

This Report will be made public on 5 March 2024



Report Number **AuG/23/26**

To: Audit and Governance Committee
Date: 13 March 2024
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 31st December 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/23/26.**
- 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 three 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 four audit reports completed during the period. These have been allocated assurance levels as follows: one Substantial and three Reasonable assurance. Summaries of the report findings are detailed within Annex 1 to this report.
- 3.2 In addition two 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 31st December 2023 232.11 chargeable days were delivered against the planned target for the year of 350 days, which equates to achievement of 66.31% 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 Interim 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

Lydia Morrison; Interim Director – Corporate Services (s.151)
Telephone: 01303 853420 Email: 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 31st December 2023.

2. SUMMARY OF REPORTS

Service / Topic		Assurance level	No of Recs.	
2.1	Housing Contract Letting	Substantial	Critical	0
			High	0
			Medium	1
			Low	1
2.2	Budgetary Control	Reasonable	Critical	0
			High	0
			Medium	2
			Low	1
2.3	Environmental Protection	Reasonable	Critical	0
			High	0
			Medium	7
			Low	4
2.4	Housing Anti-Social Behaviour	Reasonable	Critical	0
			High	5
			Medium	4
			Low	2

*For Assurance and Recommendation priority definitions see Annex 5

2.1 Housing Contract Letting – Substantial Assurance

2.1.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that the letting of housing contracts is completed in line with the Council's Contract Standing Orders and procurement guidance, together with any relevant national contract letting regulations.

2.1.2 Summary of Findings

Housing is responsible for a significant number of the contracts and works that are carried out across the district in relation to maintaining its housing stock and the surrounding grounds. This function has now been back in house for just over 3 years and in that time several issues have been identified and addressed and working practices have evolved. The review focused on the work carried out by Housing on Assets and Major Works and in particular the contracts that are valued between £5,000 and £99,000 that have been awarded during the 2023-24 financial year.

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

- Working practices have evolved over time since the housing function came back in house and based on the sample of contracts and works reviewed a consistent approach is being carried out across the team in respect of appointing contractors and supporting documentation is in place to support the decisions that have been made.

Scope for improvement was however identified in the following area:

- Consideration should be given to having the relevant housing files organised by financial threshold so that they are held in one central place.

2.2 Budgetary Control – Reasonable Assurance

2.2.1 Audit Scope

To ensure that regular, timely and accurate budgetary control of all income and expenditure being received or incurred by the Council, is undertaken to ensure that the authority's financial resources are efficiently managed.

2.2.2 Summary of Findings

The budget is the financial expression of the Council's plans and policies. A sound budget is essential to ensure effective financial control in any organisation and the preparation of the annual budget is a key activity at every council.

The Council requires a balanced and robust budget to ensure that resources are appropriately and effectively allocated to meet statutory and key services; whilst considering limited available funding, income constraints, increased service demands and inflation. The Local Government Act 2000 states that it is the responsibility of the Full Council, on the recommendation of the Executive to approve the budget and related council tax demand.

The Chief Finance Officer is responsible for providing appropriate financial information to enable budgets to be monitored effectively. Expenditure must be controlled against the budget allocation, with the overall position reported to senior management and members on a regular basis. It is the responsibility of budget holders to control income and expenditure within their areas and to monitor performance through the Council's budget monitoring process.

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

- Budgets are controlled in accordance with Service Reporting Code of Practice (SeRCOP) and in accordance with CIPFA guidelines.
- The Budget and Policy Framework are sufficiently documented and applied.
- The financial governance arrangements in place, in terms of approval of the budget, are sufficiently applied.
- The process and opportunity for identifying budget reductions and savings is managed effectively.
- The financial systems in place provide an effective management tool, to enable senior management to be kept fully informed of whether the Council will meet its required spending levels.
- Regular budget monitoring is undertaken.

Scope for improvement was however identified in the following areas:

- Identified differences between the budget prep model and the budget load to the financial management system must be promptly rectified to ensure that both accurately reflect the approved budget.
- Up to date financial information should be easily accessible to the public, such as the Medium-Term Financial Strategy.

2.3 Environmental Protection – Reasonable Assurance

2.3.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established in respect of the Council's responsibilities for the prevention of noise and pollution.

