

**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 September 2019.

**2.0 SUMMARY OF REPORTS**

Service / Topic		Assurance level	No. of Recs.	
2.1	EK Services – ICT Physical & Environment	Substantial	C H M L	0 0 2 5
2.2	Employee Health & Safety	Reasonable	C H M L	0 4 4 7
2.3	Planning Applications, Income and s.106 Agreements	Reasonable/Limited	C H M L	0 5 4 4
2.4	EK Services – PCI-DSS	Reasonable / Limited	C H M L	0 0 2 2

**2.1 EK Services; ICT Physical & Environment - Substantial Assurance:**

2.1.1 Audit Scope

To ensure that the physical and environmental controls over the main ICT assets, including the servers are robust and are sufficient to enable EK Services to provide the level of ICT service required by the partner Councils.

2.1.2 Summary of Findings

EK Services was formed in April 2011. It comprises of the three local authorities, Canterbury City Council, Thanet District Council and Dover District Council. EK Services ICT services is hosted by Thanet District Council and is

responsible for protecting and maintaining the network and providing ICT support services across all partner authorities.

Individual authorities retain ownership of their ICT assets, and are responsible for the physical and environmental controls of their ICT suites and server rooms such as access controls and maintenance of fire suppressant systems, cooling systems and power supplies.

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

- ICT security policies are in place;
- Server rooms are suitably protected from fire, flooding and loss of power;
- Access by contractors to server rooms is suitably controlled;
- All ICT equipment is recorded on a centrally held system;
- Offsite backup arrangements are in place.

Scope for improvement was however identified in the following areas:

- The Service Level Agreement between EK Services and the Partner councils has expired and should be renewed;
- Council ICT security policies are in place, but not easily accessible to all staff;
- Staff with access to server rooms should be reviewed by partner Councils.
- A 3<sup>rd</sup> party contractor should be put in place to securely dispose of redundant ICT equipment.

## **2.2 Employee Health & Safety – Reasonable Assurance:**

### 2.2.1 Audit Scope

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

### 2.2.2 Summary of Findings

Employers must protect the 'health, safety and welfare' at work of all their employees, as well as others on their premises, including temps, casual workers, the self-employed, clients, visitors and the general public. However, these duties are qualified with the words 'so far as is reasonably practicable'. For the purposes of this review and working papers, the focus has been on employees only.

The Council has employed one officer to oversee the health and safety functions of the Council. The role of this officer is to monitor and advise management on health and safety matters. This is done via meetings, compliance visits and updating the electronic system. This officer is supported with administrative assistance for two days a week. It should be noted that the overall responsibility falls to the Chief Executive who has designated the overseeing across all sites to the Operation Services Manager. The day to day management of health and safety falls to named officers at the various sites being used by employees.

All documents relating to Health and Safety are being stored electronically via The Action Manager System (TAM) which is easily accessible to all staff as either a non-essential or essential user. To date, the Council has 150 licences at a cost of £1 per licence per month. The sites being recognised and recorded via TAM are as follows:

- Dane Park;
- Droit House;
- Kent Innovation Centre;
- Manston Road Depot;
- Ramsgate/Margate/Broadstairs Ports;
- Cecil Street; and
- Thanet Crematorium.

Management can place Reasonable Assurance on the system of internal controls in operation.

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

- The TAM system can be easily accessible, used by all and an effective management tool.
- Policies and procedures are in place and up to date but require further work as identified below.
- A training regime is in place and records are being maintained by managers and TAM. Training is undertaken at a corporate level and individual level and budgets are managed by service managers.
- Risk assessments are being undertaken, recorded and in place but require updating.
- Management are kept informed via monthly meetings where the TAM system is reviewed 'live' and Safety Committee meetings are held quarterly, from which minutes and action points are stored within the TAM system.

Scope for improvement was however identified in the following areas:

- To maintain an independent health and safety role and remove potential conflict, the HSA as named officer for the responsibility of specific functions within site policies, should be replaced with a suitably qualified officer within that service.

