

**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 31st December 2020.

**2.0 SUMMARY OF REPORTS**

Service / Topic		Assurance level	No. of Recs.	
2.1	EKS – Housing Benefits Subsidy	Substantial	C H M L	0 0 0 0
2.2	EKS - Housing Benefits Overpayments	Substantial	C H M L	0 0 0 0
2.3	External Funding Protocol	Substantial	C H M L	0 0 0 0
2.4	Members' Allowances & Expenses	Substantial	C H M L	0 0 0 0
2.5	Disabled Facilities Grants	Substantial	C H M L	0 0 2 6
2.6	COVID-19 Discretionary Grant Scheme	Reasonable	C H M L	0 5 1 1
2.7	Cemeteries & Crematoria	Reasonable	C H M L	0 0 2 3
2.8	COVID-19 Business Grants Fraud Data Match	Not Applicable		
2.9	EKS – Housing Benefits Quarterly Testing Quarters 1 & 2 2020/21	Not applicable		

## **2.1 EKS Housing Benefit Subsidy – Substantial Assurance**

### 2.1.1 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 reimbursement payable to the authority in respect of the Housing Benefit payments which have been made to the benefit claimants within the district.

### 2.1.2 Summary of Findings

Housing Benefit Subsidy is the monies provided by the 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. The detail contained within each subsidy claim is then verified and signed off by the external auditors. Adjustments to the claim may result in an unexpected loss of monies to the Council. Therefore the accurate completion of the subsidy claim is necessary to reduce any potential financial loss to each Council.

Management can place Substantial Assurance on the system of internal controls in operation around the preparation and completion of the annual Housing Benefit Subsidy claim.

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

- Well practiced routines are in place for the completion of subsidy claims.
- Officers responsible for the completion of subsidy claims are all experienced and familiar with what is expected of them to complete claims.
- Entries on claims are supported by clear and concise working papers and evidence.
- Sufficient resources are in place to complete subsidy claims, and assist auditors with their audit.
- Findings arising from audits of previous claims are all addressed so that future errors are reduced.

All of the expected controls tested during the audit were found to be in place and working effectively. Consequently, no recommendations have been made in this report. Each Council should remain aware however that (so as to not duplicate work) this audit has had a different scope to that of the audit of the Subsidy claim and has not looked in detail at the content of the 2019/20 subsidy claim as that will be undertaken by the External Auditors in due course.

## **2.2 EKS Housing Benefit Overpayments – Substantial Assurance**

### 2.2.1 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 Councils and incorporate relevant internal controls regarding the administration of overpayments of Housing Benefit.

### 2.2.2 Summary of Findings

Civica are responsible for the administration of Housing Benefits which includes the processing of Housing Benefit claims and collection of overpaid Housing Benefits. Strong controls continue to be in place for the billing and collection of overpaid Housing Benefits by early identification of changes to circumstances for claimants, raising invoices, agreeing and monitoring repayment arrangements.

Our testing has established that Civica continues to deliver services in accordance with the requirements of the contract with each of the Partner Councils in terms of the Housing Benefits Overpayment function.

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

- Detailed information is available to members of the public at each authority in terms of housing benefit overpayments and how overpayments will be recovered.
- A consistent approach is taken across all Partner Councils for the identification, recovery and where necessary writing off of overpayments which are not considered cost effective to collect.
- Civica make good use of information available to them from outside sources such as HMRC and the Department of Work and Pensions to keep Housing Benefit claims up to date, and therefore levels of overpayments as low as practical.
- Civica report their performance achieved each quarter in comprehensive performance reports to the Partner Councils.

All of the expected controls tested during the audit were found to be in place and working effectively. Consequently, no recommendations have been made in this report.

## **2.3 External Funding Protocol - Substantial Assurance:**

### 2.3.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to reduce the risk of grant repayment and that these controls are adhered to by all members of staff applying for external funding.

### 2.3.2 Summary of Findings

External funding is an important source of income to the Council, but funding conditions need to be carefully considered to ensure that they are compatible with the aims and objectives of the Council.

