
Subject: **QUARTERLY INTERNAL AUDIT UPDATE REPORT**

Meeting and Date: **Governance Committee – 29th June 2023**

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 31st May 2023

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 five follow-up reviews have been completed during the period, which are detailed in section 3 of the quarterly update report.
- 2.9 For the two-month period to 31st May 2023, 63.69 chargeable days were delivered against the target of 318, which equates to 20.03% 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 2023-24 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 2023-24 - Previously presented to and approved at the 16th March 2023 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

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 31st May 2023.

2. SUMMARY OF REPORTS:

Service / Topic		Assurance level	No. of Recs.	
2.1	EKS - Debtors	Substantial	C H M L	0 0 0 2
2.2	Homelessness	Reasonable	C H M L	0 3 3 1
2.3	Housing Repairs & Maintenance & Void Property Management	Reasonable	C H M L	0 5 2 5
2.4	Commercial Let Properties and Concessions	Reasonable/Limited	C H M L	0 4 2 3
2.5	Employee Health & Safety	Reasonable	C H M L	0 11 3 9
2.6	GDPR Compliance within Housing	Limited	C H M L	0 9 5 2
2.7	Car Parking & Enforcement	No	C H M L	2 8 1 0
2.8	Climate Change	Not Applicable		

2.1 EK Services - Debtors – Substantial Assurance

2.1.1 Audit Scope

To ensure that the processes and procedures used by CIVICA UK are sufficient to provide the level of service required by the partner Councils and incorporate relevant internal controls regarding debtors.

2.1.2 Summary of findings

The recovery of Sundry Debts is covered by the Local Government Act 1972, the Accounts and Audit Regulations 2011, The Harbours Act 1964 and the Late Payment of Commercial Debts Regulations 2002. Sundry debts relate to all monies owed to Local Authorities other than Council Tax, Business Rates and Housing Benefit overpayments. The collection of sundry debts has been outsourced to Civica.

This audit review has focused on the role carried out by Civica UK and not the elements of the debtors process carried out by officers at each council.

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

- Established processes are in place for the sundry debtor process carried out by the Corporate Income Team within Civica.
- Performance is regularly and accurately reported by Civica to the partner Councils.
- Debts are only written off after all available recovery methods have been exhausted.

Scope for improvement was however identified in the following areas:

- Although the Income Management Policy is reviewed on a regular basis, consideration should be given to putting in a change control / version history document as part of the policy that confirms the date of any changes, who has approved them and also that the council's websites have been updated with the revised policy each year.
- There are issues with the reporting to Members and the appropriate committees at Dover and Thanet Councils regarding annual reports and write offs. EK Services are aware of this and are addressing these issues.

2.2 Homelessness – Reasonable Assurance

2.2.1 Audit Scope

To provide assurance that the Council deals fairly and efficiently with all homelessness applications whilst:

- Minimising the length of stay in temporary accommodation.
- Minimising the cost to the Council of temporary accommodation; and
- Maximising income from all available sources to cover the costs incurred.

2.2.2 Summary of Findings

The main pieces of Legislation relevant to homelessness are Part 7 of the Housing Act 1996, the Homelessness Act 2002 and most recently the Homelessness Prevention Act 2017 which came into effect in April 2018 and requires local authorities to provide more advice and resource targeted at preventing homelessness.

As at March 2023 there were 217 homelessness cases / families living in temporary accommodation which includes 240 dependent children. The general trend across Kent is that homelessness cases are rising which is correlating to increases in homeless households being placed into temporary accommodation. The cost of temporary accommodation is also increasing as demand for temporary accommodation outstrips supply as private landlords look for a better return on investment.

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

- There is an approved Homelessness and Rough Sleeping Strategy in place that meets the requirements of the Homelessness Act 2002.
- The Council is operating in compliance with legislative requirements and has good processes in place for the assessment of homelessness applications.
- There are processes and tools in place for moving homelessness families from temporary accommodation into permanent secure accommodation, although this is becoming harder to achieve as less and less housing is available for rent.
- There are effective processes in place in relation to the financial administration of temporary accommodation up to the point of tenant debt recovery.
- There are KPIs in place and good governance arrangements for monitoring the homelessness service.

