

This Report will be made public on 20 July 2022



Report Number **AuG/22/08**

To: Audit and Governance Committee
Date: 28 July 2022
Status: Non-Executive Decision
Corporate Director: Charlotte Spendley – Director – Corporate Services (S151)

SUBJECT: QUARTERLTY 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 May 2022.

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/22/08.**
- 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: two were providing reasonable assurance and three were not applicable for an assurance. Summaries of the report findings are detailed within Annex 1 to this report.
- 3.2 In addition, eleven 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 May 2022 49.25 chargeable days were delivered against the planned target of 350 days, which equates to achievement of 14.07% 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 (CS)

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 May 2022.

2. SUMMARY OF REPORTS

Service / Topic		Assurance level	No of recs	
2.1	COVID Grant Schemes – eligibility checks and payments	Reasonable	C H M L	0 0 3 0
2.2	Climate Change	Reasonable	C H M L	0 3 0 0
2.3	Development Management Salesforce Print Issue	Not Applicable	C H M L	0 0 1 0
2.4	Housing Data Integrity	Not Applicable	C H M L	0 1 1 0
2.5	Ross House Lessons learned	Not Applicable	C H M L	0 0 4 0
2.6	Housing Planned Maintenance Contract Management See Confidential Appendix	No Assurance	C H M L	2 12 0 0

2.1 COVID Grant Schemes – Eligibility and Payments – Reasonable Assurance

2.1.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to administer the grants payable to businesses both from Government and the Council during the COVID pandemic.

2.1.2 Summary of Findings

In response to the Covid-19 Pandemic and its impact on the economy the Government announced time limited grant schemes to support businesses. Funds were provided to Local Authorities (LA) across England under Section 31 of the Local Government Act 2003. Via these schemes £21.8bn was distributed by the LA's to eligible businesses and/or activity within their geographic area in line with published Scheme Guidance; of which £18.9bn was paid out in 2020-21 (*Source – CiPFA Public Finance National Audit Office New 30 Nov 2021*).

The Secretary of State confirmed to LAs that the Department for Business, Energy and Industry Strategy (BEIS) would underwrite the payment of grants made on the Covid-19 Business Support Schemes if the LA acted in a reasonable and practicable manner in the award of the grant. (*Source – Covid-19 Business Grant Funding Schemes: Assurance guidance for local authorities*).

Grant schemes were targeted around the national restrictions that were put in place, which either prevented businesses from trading/opening or with limitations on trading/opening.

BEIS instructed Council's to prioritise the issuing of grants to ensure that funds were paid to businesses swiftly. LAs were required to provide a proportionate, risk based approach in delivering the grant schemes; and as such the Council needed to develop pre and post payment assurance plans for each scheme to include eligibility checks and recipient checks on all payments. BEIS relied on information provided by LAs to understand if funding had been applied as intended.

As a result of this urgency to deliver payments to struggling businesses the grants were delivered at pace with live guidance expanding and changing throughout the lifecycle of the different schemes. Management and officers did well to respond and react promptly and appropriately to ensure that grants were awarded to eligible businesses in compliance with guidance.

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

- Officers remained abreast of evolving government guidance and scheme requirements, which were consistently applied.

- The discretionary element of grant schemes were based on BEIS guidance taking into account local economic factors; and were approved as urgent key decisions by the Leader.
- Risks of administering the grants schemes were documented in accordance with government guidelines; with the highlighted risks incorporated within the application and assessment process for each scheme.
- Appropriate fraud prevention/detection checks were undertaken pre and/or post grant payment.
- Applications were processed and grants awarded within the timescales and budgets set by central government.
- Regular reporting to management and to BEIS was in place.

Scope for improvement was however identified in the following areas:

- Although recovery action was taken where errors in payments and/or fraudulent payments are identified, invoices were not raised in every case.
- Access to personal and sensitive personal data may be accessible by officers without a business reason to view the data. Duplicate copies of data may be held without a valid business purpose in contravention of data protection legislation and may inadvertently increase the risk of a data breach.

2.2 Climate Change – Reasonable Assurance

2.2.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that the Council is working towards its corporate objectives regarding climate change, after they had declared a climate and ecological emergency in 2019 and then introduced a Carbon Action Plan in February 2021 including to become carbon net zero by 2030.

