

This report will be made public on 5 March 2013

Folkestone

Hythe & Romney Marsh
Shepway District Council



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Report Number **AuS/12/21**

To: Audit and Standards Committee
Date: 13 March 2013
Status: Non-Executive Decision
Deputy Chief Executive: Kathryn Beldon

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

SUMMARY: This report includes the summary of the work of the East Kent Audit Partnership (EKAP) since the last Audit and Standards Committee meeting together with details of the performance of the EKAP to the 31st December 2012.

REASONS FOR RECOMMENDATION:

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

RECOMMENDATIONS:

- 1. To receive and note Report AuS/12/21.**
- 2. To note the results of the work carried out by the East Kent Audit Partnership.**

1. INTRODUCTION

- 1.1 This report includes the summary of the work completed by the East Kent Audit Partnership (EKAP) since the last Audit and Standards Committee meeting report, together with details of the performance of the EKAP to the 31st December 2012.

2. AUDIT REPORTING

- 2.1 For each Audit review, management has agreed a report, and where appropriate, an Action Plan detailing proposed actions and implementation dates relating to each recommendation. Reports continue to be issued in full to the relevant Heads of Service, as well as an appropriate manager for the service reviewed.
- 2.2. Follow-up reviews are performed at an appropriate time, according to the status of the recommendation, timescales for implementation of any agreed actions and the risk to the Council.
- 2.3. An assurance statement is given to each area reviewed. The assurance statements are linked to the potential level of risk, as currently portrayed in the Council's risk assessment process. The assurance rating given may be substantial, reasonable, limited or no assurance.
- 2.4 Those services with either limited or no assurance are monitored, and brought back to Committee until a subsequent review shows sufficient improvement has been made to raise the level of assurance to either reasonable or substantial. There is currently one review with such a level of assurance as shown as Appendix 2 to the EKAP report.
- 2.5 The purpose of the Council's Audit and Standards Committee is to provide independent assurance of the adequacy of the risk management arrangements, the control environment and associated anti fraud and anti corruption arrangements and to seek assurance that action is being taken to mitigate those risks identified.
- 2.6 To assist the Committee in meeting its terms of reference with regard to the internal control environment an update report is regularly produced on the work of internal audit. The purpose of this report is to detail the summary findings of completed audit reports and follow-up reviews since the report submitted to the last meeting of this Committee.

3. SUMMARY OF WORK

- 3.1. There have been eight audit reports that have been completed during the period. These have been allocated assurance levels as follows: two were classified as providing substantial assurance, five were reasonable assurance and one was limited assurance level. Summaries of the report findings are detailed within Annex 1 to this report.
- 3.2 In addition, thirteen follow-up reviews have been completed during the period. The follow up reviews are detailed within section 3 of the update report.

- 3.3 For the year to 31st December 2012, 202 chargeable days were delivered against the planned target of 330 days, which equates to achievement of 61% of the original planned number of days.
- 3.4 Other performance figures for the East Kent Audit Partnership for the year 2012/13 show good performance against target.

4. RISK MANAGEMENT ISSUES

- 4.1 A summary of the perceived risks follows:

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

5. LEGAL, FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

5.1 Legal Officer's comments (EC)

There are no legal issues arising out of this report.

5.2 Finance Officer's Comments (KB)

Responsibility for the arrangements of the proper administration of the council's financial affairs lies with the Chief Finance Officer. The internal audit service helps provide assurance as to the adequacy of the arrangements in place. It is important that the recommendations accepted by Heads of Service are implemented and that audit follow-up to report on progress.

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

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

5.4 **Diversities and Equalities Implications**

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

6. **CONTACT OFFICERS AND BACKGROUND DOCUMENTS**

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

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

Kathryn Beldon, Deputy Chief Executive & Section 151 Officer
Telephone: 01303 853263
Email: kathryn.beldon@shepway.gov.uk

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

Internal Audit Annual Plan 2012/13 - Previously presented to and approved at the March 2012 Audit & Compliance Committee meeting.
Internal Audit working papers - Held by the East Kent Audit Partnership.

Attachments

Annex 1 – Update report from the Head of the East Kent Audit Partnership.

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

1. INTRODUCTION AND BACKGROUND

1.1 This report includes the summary of the work completed by the East Kent Audit Partnership since the last Audit and Standards Committee meeting, together with details of the performance of the EKAP to the 31st December 2012.

