
Subject: QUARTERLY INTERNAL AUDIT UPDATE REPORT

Meeting and Date: Governance Committee – 1st October 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 30th June 2020

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 three internal audit assignments completed during the period, which are summarised in the table in section 2 of the report.
- 2.8 In addition two follow-up reviews have been completed during the period, which is detailed in section 3 of the quarterly update report.
- 2.9 For the three-month period to 30th June 2020, 51.82 chargeable days were delivered against the revised target of 281.76, which equates to 18.39% plan completion.
- 2.10 Due to the Covid19 virus the EKAP team were redirected to community work on behalf of the partner councils early in the 2020/21 year. This has impacted upon the amount of internal audit work that can be completed within the year resulting in a revision to the audit plan in appendix 3. At the same time East Kent Housing Limited is due to be taken back in house by the partner councils from 1st October 2020, therefore the plan is further adjusted to bring back in 30 days for 2020/21 in respect of housing reviews.

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 2020-21 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 2020-21 - Previously presented to and approved at the 25th June 2020 Governance Committee meeting.
- Internal Audit working papers - Held by the East Kent Audit Partnership.

Contact Officer: Christine Parker, Head of Audit Partnership



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

1. INTRODUCTION AND BACKGROUND

1.1 This report includes the summary of the work completed by the East Kent Audit Partnership since the last Governance Committee meeting, together with details of the performance of the EKAP to the 30th June 2020.

2. SUMMARY OF REPORTS:

Service / Topic		Assurance level	No. of Recs.	
2.1	Members' Allowances and Expenses	Substantial	C H M L	0 0 1 2
2.2	Statutory & Discretionary Disability Grants	Substantial	C H M L	0 0 0 4
2.3	Dog Control Services	Substantial	C H M L	0 0 0 2
2.4	EKHR - Payroll	Reasonable	C H M L	0 0 0 3
2.5	EKHR – Benefits in Kind	Reasonable / Limited	C H M L	0 4 0 0

2.1 Members' Allowances and Expenses – Substantial Assurance

2.1.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that that Members' allowances and expenses are calculated and paid in accordance with the prevailing rules.

2.1.2 Summary of Findings

The Local Authorities (Members Allowances) (England) Regulations 2003 requires local authorities to prepare schemes for the payment of allowances to their elected members.

During the financial year 2019/20 a total of £214,910 was paid to elected members and a further £13,124 was paid to independents and other legitimate roles from within the Members Allowances and Expenses budget. The following table provides a breakdown and summary of the payments made: -

	Basic Allowances	Special Responsibility Allowances	Travel & Subsistence	Total
Elected Members	£123,611	£85,993	£5,306	£214,910
Other Roles	£9,757	£2,921	£446	£13,124

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

- The Members' Allowance Scheme in place meets all legislative requirements except for one very minor requirement;
- No errors were detected from the sample testing carried out from November 2019 where there were many changes to administer relating to the change of leader and cabinet positions;
- The audit trail is sufficient for assurance and oversight purposes; and
- Calculation and payment controls in place are operating effectively.

Scope for improvement was however identified in the following areas:

- There is a requirement to amend the format of the transparency data published each year in order to full comply with the Local Authorities (Members Allowance) (England) Regulations 2003; and
- The Constitution and procedure notes (in respect of these allowances) need to be reviewed.

2.2 Statutory & Discretionary Disability Grants – Substantial Assurance

2.2.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that both statutory and discretionary disability grants are efficiently and effectively administered to maximise the funds available to make the most difference to those in need of the schemes.

2.2.2 Summary of Findings

The delivery of the disabled facilities grants programme is mandatory and a statutory function of the Local Housing Authority. It is governed by the Housing Grants, Construction and Regeneration Act 1996. There has been no change to either the legislation that governs this function or Council personnel that look after the grant processes since the last review was undertaken in 2017.

