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**Subject:** QUARTERLY INTERNAL AUDIT UPDATE REPORT

**Meeting and Date:** Governance Committee – 15<sup>th</sup> April 2021

**Report of:** Christine Parker – Head of Audit Partnership

**Decision Type:** Non-key

**Classification:** Unrestricted

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**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 31<sup>st</sup> December 2020

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

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## 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 has 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 three 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 31<sup>st</sup> December 2020, 204.91 chargeable days were delivered against the revised target of 311.76, which equates to 65.76% 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 was 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 25<sup>th</sup> 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 31<sup>st</sup> December 2020.

**2. SUMMARY OF REPORTS:**

Service / Topic		Assurance level	No. of Recs.	
2.1	Civica – Housing Benefits Subsidy	Substantial	C H M L	0 0 0 0
2.2	Civica - Housing Benefits Overpayments	Substantial	C H M L	0 0 0 0
2.3	Dover Leisure Centre Project – Post Implementation Review	Not Applicable	C H M L	0 0 0 3
2.4	Compliance with GDPR and home working implications.	Not Applicable	C H M L	1 7 6 0
2.5	COVID-19 Business Grant Fraud Data Match	Not Applicable		
2.6	Civica – Housing Benefits Quarterly Testing Quarters 1 & 2 2020/21	Not applicable		

**2.1 Civica; Housing Benefit Subsidy – Substantial Assurance**

2.1.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the processes and procedures in place to ensure that the Council completes the Housing Benefit Subsidy return accurately and seeks to maximise the amount of reimbursement payable to the authority in respect of the Housing Benefit payments which have been made to the benefit claimants within the district.

### 2.1.2 Summary of Findings

Housing Benefit Subsidy is the monies provided by the DWP for the authorities to process and pay housing benefit to claimants across each of the three districts. An annual claim is submitted by each authority to the DWP. The detail contained within each subsidy claim is then verified and signed off by the external auditors. Adjustments to the claim may result in an unexpected loss of monies to the Council. Therefore the accurate completion of the subsidy claim is necessary to reduce any potential financial loss to each Council.

Management can place Substantial Assurance on the system of internal controls in operation around the preparation and completion of the annual Housing Benefit Subsidy claim.

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

- Well practiced routines are in place for the completion of subsidy claims.
- Officers responsible for the completion of subsidy claims are all experienced and familiar with what is expected of them to complete claims.
- Entries on claims are supported by clear and concise working papers and evidence.
- Sufficient resources are in place to complete subsidy claims, and assist external auditors with their audit so that the claim may be submitted on time.
- Findings arising from audits of previous claims are all addressed so that future errors are reduced.

All of the expected controls tested during the audit were found to be in place and working effectively. Consequently, no recommendations have been made in this report. Each Council should remain aware however that (so as to not duplicate work) this audit has had a different scope to that of the audit of the Subsidy claim and has not looked in detail at the content of the 2019/20 subsidy claim as that will be undertaken by the External Auditors in due course.

## **2.2 Civica; Housing Benefit Overpayments – Substantial Assurance**

### 2.2.1 Audit Scope

To ensure that the processes and procedures established by EK Services are sufficient to provide the level of service required by the partner Councils and incorporate relevant internal controls regarding the administration of overpayments of Housing Benefit.

### 2.2.2 Summary of Findings

Civica are responsible for the administration of Housing Benefits which includes the processing of Housing Benefit claims and collection of overpaid Housing Benefits. Strong controls continue to be in place for the billing and collection of overpaid Housing Benefits by early identification of changes to circumstances for claimants, raising invoices, agreeing and monitoring repayment arrangements.

Our testing has established that Civica continues to deliver services in accordance with the requirements of the contract with each of the Partner Councils in terms of the Housing Benefits Overpayment function.

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

- Detailed information is available to members of the public at each authority in terms of housing benefit overpayments and how overpayments will be recovered.
- A consistent approach is taken across all Partner Councils for the identification, recovery and where necessary writing off of overpayments which are not considered cost effective to collect.
- Civica make good use of information available to them from outside sources such as HMRC and the Department of Work and Pensions to keep Housing Benefit claims up to date, and therefore levels of overpayments as low as practical.
- Civica report their performance achieved each quarter in comprehensive performance reports to the Partner Councils.

