
Subject:	ANNUAL INTERNAL AUDIT REPORT
Meeting and Date:	Governance Committee – 25th June 2020
Report of:	Christine Parker – Head of Audit Partnership
Decision Type:	Non-key
Classification:	Unrestricted

Purpose of the report:	This report provides a summary of the work completed by the East Kent Audit Partnership together with details of the performance of the EKAP against its targets for the year ending 31 st March 2020.
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Recommendation:	That Members note the report.
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Internal Audit Annual Report 2019-20.

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 2019-20 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 2019-20 the EKAP delivered 91% of the agreed audit plan days. The performance figures for the East Kent Audit Partnership as a whole for the year show good performance against targets.

Background Papers

- **Internal Audit Annual Plan 2019-20 - Previously presented to and approved at the March 2019 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 internal audit work have been met from the Financial Services 2019-20 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 2019-20 in accordance with the Public Sector Internal Audit Standards.

Attachments

Annex A – East Kent Audit Partnership Annual Report 2019-20

CHRISTINE PARKER
Head of Audit Partnership

Annual Internal Audit Report for Dover District Council 2019-20

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 6.88. 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 2020 of the Internal Audit arrangements. They have concluded that, where possible, they can place reliance on the work of the EKAP. See also 3.6.1 below.

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 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 2019-20 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 2019-20 are all in line with the Internal Audit cost centre hosted by Dover District Council. 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.

4. Overview of Work Done

The original audit plan for 2019-20 included a total of 19 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 (9) have therefore been pushed back in the overall strategic plan, to permit some higher risk projects to come forward (1). The total number of projects undertaken in 2019-20 was 10, with 4 being WIP at the year end to be finalised in April. In addition, 6 projects were finalised from the 2018-19 plan.

Review of the Internal Control Environment

4.1 Risks

During 2019-20, 110 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	8	7%
High	41	37%
Medium	40	36%
Low	21	20%
TOTAL	110	100%

Naturally, more emphasis is placed on recommendations for improvement regarding high risks. Any high priority recommendations where management has not made progress in implementing the agreed system improvement are brought to management and members' attention through Internal Audit's quarterly update reports. During 2019-20 the EKAP has raised and reported to the quarterly Governance Committee meetings 110

recommendations, and whilst 80% 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 six 2018-19 audits is as follows:

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

Assurance	No.	Percentage of Completed Reviews
Substantial	5	42%
Reasonable	2	17%
Limited	4	33%
No	1	8%
Work in Progress at Year-End	4	-
Not Applicable	0	-

* See list in the table below

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

Taken together 59% of the reviews account for substantial or reasonable assurance, whilst 41% of reviews placed a (partial) limited assurance to management on the system of internal control in operation at the time of the review. There was one review assessed as having partially no assurance, as a key requirement had not been complied with, due to progress made this was reassessed to reasonable Assurance at the time of the follow up review.

There were eleven reviews completed on behalf of East Kent Housing Ltd. and the assurances for these audits were - 2 Substantial, 3 Reasonable, 3 Limited, 1 No Assurance 2 Not Applicable and 0 work in progress at the year-end. Information is provided in Appendix 3.

There were seven reviews completed on behalf of EK Services and the assurances for these audits were - 3 Substantial, 1 Reasonable, 1 Limited, 2 Not Applicable and 4 reviews were 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 2019-20 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 2019-20.

Total Follow Ups undertaken 8	No Assurance	Limited Assurance	Reasonable Assurance	Substantial Assurance
Original Opinion	1	4	2	1
Revised Opinion	0	3	4	1

The reviews with an original (partially) no or limited assurance, together with the result of the follow up report, are shown in the following table which concludes there are three DDC reviews showing a partially limited assurance after follow up, these were escalated to the Governance Committee during the year.

Area Under Review	Original Assurance	Follow Up Result
Private Sector Housing	Limited	Limited
GDPR Compliance	Limited	Limited
Procurement	Reasonable/Limited	Reasonable /Limited
Building Control	Reasonable/ No	Reasonable
Waste Management & Street Cleansing	Reasonable/Limited	Reasonable

East Kent Housing received five follow up reviews for which the revised assurance levels remained at No or partially Limited assurance after follow up, these concerns have been escalated to the EKH Board.

