
Subject:	ANNUAL INTERNAL AUDIT REPORT
Meeting and Date:	Governance Committee – 20 June 2013
Report of:	Christine Parker – Head of Audit Partnership
Classification:	Unrestricted

Purpose of the report: This report provides a summary of the work completed by the East Kent Audit Partnership together with details of the performance of the EKAP against its targets for the year ending 31st March 2013.

Recommendation: That Members note the report.

Internal Audit Annual Report 2012-13.

SUMMARY

The main points to note from the attached report are that the agreed programme of audits has been completed. The majority of reviews have given a substantial or reasonable assurance and there are no major areas of concern that would give rise to a qualified opinion.

1.0 INTRODUCTION

1.1 The primary objective of Internal Audit is to provide independent assurance to Members, the Chief Executive, Directors and the Section 151 Officer on the adequacy and security of those systems on which the Authority relies for its internal control. The purpose of bringing forward an annual report to members is to:

- Provide an opinion on the overall adequacy and effectiveness of the Council's internal control environment.
- Present a summary of the internal audit work undertaken to formulate the opinion.
- Draw attention to any issues the Head of the Audit Partnership judges particularly relevant to the preparation of the Annual Governance Statement.
- Compare actual audit activity with that planned, and summarise the performance of Internal Audit against its performance criteria.
- Comment on compliance with the CiPFA Code of Practice for Internal Audit in Local Government, and report the results of the Internal Audit quality assurance programme.

1.2 The report attached as Annex A therefore summarises the performance of the East Kent Audit Partnership (EKAP) and the work it has performed over the financial year 2012-13 for Dover District Council, and provides an overall assurance on the system for internal control based on the audit work undertaken throughout the year, in accordance with best practice.

1.3 The internal audit team is proactive in providing guidance on procedures where particular issues are identified during audit reviews. The aim is to minimise the risk of loss to the Authority by securing adequate internal controls. Partnership working for the service has added the opportunity for the EKAP to port best practice across the

four sites within the East Kent Cluster to help drive forward continuous service improvement.

- 1.4 During 2012-13 the EKAP delivered 103% of the agreed audit plan days, with 8.86 days carried over as work in progress at the year-end. The performance figures for the East Kent Audit Partnership as a whole for the year show impressive performance against targets, particularly as the EKAP has once again delivered financial savings against its agreed budget to all its partners in the delivery of the service.

Background Papers

- **Internal Audit Annual Plan 2012-13 - Previously presented to and approved at the March 2012 Governance Committee meeting.**
- **Internal Audit working papers - Held by the East Kent Audit Partnership.**

Resource Implications

Having delivered a cost per audit day in 2012-13 of £278.65 against the budget cost of £309.81 (a saving of 10%) this has resulted in a total budgetary saving for Dover District Council of £9,377.41.

There are no other financial implications arising directly from this report. The costs of the audit work have been met from the Financial Services 2012-13 budget.

Consultation Statement

Not Applicable.

Impact on Corporate Objectives and Corporate Risks

The recommendations arising from each individual internal audit review are designed to strengthen the Council's corporate governance arrangements, controls framework, counter fraud arrangements and risk management arrangements, as well as contributing to the provision of economic, efficient and effective services to the residents of the District. This report summarises of the work of the East Kent Audit Partnership for the year 2012-13 in accordance with the CiPFA Code and best practice.

Attachments

Annex A – East Kent Audit Partnership Annual Report 2012-13

CHRISTINE PARKER

Head of Audit Partnership

Annual Internal Audit Report for Dover District Council 2012-13

1. Introduction

The CIPFA Code of Practice for Internal Audit in Local Government for the United Kingdom 2006 defines internal audit as:

"An assurance function that primarily provides an independent and objective opinion to the organisation on the control environment comprising risk management, control and governance by evaluating its effectiveness in achieving the organisation's objectives. It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic efficient and effective use of resources."