All of the expected controls tested during the audit were found to be in place and working effectively. Consequently, no recommendations have been made in this report.

## **2.3 Dover Leisure Centre Project – Post Implementation Review – Not Applicable**

### 2.3.1 Audit Scope

To provide independent assessment of the lessons learned regarding the Project Management processes employed for the capital project from the start to delivery.

### 2.3.2 Summary of Findings

#### Background:

Opened on 25<sup>th</sup> February 2020, the Dover District Leisure Centre includes the first publicly accessible 8-lane country standard short course championships swimming pool in Kent, certified by Swim England.

The 25m x 17m 8-lane swimming pool includes starting platforms, automatic timing touch pads with an electronic scoreboard, and anti-turbulence lane ropes. There is also a 15m x 8.5m learner pool with moveable floor, which allows for the depth to be adjusted for a variety of uses. Alongside swimming, the leisure centre features a range of dry-side facilities including; four court sports hall, clip 'n climb interactive climbing arena, 120-station gym and fitness suite, two aerobic fitness studios, spin studio, multi-purpose studio, glass-backed squash court with spectator seating, two floodlit five-a-side 3G pitches, sauna and steam room, a café and free parking for 250 vehicles including electric charging points.

#### Project Information:

The Dover District Leisure Centre was designed and constructed as part of a special project which was funded by the Dover District Regeneration & Economic Development Reserve (£7m), low cost borrowing (£17.15m), capital receipt from sale of old leisure centre site (£0.95m) and a Grant from Sports England (£1.5m). The project governance was setup in to three tiers of governance i) Council, Partners & Stakeholders, ii) Project Manager and Cost Consultants, and iii) the Technical Team. The Project Manager (job share) was responsible for engaging with all stakeholders and stakeholder groups involved with the project and for managing the flow of information to various stakeholder groups.

The project was delivered within budget without any significant delay at a total cost of £26.6m.

#### Audit Methodology:

Various information was examined to independently and objectively determine the effectiveness of the project management processes and controls employed which included an examination of: -

- Agendas, minutes and reports from various meetings;
- Project risk management documentation;
- Conversations with key officers involved;
- Budget management information; and
- Documentation and audit trail retained for each project stage.

#### What were the project strengths?

A summary of strengths are summarised below: -

- The project governance arrangements were well executed and helped the Cabinet retain control and make decisions throughout the project (2015 – 2018);
- The Project Advisory Group (PAG) included a member of the public that was initially opposed to the project;
- The PAG included members of the Cabinet and were fully engaged with the process;
- Stakeholder engagement and communication was a significant strength throughout the project;
- The officer project team included a mix of professions and were well managed, sufficiently knowledgeable and fully engaged;
- The project risk matrix was an excellent document utilised to identify and assess project risks;
- The 61 project risks identified were adequately controlled;
- The project management framework and methodology used were well established (RIBA stages) and well documented and helped to deliver positive outcomes;
- The consultants and contractors used had worked together on other similar projects in other areas of the country and worked well together;
- The project cost estimations were accurately calculated; and
- The project costs were well managed throughout the project.

#### What areas could be improved in future?

There are four learning areas that were identified that should be considered by management to help deliver successful projects of this kind in future. These are: -

- Any future Project Advisory Group (setup to support the Cabinet) in a project of this scale should consider project risks and project costs from the outset;
- Project risks assessments should follow the same risk categories setup for this project but should also include 'engagement and communication' as a separate risk category;

- A copy of the Project Risk Register at each stage of the project should be retained to allow internal audit or senior management to scrutinise and assess risk management processes;
- The guidance provided on the intranet, particularly on how to manage project risks, could be improved. The Dover District Leisure Centre Project was managed with an excellent risk management matrix and should be used as a template for future projects.

## **2.4 Compliance with GDPR & Home Working Implications – Not Applicable**

### 2.4.1 Audit Scope

- To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that the Council creates, holds, and maintains personal information about living individuals in accordance with the requirements of the GDPR and deals with subject access requests and information sharing requests in accordance with the Act.
- To provide assurance that the Council has identified all GDPR related risks arising from the move to home working caused by the COVID-19 pandemic and has taken all reasonable steps to mitigate these risks as far as it possible

### 2.4.2 Summary of Findings

#### Background

In May 2019 an internal audit on GDPR compliance concluded that the Council was not yet compliant with data protection requirements and needed to take 26 actions to bring it to a position of compliance. Since then, 16 recommendations have been implemented, two are no longer relevant and eight actions remain outstanding.

