

This Report will be made public on 12 July 2023



Report Number **AuG/23/03**

**To:** Audit and Governance Committee  
**Date:** 20 July 2023  
**Status:** Non-Executive Decision  
**Corporate Director:** Lydia Morrison – Interim Director – Corporate Services (S151)

**SUBJECT: QUARTERLY INTERNAL AUDIT UPDATE 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 Governance Committee meeting together with details of the performance of the EKAP to the 31<sup>st</sup> May 2023.

**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 Governance 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 AuG/23/03.**
- 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 Governance Committee meeting.

## **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 are currently five reviews with such a level of assurance as shown in appendix 2 of the EKAP report.
- 2.5 The purpose of the Council's Audit and Governance 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 five audit reports completed during the period. These have been allocated assurance levels as follows: one was Substantial, two were Reasonable, one was Reasonable / Limited and one was Limited assurance. Summaries of the report findings are detailed within Annex 1 to this report.
- 3.2 In addition three 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 period to 31<sup>st</sup> May 2023 41.28 chargeable days were delivered against the planned target for the year of 350 days, which equates to achievement of 12% of the planned number of days.

#### 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 Governance 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 (AK)

No legal officer comments are required for this report.

##### 5.2 Finance Officer's Comments (LM)

Responsibility for the arrangements of the proper administration of the Council's financial affairs lies with the Director – Corporate Services (s.151). 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 service's own, except where shown as being management responses.

### 5.4 **Diversities and Equalities Implications (CP)**

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@folkestone-hythe.gov.uk](mailto:Christine.parker@folkestone-hythe.gov.uk)

Lydia Morrison; Interim Director – Corporate Services (s.151)  
Telephone: 01303 853420 Email: [Lydia.morrison@folkestone-hythe.gov.uk](mailto:Lydia.morrison@folkestone-hythe.gov.uk)

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

Internal Audit working papers - Held by the East Kent Audit Partnership.

### **Attachments**

Annex 1 – Quarterly 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 Governance Committee meeting, together with details of the performance of the EKAP to the 31<sup>st</sup> May 2023.

**2. SUMMARY OF REPORTS**

Service / Topic		Assurance level	No of recs	
2.1	Members Allowances	Substantial	C	0
			H	0
			M	1
			L	0
2.2	Homelessness	Reasonable	C	0
			H	2
			M	4
			L	5
2.3	Fraud Assurance	Reasonable	C	0
			H	4
			M	2
			L	2
2.4	Employee Benefits in Kind	Reasonable / Limited	C	0
			H	3
			M	1
			L	0
2.5	Housing Tenancy Fraud	Limited	C	0
			H	6
			M	5
			L	1

**2.1 Members Allowances – Substantial Assurance**

**2.1.1 Audit Scope**

To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that Councillors are paid in accordance with the

approved scale of allowances and that adequate evidence is required and monitored where appropriate.

#### 2.1.2 Summary of Findings

The Members' Allowances Scheme is prescribed under regulation and must comply with The Local Authorities (Members Allowances) (England) Regulations 2003 (as amended). These regulations allow for certain allowances to be paid each year to Councillors to assist them in undertaking their public role for the district. Other expenses such as Special Responsibility Allowances and travel and subsistence are also allowable under the scheme. The amounts payable are recommended by an Independent Remuneration Panel, a notice is to be published in at least one local newspaper circulating the local area to state that it has received the report and to summarise its findings. The full report will detail recommendations made by the panel relating to the scheme and copies are to be provided to any persons who request it and who pay the authority such reasonable fee as the authority may determine. The Council must consider the Panels' recommendations but does not need to accept them.

Details of the allowances paid should be published as soon as reasonably practicable after the year end to which the scheme relates.

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

- The Members Allowances Scheme complies with the regulations currently in place regarding the scheme.
- There are regular reviews undertaken of the Members Allowances scheme and the allowances paid by the Independent Remuneration Panel and recommendations are considered where required.
- The allowances and expenses paid at the end of the year are published in a local newspaper and are also detailed on the Council's website as required.
- The expenses claimed by Councillors are checked and authorised prior to payment.

Scope for improvement was however identified in one area:

- When publishing the annual allowances and expenses paid for Councillors the data should be thoroughly checked prior to publication on the Council's website and also in the local newspaper.

