
INTERNAL AUDIT PROGRESS REPORT

To: Governance and Audit Committee: 29th September 2011

By: Chief Executive (s.151 Officer): Sue McGonigal

Subject: INTERNAL AUDIT PROGRESS REPORT OF THE HEAD OF THE AUDIT PARTNERSHIP.

Classification: Unrestricted

Summary: This report gives Members a summary of the internal audit work completed by the East Kent Audit Partnership since the last Governance and Audit Committee meeting, together with details of the performance of the EKAP to the 30th June 2011.

For Information

1.0 Introduction

1.1 This report includes the summary of the work completed by the East Kent Audit Partnership since the last Governance and Audit Committee meeting, together with details of the performance of the EKAP to the 30th June 2011.

2.0 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 each member of Corporate Management Team, as well as an appropriate manager for the service reviewed. Attached as Appendix 1 to the EKAP report is a summary of the Action Plans agreed in respect of the reviews covered during the period.

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 Appendix 2 to the EKAP report.

2.5 The purpose of the Council's Audit 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.

3.0 Summary of Work

- 3.1 There have been nine Internal Audit assignments completed during the period. Of these: seven concluded Substantial Assurance and two concluded Reasonable assurance. Summaries of the report findings and the recommendations made are detailed within Annex 1 to this report.

- 3.2 In addition, three follow-up reviews have been completed during the period. Of these, one related to an area which was originally assessed as giving rise to Limited assurance and the assurance level for this business area has increased to Reasonable.

- 3.3 For the three months to 30th June 2011, 112.46 chargeable days were delivered against the planned target of 342 which equates to 32.88% plan completion.

- 3.4 The financial performance of the EKAP is on target and there are no concerns to highlight at this time.

4.0 Options

- 4.1 That Members consider and note the internal audit update report.
- 4.2 That the changes to the agreed 2010-11 internal audit plan, resulting from changes in perceived risk, detailed at point 5.0 of the attached report be approved.
- 4.3 That Members consider (where appropriate) requesting an update from the relevant Director/s to the next meeting of the Committee in respect of any areas identified as still having either limited or no assurance following follow-up.
- 4.4 That Members consider registering their concerns with Cabinet in respect of any areas of the Council's corporate governance, control framework or risk management arrangements in respect of which they have on-going concerns after the completion of internal audit follow-up reviews and update presentations from the relevant Director.

5.0 Corporate Implications

5.1 Financial Implications

- 5.1.1 There are no financial implications arising directly from this report. The costs of the audit work have been met from the Financial Services 2011-12 budgets.

5.2 Legal Implications

5.2.1 The Council is required by statute (under the Accounts and Audit Regulations and section 151 of the Local Government Act 1972) to have an adequate and effective internal audit function.

5.3 Corporate Implications

5.3.1 Under the Local Code of Corporate Governance accepted by Cabinet on 8th December 2009, the Council is committed to comply with requirements for the independent review of the financial and operational reporting processes, through the external audit and inspection processes, and satisfactory arrangements for internal audit.

6.0 Recommendations

6.1 That the report be received by Members.

6.2 That any changes to the agreed 2011-12 internal audit plan, resulting from changes in perceived risk, detailed at point 5.0 of the attached report be approved.

Contact Officers:	Christine Parker, Head of the Audit Partnership, Ext. 7190
	Simon Webb, Audit Manager, Ext 7190
	Sue McGonigal, Chief Executive (s.151 Officer) Ext. 7002

Annex List:

Annex 1	East Kent Audit Partnership Update Report – 29-09-2011
---------	--

Background Papers:

Title	Details of where to access copy
<i>Internal Audit Annual Plan 2011-12</i>	Previously presented to and approved at the 15 th March 2011 Governance and Audit Committee meeting
<i>Internal Audit working papers</i>	Held by the East Kent Audit Partnership



INTERNAL AUDIT UPDATE REPORT FROM THE HEAD OF THE EAST KENT AUDIT PARTNERSHIP

1.0 INTRODUCTION AND BACKGROUND

1.1 This report provides Members with an update of the work completed by the East Kent Audit Partnership since the last Governance and Audit Committee meeting, together with details of the performance of the EKAP to the 30th June 2011.