Scope for improvement was however identified in the following areas:

- Training is required for managers to produce their own in-year budget monitoring reports within the Tech One system.
- The Rent Deposit Scheme processes in place need to be reviewed as there are inconsistencies in the audit trail for the processing of payments to landlords in relation to rent in advance, rent deposits and financial incentives to landlords.
- The Council is not consistently utilising discretionary housing payments (DHP) for payments made to landlords through financial incentives for housing homelessness cases.
- Recovery processes could be improved.

2.3 Responsive Repairs & Maintenance. & Void Properties – Reasonable Assurance

2.3.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that that the Council's housing stock is well maintained, proving a good level of service to Council tenants (which demonstrates value for money and tenant participation), in partnership with the Council's contractors and in accordance with Council policy and procedures.

2.3.2 Summary of Findings

Dover District Council is responsible for managing and delivering planned and cyclical maintenance works and responsive repairs for a combined stock of approximately 4,350 council dwellings. For 2022/23 an initial budget of £1.25m was approved for responsive repairs and maintenance which has recently been increased to £2m largely due to the impact on damp and mould requests for work.

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

- Control over routine repairs and maintenance work and voids are good. There was evidence to demonstrate officers were proactively detecting contractor issues through a good programme of post inspections.
- Budget monitoring controls are well established.
- Contractor performance is adequately monitored.
- There is a sufficient 35 year planned maintenance programme in place although there is a need for the Council to review the reliability of the stock condition data being used to produce this plan.
- Information made available to tenants and tenant involvement processes were well established and helps the Council demonstrate compliance with the tenant involvement and empowerment standard with the exception of complaint handling processes which was identified as an area of improvement.
- The Council is managing well with the unforeseen increase in demand for investigations and work requests relating to damp and mould, however this is an area that is likely to take up significant officer and financial resource again next winter.

Scope for improvement was however identified in the following areas:

- There is a need to introduce a Responsive Repairs Policy that sets out objectives, roles and responsibilities and contract management processes and is aligned to the Decent Homes Standard of getting repairs 'right first time'.
- The co-ordination and handling of housing complaints and the processes that underpin them require review and improvement.
- Using the IDEA software to data match, two discrepancies were identified between the list of properties on the Finance Record of Properties and those listed on the Housing Records.
- The average cost of void variations from the sample tested was £557.50 higher than the estimate and whilst there are sufficient processes in place to control void variations there were some weaknesses identified in the audit trail of the processes in place.

2.4 Commercial Let Properties and Concessions – Reasonable/ Limited Assurance
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2.4.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that the Council derives the maximum value from its let

properties and concessions and that where applicable these lettings further support the Council's regeneration aims and aspirations.

2.4.2 Summary of Findings

CiPFA sets out the purpose of Asset Management *'to align the asset portfolio with the needs of the organisation. Corporate objectives express the needs and wishes of the organisation at high level; the asset requirements to deliver these objectives should be expressed in a medium/long term plan (five to ten years), variously known in different organisations as an asset strategy, an asset management strategy or a corporate property strategy. The conversion of these corporate aims and visions into asset reality is the business of the asset management plan'*.

The Council has a total of 124 mixed use assets within its corporate property portfolio with an insurable re-build value of £164.5 million (excluding housing and garages). The mix of usage is summarised below: -

Property Usage	Re-build Value	Number of Units
Leased Offices	£7,555,239	3
Leased Industrial	£4,139,315	10
Leased Sports & Leisure	£61,783,085	47
Leased Shops & Hotels	£26,018,723	27
Leased Commercial & Charity	£60,950,982	19
Dolphin House (Flats)	£2,805,063	12
Dolphin House (Shops)	£1,236,971	6
Total	£164,489,378	124

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

- Income and debt management arrangements are generally working effectively.
- Records management is good.
- There are adequate insurance arrangements in place.
- There are 145 leases in place, 96 of which have no provision for periodic rent reviews. Of the remaining 49 leases, 42 are up to date with their rent reviews.