Grants provided by the Council help to deliver corporate priorities and outcomes, but it is important that these grants are managed responsibly and offer value for money. There is therefore a need for a protocol that standardises processes relating to external funding and the payment of grants to ensure consistency and clarity and to protect the Council from unidentified risks.

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

- The Council's External Funding Protocol is published on TOM and is regularly communicated to new staff by the Finance Manager responsible for coordinating external funding. Adherence to the Protocol is achieved through communication with finance and the Section 151 Officer.
- External grant bids go through the Finance Manager responsible who assesses them for compliance with the protocol in terms of achievability around resources and outcomes to reduce the probability of any reclaim later by the funder.
- Corporate Priorities are considered by the Finance Manager and CMT/Section 151 Officer when signing off the bids.
- The Finance Manager takes these into consideration when providing assurances to the Section 151 Officer.
- Through regular contact with departments on external funding, involvement in project board meetings, issues are identified and can be dealt with as soon as they arise.
- When considering bids, future revenue costs are considered to avoid any pressure on the Council's budget going forward. If projects are not delivering regular reviews would indicate if the project should be terminated.
- Each funding stream has its own job code in eFinancials. Each job code has a folder with a "Compliance with External Funding Protocol" folder. Which contains evidence of the approval obtained.
- Each funding stream has its own job code held in Google Drive. Where outcomes are required these are documented and where claims are required for production these are stored in these folders.

## **2.4 Members' Allowances & Expenses – Substantial Assurance:**

### 2.2.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that Members' allowances and expenses are calculated and paid in accordance with the prevailing rules.

### 2.4.2 Summary of Findings

To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that Members' allowances and expenses are calculated and paid in accordance with the prevailing rules.

The Local Authorities (Members Allowances) (England) Regulations 2003 requires local authorities to prepare schemes for the payment of allowances to their Members. Authorities making schemes are required to make provision for the payment of basic allowances and may also provide for the payment of special responsibility allowances, dependants carers allowances, travelling and subsistence and co-optees' allowances.

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

- Established monthly processes are in place to verify, authorise and process claims that are submitted by Members.
- The Members' allowances scheme is reviewed on a regular basis through the Independent Remuneration Panel in conjunction with Canterbury City Council and Dover District Council.

## **2.5 Disabled Facilities Grants – Substantial Assurance:**

### 2.5.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that Disabled Facility Grants are efficiently and effectively administered to maximise the funds available to make the most difference to those in need of the scheme.

### 2.5.2 Summary of Findings

The delivery of the disabled facilities grants programme is mandatory and a statutory function of the Local Housing Authority. It is governed by the Housing Grants, Construction and Regeneration Act 1996. There has been no change to either the legislation that governs this function or Council personnel that look after the grant processes since the last review was undertaken in 2016.

There are various statutory and discretionary grants that residents can apply for, details of these and how to apply have been adequately documented via the Council's web pages and detailed within the Council's Housing Assistance Policy. For the purposes of this review it is the Disabled Facilities Grants Scheme which has a mandatory limit of £30,000 that has been reviewed, all other assistance schemes included within the policy have not i.e. Stairlift Grant; Winter Warmth Grant; County-wide energy efficiency and closely related schemes; Urgent Home Repair grant; Home Enablement Service; and the Handyman Scheme.

The budget is set via central government through the Better Care Fund; funds are given to local authorities via a Section 31 grant paid via KCC. For 2019/20 and 2020/21 the funds provided were £3,015,899 and £3,015,899 respectively. If this budget has not been committed or spent during the year, there are no conditions attached to this grant to state that this needs to be repaid and therefore rolls over to the following financial year.

The current pandemic has meant that working practices have had to adapt and move on; therefore a move from the use of a paper based system to an electronic system was being implemented at the time of this audit review. The sample selected reflected this change over period and it should be noted that due to covid-19 national and local restrictions being in place meant that accessing and reviewing paper files being stored at the office could not occur. Reliance was therefore placed upon the evidence seen within the computerised system (M3); new working practices; managers' comments to the Internal Control Questionnaire and any further electronic records being maintained.