2.0 SUMMARY OF REPORTS

	Service / Topic	Assurance level
2.1	Anti-Money Laundering Arrangements	Substantial
2.2	RIPA	Substantial
2.3	Procurement	Substantial
2.4	Receipt and Opening of Tenders	Substantial
2.5	Complaints Monitoring	Substantial
2.6	Community Safety	Substantial
2.7	Right to Buy	Substantial
2.8	Pest Control	Reasonable
2.9	Car Parks	Reasonable

2.1 Anti-Money Laundering Arrangements – Substantial Assurance:

2.1.1 Audit Scope

To ensure that the Council's obligations and responsibilities regarding money laundering are adequately discharged, specifically to do all we can to prevent, wherever possible, the organisation and its staff being exposed to money laundering, to identify the potential areas where it may occur, and to comply with all legal and regulatory requirements, especially with regard to the reporting of actual or suspected cases.

2.1.2 Summary of Findings

The Anti-Money Laundering process is working well. Appropriate arrangements are in place to ensure that all relevant staff within the Council are aware of the Policy, procedures, reporting arrangements and the action that needs to be taken if they identify anything suspicious.

2.1.3 Management Response

As a result of the substantial assurance, a management response is not required.

2.2 RIPA – Substantial Assurance:**2.2.1 Audit Scope**

To ensure that all directed surveillance is undertaken in accordance with the Regulation of Investigatory Power Act.

2.2.2 Summary of Findings

The Council's processes and procedures for the authorisation, administration, monitoring and review are very well maintained and the only recommendations arising from this review are a minor housekeeping amendment to the list of authorising officers and a suggestion for further awareness raising of RIPA amongst staff via a future staff development session.

2.2.3 Management Response

As a result of the substantial assurance, a management response is not required.

2.3 Procurement – Substantial Assurance:**2.3.1 Audit Scope**

To promote and develop Procurement strategies and policies to improve benefits to the Council and its partners and stakeholders, including the development of e-procurement options.

2.3.2 Summary of Findings

The Procurement Strategy and Code of Practice are comprehensive documents incorporating reference and links to a multitude of information sources to facilitate effective and appropriate procurement activities. Audit review of the Strategy and the supporting Code of Practice, current government guidance and interview with the Procurement and Facilities Manager confirmed that the Procurement Strategy continues to reflect the sound and relevant working practices developed and implemented in response to the various Central Government guidelines and policies.

2.3.3 Management Response

As a result of the substantial assurance, a management response is not required.

2.4 Receipt and Opening of Tenders – Substantial Assurance:**2.4.1 Audit Scope**

To ensure that the procedure for the receipt of tenders is in accordance with Contract Standing Orders and ensures the probity of the tendering procedure.

2.4.2 Summary of Findings

The Receipt and Opening of Tenders process is working well and almost all of the expected controls have been established, are consistently adhered to and are effective.

2.4.3 Management Response

As a result of the substantial assurance, a management response is not required.

2.5 Complaints Monitoring – Substantial Assurance:

2.5.1 Audit Scope

The Council recognises that: complaints, comments and compliments are an important source of feedback. They can tell the organisation a lot about the way they work, and provide opportunities to improve and affect perception. How an organisation handles its complaints is crucial; handling them well can have a lasting positive effect on reputation; handling them poorly can be very damaging and can make a negative perception even worse.

2.5.2 Summary of Findings

The Council's business objective for handling complaints recognises the acknowledged risks on reputation and perception if these are not handled well, and identifies that repeated complaints could be generated if each one is not viewed as an opportunity to improve in areas where the expected standard is not met. The procedures and working practices in place effectively support the achievement of this objective.

2.5.3 Management Response

As a result of the substantial assurance, a management response is not required.