- All Council owned sites, with employee use, should be on the TAM system, either named or mapped under an existing site or separately.
- The site policies, as held within TAM need to be reviewed to ensure all roles and responsibilities have been assigned to suitably qualified persons. Any corporate policies held within both TAM and HR need to match and be up to date.
- The induction process needs to be reviewed to ensure all staff are suitably trained in Health and Safety at both a corporate and job-specific level.

## 2.3 Planning Applications, Income & s.106 Agreements – Reasonable/Limited Assurance:

### 2.3.1 Audit Scope

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

- Planning Applications and Income: Ensure that planning application procedures, including those in respect of fees and collection of income, are in accordance with Statute, and the organisation's Standing Orders and Financial Regulations.
- Section 106 Agreements: Ensure that Section 106 agreements are used where appropriate in planning applications and that all legal requirements are adhered to. All income / benefits from the agreement are received and obligations imposed are complied with to the benefit of the district.

### 2.3.2 Summary of Findings

Planning control is the process of managing the development of land and buildings. The purposes of this process is to save what is best of our heritage and improve the infrastructure upon which we depend for a civilised existence. The Council as the planning authority is responsible for deciding whether a development, anything from an extension on a house to a new shopping centre, should go ahead.

Planning obligations, also known as Section 106 agreements (based on that section of The 1990 Town & Country Planning Act) are private agreements made between local authorities and developers and can be attached to a planning permission to make acceptable development which would otherwise be unacceptable in planning terms. Planning Obligations are used for three purposes:

- **Prescribe** the nature of development (for example, requiring a given portion of housing is affordable)
- **Compensate** for loss or damage created by a development (for example, loss of open space)
- **Mitigate** a development's impact (for example, through increased public transport provision).

Management can place Reasonable Assurance on the Planning Application and Planning Income controls and Limited Assurance on the system of internal controls in operation for Section 106 Agreements.

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

- The Planning application management controls are working effectively;
- The Planning and S106 Procedures in place are comprehensive and just require minor adjustments;
- Income controls in place to maximise and check planning fees and pre-application fees are working effectively;
- Governance arrangements are working well although the Council should consider adopting new KPIs to help support two of the Corporate Objectives in place; and
- Planning applications are being processed in accordance with Legislation and planning guidance with a good audit trail in operation.

The findings giving rise to the Limited Assurance for S106 Agreements are as follows:

- The information being transferred from the S106 Agreements on to the monitoring spreadsheet is not always accurate or complete (in one instance £50,520 for a SAMM and in another instance £4,152 for social case was missed off the monitoring spreadsheet);
- Roles and responsibility for identifying and recording the various trigger points on the monitoring spreadsheet is not absolutely clear;
- The Council is systematically not adding legal fees onto the spreadsheet leading to loss of income;
- Some S106 Agreements could not be located within the Google storage area;
- The Council could improve efficiency by replacing the scanned S106 Agreement with the original electronic PDF (unsigned) version of the legal document within Google which would allow officers to search for each element in seconds by searching the '£' sign; and
- The Enforcement operation may require additional resource to overcome the issues outlined in this report in order to keep on top of the current enforcement workload.

## **2.4 EK Services - ICT PCI-DSS – Reasonable / Limited Assurance**

### **2.4.1 Audit Scope**

To ensure that the controls over the administration of the PCI-DSS procedures are robust and sufficient to enable the partner councils to comply with the industry requirements for this service.

### **2.4.2 Summary of Findings**

PCI Security Standards are technical and operational requirements set by the PCI Security Standards Council (PCI SSC) to protect cardholder data. The

standards apply to all entities that store, process or transmit cardholder data. As organisations that take payments by debit and credit cards, each Council must comply with the standards known as the Payment Card Industry Data Security Standards (PCI-DSS) and failure to comply with the standards could result in regular and large fines and also no longer being permitted to process card payments.

