|
| Compliant | 2495 | 2852 | 930 | 892 |
| Non Compliant | 2611 | 1465 | 2466 | 2119 |
| Total props | 5106 | 4317 | 3396 | 3011 |
| Compliant % | 48% | 66% | 27% | 30% |

EKH recognised the need for better compliance reporting around EICR's and have purchased software to aid with EICR compliance reporting. Compliance staff have undertaken a significant amount of work to implement the software, but that work is still ongoing, and not likely to be completed until around March 2020. Whilst the software will not improve levels of EICR compliance as that can only be achieved by undertaking work on properties. It will however ensure that EICR compliance is

accurately reported more easily and that outstanding remedial work and EICR renewals is better and more efficiently planned.

The controls around the addressing of faults initially raised on EICR certificates have improved significantly, particularly around C1 faults. Analysis undertaken by staff has identified large numbers of non-existent EICR's in both Communal blocks and Domestic properties. While a significant amount of work has already been complete, there remains a significant amount of work still outstanding.

EKH expect that by March 2020, the Corgi software will be fully operational and reporting on EICR compliance, which should have also significantly improved by that point in time.

d) GDPR Compliance:

At the point of the initial audit in May 2019 the Council was working through the new data protection responsibilities introduced as part of the GDPR which came into effect in May 2018. The audit was focused on compliance with the new regulations and practices which would help ensure the Council is doing everything it reasonably can to protect personal and sensitive data. Many authorities are still working towards full compliance with the new regulations and since the initial audit in May 2019 Dover District Council has taken many positive steps to address many of the outstanding issues raised in the initial audit report.

The Council has made a lot of progress since the initial audit report however the Council is still not able to adequately demonstrate compliance with Article 6, Article 9, Article 12, Article 13, Article 30, Article 39 (1b) and Article 28-3a but also some of the Articles listed 24 to 43 in Chapter 4 of the GDPR.

Management response - The workload of implementing of GDPR has far exceeded that first envisaged by management back in 2018. GDPR has brought increased protection for the public but at the same time, significantly increased obligations for all organisations. Many private organisations are still struggling with the full impact of GDPR even though they have a far more limited range of business activities than a local authority. GDPR compliance is particularly challenging for local authorities as the amount of personal data being processed on a day to day basis is significant and that data is being processed for a multiplicity of business purposes. This is particularly true in the case of district councils which have a very wide variety of small-scale information streams making compliance disproportionately burdensome. For Dover, compliance is led by one officer, the Data Protection Officer who fulfils other significant but largely unrelated roles. The authority is therefore reliant on Heads of Service and Service Managers to adopt appropriate practices in their areas of work, alongside maintaining the continuity of their services.

Management are grateful for the detailed work done in relation to this audit and pleased to see that the considerable work undertaken to improve the situation since the original audit has been recognised, that is 15 of the 26 recommendations made by the audit team have been fully implemented and one now identified as no longer relevant. It is of note, however, that this audit relates to the authority as a whole and several of the remaining recommendations are reliant on work being done by across the entire organisation, particularly by Heads of Service and Service Managers. This need is recognised by Management and it will be given the necessary priority over the coming months.

e) Procurement:

The main issues that needed to be addressed were the number of staff that been allocated access to the e-procurement process and provided with procurement cards and also the lack of correct receipts being provided by officers so that the Council could reclaim VAT expenditure when they make purchases with their procurement cards. Following additional testing this remains an issue and further action is required to maximise VAT recovery.

Management Response - The Senior Procurement Officer will again remind all Card Holders of their responsibility to provide VAT receipts, and that the use of personal club cards (against Council purchases) is not permitted. In addition to the above, the Senior Procurement Officer will perform regular dip checks and remove cards for repeat offenders reporting to the Head of Service (and Head of Finance) accordingly.

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: Members' Code of Conduct & Standards Arrangements, Public Health Burials, Environmental Health & Safety at Work, Environmental Health, Housing Repairs & Maintenance, , and Dog Warden & Street Scene Enforcement.