2.6 Community Safety – Substantial Assurance:

2.6.1 Audit Scope

To review the Community Safety work and initiatives carried out by the Council to achieve the business objective of making Thanet a safer place to work and to thereby achieve the stated corporate aims.

2.6.2 Summary of Findings

The Thanet Community Partnership process is working very well and almost all of the expected controls are in place and effective. Positive action is taken to meet the statutory obligations and identified targets.

2.6.3 Management Response

As a result of the substantial assurance, a management response is not required.

2.7 Right to Buy – Substantial Assurance:

2.7.1 Audit Scope

To ensure that to ensuring that tenants are able to exercise their rights in accordance with the Housing Act 1985 (Part V) which provides for the Right to Buy.

2.7.2 Summary of Findings

The right to buy process is working very well with all of the expected controls having been established and being adhered to on a consistent basis.

2.7.3 Management Response

As a result of the substantial assurance, a management response is not required.

2.8 Pest Control – Reasonable Assurance:

2.8.1 Audit Scope

To provide an efficient, economic and effective pest control service within the district.

2.8.2 Summary of Findings

The Pest Control process is generally working well and most of the expected controls are effective. The contract is due for renewal in 2012 and the three authorities are already investigating an improved more efficient and value for money service.

This review has coincided with the same review at Canterbury, Dover and Shepway District and comparisons have been made between how the service is operated at each of the East Kent cluster Council sites.

The way the work is organised is efficient and the processes in place are working well. The cash collection is more efficient at Thanet because all payments are collected electronically or by payment at the Council offices prior to an appointment being made and treatment taking place, the contractor is not responsible for any cash handling.

2.8.3 Management Response

Management are pleased to accept the findings of the report and are working upon the implementation of the agreed recommendations.

2.9 Car Parks – Reasonable Assurance:

2.9.1 Audit Scope

To ensure that car park income for both on-street and off-street (as well and Penalty Charge Notices) is collected efficiently in accordance with Council policy and procedures.

2.9.2 Summary of Findings

The Car Park process is generally working well and most of the expected controls are effective. The operational elements of the car park service continue to work within established systems, processes and procedures supported by experienced office based staff, Patrolling and Civil Enforcement Officers, all of which assist in maintaining the effectiveness of the overall control environment.

The main issue resulting from this review is the missing Cash Security Collection Contract document. Without knowledge of the contract content and its expiry date there is a possibility of non compliance with Contract Standing Orders.

2.9.3 Management Response

The audit has provided assurance that the vast majority of the expected controls are in place and are consistently adhered to. A few areas for improvement have been identified and action is now underway to implement the agreed recommendations. indicator.

3.0. **FOLLOW UP OF AUDIT REPORT ACTION PLANS:**

- 3.1 As part of the period's work, three follow up reviews have been completed of those areas previously reported upon to ensure that the recommendations 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)	Overtime	Reasonable	Reasonable	H	7	H	2
				M	0	M	0
				L	0	L	0
b)	Employee BIKs	Limited	Reasonable	H	8	H	0
				M	7	M	4
				L	4	L	0
c)	Members' Allowances	Reasonable	Reasonable	H	1	H	0
				M	2	M	0
				L	0	L	0

- 3.2 Details of each of the individual High priority recommendations outstanding after follow-up are included at Appendix 2 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 Member's 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: Ramsgate Townscape Heritage Scheme, CCTV, Licensing, Ramsgate Port and Marina, HMO and Selective Licensing, Homelessness and the Rent Deposit Scheme, Electoral Registration and Election Management, Partnerships, and Climate Change.

5.0 **CHANGES TO THE AGREED AUDIT PLAN:**

- 5.1 The 2011-12 internal audit plan was agreed by Members at the meeting of this Committee on 15th March 2010.

- 5.2 The Head of the Audit Partnership meets on a regular basis with the Section 151 Officer or their nominated representative 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 have been made to the plan during the course of the year as some high profile projects or high-risk areas have been 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 4.

6.0 FRAUD AND CORRUPTION:

There are no known instances of fraud or corruption to bring to Members attention at the present time.

