
INTERNAL AUDIT PROGRESS REPORT

To: **Governance and Audit Committee: 15th March 2011**

By: **Chief Executive Designate (s.151 Officer): Sue McGonigal**

Subject: **INTERNAL AUDIT PROGRESS REPORT OF THE HEAD OF THE AUDIT PARTNERSHIP.**

Classification: **Unrestricted**

Summary: This report gives Members a summary of the internal audit work completed by the East Kent Audit Partnership since the last Governance and Audit Committee meeting, together with details of the performance of the EKAP to the 31st December 2010.

For Information

1.0 Introduction

- 1.1 This report includes the summary of the work completed by the East Kent Audit Partnership since the last Governance and Audit Committee meeting, together with details of the performance of the EKAP to the 31st December 2010.

2.0 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 each member of Corporate Management Team, as well as an appropriate manager for the service reviewed. Attached as Appendix 1 to the EKAP report is a summary of the Action Plans agreed in respect of the reviews covered during the period.
- 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. A list of those services currently with such levels of assurance is attached as Appendix 2 to the EKAP report.
- 2.5 The purpose of the Council's Audit Committee is to provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent review of the Authority's financial and non-financial

performance to the extent that it affects the Authority's exposure to risk and weakens the control environment, and to oversee the financial reporting process.

- 2.6 To assist the Committee meet 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.

3.0 Summary of Work

- 3.1 There have been nine Internal Audit assignments completed during the period. Of these: two concluded Substantial assurance, two concluded Reasonable Assurance, one concluded Limited Assurance, and one review resulted in a split Assurance level. Additionally, there were three audit assignments for which an assurance level was not applicable. Summaries of the report findings and the recommendations made are detailed within Annex 1 to this report.
- 3.2 In addition, six follow-up reviews have been completed during the period. Of these, two related to an areas which was originally assessed as giving rise to a partially Limited assurance and the assurance levels for these business areas remains unchanged.
- 3.3 The Thanet District Council audit plan for 2010-11 was 85.05% complete as at 31st December 2010. The performance figures for the East Kent Audit Partnership for 2010-11 show excellent performance against target.

4.0 Options

- 4.1 That Members consider and note the internal audit update report.
- 4.2 That the changes to the agreed 2010-11 internal audit plan, resulting from changes in perceived risk, detailed at point 5.0 of the attached report be approved.
- 4.3 That the changes to the agreed 2010-11 internal audit plan, resulting from changes in perceived risk, detailed at point 5.0 of the attached report are not approved.
- 4.4 That Members consider (where appropriate) requesting an update from the relevant Director/s to the next meeting of the Committee in respect of any areas identified as still having either limited or no assurance following follow-up.
- 4.5 That Members consider registering their concerns with Cabinet in respect of any areas of the Council's corporate governance, control framework or risk management arrangements in respect of which they have on-going concerns after the completion of internal audit follow-up reviews and update presentations from the relevant Director.

5.0 Corporate Implications

5.1 Financial Implications

- 5.1.1 There are no financial implications arising directly from this report. The costs of the audit work have been met from the Financial Services 2009-10 and 2010-11 budgets.

5.2 Legal Implications

5.2.1 The Council is required by statute (under the Accounts and Audit Regulations and section 151 of the Local Government Act 1972) to have an adequate and effective internal audit function.

5.3 Corporate Implications

5.3.1 Under the Local Code of Corporate Governance accepted by Cabinet on 8th December 2009, the Council is committed to comply with requirements for the independent review of the financial and operational reporting processes, through the external audit and inspection processes, and satisfactory arrangements for internal audit.

6.0 Recommendations

6.1 That the report be received by Members.

6.2 That the changes to the agreed 2010-11 internal audit plan, resulting from changes in perceived risk, detailed at point 5.0 of the attached report be approved.