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 nine-month period to 31st December 2019, 152.06 chargeable days were delivered against the revised target of 250.41, which equates to 60.72% 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 December 2019 against the agreed 2019/20 Audit Plan.
Annex 4 Balanced Scorecard of performance indicators to 31st December 2019.
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>GDPR Compliance – January 2020</i> | | |
| <p>Critical - The DPO should arrange for an email to be distributed requesting all staff complete the five e-learning modules on GDPR. As at 20/02/2019 49.9% of staff had completed all five e-learning modules.</p> | <p>The Council has secured from the LGA one-year funding for Dojo Cyber Security modules. These are currently being reviewed by each Council's SIRO and DP Officer and the initial view is that these modules are much more accessible, are tailored to local government, whilst having good content. It was agreed at the CIGG on 13 March 2019 that this will be delivered to all staff at each authority using theatre style training sessions.</p> <p>Proposed Completion Date & Responsibility</p> <p>SIRO and DPO - Ongoing to be completed for all staff by 31 December 2019</p> | <p><u>Management Comment</u></p> <p>DDC has rolled out the new DOJO Cyber Security & Data Protection Training to all staff. In total eight theatre style training sessions have been given to all staff provided by the Data Protection Officer, Governance Officer, Senior Information Security Officer and Senior Information Risk Owner. In total 304/326 (92.9%) of Dover employees have been trained in terms of Cyber Security & Data protection. The remaining staff have been asked to complete the training online and sign a declaration form which requires their managers signature. In order to demonstrate we have given this training and have evidence of who has attended, we hold two records; the attendance sheet of each session as well as an all staff list of who has and hasn't attended one of the training sessions demonstrating compliance with the GDPR accountability principle.</p> <p><u>Auditor Comment</u></p> <p>The Cyber Security & Data Protection Training is an excellent way of delivering training. The Auditor attended the course and the face to face nature and interactive</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>nature of the training compared with that of e-learning was insightful, engaging and well delivered. To date 92.9% of staff have received training which is very good, however there are 22 members of staff that have not received the training and these officers will pose a risk to Dover District Council particularly if a data breach is caused by their lack of knowledge. The list of staff includes officers from Museums & Tourism, Asset Management, Building Control, Community Safety, Property Services, Financial Services, Strategic Housing, Corporate Support; Leadership Support, Legal, Highways and Parking & Community Services.</p> <p>Recommendation Outstanding – Revised Implementation Date May 2020</p> <p><u>Risk Outstanding</u> The Council may not be able to successfully demonstrate compliance with Article 39 (1b) of GDPR.</p> |
| <p>High - Once the Information Asset Register has been reformatted formatted (recommendation 5) the Data Protection Office (HR) should ensure the Information Asset Register is full completed by all Heads of</p> | <p>Agreed. Once the Information Asset Register has been reviewed, it will be presented to CMT and the Heads of Service Group to gain buy in, prior to requiring each HOS to provide an updated IAR to the DPO.</p> <p>Proposed Completion Date & Responsibility</p> | <p><u>Management Comment</u> Since updating the format of the register, the SIRO then updated the Heads of Service group on the proposal that the information asset register will be sent around for each department and service</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>Service to capture more detail about the personal information being processed and stored by the Council.</p> | <p>Heads of Service, supported by the DPO and Governance Officer - 31 October 2019</p> | <p>manager to complete. A total of ten completed registers have be received numerous are still outstanding even after numerous emails.</p> <p><u>Auditor Comment</u> The Governance team has worked hard to ensure the information asset registers are completed on the new register template by Heads of Service and management and returned to the Governance Officer however there are four Privacy Notices outstanding: -</p> <ol style="list-style-type: none"> 1) Asset Management (medium risk); 2) Community Services (high risk); 3) Parks and Open Spaces (low risk); 4) Property & Valuations (medium risk). <p>This does not necessarily mean that the Council is non-compliant, but it weakens the evidence behind the Privacy Notices detailing how personal information is collated, used, managed, stored and deleted. This will become a problem for the Council if the ICO ever asks to review this information following a data protection breach.</p> <p>Recommendation Outstanding – Revised Implementation Date May 2020</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><u>Risk Outstanding</u> The Council may not be able to successfully demonstrate compliance with Article 9 of GDPR.</p> |
| <p>Once the Information Asset Register has been completed (recommendation 6) each Head of Service and the Data Protection Officer (HR) should assess the risk to 'special categories' of personal data being collated and stored within systems of hard copy files, the results of which should be recorded within the Information Asset Register in order to evidence to the ICO (if ever requested) that this has been done in accordance with the Council's own Data Protection Policy.</p> | <p>Agreed. On receipt of all IARs the DPO and HoS will review and ensure that special category data and the associated risks are fully recorded in the IAR.</p> <p>Proposed Completion Date & Responsibility</p> <p>Heads of Service, DPO and Governance Officer - 31 December 2019</p> | <p><u>Management Comment</u> Still waiting for the outstanding information asset registers. Additionally, we have also created an appropriate policy document for when processing special category or criminal offence data under GDPR article 9 & 10. This requires us to hold a document which sets out how we are processing this type of data in line with the data protection principles and the conditions relied on to processing such data listed in the DPA18 schedule 1; this is attached to the amended Data Protection Policy.</p> <p><u>Auditor Comment</u> The new Data Protection Policy was examined and now contains an 'Appropriate Policy Document' in accordance with the requirements of GDPR however there are still ten outstanding incomplete Information Asset Registers which are there to demonstrate to the ICO that Heads of Service have identified and assessed special category</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>data etc. and form part of the Record of Processing Activities.</p> <p>Recommendation Outstanding – Revised Implementation Date May 2020</p> <p><u>Risk Outstanding</u> The Council may not be able to successfully demonstrate compliance with Article 9 of GDPR.</p> |