2. SUMMARY OF REPORTS

Service / Topic		Assurance level	Previous assurance level	Direction of Travel
2.1	Bank Reconciliation	Substantial	Substantial	↔
2.2	ICT Contract	Substantial	New	New
2.3	Miscellaneous Income	Reasonable	New	New
2.4	Land Charges	Reasonable	Limited	↑
2.5	Security	Reasonable	New	New
2.6	EKH – Rent setting, collection & debt management	Reasonable	New	New
2.7	EKH – Tenancy & Estate Management	Reasonable	New	New
2.8	Flexitime	Limited	New	New

2.1 Bank Reconciliation – Substantial Assurance

2.1.1 Audit Scope

To ensure that a regular, timely and accurate bank reconciliation of all income and expenditure being received or incurred by the Council is being undertaken.

2.1.2 Summary of Findings

The bank reconciliation process was found to be well established with almost all of the expected controls being fully effective, and adequate evidence being in place to support the entries on the bank reconciliation.

There were however, two minor control weaknesses identified during the audit which require positive input from management. Audit testing identified that whilst detailed procedure notes are in place to document the steps required to be undertaken in order to complete the bank reconciliation, no officer has been appointed as a substitute to provide cover for the bank reconciliation process in the event of unexpected staff sickness.

The second weakness identified was surrounding the time taken to complete the bank reconciliation. At present, the bank reconciliation is not being finalised and completed until the end of the following month. The risk currently being tolerated is a delay in detecting any unauthorised bank transactions.

2.2 ICT Contract – Substantial Assurance

2.2.1 Audit Scope

To provide assurance on the adequacy of the procedures and controls established within the contract for the recently outsourced ICT service provision.

2.2.2 Summary of Findings

The recently let ten year contract sets out comprehensive Governance arrangements for the operation and management of the ICT service. SDC Management are actively engaged in reviewing the contractors' performance and work closely with them to ensure the positive improvement and development of the service. There are weekly meetings with the contract management unit and monthly performance monitoring through the Operational Board. This is supported by the Strategic Leadership Board, which exercises full oversight of the developing partnership.

2.3 Miscellaneous Income – Reasonable Assurance

2.3.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that all income due to the Council is adequately monitored and reconciled to amounts banked.

2.3.2 Summary of Findings

The internal control framework within the individual service areas tested regarding monitoring, recording and reconciliation is generally well established and working as expected across most of the areas tested.

However, a recommendation is made that guidance is produced and made readily available to give officers and service manager's information on what is expected of them to ensure compliance with Financial Procedure Rules.

This could be incorporated into the current review of Financial Procedure Rules.

Testing was also able to confirm that wherever practical, suitable steps are being taken by service managers to ensure that all costs incurred in the provision of a discretionary service are fully recovered.

For all of the service areas tested, income is recorded into the Council's main financial system. As a result, all income is included within the budget lines for the respective service area and monitored as part of the ongoing budget monitoring process. Suitable controls were found to be in place across most of the service areas tested to ensure that income received reconciled to ensure that it is complete. However recommendations have been made regarding the lack of a reconciliation surrounding income generated from the Lifeline services.

All of the fees tested were found to have been suitably approved by Cabinet, all fees were also found to be charged at the correct rate.

2.4 Land Charges – Reasonable Assurance

2.4.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that information provided is within required timescales, charges are made at the correct fee and the information is accurate and reliable and all income controls are in place.

2.4.2 Summary of Findings

The system for receiving and processing Land Search requests is working well. All income has been correctly accounted for. However the review has highlighted two areas that require further action to fully comply with regulations.

Firstly, there is the need to ensure that the Land Charges fees are submitted for approval in accordance with the fees and charges strategy each year. A report was presented to members on 7th September 2011 in respect of the Council's 2012/13 proposed fees and charges. However this report did not contain the fees and charges for Land Charges; even though there was no increase to them compared to the previous financial year.

The second action is to ensure compliance with Sections 6 and 9 of the Local Authorities Regulations 2008 that state that the fees for Land Charges must be set in accordance with this legislation and that there must be transparency in relation to the setting of the charges. This includes displaying / publishing certain information each year in connection with the charges by 30th June following the end of that financial year. An exercise was carried out in 2007, but has not been carried out since, and neither has any fee calculation information been published on the Internet or other communication channels.

2.5 Security – Reasonable Assurance

2.5.1 Audit Scope

To evaluate the effectiveness of the internal controls present regarding the security of the Civic Centre, including the building and its contents, the Council's employees, elected Members, visitors and potentially external bodies renting accommodation within the Civic Centre.

