

This Report will be made public on 25 November 2020



Report Number **AuG/20/11**

To: Audit and Governance Committee
Date: 3 December 2020
Status: Non-Executive Decision
Corporate Director: Charlotte Spendley – Director – Corporate Services (S151)

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 Governance Committee meeting together with details of the performance of the EKAP to the 30th September 2020.

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/20/11.**
- 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 progress report, together with details of the performance of the EKAP to the 30th September 2020.

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 four 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 three audit reports completed during the period. These have been allocated assurance levels as follows: one was providing reasonable assurance and two were split assurance reasonable / limited. Summaries of the report findings are detailed within Annex 1 to this report.
- 3.2 In addition, eight 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 30th September 2020 129.56 chargeable days were delivered against the planned target of 374.23 days, which equates to achievement of 34.62% of the planned number of days.

3.4 Due to the Covid19 virus the EKAP team were redirected to community work on behalf of the partner councils early in the 2020/21 year. This has impacted upon the amount of internal audit work that can be completed within the year resulting in a revision to the audit plan in appendix 3. At the same time East Kent Housing Limited was taken back in house by the partner councils from 1st October 2020, therefore the plan is further adjusted to bring back in 30 days for 2020/21 and then 35 days from 2021/22 in respect of housing reviews.

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 (DK)

No legal officer comments are required for this report.

5.2 Finance Officer's Comments (TM)

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

Charlotte Spendley Director – Corporate Services (S151)
Telephone: 01303 853420 Email: Charlotte.spendley@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 – 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 30th September 2020.

2. SUMMARY OF REPORTS

Service / Topic		Assurance level	No of recs	
2.1	Whistleblowing & Anti Money Laundering	Reasonable	C	0
			H	3
			M	4
			L	1
2.2	Land Charges	Reasonable / Limited	C	0
			H	4
			M	2
			L	1
2.3	Waste Management	Reasonable / Limited	C	0
			H	4
			M	2
			L	3

2.1 Whistleblowing & Anti Money Laundering - Reasonable Assurance

2.1.1 Audit Scope

To provide assurance that the procedures that are in place regarding the confidential reporting policy (Whistleblowing Policy) to enable allegations to be made by various parties are robust and practical and that the policy is complied with.

Also to ensure that the Council's obligations and responsibilities regarding money laundering are adequately discharged; specifically to prevent, wherever possible, the organisation and its staff being exposed to money laundering, to identify the potential areas where it may occur, and to comply with all legal and regulatory requirements, especially with regard to the reporting of actual or suspected cases.

2.1.2 Summary of Findings

The Council is committed to the highest possible standards of openness, probity and accountability. In line with that commitment they encourage employees and others with serious concerns about any aspect of the Council's work to come forward and voice those concerns without fear of reprisals.

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

- Approved policies are in place that make up the Council's Anti-Fraud and Corruption Framework, however they have not been reviewed for 3 years.
- The Council's Anti-Fraud and Corruption Framework is available to staff and the public.
- There have been no whistleblowing referrals over the last couple of financial years.
- The induction process for new employees includes Whistleblowing and the Anti-Fraud and Corruption Framework.
- The Council has a nominated Anti-Money Laundering Officer and an Anti-Money Laundering Policy is in place.

Scope for improvement was however identified in the following areas:

- The annual report of the Audit & Governance committee should reflect what actions have been carried out to maintain an overview of the Whistleblowing Policy.
- An annual report on Whistleblowing (as stated in the Annual Governance Assurance Statement) including the number of incidents, should be presented to the Audit and Governance Committee each year to assist them in maintaining an overview of the Whistleblowing Policy.
- Employees that are not up to date with their e-learning requirements (including the module on anti-bribery and anti-corruption) should be reminded to bring them up to date and Corporate Leadership Team should receive quarterly reports to identify those staff that continue to have outstanding e-learning actions and take appropriate action.
- The Anti-Fraud and Anti-Corruption Strategy and other policies and supporting guidance (i.e. Financial Procedure Rules) should be reviewed to ensure that they have the correct job titles and officer's names within them.

2.2 Land Charges – Reasonable / Limited Assurance

2.2.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls to ensure that the Land Charges function provides a good standard of service to the public at the stipulated fee. The key issues for this service are that the information provided is within required timescales, charges are made at the correct fee and the information is accurate and reliable and that all income controls are in place.