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

- There are up to date policies and procedures in place;
- There is evidence of a separation of duties;
- Applications are being assessed in accordance with policy, procedures and legislation;
- Means testing is being carried out in accordance with policy via a dedicated software system, all decisions are being documented and evidenced; and
- The Grant funding is being effectively managed and monitored to ensure monies are being allocated within the agreed limits set for each grant type and the overall budget for the year.

Scope for improvement was however identified in the following areas:

- The information asset register and retention schedule require a review to ensure records are being kept in accordance with the timescales set in legislation. Monitoring compliance thereafter is required for records being stored within the M3 system; and
- To provide a full audit trail and make full use of the M3 system, upload all documents that support the application process and add a further action point for the termination of conditions.

## **2.6 COVID-19 Discretionary Grant Scheme – 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 managed the risks of the 2020 Discretionary Grant Scheme project appropriately, whilst distributing £1.6m of grants.

### **2.6.2 Summary of Findings**

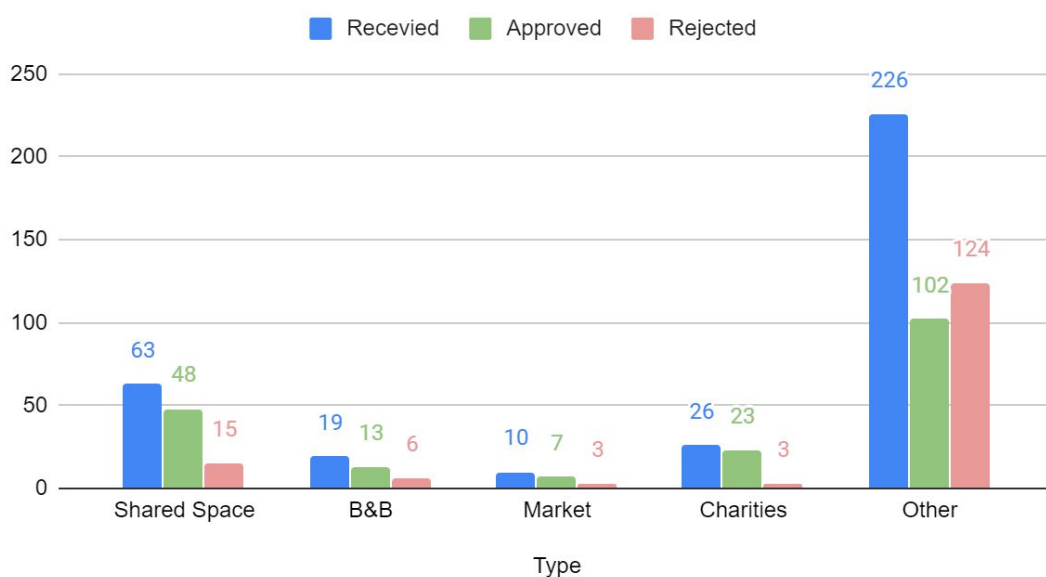
In a response to a National Pandemic, the Central Government provided millions of pounds of grant aid to assist businesses that were forced to close. The Central Government's aim was to get funding out as quickly as possible to those businesses that were perceived to be struggling financially during these uncertain times. One such scheme was an additional fund, called the Local Authority Discretionary Grants Fund, which was aimed at small businesses who were not eligible for the Small Business Grant Fund, the Retail, Leisure and Hospitality Fund or other forms of support. This was launched in June 2020. It fell upon Local Authorities to administer these grant schemes, who themselves were trying to ensure their own workforce and services were maintained as reasonably practicable to minimise disruption to local residents, all whilst adhering to Central Government's guidance on lockdown measures. In turn this meant setting up working from home systems and ensuring staff were trained and equipped for administering such schemes in a tight time frame.

This audit was commissioned to provide assurance that the scheme has been implemented in accordance with the Central Government's Guidance, to identify any possible areas where fraudulent activity has or could occur and to provide lessons learnt to take forward should a second wave or if local lockdowns occur.