2.5.2 Summary of Findings

The front of house staff have adopted an extremely positive approach during the whole of the audit review, accepting where issues have been identified and seeking to address the causes immediately.

There is no approved security policy dealing with access to the main buildings and use of car parking areas nor is there any specific reference to security matters within the current induction process, these two issues have been recognised and work is under way to introduce these.

There were some concerns about the process adopted for controlling the return of pass cards issued to tenants and non council employees from the various companies employed as contractors. Discussions are underway to implement a beneficial review of the current process.

2.6 East Kent Housing - Rent Calculation, Collection & Arrears Management – 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 rent setting, collection and recovery functions are carried out efficiently and effectively.

2.6.2 Summary of Findings

The rent setting process and arrears management processes are generally working well across the four partner councils.

Most of the expected controls are in place although there are some which could be improved upon in order to become more effective; there are examples of best practice across the four areas that can be ported between them to increase efficiency and effectiveness and this is work in progress.

The level of rent arrears has decreased across all four authorities since April 2011, which is a very positive accomplishment for EK Housing in its first year. The level of former tenant arrears has also generally shown improvement.

2.7 East Kent Housing – Tenancy & Estate Management – Reasonable Assurance

2.7.1 Audit Scope

To review the tenancy and estate management arrangements using the Audit Commission's Tenancy and Estate Management KLOE as a guide.

2.7.2 Summary of Findings

The audit reviewed present practices across the four partner Council areas. The audit accepted that there were many areas where improvements have been identified as needed and that the organisation is relatively early in its development stage for unifying practices where possible. Much good work is on-going and the completion of the Customer Excellence gap analysis and subsequent action plan is one major example of this which should allow resources to be concentrated on the relevant areas to drive forwards on delivering Customer Service Excellence.

Each authority maintains their own tenancy agreement documentation and sign up procedures; testing revealed some unsigned agreements. Similarly not every authority offers the same types of tenancy. One partner also presents a different approach to signing tenancy agreements with the council's residual housing service insisting that they must sign all tenancy agreements, despite this role having been delegated to EKH under the management agreement between the parties. This arrangement can lead to administrative problems. Individually these are not major issues but collectively they indicate the need to continue to pursue a common approach across all four districts.

The procedure for ensuring that tenants request permission for alterations was well publicised but could be improved by having an Internet presence. Where professional guidance had been sought before approval for alterations was given, subsequent follow up inspections were not always carried out to confirm that the work had been undertaken to a satisfactory standard. The updating of the asset data-base to reflect such alterations was not undertaken with any regularity.

Tenant and leaseholder involvement is viewed as an integral and vital element of the service and each council has developed its own environment in which this can flourish. There is a full review taking place to identify what is being offered, what is needed for the future and how to take the best practices forwards.

Cleaning of communal areas is undertaken in three authorities by Town & Country with each contract managed in a different way. The residents are presented with schedules and a free phone number for reporting failures in the service.

For communal grounds maintenance there is again a variety of contractors undertaking the work; in-house in two areas and through external contractors managed by the residual authority at the other two. There appears to be no service level agreements at any site and this should be rectified. The contract specification is detailed at SDC, CCC and DDC but there is no specification at Thanet where the work is based on what was done historically, and again this should be rectified. Resident involvement is achieved through various inspection regimes, walkabouts, events and informal reporting and is an effective way to monitor service levels.

2.8 Flexitime – Limited Assurance

2.8.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that the flexitime system meets the corporate guidelines and also that officers are complying with the prescribed rules.

2.8.2 Summary of Findings

A number of responses received from line managers, together with review of staff timesheets established that on the whole, the standard working hours within the Flexible Working Time Policy meet the needs of the management and the staff.

2.8.3 Management Response

As part of the Ways of Working review a new Flexible Working Policy and Procedure has been developed which will increase the availability of flexi time and affect the way in which this is monitored. This has been through CMT, HoS and Staff Consultation Forum and has been presented to the Personnel Committee on 31st January 2013 for approval.

The existing Flexi Time Policy and Procedure will be reviewed in line with flexible working and take into account the audit report findings where appropriate. (Strategic HR Manager)

3.0 FOLLOW UP OF AUDIT REPORT ACTION PLANS

3.1 As part of the period's work, thirteen follow up reviews have been completed of those areas previously reported upon to ensure that the recommendations previously made have been implemented, and the internal control weaknesses leading to those recommendations have been mitigated. Those completed during the period under review are shown in the following table.

