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**Subject:** QUARTERLY INTERNAL AUDIT UPDATE REPORT

**Meeting and Date:** Governance Committee – 7<sup>th</sup> December 2023

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

**Decision Type:** Non-key

**Classification:** Unrestricted

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**Purpose of the report:** This report includes the summary of the work completed by the East Kent Audit Partnership since the last Governance Committee meeting, together with details of the performance of the EKAP to the 30<sup>th</sup> September 2023.

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

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## 1. Summary

This report includes the summary of the work completed by the East Kent Audit Partnership since the last Governance Committee meeting.

## 2. Introduction and Background

- 2.1 For each Audit review, management has agreed a report, and where appropriate, an Action Plan detailing proposed actions and implementation dates relating to each recommendation. Reports continue to be issued in full to each member of Corporate Management Team, as well as an appropriate manager for the service reviewed.
- 2.2 Follow-up reviews are performed at an appropriate time, according to the status of the recommendation, timescales for implementation of any agreed actions and the risk to the Council.
- 2.3 An Assurance Statement is given to each area reviewed. The assurance statements are linked to the potential level of risk, as currently portrayed in the Council's risk assessment process. The assurance rating given may be Substantial, Reasonable, Limited or No assurance.
- 2.4 Those services with either Limited or No Assurance are monitored and brought back to Committee until a subsequent review shows sufficient improvement has been made to raise the level of Assurance to either Reasonable or Substantial. A list of those services currently with such levels of assurance is attached as Annex 2 to the EKAP report.
- 2.5 The purpose of the Council's Governance Committee is to provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent review of the Authority's financial and non-financial performance to the extent that it affects the Authority's exposure to risk and weakens the control environment, and to oversee the financial reporting process.
- 2.6 To assist the Committee meet its terms of reference with regard to the internal control environment an update report is regularly produced on the work of internal audit. The purpose of this report is to detail the summary findings of completed audit reports and follow-up reviews since the report submitted to the last meeting of this Committee.

## SUMMARY OF WORK

- 2.7 There have been six internal audit assignments completed during the period, which are summarised in the table in section 2 of the report.
- 2.8 In addition seven follow-up reviews have been completed during the period, which are detailed in section 3 of the quarterly update report.
- 2.9 For the six months to 30<sup>th</sup> September 2023, 165.05 chargeable days were delivered against the target of 318, which equates to 51.9% 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**

1.1 This report includes the summary of the work completed by the East Kent Audit Partnership since the last Governance Committee meeting, together with details of the performance of the EKAP to the 30<sup>th</sup> September 2023.

**2. SUMMARY OF REPORTS:**

Service / Topic		Assurance level	No. of Recs *	
2.1	Local Code of Corporate Governance	Substantial	Critical High Medium Low	0 0 0 0
2.2	East Kent Services (EKS) - Housing Benefit Admin & Assessment	Substantial	Critical High Medium Low	0 0 0 0
2.3	Community Safety	Substantial/ Reasonable	Critical High Medium Low	0 4 3 0
2.4	Housing – Anti Social Behaviour	Reasonable	Critical High Medium Low	0 2 3 2
2.5	Planned Maintenance – Procurement and Contract Management	No	Critical High Medium Low	1 16 1 0
2.6	East Kent Services - Housing Benefit Testing 2022-23	Not Applicable		

\*For Assurance and Recommendation priority definitions see Annex 5

**2.1 Local Code of Corporate Governance – Substantial Assurance**

### 2.1.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that the Council's governance arrangements are adequately designed to lead to good management, good performance, good stewardship of public money, good public engagement and, ultimately, good outcomes for citizens and service users.

### 2.1.2 Summary of Findings

Good governance should enable the Council to pursue its vision effectively as well as underpinning that vision.

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

- The Council has a documented Governance Framework which gives clear and accurate details of what Corporate Governance is, how it is applied within the Council and this is regularly reviewed and updated, and conforms to the CIPFA/SOLACE framework.
- The Council meets its obligations for each core principle as set and defined within the CIPFA/SOLACE framework and provided details on what these are and how they are to be achieved within the Local Code. The code is readily available, relevant, and up to date.
- The Annual Review process is undertaken and reported in a timely manner and in accordance with the Framework.
- Information within the public domain and internally is relevant, up to date and easily accessible.
- Members and Staff are briefed in respect of their obligations under the framework and any training opportunities are identified and met.
- Provisions within the Local Government Transparency Code have largely been met. The Council has taken steps to review their compliance and identify any areas of potential concern with the publication of information required under the Code. Any issues identified have been assigned an owner and are either resolved or in the process of being resolved.

