

This Report will be made public on 28 November 2023



Report Number **AuG/23/17**

To: Audit and Governance Committee
Date: 6 December 2023
Status: Non-Executive Decision
Corporate Director: Lydia Morrison – Interim Director – Corporate Services (S151)

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

SUMMARY: This report includes the summary of the work of the East Kent Audit Partnership (EKAP) since the last Audit and Governance Committee meeting together with details of the performance of the EKAP to the 30th September 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/23/17.
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 two 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: two Reasonable and one Reasonable / Limited assurance. Summaries of the report findings are detailed within Annex 1 to this report.

3.2 In addition six 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 2023 145.98 chargeable days were delivered against the planned target for the year of 350 days, which equates to achievement of 41.71% of the planned number of days.

4. RISK MANAGEMENT ISSUES

4.1 A summary of the perceived risks follows:

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

5. LEGAL, FINANCIAL AND OTHER CONTROLS/POLICY MATTERS

5.1 Legal Officer's comments (AK)

No legal officer comments are required for this report.

5.2 Finance Officer's Comments (LM)

Responsibility for the arrangements of the proper administration of the Council's financial affairs lies with the Director – Corporate Services (s.151). The internal audit service helps provide assurance as to the adequacy of the arrangements in place. It is important that the recommendations accepted by Heads of Service are implemented and that audit follow-up to report on progress.

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

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

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

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

6. **CONTACT OFFICERS AND BACKGROUND DOCUMENTS**

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

Christine Parker; Head of the Audit Partnership

Telephone: 01304 872160 Email: Christine.parker@folkestone-hythe.gov.uk

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 30th September 2023.

2. SUMMARY OF REPORTS

Service / Topic		Assurance level	No of Recs.	
2.1	Tenancy & Estate Management	Reasonable	Critical High Medium Low	0 1 3 0
2.2	Regulation of Investigatory Powers Act	Reasonable	Critical High Medium Low	0 4 3 2
2.3	Independent Living	Reasonable / Limited	Critical High Medium Low	0 3 6 5

*For Assurance and Recommendation priority definitions see Annex 5

2.1 Tenancy & Estate Management – Reasonable Assurance

2.1.1 Audit Scope

To review two of the regulatory housing standards covering the Tenancy Standard and the Neighbourhood & Community standard which the Council should be complying with.

2.1.2 Summary of Findings

Neighbourhood Management officers are responsible for the management of all tenancies in general needs accommodation within all of the Council's housing stock and estate areas across the whole of the district.

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

- Suitable information is readily available to potential and current tenants regarding their potential or actual tenancy including, offers of tenancy, tenancy types and tenancy management policies.
- The Council publishes clear and accessible policies which outline its approach to tenancy management, including interventions to sustain tenancies and prevent unnecessary evictions, and tackling tenancy fraud.
- Where changes are required to be made to tenancy agreements, those changes are made in good time. Testing of a sample of 20 changes made to tenancies identified that all changes had been accurately made with no errors being identified in the sample tested.
- The availability of tenancy mutual exchanges is well advertised. Sample testing of 5 mutual exchanges completed since April 2023 identified that all had been completed within the 42-day statutory deadline and in accordance with relevant procedures.
- Block inspections are being undertaken on a quarterly basis and being well documented using the Photobook system. Where issues are identified as part of the block inspection process, suitable action is being taken by officers to rectify those issues in good time and in accordance with approved internal procedures.
- Good procedures were found to be in place to monitor and manage the contract for the cleansing of internal communal areas.

Some scope for improvement was however identified in the following areas:

- The Council does not currently have a published policy in place relating to the neighbourhoods and community standards or how it intends to make improvements to communal areas.
- There is no Service Level Agreement in place specifying the level of service to be provided in return for the annual payment of £459,130 which the Housing Revenue Account pays to the Grounds Maintenance service.
- Meetings between the Neighbourhood Management and Grounds Maintenance officers to review the service being provided are not minuted.

2.2 Regulation of Investigatory Powers Act – Reasonable Assurance

2.2.1 Audit Scope

To ensure that the Council complies with all legislation and guidance in respect of the Regulation of Investigatory Powers Act 2000 (RIPA), which regulates covert investigations by "public bodies" and provides a framework within which

the "State" (the specified public bodies) can work to ensure that law enforcement and other important functions can effectively protect society as a whole.

2.2.2 Summary of Findings

The Regulation of Investigatory Powers Act 2000, or 'RIPA' as it is commonly known, governs the use of covert surveillance by public bodies. In order to demonstrate compliance with the act the Council has in place a RIPA policy and Non-RIPA policy. These document the procedures staff have to follow to apply for authorisation when carrying out investigations that may use covert methods of evidence gathering.