In October 2020 the Council commissioned the East Kent Audit Partnership to carry out some additional audit consultancy on GDPR in order to strengthen the Council's position and move the Council towards full compliance, taking into account the significant increase in homeworking and the various risks this presents. This piece of work will help the DPO fulfil his duty to monitor compliance, so long as the new GDPR action plan is used to push forward with control improvements and minimise the risks laid out within this report.

#### Methodology

In order to gain insight into data processing activities, senior management designed and issued a staff questionnaire to all Dover District Council employees in October 2020 and 203 responses were received. (This equates to 50.7% of the establishment). The responses provided management with some interesting findings which gives an extremely valuable insight into the way staff are adapting to homeworking and presented some additional and unresolved potential data protection weaknesses.

The audit consultancy work used the findings from the initial audit, the audit follow-up, the results from the questionnaire and the data breach trends to carry out a risk assessment on a service by service basis. The consultancy was also used to help develop staff guidance and used to suggest amendments to the Corporate Information Governance Group (CIGG) information management policies as part of the formal consultation process.

### Summary of Findings

Below is a summary of the positive actions taken to reduce data protection risks: -

- The Council has implemented 16 of the audit recommendations from May 2019;
- The Council has initiated a data protection questionnaire to gather information on homeworking processes and highlighted some weaknesses;
- The Council is reviewing its CIGG information management policies at just the right time;
- The Council has very good data breach reporting processes in place; and
- The Council has successfully encouraged staff to be open and honest with the way in which they are processing personal data from their home environments which will help management and audit assess risk accurately and effectively.

Scope for improvement was however identified in the following areas:

- There are still 8 audit recommendations outstanding from May 2019 which are aimed at strengthening the data protection framework in place to bring the Council closer to compliance with GDPR requirements;
- Following a risk assessment carried out there is evidence to suggest that more needs to be done to raise the awareness of data protection risk at the very top of the organisation;
- Some service areas are at more at risk of data protection breaches due to the nature of their transactions); and
- There are additional controls required to sufficiently protect the Council now that homeworking has dramatically changed the way personal data is processed by staff across the organisation.

## **2.5 COVID-19 Business Grant Fraud Data Match – Not Applicable**

### 2.5.1 Audit Scope

To provide assurance that none of the business rate grants paid out by Dover District Council were made to known fraudulent bank accounts as notified by the National Anti-Fraud Network (NAFN).

### 2.5.2 Summary of Findings

The Council made various grant payments to eligible business rate payers on behalf of the Government in the early part of the pandemic. The payment of the grants was required to be made swiftly to provide financial assistance to the local companies in the district who qualified for assistance.

The payment of the grants was processed as per the Government's instructions and this did not include in depth application checks at that time.

Since then it has become known that fraudulent applications had been made across the country by criminals to extract monies from this grant scheme.

As a result, NAFN has been co-ordinating information concerning fraudulent attempts at obtaining funds from the scheme from councils across the country.

NAFN has circulated details of known bank accounts where fraud has been established. Therefore, a data matching exercise was undertaken by EKAP to ascertain whether any of the payments made by the Council, have been made to any of these identified bank accounts.

Using specialist interrogation software an exercise was undertaken to check that no funds had been paid to any of these accounts. The result being that there were no instances of this being found, 100% assurance can be placed that no payments have been made to notified accounts where it is known that fraud has taken place.

## **2.6 Civica – Housing Benefit Testing 2020/21 Quarters 1 & 2 – Not applicable for assurance**

### 2.6.1 Introduction

Over the course of 2020/21 financial year the East Kent Audit Partnership will complete a sample check of Council Tax, Rent Allowance and Rent Rebate and Local Housing Allowance benefit claims.

### 2.6.2 Findings

For the first and second quarters of 2020/21 financial year (April to September 2020) 45 claims including new and change of circumstances of each benefit type were selected by randomly selecting the various claims for verification. Below is a summary table of the findings:-

2.6.3 A fail is categorised as an error that impacts on the benefit calculation. However data quality errors are still to be shown but if they do not impact on the benefit calculation then for reporting purposes the claim will be recorded as a pass.

