
Subject: QUARTERLY INTERNAL AUDIT UPDATE REPORT

Meeting and Date: Governance Committee – 1st December 2022

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 September 2022.

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 eight 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 are detailed in section 3 of the quarterly update report.
- 2.9 For the six-month period to 30th September 2022, 153.08 chargeable days were delivered against the target of 300, which equates to 51.03% plan completion.

3 Resource Implications

- 3.1 There are no additional financial implications arising directly from this report. The costs of the audit work will be met from the Financial Services 2022-23 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 2022-23 - Previously presented to and approved at the 17th March 2022 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 September 2022.

2. SUMMARY OF REPORTS:

Service / Topic		Assurance level	No. of Recs.	
2.1	HMO Licensing	Reasonable	C H M L	0 2 0 0
2.2	Food Safety	Substantial	C H M L	0 0 1 0
2.3	Payroll	Substantial	C H M L	0 0 2 0
2.4	Digital/Cloud Computing	Reasonable	C H M L	0 4 2 3
2.5	Right to Buy	Reasonable	C H M L	0 4 3 2
2.6	Phones, Mobiles and Utilities	Reasonable/Limited	C H M L	0 7 3 4
2.7	Grounds Maintenance	Limited/Reasonable	C H M L	0 6 4 4
2.8	Garden Waste & Recycling Income	Limited	C H M L	0 3 4 1

2.1 HMO Licensing – Reasonable Assurance

2.1.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that the Council works with landlords and tenants to ensure the legal standards for housing are met.

2.1.2 Summary of Findings

Certain houses in multiple occupation are required by legislation to be licensed. These are properties that are:

- as from October 2018 an HMO of any storey will require a licence; and
- have five or more people in more than one household; and
- share amenities such as bathrooms, toilets and cooking facilities, or where the accommodation is not self-contained e.g. a WC or room of the common landing.

At the time of the audit there were 61 licenced HMO's within the Dover District. This compares to 872 in Canterbury, 72 in Folkestone & Hythe and 64 in Thanet.

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

- A database of all known HMO properties is maintained within Northgate M3.
- All applications for an HMO licence are supported by a completed application form.
- The scheme is adequately promoted on the Council's website as well and through the licence renewal process.
- The Council has been contacting licence holders regarding updates on gas safety certificates on an annual basis as their current certificates expire.
- Income collection arrangements ensure that all income due to the Council arising from HMO licensing is received and accurately accounted for.
- The approved schedule of fees and charges is correctly and consistently applied.
- Licence renewals and licence variations are processed appropriately.
- The terms and conditions of the HMO Licensing scheme are adhered to by all applicants or enforced where necessary.
- Adequate arrangements for corrective enforcement action, in instances in which potential Health and Safety hazards are identified, are in place.

Scope for improvement was however identified in the following areas:

- Appropriate arrangements for the inspection of HMO's are not currently in force as the section has 2 vacant posts.
- Whilst unlicensed HMO's are identified and appropriate action taken to force registration, at present this tends to be re-active rather than pro- active, due to a lack of resources within the team.

2.2 Food Safety– Substantial Assurance

2.2.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to reduce the incidence of food poisoning and food contamination within the district through effective registration and inspection of all food businesses, investigation of food complaints, enforcement of the Food Safety and Hygiene (England) Regulations 2013 and associated legislation and offering advice and guidance.

2.2.2 Summary of Findings

As at the start of 2022, there were 1322 Food Premises registered in the district. Differing inspection frequencies for different establishments mean that around 957 planned inspections need to be completed in 2022/23 by the Public Protection Officers.

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

- Up to date policies and procedure notes are in place detailing how the Council will fulfil its statutory responsibility for food safety in the District.
- A detailed Food Service Plan and Enforcement Policy is in place which is subject to regular review detailing how the Council intends to provide an effective food safety service that meets the requirements of the Food Standards Agency (FSA) Framework Agreement.
- All officers undertaking Food Safety inspections and related enforcement action have been granted suitable delegated authority to fulfil that function.
- Records relating to Food establishments are kept updated in accordance with the requirements of the FSA and also deleted in line with the Retention Policy for the service when establishments close.
- All registered premises are inspected at the point of initial registration to establish the level of risk associated with the establishment.
- All premises are inspected in line with the inspection timescales laid down in the Food Service Plan.
- Good use is made of checklists and aides-memoire to ensure consistency for each inspection.
- Inspection routines are subject to regular peer reviews and internal reviews to ensure both accuracy and consistency of inspections.
- Complaints about food establishments are investigated on a timely basis.

