



QUARTERLY 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 2017.

2.0 SUMMARY OF REPORTS

Service / Topic		Assurance level	No. of Recs.	
2.1	Land Charges	Substantial	C H M L	0 1 0 0
2.2	Receipt & Opening of Tenders	Substantial	C H M L	0 0 3 1
2.3	EK Services - Housing Benefit Subsidy	Substantial	C H M L	0 0 0 0
2.4	EK Services - Housing Benefit Payments	Substantial	C H M L	0 0 0 1
2.5	EKHR – Payroll & Benefits in Kind	Substantial / Limited	C H M L	0 1 2 0
2.6	Allotments	Reasonable	C H M L	0 0 1 1
2.7	EK Services – Housing Benefit Quarterly Testing (Quarter 4 of 2016-17 and Quarter 1 of 2017-18)	Not Applicable		

2.1 Land Charges – 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 maintains an efficient and effective Land Charges function in accordance with prevailing legislation.

2.1.2 Summary of Findings

The Council has a statutory duty under the Local Land Charges Act 1975 to maintain an accurate and up-to-date Register of Local Land Charges affecting land and property. The two main functions of the Land Charges Service are to maintain the register and to provide search information for paying customers. The income level for 2016/17 (£346,912) shows a 8.42% drop against the income received for 2015/16 (£378,823).

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

- Processes are well established for inputting in to the register and providing search information to paying customers;
- The samples tested revealed accurate information held on the register;
- Fees and Charges are correctly administered; and
- The insurance arrangements in place are sufficient;

Scope for improvement was however identified in the following areas:

- The Land Charges function should be a cost neutral function in accordance with the 2008 (England)(Charges for Property Searches) Regulations (Section 6.3). To be able to calculate this a regular exercise needs to be carried out to identify the expenditure in providing the land charges function and the estimated income required.
- It has been proposed that the Local Land Charges Register will be taken over by the Land Registry sometime in the next 5 years, consequently project management controls will need to be agreed once discussions regarding the resources and the data transfer commence.

2.2 Receipt & Opening of Tenders – Substantial Assurance:

2.2.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that the Council's procedures for the receipt and opening of tenders is in accordance with Contract Standing Orders and ensures the probity of the tendering procedure.

2.2.2 Summary of Findings

The area under review has some linkage with Corporate Value 1: *Delivering services in the most cost effective and efficient way*. The Council has been almost exclusively using an online e-procurement system for its procurement activities since 2016. The 'Kent Business Portal' is hosted by a company called 'Proactis' and subcontracted to Thanet District Council by KCC along with other district authorities in Kent.

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

- Roles and responsibilities are well established;
- System based controls are working effectively;
- The audit trail is extremely strong, in fact two recommendations have been made to reduce the controls in place in order to save money; and
- Segregation of duties is extremely robust.

Scope for improvement was however identified in the following areas:

- Contract Standing Orders need to be reviewed and updated to reflect changes that have arisen due to the roll out of e-tendering;
- The Council do not currently use the full functionality of the Kent Business Portal as they do at other east Kent councils; and
- The form which records the opening of tenders could be improved.

2.3 EK Services – Housing Benefit Subsidy - Substantial Assurance

2.3.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the processes and procedures in place to ensure that the Council completes the Housing Benefit Subsidy return accurately and seeks to maximise the amount of re-imburement payable to the authority in respect of the Housing Benefit payments which have been made to the benefit claimants within the district

2.3.2 Summary of Findings

Housing Benefit Subsidy is the grant provided by the Department for Work and Pensions (DWP) for the authorities to process and pay housing benefit to claimants across each of the three districts. An annual claim is submitted by each authority to the DWP that is verified and signed off by the external auditors. For 2016/17 the housing benefit subsidy claim for each authority was approximately:

- Canterbury City Council £46.3 million pounds.
- Dover District Council £38.1 million pounds.
- Thanet District Council £64.2 million pounds.

