

This Report will be made public on 20 September 2021



Report Number **AuG/21/12**

To: Audit and Governance Committee
Date: 28 September 2021
Status: Non-Executive Decision
Corporate Director: Charlotte Spendley – 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 August 2021.

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/21/12.**
- 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 no 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 providing substantial, two were reasonable, one was limited assurance and one was not applicable. 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 31st August 2021 139 chargeable days were delivered against the planned target of 350 days, which equates to achievement of 39% 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 (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 – 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 August 2021.

2. SUMMARY OF REPORTS

Service / Topic		Assurance level	No of recs	
2.1	ICT Review	Substantial	C H M L	0 0 2 1
2.2	Community Safety Partnership	Reasonable	C H M L	0 4 4 0
2.3	Housing Voids Management	Reasonable	C H M L	0 0 4 0
2.4	Community Infrastructure Levy & S106	Limited	C H M L	0 4 4 4
2.5	Internal Process Investigation & Lessons Learned Review	N/A	C H M L	N/A

2.1 ICT review – Substantial Assurance

2.1.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure robust processes are in place for the various ICT functions.

2.1.2 Summary of Findings

The ICT service was brought back in-house in December 2020. ICT Services provides essential support to all Council departments and users and has been vitally important during the Covid pandemic. Amongst its many functions, the service maintains servers, takes action to secure the network, backs-up stored information, supports individual users and helps to provide ICT solutions.

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

- The Council has an up to date and approved ICT Strategy; other ICT policies, such as ‘Use of Computers’ dated 2012, are currently being reviewed but are unlikely to fundamentally change.
- Network security undergoes an annual health check by an external, industry approved, provider and the Council has been compliant since the introduction of IT health checks in 2006.
- A business continuity service is in place and around 40% of systems are currently cloud based, with the aim to increase this to 80% within the next two years.
- All calls to the helpdesk are logged, tracked and dealt with as quickly as possible; approximately 600 calls/month are received.
- Obsolete equipment is disposed of using WEEE (Waste Electrical and Electronic Equipment) certified disposal providers.

Scope for improvement was however identified in the following areas:

- Provide the Infrastructure and ICT Support Specialist with administrative rights to the helpdesk (Salesforce) system, the system can be tailored to make service improvements and provide resilience within ICT Services.
- Provide administrative rights to the helpdesk so that the customer satisfaction survey can be reintroduced; this will help identify common user needs and may reduce calls to the service desk.
- On the staff intranet A-Z, re-categorise ICT policies/guidance according to the subject instead of the document title.

2.2 Community Safety Partnership – Reasonable Assurance

2.2.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the input from the Council to the Community Safety Partnership in order to achieve the Council objectives and to meet legislation which places a duty on local councils to consider how their services impact on crime and disorder.

2.2.2 Summary of Findings

The Council is a named body who is required to contribute to the Community Safety Partnership (CSP), which is required to exist by legislation in relation to community safety. The Community Safety Unit (CSU) is a multi-agency team coordinated by the Council which supports the work of the CSP and liaises with the Police, KCC, Probation Services, Health and other key partners (e.g. PCC) to achieve the objectives of the Community Safety Partnership.

The Community Safety Partnership meets formally on a quarterly basis with all the members of the partnership. They produce a Strategic Assessment each year together with a Community Safety Plan, which will now be produced every three years with an annual review undertaken. The Community Safety Unit meets on a weekly basis with the more operational members of the team.

The Council has two officers who are involved with the Community Safety Partnership and these are the Health Wellbeing and Partnerships Senior Specialist and the Community Safety Specialist who is the main liaison between the Council and the CSP.

An assurance opinion of Reasonable has been concluded in respect of whether the CSP meets its objectives and thus assists in ensuring that the Council meets its statutory responsibilities regarding community safety.

The primary findings giving rise to the Reasonable opinion are as follows:

- The Community Safety Partnership through its partner role, is ensuring that the Partnership as a group produces a Community Safety Plan and also completes an annual strategic assessment, which are both laid down requirements.
- The CSU is facilitating many projects that meet its own specific objectives and that of the CSP, as well as reacting to current community safety concerns.
- The Council's Overview & Scrutiny Committee is acting as the Crime & Disorder Committee as required by legislation.
- There is various information available to the general public in relation to community safety on the Council's website.

There are however some areas which require some improvement and these include:

- It should be confirmed if the Community Safety Plan is part of the policy framework and if so should be noted by Full Council, or if not then the Council's Constitution should be amended to reflect this change.
- The role of the Overview and Scrutiny Committee when acting as the Crime and Disorder Committee should be documented to ensure that the members of the committee are fully aware of their role when they are acting as the Crime & Disorder Committee.