2.2.2 Summary of Findings

Human activity has warmed the earth by about 1°C since pre-industrial times and the impacts of this are felt across the globe. Warming continues unabated, making this an urgent problem. The goal of the Paris Agreement is to limit global warming to well below 2°C, preferably 1.5°C compared to pre-industrial levels. However, it is difficult to project future global temperatures to a single figure as there are so many uncertainties and influencing feedbacks (e.g. release of greenhouse gases from permafrost). Climate Action Tracker puts the globe somewhere between 4.1°C and 4.8°C by 2100, if policies do nothing to reduce greenhouse gases. One or two degrees may seem very little, but temperature rises of between 2.0-4.9°C threatens a million species with extinction over the next few decades and would result in a complete loss of sea ice, tropical rainforests and coral reefs; droughts and storms could render much of the planet uninhabitable and cause devastating human suffering and conflict.

In 2019 the Council, and around 300 other local government authorities (LGA), recognised the severity of this situation and declared a climate and ecological

emergency in order that action could be taken to reduce harmful greenhouse gases and other emissions; loss of biodiversity would also be addressed.

This review looks at progress to date against the key actions arising from the motion in 2019.

Management can place Reasonable Assurance on the system of internal controls in operation, mainly due to the infancy of measures which need time to embed, as well as areas that have not yet been fully addressed such as housing, public engagement, and transport.

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

- The Council has established its baseline for emissions and has identified its main emission sources.
- A carbon action plan has been produced and work is ongoing to progress its implementation.
- The Council has addressed, or is the process of addressing, the action points agreed in the 2019 climate change motion, such as;
 - Embedding climate and ecological considerations into all Council decision making, and;
 - Reviewing existing policies and strategies to ensure alignment with the carbon emission reduction goals.
- Work to engage with the community and other stakeholders is currently being developed in a district-wide carbon plan. The procurement strategy is also being reviewed.
- The Council is a member of the Climate Change Network which provides opportunities for learning and sharing best practice with other authorities.
- Modes of transport, particularly the Council's grey fleet, is currently being assessed as this presents a significant opportunity to reduce carbon emissions within the Council's own scope.
- Housing and retrofitting for greater energy efficiency is being explored but there are some barriers at present which are recognised and being explored with expert partners such as the Greater South East Energy Hub, and the stock condition survey has been completed and results analysed prior to bidding for future central government funds.
- Low Carbon Toolkit to inform private developers, councils own stock, and homeowners has been commissioned and is in development.

Scope for improvement was however identified in the following areas:

- The Council may benefit from collaborating with neighbouring local authorities for exchange of ideas and support. Introductions were made during this audit. Furthermore, the Council is learning from other councils such as Tunbridge Wells, Canterbury and Hounslow and is part of the Climate Change Network.
- It is really important that cabinet report authors consider climate and ecological impacts themselves since they have greater knowledge of the report's subject and it encourages everyone to contribute to the net zero goal. An all staff email

on this matter was circulated during the audit therefore no recommendation has been included in the action plan. However, the impact statement would benefit from a methodology to score and quantify the effects of the decision/project on carbon emissions / natural environment (positive and/or detrimental).

- The Council may benefit from a review of the policies to promote and influence the use of zero-emission vehicles in the District including:
 - Council fleet and council staff which is being explored.
 - Work with other local authorities to develop a viable and rapid-expansion strategy for public EV charging facilities
 - Review of incentives to influence and promote EV ownership; and
 - Cabinet are considering the role of tiered pricing of parking permits in accordance with engine size and carbon emissions.
- Bringing in an additional resource to identify sources of funds to support F&HDC decarbonisation and natural capital improvement policy, and to identify projects, prepare and draft applications and manage bids and post-bid mobilisation. Funding to bid for includes:
 - funding from central government sources, and in particular for decarbonisation in civic realm, social housing, private homes and business
 - to signpost and facilitate funding from charitable sources in collaboration with communities for 'ready-to-go' community improvement, education and natural capital initiatives
 - to identify, support and bid for funding to reduce fuel poverty
 - to identify, support and bid for energy-related grants for residents
 - for investment funding from investors and other sponsorship to develop green and renewable generation initiatives in the District
- Climate change training has been successfully delivered to in the region of 200 staff, as well as members, the Cabinet and senior managers. The training should continue to be offered to new staff, members and manager and, as a minimum, the climate change e-learning course should be mandatory for all staff.