2.3.2 Summary of Findings

The Council is required to establish procedures and controls to ensure it complies with its statutory responsibilities under the various legislation governing Environmental Protection and managing the associated risks to the public. This review has specifically looked at:

- Air quality management
- Contaminated land
- Noise nuisance
- Private water supplies monitoring.

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

- Air quality monitoring arrangements are in accordance with regulations.
- An up-to-date Contaminated Land Strategy is in place.
- Processes are in place to ensure planning applications are checked for contaminated land.

- The Council maintains a register listing all Part B Operators permitted by the Council under the Environmental Permitting Regulations which is available to the public on request.
- Visits are undertaken at the appropriate intervals to permitted establishments under the Environmental Permitting Regulations 2016 with the outcome of all visits being documented.

Scope for improvement was however identified in the following areas:

- Documented procedures are either out of date or missing.
- For the private water supplies there is no documentary trail to evidence that risk assessments are regularly and appropriately reviewed and updated, sampling is undertaken promptly in line with regulations and remedial action has been completed by the responsible parties as required.
- Air monitoring station results are not promptly loaded on the Kent Air Website to be available to the public.
- Checks are required to ensure that Contract Standing Orders (CSOs) are being correctly applied to the procurement of the Environmental Permitting Consultant contract.
- The Environmental Protection Team does not have an entry in the Information Asset Register or the Document Retention Schedule.
- The approved Contaminated Land Fee must be charged where applicable and procedure updated annually with the correct fee.

2.4 Housing Anti-Social Behaviour – Reasonable Assurance

2.4.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to tackle anti-social behaviour that affects the Council's tenants and the Council's housing stock or estates.

2.4.2 Summary of Findings

Council tenants and leaseholders have a right to live in an environment that allows them to enjoy their home and community. The Council recognises that anti-social behaviour (ASB) caused by a minority of tenants can be disruptive and distressing for neighbours, damage the sustainability of communities and adversely affect the ability of the Council to let properties. To address this the Council has a range of legal powers to help deal with ASB. These powers are contained in the Housing Acts of 1985 and 1996, the Anti-Social Behaviour Act 2003, the Anti-Social Behaviour, Crime and Policing Act 2014 and the Environmental Protection Act 1990.

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

- Processes are in place for tenants and leaseholders to be able to report anti-social behaviour and they are then reviewed, actioned or passed onto other agencies. Currently Housing has 39 live anti-social behaviour cases across the district.

- Officers attend regular meetings both in house and with other agencies to share information on issues and also the actions being taken to address ASB.
- The NEC ASB system has been in place since August 2023, and it is continuing to evolve and become embedded into the day to day working processes of officers. It has improved the recording of actions for ASB as it shows the actions taken all in one place along with supporting evidence being retained on the Information @ Work system. This system will also enhance the monitoring of cases as the reporting function is developed.

Scope for improvement was however identified in the following areas:

- Consideration should be given to presenting the Housing Community Safety Policy to the Council's Overview and Scrutiny Committee on an annual basis as they are acting as the Council's Crime & Disorder Committee as they are required by legislation to oversee work on community safety. This should also include any other supporting policies (i.e. Customer of Concern) if they are put in place.
- Consideration should be given to the production of an annual report to be presented to the Council's Crime and Disorder Committee on the work carried out by the Housing team in respect of community safety.
- As part of the 1 to 1 case reviews of ASB the Manager / Team Leader should update the NEC ASB system to show that the case has been reviewed and also what further action needs to be carried out or agreed with the Housing Officer.
- All procedure notes should be reviewed to ensure that they include the use of the NEC ASB system.

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 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 As part of the follow up action, the recommendations under review are either:
- "closed" as they have been successfully implemented, or
 - "closed" as the recommendation is yet to be fully implemented but is on target with a revised implementation date, or
 - (for medium or low risks only) "closed" as management has decided to tolerate the risk, or the circumstances have since changed, or
 - (for critical or high risks only) "closed" on the EKAP System with a revised implementation date and escalated to management for further tracking and reporting to the audit committee.

Service/ Topic	Original Assurance level	Revised Assurance level	Original Number of Recs		No of Recs Outstanding
a) Benefits in kind	Reasonable / Limited	Reasonable	Critical	0	0
			High	3	0
			Medium	1	0
			Low	0	0
b) Fraud Assurance	Reasonable	Reasonable	Critical	0	0
			High	4	3
			Medium	2	1
			Low	2	1

*For Assurance and Recommendation priority definitions see Annex 5

- 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.