A more detailed explanation, of the role and responsibilities of internal audit, is set out in the approved Audit Charter (approved by this Committee in March 2012 and reviewed annually). The East Kent Audit Partnership (EKAP) aims to comply with the CIPFA Code of Practice, and to this end has produced evidence to the s.151 and Monitoring Officers to assist the Council's review of the system of internal control in operation throughout the year. From 1st April 2013 new Public Sector Internal Audit Standards (PSIAS) come into force. Therefore the annual report for 2013-14 will compare EKAP activity against the new standard and any additional requirements placed upon Internal Audit will be reflected in future annual reports thereafter.

The key aim of the EKAP is to deliver a professional, cost effective, efficient, internal audit function to the partner organisations. The EKAP aims to have an enabling role in raising the standards of services across the partners through its unique position in assessing the relative standards of services across the partners. The EKAP is also a key element of each councils' anti fraud and corruption system by acting as a deterrent to would be internal perpetrators.

The four partners are all committed to the principles and benefits of a shared internal audit service, and have agreed a formal legal document setting out detailed arrangements. The statutory officers from each partner site (the s.151 Officer) together form the Client Officer Group and govern the partnership through bi-annual meetings.

This report is a summary of the year, a snapshot of the areas at the time they were reviewed and the results of follow up reviews to reflect the actions taken by management to address the control issues identified. The process that the EKAP adopts regarding following up the agreed recommendations will bring any outstanding high-risk areas to the attention of members via the quarterly reports, and through this annual report if there are any issues outstanding at the year-end.

2. Review of the Internal Control Environment

2.1 Risks and Assurances

The audit plan is agreed with members annually at the March Committee meeting following a risk assessment of all the key systems and issues facing the Council. This

assessment also ensures suitable time and resources are devoted to reviewing areas on a cyclical basis. The work of Internal Audit includes agreeing with service managers that a control risk exists and setting out a course of action to rectify this. The value of the advice given by Internal Audit is evidenced through the acceptance of the majority of audit recommendations, and the feedback from the customer satisfaction survey.

During 2012-13, 93 recommendations were made in the agreed final audit reports to Dover District Council. These are analysed as being High, Medium or Low risk in the following table:

Risk Criticality	No. of Recommendations	Percentage
High	45	48%
Medium	36	39%
Low	12	13%
TOTAL	93	100%

Naturally, more emphasis is placed on recommendations for improvement regarding high risks. Any high priority recommendations where management has not made progress in implementing the agreed system improvement are brought to management and members' attention through Internal Audit's quarterly update reports. During 2012-13 the EKAP has raised and reported to the quarterly Governance & Audit Committee meetings 93 recommendations, and whilst 87% were in the High or Medium Risk categories, none are so significant that they need to be escalated at this time.

Internal Audit applies one of four 'assurance opinions' to each review, please see Appendix A for the definitions. This provides a level of reliance that management can place on the system of internal control to deliver the goals and objectives covered in that particular review. The conclusions drawn are described as being "a snapshot in time" and the purpose of allocating an assurance level is so that risk is managed effectively and control improvements can be planned. Consequently, where the assurance level is either 'no' or 'limited', or where high priority recommendations have been identified, a follow up progress review is undertaken and, where appropriate, the assurance level is revised.

The summary of Assurance Levels issued on the 25 pieces of work commissioned for Dover District Council over the course of the year is as follows:

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

Assurance	No.	Percentage of Completed Reviews
Substantial	7	33%
Reasonable	9	43%
Limited	5*	24%
No	0	0 %
Work in Progress at Year-End	2	-
Not Applicable	2	-

* See list in the table below

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

Taken together 76% of the reviews account for substantial or reasonable assurance, whilst 24% of reviews placed a limited assurance to management on the system of internal control in operation at the time of the review. There were no reviews assessed as having no assurance.