This audit was an EK Services audit but the reality is that compliance with PCI-DSS is the sole responsibility of each of the Councils, who rely on support from EK Services to provide technical assistance and advice.

Management can place the following Assurances on the system of internal controls in operation across the three authorities.

- Canterbury City Council – Reasonable Assurance for the processes in place and Limited Assurance for being non-compliant.
- Dover District Council – Reasonable Assurance for the main processes and level of compliance, but Limited for the one department that is non compliant.
- Thanet District Council - Reasonable Assurance for the processes in place and Limited Assurance for being non-compliant due to the annual assessments not being completed since 2017. However processes are in place to address this.

#### Canterbury City Council

- Quarterly network scans are carried out and are sent to the bank to show what the Council is doing to achieve compliance. ICT also carry out monthly scans so that PCI issues are identified early before the quarterly reports are required for the banks.
- The annual assessments for the different payment streams have not been completed therefore the supporting certificates are not in place and this means that the Council is not PCI-DSS compliant. As a result of this a monthly fine for non compliance of £9.99 is being levied by World Pay.
- As part of the ongoing monitoring of PCI-DSS there is a regular update reported to Members (in the pink) as part of the quarterly Strategic Risk Register report.

#### Dover District Council

- Dover District Council is currently PCI-DSS compliant for its main income systems through Adelante and certificates are in place along with self-assessment documentation along with regular security scans being carried out.
- There is one income stream that requires further attention (and is being looked into already) and that is the shop income at Dover Museum. They take chip and pin payments through the World Pay system but are currently not PCI-DSS compliant. Due to non-compliance World Pay are charging a non-compliance charge based on the number of transactions and is currently approximately £12.00 per month.

#### Thanet District Council

- Quarterly network scans are carried out and are sent to the World Pay to show what the Council is doing to achieve compliance. ICT also carry out monthly scans so that PCI issues are identified early before the quarterly reports are required for the bank.
- The annual assessments for the different payment streams have not been completed therefore the supporting certificates are not in place and this means that the council is not PCI-DSS compliant. The responsible officer now has an annual diary entry to ensure that the annual assessments are completed.
- Work has been carried out to put in place new telephone software for taking card payments and new chip and pin machines have been rolled out across the relevant services.

Corporate Information Governance Group (CIGG)

- CIGG has started an exercise to review the three councils' joint ICT policies as they were last reviewed in 2016 when they were implemented. The first meeting was held on 15th April 2019 to start reviewing the policies. PCI-DSS is not an item on the agenda at the quarterly meetings but going forward it may wish to receive regular updates from the PCI Compliance Officer at each authority as to the position of compliance and also if there are any issues that CIGG may be able to help address.

**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)	Data Protection	Limited	Reasonable /Limited	C	3	C	0
				H	9	H	2
				M	5	M	0
				L	3	L	0
b)	East Kent Housing - Tenant Health & Safety (Gas Safety)	Limited	Substantial	C	1	C	0
				H	1	H	0
				M	0	M	0
				L	0	L	0
c)	East Kent Housing - Tenant Health & Safety (Legionella)	No	Reasonable	C	1	C	0
				H	0	H	0
				M	0	M	0
				L	0	L	0

d)	Service Contract Management	Reasonable	Reasonable	C	0	C	0
				H	0	H	0
				M	1	M	0
				L	2	L	0
e)	EK Services / CIVICA Debtors	Substantial	Substantial	C	0	C	0
				H	0	H	0
				M	0	M	0
				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 3 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 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: Street Cleansing, Printing, Postage and Photocopying, Housing Repairs & Maintenance and Welfare Reform.

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

5.1 The 2019-20 internal audit plan was agreed by Members at the meeting of this Committee on 6<sup>th</sup> March 2019.

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 responsive assurance / unplanned work is summarised in the table contained at Appendix 3.

