

This Report will be made public on 24 February 2021



Report Number **AuG/20/15**

To: Audit and Governance Committee
Date: 4 March 2021
Status: Non-Executive Decision
Corporate Director: Charlotte Spendley – Director – Corporate Services (S151)

SUBJECT: INTERNAL AUDIT PROGRESS REPORT FROM THE HEAD OF THE EAST KENT AUDIT PARTNERSHIP

SUMMARY: This report includes the summary of the work of the East Kent Audit Partnership (EKAP) since the last Audit and Governance Committee meeting together with details of the performance of the EKAP to the 31st December 2020.

REASONS FOR RECOMMENDATION:

The Committee is asked to agree the recommendations set out below because: In order to comply with best practice, the Audit and Governance Committee should independently contribute to the overall process for ensuring that an effective internal control environment is maintained.

RECOMMENDATIONS:

- 1. To receive and note Report AuG/20/15.**
- 2. To note the results of the work carried out by the East Kent Audit Partnership.**

1. INTRODUCTION

- 1.1 This report includes the summary of the work completed by the East Kent Audit Partnership (EKAP) since the last Audit and Governance Committee progress report, together with details of the performance of the EKAP to the 31st December 2020.

2. AUDIT REPORTING

- 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 the relevant Heads of Service, 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. There are currently three reviews with such a level of assurance as shown in appendix 2 of the EKAP report.
- 2.5 The purpose of the Council's Audit and Governance Committee is to provide independent assurance of the adequacy of the risk management arrangements, the control environment and associated anti-fraud and anti-corruption arrangements and to seek assurance that action is being taken to mitigate those risks identified.
- 2.6 To assist the Committee in meeting 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.

3. SUMMARY OF WORK

- 3.1. There have been six audit reports completed during the period. These have been allocated assurance levels as follows: two was providing substantial, two were reasonable assurance, one was limited and one was not applicable for an assurance. Summaries of the report findings are detailed within Annex 1 to this report.

- 3.2 In addition, five follow up reviews have been completed during the period. The follow up reviews are detailed within section 3 of the update report.
- 3.3 For the period to 31st December 2020 226.87 chargeable days were delivered against the planned target of 374.23 days, which equates to achievement of 60.62% of the planned number of days.
- 3.4 Due to the Covid19 virus the EKAP team were redirected to community work on behalf of the partner councils early in the 2020/21 year. This has impacted upon the amount of internal audit work that can be completed within the year resulting in a revision to the audit plan in appendix 3. At the same time East Kent Housing Limited was taken back in house by the partner councils on 1st October 2020, therefore the plan was further adjusted to bring back in 30 days for 2020/21 and then 35 days from 2021/22 in respect of housing reviews.

4. RISK MANAGEMENT ISSUES

- 4.1 A summary of the perceived risks follows:

Perceived risk	Seriousness	Likelihood	Preventative action
Non completion of the audit plan	Medium	Low	Review of the audit plan on a regular basis
Non implementation of agreed audit recommendations	Medium	Low	Review of recommendations by Audit and Governance Committee and Audit escalation policy.
Non completion of the key financial system reviews	Medium	Medium	Review of the audit plan on a regular basis. A change in the external audit requirements reduces the impact of non-completion on the Authority.

5. LEGAL, FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

5.1 Legal Officer's comments (DK)

No legal officer comments are required for this report.

5.2 Finance Officer's Comments (TM)

Responsibility for the arrangements of the proper administration of the Council's financial affairs lies with the Director – Corporate Services (s.151). The internal audit service helps provide assurance as to the adequacy of the arrangements in place. It is important that the recommendations accepted by Heads of Service are implemented and that audit follow-up to report on progress.

5.3 **Head of the East Kent Audit Partnership comments (CP)**

This report has been produced by the Head of the East Kent Audit Partnership and the findings / comments detailed in the report are the service's own, except where shown as being management responses.

5.4 **Diversities and Equalities Implications (CP)**

This report does not directly have any specific diversity and equality implications however it does include reviews of services which may have implications. However none of the recommendations made have any specific relevance.

