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| Subject: | ANNUAL INTERNAL AUDIT REPORT |
| Meeting and Date: | Governance Committee – 29th June 2022 |
| Report of: | Christine Parker – Head of Audit Partnership |
| Decision Type: | Non-key |
| Classification: | Unrestricted |
| Purpose of the report: | This report provides a summary of the work undertaken by the East Kent Audit Partnership to support the annual opinion. The report includes the Head of Audit Partnership's opinion on the overall adequacy and effectiveness of the system of internal control in operation and informs the Annual Governance Statement for 2022-23, together with details of the performance of the EKAP against its targets for the year ending 31 st March 2023. |
| Recommendation: | That Members note the Opinion of the Head of Audit Partnership. That Members note the Annual Report detailing the work of the EKAP and its performance to underpin the 2022-23 opinion. |

Internal Audit Annual Report 2022-23.

SUMMARY

The main points to note from the attached report are 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 for 2022-23.

1.0 INTRODUCTION

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

- Provide an opinion on the overall adequacy and effectiveness of the Council's internal control environment.
- Present a summary of the internal audit work undertaken to formulate the opinion, including reliance placed on work by other assurance bodies,
- Draw attention to any issues the Head of the Audit Partnership judges particularly relevant to the preparation of the Annual Governance Statement.
- Compare actual audit activity with that planned, and summarise the performance of Internal Audit against its performance criteria.
- Comment on compliance with the Public Sector Internal Audit Standards (PSIAS) and report the results of the Internal Audit quality assurance programme.
- Confirm annually that EKAP is organisationally independent, whether there have been any resource limitations or instances of restricted access.

1.2 The report attached as Annex A therefore summarises the performance of the East Kent Audit Partnership (EKAP) and the work it has performed over the financial year 2022-23 for Dover District Council, and provides an opinion on the system for governance, risk

management and internal control based on the audit work undertaken throughout the year, in accordance with best practice. In providing this opinion, this report supports the Annual Governance Statement.

- 1.3 The EKAP delivered 99.61% of the agreed audit plan days to DDC. The performance figures for the East Kent Audit Partnership as a whole for the year show good performance against the targets. It is the opinion of the Head of Audit that sufficient work has been undertaken to be able to support an opinion for 2022-23.
- 1.4 No system of control can provide absolute assurance, nor can Internal Audit give that assurance. This opinion is intended to provide assurance that there is an ongoing process for identifying, evaluating and managing the key risks.

Background Papers

- **Internal Audit Annual Plan 2022-23 - Previously presented to and approved by the Governance Committee.**
- **Internal Audit working papers - Held by the East Kent Audit Partnership.**

Resource Implications

There are no financial implications arising directly from this report. The costs of the internal audit work have been met from the Financial Services 2022-23 budget.

Consultation Statement

Not Applicable.

Impact on Corporate Objectives and Corporate Risks

The recommendations arising from each individual internal audit review are designed to strengthen the Council's corporate governance arrangements, control framework, counter fraud arrangements and risk management arrangements, as well as contributing to the provision of economic, efficient and effective services to the residents of the District. This report summarises the work of the East Kent Audit Partnership for the year 2022-23 in accordance with the Public Sector Internal Audit Standards.

Attachments

Annex A – East Kent Audit Partnership Annual Report 2022-23

CHRISTINE PARKER
Head of Audit Partnership

Internal Audit Annual Report for Dover District Council 2022-23

1. Introduction

The Public Sector Internal Audit Standard (PSIAS) defines internal audit as:

“Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve an organisation’s operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.”

A more detailed explanation, of the role and responsibilities of internal audit, is set out in the approved Audit Charter. The East Kent Audit Partnership (EKAP) aims to comply with the PSIAS, and to this end has produced evidence to the s.151 and Monitoring Officers to assist the Council’s review of the system of internal control in operation throughout the year.

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

2. Objectives

The majority of reviews undertaken by Internal Audit are designed to provide assurance on the operation of the Council’s internal control environment. At the end of an audit we provide recommendations and agree actions with management that will, if implemented, further enhance the environment of the controls in practice. Other work undertaken, includes the provision of specific advice and support to management to enhance the economy, efficiency and effectiveness of the services for which they are responsible. The annual audit plan is informed by special investigations and anti-fraud work carried out as well as the governance processes and risk management framework of the Council.