## **2.2 Homelessness – Reasonable Assurance**

#### 2.2.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established regarding the Homelessness strategy and function to ensure that they meet all relevant legislation and also the requirements for homeless people within the district.

#### 2.2.2 Summary of Findings

The Council's powers and duties '*where people apply to them for accommodation or assistance in obtaining accommodation in cases of homelessness or threatened homelessness*' are set out in Part 7 of the Housing Act 1996; which is the primary homelessness legislation.

In 2002, the homelessness legislation was amended under the Homelessness Act 2002 and the Homelessness (Priority Need for Accommodation) (England) Order 2002 was introduced in order to ensure a strategic approach to tackling and preventing homelessness. The Homelessness Reduction Act 2017 reformed the legislation by placing duties on local authorities to intervene at an early stage to prevent homelessness rising in their area.

The Homelessness Act 2002 places a requirement on the Council to formulate and publish a homelessness strategy based on the results of a review of homelessness in the district.

The Homelessness Reduction Act 2017 places a set of duties on the Council to intervene at earlier stages to prevent homelessness in the district and to take reasonable steps to prevent and relieve homelessness for all eligible applicants, not just those that have priority need under the Act.

These additional duties on Housing authorities are to provide or secure the provision of advice and information about homelessness and the prevention of homelessness, free of charge. This places an additional burden on the service and makes it a more time-consuming process for every person presenting as homeless.

Listed below are the homelessness approaches figures for the current year to date and the two previous years, obtained from the performance reports.

<b>Year</b>	<b>Homeless Approaches</b>
2020/2021	1,402
2021/2022	1,619
2022/2023 up to 31 Dec 2022	1,284

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

- For homelessness approaches made to the Council appropriate advice or assistance is given.
- The Housing Options Team makes appropriate use of a variety of options available to them to assist those who approach the Council as homeless, or at risk of homelessness.
- Emergency accommodation is available and utilised if the circumstances require it.
- An effective Out of Hours service is available.
- The current Homelessness Prevention Strategy 2020/25 went out to public consultation before being approved at Cabinet.
- Regular budget monitoring takes place.

Scope for improvement was however identified in the following areas:

- The procurement of private temporary accommodation must comply with the Council's Contract Standing Orders.
- The policy of paying deposits/rent in advance to enable homeless clients in temporary accommodation to private secure tenancies has not been documented or approved.
- Formal correspondence templates must not be overwritten, to prevent them from being illegible.

## **2.3 Fraud Assurance – Reasonable Assurance**

### 2.3.1 Audit Scope

To ensure that the Council's anti-fraud measures are sufficient to protect the Council against fraudulent acts, both internal and external and that the procedures in place meet the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption.

### 2.3.2 Summary of Findings

*'Fraud against the public sector impacts everyone. It takes hard-earned taxes away from vital public services and directs it towards people who do not deserve it.'*

(Mark Cheeseman – Interim Chief Executive Public Sector Fraud Authority)

Fraud is estimated to account for 40% of all crime committed across the UK and is a long-standing threat to public services. For local authorities alone CIPFA has estimated the total value of fraud identified and prevented in 2019/20 is approximately £239 million.

Fraudsters are constantly revising and sharpening their techniques and local authorities need to do the same. There is a clear need for a tough stance supported by elected members, chief executives and those charged with governance.

As part of the government's response to increasing fraud it launched the Public Sector Fraud Authority (PSFA) in 2022, as a new centre of expertise for the prevention and management of fraud. The PSFA has been given a target to detect and prevent £180 million of fraud in its first year of operation, backed by £25 million of funding. Longer term targets are expected to be announced by the end of 2023.

Although local authorities are not yet mandated to engage with the PSFA in the same way as ministerial departments and other public bodies they are expected to engage with the PSFA; and make use of the guidance and tools that it provides.

The risk is that the Council could lose valuable resource as a result of fraudulent activity. Fraud in any organisation can never be completely eliminated, however the risk of fraud occurring within any organisation must always be considered and controls put in place to reduce that risk. The Council needs to be agile and work together with national agencies and the government to respond to fraud threats.



The Council has a responsibility to:

- To develop and maintain effective controls to prevent fraud.
- To ensure prompt detection.
- To carry out a vigorous and prompt investigation.
- To deal with offenders appropriately.