## **8.0 INTERNAL AUDIT PERFORMANCE**

- 8.1 For the six month period to 30th September 2019, 145.3 chargeable days were delivered against the revised target of 323.98 days which equates to 44.85% 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.
- 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.

### **Attachments**

- Appendix 1 Progress to 30th September 2019 against the agreed 2019-20 Audit Plan.
- Appendix 2 Definition of Audit Assurance Statements & Recommendation Priorities
- Appendix 3 Summary of Critical and High priority recommendations not implemented at the time of follow-up.
- Appendix 4 Summary of services with Limited / No Assurances.
- Appendix 5 Balanced Scorecard to 30th September 2019.

**PROGRESS TO DATE AGAINST THE AGREED 2019-20 AUDIT PLAN –  
APPENDIX 1**

**THANET DISTRICT COUNCIL:**

<b>Area</b>	<b>Original Planned Days</b>	<b>Revised Budgeted Days</b>	<b>Actual days to 30-09-2019</b>	<b>Status and Assurance Level</b>
<b>FINANCIAL SYSTEMS:</b>				
Capital	10	10	0.18	Quarter 3
Treasury Management	10	10	0.18	Quarter 3
External Funding Protocol	10	10	0.18	Quarter 3
Insurance & Inventories of Portable Assets	12	12	0.18	Quarter 3
<b>RESIDUAL HOUSING SERVICES:</b>				
HRA Business Plan	10	0	0	Postponed to accommodate responsive reviews
<b>GOVERNANCE RELATED:</b>				
GDPR Compliance	13	13	0	Quarter 4
Anti-Fraud & Corruption	2	2	0.24	Work-in-progress
Shared Service Monitoring	10	10	0	Quarter 4
Partnerships	8	8	0	Quarter 4
Risk Management - Review of Mitigation Controls	10	10	0	Quarter 3
Corporate Advice/CMT	2	2	8.53	Work-in-progress throughout 2019-20
s.151 Officer Meetings and Support	9	9	10.2	Work-in-progress throughout 2019-20
Governance & Audit Committee Meetings and Report Preparation	12	12	7.35	Work-in-progress throughout 2019-20
2020-221 Audit Plan and Preparation Meetings	9	9	0.34	Quarter 4
<b>CONTRACT AUDITS</b>				
CSO Compliance	12	12	17.24	Work-in-progress
<b>SERVICE LEVEL:</b>				
Environmental Health & Safety at Work	10	10	0	Quarter 4
Grounds Maintenance	12	12	0	Work-in-progress
Grants	10	10	0	Quarter 3

Commercial Properties & Concessions	10	10	0.61	Work-in-progress
Ramsgate Marina	12	12	0.57	Work-in-progress
Ramsgate Harbor Accounts Audit	3	3	5.24	Finalised
Planning Applications, Income & s106 Agreements	12	12	13.12	Finalised - Reasonable/Limited
Building Control	10	10	5.37	Work-in-progress
Printing & Post	10	10	9.26	Work-in-progress
Sports & Community Development	10	10	0	Quarter 3
Visitor Information Arrangements	10	0	0	Postponed to accommodate responsive Homelessness review
Waste & Street Cleansing Vehicle Fleet Management	10	10	0	Quarter 4
Climate Change	6	6	0	Quarter 3
<b>OTHER :</b>				
Liaison With External Auditors	1	1	0	Work-in-progress throughout 2019-20
Follow-up Reviews	15	15	5.41	Work-in-progress throughout 2019-20
<b>FINALISATION OF 2018-19 AUDITS:</b>				
Days under delivered in 2018-19	0	38.98	0	Allocated
Income	5	5	0.18	Finalised
Dog Warden & Street Scene Enforcement			11.39	Finalised
Street Cleansing			12.31	Work-in-progress
Business Continuity & Emergency Planning			0.44	Finalised
Community Safety			0.36	Finalised
Employee Health & Safety			11.34	Finalised
Grounds Maintenance			0.54	Work-in-progress
<b>RESPONSIVE WORK:</b>				
Homelessness	0	14	14.17	Finalised
Electoral Registration	0	6	10.37	Finalised
<b>TOTAL</b>	<b>285</b>	<b>323.98</b>	<b>145.3</b>	<b>44.85% as at 30-09-2019</b>