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

- Established four weekly processes are in place to monitor the subsidy claim and carry out any adjustments that are needed to ensure that the subsidy figures are fully maximised.
- Supporting guidance and training is in place for the officers responsible for carrying out the four weekly processes and preparing the annual subsidy claim at each of the authorities.
- The 2016/17 subsidy claims have been submitted to the DWP and will be verified by the external auditors.

2.4 EK Services – Housing Benefit Payments – Substantial Assurance

2.4.1 Audit Scope

To ensure that the processes and procedures established by EK Services are sufficient to provide the level of service required by the partner authorities of Canterbury City Council, Dover District Council and Thanet District Council and incorporate relevant internal controls regarding the payments of Housing Benefit.

2.4.2 Summary of Findings

EK Services provides housing benefit services to 37,285 claimants across Canterbury, Dover and Thanet Councils. In 2016/17 a total of £148.8m of housing benefits payments were distributed to claimants and landlords in the private rent sector and public rent sector.

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

- Policies and procedures clearly set out roles and responsibilities in respect of housing benefit assessment and payment;
- A sample of 90 payments across the three Councils were correctly administered to a mixture of claimants, landlords and third parties;
- The coding and reconciliation controls were well established and correctly and consistently employed;
- System based controls and management reports were well utilised; and
- No fraud or error was detected during the samples of walkthrough testing or substantive testing carried out.

Scope for improvement was however identified in the following areas:

- The physical security of claim forms stored before they are sent for shredding should be improved at CCC.

2.5 EKHR – Payroll & Benefits in Kind – Substantial Assurance

2.5.1 Audit Scope

To ensure that the payroll service administered by EKHR on behalf of Canterbury, Dover and Thanet Councils, including EK Services is adequately controlled to ensure;

Payroll

that the right people are getting paid the right amounts at the right time. That all statutory requirements such as income tax and national insurance are complied with.

Benefits In Kind

that the correct regulatory requirements are being adhered to in relation to the benefits in kind that are being provided to the officers and members.

2.5.2 Summary of Findings

The payroll process was brought in house in November 2015 when the contract with Kent County Council ended. EKHR provides the payroll service and currently pays on

average 1770 employees and councillors approximately £2.6 million pounds net salaries for the three authorities each month.

Payroll - Management can place Substantial Assurance on the system of internal controls in operation for payroll processing.

The primary finding giving rise to the Substantial Assurance opinion in this area is as follows:

- Established processes are in place for the monthly payrolls to be carried out in a timely fashion thus ensuring that employees and councillors are paid on time.
- Staff responsible for processing the monthly payrolls have a very good knowledge base of payroll and the supporting legislation and are able to provide responses to questions raised by employees and statutory bodies.
- They have developed good relationships with the managers across the authorities for dealing with payroll issues.

Scope for improvement was however identified in the following areas:

- To assist in performance management the number of payroll errors broken down into those that are due to incorrect information given by managers for processing and those that are due to incorrect payroll processing should be considered.
- The good practice for passwords to be regularly changed is not active for Managers and employees with access to the iTrent self-service system.

Benefits In Kind - Management can place Substantial Assurance on the system of internal controls in operation at Canterbury City Council and EKHR for the processing of the P11d's and other supporting documentation and Limited Assurance for both Dover and Thanet District Councils in respect of ensuring that where applicable the payroll exemptions are now in place.

The primary finding giving rise to the Substantial Assurance opinion in this area is as follows:

- Established processes are in place at Canterbury City Council to ensure that payroll exemptions are reviewed on a regular basis and that P11d information has been submitted when applicable to HMRC.
- East Kent Human Resources have completed and submitted the applicable documentation for the P11d's and Class 1A National Insurance Contributions in respect of Dover District Council.

Scope for improvement was however identified in the following areas:

- The previous audit report in June 2014 highlighted an issue in ensuring that the payroll exemptions are reviewed on a regular basis. Resolution rests with it being determined who will carry this out for both Dover and Thanet councils.