2.3 Housing Voids Management – Reasonable Assurance

2.3.1 Audit Scope

To provide assurance on the processes and procedures that are in place to effectively manage void properties to ensure that they are returned to the rental stock as quickly as possible to reduce loss of rental income and that they are in a good state of repair for the new tenants.

2.3.2 Summary of Findings

Housing services returned as an in-house function in October 2020. There are on average 10-20 void properties per week requiring works to bring them up to standard; these are managed by the Inspection Team. Repair works are undertaken mainly by the Council's contractor, Mears, and other specialist contractors where necessary. The Council is reviewing the existing contract arrangements and preparing to undertake a procurement tender exercise in 2022.

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

- The Council has a draft voids management procedure document in place.
- Repairs contract arrangements are satisfactory and charges are in line with the National Housing Federation schedule of rates.
- All void works are inspected upon satisfactory completion before invoice payments are authorised.
- The tenant is prompted of their responsibilities in a number of ways and comprehensive information is available on the Council's website.
- Undisputed repair costs are recharged to tenants held responsible, however recovery rates are not known.
- Controls are in place to correctly identify/allocate capital and revenue works within the Northgate system.

Scope for improvement was however identified as follows:

- Explore the possibility of making pre-void inspections (during notice period) a condition of the tenancy agreement.
- Efforts should be made to inform the Inspection Team that notice has been given at a property in order to attempt a pre-void inspection.
- Try to prioritise completion of the Tenant Handbook since there are many references to it in the Tenancy Agreement.
- Make arrangements to extract recharge recovery rates from the efinancials system.

2.4 Community Infrastructure Levy (CIL) & S106 – Limited Assurance

2.4.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that the Community Infrastructure Levy scheme (CIL)

and Section 106 agreements are correctly administered, and adequate monitoring is undertaken of monies due, collected and spent.

2.4.2 Summary

Planning obligations are legal obligations entered into to assist in mitigating the impact of development and benefits local communities and supports the provision of local infrastructure i.e. local schools, health and social care facilities etc. The Council can seek funding for delivering this infrastructure from multiple sources and developer contributions can be accessed:

- Through planning conditions – to make development acceptable that would otherwise be unacceptable.
- Through planning obligations in the form of Section 106 agreements – where it is not possible to address unacceptable impacts through a planning condition for major residential schemes of 10 units or more.
- Through the Community Infrastructure Levy (CIL) – a fixed charge levied on new development to fund infrastructure.

Any conditions or obligations placed on planning permission should be kept to a minimum and only imposed where they are necessary, relevant, enforceable, precise and reasonable.

Changes due to the introduction of the Community Infrastructure Levy Regulations 2010 and the introduction of a CIL scheme in FHDC may reduce the amount of contributions which are collected through the S106 process.

The basis for collecting contributions is planning policy SS5 of the Council's adopted Core Strategy Local Plan, as well as other policies within the Local Plan relating to requirements for open and play space provision. The Local Plan has been reviewed and a revised document went out to consultation earlier this year; responses to which are currently being reviewed.

In summary, it would appear that a number of the issues highlighted below have arisen as a result of the heavy workload and lack of available resource capacity within the planning team at present.

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

- The annual indexation to the CIL charges was being miscalculated.
- There is a lack of documented CIL income collection procedures.
- The percentage of contracted hours that any officer i.e. the CIL/S106 and Enforcement Team Leader, or the Strategy & Policy Senior Specialist etc. spend administering the CIL scheme should be formally determined in order to support the Council retaining 5% of CIL funding to cover the administrative burden.
- There were incidences identified of a lack of a full evidential trail on file to support the calculation of individual contributions.

- There is a lack of consistent and timely monitoring of S106 trigger points to enable prompt invoicing for contributions due and to the application and calculation of S106 monitoring fees.

Effective control was however evidenced in the following areas:

- The responsibility for negotiating and managing planning obligations has been appropriately defined.
- An end of year financial statement on planning obligations (CIL and S106) is being prepared, approved and published in line with regulations.
- A comprehensive level of planning obligation information is available on the Council's Website.
- The CIL charging schedule has been formally approved.

2.5 Internal Process Investigation & Lessons Learned Review – N/A

2.5.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that:

- the Pay Policy is complied with, both in respect of new appointments and voluntary redundancy or severance payments; and
- the Constitution is complied with, with regards to Member decision making and delegated approvals.

2.5.2 Summary of Findings

EKAP were commissioned to establish the facts surrounding the voluntary redundancy payment made in 2020-21, and the appointments to the three Corporate Director Posts regarding the circumstances leading up to the breach of the Council's Pay Policy. Paying particular attention to whether this was a one-off breach / set of circumstances or whether additional internal controls are required to provide assurance that it cannot happen again.