**EAST KENT HOUSING LIMITED:**

<b>Review</b>	<b>Original Planned Days</b>	<b>Revised Planned Days</b>	<b>Actual days to 30-09-2019</b>	<b>Status and Assurance Level</b>
<b>Planned Work:</b>				
CMT/Audit Sub Ctte/EA Liaison	4	4	8.12	Work-in-progress throughout 2019-20
Follow-up Reviews	4	4	5.82	Work-in-progress throughout 2019-20
Rent Accounting, Collectio & Debt Mngmt.	40	40	18.61	Work-in-progress
Rechargeable Works	10	10	0	Quarter 3
Tenant Health & Safety	15	15	21.89	Finalised - Limited/No
Customer Contact	12	12	0	Quarter 4
Improvement Plan	10	10	0	Quarter 3
Estate Management Inspections	15	15	0	Quarter 3
Anti-Social Behaviour	15	15	0	Quarter 4
Employee Health, Safety & Welfare	15	15	1.03	Work-in-progress
<b>Finalisation of 2018-19 Audits:</b>				
Days under delivered in 2018-19	0	19.50	0	Allocated as below
Staff Performance Management	0		4.93	Work-in-progress
Welfare Reform	0		7.14	Work-in-progress
Repairs & Maintenance	0		34.38	Work-in-progress
Service Level Agreements	0		0.97	Finalised
<b>Responsive Work:</b>				
None thus far				
<b>Total</b>	<b>140</b>	<b>159.50</b>	<b>102.89</b>	<b>64.51% at 30-09-2019</b>

**EKS, EKHR & CIVICA:**

<b>Review</b>	<b>Original Planned Days</b>	<b>Revised Planned Days</b>	<b>Actual days to 30-09-2019</b>	<b>Status and Assurance Level</b>
<b>EKS &amp; Civica Reviews:</b>				
Housing Benefit Appeals	15	15	13.54	Finalised - Substantial
Housing Benefit Testing	15	15	0	Work-in-progress throughout 2019-20
Business Rate Reliefs & Credits	15	15	10.45	Work-in-progress
Council Tax	20	20	0	Quarter 3
ICT Disaster Recovery	15	15	0	Quarter 4
ICT - Physical & Environment	15	15	13.25	Finalised - Substantial
KPIs	5	5	1.45	Work-in-progress
<b>EKHR Reviews:</b>				
Payroll	15	15	0.07	Quarter 3
Recruitment	15	15	0.17	Quarter 3
Employee Benefits-in-kind	15	15	4.48	Work-in-progress
<b>Other;</b>				
Corporate/Committee	8	8	5.06	Work-in-progress throughout 2019-20
Follow up	7	7	5.07	Work-in-progress throughout 2019-20
Days under delivered in 2018-19	0	27.26		Allocated as below
<b>Finalisation of 2018/19 Audits:</b>				
Housing Benefit Testing 2018-19	0		8.7	Finalised
Payroll			2.22	Finalised - Reasonable
PCI-DSS Compliance			10.24	Finalised - Reasonable/Limited
<b>Total</b>	<b>160</b>	<b>187.26</b>	<b>74.4</b>	<b>40% at 30/09/2019</b>