There are various statutory and discretionary grants that residents can apply for, details of these and how to apply have been adequately documented via the Council's webpages. These grants are as follows:

Type	Details	Maximum
Disabled Facilities Grant	This is a statutory grant and the conditions of the grant are contained in the Housing Grants, Construction and Regeneration Act 1996.	£30,000
Disabled Home Assistance Grant	Given in order to carry out essential works	£7,000
Disabled Adaptation Loan	Made available to fund the cost of eligible works that exceeds the DFG maximum	£15,000
Disabled Adaptation Grant	Made available where the applicant has a financial contribution towards a DFG following the statutory means test or: where an applicant does not qualify for a DFG following the statutory means test	£20,000
Stairlift Grant	Where there is an urgent need for a stairlift in a disabled persons home	£4,000
Disabled Relocation Grant	where a property is unsuitable for adaptation with a Disabled Facilities Grant and it represents better value for money, a Disabled Relocation Loan will be offered	£20,000

The budget is set via central government through the Better Care Fund; funds are given to local authorities via a Section 31 grant paid via KCC. For 2019/20 and 2020/21 the funds provided were £1,298,504 and £1,298,504 respectively. If this budget has not been committed or spent during the year, there are no conditions attached to this grant to state that this needs to be re-paid and therefore rolls over to the following financial year.

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

- There are policies and procedures in place to ensure grants are being administered in accordance with legislation;
- The system in place for managing the applications is robust with all documentation being evidenced within the computerised system therefore providing a full audit trail;
- All applications are submitted on a pro-forma application form, signed by the applicant and supported by documentation required within the policy i.e. quotes and Occupational Therapist report;
- Means testing is being carried out in accordance with policy via a dedicated software system, all decisions are being documented and evidence;
- The risk of collusion between the applicant and the winning contractor is being managed at application stage;
- Grants are only being paid out once work has been successfully completed and signed off by both the applicant and Council; and

- The Grant funding is being effectively managed and monitored to ensure monies are being allocated within the agreed limits set for each grant type and the overall budget for the year.

Scope for improvement was however identified in the following areas:

- Policies and procedures require a more robust review and revise regime to ensure that any updated Council policies/strategies/surveys/changes in legislation and changes in working practices can be relayed to staff.

2.3 Dog Control Services – Substantial Assurance

2.3.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that the Council has an effective dog control service encompassing both the recovery and kennelling of stray dogs and also enforcement action of dog fouling.

2.3.2 Summary of Findings

The main legislation in place which provides the direction for the dog control functions are:

- Environment Protection Act 1990 (Section 149 Seizure of Stray Dogs);
- Environmental Protection Stray Dogs Regulations 1992;
- The Clean Neighbourhoods & Environment Act 2005 Part 6 Stray Dogs;
- The Dog Control Order (Prescribed Offences & Penalties) Regulations 2006 (SI.206./1059);
- Anti-Social Crime and Behaviour Policing Act 2014 – Chapter 2 Public Spaces Protection Orders;
- Anti-Social Crime and Behaviour Policing Act 2014 – Chapter 12 Dangerous Dogs; and
- The Microchipping of Dogs (England) Regulations 2015.

The Council employs two full time Environmental Enforcement Officers (EEOs) to provide the stray dog service during office hours, this is in addition to their other enviro crime enforcement duties; with the Environmental Duty Officers providing out of hours cover. These officers also issue dog offence fixed penalty notices and are supported with this by further EEOs contracted from an external company.

Year	Kennelling expenditure (exc. VAT) E2100 45038	Kennelling fees recovered E2100 94030	Statutory fine recovered E2100 9468	Total fees recovered	Expenditure exceeding income	No. of stray dogs found	No. of stray dog returned to their owner
17/18	4,960.00	1,275.00	775.00	2,050.00	2,910.00	63	33
18/19	7,378.00	2,600.00	1,160.00	3,760.00	3,618.00	76	44
19/20	4,600.87*	1,877.50*	800.00*	2,677.50*	1,922.67*	51	35

*These figures may be subject to minor changes as end of year procedures are completed.