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

- There is not an up-to-date Asset Management Plan in place with objectives which aligns the asset portfolio with the needs of the organisation. The Council is relying on an Asset Management Plan covering the period 2008 – 2013.
- There are no performance indicators in place to monitor performance.
- There is a need to review and update all policies in place.
- The overall arrangements in place for Crabble Rugby Club Pavilion and New Century Nursery in North Deal need to be looked at by management.

Management Response

We welcome the audit findings and are progressing with the agreed actions.

Asset Manager

2.5 Employee Health & Safety – Reasonable Assurance

2.5.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the policies and procedures established to protect Council staff in relation to various health and safety issues, such as fire safety, lone working and home working, whilst also taking into account the legislative requirements placed upon the Council as their employer.

2.5.2 Summary of Findings

At the time of the Audit, it was made known that there is currently a move from the use of multiple filing methods by managers to the use of a single dedicated recording system: AssessNET (a dedicated Health and Safety document recording system). It was the use of this current and preferred method that has been reviewed as moving forward it is to be the dedicated system for all things relating to Health & Safety for the Council.

Although AssessNet has been implemented in January 2020 this was at the onset of the Pandemic. During this period, due to other Council priorities, the system was not embedded within the planned timescales. The system is now being used but is in its infancy stage. The industry standard for a system of this type would take three years to become fully embedded and operational.

Since conducting this Audit the Corporate Health and Safety function moved reporting lines on 1 April 2023 and now sits within the Human Resource Department reporting to the Head of HR, Payroll and Communications.

The current overall spend for corporate Health and Safety (includes first aid, PPE, fire safety, training etc) is as follows:

Year	Total
2020/21	£122,196
2021/22	£128,863

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

- There is an appropriate system in place for the reporting of all accidents, incidents and near misses which is managed by the Health & Safety Advisor (HSA); scrutinised by the Joint Health, Safety and Welfare Consultative Forum and a reminder to managers on reportable incidents under RIDDOR by HR via the sickness reporting process.
- Health, Safety and Welfare matters are being reported to, scrutinised and where possible actioned by a Joint Health, Safety and Welfare Consultative Forum.
- PPE is being identified via risk assessments and method statements.
- Working from Height has been considered and documented via risk assessments. A ladder register is also being managed and maintained.
- Home, Lone and flexible working policies are in place with a further policy regarding hybrid working currently out for consultation. Within these policies health, safety and well-being are documented and promoted.
- Insurance provision is adequate and up to date.

Scope for improvement was however identified in the following areas:

- A full workplace risk profile assessment needs to be undertaken, documented and findings reported to management. This then follows on to ensuring all other risk assessments and method statements (to include manual handling, working from height, Fire Safety, First Aid, PPE, Issue and use of Ladders etc.) are being carried out and documented via the AssessNET system which allows for assigning an appropriate manager and for a review process to occur.
- Fire Safety records and safety testing need to be up to date and undertaken in accordance with the fire safety policy. Electrical testing (PAT testing) was being scheduled for late April and a Lift inspection requires to be undertaken,
- The implementation of a full training programme, its management and monitoring require to be documented via the Health & Safety Policy. Once recognised and detailed (along with frequency on renewals) staff should keep this up to date.
- A first aid needs assessment should be regularly carried out to assess the Council's needs with any findings actioned.
- The asbestos register requires to be updated with the recent survey information. Any follow-up actions to recommendations made within these surveys should also be evidenced.
- Whilst the Council has a Health and Safety Policy and Procedures in place that are reviewed and updated on a regular basis there is no document change control process and no review timeframe specified. It should also be noted that whilst policies and procedures are available via the SharePoint pages these need to be actively promoted.

2.6 GDPR Compliance within Housing – Limited Assurance

2.6.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that the housing service creates, holds, and maintains personal information about living individuals in accordance with the requirements of the GDPR and deals with subject access requests and information sharing requests in accordance with the Data Protection Act 2018.