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Annex List:

| | |
|---------|--|
| Annex 1 | East Kent Audit Partnership Update Report – 15-03-2011 |
|---------|--|

Background Papers:

| Title | Details of where to access copy |
|---|--|
| <i>Internal Audit Annual Plan 2010-11</i> | Previously presented to and approved at the 16 th March 2010 Governance and Audit Committee meeting |
| <i>Internal Audit working papers</i> | Held by the East Kent Audit Partnership |



INTERNAL AUDIT UPDATE REPORT FROM THE HEAD OF THE EAST KENT AUDIT PARTNERSHIP

1.0 INTRODUCTION AND BACKGROUND

- 1.1 This report provides Members with an update of the work completed by the East Kent Audit Partnership since the last Governance and Audit Committee meeting, together with details of the performance of the EKAP to the 31st December 2010.

2.0 SUMMARY OF REPORTS

| Service / Topic | | Assurance level |
|------------------------|--|--|
| 2.1 | Creditors and Construction Industry Scheme (CIS) | Substantial |
| 2.2 | HRA Business Plan | Substantial |
| 2.3 | Planning; Building Control; and s.106 agreements | Reasonable Substantial Substantial |
| 2.4 | Leasehold Services | Reasonable |
| 2.5 | Members Allowances | Reasonable |
| 2.6 | Equality and Diversity | Limited |
| 2.7 | Shared Revenues and Benefits with Dover District Council – ICT Controls | Not Applicable |
| 2.8 | Shared Revenues and Benefits with Dover District Council – Service Level Agreement | Not Applicable |
| 2.9 | Shared Payroll Controls | Not Applicable |

2.1 Creditors and Construction Industry Scheme (CIS) – Substantial Assurance:

2.1.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that invoices are adequately checked prior to being paid.

2.1.2 Summary of Findings

Testing completed during this review found that a sound system of control is currently being managed and achieved. All of the necessary key controls of the system were in place.

2.1.3 Management Response

As a result of the substantial assurance, a management response is not required.

2.2 Housing Revenue Account (HRA) Business Plan – Substantial Assurance:

2.2.1 Audit Scope

To ensure that the Council maintains a Housing Revenue Account in accordance with section 74 of the Local Government and Housing Act 1989 and that the current business plan clearly demonstrates that the Council can maintain its properties to the Decent Homes Standard for the full 30 years of the plan (which runs to 2036).

2.2.2 Summary of Findings

The HRA Business Plan provides a clear vision of the aims and objectives of the service, which has been evidenced by the areas reviewed by the Auditor.

The current HRA business plan is for a six year term commencing in 2010 with an associated thirty year financial projection. The impact of both the recent Comprehensive Spending Review and proposed Government changes to local authority housing terms of tenure and rental levels are not yet fully known at the time of this review and it should be acknowledged that these changes will almost certainly impact upon the current plan and that some projects and schemes may not be achievable as currently forecast.

2.2.3 Management Response

As a result of the substantial assurance, a management response is not required.

2.3 Planning, Building Control and s.106 Agreements – Reasonable/Substantial/Substantial Assurance:

2.3.1 Audit Scope

Planning Applications: To ensure that planning application procedures, including those in respect of fees and collection of income, are in accordance with Statute, and the organisation's Standing Orders and Financial Regulations.

Building Control Applications: To ensure that Building Control procedures are operated in accordance with the Building Act 1984, and the organisation's Financial Regulations and approved policy.

Section 106 Agreements: To ensure that Section 106 agreements are used where appropriate in planning applications and that all legal requirements are adhered to. All income / benefits from the agreement are received and conditions imposed are complied with to the benefit of the district.

2.3.2 Summary of Findings

- a. **Planning Applications** - Management can place Reasonable Assurance on the system of internal controls in operation.
- b. **Building Control Applications** - Management can place Substantial Assurance on the system of internal controls in operation.
- c. **S.106 Agreements** - Management can place Substantial Assurance on the system of internal controls in operation.

a. Planning:

Most of the expected controls are in full operation; however recommendations for improvement have been made in connection with declaration of interests and buildings of a special architectural or historical interest.