Quarter	No. of Dog Fouling FPNs issued (ENH015)	
	2018/19	2019/20
Quarter 1	5	1
Quarter 2	1	0
Quarter 3	0	4
Quarter 4	0	3
Total	6	8

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

- Documented procedures are in place and kept up to date.
- How to report lost and stray dogs has been clearly communicated to the public.
- Fees and charges are approved annually.
- Stray dogs are only returned to their owner once all fees owing have been paid.
- Kennel invoices are reconciled to stray dog records before payment to ensure only accurate charges are paid.
- The Kennel contract was let in line with Contract Standing Orders.
- Appropriate personal protective equipment and training has been provided to staff.
- Regular performance reporting is in place.

Scope for improvement was however identified in the following areas:

- A GDPR contract variation clause should be issued and agreed with the stray dog kennel providers ensuring that they are aware of and comply with their duties under GDPR legislation in respect of personal data held i.e. the personal details of those they rehome animals with.
- Kennel invoice details could be added to the Register of Stray Dogs as an easily identifiable way to cross reference specific kennel invoices against attributable individual stray dogs.

2.4 EKHR Payroll – Reasonable Assurance

2.4.1 Audit Scope

To ensure that the payroll service administered by EKHR on behalf of Canterbury, Dover and Thanet Councils, including EK Services is adequately controlled to ensure that the right people are getting paid the right amounts at the right time. Also that all deductions are adequately controlled.

2.4.2 Summary of Findings

Payroll is administered by East Kent Human Resources on behalf of Thanet, Canterbury & Dover Councils in addition to EK Services, the Marlowe Theatre and East Kent Housing. In a typical month the Payroll processes the following payments for each Council: -

Dover District Council - 408 individual net payments totalling £698k;

Canterbury City Council - 481 individual net payments totalling £748k;

Thanet District Council & EK Services - 545 individual net payments totalling £846k.

Before the actual pay date itself there are key dates and tasks to complete to ensure staff and councillors are paid the right amount at the right time. The payroll function is also responsible for calculating and accounting for other payments to third parties for tax, national insurance, trade union membership, pension and private health care etc.

Management can place Reasonable Assurance on the system of internal controls in operation. Some of the audit testing could not be fully completed due to the disruption caused by Covid-19, which is the reason why a substantial assurance could not be given at this time.

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

- Payroll routines and processes are mature and are operating effectively to reduce the risk of fraud, error and failure to pay on time;
- Roles and responsibilities and operational payroll controls are well designed and communicated;
- The interfacing between the Payroll System & Finance System is working effectively with a good audit trail to support transactions;
- No issues were detected with the processes in place to submit payments to statutory and non-statutory third parties; and
- Payroll system reports are being produced and kept on file to help support payroll processes.

The following potential weaknesses were identified during the audit process:

- Purely as a precaution there are four employees or former employees whose net pay appears to be high or higher than expected and needs to be double checked;
- The calculation of income tax being deducted from five employees needs to be checked; and
- Payroll resilience could be improved through the introduction of procedure notes.

2.5 EKHR – Benefits in Kind – Reasonable / Limited Assurance

2.5.1 Audit Scope

To ensure that the payroll service administered by EKHR on behalf of Canterbury, Dover and Thanet Councils, including EK Services is adequately controlled to ensure that the correct regulatory requirements are being adhered to in relation to the benefits in kind that are being provided to the officers and members of the three partner councils.

2.5.2 Summary of Findings

In 2016 HMRC replaced payroll dispensations with a new exemption process and to date only Canterbury City Council have ensured that their records are up to date and the new exemption process is being complied with. Previous Benefit In Kind audit reports have highlighted that there have been and continue to be issues at Dover and Thanet District Councils in ensuring that the new exemption process has been carried out and that relevant payroll exemptions are now in place. It should be noted that these issues were also a concern prior to 2016 under the old payroll dispensation process.