The Council's budget for this discretionary grant scheme was £1.66 million. The criteria was a mix of national and local (discretionary) elements. The local element enabled the Council to assist businesses perceived to be more of a local benefit to the area and was approved by Councillors on 29 May 2020.

The Grant scheme was based upon the completion of an on-line application form, with additional supporting evidence and ran from 01 June 2020 to 15 June 2020. A total of 344 applications were received during this period, 193 were approved and 151 were rejected after being assessed, please see chart below for more details:

## Received, Approved and Rejected



There was an appeal process in place where a further 29 applications were approved for the grant. All successful applications received a grant award of £7,500 each.

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

- The scheme has in most parts been administered in accordance with government guidelines with evidence of adequate supporting documentation at every part of the decision making process;
- Adequate resources were allocated in order to administer the scheme with training and support being provided throughout the process;
- There is evidence of a separation of duties;
- Counter Fraud checks via CiFas were undertaken prior to payments being made; and
- There is a well thought out and documented application, checking and appeals process.

Scope for improvement was however identified in the following areas:

- To ensure schemes are fully compliant with government guidelines the Council should document the assurance plans and fraud risk assessment process either through the risk register or business continuity plans;
- For ease of reference ensure that all documents are centrally filed;
- In order to be fully GDPR compliant and future proof, ensure the retention schedule includes this and future 'pandemic' grant schemes ensuring that the file path has been correctly documented;
- Ensure the scheme assesses all the criteria set nationally and locally to avoid payments being made to those not entitled;
- The authorisation process needs to be strengthened to ensure that the decisions being made by the assessors are accurate and based on all the



evidence required to support the application. This can be achieved through the use on on-line tools being provided by Government' and

- Adopt a post check and clawback process to ensure any claims that were claimed and paid out in error are reclaimed.

## **2.7 Cemeteries & Crematoria – Reasonable Assurance:**

### 2.5.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that the Council's cemetery and crematoria activities are undertaken efficiently and effectively in accordance with Council policy and procedures.

### 2.7.2 Summary of Findings

Margate Cemetery, which first opened in 1856 covers some 35 acres where approximately 300 burials take place per year. Ramsgate Cemetery first opened in 1876 with the St Lawrence Section of the Cemetery opening 20 years later in 1896 and covers some 34 acres. Thanet Crematorium first opened in 1966 and now hosts somewhere in the region of 1600 cremations per year. Thanet District Council is a member of the Institute of Cemeteries and Crematorium Management (I.C.C.M.) and the Charter For The Bereaved as well as the Federation of Burial and Cremation Authorities (F.B.C.A.).

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

- Despite the various and significant challenges that covid-19 is presenting the Council, management have adapted well and are operating in compliance with the Coronavirus Act 2020, the Local Authorities Cemeteries Order 1977, the Cremations Act 2008 and the FBCA Code of Burial Practice October 2013;
- There are a number of risks assessments in place which are helping to minimise many health and safety risks;
- Expenditure controls are operating effectively;
- Burial and cremation records processed, maintained and managed within the BACAS system are accurately and comprehensively recorded; and
- There are adequate policies and procedures in place to help guide staff and to offer some resilience within the team.

Scope for improvement was however identified in the following areas:

- Two minor clerical errors were found when examining the application of fees and charges, this identified the need for additional care in applying charges.
- Some staff require refresher training on manual handling, hedge cutting, strimming and mowing to reduce the risk of injury but also to protect the Council from any future claims being made against it; and

- There are indications that the Council may need to review three low risk areas of the service which include; damaged or unclear cemetery signage, the security and storage of urns and document approval records.

## **2.8 COVID-19 Business Grants Fraud Data Match - Not Applicable**

### 2.8.1 Audit Scope

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

### 2.8.2 Summary of Findings

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

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

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

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

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

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

## **2.4 EK Services – Housing Benefit Testing 2020/21 Quarters 1 & 2 – Not applicable for assurance**

### **1. Introduction**

Over the course of 2020/21 financial year the East Kent Audit Partnership will complete a sample check of Council Tax, Rent Allowance and Rent Rebate and Local Housing Allowance benefit claims.