## **2.2 EKS: Housing Benefit Admin & Assessment – Substantial Assurance**

### 2.2.1 Audit Scope

To ensure that the processes and procedures established by CIVICA / EK Services are sufficient to provide the level of service required by the partner authorities of Canterbury CC, Dover DC and Thanet DC and incorporate relevant internal controls regarding the administration & assessment of Housing Benefit claims.

### 2.2.2 Summary of Findings

Between CIVICA and EK Services they are responsible for the administration and assessment of housing benefits on behalf of Canterbury City Council, Dover District Council and Thanet District Council. This ranges from the day to day processing of housing benefit claims to the installation of upgrades and data cleansing to the system

and regular back ups to ensure that data is kept secure and is compliant with data security.

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

- The performance of Civica is monitored very closely by EK Services Senior Management and the client officers from the partner authorities. Targets have been set (and met) to ensure that Civica meet the expectations set by each authority and the commitments agreed in the Service Level Agreement.
- Established processes and supporting procedure notes are in place for allocating work and confirming that the verification framework is complied with when processing housing benefit claims.
- Quality assurance checks ensure that claims are processed in a consistent manner and that any errors are fed back to Civica for correction but also are used to feed into training programmes / updates for the claim assessors.
- Established processes are in place for ensuring system access is controlled, backups are taken, data cleansing is carried out and that system upgrades are processed correctly.

## **2.3 Community Safety – Substantial / Reasonable Assurance**

### **2.3.1 Audit Scope**

To provide assurance on the adequacy and effectiveness of the procedures and controls established to achieve the Corporate Plan Priority theme 2 objective to 'Work with our partners to provide a safe District and address the needs of our most vulnerable residents'.

### **2.3.2 Summary of findings**

Section 17 of the Crime and Disorder Act 1998, as amended by the Police and Justice Act 2006, requires responsible authorities to consider crime and disorder (including antisocial behaviour and other behaviour adversely affecting the local environment) and the misuse of drugs, alcohol and other substances in the exercise of all their duties, activities and decision making.

The last audit in this area (December 2019) highlighted that new working practices were being embedded into the new Community Safety team following a recent restructure and would need time before the full benefit of them is fully realised. Four years on those process have now fully embedded and are working well. One current issue is that other agencies (i.e. Kent Police, Clinical Commissioning Group) are going through restructures, so it is not always known who their responsible officers are and this impacts on them attending joint working meetings. This in turn could lead to the Council feel obliged to take on more actions / cases than they should.

Management can place Substantial Assurance on the day to day working processes and Reasonable Assurance regarding the reporting to Members.

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

- Processes are in place for the public to be able to report anti-social behaviour and they are then reviewed, actioned or passed onto other agencies. The M3 system

is being replaced in January 2024 and officers are currently testing the new system to ensure that all data is being moved across to the new system so that a seamless transfer to the new system can take place.

- The Community Safety Team are undertaking events and projects across the district that address community safety issues. (i.e. IMPACT Roadshow, Angel Express).
- There is a Community Safety Partnership in place that is addressing community safety issues across the district. Supporting plans and action plans are in place and minutes are place for the various partnership meetings that are held.
- Information is presented to the Council's Overview and Scrutiny Committee on the work carried out by Community Safety but this is not being presented to the correct committee. (See Below)

Scope for improvement was however identified in the following areas:

- The Community Safety Partnership Plan and supporting action plan should be presented the Council's Overview and Scrutiny Committee as they are acting as the Council's Crime and Disorder Committee as they are required by legislation to scrutinise work on community safety.
- The Strategic Assessment should be presented to the Crime and Disorder Committee.
- The Overview and Scrutiny Committee should have a clear set of terms of reference when acting as the Crime and Disorder Committee.
- The Overview and Scrutiny Committee should clearly record in the minutes of the meeting when acting as the Crime and Disorder Committee.
- Consideration should be given to the production of an annual report to be presented to the Council's Crime and Disorder Committee on the work of the Council in respect of community safety.
- An Anti-Slavery Policy Statement should be put in place and include a statement regarding Modern Day Slavery which should then be presented to the relevant committee for approval each year, and then put on the Council's website and communicated to all persons working for the Council or on behalf of the Council in any capacity. (Including employees at all levels, directors, officers, agency workers, seconded workers, volunteers, agents, contractors and suppliers).