Scope for improvement was however identified in the following areas:

- One of the five officers working in the Public Protection service needed to complete CDP training as required by the FSA.
- Where inspection routines are subject to quality assessment reviews, the outcome of those inspections should be recorded in a register which can be easily provided if required by the FSA.

2.3 Payroll – Substantial Assurance

2.1.1 Audit Scope

To ensure that the payroll service is adequately controlled to ensure that the right people are paid the right amounts at the right time and all the relevant data held is accurate.

2.1.2 Summary of findings

The payroll function is administered by EK Services (Hosted by Dover District Council) on behalf of Thanet, Canterbury & Dover Councils in addition to EK Services, the Marlowe Theatre and Canenco.

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.

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

- Established payroll processes are in place to ensure that each payroll is completed on time based on the information that has been approved by managers of employees. (i.e., Overtime, Car mileage)

Scope for improvement was however identified in the following areas:

- When the SLA is revised in 2023 consideration should be given to putting in place performance indicators that are used to monitor the service provision by each of the clients.
- When quarterly meetings with the HR Managers at other authorities are held they should be minuted to ensure that issues and the supported actions are recorded and actioned.

2.4 Digital/Cloud Computing – Reasonable Assurance

2.4.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that the Council is managing its risks to an acceptable level for all cloud services used to process and store data.

2.3.2 Summary of Findings

Cloud Computing is the practice of using a network of remote servers hosted on the internet to store, manage, and process data, rather than on a local server. There are 38 different IT systems used by the Council across all services and directorates to process and store data, some of which have already moved to the cloud and some of which are in the process of being moved to the cloud where it is possible to do so. The Council made a commitment to digital and cloud transformation in 2020 by approving

a budget that totalled just over 2.3m to deliver this digital transformation. As at February 2022 there is just over £1.9m in the 'Digital Infrastructure and Investment Projects' budget which is planned to be used as follows: -

2021/22	2022/23	2023/24	Future Years
£313,000	£875,000	£375,000	£375,000

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

- The Council has a fully funded and clear strategy in place for the IT systems in place which is being rolled out across the Council on a system-by-system basis;
- In March 2022 EK Services ICT risk assessed the DDC on-site server room facility the initial assessment has identified investment and improvement requirements;
- The Council is planning to implement new cloud-based and digital policies;
- Almost all contracts and agreements in place with cloud-based service providers contain adequate provisions to protect the Council from various risks; and
- Business continuity arrangements are being adequately considered during the implementation of the digital and cloud-based strategy.

Scope for improvement was however identified in the following areas:

- The agreement in place with Capita AIM should be reviewed and the Council should seek assurance from Capital AIM that various risks are being adequately mitigated;
- The Council will need to assess and strengthen its IT provision and expertise as it moves through its cloud-based strategy and transformation;
- Copies of cloud-based agreements and contracts must be passed to the Digital Team and Accountancy for management and oversight purposes;
- Payments made to Northgate should be checked by a senior member of staff to ensure they are in accordance with the 2015 agreement.

2.5 Right to Buy – Reasonable Assurance

2.5.1 Audit Scope

To examine and evaluate the whole system of controls, both financial and otherwise, established by management in order to carry on the business of the enterprise in regard to Right to Buy applications in an orderly and efficient manner, ensure adherence to management policies, safeguard the Authority's assets and secure as far as possible the completeness and accuracy of its accounting records

2.5.1 Summary of Findings

The right to buy scheme allows most council tenants to buy their council home at a discount through an application process.

Discounts awarded are based upon a qualifying period which must be a minimum of 3 years. The discounts start at 35% for a House and 50% for a flat and then increase after 5 years by 1% (House) and 2% (flat) each qualifying year after, to a maximum

discount of either 70% or £87,200 (whichever is reached first). This maximum discount is increased each year in accordance with the CPI index.

Conditions require that applicants usually have to repay some or all the discount if they sell their home within 5 years and they might get a smaller discount if they have used Right to Buy in the past.

Nationally there is a focus on counter fraud work on social housing as it has been targeted in several ways over the years, for Right to Buy tenants are both victims of 'organised' crime and sometimes the perpetrators of a fraud. Housing tenancy fraud within social housing has been estimated to currently cost the government £900 million each year. This ultimately comes at considerable cost to the taxpayer with social housing fraud identified as the largest type of fraud loss across local government. Legislation came into effect to assist with prosecutions in this area in 2013.