2.2.2 Summary of Findings

The Local Land Charges Act 1975 was designed to ensure that prospective purchasers of land/property were informed of any obligations enforced by the local authority which may affect the land/property.

Two types of search are provided by the Council.

1. A personal search which is a search of the local land charges register and this is free of charge unless a search of the planning or building control database is also required and then a small fee is levied.
2. A search of the full local land charges register. This is a two part search which will also look at data recorded on other systems held by the Council such as building control, environmental health and housing. The search includes looking at the information held by the County Council regarding the highways near the land/property.

The primary findings giving rise to the Reasonable/Limited Assurance opinion (The Limited Assurance is in respect of the cost neutral exercise) in this area are as follows:

- All land charge applications are retained electronically on the Sales Force system which was implemented in January 2020. A considerable amount of work has been carried out by the officers to make this work but there are still some issues with the system that need addressing.
- The majority of land searches are being processed within the target of 10 working days. Currently the figure is 82% for the period April to August 2020 although this is down compared to prior going live with Sales Force (before which it was 100%).
- Processes are in place to ensure that all income is received for the service provided. However, they could be further enhanced by developing regular reconciliation routines and showing the fees on the individual records on the Sales Force system.
- Procedure notes have been produced to assist officers to complete the land charges process on the Sales Force system.

Scope for improvement was however identified in the following areas:

- There is the need for a cost neutral exercise to be carried out on a regular basis to ensure that the fees and charges are reflecting the service being provided. (The lack of evidence for this being undertaken gives rise to the Limited Assurance).
- The fees for the individual questions on the CON 29 should be included within the approval process for the fees and charges each year.
- There are residual issues with the Sales Force system which are impacting on meeting the performance indicators and also the day to day processes that have to be carried out and Officers are working on these issues.

2.3 Waste Management – Reasonable / Limited Assurance

2.3.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that the waste management contract terms and conditions are being complied with regarding the performance of the service and to ensure that current payments to the contractor are in accordance with the contract terms.

2.3.2 Summary of Findings

There is a joint waste contract in place between Dover District Council, Folkestone & Hythe District Council, Kent County Council & Veolia which expires in January 2021. The contractor is tasked with monitoring and reporting on its own performance and a regular performance report is provided to senior management. The Council employs a team to inspect and monitor the performance of the contractor.

Management can place Reasonable Assurance on the system of internal controls in operation and a partially Limited Assurance level in respect of performance management.

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

- The waste management arrangements are compliant with the Environmental Protection Act 1990 and the Code of Practice on Litter and Refuse 2006;
- The scope of the contractor street cleansing inspection regime is good;
- During visits key locations looked clean and tidy and aligns with the performance figures reported in the performance reports being generated by the contractor;
- The format and content of the performance information provided to management by the contractor is in accordance with the contract and is widely distributed;
- Contract payments and recharges are correctly and clearly calculated; and
- Management is preparing for the new 2021 contract.

Scope for improvement was however identified in the following areas:

- Extensive audit testing suggests that a number of key contract monitoring systems, processes and controls are not functioning as effectively as they could be, which is weakening the ability of management to detect some elements of contractor performance issues for street cleansing rectification work;
- The Waste Services Privacy Notice was missing from the Folkestone & Hythe District Council website.

3.0 FOLLOW UP OF AUDIT REPORT ACTION PLANS

3.1 As part of the period's work eight 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

Service / Topic	Original Assurance level	Revised Assurance level	Original recs	Outstanding recs
Treasury Management	Substantial	Substantial	C 0 H 0 M 1 L 3	C 0 H 0 M 1 L 3
VAT	Reasonable	Substantial	C 0 H 0 M 1	C 0 H 0 M 0

			L 0	L 0
Housing Allocations	Reasonable	Reasonable	C 0 H 1 M 4 L 3	C 0 H 1 M 1 L 0
Financial Procedure Rules	Reasonable	Reasonable	C 0 H 1 M 4 L 2	C 0 H 0 M 3 L 1
Taxi's	Reasonable / Limited	Reasonable	C 0 H 5 M 7 L 4	C 0 H 0 M 0 L 0
GDPR	Limited	Reasonable	C 0 H 6 M 6 L 6	C 0 H 0 M 1 L 0
EKH Tenant Health & Safety - Lifts	No	Reasonable	C 2 H 1 M 0 L 0	C 2* H 1* M 0 L 0
EKH Tenant Health & Safety – Fire Safety	No	Limited	C 2 H 4 M 0 L 0	C 1* H 1* M 0 L 0

*Partially implemented at the time of follow up

- 3.3 Details of any individual Critical and High priority recommendations still to be implemented at the time of follow-up are included at Appendix 1 and there was one for this period on the grounds that this recommendation has not been implemented by the dates originally agreed with management, it is escalated for the attention of the s.151 officer and Members' of the Governance and Audit 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.