2.6 Allotments – Reasonable Assurance:

2.6.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that the Council is adequately discharging its responsibilities for the provision of allotments within the district.

2.6.2 Summary of Findings

Section 23 of the Small Holdings and Allotments Act 1908 places an obligation on the borough, district or parish council to provide a sufficient number of allotments for residents who want them.

The act states that if representations are made in writing to the borough, parish or district council by six registered electors who are liable to pay council tax and resident in the borough, parish or district, then the relevant council shall take those representations into consideration and take proceedings under the act. This means that if six or more registered electors request allotments then the council should take this request into consideration.

If the Council cannot acquire a site by agreement, it can consider acquiring the land compulsorily under powers granted in the act for the compulsory purchase of land for allotments.

Paragraph 9 of schedule 29 of the Local Government Act 1972 states that where an area falls within the jurisdiction of both a parish and district council, the responsibility for ensuring sufficient provision of allotment land and if necessary the acquisition of such land is transferred to the parish council.

Thanet District Council is only responsible for the allotments sites in Margate situated Brooke Avenue Garlinge, Dane Valley, Nash Road and Tivoli Road.

The current cost of an allotment is £4.38 per 25 square metres and a £27.18 minimum charge is applied. Water is charged at £1 per 25 Square metres.

The average size of a plot is 250 sq metres although these can be divided down into a half plot of 125 sq metres if required depending on availability.

Existing allotments situated in Birchington, Broadstairs, Ramsgate and Westgate are managed by the Town/Parish councils in those areas.

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

- The Council is discharging its legal responsibilities in this area.
- There is a database of all allotments owned and operated by the Council.
- It is clear from the database which allotments are statutory and which are non-statutory.
- Waiting lists are maintained for each allotment site where required.
- Residency checks are undertaken before allotments are offered to ensure that the applicant is eligible
- The Schedule of fees and charges is formally approved by Council annually and consistently applied.
- Appropriate income billing and collection arrangements are in place which adhere to Financial Procedure Rules.
- Appropriate information is available to residents about allotments on the Council website.
- The Council has an appropriate allotments policy and/or rules for the letting of allotments.
- Applicants are required to complete an appropriate application form.
- Appropriate tenancy leases/letting agreements are in place for each allotment, which are signed by each party.

Scope for improvement was however identified in the following areas:

- The fees and charges for allotments should be reviewed and, if an increase is approved by Members, the appropriate notice of this given to tenants.
- Appropriate inspections of allotment sites should be undertaken and the rules enforced.

2.7 EK Services – Housing Benefit Quarterly Testing (Quarter 4 of 2016-17 and Quarter 1 of 2017-18):

2.7.1 Background:

Over the course of 2016/17 and 2017-18 financial years the East Kent Audit Partnership will be completing a sample check of Council Tax, Rent Allowance and Rent Rebate and Local Housing Allowance benefit claims.

2.7.2 Findings:

For the fourth quarter of the 2016/17 financial year (January to March 2017) and the first quarter of the 2017-18 financial year (April to June 2017) a sample of claims including new and change of circumstances of each benefit type were selected by randomly selecting the various claims for verification.

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

2.7.3 Audit Conclusion:

2016/17 Quarter 4 - For this quarter twenty benefit claims were checked and of these one had a financial error that impacted on the benefit calculation (5%). For 2016/17 a total of eighty benefit claims were checked of which two (2.5%) had a financial error that impacted on the benefit calculation and two (2.5%) had a data quality error.

2017/18 Quarter 1 - For this quarter twenty benefit claims were checked and of these none had a financial error that impacted on the benefit calculation.