For each recommendation, an implementation date is agreed with the Manager responsible for implementing it. Understandably, the follow up review is then timed to allow the service manager sufficient time to make progress in implementing the agreed actions against the agreed timescales. Those areas receiving either a 'limited' or 'no' assurance audit opinion during the year are detailed in the following table, these areas are also recorded as an appendix to the quarterly report until the follow up report is issued, so that they do not get overlooked. The results of any follow up reviews yet to be undertaken will therefore be reported to the quarterly committee at the appropriate time:

Area Under Review	Original Assurance	Follow Up Due/ Result
VAT	Limited	Quarter 3 2013-14
Data Protection	Limited	Quarter 3 2013-14
New Homes Bonus	Substantial/ Limited	Quarter 2 2013-14
Absence Management, Flexi and Annual Leave	Limited	Quarter 2 2013-14
Payroll Processing & Pay Accuracy SLA Performance Management SLA Governance Arrangements	Reasonable/ Limited / Limited	Complete – some progress however assurance levels remain the same.

2.2 Progress Reports

In agreeing the final Internal Audit Report, management accepts responsibility to take action to resolve all the risks highlighted in that final report. The EKAP carries out a follow up/progress review at an appropriate time after finalising an agreed report to test whether agreed action has in fact taken place and whether it has been effective in reducing risk.

As part of the follow up action, the recommendations under review are either:

- “closed” as they are successfully implemented, or
- “closed” as the recommendation is yet to be implemented but is on target, or
- (for medium or low risks only) “closed” as management has decided to tolerate the risk, or the circumstances have since changed.

At the conclusion of the follow up review the overall assurance level is re-assessed. As Internal Audit are tasked to perform one progress report per original audit and bring those findings back, it is at this juncture that any outstanding high-risks are escalated to the Governance and Audit Committee via the quarterly update report.

The results for the follow up activity for 2012-13 are set out below. The shift to the right in the third column in the table from the original opinion to the revised opinion also measures the positive impact that the EKAP has made on the system of internal control in operation throughout 2012-13.

Total Follow Ups undertaken 7	No Assurance	Limited Assurance	Reasonable Assurance	Substantial Assurance
Original Opinion	0	3	4	0
Revised Opinion	0	0	7	0

The three reviews with an original limited assurance, together with the result of the follow up report, are shown in the following table:

Area Under Review	Original Assurance	Follow Up Result
HRA Business Plan	Limited	Reasonable
Employee Health & Safety	Limited	Reasonable
Partnerships	Limited	Reasonable

Consequently, there are no fundamental issues of note arising from the audits and follow up undertaken in 2012-13. There are no reviews showing a limited assurance after follow up.

2.3 Special Investigations and Fraud Related Work

The prevention and detection of fraud and corruption is ultimately the responsibility of management however, the EKAP is aware of its own responsibility in this area and is alert to the risk of fraud and corruption. Consequently the EKAP structures its work in such a way as to maximise the probability of detecting any instances of fraud. The EKAP will immediately report to the relevant officer any detected fraud or corruption identified during the course of its work; or any areas where such risks exist.

The EKAP is, from time to time, required to carry out special investigations, including suspected fraud and irregularity investigations and other special projects. Whilst some reactive work was carried out during the year at the request of management, to include the role of investigator in two staff matters, there has been no fraud investigations conducted by the EKAP on behalf of Dover District Council.

2.4 Completion of Strategic Audit Plan

Appendix B shows the planned time for reviews undertaken, against actual time taken, follow up reviews and unplanned reviews resulting from any special investigations or management requests. 313.85 audit days were completed for Dover District Council during 2012-2013 (including the 4.99 days carried forward); this compares to the budgeted 300 days and equates to 102.91% plan completion. The 8.86 days ahead will be carried forward as work in progress at the year-end 2012-13. The EKAP was formed in October 2007; it completes a rolling programme of work to cover a defined number of days each year. As at the 31st March each year there is undoubtedly some "work in progress" at each of the partner sites; some naturally being slightly ahead and some being slightly behind in any given year. However, the progress in ensuring adequate coverage against the agreed audit plan of work since

2007-08 concludes that EKAP is 8.86 days ahead of schedule as we commence 2013-14, as shown in the table below.