EK Services received four follow ups; the revised assurances were Substantial for two reviews, Reasonable for one review and one with a partially Limited assurance after follow up.

Consequently, the areas with fundamental issues of note arising from the audits and follow up undertaken in 2019-20 have been escalated. There are three DDC reviews showing a limited or 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 2019-20.

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. 228.24 audit days were completed for Dover District Council during 2019-20 which represents 91.15% plan completion. The 22.19 days behind at the year end, will be adjusted in 2020-21. The EKAP was formed in October 2007; it completes a rolling programme of work to cover a defined number of days each year. As at the 31st March each year there is undoubtedly some “work in progress” at each of the partner sites; some naturally being slightly ahead and some being slightly behind in any given year. However, the progress in ensuring adequate coverage against the agreed audit plan of work since 2007-08 concludes that EKAP is 22.19 days behind schedule as we commence 2020-21, 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
2019-20	255	+4.59	250.41	228.24	91.15%	-22.17
Total	3,777			3,754.83	99.41%	

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 the total EKH plan to 140 days. The EKH Annual Report in its full format will be presented to the EKH – Board on 17th June 2020.

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 29th July 2020.

5. Overall assessment of the System of Internal Controls 2019-20

Based on the work of the EKAP on behalf of Dover District Council during 2019-20, 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 that have been examined in this year.

There were five new areas where a partially no or limited assurance level was given which reflected a lack of confidence in arrangements. All these reviews have since been followed up as detailed in the table at Paragraph 4.3. The three areas that remain at limited assurance have been escalated to the Committee.

6. Significant issues arising in 2019-20

From the work undertaken during 2019-20, 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, or as in the case of Risk Management not complying with best practice is known and understood by the Committee; therefore none of these are significant and require reporting or escalation at this time.

The EKAP has been commissioned to perform only one follow up, there were three reviews that remained a partially Limited Assurance after follow up, and twelve recommendations that were originally assessed as critical or high risk, which remained a high priority and outstanding after follow up were escalated to the Governance Committee during the year (from 3 reviews - Service Contract Monitoring June 19, Private Sector Housing September 19, and GDPR March 2020).

There are currently no reviews for DDC previously assessed as providing a Limited Assurance that are yet to be followed up.

And for EK Services four follow up reviews were undertaken which resulted with two Substantial, one with Reasonable assurance and one remained at partially Limited after follow up. There are no new reviews with a limited assurance awaiting a follow up. The overall Opinion in the 2019-20 Annual Report for EKS is Reasonable Assurance.

And for East Kent Housing Contract Management remained at 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 and Audit Committee at the year end. Additionally, the Tenant's Health and Safety review resulted in Limited/No Assurance across five key areas. Four of these have been followed up and Fire Safety is awaiting follow up, this currently sits at No assurance. There are three new reviews with partially limited assurance where the follow up is not yet due.

The findings in respect of Contract Management reinforce the concerns in the overall environment of asset management. Several audits have also identified a common theme of the lack of continuity through the use of interim staff which has a potential detrimental impact upon the implementation of agreed audit recommendations. Overall, the impact of the findings within the Tenant's Health and Safety Review have been far reaching. Having self-referred to the Housing Regulator, the four councils have requested that the Internal Audit follow up work continues to be an important source of independent assurance. However, it is slow progress with a need to test the systems control changes to ensure they have become embedded before revising the opinion. And, (particularly the case for Fire Safety) awaiting EKH to inform Internal Audit that they have made sufficient progress for the progress report to be undertaken. Tolerating these critical risks for such a long period of time is unacceptable. We would usually aim to see improvement within 3 months. The original Tenant's H&S audit was reported to Committee in September 2019. The overall Opinion in the 2019-20 Annual Report for EKH is Limited Assurance.