The Right to Buy application data and revenue for the last three financial years is as follows:

Year	Applications received	Applications withdrawn / denied / cancelled etc.	Applications fully processed and led to a sale	Income generated from RTB sales
2019/2020	32	17	23	£2,359,437.50
2020/2021	42	12	13	£1,335,731.60
2021/2022	51	19	17	£1,662,550.00

Management can place Reasonable Assurance on the system of internal controls in operation. The primary findings giving rise to the Reasonable Assurance opinion in this area are as follows:

- Tenants are able to exercise their right to buy under the Housing Act with application forms and information booklets being freely available to view and download via the Council website.
- There is a documented process in place with files being saved within SharePoint Northgate. Procedural notes are retained on file to assist with this day to day process and there is additional guidance issued by the Department for Levelling up, Housing and Communities (April 2022 edition).
- There is a Masterfile being maintained of all applications being received by the Council, each application is given a unique reference number and evidence of all decisions taken; key dates; tenancy type and length; sales price; discount applied and when the file was passed to legal are contained therein.
- There is evidence on file for the tenant and property checks which are then reviewed and authorised by management prior to a RTB2 being issued to support a full audit trail.
- The purchase price and discounts allowable have been correctly calculated and administered.
- Set timeframes defined within legislation are being effectively managed to ensure they can be met.
- In order to protect the Council's on-going interest in the property a covenant or a condition of the lease is placed upon the property to ensure that if sold within 5 years a percentage of the discount is recouped and evidence of this is being retained on file.

- The Conveyancing process is working well.
- There are suitable separation of duties in operation for this process.

1.4 Scope for improvement was however identified in the following areas:

- The procedures in place need to be dated to ensure reviews, updates and changes can be managed.
- The Council's delegations for Right to Buy need to be reviewed and updated to reflect what is occurring.
- The RTB process and the storage; maintenance and use of records should be documented to ensure compliance with GDPR.
- The current engrossment fee needs to be charged as currently there is a loss per transaction.

2.6 Phones, Mobiles and Utilities– Limited Assurance

2.6.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that Council expenditure on telephones, mobiles and utilities is adequately monitored and reviewed.

2.6.2 Summary of Findings

Phonelines

The Council is in a transition period between hard-wired analogue phone lines and making internal and external calls through Microsoft 365 (Teams). In 2019 the Council entered into the agreement with Microsoft 365 which enabled the Council to take advantage of the phone feature within Microsoft Teams to make and receive calls through the internet and therefore replaces the need for traditional analogue hard-wired phonelines. This was rolled out earlier this year. The Microsoft 365 Contract costs the Council £1.33 per user per month plus £4.26 per user per year for up to 2,000 minutes each month. The cost of hard-wired phonelines however remains high considering the Council should by now have transitioned for most of its service areas. In the month of March 2022, the cost of all hard-wired analogue phone lines totalled £3,778.

Mobiles

The £150k five-year contract with O2 ended on 30th June 2022 and the Council is currently going through procurement processes to either extend or setup a new agreement for mobile phones and tablets. There are 214 mobile phones or tablets in circulation within the Council, the cost of which ranges from £6 to £329 per month dependent on the device and the tariff and whether a new handset is needed.

Utilities

In March 2022 payments for utilities came to £620.59 for gas, £7,408.95 for water and £56,898.05 for electricity. The Council has the following accounts in place and will soon be moving its water (in and out) accounts over to Laser: -

Utility	Supplier	Number of accounts
Water In (commercial)	Castle Water	35
Water In (Domestic)	Affinity	5

Water Out (commercial)	Business Stream	43
Water Out (Domestic)	Southern Water	5
Gas	Laser (KCC)	21
Gas	British Gas	1
Electricity	Laser (KCC)	223
Electricity	EDF Energy	14

Management can place Limited Assurance on the system of internal controls in operation for Analogue Phones and Utilities and Reasonable Assurance for controls over mobile phones.

The primary findings giving rise to the Limited Assurance opinion in this area and weaknesses identified are as follows:

Analogue Phones

- There are 79 analogue phone lines in place of which 81% were not used to make any calls in March 2022 and may all be surplus to requirements.
- The controls in place to manage the audit trail of analogue phonelines and payments towards analogue phonelines are poorly designed which is leading to poor value for money.
- The transition from analogue phone lines to the use of teams is not being consistently rolled out.
- There are not any reliable procedures or processes in place that set out roles and responsibilities for managing and controlling analogue phonelines in place.