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: Capital – General Fund; Employee Health & Safety; CIL Scheme, and Recruitment & Leavers. Scheduled work to commence shortly also includes the Otterpool Park LLP Governance review.

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 15th 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 31st December 2023 232.11 chargeable days were delivered against the planned target for the year of 350 which equates to achievement of 66.31% 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 31st December 2023 against the 2023-24 Audit plan.
- Appendix 4 Assurance Definitions.
- Appendix 5 Balanced Scorecard to Quarter 3.

SUMMARY OF CRITICAL /HIGH PRIORITY RECOMMENDATIONS OUTSTANDING AFTER FOLLOW-UP		
Original Recommendation	Agreed Management Action, Responsibility and Target Date	Manager's Comment on Progress Towards Implementation.
Fraud Assurance		
<p>1. The Council must fully consider and acknowledge its fraud risks, recognising that fraud risk does not stand alone and is blended with other risks such as economic or financial crime, financial stability, and cybersecurity. To ensure ownership, accountability, mitigation and appropriate resource allocation the risk of fraud should at the very least be recorded at a high level on the Corporate Risk Register.</p> <p>All departments should maintain a risk register, such as Housing which includes the consideration and recording of any fraud risks associated with that service and the action taken to mitigate the risks.</p> <p>Alternatively, the Council could consider implementing a separate and specific fraud risk register.</p> <p>The identified fraud risks should inform a proactive counter fraud programme / plan covering all areas of the Council's business and include activities undertaken by contractors and third parties. This plan should be linked to the internal audit plan</p>	<p>Agreed. A new risk management group has just been launched with the aim of further developing risk management processes at the Council. The best way to assess fraud risk will be considered here and an overarching corporate fraud risk will be entered onto the Corporate Risk Register, recently updated and due to be presented to members in March 2023.</p> <p>The updated Corporate Risk Register was agreed at the Audit and Governance Committee on 15 March 2023 and Cabinet on 22 March 2023.</p> <p>This included a Fraud and Corruption risk on the updated register.</p> <p>The Risk Management Policy was updated to reflect that Chief Officers are more directly involved in managing risk and so are better placed to describe and rate both existing and emerging risks. Therefore, it was decided that a Risk Management</p>	<p>The Risk Management Group has been absorbed into the Corporate Governance Board (CGB).</p> <p>Copies of CGB minutes were provided. At the CGB meeting on 10th October the Assistant Director - Governance, Law & Service Delivery set out the timetable and importance for the Corporate Risk Register refresh.</p> <p>At the CGB meeting on 18 January 2024 the Chief Financial Services Officer (CFSO) highlighted that they <i>"will bring this back to the group and staff at a later date"</i>.</p> <p>Outstanding with intent to fully implement.</p> <p>New implementation date September 2024 Chief Financial Services Officer</p>

SUMMARY OF CRITICAL /HIGH PRIORITY RECOMMENDATIONS OUTSTANDING AFTER FOLLOW-UP		
Original Recommendation	Agreed Management Action, Responsibility and Target Date	Manager's Comment on Progress Towards Implementation.
with regular update reports going to management and members.	<p>Group (RMG) should be formed of the Chief Officers and that CLT could then move to exercising oversight rather than direct control of the Corporate Risk Register.</p> <p>The Risk Management Policy highlights that 'Risk Management is about managing the threats that may hinder delivery of our priorities and core services and maximising the opportunities that will help deliver them. It is important that risk management is aligned to the service plans, MTFS, Corporate Plan, policy making, performance management and strategic planning of the organisation'. However, Fraud is not included in the operational risks sub-category guide.</p> <p>The recommendation remains outstanding to see how the RMG will address the issue.</p> <p>Proposed Completion Date September 2023</p> <p>Responsibility Section 151 Officer/ Director - Corporate Services</p>	