2.3 Development Management Salesforce Print Issue – Not Applicable

2.3.1 Audit Scope

To review the actions, internal controls, risk assessment and governance regarding the application of patches, updates and fixes to the Salesforce system and VPN connectivity issues which led to the problems processing Development Management applications. Establish:

- What happened, and
- What additional controls are required to prevent a reoccurrence?

2.3.2 Summary of Findings

An external email was received 1st December 2021 stating that no consultation through neighbour letters was received on a particular application. This prompted an

investigation as to why the Development Control letter was recorded as having been sent 11th November 2021, but none had been received by neighbours.

Initially the Print Room offered a technical explanation regarding some changes made to the printer server in November, and some issues with a MS Patch that was applied 14th September 2021. Data was then produced going back to July 2021 and this identified the number of cases where batches of letters had failed to print. However, as further investigations were made it was later explained by a connectivity issue, a drop out or temporary loss of internet connection from the user to the system. The issue was found to be random, intermittent and unable to be replicated, meaning logically that it was not a software issue. Software either works or it does not.

A full summary of the cases implicated, what stage they were at and how it had affected the planning process was established and members were fully briefed on the implications of the issue in December 2021.

Following detection of the error, a new control was immediately introduced. An acknowledgement email being sent each time the Print Room system receives a print request from Salesforce DM. The user will be required to 'manually' reconcile that if they have sent (for example) 5 requests that day, that they have received 5 acknowledging emails. This is their responsibility. It has worked effectively since it was introduced.

Members were initially briefed that "once all applications affected have been reviewed legal advice will be sought to determine next steps for the Council". The updated position is that the work to review all 34 approved applications, and 9 rejected applications, has been completed and no matters of concern have been identified with the related planning decisions.

From April 2022 a completely new "Print to Post" Service has been introduced, this will give the user even more control over print jobs, as they will see logged via a web portal-

- When submitted
- When received
- When processed
- When posted via Royal Mail etc.

It is concluded that if the system were not due to change from 1st April 2022 further investigations to be able to provide a definitive answer on the cause would be worthwhile. However on balance, coupled with the fact the problem has not reoccurred, and an effective control is in place to detect it if it did reoccur, it is recommended to accept the view of the professionals and move forward. One recommendation for consideration had been made as follows.

- The new Print to Post solution is intended to provide the user with more control over their output, and given the importance, the Council may consider obtaining

some independent assurance (a light touch check) on the new process to ensure controls are working as expected.

2.4 Housing Data Integrity – Not Applicable

2.4.1 Audit Scope

The aim of this review is to ensure that all council housing property and named tenants are being accounted for correctly, that the data held by the Housing Service is accurate and reliable since the housing service was taken back in house.

2.4.2 Summary

The housing function was brought back in house in October 2020 and this included the rent collection and debt monitoring processes.

As part of this review different data sets have been matched and various audit tests have been carried out using IDEA (a software interrogation package) and excel. Where the results of these tests have identified queries, that need further investigation, these have been put into an excel workbook and have been passed to relevant officers for them to investigate and amend / update any records accordingly along with any supporting procedure notes and processes that will ensure that data will continue to be processed correctly.

As this was a data matching review of data integrity, an assurance opinion was not applicable.

2.5 Ross House Lessons Learned Review – Not Applicable

2.5.1 Audit Scope

To review the actions, decision making, risk assessment and governance regarding the acquisition of Ross House to establish:

- the assessment processes and overall project management methodology engaged to control the elements of risk within the project.
- establish the necessary governance and due diligence required for making such an acquisition, identifying appropriate key milestones. Check that all the required authorisations were properly obtained at those milestones and that all stages of the project were appropriately signed off by the relevant decision-maker.

2.5.2 Summary

The initial strategy to build and purchase buildings to increase the number of units of social housing available was agreed by Cabinet in March 2016. There is sufficient governance in place to be able to track the decisions made regarding acquiring this specific building. There is no project management file governing the specifics (such as a detailed risk assessment, who was on the project team and their relevant

responsibility), but key evidence is available to demonstrate that officers acted within their authority and with Member approval.