| | | |
|--|---|---|
| <p>Critical - The Council should draft, approve and publish the following Privacy Notices for the following services: -</p> <ul style="list-style-type: none"> • Asset Management; • Parks and Open Spaces; • Legal; • Community Services; • Financial Services; and • Media and Communications. | <p>Agreed. The DPO will work with the relevant Heads of Service to ensure that a draft Privacy Notice is provided for the services identified to the Governance Officer for review and sign off.</p> <p>Proposed Completion Date & Responsibility</p> <p>Relevant Heads of Service, supported by the DPO and Governance Officer - 30 June 2019</p> | <p><u>Management Comment</u> Privacy notices can be accessed here at www.dover.gov.uk/privacy</p> <p>Since the initial audit the following privacy eleven departmental notices have been added.</p> <p>Numerous others are drafted which need reviewing by the relevant officers, even though a few are still outstanding the corporate notice is there to provide the necessary information where a service specific notice hasn't been provided.</p> <p><u>Auditor Comment</u> The following Privacy Notices are still outstanding.</p> <ol style="list-style-type: none"> 1) Asset Management (medium risk); 2) Community Services (high risk); 3) Parks and Open Spaces (low risk); 4) Property & Valuations (medium risk). <p>These should be published as soon as possible. If there was a data breach within one of these service areas the ICO would ask to see the Information Asset Register and the Departmental Privacy Notice to check how management have structured and organised the information governance mechanisms.</p> <p>Recommendation Outstanding – Revised Implementation Date May 2020</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><u>Risk Outstanding</u> The Council may not be able to successfully demonstrate compliance with Articles 12 and 13 of GDPR.</p> |
| <p>High - A separate document should be created which sets out all Data processing Activities in accordance with 'Article 30 of the GDPR - Records of processing activities' in preparation for any future request by the Information Commissioner.</p> | <p>Agreed. On completion of the PNs and Retention Schedules and the review of the Information Asset Register, this document will be created.</p> <p>Proposed Completion Date & Responsibility</p> <p>DPO and Governance Officer - 31 December 2019</p> | <p><u>Management Comment</u> Management have chosen to satisfy ROPA requirements across Privacy Notices, Retention Schedules & Information Asset Register, in accordance with GDPR Article 30.</p> <p>This will work out better as not all the documents above are required to be made public. Most of the requirements of the ROPA (Article 30) will be met by the completion of information asset registers and the rest will be in privacy notices and retention schedules. Management have already got numerous privacy notices and retention schedules in place so would be the most effective and efficient way forward.</p> <p><u>Auditor Comment</u> Management have decided to provide the information across Privacy Notices, Retention Schedules & Information Asset Register, as shown in our GDPR Audit Action Plan under Article 30.</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>However, ten incomplete Departmental Information Asset registers, and four Privacy Notices are still outstanding and therefore the record of processing activities will be incomplete until recommendations 6, 7, 9 & 10 are implemented and therefore the Council will be unable to satisfy the requirements of GDPR Article 30.</p> <p>Recommendation Outstanding – Revised Implementation Date May 2020</p> <p><u>Risk Outstanding</u> The Council may not be able to successfully demonstrate compliance with Article 30 of GDPR.</p> |
| <p>The Benefits Privacy Notice and the Homelessness Privacy Notice should be reviewed to ensure it contains sufficient detail about how children's data is held, secured and processed. The Benefits Privacy Notice should also contain information making clear that the Council collects 'ethnic origin' sensitive personal data.</p> | <p>Agreed. The DPO and Governance Officer will work with the relevant Head of Service to ensure that the Homelessness Privacy Notices contain the required information relating to children's data.</p> <p>The Council will ensure the Benefits Privacy Notice is reviewed following the outcome of recommendation 20 (legal advice on shared services arrangements).</p> <p>Proposed Completion Date & Responsibility</p> | <p><u>Management Comment</u> Both Privacy Notices can be located here – www.dover.gov.uk/privacy</p> <p>Management have decided to draft a specific privacy notice which details where and how children's personal data is processed. This will cover all departments processing. Secondly a child friendly privacy notice so it is easier to read and understand. The ICO has stated that going into the second year of GDPR their focus</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. |