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

- An updated Anti-fraud Fraud and Corruption Framework is in place which includes a Fraud response Plan, Whistleblowing Protocol, Anti-bribery Policy and Anti-Money Laundering Policy.
- Codes of Conduct for officers and members are clear and are being actively communicated to staff.
- Annual training is provided to staff on fraud awareness.
- The Council has in place a framework of internal controls which are being actively reviewed as part of an annual risk based internal audit plan.
- Some use of data analytics is being made, moving forward this should be further built upon through utilising government initiatives and in house resources.

Scope for improvement was however identified in the following areas:

- A fraud risk assessment should be undertaken to ensure that the Council fully understands its fraud risks, to enable a fraud action plan to be formulated and monitored and ensure resources to tackle fraud are appropriate and sufficient.
- Fraud reporting must include a summary of all suspicions and reports of fraud i.e., whistleblowing and outcomes of investigations, and be presented to Corporate Leadership Team and the Audit and Governance Committee.
- Fraud data published under the Transparency Code 2015 must include all types of fraud suspected, reported and investigated.

## **2.4 Employees Benefits in Kind – Reasonable / Limited Assurance**

### **2.4.1 Audit Scope**

To provide assurance on the internal controls established in respect of the treatment of employee benefits in kind, such as lease electric car, the provision of electric bicycles or health benefits with regard to national insurance and income tax liabilities for both the Council and the employee.

### **2.4.2 Summary of Findings**

Employee benefits in kind are additional benefits provided by the employer (that can in some instances attract an income tax liability for the employee) to enhance the employee working environment. There are several types of benefits in place including the new employee sacrifice schemes for cars and bikes.

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

- Processes are in place to ensure that the salary sacrifice schemes are being administered correctly and the correct information is being reported to HMRC.

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

- Clarification should be sought from HMRC as whether the payroll dispensations from 2014 are valid (no longer issued from 2016) or if new payroll exemptions need to be applied for and if they are, then the applications should be submitted immediately to avoid any possible income tax and national insurance non-compliance issues.
- Consideration should be given for HR Officers and any other applicable staff to receive some additional training to ensure that their knowledge base regarding taxable benefits is up to date.

### **Management comment**

The audit has evidenced that correct procedures are in place for the administration of employee benefits such as Smart Tech, Cycle to Work and Salary Sacrifice Car Lease, all of which are operated through the F&H Rewards platform. Where recommendations have been made in relation to other areas, any necessary actions will be taken to ensure compliance with HMRC guidance and reporting requirements. (Chief HR Officer).

## **2.5 Housing Tenancy Fraud – Limited Assurance**

### **2.4.1 Audit Scope**

To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that effective arrangements are in place to ensure that housing tenancy fraud is being tackled.

### **2.4.2 Summary of Findings**

The Council has a duty to take effective measures against tenancy fraud in terms of providing an effective housing management service and safeguarding the public purse. Often deterrence and prevention are more cost effective than detection, correction and pursuit. Common housing tenancy frauds are:

- Not using the property as the 'sole or principal home' to include abandoning the property, succeeding to, or assigning the tenancy without the Council's permission after the legal tenant has moved or died.
- Attempting to obtain a property using false statements (for example falsely claiming to be homeless and/or using false documents (for example using a forged passport or claiming to be someone else),
- Right to buy, providing misleading or false information on an application to purchase the property.
- Unlawful subletting, letting the entire property to a third party.
- Key Selling is where a tenant 'sells' the keys, and so passes on occupation of their property to another person in return for money, a favour carried out, or in

return for goods received. There may also be instances where a tenant gives the key to another party without charge.

The Council has an interest in identifying dwellings that have been fraudulently acquired, succeeded, assigned, or sublet. Recovering these properties means that the Council can ensure their housing is only occupied by tenants who qualify for social housing in line with its allocation policy. It enables the Council to make best use of its housing stock, reduces its housing waiting list and reduces the number of families placed in temporary accommodation pending an offer of suitable permanent housing.

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

- There is a lack of specialised tenancy fraud and ID document verification training for housing staff.
- A central record of all suspicions of, and the outcome of, enquiries or investigations is not being maintained.
- Opportunities to publicise tenancy fraud prevention and reporting within the district are missed which may result in suspicions of fraud going unreported.
- There is a lack of data analysis and intelligence to direct tenancy audits to those tenancies most likely to be at risk of fraud; and the current rolling programme of tenancy checks target is not being reached year on year.
- There is a lack of reporting on tenancy fraud to management and members.