### **2. Findings**

For the first and second quarters of 2020/21 financial year (April to September 2020) 45 claims including new and change of circumstances of each benefit

type were selected by randomly selecting the various claims for verification. Below is a summary table of the findings:-

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

### **Audit Conclusion**

For this period forty-five benefit claims were checked and none of the claims had a financial error and there was 1 (2.20%) data quality error as a request for backdating was missed on one claim.

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

3.1 As part of the period's work, two 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.

<b>Service/ Topic</b>		<b>Original Assurance level</b>	<b>Revised Assurance level</b>	<b>Original Number of Recs</b>		<b>No of Recs. Not yet implemented</b>	
a)	Members' Code of Conduct Standards & Arrangements	Reasonable	Reasonable	C	0	C	0
				H	0	H	0
				M	3	M	2
				L	3	L	1
b)	EKHR – Absence Management	Reasonable	Reasonable	C	0	C	0
				H	0	H	0
				M	4	M	0
				L	0	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: Local Code of Corporate Governance, Coastal Management, GDPR, and Housing Regulator Referral work.

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

- 5.1 The 2020-21 internal audit plan was agreed by Members at the meeting of this Committee on 4<sup>th</sup> March 2020.
- 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 are made to the plan during the course of the year as some high profile projects or high-risk areas may be requested to be prioritised at the expense of putting back or deferring to a future year some lower risk planned reviews. The detailed position regarding when resources have been applied and or changed are shown as Appendix 3.
- 5.3 There has of course been an impact on the work of the internal audit team as a result of the C19 Crisis. The Audit Plan for 2020-21 was prepared as usual throughout February and agreed with the s.151 Officer and CMT and was presented to the March meeting. Following this, the team was re-deployed to assist with C19 response work in the community. As a consequence, no new internal audit work was commissioned or undertaken throughout April to June, leading to a total of 154 audit days being lost (over the partnership). The plan that was approved at the March meeting is set out in the table in Appendix 3, showing the days allocated up to the end of December. It has therefore been necessary to work with the s.151 Officer to agree a revised plan based on 9 month's work not 12, the reviews that are deferred within the overall five-year strategic audit plan are also shown. Additionally, the revised plan also accommodates the new Housing audits which will commence after 1<sup>st</sup> October once the former EKH Ltd responsibilities have transferred back to the four councils. Except for follow up, no new EKH Ltd audits commenced before the end of September, and therefore the revised EKH Plan is also shown in Appendix 3.

## **6.0 FRAUD AND CORRUPTION:**

There are 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 nine month period to 31st December 2020, 215.45 chargeable days were delivered against the revised target of 311.54 days which equates to 69.19% 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 31st December 2020 against the agreed 2020-21 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 yet to be followed up.
- Appendix 5 Balanced Scorecard to 31st December 2020.

**PROGRESS TO DATE AGAINST THE AGREED THANET DISTRICT  
COUNCIL2020-21 AUDIT PLAN – APPENDIX 1**

Area	Original Planned Days	Revised Budgeted Days	Actual days to 31-12-2020	Status and Assurance Level
<b>HOUSING SERVICES:</b>				
Homelessness	10	10	0	Quarter 3
Tenant Health & Safety Compliance	0	10	1.23	Quarter 4
Data Quality	0	10	0	Quarter 4
Leasehold Services	0	10	0	Quarter 4
<b>GOVERNANCE RELATED:</b>				
GDPR, FOI & Information Management	10	10	1.50	Draft Brief Prepared
Members' Code of Conduct & Standards Arrangements	10	10	12.10	Finalised - Reasonable
Officers' Code of Conduct & Gifts & Hospitality	10	10	0.18	Draft Brief Prepared
Local Code of Corporate Governance	8	8	6.34	Draft Brief Prepared
Corporate Advice/CMT	2	2	2.23	Work-in-Progress throughout 2020-21
s.151 Officer Meetings and Support	9	9	10.79	Work-in-Progress throughout 2020-21
Governance & Audit Committee Meetings and Report Preparation	12	12	11.19	Work-in-Progress throughout 2020-21
2021-22 Audit Plan and Preparation Meetings	9	9	6.73	Work-in-Progress throughout 2020-21
<b>CONTRACT AUDITS</b>				
Service Contract Management	10	0	0	Deferred
Procurement	10	10	0.18	Draft Brief Prepared
<b>SERVICE LEVEL:</b>				
Cemeteries & Crematoria	12	12	9.62	Finalised - Reasonable
HMO Licensing & Selective Licensing	10	10	12.58	Finalised - Substantial
Coastal Management	10	10	0.18	Draft Brief Prepared
Public Health Burials	7	7	12.64	Work-in-Progress
Environmental Health & Safety at Work	10	0	0.18	Deferred
Playgrounds	10	10	0.18	Draft Brief Prepared