|---|---|--|
| | DPO and Governance Officer Homelessness - 30 June 2019 & Benefits Privacy Notice – 31 December 2019 | <p>has moved more to the accountability side ensuring controllers are demonstrating that they are compliant.</p> <p><u>Auditor Comment</u> The decision to put in place a specific privacy notice for Children's data processing is a good idea in principle. When this is completed the Council should ensure that the Homelessness Privacy Notice and Benefits Privacy Notice clearly cross references any new privacy notice dealing with children's data held.</p> <p>Recommendation Outstanding – Revised Implementation Date May 2020</p> <p><u>Risk Outstanding</u> The Council may not be able to successfully demonstrate compliance with Article 6 of GDPR.</p> |
| Critical - Management should produce a reliable list of existing / legacy contracts in place with third parties in order to start to plan for contract variations that is required to ensure that responsibility for protecting personal data shared and held by the contractor is securely dealt with in | Agreed in part. Using a robust and documented risk assessment process, contracts that contain high levels of personal data, including special category data will be addressed in priority and attempts made to secure any contractual variations. However, low risk contracts, with low level of personal data and no special category data, where a variation may prove to be costly to the Council, may only be regularised at contract extension or renewal stage. | <p><u>Management Comment</u> Legal and Procurement have produced a list of contracts which require data protection amendments.</p> <p><u>Auditor Comment</u> Recommendation 17 and Recommendation 18 are two stages of a process aimed at resolving contractor risk.</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>accordance with GDPR / Council Policy and Council Privacy Notices.</p> | <p>Proposed Completion Date & Responsibility</p> <p>Procurement Manager and Legal Executive (Litigation and Procurement) - 31 December 2019</p> | <p>Procurement have produced a list of legacy contracts (as at November 2019) in accordance with the recommendation. The list contains 41 contracts in place. Internal Audit estimates that approximately 13 of the contractual arrangements involve the handling of personal or sensitive data.</p> <p>Fully Implemented</p> |
| <p>Critical - Dover District Council should seek legal clarification on the legal relationship (for data protection purposes) between Dover District Council and East Kent Housing / EKHR & Civica in order to map out and define roles and responsibilities for data protection, data sharing and Privacy Notices. This will provide the legal assurance required to start assessing whether any data protection processes or data sharing protocols require review.</p> | <p>Ongoing. A meeting was arranged for 25 March 2019 to consider the legal opinion. Following receipt of the opinion resultant changes, if required will be built into the GDPR action plan.</p> <p>Any necessary changes will be made to contractual governance arrangements.</p> <p>Proposed Completion Date & Responsibility</p> <p>DPO - 31st December 2019 Subsequent action linked to Recommendation 4</p> | <p><u>Management Comment</u></p> <p>The Council is to adopt addendum agreement by WSLaw in the case of EKS. End date to be moved back 6 months to wait the outcome of the consultation regarding EKH.</p> <p><u>Auditor Comment</u></p> <p>East Kent Housing was the main focus of this recommendation and the data protection risk will remain outstanding until the new Board (which is made up of the Chief Executives from all four Councils) decides if East Kent Housing is a Data Controller or a Data Processor. It is the view of Internal Audit that East Kent Housing is more likely to be a Data Controller however the four Councils are yet to agree on this from a legal standpoint. The risk will remain high until such time</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>that this legal issue is resolved and responsibilities for data protection are clarified.</p> <p>Recommendation Outstanding – Revised Implementation Date May 2020</p> <p><u>Risk Outstanding</u> The Council may not be able to successfully demonstrate compliance with Article 28-3a and also some of the Articles listed 24 to 43 in Chapter 4 of GDPR.</p> |