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 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. Not yet implemented	
a)	Business Continuity & Emergency	Reasonable	Reasonable	C H	0 4	C H	0 1

Service/ Topic		Original Assurance level	Revised Assurance level	Original Number of Recs		No of Recs. Not yet implemented	
	Planning			M	4	M	2
				L	7	L	1
b)	Post Implementation Review Phase 1	Not Applicable	Not Applicable	C	0	C	0
				H	5	H	0
				M	1	M	0
				L	0	L	0
c)	Budgetary Control	Substantial	Substantial	C	0	C	0
				H	0	H	0
				M	2	M	1
				L	2	L	2
d)	EK Services – PCI-DSS	Limited	Reasonable / Limited	C	0	C	0
				H	3	H	3
				M	1	M	0
				L	0	L	0
e)	EK Services ICT Disaster Recovery	Substantial/ Reasonable	Substantial/ Reasonable	C	0	C	0
				H	5	H	0
				M	1	M	1
				L	1	L	0

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

The purpose of escalating high-priority recommendation 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.

3.3 As highlighted in the above table, those areas previously reported as having either Limited or No assurance have been reviewed and, in respect of those remaining at below Reasonable assurance, Members are advised as follows:

a) EK Services – PCI-DSS:

Thanet Council are the only Council that has decided to share the PCI-DSS Compliance Officer role. This is a weaker position in terms of governance and control and could affect the Council's consistency and ability to manage PCI-DSS Compliance.

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: Local Code of Corporate Governance, Risk Management, Garden Waste & Recycling Income, Service Contract Management.

5.0 CHANGES TO THE AGREED AUDIT PLAN:

- 5.1 The 2017-18 internal audit plan was agreed by Members at the meeting of this Committee on 8th March 2017.
- 5.2 The Head of the Audit Partnership meets on a quarterly 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 3.

6.0 FRAUD AND CORRUPTION:

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

7.0 UNPLANNED WORK:

All unplanned work is summarised in the table contained at Appendix 3.

8.0 INTERNAL AUDIT PERFORMANCE

- 8.1 For the three month period to 30th June 2017, 69.41 chargeable days were delivered against the planned target of 265.31 days which equates to 26% plan completion.
- 8.2 The financial performance of the EKAP is on target at the present 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 2015-16 is attached as Appendix 5.
- 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 4.

Attachments

- Appendix 1 Summary of Critical and High priority recommendations not implemented at the time of follow-up.
- Appendix 2 Summary of services with Limited / No Assurances.
- Appendix 3 Progress to 30th June 2017 against the agreed 2017-18 Audit Plan.

Appendix 4 EKAP Balanced Scorecard of Performance Indicators to 30th June 2017.
Appendix 5 Definition of Audit Assurance Statements & Recommendation Priorities

SUMMARY OF CRITICAL & HIGH PRIORITY RECOMMENDATIONS NOT IMPLEMENTED AT THE TIME OF FOLLOW-UP – APPENDIX 1

Original Recommendation	Agreed Management Action , Responsibility and Target Date	Manager’s Comment on Progress Towards Implementation.
<i>Business Continuity & Emergency Planning – June 2017:</i>		
Compliance with the Councils’ Contract Standing Orders needs to be documented.	<p>Ensure this takes place when procuring 2016-2019 SLA.</p> <p>Proposed Completion Date – April 2017</p> <p>Responsibility – Deputy Technical Services Manager</p>	<p>Awaiting Response from Procurement as at mid June 2017.</p> <p>Outstanding.</p>
<i>EK Services – PCI-DSS – August 2017:</i>		
<p>Each Council should review the effectiveness of the cross-directorate governance arrangements in place for ‘Information Governance’, paying particular attention to the relationship between the PCI-DSS Compliance Officer, the SIRO, the Section 151 Officer and any appropriate Shared Service Senior Officer and ensure further development of the incident reporting process to increase partner insight into risks and identify training needs.</p>	<p><u>Thanet District Council</u> The Council has decided to work towards compliance without appointing a PCI-DSS Compliance Officer. The Council will consider the governance arrangements required to make this work and as part of this the Council will ensure that system administration of the card payment solutions are also considered.</p> <p>Proposed Completion Date September 2016</p> <p>Responsibility - Thanet SIRO</p>	<p><u>Thanet District Council</u> Thanet Council are the only Council that has decided to share the PCI-DSS Compliance Officer role. This is a weaker position in terms of governance and control and could affect the Council’s consistency and ability to manage PCI-DSS Compliance.</p> <p>Recommendation Outstanding</p>
<p>Each Council should ensure it has the following controls in place to minimise the risk of non-compliance resulting from a member of staff not following protocols: -</p> <ul style="list-style-type: none"> Regular training for all staff involved in 	<p><u>All Councils</u> SIROs via the CIGG will ensure suitable training is in place for all three Councils and EK Services. All remaining suggested actions will be considered by each of the</p>	<p><u>All Councils</u> The CIGG is now responsible for information risk management. The recommendation contains a number of key controls that need to be in place once each</p>