## 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.

**SUMMARY OF CRITICAL & HIGH PRIORITY RECOMMENDATIONS NOT IMPLEMENTED AT THE TIME OF FOLLOW-UP – APPENDIX 3**

Original Recommendation	Agreed Management Action , Responsibility and Target Date	Manager’s Comment on Progress Towards Implementation.
<p><i>Data Protection - September 2019</i></p> <p>Ensure a record of all data processing activities is completed as the earliest opportunity. Failure to do so will prolong the period in which the Council is non-compliant with the Data Protection Act 2018 (article 61).</p>	<p>Recommendation agreed.</p> <p><b>Responsibility &amp; Proposed Completion Date</b></p> <p>Interim Head of Legal Services &amp; Deputy Monitoring Officer (SN)</p>	<p><u>Auditor Comment:</u> There is a Template Departmental Record of Processing Activities in existence but this has not yet been completed. This is a document that has to be provided to the ICO if ever requested. Failure to be able to provide this document could increase the significance of any fine in the instance of a data breach. The Council will be non-compliant with Article 30 of the General Data Protection Regulations until this document has been put together.</p> <p><u>Management Comment:</u> We have appointed an interim Information Governance Manager who starts work with us on Wednesday 18 September.</p> <p>This additional resource will be used to implement the two outstanding recommendations.</p> <p><b>Recommendation Outstanding - Escalated to the Governance and Audit Committee.</b></p>

<p>Assurance should be provided by Legal Services that the adequate protections, legal instruments and controls are in place to mitigate the following risks:</p> <ul style="list-style-type: none"> <li>i) The risk that the Council may not have identified all contractors or third parties in which personal data is shared with;</li> <li>ii) The risk that data sharing protocols may not be adequate;</li> <li>iii) The risk that data sharing protocols may not be agreed by the contractor or third party;</li> <li>iv) The risk that legal obligations to protect all personal data shared with third parties may not be clearly specified or clearly communicated with the contractor or third party;</li> <li>v) The risk that departmental privacy notices (and EKH privacy notices) may fail to uniquely identify all 52 contractors in which personal data is currently shared in accordance with GDPR.</li> </ul>	<p>Management has prepared a data sharing register but this is not yet populated. This will be populated once legal have recruited an officer to the role.</p> <p><b>Responsibility &amp; Proposed Completion Date</b></p> <p>November 2018 - Interim Head of Legal Services &amp; Deputy Monitoring Officer (SN)</p>	<p><u>Auditor Comment:</u> <i>Identify Contractors</i></p> <p>The Interim Head of Legal Services (SN) was confident that all contractors and third parties have been identified. There are 52 contracts identified that require remedial action. This issue is common amongst other local authorities who have had to commit capital expenditure to sufficiently remedying the risk.</p> <p><i>Data Sharing Protocols – Adequate</i></p> <p>The data sharing protocols and risks relating to the personal data held and processed by third parties is one of the highest risks for the Council to manage. Existing contracts are yet to have had sufficient variations put in place to mitigate the risk.</p> <p><i>Data Sharing Protocols – Responsibility</i></p> <p>All 52 contractors were initially written to setting out that variations are to be completed. The Interim Head of Legal Services (SN) had planned to engage external legal expertise at the beginning of the new financial year 2019/20 however significant budgetary pressures has resulted in this work being sidelined. A new permanent Head of Legal Services (EC) has now been appointed and will be tasked with taking this forward.</p>
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		<p><i>Data Sharing Protocols – Privacy Notices</i> See above responses.</p> <p><u>Management Comment:</u> We have appointed an interim Information Governance Manager who starts work with us on Wednesday 18 September. This additional resource will be used to implement the two outstanding recommendations.</p> <p><b>Recommendation Outstanding - Escalated to the Governance and Audit Committee.</b></p>
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**SERVICES GIVEN LIMITED / NO ASSURANCE LEVELS STILL TO BE REVIEWED – APPENDIX 4**

<b>Service</b>	<b>Reported to Committee</b>	<b>Level of Assurance</b>	<b>Follow-up Action Due</b>
Tenancy & Right to Buy Fraud	March 2019	Limited	Autumn 2019
East Kent Housing - Tenant Health & Safety	September 2019	Limited/No	Work-in-Progress
Planning Applications, Income and s.106 Agreements	December 2019	Reasonable/Limited	Spring 2020
EK Services – PCI-DSS	December 2019	Reasonable/Limited	Spring 2020