Disabled Facilities Grants	10	10	9.65	Finalised - Substantial
Museums	12	12	0	Quarter 3
Ramsgate Harbour Accounts	5	5	6.31	Finalised
Members' Allowances & Expenses	10	10	10.74	Finalised - Substantial
Phones, Mobiles & Utilities	8	8	10.29	Finalised - Substantial
Your Leisure	10	10	0	Quarter 3
Waste & Street Cleansing Vehicle Fleet Management	12	12	0	Quarter 3
Refuse Collection	10	0	0	Deferred
Climate Change	10	10	0.64	Work-in-Progress
<b>OTHER :</b>				
Liaison With External Auditors	1	1	0	Work-in-Progress throughout 2020-21
Follow-up Reviews	15	15	3.44	Work-in-Progress throughout 2020-21
<b>FINALISATION OF 2019-20 AUDITS:</b>				
Days over delivered in 2019-20	0	-3.46		
Community Safety	15	15	0.08	Finalised
Printing & Post			0.24	Finalised
Building Control			0.27	Finalised
Grounds Maintenance			0.18	Finalised
Insurance & Inventories			0.23	Finalised
External Funding Protocol			1.25	Finalised
Capital			5.10	Finalised
<b>RESPONSIVE WORK:</b>				
East Kent Housing - Tenant H&S Compliance Monitoring	0	0	0.31	Finalised
Compliance with FPRs	0	6	6.97	Finalised
COVID-19 Discretionary Grant Scheme	0	10	15.55	Finalised
Creditors Duplicate Testing	0	0	0.81	Work-in-Progress
Governance	0	10	10.37	Work-in-Progress
Incorrect Payment Investigation	0	0	4.73	Finalised
Grant Funds Fact Finding	0	0	1.93	Finalised
Covid-19 Redeployments	0	0	38.51	Finalised
<b>TOTAL</b>	<b>285</b>	<b>311.54*</b>	<b>215.45</b>	<b>69.19% as at 31-12-2020</b>

**\*30 days added to the revised planned days from the former East Kent Housing audit plan from 1<sup>st</sup> October 2020.**

**EAST KENT HOUSING LIMITED:**

<b>Review</b>	<b>Original Planned Days</b>	<b>Revised Planned Days</b>	<b>Actual To 30/09/2020</b>	<b>Status and Assurance Level</b>
<b>Planned Work:</b>				
CMT/Audit Sub Ctte/EA Liaison	4	4	3.09	Finalised for 2020-21
Follow-up Reviews	7	0	0	Finalised for 2020-21
Tenants Health & Safety	8	8	8.13	Finalised -Various
<b>Finalisation of 2019/20 Work-in-Progress:</b>				
Days over delivered in 2019/20		-7.37		Allocated
Welfare Reform	0	1	0.41	Finalised - Substantial
Employee Health & Safety	1	0.63	1	Finalised - Limited
<b>Total</b>	<b>20</b>	<b>12.63</b>	<b>12.63</b>	<b>100% as at 30/09/2020</b>