3.4 East Kent Housing – Tenant Health & Safety – Lifts

Since the appointment in November 2019 of a dedicated Compliance Manager with responsibility for lifts, significant improvements in procedures around the actioning of faults identified on lift examination reports has become evident. While a number of faults remain outstanding on some lifts tested, this is mainly due to a large number of faults outstanding on lifts in late 2019, a number of lifts requiring refurbishment and also lift contractors having reduced manning to address faults due to Covid-19.

New procedures have been introduced and have been evidenced during the audit, so that where category "A" faults are identified as part of a lift examination, if the lift maintenance contractor is unable to undertake and complete the repair to the lift on the day, the lift is taken out of service until the fault has been rectified.

3.5 East Kent Housing – Tenant Health & Safety – Fire Safety

Several significant issues identified during the original audit needed to be addressed. The main issue being around fire prevention work identified in Fire Risk Assessments (FRA) and repairs to be undertaken to emergency lighting identified as faulty at the annual tests. A contractor has since been appointed and has made some progress on the fire prevention works to rectify the weaknesses recorded on FRA's. The Coronavirus pandemic has meant that to date the majority of the work completed has been restricted to communal areas. It is likely that it will take a number of years to complete all outstanding fire prevention work meaning that responsibility for completion of the work will become the responsibility of each Council from October 2020. Work has started on the development of zone plans for each building, that work is not yet complete and will also become the responsibility of each Council for completion.

At present, the EKH Chief Executive is named as the Responsible Person on all FRA's. Responsibility for all FRA's will fall back to each Council in October. Therefore, each Council will need to update all FRA's in October with a new Responsible Person.

Contractors responsible for the completion of annual testing of emergency lighting have now been instructed to repair all lights identified as faulty at the time of testing. This means that all emergency lighting is now working and has passed the annual test.

While a significant amount of work has already been undertaken in respect of fire safety, a large amount of fire prevention work remains outstanding and will not be completed before responsibility falls back to each Council for the completion of the work. Each Council should ensure that it has suitably qualified and experienced members of staff in place to plan, monitor and sign off fire prevention work and then review and update all Fire Risk Assessments.

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: Insurance; Performance Management, Bank Reconciliation; Contract Standing Orders; Community Safety Partnership and Debtors.

5.0 CHANGES TO THE AGREED AUDIT PLAN

5.1 The 2020/21 audit plan was agreed by Members at the meeting of the Audit & Governance Committee on 4th March 2020.

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.

- 5.3 There has of course been an impact on the work of the internal audit team as a result of the C19 Crisis. The Audit Plan for 2020-21 was prepared as usual throughout February and agreed with the s.151 Officer and CLT and was presented to the March meeting. Following this, the team was re-deployed to assist with C19 response work in the community. As a consequence, no new internal audit work has been commissioned or undertaken throughout April to June, leading to a total of 152 audit days being lost (over the partnership). The plan that was approved at the March meeting is set out in the table in Appendix 3, showing the days allocated up to the end of September. It has therefore been necessary to work with the s.151 Officer to agree a revised plan based on 9 month's work not 12, the reviews that are deferred within the overall five-year strategic audit plan are also shown. Additionally, the revised plan also accommodates the new Housing audits which have transferred back to the four councils from 1st October. Except for follow up, no new EKH Ltd audits commenced before the end of September, and therefore the revised EKH Plan is also shown in Appendix 3.

6.0 FRAUD AND CORRUPTION

There are 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 30th September 2020, 129.56 chargeable days were delivered against the planned target of 374.22 days, which equates to achievement of 34.62% of the original planned number of days.
- 7.2 The financial performance of the EKAP for 2020/21 is on target.