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

The four partners are all committed to the principles and benefits of a shared internal audit service and have agreed a formal legal document setting out detailed arrangements. The statutory officers from each partner site (the s.151 Officer) together form the Client Officer Group and govern the partnership through annual meetings. The shared arrangement for EKAP also secures organisational independence, which in turn assists EKAP in making conclusions about any resource limitations or ensuring there are no instances of restricted access.

3. Internal Audit Performance Against Targets

3.1 EKAP Resources

The EKAP has provided the service to the partners based on a FTE of 7.23.

3.2 Performance against Targets

The EKAP is committed to continuous improvement and has various measures to ensure the service can strive to improve. The performance measures and indicators for the year are shown in the balanced scorecard of performance measures at Appendix 4. The measures themselves were reviewed by the Client Officer Group at their annual meeting and no changes were made.

3.3 Internal Quality Assurance and Performance Management.

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

3.4 External Quality Assurance

The external auditors, Grant Thornton, conducted a review in February 2023 of the Internal Audit arrangements. They have concluded that, where possible, they can place reliance on the work of the EKAP. See also 3.6.1 below.

3.5 Liaison between Internal Audit and External Audit

Liaison with the audit managers from Grant Thornton for the partner authorities and the EKAP is undertaken largely via email to ensure adequate audit coverage, to agree any complementary work and to avoid any duplication of effort. The EKAP has not met with any other review body during the year in its role as the Internal Auditor to Dover District Council. Consequently, the assurance, which follows is based on EKAP reviews of Dover District Council's services.

3.6 Compliance with Professional Standards

- 3.6.1 The EKAP self-assessment of the level of compliance against the Public Sector Internal Audit Standards shows that some actions are required to achieve full compliance which EKAP will continue to work towards. There is however, no appetite with the Client Officer Group to undertake an External Quality Assessment of the EKAP's level of compliance, relying on a review by the s.151 officers of the self-assessment, and the collective view of the EKAP Client Officer Group. Consequently, the EKAP can say that it partially conforms with PSIAS and this risk is noted in the AGS.
- 3.6.2 The internal audit activity adds value to the organisation (and its stakeholders) when it provides objective and relevant assurance, and contributes to the effectiveness and efficiency of governance, risk management and control processes.
- 3.6.3 The EKAP as required by the standards has demonstrated that it achieved the Core Principles in three key ways. Firstly, by fulfilling the definition of Internal Auditing which is the statement of fundamental purpose, nature and scope of internal auditing. The definition is authoritative guidance for the internal audit profession (and is shown at paragraph 1 above). Secondly, by demonstrating that it has been effective in achieving its mission showing that it; -

- Demonstrates integrity.
- Demonstrates competence and due professional care.
- Is objective and free from undue influence (independent).
- Aligns with the strategies, objectives, and risks of the organisation.
- Is appropriately positioned and adequately resourced.
- Demonstrates quality and continuous improvement.
- Communicates effectively.
- Provides risk-based assurance.
- Is insightful, proactive, and future-focused.
- Promotes organisational improvement.

And thirdly, by complying with The Code of Ethics, which is a statement of principles and expectations governing behaviour of individuals and organisations in the conduct of internal auditing. The Rules of Conduct describe behaviour norms expected of internal auditors. These rules are an aid to interpreting the Core Principles into practical applications and are intended to guide the ethical conduct of internal auditors. Throughout 2022-23 the EKAP has been able to operate with strong independence, free from any undue influence of either officers or Members.

3.7 Financial Performance

Expenditure and recharges for the year are in line with the Internal Audit cost centre hosted by Dover District Council. Some unplanned income has created a minor saving in year. The EKAP was formed to provide a resilient, professional service and therefore achieving financial savings was not the main driver, despite this, efficiencies have been gained through forming the partnership. The partnership councils have each received a refund of a share of £7,136.76 based on the number of days per partner in the overall plan. This has also reduced the cost per audit day. (See Appendix 4 for full details).

4. Overview of Work Done

The original audit plan for 2022-23 included a total of 24 projects. EKAP has communicated closely with the s.151 Officer, CMT and this Committee to ensure the projects undertaken continued to represent the best use of resources. As a result of this liaison some changes to the plan were agreed during the year. A few projects (8) have therefore been pushed back in the overall strategic plan, to permit one higher risk project to come forward in the plan and to finalise (10) projects from the 2021-22 plan. The total number of projects completed was 25, with 2 being work in progress at the year-end to be finalised in April.