2.6.2 Summary of Findings

The General Data Protection Regulation came in to force on 25th May 2018. To date 12 high profile fines have been issued by the ICO to 12 UK organisations ranging from £22m to British Airways to £11k to HIV Scotland. Nearly all the fines were issues for breach of Article 5 (1) f of the GDPR which relates to 'insufficient technical and organisational measures to ensure information security'.

So far there have been two pieces of audit consultancy work commissioned by senior management in 2018 and 2020 that focused on helping the Council reach a reasonable compliance position. This audit focuses on the housing service provided to tenants and homelessness applicants because it is one of the higher risk areas for the Council due to the nature and volume of the personal and very sensitive data being processed.

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

- There are some gaps contained within the current Record of Processing Activities which need to be addressed.
- There is not a sufficient programme of information audits in place to monitor compliance across the organisation.
- There is incorrect information contained within the two housing related privacy notices when cross referencing them to other data protection documentation.
- The completion of Data Protection Impact Assessments (DPIAs) and Technical Landscape Documents which are documents used to assess high risk processes and to assess the security capabilities of new cloud-based systems needs to improve.
- Hard copy files containing personal and sensitive data and information are likely to still in circulation within Housing Options and Housing Needs and presents a risk to data protection processes in place in particularly relation to subject access requests, document retention and data security.

Effective control was however evidenced in the following areas:

- There are good processes in place for the processing of Subject Access Requests.
- There were no additional unknown data breaches discovered as part of the audit.
- There are sufficient data protection policies and procedures in place, and these are easily accessible to staff working within Housing and Housing Options.
- The culture for reporting data breaches and data protection in general is positive.
- The data protection training materials are good, and this training has had a positive impact on data breaches from human error, however refresher training is now overdue.

Management Response

We welcome the audit findings and the support provided to identify options for resolving the issues raised. We are progressing well with the agreed actions, with some already completed and resolved.

Corporate Response.

2.7 Car Parking & Enforcement – No Assurance

2.7.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that:

- Car park machine income (on-street and off-street) is adequately monitored and reconciled to expected income and that income trends are monitored for individual car parks for management information.
- Income due to the Council from PCNs is adequately monitored and reconciled to expected income and that income trends are monitored for management information.

2.7.2 Summary of Findings

The primary findings giving rise to the No Assurance opinion are as follows:

- The Council is not complying with its Data Retention schedule for PCN related information and as a result is holding information relating to 9,079 PCNs which should have been deleted; it therefore is not complying with GDPR regulations.
- The Council has not published an Annual Parking report for 21/22; it therefore is not complying with the Traffic Management Act 2004.
- Income received from car parking machines has not been reconciled by Finance Officers to confirm that it has been banked in full since July 2022.
- CEOs are not being provided with suitable equipment to enable them to fulfil their enforcement duties efficiently and effectively.
- Management do not undertake analytical reviews of income being generated by the parking function to identify trends or underperforming car parks or residential permit areas. Similarly no analytical reviews take place around PCNs.
- Insufficient information is being added to the PCN system to adequately explain the reasons for cancelling PCNs.
- There is no evidence in place to show that Senior Officers are reviewing PCNs cancelled or written off.
- No reports of write offs have been submitted to the Council's Governance Committee in 22/23 in accordance with the Council's constitution.
- Unpaid PCNs are being submitted to Collection Agents in large batches infrequently rather than smaller more manageable batches at a regular frequency.
- No performance indicators are in place for the parking enforcement function.

Procedures were found to be in place and working effectively in the following areas:

- Staff involved in the car parks system are aware of, and have copies of, the relevant regulations, legislation and procedures.
- All PCNs tested were found to have been correctly issued and have sufficient evidence in place to support the issuing of the PCN.
- All fees being charged in each car park or street are in accordance with the Approved Fees and Charges.
- Sound procedures were found to be in place to ensure that the cash received from parking machines reconciles to audit tickets generated by parking machines.
- 9.5 FTE CEOs are in place to effectively enforce all on and off-street parking across the whole of the district all year.
- Suitable procedures are in place to ensure that evidence is being provided to support residential and business permits.
- Permits are not issued until the correct fee has been paid.