<b><u>INTERNAL PROCESSES PERSPECTIVE:</u></b>	<b><u>2019-20 Actual</u></b>	<b><u>Target</u></b>	<b><u>FINANCIAL PERSPECTIVE:</u></b>	<b><u>2019-20 Actual</u></b>	<b><u>Original Budget</u></b>
	<b>Quarter 2</b>		<b>Reported Annually</b>		
<b>Chargeable as % of available days</b>	<b>88%</b>	<b>80%</b>	<ul style="list-style-type: none"> <li>• <b>Cost per Audit Day</b></li> </ul>	<b>£</b>	<b>£332.50</b>
<b>Chargeable days as % of planned days</b>			<ul style="list-style-type: none"> <li>• <b>Direct Costs</b></li> </ul>	<b>£</b>	<b>£428,375</b>
<b>CCC</b>	<b>40.97%</b>	<b>50%</b>	<ul style="list-style-type: none"> <li>• <b>+ Indirect Costs (Recharges from Host)</b></li> </ul>	<b>£</b>	<b>£10,530</b>
<b>DDC</b>	<b>40.73%</b>	<b>50%</b>	<ul style="list-style-type: none"> <li>• <b>- 'Unplanned Income'</b></li> </ul>	<b>£</b>	<b>Zero</b>
<b>F&amp;HDC</b>	<b>45.50%</b>	<b>50%</b>			
<b>TDC</b>	<b>44.85%</b>	<b>50%</b>			
<b>EKS</b>	<b>39.88%</b>	<b>50%</b>			
<b>EKH</b>	<b>64.51%</b>	<b>50%</b>	<ul style="list-style-type: none"> <li>• <b>= Net EKAP cost (all Partners)</b></li> </ul>		<b>£438,905</b>
<b>Overall</b>	<b>45.35%</b>	<b>50%</b>			
<b>Follow up/ Progress Reviews;</b>					
<ul style="list-style-type: none"> <li>• <b>Issued</b></li> <li>• <b>Not yet due</b></li> <li>• <b>Now due for Follow Up</b></li> </ul>	<b>18</b>	<b>-</b>			
	<b>20</b>	<b>-</b>			
	<b>25</b>	<b>-</b>			
<b>Compliance with the Public Sector Internal Audit Standards (PSIAS) (see Annual Report for more details)</b>	<b>Partial</b>	<b>Full</b>			

<b><u>CUSTOMER PERSPECTIVE:</u></b>	<b><u>2019-20 Actual</u></b>	<b><u>Target</u></b>	<b><u>INNOVATION &amp; LEARNING PERSPECTIVE:</u></b>	<b><u>2019-20 Actual</u></b>	<b><u>Target</u></b>
	<b>Quarter 2</b>		<b>Quarter</b>		
<b>Number of Satisfaction Questionnaires Issued;</b>	<b>31</b>		<b>Percentage of staff qualified to relevant technician level</b>	<b>75%</b>	<b>75%</b>
<b>Number of completed questionnaires received back;</b>	<b>13</b>		<b>Percentage of staff holding a relevant higher level qualification</b>	<b>36%</b>	<b>36%</b>
	<b>= 42%</b>		<b>Percentage of staff studying for a relevant professional qualification</b>	<b>14%</b>	<b>N/A</b>
<b>Percentage of Customers who felt that;</b>			<b>Number of days technical training per FTE</b>	<b>1.14</b>	<b>3.5</b>
<ul style="list-style-type: none"> <li>● Interviews were conducted in a professional manner</li> <li>● The audit report was 'Good' or better</li> <li>● That the audit was worthwhile.</li> </ul>	<b>100%</b>	<b>100%</b>	<b>Percentage of staff meeting formal CPD requirements (post qualification)</b>	<b>36%</b>	<b>36%</b>
	<b>100%</b>	<b>90%</b>			
	<b>100%</b>	<b>100%</b>			