| SERVICES GIVEN LIMITED / NO ASSURANCE LEVELS STILL TO BE REVIEWED | | | |
|--|------------------------------|---------------------------|----------------------------------|
| Service | Reported to Committee | Level of Assurance | Follow-up Action Due |
| Tenancy & Right to Buy Fraud | March 2019 | Limited | Winter 2019 |
| East Kent Housing – Tenant Health & Safety | September 2019 | Limited/No | Work-in-Progress – Part complete |
| EK Services – PCI-DSS | December 2019 | Reasonable / Limited | Spring 2020 |

PROGRESS AGAINST THE AGREED 2019-20 AUDIT PLAN.

DOVER DISTRICT COUNCIL:

| Review | Original Planned Days | Revised Planned Days | Actual days to 31-12-2019 | Status and Assurance Level |
|---|-----------------------|----------------------|---------------------------|---|
| FINANCIAL SYSTEMS: | | | | |
| Car Parking & Enforcement | 10 | 10 | 0.35 | Work-in-Progress |
| Budgetary Control | 10 | 10 | 0.18 | Postponed till future year |
| 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 | 0.18 | Postponed till future year |
| GOVERNANCE RELATED: | | | | |
| Members' Code of Conduct & Standards Arrangements | 10 | 10 | 4.53 | Finalised - Substantial |
| Anti-Fraud & Corruption | 2 | 2 | 1.79 | Finalised |
| Shared Service Monitoring | 10 | 10 | 0 | Postponed till future year |
| Corporate Advice/CMT | 2 | 2 | 9.02 | Work-in-progress throughout 2018-19 |
| s.151 Meetings and support | 9 | 9 | 9.83 | Work-in-progress throughout 2018-19 |
| Governance Committee Meetings and Reports | 12 | 12 | 10.03 | Work-in-progress throughout 2018-19 |
| 2019-20 Audit Plan Preparation and Meetings | 9 | 9 | 4.81 | Work-in-Progress |
| SERVICE LEVEL: | | | | |
| Procurement | 10 | 10 | 10.2 | Finalised – Reasonable/Limited |
| Community Safety | 10 | 10 | 13.26 | Finalised - Substantial |
| Dog Warden, Street Scene and Litter Enforcement | 10 | 10 | 0 | Work-in-Progress |