Review of the Internal Control Environment

4.1 Risks

During 2022-23, 97 recommendations were made in the agreed final audit reports to Dover District Council. These are analysed as being Critical, High, Medium or Low risk in the following table:

| Risk Criticality | No. of Recommendations | Percentage |
|------------------|------------------------|-------------|
| Critical | 2 | 2% |
| High | 33 | 35% |
| Medium | 34 | 36% |
| Low | 26 | 27% |
| TOTAL | 97 | 100% |

Naturally, more emphasis is placed on recommendations for improvement regarding critical and 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 2022-23 the EKAP has raised and escalated seven recommendations to the quarterly Governance Committee meetings. Across the year a total of 97 recommendations were agreed, and whilst 37% were in the Critical or High-Risk categories, none require further escalation at this time.

4.2 Assurances

Internal Audit applies one of four 'assurance opinions' to each review, please see Appendix 1 for the definitions. This provides a level of reliance that management can place on the system of internal control to deliver the goals and objectives covered in that particular review. The conclusions drawn are described as being "a snapshot in time" and the purpose of allocating an assurance level is so that risk is managed effectively, and control improvements can be planned. Consequently, where the assurance level is either 'no' or 'limited', or where high priority recommendations have been identified, a follow up progress review is undertaken and, where appropriate, the assurance level is revised.

The summary of Assurance Levels issued on the fifteen pieces of completed work for Dover District Council, together with the finalisation of the ten 2021-22 audits is as follows:

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

| Assurance | No. | Percentage of Completed Reviews |
|------------------------------|-----|---------------------------------|
| Substantial | 3 | 14% |
| Reasonable | 9 | 43% |
| Limited | 8 | 38% |
| No | 1 | 5% |
| Not Applicable | 4 | - |
| Work in Progress at Year-End | 2 | - |

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

Taken together 57% of the twenty-one reviews (with an assurance level) account for substantial or reasonable assurance. and 43% of reviews received a low level of assurance to management on the system of internal control in operation at the time of the review. (Please see Section 4.3 on Progress Reports).

There were nine reviews completed on behalf of EK Services and the assurances for these audits were – six Substantial, one (partially) Limited, two Not Applicable, one review was work in progress at the year-end and none were Deferred. Information is provided in Appendix 3.

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. The results of any follow up reviews yet to be undertaken will be reported to the Committee at the appropriate time.

4.3 Progress Reports

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

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

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

At the conclusion of the follow up review the overall assurance level is re-assessed.

The results for the follow up activity for 2022-23 are set out below. The shift to the right 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 governance, risk and internal control in operation throughout the year.

| Total Follow Ups undertaken 8 | N/A | No Assurance | Limited Assurance | Reasonable Assurance | Substantial Assurance |
|--------------------------------------|------------|---------------------|--------------------------|-----------------------------|------------------------------|
| Original Opinion | 1 | 0 | 0 | 5 | 2 |
| Revised Opinion | 1 | 0 | 0 | 2 | 5 |

There were no reviews that required escalation to the Governance Committee during the year.

EK Services received four follow-ups; the revised assurances for each were Substantial, there were none with a Limited assurance after follow up.

Consequently, the areas with fundamental issues of note arising from the audits and follow up undertaken in the year have been resolved, or escalated to the Governance Committee, during the year.

Reviews previously assessed as providing a (partially) Limited or No Assurance that are yet to be followed up are shown in the table at 5.2 below. The progress reports for these will be reported to the Committee at the meeting following completion of the follow up.

4.4 Special Investigations and Fraud Related Work

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

The EKAP is, from time to time, required to carry out special investigations, including suspected fraud and irregularity investigations and other special projects. Whilst some responsive assurance work was carried out during the year at the request of management, there were no fraud investigations conducted by the EKAP on behalf of Dover District Council.

The EKAP is named in the Council's whistleblowing policy as a route to safely raise concerns regarding irregularities, for which EKAP manages the Hotline (24-hour answer machine service) 01304 872198.

The internal audit team will build on its data analytical skills and will continue to develop exploring the opportunity to discover fraud and error by comparing different data sets and matching data via the use of specialist auditing software.