Utilities

- The controls in place to detect water leaks and monitor usage need to be improved before the Council moves its water utilities to the LASER KCC contract in October 2022.
- There may be water leaks at Deal Pier, Elms Vale Recreation Ground and Granville Road Public Toilets that require the attention and investigation of management.

Mobile Phones

- 21 out of 214 DDC active mobile phones or tablets are operating on outdated operating systems such as OS12 or OS13 which presents some level of added data security risk to the Council.

Effective control was however evidenced in the following areas:

- Mobile phone usage and expenditure is adequately monitored and managed.
- Policies in place are adequate and communicated.
- The arrangement in place with LASER is well established and offers a good service to the Council for gas and electricity accounts.
- There are restrictions in place for mobile and Microsoft 365 calls to international numbers although these are not in place for analogue phone calls and there are no restrictions at all in place for premium rate numbers.

2.7 Grounds Maintenance– Limited/Reasonable Assurance

2.7.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that the grounds maintenance function is being carried out efficiently and effectively within an appropriate control framework which reduces any risks to an acceptable level

2.7.2 Summary of Findings

The Council has a substantial estate of parks, open spaces and sports grounds throughout the district including, for example, Kearsney Abbey and Connaught Park in Dover and Victoria Park in Deal. The areas provide for both active and passive leisure and include facilities such as skateboard parks, multi-use games areas, play areas, sports pitches, bowling greens and tennis courts in addition to areas for walking and quiet reflection. Grounds maintenance of the sites had been contracted out for many years, but the Council decided in 2016 to insource the service and this work has been undertaken by a directly managed team from April 2017. The Council has commissioned a range of strategies this year which includes a Parks & Open Spaces Strategy, a Playing Pitch & Outdoor Sports Provision Strategy and a Play Area Strategy. This work will feed into the development of the Council's overarching Green Infrastructure Strategy and support the revision of the District Local Plan.

There are 26.01 full time equivalents within the Grounds Maintenance service, but the service is currently operating with less resource due to sickness and vacancies. The 2022/23 budget for the service is: -

£797,364	- employee costs
£203,927	- other costs
(£1,116,771)	- income

The assurance level has been split. Management can place Limited Assurance on the system of internal controls in operation in relation to the management of governance and risk and Reasonable Assurance in relation to all other operational matters.

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

- Despite Parks and Open Spaces being a priority within the Corporate Plan the service standards in place have not been formally approved by elected members and there are no performance metrics in place.
- There is no record of a Fire Risk Assessment being undertaken by the Asset Management Team for the Connaught Park Depot.
- One of the storage areas at the Connaught Park Depot in Dover is in a poor state of repair and requires attention from the Asset Management Team to prevent an accident or damage to property.
- The staff training matrix should be reviewed to ensure that staff members are being trained consistently in accordance with their role requirements.
- Risk assessment information is in a transition phase to a cloud-based system and there are controls that need to be put in place to improve this transition.

Effective control was however evidenced in the following areas:

- The parks and opens spaces in the Dover District sampled for the review look good.
- Operations and human resource are well managed and well deployed.
- There are low levels of corporate complaints relating to grounds maintenance.

- Accountancy, income generation and budget monitoring controls are working effectively.
- HAVs are being managed and monitored effectively; and
- Consumables are adequately managed and controlled.

2.8 Garden Waste & Recycling Income– Limited Assurance

2.8.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that the waste recycling income, comprising green waste, food waste, paper/card, glass, tin and plastic is being correctly charged for, in accordance with Council policy / agreements and that all income is correctly received and reconciled.

2.8.2 Summary of Findings

Dover District Council (DDC) and Folkestone & Hythe District Council (FHDC) are the statutory local Waste Collection Authorities. For the service delivery they maintain a joint Waste, Recycling and Street Cleansing contract, with Veolia Environmental Services UK Ltd; with DDC acting as the lead authority. The current Contract commenced in January 2021.

The Council offers a (non-statutory) Garden Waste collection service, for an annual subscription; and statutory (non-chargeable) household waste and recycling collection service. The councils also provide a bulky waste collection service, for items that will not fit in a designated container, and all items, but especially those that the Council are unable to collect, can be taken to a Household Waste Recycling Centre (operated by Kent County Council).

The day-to-day management and monitoring of the contract is through the joint DDC/FHDC Waste Services Team (WST).

The Veolia-supplied Waste Management System, ECHO, currently records that there are 9,605 subscribers to the DDC garden waste collection service.