Management Response

The Parking services audit was carried in agreement of the new HoS with an agreed criteria for the audit looking at the current service condition, the causes attributable to the present delivery model and identifying the consequences of ineffective practice. We thank the auditor and although disappointing, welcome the findings and we are now already making strong improvements to the agreed corrective actions required to ensure sustained robust service improvement.

Head of Community and Digital Services

2.8 Climate Change – Not Applicable

2.8.1 Summary of Findings

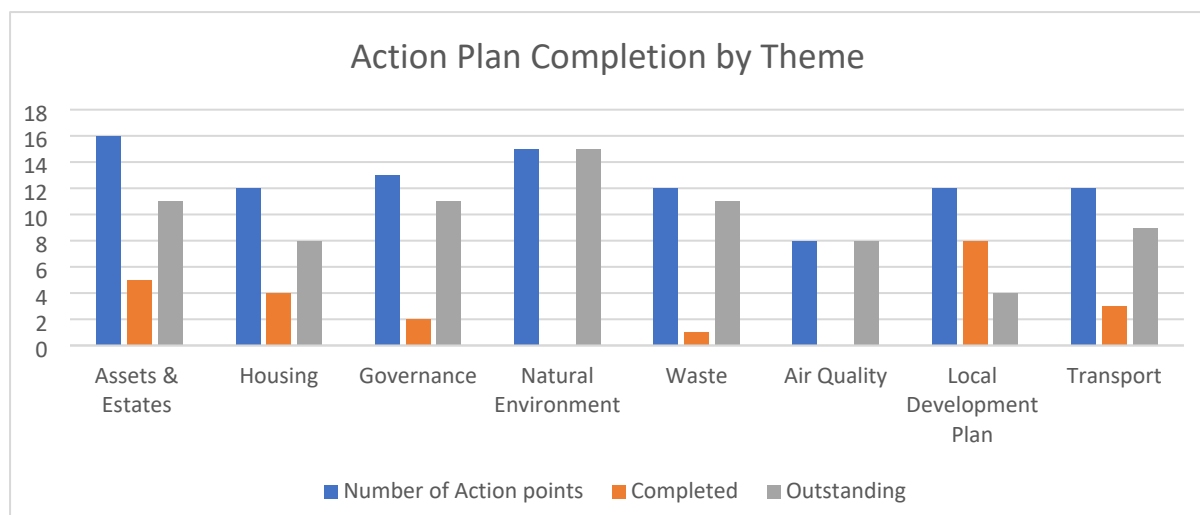
Internal Audit has now concluded follow-up of the agreed management actions resulting from the initial review of Climate Change, which was completed in February

2022. However, it should be noted that this was a position statement review that was designed to review progress to date, highlight any gaps, and suggest further ways of reaching the Council's zero net carbon and improved biodiversity goals.

This position statement report contained 31 ideas for improvement detailed under 11 subheadings (which are now the priorities distinguished within the Climate Change Strategy), for management to consider in taking action to ensure the Council meets its pledge to be net zero by 2030. The table below identifies what these were, any management comments on progress and whether or not they have been implemented to date.

The previous audit concluded that the Council has some positive high-profile projects in the pipeline such as the new electric Fastrack service which will connect large housing estates in Whitfield to the town centre and the train station in the most efficient way. The district also boasts some high-quality green spaces. However, the Council has a way to go in adopting a joined-up collaborative approach to tackling the climate and ecological crises, both internally with staff and with external stakeholders. Staff education and engagement is crucial since climate change is immense. It cuts across all departments and affects every person. The Council must raise the profile of climate change amongst staff and invite participation from everyone. Currently the message is just not reaching people and the Council is missing an opportunity to get support and expertise in-house.