6. **CONTACT OFFICERS AND BACKGROUND DOCUMENTS**

- 6.1 Councillors with any questions arising out of this report should contact either of the following officers prior to the meeting.

Christine Parker, Head of the Audit Partnership
Telephone: 01304 872160 Email: Christine.parker@folkestone-hythe.gov.uk

Charlotte Spendley Director – Corporate Services (S151)
Telephone: 01303 853420 Email: Charlotte.spendley@folkestone-hythe.gov.uk

- 6.2 The following background documents have been relied upon in the preparation of this report:

Internal Audit working papers - Held by the East Kent Audit Partnership.

Attachments

Annex 1 – Update report from the Head of the East Kent 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 Audit and Governance Committee meeting, together with details of the performance of the EKAP to the 31st December 2020.

2. SUMMARY OF REPORTS

Service / Topic		Assurance level	No of recs	
2.1	Housing Benefit Quality	Substantial	C	0
			H	0
			M	0
			L	0
2.2	Insurance	Substantial	C	0
			H	0
			M	0
			L	1
2.3	Performance Management	Reasonable	C	0
			H	0
			M	0
			L	4
2.4	Debtors	Reasonable	C	0
			H	1
			M	0
			L	2
2.5	Housing Compliance Direction of Travel	Limited	C	1
			H	14
			M	2
			L	0
2.6	COVID-19 Business Grant Fraud Data Match	Not applicable	C	0
			H	0
			M	0
			L	0

2.1 Housing Benefit Quality – Substantial Assurance

2.1.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established in respect of the quality control over data input and quality assessment of claims processing regarding Housing Benefits and Council Tax Benefit.

2.1.2 Summary of Findings

The Compliance and Development team is responsible for sample checking the work of all benefit and council tax assessors. In doing so they provide quality assurance, help to identify any training and development needs and provide performance data for continuous improvement.

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

- The Compliance and Development team has access to procedure manuals and guidance and is kept up to date with legislation changes
- The Compliance and Development team has good controls and processes in place to carry out quality testing
- Testing is used to monitor performance and identify any training and development needs
- Exception reports are regularly run to identify certain types of anomalies in claims data
- The Northgate system contains an audit trail of all officer actions

2.2 Insurance – Substantial Assurance

2.2.1 Audit Scope

To provide assurance on the procedures and controls established to ensure that sufficient insurance coverage is in place for the Council to limit the significant risks that face the authority in carrying out its many and varied functions.

2.2.2 Summary of Findings

Insurance is one of the mitigating actions to control risk by transferring it fully or partially to a third party, in this case an insurance provider to share the risk exposure.

This being achieved by Council Officers taking into consideration the risks within their own service areas and where these can be mitigated by insurance coverage and advising the Council's Insurance Officer to enable them to either put in place appropriate insurance coverage or recommend alternatives to reduce the risk to the authority.

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

- The council's insurance risk profile is understood.

- Officers are aware of the need to inform the Insurance & Risk Specialist of all insurable risks.
- All identified liabilities are insured.
- Liabilities and assets insured are reviewed at least annually to ensure that cover remains adequate.

Scope for improvement was however identified in the following area:

- Grounds maintenance must ensure the Insurance & Risk Specialist is promptly notified of all vehicle disposals.

2.3 Performance Management – Reasonable Assurance

2.3.1 Audit Scope

The Council is committed to raising the profile of performance management to ensure progress and improvement is maintained. Therefore this review is to provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that the Council adopts best practices in the identification, evaluation and monitoring of its performance management data.

2.3.2 Summary of Findings

Performance management is essentially about setting goals and using information and data to check that you are working towards your targets. The Corporate Plan sets out the Council's overall strategic direction. The Corporate Plan, together with the individual service plans contains priorities, outcomes and measures of success. The performance indicators and actions outlined in the measures of success will assist the Council in assessing whether the desired outcomes have been achieved. It is key to note that performance management is a continuous process.