4.5 Completion of Audit Plan

Appendix 2 shows the planned time for reviews undertaken, against actual time taken, follow up reviews, responsive assurance work and reviews resulting from any special investigations or management requests. 298.83 audit days were completed for Dover District Council which represents 99.61% plan completion.

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. The Balanced Scorecard at Appendix 4 provides the overview of plan completion across the partnership.

Appendix 3 shows the planned time for reviews undertaken, against actual time taken, follow up reviews and unplanned reviews resulting from any special investigations for East Kent 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 26th July 2023.

5. Overall Opinion 2022-23

It is a requirement of s.151 of the Local Government Act 1974 for the Council to maintain an 'effective' internal audit function, when forming my opinion on the Council's overall system of control, I need to have regard to the amount of work which we have undertaken upon which I am basing my opinion. Having completed 99.61% of the planned days, there is sufficient underpinning evidence to provide my opinion, as follows;

5.1 Corporate Governance

Corporate Governance is defined as being the structure of rules, practices and processes that direct and control the Council. To support the Head of Audit's Opinion the EKAP undertakes specific reviews (on a rotational basis) aligned to these processes as a part of the Audit Plan. Complaints Monitoring and Compliance with GDPR were two Governance reviews undertaken in the year, with the Scheme of Delegation being deferred. For 2022-23 the Head of Audit Partnership is satisfied the Council complies with Corporate Governance guidance.

5.2 Internal Control

The EKAP has been commissioned to perform only one follow up, during 2022-23 there were no reviews with a Limited Assurance after follow up, and there were seven recommendations originally assessed as critical or high risk, which remained a high priority and outstanding after follow up escalated to the Governance Committee during the year.

The eight reviews assessed as providing a Limited or No Assurance that are yet to be followed up are shown in the table below. The progress reports for these will be reported to the Committee at the meeting following completion of the follow up. 43% of the 21 assurance reviews completed received a (partially) Limited or no assurance, which is higher than is

usual. Management has agreed an action plan of internal control improvements for each review.

| Area Under Review | Original Assurance (Date to A&G Cttee) | Progress Report Due |
|---------------------------------------|---|------------------------|
| Garden Waste | Reasonable/ Limited (December 2022) | Quarter 1 2023-24 |
| Grounds Maintenance | Limited (December 2022) | Quarter 1 2023-24 |
| Absence Management | Reasonable /Limited (March 2023) | Quarter 2 2023-24 |
| Planning Applications, Income & s.106 | Reasonable/ Limited (March 2023) | Quarter 2 2023-24 |
| GDPR Compliance within Housing | Limited (June 2023) | Quarter 3 2023-24 |
| Safeguarding (Final Draft) | Limited (June 2023) | Quarter 4 2023-24 |
| Phones, Mobiles & Utilities | Reasonable/ Limited (December 2022) | Quarter 1 2023-24 |
| Car Parking & Enforcement | No (June 2023) | Quarter 4 2023-24 |

The audit of VAT was deferred at the request of management, as issues relating to the new financial management system had led to VAT claims not being submitted to the HMRC for (at the time) 15 months. Whilst we have been unable to undertake the audit, the information obtained from Management at this time could lead us to conclude a No Assurance opinion due to the likelihood of fines from the HMRC for the late filing of returns, the cashflow implication of the circa £3m in repayment due to the Council and the lack of a partial exemption calculation. The Council is tolerating these risks and resources have been secured to rectify the situation. The independent review of VAT will most likely be postponed until management has cleared the backlog of outstanding VAT reclaims and has resolved the coding issue that has been the root cause of the problem.

For East Kent Services, there is one review previously assessed as providing a partially Limited Assurance that is yet to be followed up (Data Management).

The Head of Audit Partnership is satisfied the Council can place assurance on the aspects of the systems of control tested and in operation during 2022-23.

5.3 Risk Management

The Council keeps a corporate risk register. The Governance Committee are responsible for overseeing the risk management framework, it received the Corporate Risk Register in December 2022, and requested this to be an annual process, alongside the top five risks now being presented quarterly to O&S.