Theme	Action Points				Time-scales						
	Total Number of Action points	Emission within our control	Emissions within our influence	Emissions of concern	Short term	Medium Term	Long Term	Not set	On-going		
Assets & Estates	16	10	2	4	3	4	4	2	3	5	11
Housing	12	4	5	3	2	0	5	5	0	4	8
Governance	13	7	4	2	3	4	2	4	0	2	11
Natural Environment	15	9	2	4	0	2	10	0	3	0	15
Waste	12	3	4	5	3	0	5	4	0	1	11
Air Quality	8	3	3	2	1	0	4	3	0	0	8
Local Development Plan	12	3	6	3	2	2	7	0	1	8	4
Transport	12	5	4	3	3	2	7	0	0	3	9



2.8.2 Conclusion

The Council's Climate Change Process continues to improve; of the 31 ideas for improvement put forward, 5 remain outstanding, 2 have been considered and no action taken; 2 have been partially implemented; 4 have been implemented with further actions to be considered; 10 have been implemented and remain on-going and 8 have been fully implemented.

It should also be noted that there is also a Climate Strategy (dated January 2021) in place and available to download via the Council's website. Both the strategy and action plan have been linked within the comments towards progress, there has been some forward motion and action points have been identified.

3.0 FOLLOW UP OF AUDIT REPORT ACTION PLANS:

- 3.1 As part of the period's work, five follow up reviews have been completed of those areas previously reported upon to ensure that the recommendations previously made have been implemented, and the internal control weaknesses leading to those recommendations have been mitigated. Those completed during the period under review are shown in the following table.

Service/ Topic	Original Assurance level	Revised Assurance level	Original Number of Recs		No of Recs Outstanding	
a) Food Safety	Substantial	Substantial	C H M L	0 0 1 0	C H M L	0 0 0 0
b) Grounds Maintenance	Reasonable /Limited	Reasonable	C H M L	0 6 4 3	C H M L	0 1 0 0
c) Garden Waste & Recycling Income	Limited	Limited	C H M L	0 2 4 1	C H M L	0 1 2 2
d) Cloud Computing	Reasonable	Reasonable	C H M L	0 4 0 5	C H M L	0 0 0 2
e) Phones, Mobiles and Utilities	Reasonable /Limited	Reasonable/ Limited	C H M L	0 7 3	C H M	0 1 0

Service/ Topic	Original Assurance level	Revised Assurance level	Original Number of Recs	No of Recs Outstanding	
			4	L	2

- 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.

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.

c) Garden Waste & Recycling Income - The day-to-day management and collection of garden waste fees is generally working well. However, a full reconciliation of expected income against actual income received remains absent. The Waste Services Team continue to seek guidance from the Accountancy Team on how best to achieve this, meanwhile the risk is being tolerated and the assurance level after follow up remains Limited.

Management Response

The need to tighten the financial control mechanisms covering garden waste transactions is recognised and accepted, however, at the current time, progress towards achieving this has been hampered by the departure and absences of key members of staff. There is commitment to resolve the situation as soon as is practicable. **Waste Services Manager.**

e) Phones, Mobiles and Utilities - The Council has made steady progress to improve the management of phones, mobile phones and utilities since the initial audit took place in November 2022, however, a change in senior management has slowed progress and more needs to be done to ensure new responsibilities and control improvements are embedded.

Phones

The management of phone lines across the Council has improved. Management is now getting to know which phone lines are essential and which can be closed. This work requires ongoing pro-active collaboration between staff working within the property services team, individual service managers and accountancy.

Mobile Phones

The management of mobile phones is good, however there are still mobile phones or tablets in existence with out-of-date operator systems which is posing a small level of security risk. Management have provided assurance that this is going to be addressed over the summer 2023.

Utilities

Management is now monitoring meter readings on a spreadsheet within property services. This is a control improvement; however senior management are aware that not all meters are currently contained on the spreadsheet and an ongoing project over the following year will be required to sufficiently improve the control in this area.

Management Response

We welcome the audit findings and are progressing well with the agreed actions, with a number already completed and resolved – **Head of Finance & Housing**.