7.0 UNPLANNED WORK:

There was no unplanned work arising during the period quarter to bring to Members attention at the present time.

8.0 INTERNAL AUDIT PERFORMANCE

- 8.1 For the three months to 30th June 2011, 112.46 chargeable days were delivered against the planned target of 342 which equates to 32.88% plan completion.
- 8.2 The financial performance of the EKAP is on target and there are no concerns to highlight at this time.
- 8.3 As part of its commitment to continuous improvement and following discussions with the s.151 Officer Client Group, the EKAP has established a range of performance indicators which it records and measures. The performance against each of these indicators for the first quarter of 2011-12 is attached as Appendix 5. There are no concerns regarding the resources engaged or outputs achieved at this time, and the East Kent Audit Partnership has performed well against its targets for the 2011-12 financial year.
- 8.4 The EKAP audit maintains 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. Current feedback arising from the customer satisfaction surveys is featured in the Balanced Scorecard attached as Appendix 5.

Attachments

- Appendix 1 Summary of High priority recommendations resulting from the period's work.
- Appendix 2 Summary of High priority recommendations outstanding after follow-up.
- Appendix 3 Summary of services with Limited / No Assurances
- Appendix 4 Progress to 30th June 2011 against the agreed 2011-12 Audit Plan.
- Appendix 5 EKAP Balanced Scorecard of Performance Indicators to 30th June 2011.
- Appendix 6 Assurance statements

SUMMARY OF HIGH PRIORITY RECOMMENDATIONS RESULTING FROM THE PERIOD'S WORK - APPENDIX 1

RECOMMENDATION/ WEAKNESS	AGREED ACTION, RESPONSIBILITY & TARTGET DATE	RESPONSIBILITY AND TARGET DATE
Car Parks – June 2011		
<p>1. A copy of the Cash Security Collection Contract from Loomis should be obtained. The contract should be examined and should consider</p> <ul style="list-style-type: none"> • the Council's Contract Standing Orders compliance requirements • security requirements within the cash contract collection process ie notification of contractor employees and any subsequent changes of staff • where appropriate, the requirements of additional banking within the terms of the collection contract ie when income is exceptionally high • Cash collection regularity and service contingency arrangements <p>Assistance from the Procurement Manager should be sought as necessary if the contract is to be renewed/re-tendered</p>	<p>Civil Enforcement Manager has contacted Loomis and is now awaiting a copy of the contract to be sent to him.</p>	<p>Date: 30/6/2011 Civil Enforcement Manager (RCS)</p>

SUMMARY OF HIGH PRIORITY RECOMMENDATIONS RESULTING FROM THE PERIOD'S WORK - APPENDIX 1

RECOMMENDATION/ WEAKNESS	AGREED ACTION, RESPONSIBILITY & TARTGET DATE	RESPONSIBILITY AND TARGET DATE
Pest Control – August 2011		
<p>There should be a monthly reconciliation of income undertaken between the jobs raised within the Northgate M3 system, and that which is recorded within the Cedar e-financials system ensuring that all jobs raised have been paid for in full and accurately coded.</p>	<p>No work is undertaken prior to receipt of payment via the call centre. However, information breakdown of types of treatment conducted (ie. commercial, discounted, 4 bed, etc...) is not easy to collate currently via a Northgate report as payment information is recorded under 'Details'. Therefore, review date is set to look at recording payment information in Northgate under 'Costings' tab instead so that monthly reports for figures can be generated.</p> <p>N.B. In the example quoted in the audit report, the cost codes for Fleas are the same as those for Bed Bugs, Cockroaches and Carpet Beetles so these would need to be altered to reconcile figures with Cedar financial system.</p>	<p>28th Nov 2011 – Systems Administrator Community Services (AB) & Environmental Health Manager</p>