Attachments

- Appendix 1 Summary of high priority recommendations outstanding or in progress after follow up
- Appendix 2 Summary of services with limited / no assurances yet to be followed up.
- Appendix 3 Progress to 30th September 2020 against the revised 2020/21 Audit plan.
- Appendix 4 Balanced Scorecard to 30th September 2020
- Appendix 5 Assurance Definitions.

SUMMARY OF CRITICAL /HIGH PRIORITY RECOMMENDATIONS OUTSTANDING AFTER FOLLOW-UP – APPENDIX 1		
Original Recommendation	Agreed Management Action, Responsibility and Target Date	Manager’s Comment on Progress Towards Implementation.
Housing Allocations		
<p>1. Management should update the ID verification process for the Housing Waiting List, if not at the application stage (to prevent unnecessary administrative burden on officers) then at nomination stage in order to prevent and detect fraud.</p> <p>Document verification training must be provided to all staff who may check the original ID documentation to ensure they have guidance on how to identify fake ID and on what Home Office documentation is required as proof of social housing entitlement for foreign nationals.</p> <p>The Housing Allocations Policy and internal procedure notes for staff should be updated with the new processes.</p>	<p>Agreed. The Housing and Inclusion Manager will liaise with The Business Support Team and the Front Office to implement original ID documentation verification checks. Once determined the Housing Allocations Policy and internal procedures for staff will be updated accordingly.</p> <p>Document verification training has been arranged for dates in April.</p> <p>Proposed Completion Date 31 July 2020</p> <p>Responsibility Housing and Inclusion Manager in liaison with the Business Support Team and Customer Services</p>	<p>Due to the COVID pandemic the document verification training has been postponed; with reviewed dates yet to be arranged.</p> <p>However, at a recent Kent Homechoice sub-group meeting the Locata enhancement available on the system for validating an applicant’s proof of ID using TrustID at offer stage was discussed. The cost for set up is £200 and the validation cost is £1.50 per check.</p> <p>Further information on the enhancement has been sought and consideration will be given as to whether or not this is the most cost effective and efficient method for the ID document verification checks to be made.</p> <p>Outstanding.</p>

SERVICES GIVEN LIMITED / NO ASSURANCE LEVELS STILL TO BE REVIEWED			
Service	Reported to Committee	Level of Assurance	Follow-up Action Due
Licensing	September 2020	Reasonable / Limited	Quarter 4
Tenancy & Right to Buy Fraud	March 2019	Limited	A pilot Counter Fraud scheme is being undertaken in conjunction with Ashford Borough Council

PROGRESS AGAINST THE F&HDC AUDIT PLAN 2020/21

Review	Original Planned Days	Revised Planned Days	Actual To 30/09/2020	Status and Assurance level
FINANCIAL SYSTEMS				
Bank Reconciliation	10	10	1.37	Work in progress
Business Rates	10	10	0.17	Quarter 3
Debtors	10	10	1.45	Work in progress
Insurance	10	10	0.17	Quarter 3
Housing Benefits Quality	10	10	0.20	Quarter 3
HOUSING SYSTEMS				
Homelessness	15	15	0	Quarter 3
Tenant Health & Safety Compliance	0	10	0	Quarter 4
Data Quality	0	10	0	Quarter 4
Leasehold Services	0	10	0	Quarter 4
ICT SYSTEMS				
ICT review	10	10	0.05	Quarter 4
HUMAN RESOURCES SYSTEMS				
Payroll	10	10	0.10	Quarter 3
GOVERNANCE RELATED				
Members Code of Conduct & Standards	10	10	6.55	Finalised - Substantial
Whistleblowing & Anti Money Laundering	9	9	9.82	Finalised - Reasonable
Fraud Resilience	10	10	0	Quarter 4
Performance Management	10	10	5.35	Work in progress
SERVICE LEVEL				
Contract Monitoring	10	0	0	Deferred
Contract Standing Orders	10	10	7.12	Work in progress
Community Safety Partnership	10	10	0.82	Work in progress
Customer Services	10	0	0	Deferred
Emergency Planning & Business Continuity	10	0	0	Deferred
E-Procurement & Purchase Cards	10	0	0.04	Deferred
Folkestone Community Works Grant	10	10	0.08	Quarter 4
Garden Waste Recycling	10	10	0.16	Quarter 4
Grounds Maintenance	10	10	0	Quarter 3
Land Charges	10	10	9.29	Finalised –Reasonable/Limited