## **2.4 Housing Anti-Social Behaviour– Reasonable Assurance**

### **2.4.1 Audit Scope**

To provide assurance on the adequacy and effectiveness of the procedures and controls established to achieve the Corporate Plan Priority theme 2 objective to 'Work with our partners to provide a safe District and address the needs of our most vulnerable residents'.

### **2.4.2 Summary of Findings**

The Council believes that council tenants and leaseholders have a right to live in an environment that allows them to enjoy their home and community. The Council recognises that anti-social behaviour (ASB) caused by a minority of tenants can be disruptive and distressing for neighbours, damage the sustainability of communities and adversely affect the ability of the Council to let properties. The Council has a range

of legal powers to help deal with ASB. These powers are contained in the Housing Acts of 1985 and 1996, the Anti-Social Behaviour Act 2003, the Anti-Social Behaviour, Crime and Policing Act 2014 and the Environmental Protection Act 1990.

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

- Processes are in place for tenants and leaseholders to be able to report anti-social behaviour and they are then reviewed, actioned or passed onto other agencies.
- Supporting policies are in place to assist in dealing with anti-social behaviour, however these have not been approved by members but by officers under delegated powers.
- Officers attend regular meetings, both in house and with other agencies, to share information on issues and also the actions being taken to address ASB.
- Although there is currently a reliance on the use of word and excel for each ASB case, it has been agreed that from February 2024 the Tascomi system is to be used for the recording of ASB in the same way as the Community Safety Team.

Scope for improvement was however identified in the following areas:

- The Housing Services Neighbour Nuisance and Anti-Social Behaviour Policy and the Customer Alerts policy should be presented the Council's Overview and Scrutiny Committee; as they are acting as the Council's Crime and Disorder Committee, they are required by legislation to scrutinise work on community safety.
- Consideration should be given to the production of an annual report to be presented to the Council's Crime and Disorder Committee on the work carried out by the Housing team in respect of community safety.
- Monthly data is not sent to Members about their wards The only information provided to Members is through the quarterly performance report that is presented to Cabinet. When the Tascomi system goes live, discussions should be carried out with Digital and also Community Safety about using dashboards that can be made available to Members so that they can see the data for their ward in respect of Housing ASB.

## **2.5 Planned Maintenance – Procurement and Contract Management – No Assurance**

### 2.5.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that planned maintenance of the Council's social housing stock is undertaken economically, efficiently, and effectively.

### 2.5.2 Summary of Findings

Purchasing decisions and processes are important because the spend is public money. The purpose of the Council's Contract Standing Orders is to provide a structure to officers within which procurement decisions can be implemented to ensure that the Council:

- Uses its resources efficiently
- Purchases quality goods, services and works

- Safeguards its reputation and the reputation of officers undertaking procurement from any implication of dishonesty or corruption.

Section 9.1 of Contract Standing Orders (CSOs) states that 'the starting point for calculating the contract value for the purposes of CSOs is that the contract value shall be the genuine pre-estimate of the value of the entire contract excluding Value Added Tax but including all payments to be made, or potentially to be made, under the entirety of the contract and for the whole of the predicted contract period (including proposed extensions and options)'. Testing identified that the pre-estimate of the value of work to be given to the contractor is not being calculated, instead work is incorrectly based on individual jobs rather than the total amount of work likely to be given to a contractor. This means the process fails to comply with many other requirements of CSOs as the anticipated value of the whole works under the contract is incorrect.

Discussions with the officers established that a lack of training on CSOs is not considered to be the reason for non-compliance with CSOs within the service, they are aware of the requirements. Testing also identified one instance whereby the officer deliberately chose to not comply with CSOs in order to get work completed as it was considered that compliance with CSOs will likely result in urgent (but non-emergency) work being delayed.