Service / Topic	Original Assurance level	Revised Assurance level
Small Grants	Substantial	Substantial
Whistleblowing	Substantial	Substantial
Anti Money Laundering	Substantial	Substantial
Hythe Canal	Substantial	Substantial
CRB Checks	Sub / Reasonable	Sub / Reasonable
Pest Control	Reasonable	Substantial
Workshop stores	Reasonable	Substantial
Corporate Health & Safety	Reasonable	Reasonable
Payroll	Reasonable / Limited	Substantial / Limited

Dog Wardens	Limited	Reasonable
EKH – Finance & ICT	Reasonable	Substantial
EKH - Governance	Reasonable	Reasonable
EKH – Rent setting, collection & debt management	Reasonable	Reasonable

- 3.2 As highlighted in the above table, two areas previously reported as having a limited assurance have been reviewed and Members are advised that these have increased in their level of assurance.

Dog Wardens

The limited aspect of this review mainly concerned the acceptance of cash and income reconciliations and the controls in these areas have been improved.

Payroll

The main operational controls within the payroll system are working well along with SDC's own relationship with the payroll provider KCC, this has received Substantial Assurance. However whilst 12 out of the 21 agreed actions have been implemented; the issues in the former arrangements with East Kent regarding the governance and performance management arrangements of the SLA have not been properly clarified and therefore remain at limited at present. This is the responsibility of East Kent to take forward, and naturally SDC will wish to keep a watching brief on their progress.

- 3.3 Following the follow up reviews detailed above, there is one individual high priority recommendation outstanding after follow-up.
- 3.4 The purpose of escalating outstanding high-risk matters is to try to gain support for any additional resources (if required) to resolve the risk, or to ensure that risk acceptance or tolerance is approved at an appropriate level.

4.0 WORK IN PROGRESS

- 4.1 During the period under review, work has also been undertaken on the following topics, which will be reported to this Committee at future meetings: Playgrounds, VAT, Performance Management, Climate Change, Local Code of Corporate Governance, Events Management and Telephones & Internet.

5.0 CHANGES TO THE AGREED AUDIT PLAN

- 5.1 The 2012/13 audit plan was agreed by Members at the meeting of this Committee on 20 March 2012.
- 5.2 The Head of the Audit Partnership meets on a regular basis with the Section 151 Officer or her deputy to discuss any amendments to the plan. Members of the Committee will be advised of any significant changes

through these regular update reports. Minor amendments are made to the plan during the course of the year as some high profile projects or high-risk areas may be requested to be prioritised at the expense of putting back or deferring to a future year some lower risk planned reviews. The detailed position regarding when resources have been applied and or changed are shown as Appendix 3.

6.0 FRAUD AND CORRUPTION

There is currently an investigation which is being dealt with by the Magistrates Court and this will be reported once the case has concluded.

7.0 INTERNAL AUDIT PERFORMANCE

- 7.1 For the period ended 31st December 2012, 202 chargeable days were delivered against the planned target of 330 days, (including 7 days that were delivered the previous year) which equates to achievement of 61% of the original planned number of days.
- 7.2 The financial performance of the EKAP for 2012/13 is currently on target for Shepway District Council;
- 7.3 As part of its commitment to continuous improvement and following discussions with the s.151 Officer Client Group, the EKAP has improved on the range of performance indicators it records and measures. The performance against each of these indicators for quarter 3 of 2012/13 is attached as appendix 4. There are no concerns regarding the resources engaged or outputs and EKAP has performed well against its targets for the year 2012/13 to date.
- 7.4 The EKAP introduced 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 which is attached as appendix 4.