This work was conducted as a special investigation and is classed as responsive work, which does not carry an assurance opinion. Steps to prevent any future occurrence have already been introduced, and a retrospective report to Full Council is being considered. The primary findings are as follows:

The Council's rules as set out in the Pay Policy Statement make provision for Severance Payments that-

- "Full Council will be offered the opportunity to vote on severance packages which are greater than £100,000. Severance payments may include salary paid in lieu, redundancy compensation, pension entitlements, holiday pay and any bonuses, fees or allowances paid. Bonuses may include any payment not normally paid to the employee and not formally identified within this document".

- The one off error of omission was caused by the Responsible Officer confusing various rules (Council and HMRC) and not including Pay In Lieu of Notice in the calculation. This was a one off error, and is the reason the matter was not referred to Full Council for approval, the figure excluding the pay in lieu of notice was below the delegated authority levels. A new control has been introduced to prevent this from reoccurring in future.

The Council’s rules within the Pay Policy Statement make provision for Chief Officer Appointments that-

- “Full Council will be offered the opportunity to vote on salary packages, at the time of an employee’s appointment, which are greater than £100,000 a year. Salary packages include the annual salary, bonuses, fees or allowances routinely payable to the appointee and benefits in kind to which the officer is entitled as a result of their employment”.
- The one off error of omission (applying to the three Director posts appointed in 2019-20) was caused by the fact that this is the first time the rule has applied to a post other than the Chief Executive post.
- All three Directors were appointed to point 1 on the new scales agreed in 2019. The £100K threshold had only ever applied to the Chief Executive post in the past. But when taken together, salary point 1 and the car allowance exceed the £100K threshold and it became necessary to seek Full Council approval. Noting that no enhancements were being offered to any applicant, they were engaged on the first spinal point of the scale. This requirement for approval for a total pay package over £100K had been overlooked in error.

FOLLOW UP OF AUDIT REPORT ACTION PLANS

3.0 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

Service / Topic	Original Assurance level	Revised Assurance level	Original recs	Outstanding recs
Waste Management	Reasonable / Limited	Reasonable	C 0 H 4 M 2 L 3	C 0 H 0 M 1 L 0

Complaints Monitoring	Reasonable	Reasonable	C 0 H 1 M 2 L 4	C 0 H 0 M 0 L 0
Licensing	Reasonable / Limited	Reasonable / Limited	C 0 H 1 M 3 L 1	C 0 H 1 M 2 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.

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 Licensing

The reason for highlighting the High category recommendation for the Licencing review is that it is still not yet due to be completed for over a year, and therefore presents a risk to the Council until it has been completed.

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: Housing Benefit Overpayments, Princes Parade, Housing Benefit DHP, Safeguarding and Housing Garage Management.

5.0 CHANGES TO THE AGREED AUDIT PLAN

- 5.1 The 2021/22 audit plan was agreed by Members at the meeting of the Audit & Governance Committee on 4th March 2021.
- 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 August 2021 139 chargeable days were delivered against the planned target of 350 which equates to achievement of 40% of the original planned number of days.

7.2 The financial performance of the EKAP for 2021/22 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 31st August 2021 against the 2021/22 Audit plan.
- Appendix 4 Balanced Scorecard to 30th June 2021
- 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.
Licensing (excluding taxis and hackney carriages)		
The cost neutral exercise should be carried out when the licensing function moves across to the Salesforce Platform to reflect the new ways of working and to ensure that the service is cost neutral. After the initial exercise has been carried out then it should be carried out on a regular basis.	<p>Discretionary fees reviewed, with proposals for 2023/2024 financial year subject to implementation of sales force. However if this implemented earlier then the proposed review may be carried out sooner.</p> <p>Proposed Completion Date / Responsibility</p> <p>31st August 2022 - Environmental Health & Licensing Senior Specialist</p>	<p>This will need to be carried out by the new Environmental Health and Licensing Senior Specialist once appointed.</p> <p>Recommendation is Outstanding</p>