The conversion from offices to residences was undertaken under a Building Notice, seven inspections were undertaken during the conversion and the evidence supplied by the developer was signed off by Building Control. The onus is upon the developer to comply with the regulations of the day. One area consulted upon and agreed with Building Control was the roof void space, as compartmentalisation was not possible with the water tanks in situ, an acceptable alternative was agreed to double board the ceilings in the first floor flats to provide a 60 minute firebreak. This was not known by the independent person undertaking the FRA in November 2019 when they graded the building as “intolerable”. The opportunity to consult Building Control was missed at this time, and the matter was escalated externally by EKH colleagues to KFRS. Thereafter the Council has taken a ‘belt and braces’ reactive approach; instead of being in a position of planning ahead and carefully looking at ways to improve the building, a great deal of resources have been utilised to reach the point where the latest FRA has resulted with 3 Medium and 1 low risk actions. (Three of which actions required are due to residents’ use of the building).

The issues identified by the 2019 FRA’s resulted in works being raised largely by EKH (and inherited by FHDC) these works were to later standards than those in place at the time of the build (for example the fire doors to individual flats – at the time of the build, component fire door assembly kits were permitted, the later regulations require complete (sealed) units). The opportunity to upgrade from 30 minutes to 60 minutes protection was taken when the doors were replaced (not required). How much of this work was required is subjective, and to some degree someone’s (informed) opinion against the latest standards. The total cost of the works identified during this review are £224,300.

There is little doubt that the works undertaken to the building has delivered a very safe living environment, and good assurance can be demonstrated in the following changes made since;

- The Council (since August 2019) revised the past policy of ‘acknowledging’ with an acceptance letter where those Building Notices do not have plans have full fire safety plans submitted with them that can be used for consultation with KFRS. Notices submitted without full plans are now invalidated, regardless of whether work is underway or not. This does not mean that the Council has the power to issue stop notices under current legislation but proposals to introduce this requirement under new and revised legislation are currently in hand.
- All process are now managed by dedicated in house teams. The specialists coming together to work on new builds and acquisitions for the HRA. The ‘3rd party’ element of the former EKH relationship will not be repeated in future.
- The FRA process is now managed in house, with an individual officer with oversight of the actions which will be checked before they are signed off as completed. The process will remain annual.

- The specialists now in post will ensure good contract management going forward. Therefore, if holes are to be drilled in floors and ceilings which could compromise the protection against the spread of fire and smoke; the correct fire stopping and making good will be enforced through the contract at the time of the works.

Further recommendations for control improvement were made as follows.

- Consider including parameters and rules to guide officers to cover land and property acquisitions in the next version of Financial Procedure Rules.
- Consider introducing a due diligence protocol to assist in the decision making process whether to enter into contract with any entity.
- Consider introducing an HRA Acquisitions Policy or Strategy to assist with future planning.
- Ensure acquisitions are treated as projects, so that a formal project management methodology is used to ensure all project risks are carefully considered, to ensure that the acquisition is made on time and to budget, to remove any nasty surprises (as far as can be mitigated against) and to ensure named roles and responsibilities for the project are clearly defined.

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 eleven 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
Insurance	Substantial	Substantial	C 0 H 0 M 0 L 1	C 0 H 0 M 0 L 0
Otterpool Park Governance	Substantial	Substantial	C 0 H 0 M 1 L 1	C 0 H 0 M 0 L 0
Employee Allowances & Expenses	Substantial	Substantial	C 0 H 0 M 1 L 2	C 0 H 0 M 0 L 0

Service / Topic	Original Assurance level	Revised Assurance level	Original recs	Outstanding recs
Members Code of Conduct	Substantial	Substantial	C 0 H 0 M 1 L 2	C 0 H 0 M 0 L 0
Rent Setting	Substantial	Substantial	C 0 H 0 M 2 L 1	C 0 H 0 M 0 L 0
ICT	Substantial	Substantial	C 0 H 0 M 2 L 1	C 0 H 0 M 1 L 0
Budget Monitoring	Substantial	Substantial	C 0 H 0 M 3 L 0	C 0 H 0 M 1 L 0
Oportunitas Governance	Reasonable	Substantial	C 0 H 1 M 9 L 2	C 0 H 0 M 0 L 0
Debtors	Reasonable	Reasonable	C 0 H 0 M 1 L 2	C 0 H 0 M 1 L 0
Performance Management	Reasonable	Reasonable	C 0 H 0 M 0 L 4	C 0 H 0 M 0 L 0
Section 106s & CIL	Limited	Reasonable	C 0 H 4 M 4 L 4	C 0 H 0 M 0 L 0

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

The purpose of escalating outstanding high-priority recommendations which have not been implemented is to try to gain support for any additional resources (if required) to resolve the risk, or to ensure that risk acceptance or tolerance is approved at an appropriate level.