SUMMARY OF HIGH PRIORITY RECOMMENDATIONS RESULTING FROM THE PERIOD'S WORK - APPENDIX 1

RECOMMENDATION/ WEAKNESS	AGREED ACTION, RESPONSIBILITY & TARTGET DATE	RESPONSIBILITY AND TARGET DATE
<p>Where discounts are awarded to customers because they are in receipt of a qualifying benefit, details of the evidence seen together with the customer's national insurance number should be recorded on each relevant job reference raised in respect of this customer. Where evidence is not provided, discounts should not be awarded.</p>	<p>Having taken advice from the EH Business Support Manager, it was suggested that asking a customer to come in to the TDC offices with evidence of benefits (rather than taking details by phone) was a significant impediment which would adversely affect the number of treatments that would be booked in future.</p> <p>Therefore, the proposed action is to seek agreement for the following changes to our system for awarding discounts to those with qualifying benefit:</p> <p>Either:</p> <ol style="list-style-type: none"> 1. National Insurance Number of customer and code for appropriate qualifying benefit will be taken by the Call Centre before taking payment. The caller will be advised to provide a copy of current paperwork for the pest control operative to review on commencing treatment. If this information is not provided, then treatment will not be undertaken unless further full payment is made. <p>Or:</p> <ol style="list-style-type: none"> 2. The call centre will take qualifying benefit details and request authorisation from customer to check this information against details on electronic benefits system in order to comply with Data Protection requirements before accepting payment. 	<p>28th Nov 2011 – EKS Area Operations Manager (TH) & EKS Area Operations Manager (CG) Monitor Services Managers PR & B S, EKS Senior Payments Officer, Environmental Protection and Contaminated Land Officer & Environmental Health Manager</p>

SUMMARY OF HIGH PRIORITY RECOMMENDATIONS OUTSTANDING AFTER FOLLOW-UP - APPENDIX 2

Original Recommendation	Agreed Management Action , Responsibility and Target Date	Manager's Comment on Progress Towards Implementation.
Overtime – June 2011		
<p>The identity of the authorising officer should be clear to ensure they are properly payable. This is particularly important bearing in mind the new remote payroll services shortly to come into force across four councils.</p>	<p>Claim forms are currently forwarded directly to KCC. Self service will require the electronic submission of claims, authorised by the relevant managers. Assurances will be sought from KCC with regard to relevant controls as the system is developed.</p> <p>Responsibility: EKHRP</p>	<p>The ITrent implementation programme has been re-scoped and the roll out of phase 1 'self service' is expected to be completed by March 2012.</p> <p>Revised Target Date: 31-03-2012</p>
<p>Staff should be reminded that they have a duty to query actions which appear to be outside of the normal operating rules for overtime and to seek written confirmation that it is proper to proceed.</p>	<p>The EKHRP is currently working on an induction checklist for managers to work through with any new member of staff. HR have recommended that an introduction to and guidance on how to access the Whistleblowing Policy/Code of Conduct (including time set aside to read the policies) is added to the induction checklist.</p> <p>Responsibility: EKHRP</p>	<p>The EKHRP is currently looking at induction and will ensure that this is included in the induction checklist. Estimated completion March 2012 however EKHRP priorities are still to be confirmed by the SHRB.</p> <p>Revised Target Date: 31-03-2012</p>

SERVICES GIVEN LIMITED / NO ASSURANCE LEVELS STILL TO BE REVIEWED – APPENDIX 3

Service	Reported to Committee	Level of Assurance	Management Action	Follow-up Action Due
Homelessness and the Rent Deposit Scheme	January 2011	Reasonable/ Limited	On-going management action in progress to remedy the weaknesses identified.	Work-in-Progress
Equality and Diversity	March 2011	Limited	On-going management action in progress to remedy the weaknesses identified.	Work-in-Progress