Since 2006 there have been 27 authorisations made with the last one being applied in the fiscal year of 2012-13. Due to the retention of documentation being in line with Home Office Guidance of 5 years there has been no data to undertake a procedural check. However, it should be noted that the Investigatory Powers Commissioners' Office (IPCO) undertake inspections of the Council's RIPA process to ensure they are legislative compliant, the latest inspection was undertaken in 2020 and concluded the Council as being fully compliant, previous inspections were undertaken in 2010 and 2016.

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

- Up to date and approved policies and procedures are in place for RIPA and Non-RIPA.
- Systems and processes have been reviewed by the Investigatory Powers Commissioners' Office (IPCO).
- Compliance with legislation is occurring when releasing information to the public.
- Training is being managed and monitored for both authorising and applying officers.

Scope for improvement was however identified in the following areas:

- The associated procedures for the CCTV systems in place and in use by Housing and the body worn cameras in use by Environmental Enforcement require a review to ensure their compliance with the RIPA and Non-RIPA policy and legislation. They should further be disclosed to the IPCO at the next inspection.
- The RIPA process requires a risk assessment which is to be detailed via the service risk registers.
- The service retention schedule needs to be updated to include the RIPA and Non-RIPA processes.
- Management reporting for Non-RIPA approvals to members needs to be considered to add a layer for scrutiny and challenge, especially as the judicial approval process is not required for these approvals. It should be

noted that there have been no applications for this type of approval during the period of review.

- The IPCO report, its findings and recommendations should be reported to members along with any proposed actions to implement these recommendations so that they are managed and monitored. The webpages need to be updated to include the latest IPCO report which occurred in 2020 to maintain openness and transparency.

2.3 Independent Living – Reasonable / Limited Assurance

2.3.1 Audit Scope

To review the Council's Independent Living arrangements controls and documentation surrounding the Independent Living Officers' responsibilities to assist residents living in Independent Living Schemes promoting independence rather than creating dependency.

2.3.2 Summary of Findings

There are 23 schemes, comprising of 618 accommodation units which are managed on a day-to-day basis by six Independent Living Officers (ILOs). Each scheme has a designated ILO, with each managing 2 – 5 schemes based on hours worked and number of units. There have been issues with staff resource over the last year or so. The ILOs are managed by 2 Team Leaders who report to the Tenant Engagement & Wellbeing Senior Specialist.

Management can place Reasonable Assurance on the day-to-day management of the Independent Living Schemes; however only Limited Assurance can be placed on the maintaining up to date individual tenant wellbeing plans.

The primary findings giving rise to the Reasonable Assurance opinion in the area of day-to-day management of schemes are as follows:

- General health and safety checklists are completed weekly by the ILOs, the outcome of which are recorded for each scheme; and ILOs are competent at completing these checks.
- Tenants are provided with suitably detailed and appropriately worded information on their responsibilities and what services the ILO can and more importantly cannot provide.
- Wherever practical, suitable checks are undertaken on potential residents to confirm that living in an Independent Living Scheme meets their current needs.
- Work programmes to make the Independent Living Schemes ready for the digital phone switchover are in place and are expected to be complete in advance of the digital switchover.

The primary finding giving rise to the Limited Assurance opinion in the area of maintaining up to date individual tenant wellbeing plans is due to the volume currently significantly out of date.

Further scope for improvement was also identified in the following areas:

- Service charges should cover the costs incurred by the Council in providing those services.
- Scooter battery PAT test certificates must be up to date for those tenants renting scooter storage.
- For Scooter storage hire rent accounts must be set up promptly when keys are handed to the tenant.
- Clarification of expectations when placing residents in Independent Living Schemes is needed, to ensure an appropriate balance is in place to maintain the provision of a thriving Independent Living Service that supports residents' quality of life and ensures they feel secure and safe in their homes.
- Officers must ensure that their mandatory learning is kept up to date.

Management response:

The Independent Living team have taken note of the audit report and its recommendations, and we remain committed to continuous service improvement. The fourteen actions were issued in August and five of them have already been completed, including: reminding all ILOs to record all fire drills; providing temperature probes for ILOs to accurately check water temperatures as part of their weekly health and safety checks; and ensuring all missing scooter store rent accounts are set up on the NEC housing system.

We recognise that the completion of annual wellbeing plans with residents is behind schedule and as noted in the report, this is largely due to the team being short staffed for much of this year. However, performance has improved in this area, from 55% of plans completed in August to 67% completed by the end of October, and we are confident that we will achieve 100% by January. The team are also focusing on reviewing Personal Emergency Evacuation Plans (PEEPs) to ensure residents who require a PEEP can safely evacuate their homes in the event of an emergency. (Chief Officer - Housing).