Attachments

- | | |
|------------|---|
| Appendix 1 | Summary of high priority recommendations outstanding after follow up |
| Appendix 2 | Summary of services with limited / no assurances |
| Appendix 3 | Progress to 31 st December 2012 against the agreed 2012/13 Audit Plan |
| Appendix 4 | EKAP Balanced Scorecard of Performance Indicators to 31 st December 2012 |
| Appendix 5 | Assurance statements |

SUMMARY OF HIGH PRIORITY RECOMMENDATIONS OUTSTANDING OR IN PROGRESS AFTER FOLLOW UP		
ORIGINAL RECOMMENDATION	AGREED MANAGEMENT ACTION TO BE TAKEN	MANAGER'S COMMENT ON PROGRESS TOWARDS IMPLEMENTATION
CRB Checks		
<p>Management should review the current procedures regarding CRB checks for officers as detailed within the Children and Vulnerable Adults Protection Policy and confirm who will be the Corporate Lead Officer for the Council on a daily basis and communicate this effectively to the designated person ensuring there are sufficient counter signatories to support this process.</p>	<p>The Children and Vulnerable Adults Protection Policy is scheduled for review and updating. This review will include reviewing how the procedures are functioning and making amendments to reflect the current management structure and changes in practices since the policy was adopted</p> <p>Responsibility / Completion Date Head of Community Development & Engagement / Community Engagement Manager - December 2011</p>	<p>Follow Up Findings as at September 2012 This has been delayed to allow time for us to participate in the KCC review of safeguarding and complete their self assessment process. We thought that this would give us a clearer understanding of gaps in our existing policy.</p> <p>Conclusion The recommendation is on-going and will be approved once finalised.</p>
<p>Management should review the posts identified in the Children and Vulnerable Adults Protection Policy and ensure that these have been subject to the 3 year CRB check as required within the policy</p>	<p>A review of posts will be conducted as part of the review and updating of the policy</p> <p>Responsibility / Completion Date Head of Community Development & Engagement / Community Engagement Manager - December 2011</p>	<p>Follow Up Findings as at September 2012 This will be undertaken as part of the introduction of the new policies.</p> <p>Conclusion The recommendation is on-going and will be approved once finalised.</p>

Corporate Health & Safety		
<p>Management should ensure that the Council's own Health and Safety Policy and Strategy is reviewed and that EKHRP is provided with this Policy to enable them to effectively manage Corporate Health and Safety at Shepway Council in accordance with legislative requirements.</p>	<p>Agreed Management Action South East Employers (SEE) have been engaged to review all HR policies including the Health and Safety Policy and Strategy.</p> <p>Responsibility / Completion Date Corporate Director – Resources / October 2011</p>	<p>Follow Up Findings as at July 2012 The recommendation is to be completed</p> <p>(Update at February 2013 – The main Health & Safety Policies have been updated and are currently awaiting management approval)</p> <p>Conclusion The new policies will be introduced once they are approved, which should be in the near future.</p>
EK Housing – Governance Arrangements – January 2012		
<p>EKH specific Data Protection and Freedom of Information policies should be introduced.</p>	<p>EKH is currently working to the adopted policies of the sponsoring councils. An EKH specific policy will be provided to the Employment and Corporate Services sub-Committee in the final quarter of 2011/12.</p> <p>Responsibility: Company Secretary.</p> <p>Target date: 29 February 2012</p>	<p>Follow up findings as at August 2012. The analysis of the four separate sets of policies identified a more complex baseline that we needed to move from. An outline report is being discussed at the Employment and Corporate Services Sub-Committee on 23 May 2012, with targets to compile an overarching framework containing a single data protection policy, retention schedule, publication scheme and FOI procedure for EKH by September 2012.</p>

SERVICES GIVEN LIMITED / NO ASSURANCE LEVELS STILL TO BE REVIEWED				
Service	Reported to Committee	Level of Assurance	Management Action	Follow-up Action Due
None				