SUMMARY OF CRITICAL /HIGH PRIORITY RECOMMENDATIONS OUTSTANDING AFTER FOLLOW-UP		
Original Recommendation	Agreed Management Action, Responsibility and Target Date	Manager's Comment on Progress Towards Implementation.
<p>2. The Section 151 Officer must consider, based on a fraud risk assessment (see recommendation 1) whether:</p> <ul style="list-style-type: none"> the Council has sufficient and appropriately qualified resources in place to tackle and investigate all Council Fraud and not just benefits fraud i.e., grant, contract and procurement, housing, expenses etc. qualified and accredited counter fraud resource succession planning is in place to reduce the inherent risk in having just one qualified fraud officer role/ in post. 	<p>The Council is fortunate to have a qualified resource in place, but a review of contingency arrangements and succession planning will be considered.</p> <p>Proposed Completion Date September 2023</p> <p>Responsibility Section 151 Officer/ Director - Corporate Services</p>	<p>A further officer is signing up to an investigation's apprenticeship, which gives the knowledge and qualifications to carry out the work, and is awaiting a start date from CIPFA which is anticipated this month.</p> <p>Outstanding with intent to fully implement.</p> <p>New implementation date June 2024 Chief Financial Services Officer</p>
<p>3. A summary record of all counter fraud activities (all suspicions of fraud reported, action and fraud investigations undertaken and the outcomes) to include not just revenues, benefits but all tenancy and corporate fraud should be maintained. To include the resources being allocated, and regularly reported to Corporate Leadership Team and the Audit & Governance Committee. This will assist in informing the future level of resource required to combat fraud against the Council.</p> <p>This reporting on investigations work should look at future plans and emerging</p>	<p>Agreed.</p> <p>Proposed Completion Date July 2023</p> <p>Responsibility Section 151 Officer/ Director - Corporate Services</p>	<p>At the CGB meeting on 18 January 2024 the Chief Financial Services Officer (CFSO) highlighted they <i>will bring this back to the group and staff at a later date</i>'.</p> <p>Outstanding with intent to fully implement.</p> <p>New implementation date July 2024 Chief Financial Services Officer</p>

SUMMARY OF CRITICAL /HIGH PRIORITY RECOMMENDATIONS OUTSTANDING AFTER FOLLOW-UP		
Original Recommendation	Agreed Management Action, Responsibility and Target Date	Manager's Comment on Progress Towards Implementation.
<p>risks; and the new Calculating Losses from Housing Tenancy Fraud Formula 2021 should be applied to the tenancy fraud losses being reported.</p> <p>These full statistics should be published annually under the requirements of the Transparency Code 2015.</p>		

SERVICES GIVEN LIMITED / NO ASSURANCE LEVELS YET TO BE REVIEWED			
Service	Reported to Committee	Level of Assurance	Follow-up Action Due
Housing Tenancy Fraud	July 2023	Limited	April 2024
Contract Management of Waste Collection & Street Cleansing	September 2023	Reasonable / Limited	March 2024
Independent Living	December 2023	Reasonable / Limited	April 2024

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

Review	Original Planned Days	Revised Planned Days	Actual To 31/12/2023	Status and Assurance level
FINANCIAL SYSTEMS:				
Budgetary Control	10	10	12.00	Finalised - Reasonable
Business Rates	10	10	0.85	Work in progress
Capital – General Fund	10	10	7.79	Work in progress
Creditors Duplicates Testing	2	2	0.57	Quarter 4
Housing Benefit Subsidy	10	0	0.07	Deferred
Miscellaneous Grants	10	0	-	See LUF grants
HOUSING SYSTEMS:				
Anti-Social Behaviour	10	10	9.09	Finalised - Reasonable
Housing Capital	10	10	0.32	Work in progress
Housing Contract Letting	10	10	10.52	Finalised - Substantial
Housing Allocations	10	10	0.07	Quarter 4
New Build Capital	10	0	0.03	Deferred
Rechargeable Works	10	10	0.19	Quarter 4
Rent Setting	10	10	-	Quarter 4
Independent Living	10	11	11.33	Finalised – Reasonable / Limited
Tenancy & Estate Management	10	10	10.73	Finalised - Reasonable
GENERAL FUND HOUSING				
Leaseholders' Services	10	10	0.16	Quarter 4
HMO's	10	10	0.07	Quarter 4
INFORMATION GOVERNANCE				
Freedom of Information	10	10	-	Quarter 4
TECHNOLOGY / CYBER:				
ICT Review	10	8	0.25	Quarter 4
CORPORATE GOVERNANCE:				
Otterpool Park Governance	10	10	1.78	Work in progress
Financial Procedure Rules	5	6	6.84	Finalised - Reasonable
RIPA	4	10	9.57	Finalised - Reasonable
SERVICE LEVEL				
Climate Change	4	4	0.11	Quarter 4
Employee Health & Safety	10	14	13.85	Draft Report WIP
Environmental Protection	10	15	14.91	Finalised - Reasonable