### 2.6.4 Audit Conclusion

For this period forty-five benefit claims were checked and one (2.22%) of the claims had a financial error and there were no data quality errors.

## **3.0 FOLLOW UP OF AUDIT REPORT ACTION PLANS:**

3.1 As part of the period's work, three 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)	Members Allowances & Expenses	Substantial	Substantial	C	0	C	0
				H	0	H	0
				M	1	M	0
				L	2	L	0
b)	Dover Museum & Visitor Information Arrangements	Reasonable	Reasonable	C	0	C	0
				H	2	H	0
				M	3	M	0

Service/ Topic		Original Assurance level	Revised Assurance level	Original Number of Recs		No of Recs Outstanding	
				L	3	L	0
c)	EKHR – Absence Management	Reasonable	Reasonable	C	0	C	0
				H	0	H	0
				M	4	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.

#### 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: Environmental Health Protection Requests, Treasury Management, Kearsney Abbey PIR and Receipt & Opening of Tenders.

#### 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 25<sup>th</sup> 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 154 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, showing the days allocated up to the end of September. 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 1<sup>st</sup> October once the former EKH Ltd responsibilities have transferred back to the four councils. Except for follow up, no

new EKH Ltd audits commenced 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 nine-month period to 31<sup>st</sup> December 2020, 204.91 chargeable days were delivered against the revised target of 311.76, which equates to 65.76% 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 31 <sup>st</sup> December 2020 against the agreed 2020/21 Audit Plan. |
| Annex 4 | Balanced Scorecard of performance indicators to 31st December 2020.               |
| Annex 5 | Assurance statements  |

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

<b>Original Recommendation</b>	<b>Agreed Management Action, Responsibility and Target Date</b>	<b>Manager's Comment on Progress Towards Implementation.</b>
<i>None to report this quarter</i>		

<b>SERVICES GIVEN LIMITED / NO ASSURANCE LEVELS STILL TO BE REVIEWED</b>			
<b>Service</b>	<b>Reported to Committee</b>	<b>Level of Assurance</b>	<b>Follow-up Action Due</b>
Tenancy & Right to Buy Fraud	March 2019	Limited	The pilot Counter Fraud scheme being undertaken in conjunction with Ashford Borough Council has been delayed due to C19
EKHR – Benefits-in-kind	October 2020	Reasonable/Limited	WIP
EKHR – Disclosure & Barring Service Checks	November 2020	Limited	Spring 2020