The EKAP has not reviewed the Council's Risk Management arrangements during 2022-23. The previous review was completed in March 2020 resulting with a Reasonable Assurance, with actions agreed regarding the Council's failure to comply with best practice. Omissions which I conclude prevent this committee from fully discharging its responsibilities in respect of risk management in accordance with best practice, and this should be reflected in the AGS.

The area is included for review as part of the 2023-24 audit plan.

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.

**Performance against the Agreed 2022-23
Dover District Council Audit Plan**

| Review | Original Planned Days | Revised Planned Days | Actual days to 31-03-23 | Status and Assurance Level |
|---|-----------------------------|----------------------------|-------------------------------|---|
| FINANCIAL SYSTEMS: | | | | |
| Income, Cash Collection & Bank Rec. | 10 | 0 | 0.91 | Deferred |
| VAT | 10 | 2 | 1.27 | Postponed to 2023-24 at client request |
| Insurance & Inventories of Portable Assets | 10 | 0 | 0.18 | Deferred |
| HOUSING SYSTEMS: | | | | |
| Housing Allocations | 10 | 10 | 11.42 | Finalised – Reasonable |
| Private Sector Housing | 10 | 10 | 12.21 | Finalised – Reasonable |
| Right to Buy | 10 | 10 | 10.17 | Finalised – Reasonable |
| Repairs & Maintenance & Void Property Management. | 10 | 10 | 16.02 | Finalised – Reasonable |
| Leasehold Services | 12 | 12 | 3.27 | Work-in-Progress |
| Sheltered Housing | 10 | 10 | 10.01 | Finalised – Substantial |
| HR RELATED: | | | | |
| Absence Management | 10 | 10 | 11.95 | Finalised – Limited/ Reasonable |
| GOVERNANCE RELATED: | | | | |
| GDPR, FOI & Information Management | 12 | 12 | 12.68 | Finalised – Limited |
| Complaints Monitoring | 10 | 10 | 10.98 | Finalised – Substantial |
| Scheme of Officer Delegations | 10 | 0 | 0 | Deferred |
| Corporate Advice/CMT | 2 | 5 | 4.82 | Finalised |
| s.151 Meetings & Support | 9 | 12 | 12.22 | Finalised |
| Governance Committee Meetings & Reports | 12 | 14 | 13.77 | Finalised |
| Audit Plan Preparation & Meetings | 9 | 11 | 11.58 | Finalised |
| COUNTER FRAUD & CORRUPTION: | | | | |
| Counter Fraud & Corruption | 10 | 0 | 0 | Postponed to 2023-24 |
| SERVICE LEVEL: | | | | |
| Employee Health & Safety | 10 | 10 | 9.93 | Finalised – Reasonable |
| Safeguarding | 10 | 10 | 10.99 | Finalised – Limited |

| Review | Original Planned Days | Revised Planned Days | Actual days to 31-03-23 | Status and Assurance Level |
|--|-----------------------------|----------------------------|-------------------------------|------------------------------------|
| Port Health – Consultancy | 10 | 8 | 6.04 | Finalised – N/A |
| Port Health – Assurance | 10 | 0 | 0 | Postponed to 2023-24 |
| Climate Change | 5 | 5 | 5.45 | Finalised – N/A |
| Food Safety | 10 | 10 | 10.16 | Finalised – Substantial |
| Planning Applications, Income & s106 | 12 | 12 | 15.07 | Finalised – Reasonable/ Limited |
| Corporate Plan, Local Plan & MTFP | 10 | 0 | 0 | Deferred |
| Building Control | 10 | 0 | 0 | Deferred |
| Waste Management | 15 | 0 | 0 | Postponed to 2023-24 |
| OTHER: | | | | |
| Liaison with External Auditors | 1 | 1 | 0.45 | Finalised |
| Follow-up Work | 15 | 15 | 12.49 | Finalised |
| FINALISATION OF 2021-22 AUDITS: | | | | |
| Digital/ Cloud Computing | 5 | 55 | 10.64 | Finalised – Reasonable |
| Environmental Protection | | | 0.77 | Finalised – Reasonable |
| CSO Compliance | | | 0.14 | Finalised – Reasonable |
| Grounds Maintenance | | | 12.47 | Finalised – Limited/ Reasonable |
| Tenancy & Estate Management | | | 0.45 | Finalised – N/A |
| Budgetary Control | | | 3.14 | Finalised – Reasonable |
| Phones, Mobiles & Utilities | | | 14.70 | Finalised – Reasonable/ Limited |
| Recruitment | | | 4.73 | Finalised – Reasonable |
| Main Accounting System – Post Implementation Review | | | 12.67 | Finalised – N/A |
| Garden Waste & Recycling Income | | | 14.94 | Finalised – Limited |
| RESPONSIVE ASSURANCE: | | | | |
| Car Parking & Enforcement | 0 | 10 | 10.17 | Finalised – No Assurance |
| TOTAL | 300 | 300 | 298.83 | 99.62% |