The current Corporate Plan was due to end in March 2020 however it has been extended to cover the current year. The new corporate plan was initially due to be adopted in the summer of 2020, however work on this was delayed due to the current pandemic. Work towards a new Corporate Plan recommenced in June 2020, however the Council has to prioritise the Post COVID Recovery Plan and how the emerging priorities from this can be dovetailed with the longer term priorities of the new corporate plan. The Council has appointed an external consultant to progress this work; with a revised due date of January 2021.

The progression of service planning and key performance indicator (KPI) reporting for 2020/21 was also delayed; with service plans now being agreed and reporting restarting in October/November 2020.

There are currently 242 active performance indicators (PIs), 80 of which are Key Performance Indicators (KPIs) set up under the Corporate Plan 2017-2020. Whilst the new corporate plan is developed 226 PIs, including 72 KPIs have been proposed for reporting in 2020/21. The PIs are managed through the Pentana System, and KPIs are monitored and reported to CLT, Cabinet and the Overview and Scrutiny Committee.

Management can place Reasonable Assurance on the system of internal controls in operation. It is anticipated that the level of assurance will increase at follow up once the new Corporate Plan, strategic priorities and revised KPIs and PIs are embedded.

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

- The Council was producing well documented regular KPI reports in respect of the targets set out in the Corporate Plan. Reporting was briefly delayed due to COVID19 and is about to restart.
- Work on a new Corporate Plan and strategic priorities is progressing well since being delayed due to COVID-19 and it is anticipated that the revised completion date of January 2021 will be met.
- The KPIs are being reviewed and will be realigned to the post COVID Recovery Plan and new Corporate Plan once agreed.
- Corporate objectives and service objectives are well documented and communicated through service plans; which are produced annually.

Scope for improvement was however identified in the following areas:

- Senior Officers and Members should continue to review KPIs focusing on the key priorities to prevent collation of excessive performance indicators which are of limited benefit to driving improvements to services.
- There is a current lack of evidence demonstrating the link between personal performance reviews to service and strategic priorities. However, management are aware and are committed to a review of the current PPR policy taking into account the new behavioural assessments, due to be completed by the end of 2020, as part of the current transformation project.
- KPI performance against targets could be more visual within the quarterly reports, making poor performance easily identifiable.

2.4 Debtors – Reasonable Assurance

2.4.1 Audit Scope

To provide assurance on the procedures and controls established to ensure that all debtor information is accurately recorded, correct payment is received within set timeframes and non-payment and arrears of debtor accounts are pursued on a timely basis to ensure all monies due are properly received by the Council.

2.4.2 Summary of Findings

The Council has a duty to ensure that all revenue due to it is collected efficiently and effectively for the benefit of residents and taxpayers. It is essential that a consistent debt management system is in place for both financial stewardship and audit purposes. As part of this audit the write off figures have been looked at for the last five financial years figures based on the corporate debt reports produced on 1st April each year that have been produced by the Business Rates & Corporate Debt Senior Specialist.

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

- Procedure notes and supporting policies are in place to assist officers in the debtor processes.
- A quarterly Debt Management report is produced to monitor the various types of debts however the reporting of this could be further enhanced.

Scope for improvement was however identified in the following areas:

- As part of good governance practices, consideration should be given to providing members via a suitable committee with Debt Management reports either on a quarterly basis or a summary report should be presented annually.

2.5 Housing Compliance Direction of Travel – Limited Assurance

2.5.1 Audit Scope

To provide assurance on the data integrity, procedures and controls established to ensure that the all of the landlord mandatory and good practice health and safety compliance functions are operating as intended and that this is sufficient to meet the Housing Regulator’s requirements placed upon the Council and there is a clear direction of travel.

2.5.2 Summary of Findings

The Council took back responsibility for the management of its housing stock and residents on 1st October 2020. Since then a large amount of work has been undertaken by officers to make improvements in the service to tenants and more importantly the safety of those tenants. Significant improvements have already been made and continue to be made each week. However there remains a significant amount of work still to do to bring levels of compliance up to where the Council and officers want it to be. The level of commitment by officers and management is clearly evident and acknowledged by this report. For that officers should be commended.’