Members of this Committee should be aware of this risk as it impacts upon the risk management and internal control framework of the organisation.

EKH Ltd. is in the process of being wound up, and operational responsibility is transferring back to the four councils. Therefore, the 2020-21 Audit Plan will need to be re-designed and the number of days per partner will transfer back to each council (35 days). It will be for the s.151 Officer at each council to agree the Internal Audit resources they require on housing areas in future years.

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 2019-20, 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 2019-20 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. Doubtless, the results of Internal Audit assurances given on some areas of EKH have had an impact on the overall control environment for 2019-20 for the four councils involved.

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 2019-20
Dover District Council Audit Plan**

Review	Original Planned Days	Revised Planned Days	Actual days to 31-03-2020	Status and Assurance Level
FINANCIAL SYSTEMS:				
Car Parking & Enforcement	10	15	14.7	Finalised - Substantial
Budgetary Control	10	0	0.18	Postponed
Insurance & Insurance of Portable Assets	10	0	0.24	Postponed due to retendering of insurance in 2019-20
RESIDUAL HOUSING SYSTEMS:				
HRA Business Plan	10	0	0.18	Postponed
GOVERNANCE RELATED:				
Members' Code of Conduct & Standards Arrangements	10	10	9.92	Finalised - Substantial
Anti-Fraud & Corruption	2	2	2	Finalised – N/A
Shared Service Monitoring	10	0	0	Postponed
Corporate Advice/CMT	2	15	14.88	Finalised for 2019-20
s.151 Meetings and support	9	10	10.65	Finalised for 2019-20
Governance Committee Meetings and Reports	12	15	14.84	Finalised for 2019-20
2020-21 Audit Plan Preparation and Meetings	9	13	12.98	Finalised for 2019-20
SERVICE LEVEL:				
Procurement	10	10	10.2	Finalised – Reasonable/Limited
Community Safety	10	13	13.4	Finalised - Substantial
Dog Warden, Street Scene and Litter Enforcement	10	10	9.77	Work-in-Progress
Electoral Registration & Election Management	13	14	14.02	Finalised - Substantial
Environmental Health – Public Health Burials	10	1	0.18	Postponed
Environmental Health – Health & Safety at Work	10	2	1.21	Postponed
Environmental Protection Service Requests	10	2	1.73	Postponed
Equality & Diversity	10	10	0.18	Postponed
Museum & VIC	12	14	13.97	Work-in-Progress
Commercial Properties & Concessions	12	14	14.45	Work-in-progress

Review	Original Planned Days	Revised Planned Days	Actual days to 31-03-2020	Status and Assurance Level
Petty Cash & Travel Arrangements	8	0	0	Postponed
Printing, Photocopying & Postage	10	10	9.86	Finalised - Reasonable
Sports & Leisure	15	15	3.3	Work-in-Progress
OTHER				
Liaison with External Auditors	1	1	0	Finalised for 2019-20
Follow-up Work	15	20	20.27	Finalised for 2019-20
FINALISATION OF 2018-19- AUDITS				
Food Safety	5	39	4.39	Finalised - Substantial
Data Protection			0.31	Finalised - Limited
Building Control			3.33	Finalised – Reasonable/No
Waste Management & Street Cleansing			17.16	Finalised – Reasonable/Limited
Risk Management			9.94	Finalised - Reasonable
Days over delivered in 2018-19	0	-4.59	0	Completed
Responsive Work:				
Homelessness – 2018-19	0	0	0.27	Finalised – Substantial/Limited
TOTAL	255	250.41	228.51	91.25%