As identified in the previous audit, income reconciliations between Acolaid and Cedar e-financials are not undertaken.

b. Building Control:

Building Control is scheduled to be included within Tranche One of the East Kent Services (EKS). It is therefore paramount that full income reconciliations between Acolaid and Cedar e-financials are undertaken to ensure accurate and timely processing.

Once again the service area has shown a high level of compliance in line with CiPFA control testing undertaken. It should be noted however that the Acolaid System is not updated to reflect payments of Sundry Debtor invoices that have been raised, primarily for inspections.

c. S.106 Agreements:

Testing was undertaken to ensure that the creation, recording, monitoring, income receipts and expenditure of S106 Agreement monies was inline with the expected controls and the agreement.

This has resulted in a high level of compliance which is reflected in the level of assurance. However, it has been identified from the register that four S106 receipts received have not been spent by the set deadline.

The Council has in place a Section 106 Agreement for the Kent International Airport, Manston. Key elements of this S106 were reviewed and which confirmed Operator compliance, Council monitoring, recording of income and expenditure and the distribution of the monies received.

2.3.3 Management Response

Management welcomes the findings of the internal audit review and the associated assurance which has been concluded. The recommendations identified during the audit have been agreed and a timetable established for their implementation.

2.4 Leasehold Services – Reasonable Assurance:

2.4.1 Audit Scope

To ensure that the service costs incurred by the Council in respect of properties within the Housing Portfolio, for which the Council owns the freehold, and which are occupied on lease, or have been sold are appropriately re-charged to the tenants/leaseholders/owners in accordance with statutory provisions and Council policy.

2.4.2 Summary of Findings

The leaseholder charges process is generally working well and most of the expected controls are effective. There have been notable changes made since the last audit in 2006 when limited assurance was given. The improvements made to the overall control environment impacting on the 2009/10 service charge accounts are sufficient to provide a greater level of assurance.

2.4.3 Management Response

Management welcomes the findings of the internal audit review and the increase level of assurance in this area. A timetable has been established for the implementation of the recommendations agreed as part of the review.

2.5 Members' Allowances – Reasonable Assurance:

2.5.1 Audit Scope

To ensure that Members' allowances are calculated and paid in accordance with the prevailing regulations.

2.5.2 Summary of Findings

The Members Allowances process is generally working well and most of the expected controls are effective. Improvements have been identified regarding the availability of auditable evidence to demonstrate the effective implementation of some of the controls.

A project is currently underway to introduce the payment administration of member expenses into the CIVICA workflow process. Controls will be programmed to replace the elements of manually handled claims and to ensure compliance with the Scheme is maintained and can be easily monitored and reported on.

2.5.3 Management Response

Democratic Services are currently in the process of redesigning the Members' Expenses form to make it more robust and as mentioned above we are also developing a CIVICA workflow process for Member Expenses claims.

It is hoped that these measures will ensure continued compliance with the scheme and will contribute to the section achieving a substantial level of assurance in the future.

2.6 Equality and Diversity – Limited Assurance:

2.6.1 Audit Scope

To ensure that services address the different needs that customers have. Customers' needs differ for a variety of reasons: these could include (but are not restricted to) age, ethnic background, their ability to access services or their ability to participate in the life of their community.

2.6.2 Summary of Findings

Management can place Limited Assurance on the Council's current compliance with level three of the 'Equalities Standard for Local Government' and it is felt that the Council would struggle to attain level two at the current time. As part of this review the new Government legislation on Equalities was also examined to determine how well equipped the Council is adhering to the requirements of The Equalities Act 2010 and the Public Service Duties 2011.

There is currently not a dedicated Equalities Officer in post since the previous officer left approximately eighteen months ago. During this time the Council's responsibilities in respect of equalities and diversity have been dispersed amongst a number of officers. Consequently the Council's Corporate Equality Plan, Equalities and Diversity Policy and Action Plan are now out of date and in need of review. The revised Equality Plan will now be based on level two of the Equality Standard and new legislation.

There is an Equalities and Diversities Group that consists of a representative from each service area. This group meets each quarter and aims to ensure that equalities and diversity is co-ordinated and communicated across departments. Unfortunately this group no longer has the involvement of a Director and Cabinet Portfolio holder demonstrating the priority assigned to other issues at the current time.