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

- The annual submission of documentation for P11D`s and Class 1A National Insurance has been submitted to HMRC by EKHR.
- At Dover District Council there should be a nominated officer responsible for monitoring the payroll exemptions and reviewing them on an annual basis or discussions should be held for this role to be included as part of the full payroll service that is stated in the EKHR Service Level Agreement.
- An exercise needs to be carried out to ensure that all the correct payroll exemptions are put in place.
- Following the Payroll Team Leader`s retirement at the end of April 2019 there was a weakness in the current staffs` knowledge in respect of P11D`s and calculating Class 1A National Insurance. However, this has now been addressed and EKHR payroll officers have received appropriate training.
- EKHR may wish to seek annually from each authority confirmation that they have completed the submission of any P11D`s and any subsequent Class 1A National Insurance payments and that there are no new adjustments needed to be processed through the payroll or that existing ones should continue or cease. (i.e. Taxable benefits taxed at source through the payroll).

3.0 FOLLOW UP OF AUDIT REPORT ACTION PLANS:

- 3.1 As part of the period`s work, two 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)	EKS – PSN Compliance	N/A	N/A	C	0	C	0
				H	4	H	0
				M	1	M	0
				L	0	L	0
b)	East Kent Housing – Tenants` H&S - Lifts	No	Reasonable	C	3	C	0
				H	1	H	0
				M	0	M	0
				L	0	L	0

- 3.2 Details of each of any 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 – None this quarter.

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 Members are advised as follows:

- a) Since the appointment in November 2019 of a dedicated Compliance Manager with responsibility for lifts, significant improvements in procedures around the actioning of faults identified on lift examination reports have become evident. While a number of faults remain outstanding on some lifts tested, this is mainly due to such a large number of faults outstanding on lifts in late 2019, a number of lifts requiring refurbishment and also lift contractors having reduced manning to address faults due to Covid 19.

New procedures have been introduced and have been evidenced during the audit so that where category 'A' faults are identified as part of a lift examination, if the lift maintenance contractor is unable to undertake and complete the repair to the lift on the day, the lift is taken out of service until the fault has been rectified.

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, Disabled Facilities Grants, Cemeteries and Dog Warden.

5.0 CHANGES TO THE AGREED AUDIT PLAN:

- 5.1 The 2020-21 Audit plan was agreed by Members at the meeting of this Committee on 25th June 2020.
- 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 are made to the plan during the course of the year as some high-profile projects or high-risk areas may be 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.
- 5.3 There has of course been an impact on the work of the internal audit team as a result of the C19 Crisis the team was re-deployed to assist with C19 response work in the community. As a consequence, no new internal audit work was commissioned or undertaken throughout April to June, leading to a total of 145 audit days being lost (over the partnership). The plan that was approved at the June meeting is set out in the table in Appendix 3, with few days allocated up to the end of June. It has therefore been necessary to work with the s.151 Officer to agree a revised plan based on 9 month's work not 12, the reviews that are deferred within the overall five-year strategic audit plan are also shown. Additionally, the revised plan also accommodates the new Housing audits which will commence after 1st October once the former EKH Ltd responsibilities have transferred back to the four councils. Except for follow up, no new EKH Ltd audits will commence before the end of September, and therefore the revised EKH Plan is also shown in Appendix 3.

6.0 FRAUD AND CORRUPTION:

- 6.1 There were no other new or recently reported instances of suspected fraud or irregularity that required either additional audit resources or which warranted a revision of the audit plan at this point in time.

7.0 INTERNAL AUDIT PERFORMANCE

- 7.1 For the three-month period to 30th June 2020, 51.82 chargeable days were delivered against the revised target of 281.76, which equates to 18.39% 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 yet to be followed up.
Annex 3 Progress to 30th June 2020 against the agreed 2020/21 Audit Plan.
Annex 4 Balanced Scorecard of performance indicators to 30th June 2020.
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>None this Quarter</i>		

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	A pilot Counter Fraud scheme is being undertaken in conjunction with Ashford Borough Council
East Kent Housing – Tenant Health & Safety Fire Safety	September 2019	Limited/No	Work-in-Progress – Part complete

PROGRESS AGAINST THE AGREED 2020-21 AUDIT PLAN.