Assurance levels for each area tested are as follows:

Area	Assurance
Data Management/Performance reporting	Reasonable
Policies	Limited
Gas Safety	Substantial
Fire safety	Limited
Electrical Safety	Reasonable
Lifts	Reasonable
Legionella	Reasonable
Asbestos	Reasonable
Housekeeping	No assurance
Tenant Engagement	Reasonable
Overall	Limited

While no areas of significant concern were identified during the audit, several issues were identified which affect the overall safety of tenants. Those issues have already been raised with the relevant officers so that work can be started to ensure safety of residents. It is the following findings which result in an overall conclusion of Limited Assurance for this audit.

- Policies which are in place make some reference to EKH and therefore should be updated to remove those references.
- Some non-statutory policies were found to be absent such as a Scooter storage and PAT testing policy.
- Fire Risk Assessments (FRA's) list EKH staff as the Responsible Person. Those persons do not work for The Council.
- No checks are undertaken on the contractor responsible for weekly testing of emergency lighting and fire alarms.
- Fire drills have not been undertaken for up to 18 months in some cases.
- Gaps in fire alarm and emergency lighting testing are not being identified and raised with the relevant contractor.
- Emergency lighting annual testing may not be completed in accordance with the relevant regulations due to contractors completing excessive tests on certain days.
- Weaknesses around the supervision of the lift maintenance contractor.
- Weekly inspections by ILM's are not identifying risks to residents or not being reported.

Significant improvements can be seen around Lifts, with all passenger lifts now passing the 6 monthly examination with few or no issues being raised on the examination report. However, there is little evidence in place to show that the lift maintenance contractor is undertaking monthly servicing of lifts in accordance with the relevant contract. Poor supervision of the contractor is likely to result in lifts beginning to start failing 6 monthly examinations, and having to be taken out of service until the necessary remedial work is completed.

Good arrangements appear to be in place to liaise with the contractor responsible for the management of legionella, while a small number of Legionella Risk assessments were found to have expired at the time of the audit, plans were in place for the necessary checks to be completed by the contractor.

Weekly checks and inspections of sheltered schemes is not only important in ensuring the safety of tenants, but also ensuring that general repairs needed to the building are reported and in turn rectified. Numerous instances of a poor inspection process were evidenced while undertaking visits to various buildings during the audit such as:

- External fire escape doors not closing properly causing a security risk to the building and residents in it.
- Fire doors not closing properly not being identified.
- Window restrictors not being fitted to large windows with large openings on upper floors not being identified.
- Fire doors which don't close not being identified.

- Keys missing for external doors not being reported.
- Tenants with access to storage cupboard not being known.
- No keys to rooms which are locked.
- Equipment which failed PAT testing in 2017 still being in place and available for use.
- Fire doors to laundry rooms or communal kitchens being held open by door wedges.

Management Comment –

East Kent Audit Partnership were commissioned to report on the current effectiveness of the housing landlord compliance service, providing a datum and action plan for ongoing improvement. The auditor focused on a sample of 6 of the authorities sheltered housing schemes. Following the audit all sheltered schemes and blocks have been surveyed for similar issues and remedial work is being undertaken along with changes to management processes and reporting.

Of the 10 areas audited one provided substantial assurance, 6 were considered to provide reasonable assurance, 2 areas were rated as limited and one rated as having no assurance. Overall, given the infancy of the service and the legacy from EKH this is a reasonable position to be in while recognising there remains a significant amount of work still do. Improvements in the area of House Keeping (which received no assurance) will automatically improve the area of fire safety which received limited assurance. The other limited assurance category of policies has been addressed.

The headline results of the audit have been shared with the Regulator of Social Housing who noted the auditors comments that *'since taking over the stock on 1 October significant improvements have been made and continue to be made each week. However there remains a significant amount of work still do to bring levels of compliance up to where the Council and officers want to be. The level of commitment by officers and management is clearly evident and the very reason for this audit taking place. For that officers should be commended.'*

Depending on the progress to complete remedial work and embed new systems to prevent their re occurrence a second direction of travel audit will be commissioned in the next 2-3 months.