Year	Days Required	Plus B/Fwd	Adjusted Requirement from EKAP	Days Delivered	Percentage Completed	Days Carried Forward
2008-09	450	0	450.00	459.33	102.07%	+9.33
2009-10	450	+9.33	440.67	431.22	97.80%	-18.78
2010-11	420	-9.45	429.45	445.21	103.60%	+25.21
2011-12	312	+15.76	296.24	291.25	98.32%	-20.75
2012-13	300	+4.99	304.99	313.85	102.91%	+13.85
Total	1932			1940.86	100.45%	+8.86

Appendix C shows the planned time for reviews undertaken, against actual time taken, follow up reviews and unplanned reviews resulting from any special investigations for East Kent Housing Ltd. Dover District Council contributed 25 days from its original plan in 2011-12 and 20 days in 2012-13 as its share in this four way arrangement. The EKH Annual Report in its full format will be presented to the EKH - Finance and Audit Sub Committee on July 4th 2013.

Appendix E shows the planned time for reviews undertaken, against actual time taken, follow up reviews and unplanned reviews resulting from any special investigations for East Kent Services. Dover District Council contributed 60 days from its original plan as its share in this three-way arrangement. As EKS is hosted by TDC, the EKS Annual Report in its full format, will be presented to the TDC- Governance & Audit Committee on June 26th 2013.

3. Overall assessment of the System of Internal Controls 2012-13

Based on the work of the EKAP on behalf of Dover District Council during 2012-13, the overall opinion is:

There are no major areas of concern, which would give rise to a qualified audit statement regarding the systems of internal control concerning either the main financial systems or overall systems of corporate governance. The Council can have very good level of assurance in respect of all of its main financial systems and a good level of assurance in respect of the majority of its Governance arrangements. Many of the main financial systems, which feed into the production of the Council's Financial Statements, have achieved a Substantial assurance level following audit reviews. The Council can therefore be very assured in these areas. This position is the result of improvements to the systems and procedures over recent years and the willingness of management to address areas of concern that have been raised.

There were five areas where only a limited assurance level was given which reflected a lack of confidence in arrangements, and this was brought to officers' attention. These reviews are shown in the table above (paragraph 2.1) along with the details of our planned follow up activity in (paragraph 2.2).

4. Significant issues arising in 2012-13

From the work undertaken during 2012-13, there were no instances of unsatisfactory responses to key control issues raised in internal audit reports by the end of the year. There are occasions when audit recommendations are not accepted for operational

reasons such as a manager's opinion that costs outweigh the risk, but none of these are significant and require reporting or escalation at this time. It is particularly pleasing to report that after follow up there were no high-risk recommendations outstanding at the year-end.

The review (shown in the table below) that was originally a partial Limited Assurance, which remained a partial Limited Assurance after follow up was noted at the Governance Committee at the March 2013 meeting.

Area Under Review	Assurance after Follow up (Date to Audit Cttee)	Management Action
Payroll Processing & Pay Accuracy SLA Performance Management SLA Governance Arrangements	Reasonable/ Limited / Limited March 2013	Some progress however assurance levels remain the same, some risks tolerated.

The reviews previously assessed as providing a Limited Assurance that are yet to be followed up are shown in the table below.

Area Under Review	Original Assurance (Date to G&A Cttee)	Progress Report
Business Continuity	Limited June 2011	WIP Q1 2013-14
CSO Compliance	Limited June 2012	Full audit planned for 2013-14

5. Internal Audit Performance

5.1 EKAP Resources

The EKAP has provided the service to the partners based on a FTE of 8. Additional audit days have been provided via audit consultants or contractors in order to meet the planned workloads. How much Internal Audit resource is provided to each of the partner authorities depends on a variety of factors, including the council's historical internal control environment and the new demands of meeting the requirements of corporate governance. Any changes in the agreed plans or the level of resources are reported quarterly to each audit committee and through regular meetings with each Section 151 Officer.

5.2 Skills and Development

The East Kent Audit Partnership is staffed by a mix of qualified and part-qualified officers, who all continue to develop their skills through a range of on-the-job training, external and in-house training courses and seminars and use of the corporate e-learning resource. Skills development during 2012-13 included:

- (a) Attendance by all Kent local authority internal audit staff at the Kent Audit Conference. This provides an opportunity to exchange knowledge and skills

and to receive guidance on current developments in the internal audit profession.