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

PROGRESS AGAINST THE F&HDC AUDIT PLAN 2021/22

Review	Original Planned Days	Revised Planned Days	Actual To 31/08/2021	Status and Assurance level
FINANCIAL SYSTEMS				
Business Rates	10	0	-	Deferred
Housing Benefit Overpayments	10	11	10.71	Work in progress
Housing Benefit DHP	10	8	7.35	Work in progress
Housing Benefit Subsidy	10	10	-	Quarter 4
HOUSING SYSTEMS				
Homelessness	10	10	0.14	Quarter 4
Rent Setting, Accounting & Collection	10	10	-	Quarter 2
Resident Engagement	10	8	8.14	Finalised - Reasonable
Voids Management	10	14	14.62	Finalised - Reasonable
Tenants' Health & Safety	10	10	0.03	Quarter 3
Contract Management	10	10	0.16	Quarter 4
Data Integrity	10	10	0.16	Quarter 2
Garage Deposits/ Management	10	10	4.22	Work in progress
Housing Regulator	10	10	0.03	Quarter 3
Right to Buy	10	10	0.03	Quarter 4
ICT SYSTEMS				
ICT review	10	12	11.66	Finalised - Substantial
HUMAN RESOURCES SYSTEMS				
Flexi, Leave and Sickness	10	10	-	Quarter 3
GOVERNANCE RELATED				
Freedom of Information	10	10	-	Quarter 3
Fraud Resilience Arrangements	10	0	0	Replaced with Grants Review
Otterpool Park Governance	10	10	-	Quarter 4
SERVICE LEVEL				
Business Continuity / Emergency Planning	10	0	-	Quarter 4
Councillor Grants	10	10	5.73	Quarter 2
Climate Change	10	10	2.13	Quarter 3
E-Procurement & Purchase Cards	10	10	-	Quarter 3
Engineers / Coast Management	10	10	-	Quarter 2
Garden Waste / Recycling Management	10	10	-	Quarter 1
Lifeline	10	10	0.10	Quarter 4

Review	Original Planned Days	Revised Planned Days	Actual To 31/08/2021	Status and Assurance level
Folkestone Community Works Programme	10	10	-	Quarter 2
Planning Income	10	0	-	Deferred
Safeguarding	10	10	9.35	Work in progress
OTHER				
Committee Reports & Meetings	10	10	4.81	Ongoing
S151 Meetings & Support	10	10	3.72	Ongoing
Corporate Advice / CMT	5	5	1.52	Ongoing
Liaison with External Audit	1	1	0.03	Ongoing
Audit plan prep & Meetings	10	10	2.49	Ongoing
Follow Up Reviews	14	14	11.84	Ongoing
FINALISATION OF 2020-21 AUDITS				
Scheme of Delegations	10	1	1.29	Finalised - Reasonable
Community Safety Partnership		3	3.19	Finalised - Reasonable
Planning CIL & S106		7	7.18	Finalised - Limited
Grounds Maintenance		1	0.68	Finalised - Reasonable
Housing Compliance		6	6.58	Finalised - Substantial
RESPONSIVE WORK				
Election Duties	0	2	1.74	Completed
Princes Parade	0	12	12.07	Work in progress
COVID Grants	0	10	3.43	Quarter 2
Pay Policy	0	4	3.69	Work in progress
Total	350	350	138.82	39.66% at 31/08/2021

BALANCED SCORECARD

Appendix 4

<u>INTERNAL PROCESSES PERSPECTIVE:</u>	<u>2021-22 Actual</u>	<u>Target</u>	<u>FINANCIAL PERSPECTIVE:</u>	<u>2021-22 Actual</u>	<u>Original Budget</u>
	Quarter 1		Reported Annually		
Chargeable as % of available days	90%	80%	<ul style="list-style-type: none"> • Cost per Audit Day 	£	£356.35
Chargeable days as % of planned days			<ul style="list-style-type: none"> • Direct Costs 	£	£459,443
CCC	25.92%	25%	<ul style="list-style-type: none"> • + Indirect Costs (Recharges from Host) 	£	£10,945
DDC	40.50%	25%	<ul style="list-style-type: none"> • - 'Unplanned Income' 	£	Zero
TDC	18.84%	25%			
F&HDC	22.94%	25%			
EKS	18.78%	25%			
Overall	25.75%	75%	<ul style="list-style-type: none"> • = Net EKAP cost (all Partners) 		£470,388
Follow up/ Progress Reviews;					
<ul style="list-style-type: none"> • Issued 	28	-			
<ul style="list-style-type: none"> • Not yet due 	21	-			
<ul style="list-style-type: none"> • Now due for Follow Up 	15	-			
Compliance with the Public Sector Internal Audit Standards (PSIAS) (see Annual Report for more details)	Partial	Full			

<u>CUSTOMER PERSPECTIVE:</u>	<u>2021-22 Actual</u>	<u>Target</u>	<u>INNOVATION & LEARNING PERSPECTIVE:</u>	Actual	Target
	Quarter 1		Quarter 1		
Number of Satisfaction Questionnaires Issued;	17		Percentage of staff qualified to relevant technician level	75%	75%
Number of completed questionnaires received back;	7		Percentage of staff holding a relevant higher level qualification	39%	39%
	= 41%		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	1.4	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.