4.0 WORK IN PROGRESS

- 4.1 During the period under review, work has also been undertaken on the following topics, which will be reported to this Committee at future meetings: Freedom of Information, Corporate Leaks, Car Parks Income, Homelessness and Garden Waste / Recycling.

5.0 CHANGES TO THE AGREED AUDIT PLAN

- 5.1 The 2022/23 audit plan was agreed by Members at the meeting of the Audit & Governance Committee on 16th March 2022.
- 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 May 2022 49.25 chargeable days were delivered against the planned target of 350 which equates to achievement of 14.07% of the original planned number of days.
- 7.2 The financial performance of the EKAP for 2022/23 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 May 2022 against the 2022/23 Audit plan.
- Appendix 4 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.
None		

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 AUDIT PLAN 2022/23

Review	Original Planned Days	Revised Planned Days	Actual To 30/05/2022	Status and Assurance level
FINANCIAL SYSTEMS:				
Bank Reconciliation	10	10		Quarter 4
Car Parking Income	10	10	2.95	Work in progress
Council Tax	10	10		Quarter 2
Creditors	10	10		Quarter 4
Housing Benefit Admin & Assessment	10	10		Quarter 2
Housing Benefit Subsidy	10	10		Quarter 3
HOUSING SYSTEMS:				
Capital Programme Planned Repairs	10	10	0.17	Quarter 3
Housing Anti-Social Behaviour	10	10		Quarter 4
Improvement Grants & DFGs	10	10		Quarter 2
Tenants Health& Safety	10	10	0.20	Quarter 3
Housing Contract Management	10	20	15.59	Work in progress
New Build Capital Programme	10	10	0.73	Quarter 3
Responsive Repairs and Maintenance	10	10	0.17	Quarter 4
Right to Buy	10	10		Quarter 1
Tenancy & Estate management	10	10		Quarter 4
Tenancy Counter Fraud	10	10		Quarter 3
Homelessness	15	15	0.37	Work in progress
TECHNOLOGY / CYBER:				
ICT Review	10	10		Quarter 2
CORPORATE GOVERNANCE:				
Otterpool Governance	10	0		Deferred
Whistleblowing	5	5	0.37	Quarter 4
COUNTER FRAUD:				
Fraud Resilience Arrangements	10			Quarter 1
PROCUREMENT & CONTRACTS:				
Contract Standing Orders	10			Quarter 3
ASSET MANAGEMENT:				
Asset Management	10			Quarter 4
SERVICE LEVEL:				
Corporate Responsive Repairs	10			Quarter 4

Review	Original Planned Days	Revised Planned Days	Actual To 31/05/2022	Status and Assurance level
Members Allowances	10	10		Quarter 3
Planning Income	10	10		Quarter 2
Garden Waste / Recycling Management	10	10	5.67	Work in progress
PEOPLE MANAGEMENT:				
Employee Benefits in Kind	10	10		Quarter 3
Recruitment	10	10		Quarter 4
OTHER:				
Committee Reports & Meetings	10	10	1.56	Ongoing
S151 Meetings & Support	10	10	2.23	Ongoing
Corporate Advice / CMT	5	5	3.01	Ongoing
Liaison with External Audit	1	1	0.52	Ongoing
Audit Plan Prep & Meetings	10	10	1.47	Ongoing
Follow Up Reviews	14	14	5.17	Ongoing
FINALISATION OF 2021-22 AUDITS:				
COVID Grants	10		0.54	Finalised - Reasonable
Freedom of Information			2.21	Work in progress
Housing Data Integrity			5.51	Finalised – N/A
RESPONSIVE ASSURANCE:				
Corporate Leak Investigation	0	5	0.81	Work in progress
Total	350	350	49.25	14.07%

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.