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

- There is no reconciliation between the actual income received as recorded on the financial management system and expected income as recorded on the Garden Waste system.
- Incorrect fees have been charged for some sack sales, the income is not always coded correctly, and VAT has not been appropriately accounted for in all cases.
- Reduced sack fees are being invoiced which have not been formally approved.
- Procedure notes do not reflect current processes and systems in use.
- In 2022 errors with card payment processing resulted in an incorrect system error message stating that a 'customers card payment has not gone through' when in fact it has. This resulted in a significant level of refunds having to be processed.
- Although the arrangements under the Inter Authority Agreement between DDC and KCC came into effect in January 2021 it remains unsigned by the Council. As a result, the recycling payments due to Council remain outstanding.

Effective control was however evidenced in the following areas:

- The Council has an approved Garden Waste charging policy for 2022-23 which is correctly advertised on the Council's Website.
- Fees are received in advance of services being provided.
- Monthly contract monitoring meetings are held with performance statistics provided by Veolia.
- Recycling and waste performance statistics are updated in line with DEFRA requirements and performance statistic are also reported quarterly to Cabinet.

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													
			C	H	M	L	C	H	M	L								
a) Environmental Protection	Reasonable	Substantial	C	0	C	0	H	1	H	0	M	5	M	0	L	5	L	0
b) CSO Compliance	Reasonable	Reasonable	C	0	C	0	H	1	H	0	M	2	M	1	L	1	L	0
c) Civica – Housing Benefit Payments	Substantial	Substantial	C	0	C	0	H	2	H	0	M	2	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: Absence Management, Tech 1 Post Implementation Review, Planning, Housing Allocations and VAT.

5.0 CHANGES TO THE AGREED AUDIT PLAN:

- 5.1 The 2022-23 Audit plan was agreed by Members at the meeting of this Committee on 17th March 2022.
- 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.

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 six-month period to 30th September 2022, 153.08 chargeable days were delivered against the target for the year of 300, which equates to 51.03% plan completion.
- 7.2 The financial performance of the EKAP is currently on target at the present time.
- 7.3 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.

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 30-09-2022 against the agreed 2022-23 Audit Plan. |
| Annex 4 | Balance Scorecard of KPIs to 30 th September 2022 |
| 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
Garden Waste & Recycling Income	01-12-2022	Limited/Reasonable	Winter 2022
Grounds Maintenance	01-12-2022	Limited	Winter 2022

**PROGRESS AGAINST THE AGREED 2022-23 AUDIT PLAN
DOVER DISTRICT COUNCIL**

Review	Original Planned Days	Revised Planned Days	Actual days to 30-09-2022	Status and Assurance Level
FINANCIAL SYSTEMS:				
Income, Cash Collection & Bank Rec.	10	10	0.18	Quarter 3
VAT	10	10	0.18	Work-in-Progress
Insurance & Inventories of Portable Assets	10	10	0.18	Quarter 3
HOUSING SYSTEMS:				
Housing Allocations	10	10	0.36	Quarter 2
Private Sector Housing	10	10	7.78	Finalised - Reasonable
Right to Buy	10	10	8.33	Finalised - Reasonable
Repairs & Maintenance	10	10	0	Work-in-Progress
Leasehold Services	12	12	0	Quarter 4
Sheltered Housing	10	10	10.01	Finalised - Substantial
HR RELATED:				
Absence Management	10	10	9.62	Work-in-Progress
GOVERNANCE RELATED:				
GDPR, FOI & Information Mngmt.	12	12	0	Quarter 2
Complaints Monitoring	10	10	10.98	Finalised – Substantial
Scheme of Officer Delegations	10	10	0	Quarter 4
Corporate Advice/CMT	2	2	1.93	Ongoing
s.151 Meetings and Support	9	9	8.39	Ongoing
Governance Committee Meetings and Reports	12	12	7.56	Ongoing
2023-24 Audit Plan Preparation and Meetings	9	9	0.61	Quarter 4
COUNTER FRAUD & CORRUPTION:				
Counter Fraud and Corruption	10	10	0	Quarter 2
SERVICE LEVEL:				
Employee Health & Safety	10	10	0	Quarter 4
Safeguarding	10	10	0	Quarter 3
Port Health – Consultancy	10	10	6.04	Finalised – N/A
Port Health – Assurance	10	10	0	Quarter 4