## PROGRESS AGAINST THE AGREED 2020-21 AUDIT PLAN.

## DOVER DISTRICT COUNCIL:

Review	Original Planned Days	Revised Planned Days	Actual days to 31-12-2020	Status and Assurance Level
<b>FINANCIAL SYSTEMS:</b>				
Treasury Management	10	10	3.11	Work-in-progress
Insurance & Inventories of Portable Assets	10	10	0.18	Brief Prepared
<b>HOUSING SYSTEMS:</b>				
Housing Allocations	10	10	0	-
Tenant Health & Safety Compliance	-	10	1.40	Work-in-Progress
Data Quality	-	10	0	Quarter 4
Leasehold Services	-	10	0	Quarter 4
<b>GOVERNANCE RELATED:</b>				
GDPR, FOI & Information Management	10	10	12.59	Finalised – Not Applicable
Performance Management	10	10	0.24	Brief issued
Corporate Advice/CMT	2	2	0.82	Work-in-Progress throughout 2020-21
s.151 Meetings and support	9	9	15.77	Work-in-Progress throughout 2020-21
Governance Committee Meetings and Reports	12	12	12.14	Work-in-Progress throughout 2020-21
2021-22 Audit Plan Preparation and Meetings	9	9	6.38	Work-in progress
<b>POST IMPLEMENTATION REVIEWS:</b>				
Kearnsy Abbey	10	0	0	Work-in-progress
<b>CONTRACT AUDITS:</b>				
Receipt & Opening of Tenders	10	10	9.91	Work-in-progress
<b>SERVICE LEVEL:</b>				
Employee Health & Safety	10	0	0.18	Deferred
Cemeteries	10	12	12.45	Finalised - Substantial
Safeguarding Children & Vulnerable Groups	10	10	0.20	Brief Prepared
Planning Enforcement	10	10	0	Quarter 4
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 31-12-2020	Status and Assurance Level
Disabled Facilities Grants	10	10	11.81	Finalised - Substantial
Land Charges	10	10	0.21	Brief Prepared
Members' Allowances & Expenses	10	10	11.22	Finalised - Substantial
Planning Applications, Income & s106 Agreements	15	0	0	Deferred
Green Waste & Recycling Income	10	10	0	-
<b>OTHER</b>				
Liaison with External Auditors	1	1	0	Work-in-Progress throughout 2020-21
Follow-up Work	15	15	4.93	Work-in-Progress throughout 2020-21
<b>FINALISATION OF 2019-20- AUDITS</b>				
Environmental Health Protection Requests	20	20	4.15	Work-in-Progress
Car Parking & Enforcement			1.88	Finalised - Substantial
Election Management & Electoral Registration			0.45	Finalised - Substantial
Dog Warden			2.81	Finalised – Reasonable
Dover Leisure Centre PIR			10.87	Finalised – Not Applicable
Days under delivered in 2019-20	0	26.76		Allocated
<b>Responsive Work:</b>				
Duplicate Creditor Payment Testing	0	5	1.08	Finalised - N/A
Discretionary Grants – Counter Fraud	0	22	36.21	Finalised - N/A
Asbestos Register	0	0	2.68	Finalised – N/A
Data Image Capturing Project	0	0	2.33	Finalised – N/A
C-19 Redeployments	0	38	38.51	Finalised – N/A
<b>TOTAL</b>	<b>255</b>	<b>*311.76</b>	<b>204.91</b>	<b>65.76% as at 31<sup>st</sup> December 2020</b>

\* 30 days added to the revised planned days from the former East Kent Housing audit plan from 1<sup>st</sup> October 2020.

**EAST KENT HOUSING LIMITED:**

<b>Review</b>	<b>Original Planned Days</b>	<b>Revised Planned Days</b>	<b>Actual To 30/09/2020</b>	<b>Status and Assurance Level</b>
<b>Planned Work:</b>				
CMT/Audit Sub Ctte/EA Liaison	4	4	3.09	Finalised for 2020-21
Follow-up Reviews	7	0	0	Finalised for 2020-21
Tenants Health & Safety	8	8	8.13	Finalised -Various
<b>Finalisation of 2019/20 Work-in-Progress:</b>				
Days over delivered in 2019/20		-7.37		Allocated
Welfare Reform	0	1	0.41	Finalised - Substantial
Employee Health & Safety	1	0.63	1	Finalised - Limited
<b>Total</b>	<b>20</b>	<b>12.63</b>	<b>12.63</b>	<b>100% as at 30/09/2020</b>

**EKS, EKHR & CIVICA:**

<b>Review</b>	<b>Original Planned Days</b>	<b>Revised Planned Days</b>	<b>Actual days to 31/12/2020</b>	<b>Status and Assurance Level</b>
<b>EKS Reviews;</b>				
Housing Benefits Overpayments	10	10	14.08	Finalised - Substantial
Housing Benefit Testing	30	30	16.39	Finalised - Quarters 1&2
Housing Benefit Subsidy	10	10	10.08	Finalised - Substantial
Customer Services Gateway	10	10	0	Quarter 4
ICT – Disaster Recovery	15	15	1.62	Work in progress
ICT – Software Licensing	15	15	8.00	Work in progress
KPIs	5	5	0.45	Work in progress
<b>EKHR Reviews;</b>				
Payroll	15	15	0	Quarter 4
EKHR Employee Allowances /Expense	15	15	0.26	Quarter 4
EK Leavers	15	15	0.48	Quarter 4
<b>Other;</b>				
Corporate/Committee	5	5	5.24	Ongoing
Follow up	5	5	1.98	Ongoing
<b>Finalisation of 2019/20 Audits:</b>				
Days underdelivered in 2019/20		30.67		
EKHR Employee Benefits in Kind	10	2	1.19	Finalised – Substantial / No
Housing Benefit Testing 2019/20		11.67	10.82	Finalised N/A
EKHR Payroll		11	10.34	Finalised - ??
EKHR DBS Checks		16	16.00	Finalised – Limited
<b>Total</b>	<b>160</b>	<b>190.67</b>	<b>96.90</b>	<b>50.82%</b>