- (b) One member of staff continuing studies for AAT.
- (c) Use of modules on the corporate e-learning package.
- (d) Continuing to engage external audit providers, for specific audit assignments to maximise the skills that can be bought-in to enhance internal audit resources.

By using a mix of in-house expertise through the East Kent Audit Partnership and other outside resources the team is able to call upon a number of auditors with a wide range of skills and experience and also bring fresh insight into areas being audited as a means of securing the most effective and economic delivery of the service.

5.3. Plan Performance

The analysis in Appendix B shows the individual reviews that were completed during the year. As at 31st March 2013 delivery was slightly ahead of plan and EKAP had delivered 185.75 days against 182.49 owed (102%). The 3.26 days carried forward will be adjusted in 2013-14 as part of the rolling five-year plan process. The EKAP has not achieved 100% plan completion at all sites this year, and this was a decision made collectively by the s151 Officers who directed the EKAP to deliver a financial saving over achieving 100% of the agreed plans.

5.4 Internal Audit Performance against its Targets

Internal Audit is committed to continuous improvement and has various measures to ensure the service can strive to achieve its goals and ambitions. The performance measures and indicators for the year are shown in the balanced scorecard of performance measures at Appendix E.

5.4.1 Satisfaction with Internal Audit Service

EKAP uses an electronic client satisfaction questionnaire, which is issued at the conclusion of each audit to receive feedback on the quality and perception of the service. The results and comments made by auditees and service managers are reported quarterly to committee. Additional requests for advice and specific audit requests by management are also indicative of the value placed upon the service received from EKAP. Customer feedback is used to drive continuous improvement within the service, where appropriate constructive feedback is received it is discussed at a team meeting and any improvement actions taken as a result are reflected in a change to the Audit Manual, which records in detail all the work instructions to the auditors.

5.4.2 Internal Quality Assurance and Performance Management.

All internal audit reports are subject to review, either by the relevant EKAP Deputy Head of Audit or Head of the Audit Partnership; all of who are Chartered Internal Auditors. In each case this includes a detailed examination of the working papers, action and review points, at all stages of report. The review process is recorded and evidenced within the working paper index and in a table at the end of each audit report. Detailed work instructions are documented within the Audit Manual. The Head of Audit Partnership collates performance data monthly and, together with the monitoring of the delivery of the agreed audit plan carried out by the relevant Deputy Head of Audit, regular meetings are held with the s.151 Officer. The minutes to

these meetings provide additional evidence to the strategic management of the EKAP performance.

5.4.3 External Quality Assurance

The Audit Commission has previously carried out a light touch annual assessment and a more detailed quality assessment of internal audit every three years. The Audit Commission ceased to be the council's External Auditors in November 2012, the new appointed auditors, Grant Thornton, have conducted a review in February 2013 of the Internal Audit arrangements at EKAP. Their report is currently awaited.

The EKAP self-assessment of the level of CIPFA Code compliance shows that EKAP is currently 97% compliant against a target of 97%. There are no identified actions to improve this score.

The Accounts & Audit Regulations require that each authority undertake an annual review of the effectiveness of internal audit arrangements and to report this alongside the Annual Governance Statement within the Council's Statement of Accounts. Consequently, this report, summarising the achievements of Internal Audit for the year to 31st March 2013, is also designed to feed into that overall assessment process.

5.4.4 Liaison between Internal Audit and External Audit.

Joint liaison meetings with the Audit Commission's audit managers for the partner authorities and the EKAP were held prior to the changeover to Grant Thornton to ensure adequate audit coverage, to agree any complementary work and to avoid any duplication of effort. To date the Internal Audit Team has met once with Grant Thornton as they have taken over as the Council's External Auditors. The EKAP has not met with any other review body during the year in its role as the Internal Auditor to Dover District Council. Consequently, the assurance, which follows is based on EKAP reviews of Dover District Council's services.