DOVER DISTRICT COUNCIL:

Review	Original Planned Days	Revised Planned Days	Actual days to 30-06-2020	Status and Assurance Level
FINANCIAL SYSTEMS:				
Treasury Management	10	10	0.22	Brief Prepared
Insurance & Inventories of Portable Assets	10	10	0.18	Brief Prepared
HOUSING SYSTEMS:				
Housing Allocations	10	10	0	-
Tenant Health & Safety Compliance	-	10	0	Quarter 4
Data Quality	-	10	0	Quarter 4
Leasehold Services	-	10	0	Quarter 4
GOVERNANCE RELATED:				
GDPR, FOI & Information Management	10	10	0.18	Brief issued
Performance Management	10	10	0.24	Brief Prepared
Corporate Advice/CMT	2	2	0	Work-in-Progress throughout 2020-21
s.151 Meetings and support	9	9	6.37	Work-in-Progress throughout 2020-21
Governance Committee Meetings and Reports	12	12	5.89	Work-in-Progress throughout 2020-21
2021-22 Audit Plan Preparation and Meetings	9	9	0.78	Quarter 4
POST IMPLEMENTATION REVIEWS:				
Kearnsy Abbey	10	0	0	Deferred
CONTRACT AUDITS:				
Receipt & Opening of Tenders	10	10	0.21	Brief Prepared
SERVICE LEVEL:				
Employee Health & Safety	10	10	0.18	Brief Prepared
Cemeteries	10	10	0.18	Work-in-Progress
Safeguarding Children & Vulnerable Groups	10	10	0.2	Brief Prepared
Planning Enforcement	10	0	0	Deferred
Business Continuity & Emergency Planning	12	0	0.18	Deferred
Playgrounds	10	0	0.22	Deferred

Review	Original Planned Days	Revised Planned Days	Actual days to 30-06-2020	Status and Assurance Level
Disabled Facilities Grants	10	10	1.82	Finalised - Substantial
Land Charges	10	10	0.21	Brief Prepared
Members' Allowances & Expenses	10	10	3.82	Finalised - Substantial
Planning Applications, Income & s106 Agreements	15	0	0	Deferred
Green Waste & Recycling Income	10	10	0	-
OTHER				
Liaison with External Auditors	1	1	0	Work-in-Progress throughout 2020-21
Follow-up Work	15	15	3.27	Work-in-Progress throughout 2020-21
FINALISATION OF 2019-20- AUDITS				
Environmental Health Protection Requests	20	20	2.38	Work-in-Progress
Car Parking & Enforcement			1.88	Finalised - Substantial
Election Management & Electoral Registration			.45	Finalised - Substantial
Dog Warden			1.7	Work-in-Progress
Dover Leisure Centre PIR			0.08	Work-in-Progress
Days under delivered in 2019-20	0	26.76	-	
Responsive Work:				
Duplicate Creditor Payment Testing	0	5	1.08	Work-in-Progress
Discretionary Grants – Counter Fraud	0	22	20.1	Work-in-Progress
C-19 Redeployments	0	0	33.40	Finalised
TOTAL	255	*311.76	85.22	32.08% as at 30th June 2020

- 30 days added to the revised planned days from the former East Kent Housing audit plan from 1st October 2020.

EAST KENT HOUSING LIMITED:

Review	Original Planned Days	Revised Planned Days	Actual To 30/06/2020	Status and Assurance Level
Planned Work:				
CMT/Audit Sub Ctte/EA Liaison	4	4	2.09	Work-in-progress throughout 2020-21
Follow-up Reviews	15	0	0	Work-in-progress throughout 2020-21
Tenants Health & Safety	0	7	0.74	Work in progress
Finalisation of 2019/20 Work-in-Progress:				
Days over delivered in 2019/20		-7.37	0	Allocated
Welfare Reform	0	1	0.41	Finalised - Substantial
Employee Health & Safety	1	0.63	0.50	Finalised - Limited
Total	20	12.63	3.73	24% as at 30/06/2020