**Performance against the Agreed 2022-23
East Kent Services Audit Plan**

| Review | Original Planned Days | Revised Planned Days | Actual days to 31/03/2023 | Status and Assurance Level |
|--|--------------------------------------|-------------------------------------|--|-----------------------------------|
| EKS REVIEWS: | | | | |
| Business Rates | 15 | 15 | 14.97 | Finalised - Substantial |
| Housing Benefit DHPs | 15 | 15 | 13.73 | Finalised - Substantial |
| Housing Benefit Testing | 15 | 16 | 16.51 | Finalised - N/A |
| Debtors | 15 | 10 | 15.61 | Finalised - Substantial |
| ICT – Data Management | 15 | 15 | 8.47 | Finalised – Reasonable/ Limited |
| ICT – Network Security | 15 | 15 | 5.00 | Work-in-Progress |
| KPIs | 5 | 7 | 7.04 | Finalised - Substantial |
| Payroll | 18 | 18 | 17.60 | Finalised - Substantial |
| OTHER: | | | | |
| Corporate/Committee | 8 | 5 | 6.59 | Finalised |
| Follow Up | 6 | 6 | 2.86 | Finalised |
| FINALISATION OF 2021-22 AUDITS: | | | | |
| ICT Procurement & Disposal | 1 | 1 | 1.22 | Finalised - Substantial |
| RESPONSIVE ASSURANCE: | | | | |
| Joint DWP Investigation | 0 | 5 | 8.34 | Finalised – N/A |
| Total | 128 | 128 | 117.94 | 92.14% |

EKAP Balanced Scorecard – 2022-23

| <u>INTERNAL PROCESSES PERSPECTIVE :</u> | <u>2022-23 Actual</u> | <u>Target</u> | <u>FINANCIAL PERSPECTIVE:</u> | <u>2022-23 Actual</u> | <u>Original Budget</u> |
|--|----------------------------------|----------------------|---|----------------------------------|-----------------------------------|
| | Quarter 4 | | Reported Annually | | |
| Chargeable as % of available days | 89% | 90% | <ul style="list-style-type: none"> Cost per Audit Day | £373.33 | £378.73 |
| Chargeable days as % of planned days | | | <ul style="list-style-type: none"> Direct Costs | £488,433 | £489,397 |
| CCC | 94.03% | 100% | <ul style="list-style-type: none"> + Indirect Costs (Recharges from Host) | £10,530 | £10,530 |
| DDC | 99.61% | 100% | <ul style="list-style-type: none"> - 'Unplanned Income' | £6,172.75 | Zero |
| TDC | 103.49% | 100% | | | |
| FHDC | 99.35% | 100% | | | |
| EKS | 92.14% | 100% | | | |
| Overall | 98.89% | 100% | <ul style="list-style-type: none"> = Net EKAP cost (all Partners) | £492,790.25 | £499,927 |
| Follow up/ Progress Reviews; | | | | | |
| <ul style="list-style-type: none"> Issued | 53 | - | | | |
| <ul style="list-style-type: none"> Not yet due | 25 | - | | | |
| <ul style="list-style-type: none"> Now due for Follow Up | 28 | - | | | |
| 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 4 | | Quarter 4 | | |
| Number of Satisfaction Questionnaires Issued; | 68 | | Percentage of staff qualified to relevant technician level | 61% | 60% |
| Number of completed questionnaires received back; | 42 | | Percentage of staff holding a relevant higher-level qualification | 50% | 50% |
| | = 61 % | | Percentage of staff studying for a relevant professional qualification | 0% | N/A |
| Percentage of Customers who felt that; | | | Number of days technical training per FTE | 4.35 | 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 | 96% | 90% | | | |
| • That the audit was worthwhile. | 98% | 100% | | | |