4.0 WORK-IN-PROGRESS:

- 4.1 During the period under review, work has also been undertaken on the following topics, which will be reported to this Committee at future meetings, Environmental Protection Service Requests, Cyber Security, Waste Management & Street Cleansing, Leasehold Services, and VAT had been delayed at client request.

5.0 CHANGES TO THE AGREED AUDIT PLAN:

- 5.1 The 2023-24 Audit plan was agreed by Members at the meeting of this Committee on 16th March 2023.
- 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 two-month period to 31st May 2023, 63.69 chargeable days were delivered against the target of 318, which equates to 20.03% plan completion.
- 7.2 The financial performance of the EKAP is currently on target at the present time.
- 7.3 Thee 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 31-05-2023 against the agreed 2023-24 Audit Plan. |
| Annex 4 | 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>Grounds Maintenance – May 2023:</i>		
<p>The Council should consider introducing performance indicators linked to the Grounds Maintenance service standards once these have been formally approved.</p>	<p>Will be generated through the Confirm system once the new officer is appointed.</p> <p>Proposed Completion Date & Responsibility</p> <p>March 2023 - Parks and Open Spaces Manager (DS)</p>	<p>Management Comment:</p> <p>This recommendation is outstanding with intent to action. This will be completed once the newly appointed Cabinet is in place.</p> <p>Outstanding. Revised Implementation Date – October 2023.</p>
<i>Garden Waste & Recycling Income – May 2023:</i>		
<p>Moving forward the payment process should be amended to ensure:</p> <ul style="list-style-type: none"> • That the correct sack fee is being charged, including those purchased with a subscription, • All sacks sale fees are correctly coded; and • That VAT is appropriately accounted for on all garden waste sacks sale, including those purchased with a subscription. <p>A VAT adjustment should be calculated for garden sack sales where it has not already been correctly accounted for and actioned for both the current year (2022/23) and 2021/22 where necessary.</p>	<p>Agreed, the Cost rates have all been amended on the various online platforms; and it is understood that that updated online rate took account of the VAT requirement however, the service is between 'accountants' so will ensure that this is in fact the case.</p> <p>Proposed Completion Date</p> <p>January 2023 before scheme is opened for renewals.</p> <p>Responsibility</p> <p>Waste Services Manager in liaison with the Finance Team</p>	<p>Advice / support on this matter being sought from Accounts team.</p> <p>Outstanding.</p>

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>Phones, Mobiles and Utilities</i>		
<p>Management should acknowledge that 21 of the 214 DDC mobile phones or tablets had an operating system of 12 or 13 which may expose the Council to some security risks if not updated.</p>	<p>The Digital Team have sent email to those affected. Digital Team to send email to line managers to ensure that the updates happen.</p> <p>Proposed Completion Date & Responsibility</p> <p>Digital Lead (AR) - March 2023</p>	<p>Management Comment: Management have completed a report and have budget code for completing the out of support mobile devices. Management will be looking to order these over the next 2 months.</p> <p>Recommendation outstanding with intention to implement. Revised implementation date August 2023.</p>

SERVICES GIVEN LIMITED / NO ASSURANCE LEVELS YET TO BE REVIEWED			
Service	Reported to Committee	Level of Assurance	Follow-up Action Due
<u>Absence Management:</u> Sick Leave; Annual Leave; and Flexi Leave.	16-03-2023	Limited Reasonable Reasonable	Spring/Summer 2023
Planning Applications, Income & s.106 Agreements	16-03-2023	Reasonable/Limited	Spring/Summer 2023
GDPR Compliance within Housing	29-06-2023	Limited	Summer 2023
Car Parking & Enforcement	29-06-2023	No	Autumn 2023
Commercial Let Properties and Concessions	29-06-2023	Reasonable/Limited	Autumn 2023