**Performance against the Agreed 2019-20
East Kent Housing Audit Plan**

Review	Original Planned Days	Revised Planned Days	Actual days to 31-03-20	Status and Assurance Level
Planned Work:				
MT/Audit Sub Ctte/EA Liaison	4	13	13.30	Finalised
Follow-up Reviews	4	13	13.90	Finalised
Rent Accounting, Collection & Debt Management.	40	40	40.44	Finalised - Substantial
Rechargeable Works	10	0	0	Postponed
Employee Health, Safety & Welfare	15	15	9.34	Finalised - Limited
Customer Contact	12	0	0	Postponed
East Kent Housing Improvement Plan	10	0	0	Postponed
Estate Management Inspection	15	0	0	Postponed
Anti-Social Behaviour	15	0	0	Postponed
Tenants' Health & Safety Split in to 5 areas - Gas	15	20	21.97	Finalised – Limited
Fire Safety				Finalised – No
Lifts				Finalised – No
Electrical Testing				Finalised – No
Legionella				Finalised – No
Finalisation of 2018-19 Work-in-Progress:				
Days under delivered in 2018-19	0	19.50	0	Allocated Below
Staff Performance Management	0	10	10.34	Finalised - Limited
Welfare Reform	0	0	8.23	Finalised - Reasonable
Repairs & Maintenance split into 3 areas – Budget Control	0	20	40.22	Finalised – Substantial
Voids				Finalised - Reasonable
Repairs & Maintenance				Finalised -Limited
Service Level Agreements	0	0	0.97	Finalised - N/A
Responsive Work:				
Data Integrity	0	5	4.46	Finalised - Reasonable
Planned Maintenance Contracts	0	4	3.70	Finalised - N/A
Total	140	159.50	166.87	104.62%

**Performance against the Agreed 2019-20
East Kent Services Audit Plan**

Review	Original Planned Days	Revised Planned Days	Actual days to 31/03/2020	Status and Assurance Level
EKS & Civica Reviews:				
Housing Benefits Appeals	15	14	13.54	Finalised - Substantial
Housing Benefit Testing	15	20	20.44	Finalised – N/A
Business Rates Reliefs & Credits	15	15	16.76	Finalised - Substantial
Council Tax	20	20	0	Postpone
ICT – Disaster Recovery	15	0	0.20	Postpone
ICT – Physical & Environment	15	15	13.81	Finalised – Substantial
ICT – Software Licensing	0	13	0.24	Work in progress
KPIs	5	5	5.44	Work in progress
EKHR Reviews:				
Payroll	15	15	6.97	Work in progress
Recruitment	15	15	0.17	Postpone
Employee Benefits in Kind	15	15	11.39	Draft report
Other:				
Corporate/Committee	8	9	8.96	Finalised
Follow up	7	10	9.85	Finalised
Finalisation of 2018/19 Audits:				
Days under delivered in 2018-19			27.26	Allocated below
Housing Benefit Testing 2018-19	0	9	8.70	Finalised – N/A
Payroll	0	2	2.22	Finalised - Reasonable
PCI-DSS Compliance	0	10.26	10.64	Finalised – Reasonable/Limited
Total	160	187.26	129.33	69%

EKAP Balanced Scorecard – 2019-20

<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 4		Reported Annually		
Chargeable as % of available days	86%	80%	<ul style="list-style-type: none"> • Cost per Audit Day 	£324.66	£332.50
Chargeable days as % of planned days			<ul style="list-style-type: none"> • Direct Costs 	£419,910	£428,375
CCC	95%	100%	<ul style="list-style-type: none"> • + Indirect Costs (Recharges from Host) 	£10,530	£10,530
DDC	91%	100%	<ul style="list-style-type: none"> • - 'Unplanned Income' 	-£1,886	Zero
F&HDC	79%	100%	<ul style="list-style-type: none"> • = Net EKAP cost (all Partners) 	£428,554	£438,905
TDC	89%	100%			
EKS	69%	100%			
EKH	105%	100%			
Overall	87%	100%			
Follow up/ Progress Reviews;				(£10,351 reduction due to resource changes - credit rolled over to 2020-21)	
<ul style="list-style-type: none"> • Issued • Not yet due • Now due for Follow Up 	28	-			
	12	-			
	37	-			
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 4		Quarter 4		
Number of Satisfaction Questionnaires Issued;	56		Percentage of staff qualified to relevant technician level	74%	75%
Number of completed questionnaires received back;	19		Percentage of staff holding a relevant higher level qualification	38%	36%
	= 33%		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%			