Review	Original Planned Days	Revised Planned Days	Actual To 30/09/2020	Status and Assurance level
Lifeline	10	10	0	Quarter 3
Planning S106s & CIL	10	10	0	Quarter 4
Special Projects 2019/20	10	0	0	Deferred
OTHER				
Committee reports & meetings	10	10	7.40	Ongoing
S151 meetings & support	12	12	3.68	Ongoing
Corporate advice / CMT	3	3	0.54	Ongoing
Liaison with External Audit	1	1	0.11	Ongoing
Audit plan prep & meetings	10	10	4.07	Ongoing
Follow Up Reviews	15	15	13.46	Ongoing
FINALISATION OF 2019-20 AUDITS				
Days under delivered in 19/20		29.23	0	Allocated Below
Dog Enforcement	10	1	0.07	Finalised - Substantial
Engineers		1	0.88	Work in progress
Licensing		8	7.85	Finalised Reasonable / Limited
Oportunitas Governance		6	5.45	Finalised - Reasonable
Otterpool Park Governance		1	0.71	Finalised - Substantial
Waste Management		2	1.55	Finalised –Reasonable/Limited
Climate Change		2	2.01	Completed – N/A
Creditors Duplicate Testing		1	1.00	Completed – N/A
RESPONSIVE WORK				
COVID 19 Assistance	0	40	38.04	Completed
Total	315	374.23	129.56	34.62% at 30/09/2020
Note - 30 days have been added to the revised planned days from the former East Kent Housing audit plan from 1 st October 2020.				

REVISED EAST KENT HOUSING LIMITED PLAN:

Review	Original Planned Days	Revised Planned Days	Actual To 30/09/2020	Status and Assurance Level
Planned Work:				
CMT/Audit Sub Ctte/EA Liaison	4	4	3.09	Finalised
Follow-up Reviews	15	0	0	Finalised
Tenants' Health & Safety	0	7	8.14	Finalised - Various
Finalisation of 2019/20 Work-in-Progress:				
Days over delivered in 2019/20		-7.37	0	Allocated
Welfare Reform	0	1	0.40	Finalised - Substantial
Employee Health & Safety	1	0.63	1.00	Finalised - Limited
Total	20	12.63	12.63	100% as at 30/09/2020

BALANCED SCORECARD

Appendix 4

<u>INTERNAL PROCESSES PERSPECTIVE:</u>	<u>2020-21 Actual</u>	<u>Target</u>	<u>FINANCIAL PERSPECTIVE:</u>	<u>2020-21 Actual</u>	<u>Original Budget</u>
	Quarter 2		Reported Annually		
Chargeable as % of available days	90%	80%	• Cost per Audit Day	£	£339.14
Chargeable days as % of planned days			• Direct Costs	£	£437,130
CCC	66.05%	50%	• + Indirect Costs (Recharges from Host)	£	£10,530
DDC	49.04%	50%	• - 'Unplanned Income'	£	Zero
F&HDC	34.62%	50%			
TDC	42.90%	50%			
EKS	25.20%	50%			
EKH	100.00%	50%			
<i>Plus, C19 Redeployment Days 152.14</i>			• = Net EKAP cost (all Partners)		£447,660
Overall	43.30%	50%			
Follow up/ Progress Reviews;					
• Issued	20	-			
• Not yet due	24	-			
• Now due for Follow Up	32	-			
Compliance with the Public Sector Internal Audit Standards (PSIAS) (see Annual Report for more details)	Partial	Full			

<u>CUSTOMER PERSPECTIVE:</u>	<u>2020-21 Actual</u>	<u>Target</u>	<u>INNOVATION & LEARNING PERSPECTIVE:</u>	Actual	Target
	Quarter 2		Quarter 2		
Number of Satisfaction Questionnaires Issued;	22		Percentage of staff qualified to relevant technician level	75%	75%
Number of completed questionnaires received back;	13		Percentage of staff holding a relevant higher level qualification	39%	36%
	= 59%		Percentage of staff studying for a relevant professional qualification	15%	N/A
Percentage of Customers who felt that;			Number of days technical training per FTE	0.94	3.5
<ul style="list-style-type: none"> • Interviews were conducted in a professional manner • The audit report was 'Good' or better • That the audit was worthwhile. 	100%	100%	Percentage of staff meeting formal CPD requirements (post qualification)	39%	39%
	100%	90%			
	100%	100%			

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.