SUMMARY OF CRITICAL & HIGH PRIORITY RECOMMENDATIONS NOT IMPLEMENTED AT THE TIME OF FOLLOW-UP – APPENDIX 1

Original Recommendation	Agreed Management Action , Responsibility and Target Date	Manager’s Comment on Progress Towards Implementation.
<p>taking payments;</p> <ul style="list-style-type: none"> • Compliance monitoring undertaken by line managers; • Non-compliance reporting protocols to the Senior Information Risk Owner (SIRO) or PCI-DSS Compliance Officer; • Responsibilities of front line staff set out in job descriptions; • Sufficient internal communication channels to communicate standards to staff; • Use of staff briefings to raise awareness. 	<p>SIROs as part of the consideration given to the wider governance arrangements suggested in the recommendation.</p> <p>Proposed Completion Date September 2016</p> <p>Responsibility - 3x SIROs</p>	<p>Council has declared that it is compliant with the standards. However as each of the Councils is still working towards compliance this recommendation remains outstanding.</p> <p>Recommendation Outstanding.</p>
<p>Management needs to a) decide on its Payment system for telephone assisted payments and then install the new system or upgraded system on a supported server as soon as possible; and b) decide how it will mitigate the ICT security risks posed whilst the current version of Adelante sits on an unsupported and unprotected server.</p>	<p><u>Thanet District Council</u> The SIRO will work closely with the S151 Officer and a decision will be made in due course.</p> <p>Proposed Completion Date September 2016</p> <p>Responsibility Thanet SIRO</p>	<p><u>Thanet District Council</u> The Council has recently decided to proceed with CAPITA to provide its payment system solution.</p> <p>Recommendation in progress.</p>

SERVICES GIVEN LIMITED / NO ASSURANCE LEVELS STILL TO BE REVIEWED – APPENDIX 2

Service	Reported to Committee	Level of Assurance	Follow-up Action Due
Grounds Maintenance	September 2016	Limited	Work-in-Progress
Officers' Code of Conduct and Gifts & Hospitality	March 2017	Limited	Autumn 2017
Building Control	March 2017	Limited	Autumn 2017
Local Code of Corporate Governance	June 2017	Limited	Autumn 2017
Project Management	June 2017	Limited	Autumn 2017

PROGRESS TO DATE AGAINST THE AGREED 2017-18 AUDIT PLAN – APPENDIX 3

THANET DISTRICT COUNCIL:

Area	Original Planned Days	Revised Budgeted Days	Actual days to 30-06-2017	Status and Assurance Level
FINANCIAL SYSTEMS:				
Car Parking & Enforcement	12	12	0	Quarter 3
Creditors & CIS	10	10	0	Quarter 3
Income	10	10	0	Quarter 3
Insurance & Inventories of Portable Assets	12	0	0	Postponed
RESIDUAL HOUSING SERVICES:				
Right to Buy	8	0	0	See 2016-17 Unplanned work below
GOVERNANCE RELATED:				
Data Protection, FOI & Information Management	14	14	0	Quarter 3
Anti-Fraud & Corruption	10	10	1.52	Work-in-Progress
Performance Management	10	10	0	Work-in-Progress
Risk Management	10	10	0.18	Work-in-Progress
Shared Service Monitoring	10	10	0	Quarter 4
Partnerships	8	8	0	Quarter 4
Scheme of Officer Delegations	8	8	9.69	Work-in-Progress
Corporate Advice/CMT	2	2	3.44	Work-in-progress throughout 2017-18
s.151 Officer Meetings and Support	9	9	3.47	Work-in-progress throughout 2017-18
Governance & Audit Committee Meetings and Report Preparation	12	12	3.76	Work-in-progress throughout 2017-18
2018-19 Audit Plan and Preparation Meetings	9	9	0.14	Quarter 4
CONTRACT RELATED:				
Receipt & Opening of Tenders	8	8	6.04	Finalised - Substantial
SERVICE LEVEL:				
Inward Investment	10	10	0	Quarter 4
S11 Safeguarding Return to KCC	1	1	0	Quarter 3
Pollution, Contaminated Land, Air & Water Quality	10	10	0.18	Work-in-Progress

Area	Original Planned Days	Revised Budgeted Days	Actual days to 30-06-2017	Status and Assurance Level
Land Charges	8	8	8.74	Finalised - Substantial
Asset Management	10	10	0	Quarter 4
Allotments	8	8	7.85	Finalised – Reasonable
Local Plan	10	10	0	Quarter 4
Your Leisure	12	12	0	Quarter 4
Sports Development	8	8	0	Quarter 3
Waste Vehicle Fleet Management	15	15	1.07	Work-in-Progress
Garden Waste & Recycling Income	10	10	0.18	Work-in-Progress
OTHER :				
Liaison With External Auditors	1	1	0	Work-in-progress throughout 2017-18
Follow-up Reviews	15	15	6.92	Work-in-progress throughout 2017-18
FINALISATION OF 2016-17 AUDITS:				
Days over delivered in 2016-17	0	-19.69	0	
Local Code of Corporate Governance	5	25	0.27	Finalised - Limited
Project Management			1.48	Finalised - Limited
Service Contract Management			9.51	Work-in-Progress
Phones, Mobiles & Utilities			3.83	Work-in-Progress
Right to Buy			1.14	
RESPONSIVE ASSURANCE:				
None to date	0	0	0	
TOTAL	285	265.31	69.41	26% as at 30-06-2017

EAST KENT HOUSING LIMITED:

Review	Original Planned Days	Revised Planned Days	Actual days to 30-06-2017	Status and Assurance Level
Planned Work:				
CMT/Audit Sub Ctte/EA Liaison	4	4	1.15	Work-in-progress throughout 2017-18
Follow-up Reviews	4	4	0.78	Work-in-progress throughout 2017-18

Review	Original Planned Days	Revised Planned Days	Actual days to 30-06-2017	Status and Assurance Level
Finance Systems & ICT Controls	15	15	0	Quarter 4
Data Protection & Information Management	12	12	0	Quarter 4
Leasehold Services	15	15	0	Quarter 4
Fire Safety	15	15	1.2	Work-in-Progress
Safeguarding Children & Vulnerable Groups	10	10	0.18	Work-in-Progress
Anti-Fraud & Corruption	10	10	0	Work-in-Progress
Risk Management	10	10	0.18	Work-in-Progress
Performance Management	5	5	0	Quarter 4
Complaints Monitoring	10	10	0.18	Work-in-Progress
Single System – Post Implementation Review	10	10	0	Quarter 4
Property Services Improvement Plan	20	20	0	Quarter 3/4
Days under delivered in 2016-17		7.84		
Responsive Assurance:				
Performance Indicator Data Quality	0	0	8.52	
Total	140	147.84	12.19	8.25% at 30-06-2017