**PROGRESS AGAINST THE AGREED 2023-24 AUDIT PLAN
DOVER DISTRICT COUNCIL**

Review	Original Planned Days	Revised Planned Days	Actual days to 31-05- 2023	Status and Assurance Level
FINANCIAL SYSTEMS:				
Car Parking & Enforcement	10	0	0	See finalisation of 22-23 audits
HOUSING SYSTEMS:				
Homelessness	10	10	8.34	Finalised - Reasonable
Void Property Management	10	0	0	See finalisation of 22-23 audits
Contract Letting & Management	10	10	0.18	Work-in-Progress
Resident Involvement	10	10	0	Quarter 3
Anti-Social Behaviour	5	5	0	Quarter 3
Energy Efficiency	10	10	0	Quarter 4
HR RELATED:				
Payroll	6	6	0	Work-in-Progress
GOVERNANCE RELATED:				
Members' Code of Conduct & Standards	10	10	0.97	Work-in-Progress
Local Code of Corporate Governance	10	10	0.86	Quarter 3
Risk Management	10	10	0	Quarter 3
Corporate Advice/ CMT	2	2	1.44	Ongoing
s.151 Meetings & Support	9	9	3.27	Ongoing
Governance Committee Meetings & Reports	12	12	2.74	Ongoing
2023-24 Audit Plan Preparation & Meetings	9	9	0	Quarter 4
COUNTER FRAUD & CORRUPTION:				
Counter Fraud	10	10	0	Quarter 2
CONTRACT RELATED:				
Procurement	10	10	0	Quarter 3
ICT RELATED:				
Change Controls	13	13	0	Quarter 3
Cyber Security	13	13	2.5	Work-in-Progress
Physical & Environmental Controls	13	13	0	Quarter 4

Review	Original Planned Days	Revised Planned Days	Actual days to 31-05- 2023	Status and Assurance Level
SERVICE LEVEL:				
Commercial Let Properties & Concessions	10	10	8.76	Work-in-progress
Community Safety	10	10	0	Quarter 3
Climate Change	5	5	0	Quarter 4
Dog Warden, Fly Tipping & Litter Enforcement	10	10	0	Quarter 3
Electoral Registration	10	10	0	Quarter 4
Port Health	10	10	0	Quarter 2
Environmental Protection Service Requests	10	10	6.08	Work-in-progress
Equality & Diversity	10	10	0	Quarter 4
Events Management	8	8	0.18	Work-in-progress
Building Control	10	10	0	Quarter 4
Waste Management & Steet Cleansing	10	10	5.35	Work-in-progress
OTHER:				
Liaison with External Auditors	1	1	0.19	Work-in-progress throughout 2023-24
Follow-up Work	15	15	1.92	Work-in-progress throughout 2023-24
FINALISATION OF 2022-23 AUDITS:				
Car Parking & Enforcement	5	15	2.76	Finalised – No Assurance
Employee Health & Safety			6.12	Finalised - Reasonable
Leasehold Services			7	Work-in-progress
VAT			0.08	Delayed at Client Request
Responsive Repairs & Maintenance & Void Property Management			1.09	Finalised - Reasonable
Safeguarding			2.41	Draft Report
GDPR			0.18	Finalised - Limited
RESPONSIVE ASSURANCE:				
Performance Management	0	10	0	To be undertaken instead of Void Property Management
Elections	0	0	1.27	Finalised
TOTAL	318	318	63.69	20.03%

**PROGRESS AGAINST THE AGREED 2023-24 AUDIT PLAN
EAST KENT SERVICES**

Review	Original Planned Days	Revised Planned Days	Actual Days to 31/05/2023	Status and Assurance Level
EKS REVIEWS:				
Housing Benefits Administration	15	15	0.11	Quarter 2
Housing Benefits Testing	20	20	0.27	Quarter 1
Council Tax Reduction Scheme	15	15	0.10	Quarter 3
Customer Services	15	15	0	Quarter 4
OTHER:				
Corporate/ Committee	4	4	1.43	Ongoing
Follow Up	2	2	0.04	Ongoing
FINALISATION OF 2022-23 AUDITS:				
Debtors	2	2	1.45	Finalised - Substantial
Data Management	1	1	1.01	Draft Report
TOTAL	74	74	4.42	5.97%

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.