COMPLETION AGAINST THE AGREED AUDIT PLAN 2012/13

<u>Review</u>	<u>Original budget</u>	<u>Revised Budget</u>	<u>Actual - 31/12/2012</u>	<u>Assurance / comments</u>
FINANCIAL SYSTEMS - Assurance work				
Bank reconciliation	5	5	5.54	Completed
Budgetary Control	5	5	0.15	Quarter 4
Car Parking income	10	10	9.85	Completed
Creditors	10	9	9.22	Completed
Housing Benefit Subsidy	5	5		Quarter 4
Housing Benefit Quality	10	10	0.07	Quarter 4
Liquidations	5	5		Quarter 4
Treasury Management	5	6	6.87	Completed
Value Added tax	10	8	3.10	In progress
HOUSING SYSTEMS - Assurance work				
ICT SYSTEMS - Assurance work				
ICT contract	10	10	5.25	In progress
Telephones, Internet & Email	15	15	15.79	In progress
HUMAN RESOURCES SYSTEMS - Assurance work				
Flexitime	10	10	9.63	Completed
Payroll / SMP / SSP	3	5	5.42	In progress
GOVERNANCE RELATED - Assurance work				
Business continuity	10	5	0.17	Quarter 4
Complaints monitoring	10	7		Quarter 4
Contract management	10	10	0.07	Quarter 4
Climate change	5	3	1.72	In progress
Financial Procedure Rules	10	7		Quarter 4
Local Code of Corporate Governance	5	5	2.85	In progress
Members Code of Conduct	2	2	0.07	Quarter 4
Officers Code of Conduct & Whistleblowing	5	5	0.07	Quarter 4
Performance Management	5	5	6.90	In progress
Risk Management	10	10	0.24	Quarter 4
Scheme of officer delegations	5	5	0.10	Quarter 4
SERVICE LEVEL				
CCTV	5	5	0.26	In progress
Child Protection	7	7		Quarter 4
Commercial Health	10	10		Quarter 4
Events Management	5	5	1.49	In progress
Land Charges	10	9	8.76	Completed
Miscellaneous income	20	16	16.04	Completed
Printing & post procedures	15	12	11.52	Completed
Pumping crew / Flood warden	5	0	0.07	Not required
Section 106s	10	10	0.07	Quarter 4
Security	5	5	7.99	Completed
OTHER				
Audit Committee reports & meetings	14	11	5.35	Ongoing
Audit plan prep & meetings	10	10	5.29	Ongoing
Corporate advice / CMT	2	5	4.93	Ongoing
S151 meetings & support	9	9	8.83	Ongoing
WIP at year end carried over	5	20	20.31	Completed

Review	Original budget	Revised Budget	Actual - 31/12/2012	Assurance / comments
Follow-up work - general	15	13.06	12.52	Ongoing
Liaison with external auditor	3	1	0.10	Ongoing
NSL contract	0	3	3.05	Completed
Fighting Fraud Locally	0	5	5.34	In progress
Work completed ahead of time B/Fwd		6.94	6.94	Completed
Total	330	330	201.94	61.19%
Additional work requested				
EAST KENT HOUSING				
Prior year b/fwd	0	17.35	17.35	Completed
Total		17.35	17.35	
Repairs and maintenance	30	25	0.78	Postponed to qtr 1 2013-14
Sheltered and supported housing	16	12.65	0	Delayed to 2013-14
Audit Ctte / EA liaison / Follow up	4	12	11.20	Ongoing
Housing tenancy & estate management	30	30.35	30.88	Finalised
Unplanned work	0	0	12.46	Finalised
Total	80	80	55.32	69.15%



Balanced Scorecard

INTERNAL PROCESSES PERSPECTIVE:	2012-13 Actual	Target	FINANCIAL PERSPECTIVE:	2012-13 Actual	Target
	Quarter 3				
Chargeable as % of available days	84%	80%	Cost per Audit Day (Reported Annually)	£	£309.15
Chargeable days as % of planned days					
CCC	69%	75%			
DDC	73%	75%			
SDC	60%	75%			
TDC	83%	75%			
EKS	59%	75%			
EKH	75%	75%			
Overall	70%	75%			
Follow up Reviews;					
• Issued	45	-			
• Not yet due	20	-			
• Now overdue for Follow Up	14	-			
Percentage compliance with the CIPFA IA Code	97%	97%			

<u>CUSTOMER PERSPECTIVE:</u>	<u>2012-13 Actual</u>	<u>Target</u>	<u>INNOVATION & LEARNING PERSPECTIVE:</u>	<u>2012-13 Actual</u>	<u>Target</u>
	Quarter 3		Quarter 3		
Number of satisfaction questionnaires Issued;	72		Percentage of staff qualified to relevant technician level	75%	75%
Number of completed questionnaires received back;	31= 43%		Percentage of staff holding a relevant higher level qualification	33%	33%
Percentage of Customers who felt that;			Percentage of staff studying for a relevant professional qualification	13%	13%
<ul style="list-style-type: none"> • Interviews were conducted in a professional manner 	100%	100%	Number of days technical training per FTE	4.9	3.5
<ul style="list-style-type: none"> • The audit report was 'Excellent or Very Good' 	87%	90%	Percentage of staff meeting formal CPD requirements	33%	33%
<ul style="list-style-type: none"> • That the audit was worthwhile. 	97%	100%			

AUDIT ASSURANCE

Definition of Audit Assurance Statements

Substantial Assurance

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

Reasonable Assurance

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

Limited Assurance

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

No Assurance

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