5.4.5 Financial Performance

Expenditure and recharges for year 2012-13 are all in line with the budget. The financial management of the Internal Audit cost centre held by Dover District Council has performed well and has delivered a 10% saving against budget.

The EKAP has been able to exceed its targets for financial performance for 2012-13 through careful financial management. The EKAP now has a track record for bringing down daily rates (see table below). This daily rate excludes any internal recharges that are added to the service by the Council, which are not under the control or management of the EKAP. This equates to a saving of £31.26 per day against the original target for 2012-13 of £309.91/day; a total financial saving to Dover District Council of £9,377.41 for 2012-13.

Year	Cost / Audit Day
2006-07	£288
2007-08	£277
2008-09	£262 (Reserve Refunded to Partners)
2009-10	£281
2010-11	£268
2011-12	£257

Year	Cost / Audit Day
2012.13	£279

The EKAP was formed to provide a resilient, professional service and therefore to achieve financial savings was not the main driver, despite this considerable efficiencies have been gained through forming the partnership. Additionally, external fee earning work that has been carried out, this year some £17,802 was procured from EKAP for Interreg Grant reviews which reduces the costs to the partners. The net result is a reduced EKAP cost per audit day of some £31 per day below the original budget estimate. In the current climate this is excellent performance and the partner authorities have all enjoyed the overall savings of £42,824 generated by the EKAP.

6. Overall Conclusion

The Internal Audit function provided by the EKAP has performed well against its targets for the year. Clearly there have been some adjustments to the original audit plan for the year 2012-13, however, this is as expected and there are no matters of concern to be raised at this time.

The work of Internal Audit and this report contribute to the overall internal control environment in operation within the Council, and also assists in providing an audit trail to the statements that must be published annually with the financial accounts. The EKAP assesses the overall system of internal control in operation throughout 2012-13 as providing reasonable assurance. No system of control can provide absolute assurance, nor can Internal Audit give that assurance. This statement is intended to provide reasonable assurance that there is an ongoing process for identifying, evaluating and managing the key risks.

AUDIT ASSURANCE

Definition of Audit Assurance Statements

Substantial Assurance

From the testing completed during this review a sound system of control is currently being managed and achieved. All of the necessary, key controls of the system are in place. Any errors found were minor and not indicative of system faults. These may however result in a negligible level of risk to the achievement of the system objectives.

Reasonable Assurance

From the testing completed during this review most of the necessary controls of the system in place are managed and achieved. There is evidence of non-compliance with some of the key controls resulting in a marginal level of risk to the achievement of the system objectives. Scope for improvement has been identified, strengthening existing controls or recommending new controls.

Limited Assurance

From the testing completed during this review some of the necessary controls of the system are in place, managed and achieved. There is evidence of significant errors or non-compliance with many key controls not operating as intended resulting in a risk to the achievement of the system objectives. Scope for improvement has been identified, improving existing controls or recommending new controls.

No Assurance

From the testing completed during this review a substantial number of the necessary key controls of the system have been identified as absent or weak. There is evidence of substantial errors or non-compliance with many key controls leaving the system open to fundamental error or abuse. The requirement for urgent improvement has been identified, to improve existing controls or new controls should be introduced to reduce the critical risk.