Effective control was however evidenced in the following areas:

- A Tenancy Fraud Procedure is in place, which has been communicated to housing staff.
- Housing services are aware of the types of fraud vulnerabilities it is open to with some preventative and detective controls in place. However, these fraud risks have not been formally recorded in a risk register.
- Housing has joined the Tenancy Fraud Forum and officers are keen to proactively work to prevent and detect fraud.
- The Council participates in data matching exercises such as the National Fraud Initiative (NFI) to detect and prevent fraud.

### **Management Comment**

The Neighbourhood Management service welcomes this report and its findings. These were issued in mid-June, and work is already underway to act on the recommendations: the Landlord service takes the risk of tenancy fraud seriously and already works closely with the corporate Investigations Specialist wherever there is any suspicion of fraud, and we act pro-actively in areas known to be a fraud risk, such as tenancy successions.

Although we are confident that there are effective arrangements in place to ensure that housing tenancy fraud is being tackled as a high priority, we continue to work on tightening up the procedures and controls ensuring that prevention measures, such

as tenancy checks ID document verification are monitored and rolling out more training to our officers.

We recognise that publicising and reporting on outcomes may help deter some tenants, and currently legal action is being taken against two tenants who have passed on their tenancies to someone else without permission. Once this matter has been resolved, we will look to report on the outcomes, particularly in terms of the financial saving to the HRA. (Chief Officer Housing)

## **FOLLOW UP OF AUDIT REPORT ACTION PLANS**

3.1 As part of the period's work three follow up reviews have been completed of those areas previously reported upon to ensure that the recommendations 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.

3.2

<b>Service / Topic</b>	<b>Original Assurance level</b>	<b>Revised Assurance level</b>	<b>Original recs</b>	<b>Outstanding recs</b>
COVID Grants	Reasonable	Reasonable	C 0 H 0 M 3 L 0	C 0 H 0 M 1 L 0
Scheme of Delegations	Reasonable	Reasonable	C 0 H 4 M 1 L 2	C 0 H 0 M 0 L 1
Disposal of Logs	N/A	N/A	C 0 H 1 M 0 L 1	C 0 H 0 M 0 L 0

3.3 Details of any individual critical or high priority recommendations outstanding after follow-up are included at Annex 1 and on the grounds that these recommendations have not been implemented by the dates originally agreed with management, they are now being escalated for the attention of the s.151 Officer and Members of the Audit & Governance Committee (none this quarter).

The purpose of escalating outstanding 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: Tenants Health & Safety, Financial Procedure Rules, CIL Scheme, Waste Management and FCWP

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

5.1 The 2023-24 audit plan was agreed by Members at the meeting of the Audit & Governance Committee on 15<sup>th</sup> March 2023.

5.2 The Head of the Audit Partnership meets on a regular basis with the Section 151 Officer or their 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 are currently no reported incidents of fraud or corruption being investigated by EKAP on behalf of Folkestone-Hythe District Council.

#### **7.0 INTERNAL AUDIT PERFORMANCE**

7.1 For the period ended 31<sup>st</sup> May 2023 41.28 chargeable days were delivered against the planned target for the year of 350 which equates to achievement of 12% of the original planned number of days.

7.2 The financial performance of the EKAP for 2023-24 is on target.

#### **Attachments**

Appendix 1 Summary of high priority recommendations outstanding after follow up.

Appendix 2 Summary of services with limited / no assurances yet to be followed up.

Appendix 3 Progress to 31<sup>st</sup> May 2023 against the 2023-24 Audit plan.

Appendix 4 Assurance Definitions.