**EKAP Balanced Score Card 2020-21**

**Quarter 2**

<b><u>INTERNAL PROCESSES PERSPECTIVE:</u></b>	<b><u>2020-21 Actual</u></b>	<b><u>Target</u></b>	<b><u>FINANCIAL PERSPECTIVE:</u></b>	<b><u>2020-21 Actual</u></b>	<b><u>Original Budget</u></b>
	<b>Quarter 3</b>		<b>Reported Annually</b>		
<b>Chargeable as % of available days</b>	<b>90%</b>	<b>80%</b>	<ul style="list-style-type: none"> <li>• <b>Cost per Audit Day</b></li> </ul>	£	<b>£339.14</b>
<b>Chargeable days as % of planned days</b>			<ul style="list-style-type: none"> <li>• <b>Direct Costs</b></li> </ul>	£	<b>£437,130</b>
<b>CCC</b>	<b>84.39%</b>	<b>75%</b>	<ul style="list-style-type: none"> <li>• <b>+ Indirect Costs (Recharges from Host)</b></li> </ul>	£	<b>£10,530</b>
<b>DDC</b>	<b>65.76%</b>	<b>75%</b>	<ul style="list-style-type: none"> <li>• <b>- 'Unplanned Income'</b></li> </ul>	£	<b>Zero</b>
<b>F&amp;HDC</b>	<b>60.65%</b>	<b>75%</b>			
<b>TDC</b>	<b>69.19%</b>	<b>75%</b>			
<b>EKS</b>	<b>50.82%</b>	<b>75%</b>			
<b>EKH</b>	<b>100%</b>	<b>100%</b>			
<b>(C19 Redeployment Days 154.14)</b>			<ul style="list-style-type: none"> <li>• <b>= Net EKAP cost (all Partners)</b></li> </ul>		<b>£447,660</b>
<b>Overall</b>	<b>66%</b>	<b>75%</b>			
<b>Follow up/ Progress Reviews;</b>					
<ul style="list-style-type: none"> <li>• <b>Issued</b></li> </ul>	<b>26</b>	<b>-</b>			
<ul style="list-style-type: none"> <li>• <b>Not yet due</b></li> </ul>	<b>22</b>	<b>-</b>			
<ul style="list-style-type: none"> <li>• <b>Now due for Follow Up</b></li> </ul>	<b>30</b>	<b>-</b>			
<b>Compliance with the Public Sector Internal Audit Standards (PSIAS) (see Annual Report for more details)</b>	<b>Partial</b>	<b>Full</b>			

<b><u>CUSTOMER PERSPECTIVE:</u></b>	<b><u>2020-21 Actual</u></b>	<b><u>Target</u></b>	<b><u>INNOVATION &amp; LEARNING PERSPECTIVE:</u></b>	<b><u>2020-21 Actual</u></b>	<b><u>Target</u></b>
	<b>Quarter 3</b>		<b>Quarter 3</b>		
<b>Number of Satisfaction Questionnaires Issued;</b>	<b>38</b>		<b>Percentage of staff qualified to relevant technician level</b>	<b>75%</b>	<b>75%</b>
<b>Number of completed questionnaires received back;</b>	<b>17</b>		<b>Percentage of staff holding a relevant higher level qualification</b>	<b>39%</b>	<b>39%</b>
	<b>= 45%</b>		<b>Percentage of staff studying for a relevant professional qualification</b>	<b>15%</b>	<b>N/A</b>
<b>Percentage of Customers who felt that;</b>			<b>Number of days technical training per FTE</b>	<b>2.42</b>	<b>3.5</b>
<ul style="list-style-type: none"> <li>• Interviews were conducted in a professional manner</li> <li>• The audit report was 'Good' or better</li> <li>• That the audit was worthwhile.</li> </ul>	<b>100%</b>	<b>100%</b>	<b>Percentage of staff meeting formal CPD requirements (post qualification)</b>	<b>39%</b>	<b>39%</b>
	<b>100%</b>	<b>90%</b>			
	<b>95%</b>	<b>100%</b>			

## 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.