| Review | Original Planned Days | Revised Planned Days | Actual days to 31-12-2019 | Status and Assurance Level |
|--|-----------------------|----------------------|---------------------------|---|
| Electoral Registration & Election Management | 13 | 13 | 2.86 | Work-in-Progress |
| Environmental Health – Public Health Burials | 10 | 10 | 0 | Work-in-Progress |
| Environmental Health – Health & Safety at Work | 10 | 10 | 0.23 | Work-in-Progress |
| Environmental Protection Service Requests | 10 | 10 | 0.18 | Work-in-progress |
| Equality & Diversity | 10 | 10 | 0.18 | Work-in-progress |
| Museum & VIC | 12 | 12 | 13.53 | Work-in-Progress |
| Commercial Properties & Concessions | 12 | 12 | 13.21 | Work-in-progress |
| Petty Cash & Travel Arrangements | 8 | 8 | 0 | Postponed to future year |
| Printing, Photocopying & Postage | 10 | 10 | 9.86 | Finalised - Reasonable |
| Sports & Leisure | 15 | 15 | 0 | Work-in-Progress |
| OTHER | | | | |
| Liaison with External Auditors | 1 | 1 | 0 | Work-in-progress throughout 2019-20 |
| Follow-up Work | 15 | 15 | 12.49 | Work-in-progress throughout 2019-20 |
| FINALISATION OF 2018-19- AUDITS | | | | |
| Food Safety | 5 | | 4.39 | Finalised |
| Data Protection | | | 0.31 | Finalised |
| Building Control | | | 3.33 | Finalised |
| Waste Management & Street Cleansing | | | 17.16 | Finalised |
| Risk Management | | | 9.64 | Finalised |
| Days over delivered in 2018-19 | 0 | -4.59 | 0 | Completed |
| Responsive Work: | | | | |
| Homelessness – 2018-19 | 0 | 0 | 0.27 | Finalised |
| TOTAL | 255 | 250.41 | 152.06 | 60.72% as at 31st December 2019 |

EAST KENT HOUSING LIMITED:

| Review | Original Planned Days | Revised Planned Days | Actual days to 31-12-2019 | Status and Assurance Level |
|--|-----------------------|----------------------|---------------------------|-------------------------------------|
| Planned Work: | | | | |
| CMT/Audit Sub Ctte/EA Liaison | 4 | 4 | 11.11 | Work-in-progress throughout 2019-20 |
| Follow-up Reviews | 4 | 4 | 10.24 | Work-in-progress throughout 2019-20 |
| Rent Accounting, Collection & Debt Mngmt. | 40 | 40 | 32.44 | Work-in-progress |
| Rechargeable Works | 10 | 10 | 0 | Postponed till future year |
| Tenants' Health & Safety | 15 | 15 | 21.89 | Finalised – Limited/No |
| Customer Contact | 12 | 12 | 0 | Postponed till future year |
| East Kent Housing Improvement Plan | 10 | 10 | 0 | Postponed till future year |
| Estate Management Inspection | 15 | 15 | 0 | Postponed till future year |
| Anti-Social Behaviour | 15 | 15 | 0 | Postponed till future year |
| Employee Health, Safety & Welfare | 15 | 15 | 5.02 | Work-in-progress |
| Finalisation of 2018-19 Work-in-Progress: | | | | |
| Days under delivered in 2018-19 | 0 | 19.50 | 0 | Allocated |
| Staff Performance Management | 0 | 0 | 9.12 | Work-in-Progress |
| Welfare Reform | 0 | 0 | 8.23 | Finalised |
| Repairs & Maintenance | 0 | 0 | 37.33 | Work-in-Progress |
| Service Level Agreements | 0 | 0 | 0.97 | Finalised |
| Responsive Work: | | | | |
| Data Integrity | 0 | 0 | 4.46 | Finalised - Reasonable |
| Total | 140 | 159.50 | 140.81 | 88.28% as at 31-12-2019 |