Review	Original Planned Days	Revised Planned Days	Actual days to 30-09-2022	Status and Assurance Level
Climate Change	5	5	0	Quarter 3
Food Safety	10	10	9.67	Finalised - Substantial
Planning Applications, Income & s106	12	12	3.09	Quarter 2
Corporate Plan, Local Plan & MTFP	10	0	0	Deferred
Building Control	10	10	0	Quarter 2
Waste Management	15	15	0	Quarter 2
OTHER:				
Liaison with External Auditors	1	1	0.39	Ongoing
Follow-up Work	15	15	3.9	Ongoing
FINALISATION OF 2021-22- AUDITS:				
Digital/Cloud Computing	5	15	10.12	Finalised – Reasonable
Environmental Protection			0.77	Finalised – Reasonable
CSO Compliance			0.14	Finalised – Reasonable
Grounds Maintenance			12.2	Finalised – Limited/Reasonable
Tenancy & Estate Management			0.45	Finalised – N/A
Budgetary Control			3.14	Finalised – Reasonable
Phones, Mobiles & Utilities			13.71	Finalised – Reasonable/Limited
Recruitment			4.73	Finalised – Reasonable
Main Accounting System – Post Implementation Review			3.7	Work-in-Progress
Garden Waste & Recycling Income			14.94	Finalised - Limited
RESPONSIVE ASSURANCE:				
None this Period				
TOTAL	300	300	153.08	51.03%

**PROGRESS AGAINST THE 2022-23 AUDIT PLAN
EAST KENT SERVICES**

Review	Original Planned Days	Revised Planned Days	Actual days to 30/09/2022	Status and Assurance Level
EKS Reviews;				
Business Rates	15	15	6.67	Work in progress
Housing Benefit DHPs	15	15	0.18	Quarter 3
Housing Benefit Testing	15	15	16.51	Finalised - N/A
Debtors	15	15	0	Quarter 4
ICT – Data Management	15	15	0	Quarter 3
ICT – Network Security	15	15	0.30	Quarter 4
KPIs	5	5	7.04	Finalised - Substantial
Payroll	18	18	14.14	Draft report
Other;				
Corporate/Committee	8	8	2.72	Ongoing
Follow Up	6	6	0.43	Ongoing
Finalisation of 2021/22 Audits:				
ICT Procurement & Disposal	1	1	1.22	Finalised - Substantial
Total	128	128	49.21	38.45%

INTERNAL PROCESSES PERSPECTIVE :	2022-23 Actual	Target	FINANCIAL PERSPECTIVE:	2022-23 Actual	Original Budget
	Quarter 2		Reported Annually		
Chargeable as % of available days	88%	90%	<ul style="list-style-type: none"> • Cost per Audit Day 	£	£
Chargeable days as % of planned days			<ul style="list-style-type: none"> • Direct Costs 	£	£
CCC	50.89%	50%	<ul style="list-style-type: none"> • + Indirect Costs (Recharges from Host) 	£	£
DDC	51.03%	50%	<ul style="list-style-type: none"> • - 'Unplanned Income' 	£	Zero
TDC	41.75%	50%			
FHDC	50.62%	50%			
EKS	38.45%	50%			
Overall	47.36%	50%	<ul style="list-style-type: none"> • = Net EKAP cost (all Partners) 		£
Follow up/ Progress Reviews;					
<ul style="list-style-type: none"> • Issued 	25	-			
<ul style="list-style-type: none"> • Not yet due 	15	-			
<ul style="list-style-type: none"> • Now due for Follow Up 	29	-			
Compliance with the Public Sector Internal Audit Standards (PSIAS) (see Annual Report for more details)	Partial	Partial			

<u>CUSTOMER PERSPECTIVE:</u>	<u>2022-23 Actual</u>	<u>Target</u>	<u>INNOVATION & LEARNING PERSPECTIVE:</u>	<u>2022-23 Actual</u>	<u>Target</u>
	Quarter 2		Quarter 2		
Number of Satisfaction Questionnaires Issued;	30		Percentage of staff qualified to relevant technician level	61%	60%
Number of completed questionnaires received back;	20		Percentage of staff holding a relevant higher-level qualification	36%	36%
	= 67 %		Percentage of staff studying for a relevant professional qualification	14%	N/A
Percentage of Customers who felt that;			Number of days technical training per FTE	2.48	3.5
• Interviews were conducted in a professional manner	100%	100%	Percentage of staff meeting formal CPD requirements (post qualification)	50%	50%
• The audit report was 'Good' or better	94%	90%			
• That the audit was worthwhile.	97%	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.