Management can place No Assurance on the system of internal controls around the Procurement and Contract Management by the Planned Maintenance service.

The primary findings giving rise to the No Assurance opinion in respect of both Procurement and Contract Management are as follows:

- CSO 9.1 – Staff are failing to undertake a genuine pre-estimate of the value of work required which includes all payments to be made, or potentially to be made, under the entirety of the contract and for the whole of the predicted contract period.
- CSO 7.2 - Testing identified that from a sample of 12 contractors only 4 procurement opportunities had been advertised.
- Staff are not obtaining the correct number of quotes/tenders. In one instance work valued at £39,000 was undertaken on a void property was not advertised and only a single quote was obtained. Another void property (not advertised) had work valued at £21,000 with only one quote. All work valued at £15,000 requires three or more quotes. The same two jobs were also completed under a retrospective Purchase Order for 'goods and services' rather than 'works'.
- CSO 5.4.7 – Contracts valued at £5,000 or more should be included in the Council's published Contracts Register. Testing identified only 5 from 12 contracts were listed on the Council's Contract Register.
- CSO 3.2 - All contracts of a value of £15,000 or more shall be made using the Council's Standard Terms and Conditions of Contract, or a standard form of contract e.g. JCT or NEC. Testing identified only 4 from 12 contractors had a suitably detailed contract in place for the work they completed. In all other cases tested officers were using the Goods and Services Purchase Order in lieu of a contract as required by CSO's.
- A large amount of 'works' are being undertaken using a Purchase Order which is only suitable for use when ordering goods and services meaning that there are effectively no Terms and Conditions in place.
- Staff are not seeking advice and guidance from Procurement or Legal before using a Purchase Order in lieu of a written contract with DDC standard terms and conditions as is required by CSOs.



- CSO 3.3.5 – Staff are not undertaking checks to confirm that contractors being used hold the appropriate insurances.
- Staff are not undertaking 'Duty of Care' checks to confirm that contractors being used to undertake work which produces waste hold a Waste Carrier Licence as is required under the Environmental Protection Act 1990. Testing identified 3 from 12 contractors in the sample tested had no Waste Carrier Licence.
- One instance was identified where Purchase Orders were deliberately split to reduce the 'overall' value so as to avoid the requirement under CSO's to obtain three quotes.
- Purchase Orders are often being raised retrospectively which makes budget monitoring inaccurate and of limited value.
- Poor forward planning is resulting in contractors being used with no contract in place, or expired contracts continuing to be used. For one of the contractors in the sample of 12 tested, the Council spent £242,786 over 14 months with a supplier under an expired contract.
- In 3 from 3 void property inspections, post inspections undertaken by officers had failed to identify items being charged for but not completed. On the 3 void properties with a combined value of work of £71,000, overcharges of £3,950 were not identified as part of the post inspection process by officers.
- Work was paid for in 4 from 12 instances prior to the receipt of FENSA certificates to confirm that the work has been completed correctly.
- In 3 from 9 cases of electrical work reviewed during the audit were found to have been paid for without the necessary installation certificates being received meaning that the Council is allowing tenants to use newly installed electrical items without knowing that the installation is safe to use.

### **Management Response**

The audit findings clearly raise some concerns regarding the Council's management of the planned maintenance programme for its housing stock. The issues raised are being addressed with some urgency to ensure that the team adhere to the Council's Contract Standing Orders at all times. It is accepted that some of the issues are a hangover from EKH management of the service and there are also mitigating circumstances regarding staff levels and the desire to progress work in a timely manner, however due process must be followed. Whilst the majority of the audit findings relate to the procurement processes within the team, this audit has highlighted the need for a wider, post-covid, reset across the whole Council regarding the applications of policies and procedures and CMT will be considering how to take this forward.

**Strategic Director (Place and Environment)**

## **2.6 EKS; Housing Benefit Testing 2022-23 - Not Applicable**

### 2.6.1 Audit Scope

Over the course of 2022-23 financial year the East Kent Audit Partnership will complete a sample check of Council Tax, Rent Allowance and Rent Rebate and Local Housing Allowance benefit claims.