PROGRESS TO DATE AGAINST THE AGREED 2011-12 AUDIT PLAN – APPENDIX 4

Area	Original Planned Days	Revised Budgeted Days	Actual days to 30-06-2011	Status and Assurance Level
FINANCIAL SYSTEMS:				
Capital	8	8	0.17	Quarter 3
Treasury Management	8	8	0.17	Quarter 3
Main Accounting System	8	8	0.17	Quarter 3
Budgetary Control	10	10	0.17	Quarter 3
Insurance	8	8	0.24	Quarter 3
RESIDUAL HOUSING SERVICES:				
Homelessness	6	3.5	1.63	Work-in-Progress
Right to Buy	7	7	0.31	Finalised - Substantial
GOVERNANCE RELATED:				
Anti-Money Laundering	5	3.39	3.39	Finalised - Substantial
Complaints Monitoring	8	8	5.87	Finalised - Substantial
RIPA	8	7.5	7.5	Finalised – Substantial
Partnerships	10	10	0.37	Work-in-Progress
Climate Change	8	8	0.24	Work-in-Progress
Business Continuity	6	6	0.17	Quarter 4
Risk Management	10	0.17	0.17	Postpone until Quarter 1 of 2012-13
Corporate Advice/SMT	2	2	0.73	Work-in-Progress throughout 2011-12
s.151 Officer Meetings and Support	9	9	0.35	Work-in-Progress throughout 2011-12
Governance & Audit Committee Meetings and Report Preparation	12	12	3.26	Work-in-Progress throughout 2011-12
Audit Plan and Preparation Meetings	9	9	0.14	Work-in-Progress throughout 2011-12
CONTRACT RELATED:				
Receipt & Opening of Tenders	6	6.48	6.48	Finalised - Substantial
SERVICE LEVEL:				
Private Sector Housing – HMO and Selective Licensing	10	10	0.27	Work-in-Progress
Community Safety	10	10	3.15	Finalised - Substantial
CCTV	8	8	8.81	Work-in-Progress
Dog Wardens and Litter Enforcement	8	0	0	Postpone until Quarter 1 of 2012-13

Area	Original Planned Days	Revised Budgeted Days	Actual days to 30-06-2011	Status and Assurance Level
Electoral Registration & Election Management	10	10	2.43	Work-in-Progress
Pest Control	8	8	6.58	Finalised - Reasonable
Ramsgate Townscape Heritage Grants	8	8	0.31	Work-in-Progress
Inventories of Portable Assets	8	8	0.26	Quarter 3
Land Charges	8	8	0.17	Quarter 4
Licensing	10	10	0	Work-in-Progress
Maritime – Port Operations and Pricing Structure	20	20	0.27	Work-in-Progress
Regeneration	10	0	0	Postpone until Quarter 1 of 2012-13
Visitor Information Arrangements	8	0	0	Postpone until Quarter 1 of 2012-13
OTHER :				
Liaison With External Auditors	3	2.5	0.36	Work-in-Progress throughout 2011-12
Follow-up Reviews	27	26.97	2.87	Work-in-Progress throughout 2011-12
Carry forward from last year	25.47	25.47	25.47	Completed
UNPLANNED WORK:				
Maritime - Electricity VAT Query	0	0.91	0.91	Finalised
Council Offices - Cleaning Stock Controls	0	1.32	1.32	Finalised
Election Duty	0	1	1	Polling Duty – May 2011 District Elections and Referendum
FINALISATION OF 2010-11 AUDITS:				
Procurement	-15.47	26.79	11.12	Finalised - Substantial
Car Parks			8.98	Finalised - Reasonable
Coastal Protection			0.2	Finalised - Reasonable
Waste (Vehicle Fleet) Management			2.46	Finalised - Reasonable
Cemeteries and Crematoria			3.69	Finalised - Reasonable
Contract Monitoring and Management			0.34	Finalised - Reasonable
EAST KENT HR PARTNERSHIP:				
Absence Management, Flexi and Annual Leave	5	5	0	Quarter 4
Payroll, SMP and SSP	5	5	0	Work-in-Progress
Employee Expenses	5	5	0	Quarter 4