EKS, EKHR & CIVICA:

| Review | Original Planned Days | Revised Planned Days | Actual days to 31-12-2019 | Status and Assurance Level |
|--|-----------------------|----------------------|---------------------------|-------------------------------------|
| EKS, EKHR & Civica Reviews: | | | | |
| Business Rates – Reliefs and Credits | 15 | 15 | 16.76 | Finalised - Substantial |
| Council Tax | 20 | 20 | 0 | Quarter 4 |
| Housing Benefit Appeals | 15 | 15 | 13.54 | Finalised - Substantial |
| KPIs | 5 | 5 | 5.44 | Work-in-Progress |
| ICT Disaster Recovery | 15 | 15 | 0 | Quarter 4 |
| ICT Physical & Environment | 15 | 15 | 13.81 | Finalised - Substantial |
| Housing Benefit Testing | 15 | 15 | 13.15 | Finalised – N/A |
| EKHR Reviews: | | | | |
| Employee Benefits-in-Kind | 15 | 15 | 8.99 | Work-in-Progress |
| Payroll | 15 | 15 | 0.25 | Work-in-Progress |
| Recruitment | 15 | 15 | 0.17 | Quarter 4 |
| Other: | | | | |
| Corporate/Committee | 8 | 8 | 6.46 | Work-in-progress throughout 2019-20 |
| Follow up | 7 | 7 | 5.74 | 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 | - | Allocated below |
| Housing Benefit Testing 18-19 | 0 | | 8.70 | Finalised |
| Payroll | | | 2.22 | Finalised - Reasonable |
| ICT PCI-DSS Compliance | | | 10.64 | Finalised – Reasonable/Limited |
| Total | 160 | 187.26 | 105.87 | 57% at 31-12-2019 |

EAST KENT
DOVER • FOLKESTONE & HYTHE • THANET • CANTERBURY



AUDIT PARTNERSHIP

| <u>INTERNAL PROCESSES PERSPECTIVE:</u> | <u>2019-20 Actual</u> | <u>Target</u> | <u>FINANCIAL PERSPECTIVE:</u> | <u>2019-20 Actual</u> | <u>Original Budget</u> |
|--|-----------------------|---------------|--|-----------------------|------------------------|
| | Quarter 3 | | Reported Annually | | |
| Chargeable as % of available days | 85% | 80% | <ul style="list-style-type: none"> • Cost per Audit Day | £ | £332.50 |
| Chargeable days as % of planned days | | | <ul style="list-style-type: none"> • Direct Costs | £ | £428,375 |
| CCC | 62.82% | 75% | <ul style="list-style-type: none"> • + Indirect Costs (Recharges from Host) | £ | £10,530 |
| DDC | 60.72% | 75% | <ul style="list-style-type: none"> • - 'Unplanned Income' | £ | Zero |
| F&HDC | 56.71% | 75% | | | |
| TDC | 79.75% | 75% | | | |
| EKS | 56.52% | 75% | | | |
| EKH | 88.28% | 75% | | | |
| Overall | 64.55% | 75% | <ul style="list-style-type: none"> • = Net EKAP cost (all Partners) | | £438,905 |
| Follow up/ Progress Reviews; | | | | | |
| <ul style="list-style-type: none"> • Issued • Not yet due • Now due for Follow Up | 29 12 28 | - - - | | | |
| Compliance with the Public Sector Internal Audit Standards (PSIAS) (see Annual Report for more details) | Partial | Full | | | |

| <u>CUSTOMER PERSPECTIVE:</u> | <u>2019-20 Actual</u> | <u>Target</u> | <u>INNOVATION & LEARNING PERSPECTIVE:</u> | <u>2019-20 Actual</u> | <u>Target</u> |
|---|-----------------------|---------------|--|-----------------------|---------------|
| | Quarter 3 | | | | |
| Number of Satisfaction Questionnaires Issued; | 46 | | Percentage of staff qualified to relevant technician level | 74% | 75% |
| Number of completed questionnaires received back; | 14 | | Percentage of staff holding a relevant higher level qualification | 38% | 36% |
| | = 30% | | Percentage of staff studying for a relevant professional qualification | 15% | N/A |
| Percentage of Customers who felt that; | | | Number of days technical training per FTE | 4.1 | 3.5 |
| <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% | Percentage of staff meeting formal CPD requirements (post qualification) | 36% | 36% |
| | 100% | 90% | | | |
| | 100% | 100% | | | |

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.