EK SERVICES:

Review	Original Planned Days	Revised Planned Days	Actual days to 30/06/2017	Status and Assurance Level
EKS Reviews;				
Housing Benefits Payments	15	15	15.34	Work in progress
DDC / TDC HB Testing	20	20	6.51	Ongoing
Business Rates	20	20	0.20	Quarter 2
Council Tax Reduction Scheme	15	15	0	Quarter 3
ICT – Data Management	15	15	0.17	Quarter 2
ICT – Procurement & Disposal	15	15	0	Quarter 3
EKHR Reviews;				

Review	Original Planned Days	Revised Planned Days	Actual days to 30/06/2017	Status and Assurance Level
Payroll	15	15	0	Quarter 3
Employee Allowances & Expenses	15	15	0	Quarter 3
Employee Health & Safety	15	15	0	Quarter 4
Other;				
Corporate/Committee	8	8	1.29	Ongoing
Follow up	7	7	4.87	Ongoing
Days under delivered in 2016-17		17.70	17.70	Completed
Finalisation of 2016/17 Audits:				
Housing Benefit Subsidy	18.55		7.23	WIP
ICT Change controls			2.03	Completed – Substantial
ICT Software Licensing			2.50	WIP -Draft Report
EKHR – Payroll & BIK			6.79	Completed - Substantial
Total	160	177.70	46.93	26.15% at 30/06/2017

BALANCED SCORECARD – QUARTER 1

<u>INTERNAL PROCESSES PERSPECTIVE:</u>	<u>2017-18 Actual</u>	<u>Target</u>	<u>FINANCIAL PERSPECTIVE:</u>	<u>2017-18 Actual</u>	<u>Original Budget</u>
	Quarter 1		Reported Annually		
Chargeable as % of available days	83%	80%	<ul style="list-style-type: none"> • Cost per Audit Day 	£	£309.77
Chargeable days as % of planned days			<ul style="list-style-type: none"> • Direct Costs 	£	£385,970
CCC	25%	25%	<ul style="list-style-type: none"> • + Indirect Costs (Recharges from Host) 	£	£10,530
DDC	22%	25%	<ul style="list-style-type: none"> • - ‘Unplanned Income’ 	£	Zero
SDC	22%	25%			
TDC	26%	25%			
EKS	26%	25%	<ul style="list-style-type: none"> • = Net EKAP cost (all Partners) 	£	£396,500
EKH	8%	25%			
Overall	22%	25%			
Follow up/ Progress Reviews;					
<ul style="list-style-type: none"> • Issued 	22	-			
<ul style="list-style-type: none"> • Not yet due 	17	-			
<ul style="list-style-type: none"> • Now due for Follow Up 	19	-			
Compliance with the Public Sector Internal Audit Standards (PSIAS) (see Annual Report for more details)	Partial	Full			

BALANCED SCORECARD – QUARTER 1

<u>CUSTOMER PERSPECTIVE:</u>	<u>2017-18 Actual</u>	<u>Target</u>	<u>INNOVATION & LEARNING PERSPECTIVE:</u>	<u>2017-18 Actual</u>	<u>Target</u>
	Quarter 1			Quarter 1	
Number of Satisfaction Questionnaires Issued;	16		Percentage of staff qualified to relevant technician level	75%	75%
Number of completed questionnaires received back;	8 = 50%		Percentage of staff holding a relevant higher level qualification	38%	38%
Percentage of Customers who felt that;			Percentage of staff studying for a relevant professional qualification	14%	N/A
<ul style="list-style-type: none"> • Interviews were conducted in a professional manner • The audit report was 'Good' or better • That the audit was worthwhile. 	100%	100%	Number of days technical training per FTE	1.48	3.5
	100%	100%	Percentage of staff meeting formal CPD requirements (post qualification)	38%	38%

Definition of Audit Assurance Statements & Recommendation Priorities

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.

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.