Performance Against the Agreed 2012-13 Audit Plan

Dover District Council

Review	Original Planned Days	Revised Planned Days	Actual days to 31-03-13	Status and Assurance Level
FINANCIAL SYSTEMS:				
Car Parking Income & Enforcement	10	13	13.22	Finalised - Reasonable
Bank Reconciliation	5	5	5.69	Finalised - Substantial
Creditors and CIS	10	12	12.05	Finalised - Reasonable
Income	10	10	9.71	Finalised - Substantial
VAT Compliance	8	10	11.81	Finalised – Reasonable/Limited
Insurance & Inventories of Portable Assets	12	0	0	Deferred
RESIDUAL HOUSING SYSTEMS:				
Housing Allocations	10	10	12.27	Finalised - Reasonable
GOVERNANCE RELATED:				
Governance Investigations	12	25	25.08	Finalised
Officers' Code of Conduct, Gifts & Hospitality, and Whistleblowing	8	8	9.55	Finalised - Reasonable
Equality & Diversity	10	10	0.17	Deferred
Contingency for an audit of VfM Strategy or Contribute to DES Projects	10	0	0	Deferred
Data Protection Act Compliance	10	15	21.27	Finalised – Reasonable/ Limited
Business Continuity & Emergency Planning	10	0	0.2	Deferred
New Homes Bonus Validation	2	2	3.92	Finalised
Risk Management	9	9	11.18	Finalised - Reasonable
Corporate Advice/CMT	2	2	8.99	Finalised for 2012-13
s.151 Meetings and support	9	9	10.21	Finalised for 2012-13
Governance Committee Meetings and Reports	12	12	11.81	Finalised for 2012-13
2013-14 Audit Plan Preparation and Meetings	9	9	10.94	Finalised for 2012-13

Review	Original Planned Days	Revised Planned Days	Actual days to 31-03-13	Status and Assurance Level
SERVICE LEVEL:				
Dog Warden and Enforcement	8	12	11.91	Finalised - Reasonable
Environmental Health - Environmental Protection Service Requests	8	8	7.02	Finalised - Substantial
Environmental Health - Port Health	8	8	5.89	Finalised - Substantial
Environmental Health - Health & Safety at Work	8	8	11.11	Finalised - Substantial
Licensing	10	13	18.63	Finalised - Reasonable
Events Management	8	8	3.19	Finalised
Let Properties and Concessions	10	10	15.3	Finalised - Reasonable
Members' Allowances	8	8	6.41	Finalised - Substantial
Sports and Leisure - VISTA	12	12	9.09	Finalised – Substantial/ Reasonable
Dover Museum and Visitor Information Arrangements	19	19	8.3	Work-in-Progress
OTHER				
Liaison with External Auditors	3	3	1.51	Finalised for 2012-13
Follow-up Work	17	8	5.92	Finalised for 2012-13
UNPLANNED WORK				
Internet Monitoring	0	1	1.17	Finalised
Homelessness of Young People	0	11	10.59	Finalised - Substantial
FINALISATION OF 2011-12 AUDITS				
Absence Management, Flexi and Annual Leave	0	0	8.09	Work-in-Progress
Waste Management			0.95	Finalised
Main Accounting Systems			0.12	Finalised
Compliance with Contract Standing Orders			0.64	Finalised
Days under delivered in 2011-12	0	0	-4.99	Finalised
EK HUMAN RESOURCES				
Recruitment	5	5	4	Work-in-Progress
Payroll, SMP and SSP	5	5	5.94	Finalised – Reasonable/Limited

Review	Original Planned Days	Revised Planned Days	Actual days to 31-03-13	Status and Assurance Level
HR Systems Development – I-Trent project.	3	0	0	Not Required
TOTAL - DOVER DISTRICT COUNCIL RESIDUAL DAYS	300	300	308.86	102% complete as at 31st March 2013

Performance against the Agreed 2012-13 EKH Audit Plan

Review	Original Planned Days	Revised Planned Days	Actual days to 31-03-13	Status and Assurance Level
Planned Work:				
Audit Committee/EA liaison/Advice	4	5	8.20	N/A
Repairs and Maintenance – Planned, responsive and Cyclical repairs.	30	25	28.55	Work-in-Progress
Sheltered and Supported Housing	16	0	0	Delayed until Quarter 2 of 2013-14
Tenancy and Estate Management	30	30.35	30.88	Finalised - Reasonable
Finalisation of 2011-12 Audits:				
Rent Calculation, Collections and Arrears Management	17.35	8.2	7.05	Finalised - Reasonable
Finance and ICT			1.15	Finalised - Substantial
Follow Ups Completed;-			Revised Assurance	
Finance & ICT	7	1	0.95	Substantial
Tenant H&S		1	0.95	Reasonable
Corporate Governance		1	0.57	Reasonable
Rents		1	1.11	Reasonable
Leaseholder Charges		3	2.97	Reasonable
Responsive Work:				
CCC Capital and Revenue Budget	0	8	7.88	Finalised
TDC Repairs and Maintenance	0	10	10.03	Draft Report
Former Tenant Arrears Policy – Advice	0	1	0.96	Finalised
Current Tenant Arrears Policy – Advice	0	1.5	1.49	Finalised
CSO and Anti-Fraud Presentation	0	1.3	1.28	Finalised
Total	97.35	97.35	104	107% Complete as at 31-03-2013