### 2.6.2 Summary of Findings

For the 2022-23 financial year (April 2022 to March 2023) forty-five claims including new and change of circumstances of each benefit type were selected by randomly selecting the various claims for verification. Below is a summary table of the findings:-

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

For 2022-23 a total of forty-five claims have been checked of which one (2.22%) had a financial error that impacted on the benefit calculation and one (2.22%) had a data quality error.

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

3.1 As part of the period's work, seven 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) Housing Allocations	Reasonable	Reasonable	Critical	0	0
			High	2	0
			Medium	3	2
			Low	0	0
b) Car Parking & Enforcement	No	Reasonable	Critical	2	0
			High	8	0
			Medium	1	1
			Low	0	0
c) Homelessness	Reasonable	Reasonable	Critical	0	0
			High	3	0
			Medium	1	1
			Low	1	0
d) EKS Business Rates	Substantial	Substantial	Critical	0	0
			High	0	0
			Medium	2	0
			Low	4	0
e) EKS Discretionary Housing Payments	Substantial	Substantial	Critical	0	0
			High	3	0
			Medium	2	0
			Low	3	0

Service/ Topic	Original Assurance level	Revised Assurance level	Original Number of Recs		No of Recs Outstanding
f) Leasehold Charges	Reasonable	Substantial	Critical	0	0
			High	3	0
			Medium	2	0
			Low	3	0
g) Employee Health & Safety	Reasonable	Reasonable	Critical	0	0
			High	11	1
			Medium	3	1
			Low	9	2

\*For Assurance and Recommendation priority definitions see Annex 5

- 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.

#### 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, Dog Warden and Street Scene Enforcement, Procurement, ICT Change Control, and Member Code of Conduct and Standards Arrangements.

#### 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 16<sup>th</sup> 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 six months to 30<sup>th</sup> September 2023, 165.05 chargeable days were delivered against the target of 318, which equates to 51.9% 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 30-09-2023 against the agreed 2023/24 Audit Plan.  
Annex 4 Balance Scorecard of KPIs to 30<sup>th</sup> September 2023  
Annex 5 Assurance Statements

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

<b>Original Recommendation</b>	<b>Agreed Management Action, Responsibility and Target Date</b>	<b>Manager's Comment on Progress Towards Implementation.</b>
<i>Employee Health &amp; Safety – November 2023</i>		
Identify and maintain up-to-date records for all relevant Health and Safety Training required across the Council and ensure these are listed, with their frequency for renewed training within the Policy.	<p>Corporate Mandatory Training and Timescales to be added to the H&amp;S Policy when it is reviewed.</p> <p><b>Proposed Completion Date</b> 31 August 2023</p> <p><b>Responsibility</b> Head of HR, Payroll &amp; Communications &amp; Health and Safety Advisor</p>	<p>The review of the H&amp;S Policy has been delayed due to resource constraints in the team and should be completed by Q4. This action will form part of that review.</p> <p><b>Outstanding.</b></p>

<b>SERVICES GIVEN LIMITED / NO ASSURANCE LEVELS YET TO BE REVIEWED</b>			
<b>Service</b>	<b>Reported to Committee</b>	<b>Level of Assurance</b>	<b>Follow-up Action Due</b>
Planning Applications, Income & s.106 Agreements	16-03-2023	Reasonable/Limited	Work-in-Progress
GDPR Compliance within Housing	29-06-2023	Limited	Work-in-Progress
Commercial Let Properties and Concessions	29-06-2023	Reasonable/Limited	Work-in-Progress
EKS – Data Management Desegregation Project	28-09-2023	Limited	Winter 2023
Waste Management & Street Cleansing	28-09-2023	No	Work-in-Progress
Planned Maintenance – Contract Letting and Management	07-12-2023	No	Spring 2023