(Assistant Director Housing)

2.6 COVID-19 Business Grant Fraud Data Match – Not applicable for assurance

2.6.1 Audit Scope

To provide assurance that none of the business rate grants paid out by the Council were made to known fraudulent bank accounts as notified by the National Anti-Fraud Network (NAFN).

2.6.2 Summary of Findings

The Council made various grant payments to eligible business rate payers on behalf of the Government in the early part of the pandemic. The payment of the grants was required to be made swiftly to provide financial assistance to the local companies in the district who qualified for assistance.

The payment of the grants was processed as per the Government's instructions and this did not include in depth application checks at that time.

Since then it has become known that fraudulent applications had been made across the country by criminals to extract monies from this grant scheme.

As a result NAFN has been coordinating information concerning fraudulent attempts at obtaining funds from the scheme from councils across the country.

NAFN has circulated details of known bank accounts where fraud has been established. Therefore a data matching exercise was undertaken by EKAP to ascertain whether any of the payments made by the Council, have been made to any of these identified bank accounts.

Using specialist interrogation software an exercise was undertaken to check that no funds had been paid to any of these accounts. The result being that there were no instances of this being found, 100% assurance can be placed that no payments have been made to notified accounts were it is known that fraud has taken place.

FOLLOW UP OF AUDIT REPORT ACTION PLANS

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.

3.2

Service / Topic	Original Assurance level	Revised Assurance level	Original recs	Outstanding recs
HRA Business Plan	Substantial	Substantial	C 0 H 1 M 0 L 1	C 0 H 0 M 0 L 0
Asset Management	Substantial	Substantial	C 0 H 0 M 1 L 0	C 0 H 0 M 0 L 0
Land Charges	Reasonable / Limited	Substantial / Reasonable	C 0 H 4 M 2 L 1	C 0 H 0 M 0 L 0
Sports Income	Reasonable	Reasonable	C 0 H 0 M 5 L 1	C 0 H 0 M 2 L 0
Emergency Out of Hours	Reasonable	Reasonable	C 0 H 1 M 4 L 1	C 0 H 0 M 0 L 0

3.3 Details of any individual Critical and High priority recommendations still to be implemented at the time of follow-up are included at Appendix 1.

The purpose of escalating outstanding high-priority recommendations which have not been implemented 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: Complaints Monitoring, Officers' Code of Conduct, Contract Standing Orders, CIL & S106s; Equality & Diversity; Grounds Maintenance and Community Safety Partnership.

5.0 CHANGES TO THE AGREED AUDIT PLAN

5.1 The 2020/21 audit plan was agreed by Members at the meeting of the Audit & Governance Committee on 4th March 2020.

5.2 The Head of the Audit Partnership meets on a regular basis with the Section 151 Officer or their deputy 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 Appendix 3.

5.3 There has of course been an impact on the work of the internal audit team as a result of the C19 Crisis. The Audit Plan for 2020-21 was prepared as usual throughout February and agreed with the s.151 Officer and CLT and was presented to the March meeting. Following this, the team was re-deployed to assist with C19 response work in the community. As a consequence, no new internal audit work was commissioned or undertaken throughout April to June, leading to a total of 154 audit days being lost (over the partnership). The plan that was approved at the March meeting is set out in the table in Appendix 3, showing the days allocated up to the end of December. It has therefore been necessary to work with the s.151 Officer to agree a revised plan based on 9 month's work not 12, the reviews that are deferred within the overall five-year strategic audit plan are also shown. Additionally, the revised plan also accommodates the new Housing audits which have transferred back to the four councils from 1st October. Except for follow up, no new EKH Ltd audits commenced before the end of September, and therefore the revised EKH Plan is also shown in Appendix 3.

6.0 FRAUD AND CORRUPTION

There are currently no reported incidents of fraud or corruption being investigated by EKAP on behalf of Folkestone-Hythe District Council.

7.0 INTERNAL AUDIT PERFORMANCE

7.1 For the period ended 31st December 2020, 226.87 chargeable days were delivered against the planned target of 374.22 days, which equates to achievement of 60.62% of the original planned number of days.