**EKS, EKHR & CIVICA:**

<b>Review</b>	<b>Original Planned Days</b>	<b>Revised Planned Days</b>	<b>Actual days to 31/12/2020</b>	<b>Status and Assurance Level</b>
<b>EKS Reviews;</b>				
Housing Benefits Overpayments	10	10	14.08	Finalised - Substantial
Housing Benefit Testing	30	30	16.39	Finalised - Quarters 1&2
Housing Benefit Subsidy	10	10	10.08	Finalised - Substantial
Customer Services Gateway	10	10	0	Quarter 4
ICT – Disaster Recovery	15	15	1.62	Work in progress
ICT – Software Licensing	15	15	8.00	Work in progress
KPIs	5	5	0.45	Work in progress
<b>EKHR Reviews;</b>				
Payroll	15	15	0	Quarter 4
EKHR Employee Allowances /Expense	15	15	0.26	Deferred
EK Leavers	15	15	0.48	Deferred
<b>Other;</b>				
Corporate/Committee	5	5	5.24	Ongoing
Follow up	5	5	1.98	Ongoing
<b>Finalisation of 2019/20 Audits:</b>				
Days underdelivered in 2019/20		30.67		
EKHR Employee Benefits in Kind	10	2	1.19	Finalised – Substantial / No
Housing Benefit Testing 2019/20		11.67	10.82	Finalised
EKHR Payroll		11	10.34	Finalised
EKHR DBS Checks		16	16.00	Finalised - Limited
<b>Total</b>	<b>160</b>	<b>190.67</b>	<b>96.90</b>	<b>50.82%</b>



**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.
<i>None this Quarter</i>		

## APPENDIX 2

### Definition of Audit Assurance Statements & Recommendation Priorities

#### Cipfa Recommended Assurance Statement Definitions:

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

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

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

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

#### EKAP Priority of Recommendations Definitions:

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

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

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

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

**SERVICES GIVEN LIMITED / NO ASSURANCE LEVELS STILL TO BE REVIEWED – APPENDIX 4**

Service	Reported to Committee	Level of Assurance	Follow-up Action Due
Tenancy & Right to Buy Fraud	March 2019	Limited	The pilot Counter Fraud scheme being undertaken in conjunction with Ashford Borough Council has been delayed due to C19
Planning Applications, Income and s.106 Agreements	December 2019	Reasonable/Limited	Work-in-Progress
Street Cleansing	March 2020	Limited	Work-in-Progress
Building Control	July 2020	Limited	Work-in-Progress
EKHR Benefits in Kind	November 2020	Substantial / Reasonable / Limited / No	Quarter 4
EKHR Disclosure & Barring Service	November 2020	Limited	Quarter 4

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**AUDIT PARTNERSHIP**

<u>INTERNAL PROCESSES PERSPECTIVE:</u>	<u>2020-21 Actual</u>	<u>Target</u>	<u>FINANCIAL PERSPECTIVE:</u>	<u>2020-21 Actual</u>	<u>Original Budget</u>
	Quarter 3		Reported Annually		
Chargeable as % of available days	90%	80%	<ul style="list-style-type: none"> <li>• Cost per Audit Day</li> </ul>	£	£339.14
Chargeable days as % of planned days			<ul style="list-style-type: none"> <li>• Direct Costs</li> </ul>	£	£437,130
CCC	84.39%	75%	<ul style="list-style-type: none"> <li>• + Indirect Costs (Recharges from Host)</li> </ul>	£	£10,530
DDC	65.76%	75%	<ul style="list-style-type: none"> <li>• - 'Unplanned Income'</li> </ul>	£	Zero
F&HDC	60.65%	75%			
TDC	69.19%	75%			
EKS	50.82%	75%			
EKH	100%	100%			
(C19 Redeployment Days 154.14)			<ul style="list-style-type: none"> <li>• = Net EKAP cost (all Partners)</li> </ul>		£447,660
Overall	66%	75%			
Follow up/ Progress Reviews;					
<ul style="list-style-type: none"> <li>• Issued</li> <li>• Not yet due</li> <li>• Now due for Follow Up</li> </ul>	26 22 30	- - -			
Compliance with the Public Sector Internal Audit Standards (PSIAS) (see Annual Report for more details)	Partial	Full			

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**AUDIT PARTNERSHIP**

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