<b>SUMMARY OF CRITICAL /HIGH PRIORITY RECOMMENDATIONS OUTSTANDING AFTER FOLLOW-UP – APPENDIX 1</b>		
<b>Original Recommendation</b>	<b>Agreed Management Action, Responsibility and Target Date</b>	<b>Manager’s Comment on Progress Towards Implementation.</b>
<b>None</b>		

<b>SERVICES GIVEN LIMITED / NO ASSURANCE LEVELS YET TO BE REVIEWED</b>			
<b>Service</b>	<b>Reported to Committee</b>	<b>Level of Assurance</b>	<b>Follow-up Action Due</b>
Housing Planned Maintenance - Contracts	July 2022	No assurance	June 2023
Officers' Interests	September 2022	Reasonable / Limited	June 2023
Contract Management – Controls & Governance	December 2022	Limited	June 2023
Car Parking Income	December 2022	Substantial / Limited	June 2023
Garden Waste – Recycling Management	December 2022	Limited	June 2023

**PROGRESS AGAINST THE AGREED AUDIT PLAN 2023/24  
FOLKESTONE & HYTHE DISTRICT COUNCIL**

<b>Review</b>	<b>Original Planned Days</b>	<b>Revised Planned Days</b>	<b>Actual To 31/05/2023</b>	<b>Status and Assurance level</b>
<b>FINANCIAL SYSTEMS:</b>				
Budgetary Control	10	10	-	Quarter 2
Business Rates	10	10	0.07	Quarter 2
Capital	10	10	-	Quarter 3
Creditors Duplicates Testing	2	2	0.37	Quarter 2
Housing Benefit Subsidy	10	10	-	Quarter 3
Miscellaneous Grants	10	10	-	Quarter 4
<b>HOUSING SYSTEMS:</b>				
Anti-Social Behaviour	10	10	0.20	Quarter 3
Housing Capital	10	10	0.03	Quarter 2
Housing Contract Letting	10	10	0.17	Quarter 2
Housing Allocations	10	10	0.03	Quarter 4
New Build Capital	10	10	0.03	Quarter 4
Rechargeable works	10	10	-	Quarter 3
Rent setting	10	10	-	Quarter 3
Sheltered Housing	10	10	0.14	Quarter 1
Tenancy & Estate Management	10	10	0.12	Quarter 1
<b>GENERAL FUND HOUSING</b>				
Leaseholders Services	10	10	0.03	Quarter 4
HMOs	10	10	-	Quarter 3
<b>INFORMATION GOVERNANCE</b>				
Freedom of Information	10	10	-	Quarter 4
<b>TECHNOLOGY / CYBER:</b>				
ICT Review	10	10	-	Quarter 4
<b>CORPORATE GOVERNANCE:</b>				
Otterpool Park Governance	10	10	0.20	Quarter 4
Financial Procedure Rules	5	5	0.27	Work-in-Progress
RIPA	4	4	-	Quarter 4
<b>SERVICE LEVEL</b>				
Climate Change	4	4	-	Quarter 3
Employee Health & Safety	10	10	-	Quarter 4
Environmental Protection	10	10	0.20	Quarter 2
FCWP	10	7	6.59	Work-in-Progress



<b>Review</b>	<b>Original Planned Days</b>	<b>Revised Planned Days</b>	<b>Actual To 31/05/2023</b>	<b>Status and Assurance level</b>
CILs	10	10	2.97	Work-in-Progress
Waste Collection	15	15	4.26	Work-in-Progress
<b>HUMAN RESOURCES:</b>				
Payroll	10	10	-	Quarter 3
Recruitment & Leavers	10	10	0.07	Quarter 2
<b>OTHER:</b>				
Committee Reports & Meetings	10	10	1.84	Ongoing
s.151 Meetings & Support	10	10	2.17	Ongoing
Corporate Advice / CMT	5	5	0.24	Ongoing
Liaison with External Audit	1	1	-	Ongoing
Audit Plan Prep & Meetings	10	10	2.02	Ongoing
Follow Up Reviews	14	14	2.98	Ongoing
Complaints Sampling		3	1.28	Work-in-Progress
Elections	0	1	1.41	Completed – N/A
<b>FINALISATION OF 2022-23 AUDITS:</b>				
Employee Benefits in Kind	1	1	0.27	Finalised – Reasonable / Limited
Tenancy Counter Fraud	4	4	4.48	Finalised - Reasonable
Tenancy Health & Safety	7	7	0.41	Work-in-Progress
Procurement Secondment	7	7	7.50	Finalised – N/A
Procurement Matters	1	1	0.93	Finalised – N/A
<b>Total</b>	<b>350</b>	<b>350</b>	<b>41.28</b>	<b>12%</b>

## Appendix 5

### 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.