FOLLOW UP OF AUDIT REPORT ACTION PLANS

3.1 As part of the period's work six 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 Number of Recs		No of Recs Outstanding
a) Creditors	Substantial / Reasonable	Substantial	Critical	0	0
			High	1	0
			Medium	2	0
			Low	0	0
b) Complaints Sampling	Reasonable	Substantial	Critical	0	0
			High	0	0
			Medium	0	0
			Low	5	0
c) Homelessness	Reasonable	Reasonable	Critical	0	0
			High	2	2
			Medium	4	2
			Low	5	0
d) Car Parking Income	Substantial / Limited	Substantial / Reasonable	Critical	0	0
			High	7	0
			Medium	0	0
			Low	0	0
e) Contract Management – Governance & Controls	Limited	Reasonable	Critical	0	0
			High	10	1
			Medium	0	0
			Low	0	0
f) Housing Planned Maintenance - Contracts	No	Reasonable	Critical	2	0
			High	12	0
			Medium	0	0
			Low	0	0

*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; Budgetary Control; Employee Health & Safety; Environmental Protection; CIL Scheme, and Recruitment & Leavers. Scheduled work to commence shortly also includes planning for the Otterpool Park LLP Governance review, the detailed scope for the review scheduled for quarter 4 will be drafted as a result of the planning time. EKAP have received the Action Plan and it will be monitored / reported as part of the EKAP workplan.

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 30th September 2023 145.98 chargeable days were delivered against the planned target for the year of 350 which equates to achievement of 41.71% 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 30th September 2023 against the 2023-24 Audit plan.
- Appendix 4 Assurance Definitions.
- Appendix 5 Balanced Scorecard to Quarter 1.

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.
Homelessness		
<p>The process of paying rent in advance and deposits to enable homeless clients in temporary accommodation to move into private secure tenancies should be formalised and approved to ensure that eligibility for these payments and the decision to recover or not recover the monies is clear, fair and transparent.</p>	<p>A prevention document is completed by the requesting officer each time payments are sought, which includes consideration of a client's income/expenditure and ability to pay a loan without compromising a new tenure. However, the Housing and Inclusion Manager will set out a new procedure document to formalise this process further.</p> <p>Note: Discretionary Housing Payments are sought and set against, the expenditure, resulting in a commercial gain in many instances. Loan agreements are set up as a Sundry Debt, including invoices authorised by the Housing and Inclusion Manager, with Sundry Debt Team managing and monitoring the repayments.</p> <p>Proposed Completion Date 30 April 2023 Responsibility Housing and Inclusion Manager</p>	<p>The procedure/information sheet for this is being updated and will be made available on the Council's website by the 30/11/2023.</p> <p>Outstanding with Intent to Action with a revised completion date of 30/11/2023.</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>The Housing Inclusion Manager must ensure that the procurement of temporary accommodation from private providers complies with the Council's Contract Standing Orders (CSOs). In the case of temporary accommodation for homeless in priority need as a:</p> <ul style="list-style-type: none"> • statutory function, • with suitable accommodation to meet individual case needs being required expediently with often limited availability amongst providers, <p>it is likely that a waiver or similar authorised dispensation from CSOs be required. Advice should be sought from the Procurement Team.</p>	<p>Agreed. The Housing Inclusion Manager is liaising with the Procurement Team and Waivers forms are being completed.</p> <p>Proposed Completion Date 31 March 2023</p> <p>Responsibility Housing and Inclusion Manager</p>	<p>The Housing and Inclusion Manager (HIM) had forwarded waiver requests to the Procurement Team some weeks back, but at this time they have not been progressed.</p> <p>Following the Housing Lead Specialists (HLS) discussions with the Procurement Team, the following actions have been agreed:</p> <ul style="list-style-type: none"> • In the next 2 weeks the HLS will review the waivers submitted by the HIM. • The HLS will review the information provided on the types of temporary accommodation (TA) used. • Procurement will then seek to provide a waiver for TA usage until April 2024 of next year. • Between now and April, we will work with Procurement to put a longer-term procurement process in place for TA. • Procurement have suggested we have some form of framework to choose our suppliers from and the HLS will be working with them on this. <p>Partially implemented.</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.
Contract Management – Governance & Controls		
Officers involved in procuring goods, supplies and services should be reminded of the need to keep the Contract Register up to date as new contracts above £5,000 are put in place.	Reminders to be sent to staff. Message to be incorporated into staff training (both CSO and Contract Management). Proposed Completion Date January 2023 Responsibility Procurement / S151	Findings The requirement to keep the Contract Register up to date was included in the Procurement training provided in March 2023. Testing was undertaken on a sample of 40 suppliers with spend in excess of £5,000 in the period April to September 2023 meaning that there should be an entry on the contract register with the supplier. From the 40 suppliers tested, only 21 were included on the Contract Register which means that despite training having been provided to officers which included a requirement to add contracts above £5,000 to the Contracts Register, officers are continuing to not do so which means that the Council needs to take additional steps to ensure better compliance with the requirement under CSOs to publish all contracts above £5,000. Recommendation Partially Implemented, but the control is not working consistently.