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

Review	Original Planned Days	Revised Planned Days	Actual days to 30-09-2023	Status and Assurance Level
<b>FINANCIAL SYSTEMS:</b>				
Car Parking & Enforcement	10	0	0	Finalised – No Assurance; Time shown under finalisation of 22-23 audits
<b>HOUSING SYSTEMS:</b>				
Homelessness	10	10	8.34	Finalised - Reasonable
Void Property Management	10	0	0	Covered by 22-23 Repairs and Maintenance
Contract Letting & Management	10	10	24.14	Finalised - No Assurance
Resident Involvement	10	10	0	Quarter 4
Anti-Social Behaviour	5	5	0	Finalised - Reasonable
Energy Efficiency	10	10	0	Quarter 4
<b>HR RELATED:</b>				
Payroll	6	6	0.44	Work-in-Progress
<b>GOVERNANCE RELATED:</b>				
Members' Code of Conduct & Standards	10	10	1.05	Work-in-Progress
Local Code of Corporate Governance	10	10	8.07	Finalised - Substantial
Risk Management	10	10	0.45	Work-in-Progress
Corporate Advice/CMT	2	2	8.53	Work-in-Progress
s.151 Meetings and Support	9	9	8.83	Work-in-progress
Governance Committee Meetings and Reports	12	12	9.49	Work-in-Progress
Audit Plan Preparation	9	9	0	Work-in-Progress
<b>COUNTER FRAUD &amp; CORRUPTION:</b>				
Counter Fraud	10	10	0	Quarter 4
<b>CONTRACT RELATED:</b>				
Procurement	10	10	0.53	Work-in-Progress
<b>ICT RELATED:</b>				
Change Controls	13	13	0	Work-in-Progress
Cyber Security	13	13	13.53	Finalised
Physical & Environmental Controls	13	13	0	Quarter 4

Review	Original Planned Days	Revised Planned Days	Actual days to 30-09-2023	Status and Assurance Level
<b>SERVICE LEVEL:</b>				
Commercial Let Properties & Concessions	10	10	9.34	Finalised – Reasonable/Limited
Community Safety	10	10	2.27	Finalised – Substantial/Reasonable
Climate Change	5	5	0	Quarter 4
Dog Warden, Fly Tipping & Litter Enforcement	10	10	1.17	Work-in-Progress
Electoral Registration	10	10	0	Quarter 4
Port Health	10	10	0	Quarter 4
Environmental Protection Service Requests	10	10	11.63	Finalised - Reasonable
Equality & Diversity	10	10	0	Quarter 4
Events Management	8	8	0.18	Work-in-Progress
Building Control	10	10	0	Quarter 4
Waste Mgmt. & Street Cleansing	10	10	13.14	Finalised – No/Reasonable
<b>OTHER:</b>				
Liaison with External Auditors	1	1	0.19	Work-in-Progress
Follow-up Work	15	15	12.64	Work-in-Progress
<b>FINALISATION OF 2022-23- AUDITS:</b>				
Car Parking & Enforcement	5	15	2.76	Finalised – No
Employee Health & Safety			7.14	Finalised - Reasonable
Leasehold Services			10.44	Finalised - Reasonable
VAT			0.08	Delayed at Client Request
Safeguarding			4.76	Finalised - Limited
Repairs & Maintenance & Void Property Management.			1.09	Finalised - Reasonable
GDPR Compliance within Housing			0.18	Finalised - Limited
<b>RESPONSIVE ASSURANCE:</b>				
Performance Management	0	10	0	To be undertaken instead of the Void Property Mgmt.
Risk Management – Consultancy	0	2	2.03	Finalised – N/A
District Election 2023 – Count staff	0	0	1.27	Finalised – N/A
LUF Grant Project Assurance	0	0	0.44	Work-in-Progress
<b>TOTAL</b>	<b>318</b>	<b>318</b>	<b>165.05</b>	<b>51.9%</b>



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

<b>Review</b>	<b>Original Planned Days</b>	<b>Revised Planned Days</b>	<b>Actual days to 30/09/2023</b>	<b>Status and Assurance Level</b>
<b>EKS REVIEWS:</b>				
Housing Benefits Administration	15	13	12.70	Finalised - Substantial
Housing Benefits Testing	20	14	13.55	Finalised - N/A
Council Tax Reduction Scheme	15	15	0.16	Quarter 3
Customer Services	15	8	0.06	Quarter 4
Transition Governance	0	15	0.14	Quarter 3
<b>OTHER:</b>				
Corporate/Committee	4	4	3.10	Ongoing
Follow Up	2	2	0.11	Ongoing
<b>FINALISATION of 2022-23 AUDITS:</b>				
Debtors	2	2	1.45	Finalised - Substantial
Data Management Desegregation Project	1	1	1.55	Finalised – Reasonable / Limited
<b>Total</b>	<b>74</b>	<b>74</b>	<b>32.82</b>	<b>44.35%</b>