Performance against the Agreed 2012-13 EKS Audit Plan

Area	Original Planned Days	Revised Budgeted Days	Actual days to 31.03.2013	Status and Assurance Level
EK SERVICES SYSTEMS:				
Benefits - Payments	15	15	13.58	Complete - Substantial
Benefits – Admin & Assessment	30	30	17.72	WIP
Council Tax	23	23	22.68	Complete - Substantial
ICT Network Security	15	15	6.15	WIP
ICT Procurement & Disposals	15	5	5.20	Complete - Reasonable
ICT Software Licensing	15	12	11.27	Complete - Limited
DDC HB Testing	20	26	25.31	N/A
TDC HB Testing	20	27	26.84	N/A
EKS Corporate (Reports/Advice/etc)	0	3	3.11	-
Work Carried over from 2011-12 Total 25.1 Days;-				
Customer Services / Gateway	0	10	8.08	Complete - Reasonable
ICT Physical Environment	0	15.1	13.01	Complete - Reasonable
Follow Ups			Revised Assurance	
Housing Benefit Fraud			1.05	Reasonable
Sundry Debtors	7	4	1.84	Substantial / Reasonable
Business Rates			0.43	Reasonable
ICT Internet & Email			0.72	Reasonable
Sub-Total - EK Services days	160	185.10	156.99	84.81% Complete as at 31-03-2013



Balanced Scorecard

INTERNAL PROCESSES PERSPECTIVE:	2012-13 Actual	Target	FINANCIAL PERSPECTIVE:	2012-13 Actual	Target
	Quarter 4				
Chargeable as % of available days	84%	80%	Reported Annually		
Chargeable days as % of planned days			Direct Costs (Under EKAP management)	£388,189	£408,270
CCC	102%	100%	Indirect Costs (Recharges from Host)	£11,369	£16,310
DDC	103%	100%	'Unplanned Income'	£17,802	Zero
SDC	86%	100%	Net overall Cost Shared Between Partners	£381,756	£424,580
TDC	97%	100%	Overall Saving Delivered Across Partners = 10%	£42,824	Zero
EKS	85%	100%	Cost per Audit Day	£278.65	£309.81
EKH	107%	100%			
Overall	95%	100%			
Follow up/ Progress Reviews; (all sites)					
• Issued	54	-			
• Not yet due	25	-			
• Now overdue for Follow Up	25	-			
Percentage compliance with the CIPFA Code for Internal Audit 2006	97%	97%			

<u>CUSTOMER PERSPECTIVE:</u>	<u>2012-13 Actual</u>	<u>Target</u>	<u>INNOVATION & LEARNING PERSPECTIVE:</u>	<u>2012-13 Actual</u>	<u>Target</u>
	Quarter 4		Quarter 4		
Number of Satisfaction Questionnaires Issued;	94		Percentage of staff qualified to relevant technician level	75%	75%
Number of completed questionnaires received back;	39 (=41%)		Percentage of staff holding a relevant higher level qualification	33%	33%
Percentage of Customers who felt that;			Percentage of staff studying for a relevant professional qualification	13%	13%
<ul style="list-style-type: none"> • Interviews were conducted in a professional manner • The audit report was 'Excellent or Very Good' • That the audit was worthwhile. 	100%	100%	Number of days technical training per FTE	5.74	3.5
	90%	90%	Percentage of staff meeting formal CPD requirements	33%	33%
	97%	100%			