SERVICES GIVEN LIMITED / NO ASSURANCE LEVELS YET TO BE REVIEWED			
Service	Reported to Committee	Level of Assurance	Follow-up Action Due
Employee Benefits in Kind	July 2023	Reasonable / Limited	Work in progress
Housing Tenancy Fraud	July 2023	Limited	April 2024
Contract Management of Waste Collection & Street Cleansing	September 2023	Reasonable / Limited	January 2024

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

Review	Original Planned Days	Revised Planned Days	Actual To 30/09/2023	Status and Assurance level
FINANCIAL SYSTEMS:				
Budgetary Control	10	10	7.34	Work in progress
Business Rates	10	10	0.07	Quarter 3
Capital – General Fund	10	10	6.34	Work in progress
Creditors Duplicates Testing	2	2	0.37	Quarter 4
Housing Benefit Subsidy	10	10	0.07	Quarter 3
Miscellaneous Grants	10	10	-	Quarter 4
HOUSING SYSTEMS:				
Anti-Social Behaviour	10	10	0.24	Quarter 3
Housing Capital	10	10	0.09	Work in progress
Housing Contract Letting	10	10	4.40	Work in progress
Housing Allocations	10	10	0.07	Quarter 4
New Build Capital	10	0	0.03	Deferred
Rechargeable Works	10	10	-	Quarter 3
Rent Setting	10	10	-	Quarter 3
Independent Living	10	11	11.33	Finalised – Reasonable / Limited
Tenancy & Estate Management	10	10	6.10	Finalised - Reasonable
GENERAL FUND HOUSING				
Leaseholders' Services	10	10	0.07	Quarter 4
HMO's	10	10	0.07	Quarter 3
INFORMATION GOVERNANCE				
Freedom of Information	10	10	-	Quarter 4
TECHNOLOGY / CYBER:				
ICT Review	10	10	-	Quarter 4
CORPORATE GOVERNANCE:				
Otterpool Park Governance	10	10	0.57	Quarter 4
Financial Procedure Rules	5	6	6.84	Finalised - Reasonable
RIPA	4	5	5.59	Finalised - Reasonable
SERVICE LEVEL				
Climate Change	4	4	0.11	Quarter 3
Employee Health & Safety	10	10	0.59	Work in progress
Environmental Protection	10	10	0.61	Work in progress

Review	Original Planned Days	Revised Planned Days	Actual To 30/09/2023	Status and Assurance level
Folkestone Community Works	10	7	7.69	Finalised - Substantial
CILs	10	10	9.41	Work-in-Progress
Waste Collection & Street Cleansing	15	12	12.31	Finalised – Reasonable / No
HUMAN RESOURCES:				
Payroll	10	10	0.07	Quarter 4
Recruitment & Leavers	10	10	0.14	Quarter 3
OTHER:				
Committee Reports & Meetings	10	10	7.33	Ongoing
S.151 Meetings & Support	10	10	6.90	Ongoing
Corporate Advice / CMT	5	5	4.51	Ongoing
Liaison with External Audit	1	1	-	Ongoing
Audit Plan Prep & Meetings	10	10	2.99	Ongoing
Follow Up Reviews	14	15	15.38	Ongoing
Complaints Sampling	0	6	6.31	Finalised – N/A
Elections	0	1	1.41	Completed – N/A
LUF Grant	0	11	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	6.31	Finalised - Reasonable
Procurement Secondment	7	7	7.50	Finalised – N/A
Procurement Matters	1	1	0.93	Finalised – N/A
Total	350	350	145.98	41.71%

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 2		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	36.71%	50%	<ul style="list-style-type: none"> • + Indirect Costs (Recharges from Host) 	£	£10,530
DDC	51.90%	50%	<ul style="list-style-type: none"> • - 'Unplanned Income' 	£	Zero
TDC	47.27%	50%			
FHDC	41.71%	50%			
EKS	44.34%	50%			
Overall	44.91%	50%	<ul style="list-style-type: none"> • = Net EKAP cost (all Partners) 	£	£532,448
Follow up/ Progress Reviews;					
<ul style="list-style-type: none"> • Issued 	28	-			
<ul style="list-style-type: none"> • Not yet due 	44	-			
<ul style="list-style-type: none"> • Now due for Follow Up 	18	-			
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 2		Quarter 2		
Number of Satisfaction Questionnaires Issued;	36		Percentage of staff qualified to relevant technician level	61%	60%
Number of completed questionnaires received back;	11		Percentage of staff holding a relevant higher-level qualification	50%	50%
	= 31 %		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	2.21	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.					