Balanced Scorecard

<u>INTERNAL PROCESSES PERSPECTIVE :</u>	<u>2023-24 Actual</u>	<u>Target</u>	<u>FINANCIAL PERSPECTIVE:</u>	<u>2023-24 Actual</u>	<u>Original Budget</u>
	<b>Quarter 2</b>		<b>Reported Annually</b>		
Chargeable as % of available days	87%	90%	• Cost per Audit Day	£	£403.37
Chargeable days as % of planned days			• Direct Costs	£	£521,918
CCC	36.71%	50%	• + Indirect Costs (Recharges from Host)	£	£10,530
DDC	51.90%	50%	• - 'Unplanned Income'	£	Zero
TDC	47.27%	50%			
FHDC	41.71%	50%			
EKS	44.34%	50%			
Overall	44.91%	50%	• = Net EKAP cost (all Partners)	£	£532,448
Follow up/ Progress Reviews;					
• Issued	28	-			
• Not yet due	44	-			
• Now due for Follow Up	18	-			
Compliance with the Public Sector Internal Audit Standards (PSIAS) (see Annual Report for more details)	Partial	Partial			

<b><u>CUSTOMER PERSPECTIVE:</u></b>	<b><u>2023-24 Actual</u></b>	<b><u>Target</u></b>	<b><u>INNOVATION &amp; LEARNING PERSPECTIVE:</u></b>	<b><u>2023-24 Actual</u></b>	<b><u>Target</u></b>
	<b>Quarter 2</b>		<b>Quarter 2</b>		
<b>Number of Satisfaction Questionnaires Issued;</b>	<b>36</b>		<b>Percentage of staff qualified to relevant technician level</b>	<b>61%</b>	<b>60%</b>
<b>Number of completed questionnaires received back;</b>	<b>11</b>		<b>Percentage of staff holding a relevant higher-level qualification</b>	<b>50%</b>	<b>50%</b>
	<b>= 31%</b>		<b>Percentage of staff studying for a relevant professional qualification</b>	<b>0%</b>	<b>N/A</b>
<b>Percentage of Customers who felt that;</b>			<b>Number of days technical training per FTE</b>	<b>2.21</b>	<b>3.5</b>
<ul style="list-style-type: none"> <li>• Interviews were conducted in a professional manner</li> <li>• The audit report was 'Good' or better</li> <li>• That the audit was worthwhile.</li> </ul>	<b>100%</b>	<b>100%</b>	<b>Percentage of staff meeting formal CPD requirements (post qualification)</b>	<b>50%</b>	<b>50%</b>
	<b>100%</b>	<b>90%</b>			
	<b>100%</b>	<b>100%</b>			

## **Definition of Audit Assurance Statements & Recommendation Priorities**

### CiPFA Recommended Assurance Statement Definitions:

**Substantial assurance** - A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

**Reasonable assurance** - There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.

**Limited assurance** - Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.

**No assurance** - Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

### EKAP Priority of Recommendations Definitions:

**Critical** – A finding which significantly impacts upon a corporate risk or seriously impairs the organisation's ability to achieve a corporate priority. Critical recommendations also relate to non-compliance with significant pieces of legislation which the organisation is required to adhere to and which could result in a financial penalty or prosecution. Such recommendations are likely to require immediate remedial action and are actions the Council must take without delay.

**High** – A finding which significantly impacts upon the operational service objective of the area under review. This would also normally be the priority assigned to recommendations relating to the (actual or potential) breach of a less prominent legal responsibility or significant internal policies; unless the consequences of non-compliance are severe. High priority recommendations are likely to require remedial action at the next available opportunity or as soon as is practical and are recommendations that the Council must take.

**Medium** – A finding where the Council is in (actual or potential) breach of - or where there is a weakness within - its own policies, procedures or internal control measures, but which does not directly impact upon a strategic risk, key priority, or the operational service objective of the area under review. Medium priority recommendations are likely to require remedial action within three to six months and are actions which the Council should take.

**Low** – A finding where there is little if any risk to the Council or the recommendation is of a business efficiency nature and is therefore advisory in nature. Low priority recommendations are suggested for implementation within six to nine months and generally describe actions the Council could take.