7.2 The financial performance of the EKAP for 2020/21 is on target.

Attachments

- Appendix 1 Summary of high priority recommendations outstanding or in progress after follow up
- Appendix 2 Summary of services with limited / no assurances yet to be followed up.
- Appendix 3 Progress to 31st December 2020 against the revised 2020/21 Audit plan.
- Appendix 4 Balanced Scorecard to 31st December 2020
- Appendix 5 Assurance Definitions.

SUMMARY OF CRITICAL /HIGH PRIORITY RECOMMENDATIONS OUTSTANDING AFTER FOLLOW-UP – APPENDIX 1		
Original Recommendation	Agreed Management Action, Responsibility and Target Date	Manager’s Comment on Progress Towards Implementation.
None		
1.		

SERVICES GIVEN LIMITED / NO ASSURANCE LEVELS STILL TO BE REVIEWED			
Service	Reported to Committee	Level of Assurance	Follow-up Action Due
Licensing	September 2020	Reasonable / Limited	Quarter 4
Tenancy & Right to Buy Fraud	March 2019	Limited	The pilot Counter Fraud scheme being undertaken in conjunction with Ashford Borough Council has been delayed due to C19
Waste Management	December 2020	Reasonable / Limited	Quarter 1

PROGRESS AGAINST THE F&HDC AUDIT PLAN 2020/21

Review	Original Planned Days	Revised Planned Days	Actual To 31/12/2020	Status and Assurance level
FINANCIAL SYSTEMS				
Bank Reconciliation	10	10	3.57	Work in progress
Business Rates	10	0	0.24	Replaced
Debtors	10	10	6.25	Finalised -Reasonable
Insurance	10	10	11.36	Finalised - Substantial
Housing Benefits Quality	10	10	8.85	Finalised - Substantial
HOUSING SYSTEMS				
Homelessness	15	15	0.03	Quarter 4
Tenant Health & Safety Compliance	0	20	6.84	Quarter 4
Housing Compliance Direction of Travel	0	10	7.54	Finalised - Limited
ICT SYSTEMS				
ICT review	10	10	0.28	Quarter 4
HUMAN RESOURCES SYSTEMS				
Payroll	10	10	0.81	Work in progress
GOVERNANCE RELATED				
Members Code of Conduct & Standards	10	7	6.55	Finalised - Substantial
Whistleblowing & Anti Money Laundering	9	10	10.20	Finalised - Reasonable
Fraud Resilience	10	0	0	Deferred
Performance Management	10	12	11.60	Finalised - Reasonable
SERVICE LEVEL				
Contract Monitoring	10	0	0	Merged with CSOs
Contract Standing Orders	10	21	22.06	Draft report
Community Safety Partnership	10	10	7.47	Work in progress
Customer Services	10	0	0	Deferred
Emergency Planning & Business Continuity	10	0	0	Deferred
E-Procurement & Purchase Cards	10	0	0.04	Deferred
Folkestone Community Works Grant	10	10	0.11	Quarter 4
Garden Waste Recycling	10	10	0.29	Quarter 4
Grounds Maintenance	10	10	2.06	Work in progress
Land Charges	10	10	9.53	Finalised –Reasonable/Limited

Review	Original Planned Days	Revised Planned Days	Actual To 31/12/2020	Status and Assurance level
Lifeline	10	10	1.54	Quarter 4
Planning S106s & CIL	10	10	4.65	Work in progress
Special Projects	10	0	0	Replaced
Complaints monitoring		10	0.24	Work in progress
Officers Code of Conduct		10	0.28	Work in progress
OTHER				
Committee reports & meetings	10	10	11.24	Ongoing
S151 meetings & support	12	12	6.05	Ongoing
Corporate advice / CMT	3	3	2.34	Ongoing
Liaison with External Audit	1	1	0.11	Ongoing
Audit plan prep & meetings	10	10	9.75	Ongoing
Follow Up Reviews	15	19	15.35	Ongoing
FINALISATION OF 2019-20 AUDITS				
Days under delivered in 19/20		29.23	0	Allocated Below
Dog Enforcement	10	1	0.07	Finalised - Substantial
Engineers		1	0.88	Deferred
Licensing		8	7.85	Finalised Reasonable / Limited
Oportunitas Governance		6	5.45	Finalised - Reasonable
Otterpool Park Governance		1	0.71	Finalised - Substantial
Waste Management		2	1.55	Finalised –Reasonable/Limited
Climate Change		2	2.01	Completed – N/A
Creditors Duplicate Testing		1	1.00	Completed – N/A
RESPONSIVE WORK				
COVID 19 Assistance	0	40	38.53	Completed
Total	315	374.23	226.87	60.62% at 31/12/2020
Note - 30 days have been added to the revised planned days from the former East Kent Housing audit plan from 1 st October 2020.				