EKS, EKHR & CIVICA:

Review	Original Planned Days	Revised Planned Days	Actual days to 30/06/2020	Status and Assurance Level
EKS Reviews;				
Housing Benefits Overpayments	10	10	0.24	Quarter 4
Housing Benefit Testing	30	15	0	Quarter 2 & 4
Housing Benefit Subsidy	10	10	0	Quarter 3
Customer Services Gateway	10	0	0	Deferred
ICT – Disaster Recovery	15	0	0	Deferred
ICT – Software Licensing	15	15	0	Quarter 2
KPIs	5	5	0	Quarter 3
EKHR Reviews;				
Payroll	15	0	0	Deferred
EKHR DBS Checks	15	15	10.36	Work in progress
EK People review	15	15	0	Quarter 3
Other;				
Corporate/Committee	5	5	3.03	Ongoing
Follow up	5	3	1.06	Ongoing
Finalisation of 2019/20 Audits:				
Days under delivered in 2019-20	0	30.69	-	Allocated Below
EKHR Employee Benefits in Kind		2	1.19	Finalised – Substantial / No
Housing Benefit Testing 2019/20		10	10.82	Finalised - N/A
EKHR Payroll		10	10.07	Finalised - Reasonable
Total	160	190.69	36.75	19.27%

EKAP Balanced Score Card 2020-21

Quarter 1

<u>INTERNAL PROCESSES PERSPECTIVE:</u>	<u>2020-21 Actual</u>	<u>Target</u>	<u>FINANCIAL PERSPECTIVE:</u>	<u>2020-21 Actual</u>	<u>Original Budget</u>
	Quarter 1		Reported Annually		
Chargeable as % of available days	90%	80%	<ul style="list-style-type: none"> • Cost per Audit Day 	£	£339.14
Chargeable days as % of planned days			<ul style="list-style-type: none"> • Direct Costs 	£	£437,130
CCC	15.29%	25%	<ul style="list-style-type: none"> • + Indirect Costs (Recharges from Host) 	£	£10,530
DDC	18.23%	25%	<ul style="list-style-type: none"> • - 'Unplanned Income' 	£	Zero
F&HDC	10.38%	25%			
TDC	11.17%	25%			
EKS	19.27%	25%			
EKH	3.30%	25%			
Plus, C19 Redeployment Days 133.62			<ul style="list-style-type: none"> • = Net EKAP cost (all Partners) 		£447,660
Overall	24.08%	25%			
Follow up/ Progress Reviews;					
<ul style="list-style-type: none"> • Issued 	6	-			
<ul style="list-style-type: none"> • Not yet due 	24	-			
<ul style="list-style-type: none"> • Now due for Follow Up 	32	-			
Compliance with the Public Sector Internal Audit Standards (PSIAS) (see Annual Report for more details)	Partial	Full			

<u>CUSTOMER PERSPECTIVE:</u>	<u>2020-21 Actual</u>	<u>Target</u>	<u>INNOVATION & LEARNING PERSPECTIVE:</u>	<u>2020-21 Actual</u>	<u>Target</u>
	Quarter 1		Quarter		
Number of Satisfaction Questionnaires Issued;	12		Percentage of staff qualified to relevant technician level	74%	75%
Number of completed questionnaires received back;	6		Percentage of staff holding a relevant higher level qualification	38%	36%
	= 50%		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	0.4	3.5
• Interviews were conducted in a professional manner	100%	100%	Percentage of staff meeting formal CPD requirements (post qualification)	38%	36%
• The audit report was 'Good' or better	100%	90%			
• That the audit was worthwhile.	100%	100%			

Definition of Audit Assurance Statements & Recommendation Priorities

Cipfa Recommended Assurance Statement Definitions:

Substantial assurance - A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

Reasonable assurance - There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.

Limited assurance - Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.

No assurance - Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

EKAP 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.