Review	Original Planned Days	Revised Planned Days	Actual To 31/12/2023	Status and Assurance level
Folkestone Community Works	10	7	7.69	Finalised - Substantial
CILs	10	10	9.61	Work-in-Progress
Waste Collection & Street Cleansing	15	12	12.44	Finalised – Reasonable / No
HUMAN RESOURCES:				
Payroll	10	10	0.07	Deferred
Recruitment & Leavers	10	10	5.43	Work in progress
OTHER:				
Committee Reports & Meetings	10	10	10.46	Ongoing
S.151 Meetings & Support	10	10	10.26	Ongoing
Corporate Advice / CMT	5	5	5.74	Ongoing
Liaison with External Audit	1	1	0.37	Ongoing
Audit Plan Prep & Meetings	10	10	5.16	Ongoing
Follow Up Reviews	14	24	24.29	Ongoing
Complaints Sampling	0	6	6.31	Finalised – N/A
Elections	0	1	1.41	Completed – N/A
LUF Grant	0	10	0.10	Ongoing
FINALISATION OF 2022-23 AUDITS:				
Employee Benefits in Kind	1	1	0.27	Finalised – Reasonable / Limited
Tenancy Counter Fraud	4	4	5.52	Finalised - Reasonable
Tenancy Health & Safety	7	6	7.46	Finalised - Reasonable
Procurement Secondment	7	7	7.50	Finalised – N/A
Procurement Matters	1	1	0.93	Finalised – N/A
Total	350	350	232.11	66.31%

Appendix 4

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.

Balanced Scorecard

<u>INTERNAL PROCESSES PERSPECTIVE :</u>	<u>2023-24 Actual</u>	<u>Target</u>	<u>FINANCIAL PERSPECTIVE:</u>	<u>2023-24 Actual</u>	<u>Original Budget</u>
	Quarter 3		Reported Annually		
Chargeable as % of available days	87%	90%	<ul style="list-style-type: none"> • Cost per Audit Day 	£	£403.37
Chargeable days as % of planned days			<ul style="list-style-type: none"> • Direct Costs 	£	£521,918
CCC	61.63%	75%	<ul style="list-style-type: none"> • + Indirect Costs (Recharges from Host) 	£	£10,530
DDC	80.86%	75%	<ul style="list-style-type: none"> • - 'Unplanned Income' 	£	Zero
TDC	70.02%	75%			
FHDC	66.31%	75%			
EKS	57.23%	75%			
Overall	69.47%	75%	<ul style="list-style-type: none"> • = Net EKAP cost (all Partners) 	£	£532,448
Follow up/ Progress Reviews;					
<ul style="list-style-type: none"> • Issued 	46	-			
<ul style="list-style-type: none"> • Not yet due 	18	-			
<ul style="list-style-type: none"> • Now due for Follow Up 	33	-			
Compliance with the Public Sector Internal Audit Standards (PSIAS) (see Annual Report for more details)	Partial	Partial			

<u>CUSTOMER PERSPECTIVE:</u>	<u>2023-24 Actual</u>	<u>Target</u>	<u>INNOVATION & LEARNING PERSPECTIVE:</u>	<u>2023-24 Actual</u>	<u>Target</u>
	Quarter 3		Quarter 3		
Number of Satisfaction Questionnaires Issued;	50		Percentage of staff qualified to relevant technician level	61%	60%
Number of completed questionnaires received back;	17		Percentage of staff holding a relevant higher-level qualification	50%	50%
	= 34 %		Percentage of staff studying for a relevant professional qualification	0%	N/A
Percentage of Customers who felt that;	100%	100%	Number of days technical training per FTE	3.37	3.5
• Interviews were conducted in a professional manner	100%	90%	Percentage of staff meeting formal CPD requirements (post qualification)	50%	50%
• The audit report was 'Good' or better	100%	100%			
• That the audit was worthwhile.					