Area	Original Planned Days	Revised Budgeted Days	Actual days to 30-06-2011	Status and Assurance Level
HR Systems Development	5	0	0	Contingency
Employee Health and Safety	8	8	0	Work-in-Progress
TOTAL - THANET DISTRICT COUNCIL RESIDUAL DAYS	342	342	112.50	32.88% Complete as at 30-06-2011
EK SERVICES:				
Housing Benefits - Overpayments	5	5	0.06	Quarter 4
Housing Benefits – Fraud Investigations	5	5	0.06	Quarter 3
Housing Benefit Testing	20	20	9.14	2010-11 Quarter 4 – Finalised 2011-12 Quarter 1 – WIP 2011-12 Quarter 2 – WIP
Business Rates	8	8	0	Work-in-Progress
Customer Services/Gateway	5	5	0.16	Work-in-Progress
Debtors and Rechargeable Works	5	5	0.06	Quarter 3
ICT – Management & Finance Controls	5	5	0.06	Work-in-Progress
ICT – Physical & Environment Controls	5	5	0.06	Quarter 3
ICT – Internet & e-mail Controls	5	5	0	Quarter 4
Total EK Services	63	63	9.6	
EAST KENT HOUSING:				
Governance Arrangements	3	3	0.18	Quarter 3
Internal Controls and Finance	3	3		Quarter 4
Interfaces with Finance and ICT Systems	2	2		Quarter 4
Audit Committee/Follow-up work	1	1	0.3	Work-in-Progress 2011-12
Rent Setting, Collection & Debt Management	8	8	0.16	Work-in-Progress
Fire and Gas Safety Inspections	0	8	0.11	Work-in-Progress
Tenancy & Estate Management	8	0	0.1	Postponed until 2013-14 to accommodate the Fire and Gas safety audit instead
Total EK Housing	25	25	0.85	
UNPLANNED ADDITIONAL WORK				
Interreg Grant – Customer Services	4	4	0	First Level Controller sign off charged to project
Interreg Grant – Tudor House	4	4	0	First Level Controller sign off charged to project
Interreg Grant – Maritime (Off-Shore Wind Farm)	4	4	0.2	First Level Controller sign off charged to project

BALANCED SCORECARD – QUARTER 1

<u>INTERNAL PROCESSES PERSPECTIVE:</u>	<u>2011-12 Actual</u>	<u>Target</u>	<u>FINANCIAL PERSPECTIVE:</u>	<u>2011-12 Actual</u>	<u>Target</u>
	Quarter 1				
Chargeable as % of available days	85%	80%	Cost per Audit Day (Reported Annually)		£300.15
Chargeable days as % of planned days					
CCC	31.44%	25%			
DDC	26.38%	25%			
SDC	29.38%	25%			
TDC	32.88%	25%			
EKS	13.19%	25%			
EKH	3.36%	25%			
Overall	26.05%	25%			
Follow up/ Progress Reviews;					
• Issued	28	-			
• Not yet due	40	-			
• Now overdue for Follow Up	7	2			
Percentage compliance with the CIPFA Code for Internal Audit 2006	97%	97%			

BALANCED SCORECARD – QUARTER 1

<u>CUSTOMER PERSPECTIVE:</u>	<u>2011-12 Actual</u>	<u>Target</u>	<u>INNOVATION & LEARNING PERSPECTIVE:</u>	<u>2011-12 Actual</u>	<u>Target</u>
	Quarter 1			Quarter 1	
Number of Satisfaction Questionnaires Issued;	36		Percentage of staff qualified to relevant technician level	76%	75%
Number of completed questionnaires received back;	11		Percentage of staff holding a relevant higher level qualification	32%	32%
Percentage of Customers who felt that;			Percentage of staff studying for a relevant professional qualification	24%	24%
<ul style="list-style-type: none"> • Interviews were conducted in a professional manner 	100%	100%	Number of days technical training per FTE	0.22	3.5
<ul style="list-style-type: none"> • The audit report was 'Excellent or Very Good' 	90%	90%	Percentage of staff meeting formal CPD requirements	32%	32%
<ul style="list-style-type: none"> • That the audit was worthwhile. 	94%	100%			



Appendix 6

AUDIT ASSURANCE

Definition of Audit Assurance Statements

Substantial Assurance

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

Reasonable Assurance

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

Limited Assurance

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

No Assurance

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