REVISED EAST KENT HOUSING LIMITED PLAN:

Review	Original Planned Days	Revised Planned Days	Actual To 31/12/2020	Status and Assurance Level
Planned Work:				
CMT/Audit Sub Ctte/EA Liaison	4	4	3.09	Finalised
Follow-up Reviews	15	0	0	Finalised
Tenants' Health & Safety	0	7	8.14	Finalised - Various
Finalisation of 2019/20 Work-in-Progress:				
Days over delivered in 2019/20		-7.37	0	Allocated
Welfare Reform	0	1	0.40	Finalised - Substantial
Employee Health & Safety	1	0.63	1.00	Finalised - Limited
Total	20	12.63	12.63	100% as at 31/12/2020

BALANCED SCORECARD

Appendix 4

<u>INTERNAL PROCESSES PERSPECTIVE:</u>	<u>2020-21 Actual</u>	<u>Target</u>	<u>FINANCIAL PERSPECTIVE:</u>	<u>2020-21 Actual</u>	<u>Original Budget</u>
	Quarter 3		Reported Annually		
Chargeable as % of available days	90%	80%	<ul style="list-style-type: none"> • Cost per Audit Day 	£	£339.14
Chargeable days as % of planned days			<ul style="list-style-type: none"> • Direct Costs 	£	£437,130
CCC	84.39%	75%	<ul style="list-style-type: none"> • + Indirect Costs (Recharges from Host) 	£	£10,530
DDC	65.76%	75%	<ul style="list-style-type: none"> • - 'Unplanned Income' 	£	Zero
F&HDC	60.65%	75%			
TDC	69.19%	75%			
EKS	50.82%	75%			
EKH	100.00%	75%			
<i>Plus, C19 Redeployment Days 154.14</i>			<ul style="list-style-type: none"> • = Net EKAP cost (all Partners) 		£447,660
Overall	66%	75%			
Follow up/ Progress Reviews;					
<ul style="list-style-type: none"> • Issued 	26	-			
<ul style="list-style-type: none"> • Not yet due 	22	-			
<ul style="list-style-type: none"> • Now due for Follow Up 	30	-			
Compliance with the Public Sector Internal Audit Standards (PSIAS) (see Annual Report for more details)	Partial	Full			

<u>CUSTOMER PERSPECTIVE:</u>	<u>2020-21 Actual</u>	<u>Target</u>	<u>INNOVATION & LEARNING PERSPECTIVE:</u>	Actual	Target
	Quarter 3		Quarter 3		
Number of Satisfaction Questionnaires Issued;	38		Percentage of staff qualified to relevant technician level	75%	75%
Number of completed questionnaires received back;	17		Percentage of staff holding a relevant higher level qualification	39%	39%
	= 45%		Percentage of staff studying for a relevant professional qualification	15%	N/A
Percentage of Customers who felt that;			Number of days technical training per FTE	2.42	3.5
<ul style="list-style-type: none"> • Interviews were conducted in a professional manner 	100%	100%	Percentage of staff meeting formal CPD requirements (post qualification)	39%	39%
<ul style="list-style-type: none"> • The audit report was 'Good' or better 	100%	90%			
<ul style="list-style-type: none"> • That the audit was worthwhile. 	95%	100%			

Appendix 5

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.