An essential part of the 'Equalities Standard for Local Government' is the implementation of Equalities Impact Assessments (EIA's) that contain targets based on equality objectives for each service area that are fed into the service plans and the Corporate Equalities and Diversity Plan. Unfortunately, whilst a number of EIA's have been developed, these are now out of date. It has been acknowledged that work is required to implement new EIA's and update the existing ones and this is currently the main topic of the Equalities and Diversity Group.

The Council has undertaken some excellent work in understanding the community of Thanet and has produced a State of Thanet Report that contains numerous data on age, gender, disabilities etc that can be used by a number of services throughout the Council and, if kept up to date, should prove a valuable tool in understanding the needs of the community. As the society becomes increasingly more diverse, it becomes more important that the Council reflects the diversity of its population and ensures that the public services meet these diverse needs. Therefore it is important the Council continues to train those officers engaged in frontline service delivery to work with the local people and identify local priorities and design Council services to meet the needs of the people it serves.

There are a number of officers throughout the Council who engage with external organisations and the voluntary community sector who can demonstrate some tangible outcomes in respect of equality and diversity issues. For example, supporting and working with the Migrant help line and being awarded the 'Two Ticks' symbol in recognition of its commitment to employing individuals with disabilities. It is understood that as a result of the comprehensive spending review that these services may be affected should grant funding be reduced or withdrawn altogether. Management may need to reconsider the priority given to Equalities over the coming months as some services may be adversely affected.

The Government has introduced a New Equalities Act 2010 and will implement The Public Sector Equality Duty in April 2011. This requires all public bodies to publish a range of equality data relating to both its workforce and the services they provide. This must be published in an open and transparent manner and made freely available to third parties who are able to reuse this data to hold public bodies to

account. Therefore the Council must ensure that it has good, up to date information on which to base its equality objectives which they will be expected to publish in April 2012.

2.6.3 Management Response

In November 2006, Thanet was assessed as having achieved Level 2 of the Equality Standard and it was intended that an application should be made for Level 3. However, due to capacity issues the application was placed on hold. In April 2009, the Equality Framework for Local Government replaced the Equality Standard. The new standard, based on three levels 'developing, achieving & excellent' was introduced and councils migrated - those that achieved levels 1 & 2 would be treated as developing. In considering an application under the new scheme it proved timely for Audit to review our current position to enable an informed decision as to the success of any future application and to ensure our compliance with the New Equalities Act 2010 and the Public Services Duties.

The recommendations from the audit are welcomed and a report will be submitted to Cabinet in the Summer of 2011 to agree a position as to whether an application for the next level should be progressed. In the meantime recommendations will be taken forward, including the undertaking of Equalities Impact Assessment, EIA's. Assessments have now been completed for all harmonised terms and conditions and the Budget 2011/12.

2.7 Shared Revenues and Benefits with Dover District Council (ICT Controls) – An assurance level is not applicable for this work::

- 2.7.1 The purpose of this assignment was to provide an independent assessment of the ICT controls and risks to the two East Kent cluster councils arising from the merger of the Civica (IBS) systems for Dover and Thanet to facilitate the proposed Shared Revenue and Benefits service
- 2.7.2 The merging of the Revenue and Benefits ICT databases has been successful due to managing those issues that existed and arose during the project through monitoring progress, regular meetings in house, project meetings together as a team, and also communicating regularly with Civica.

2.8 Shared Revenues and Benefits with Dover District Council (Service Level Agreement) – An assurance level is not applicable for this work::

- 2.8.1 The purpose of this assignment was to provide guidance to the two East Kent cluster councils in respect of the Service Level Agreement to be considered as part of the merger of the Civica (IBS) systems for Dover and Thanet for the proposed Shared Revenue and Benefits service.
- 2.8.2 The draft version of the proposed service level agreement between Dover District Council and Thanet District Council was evaluated by EKAP and the resultant queries and suggestions for improvement were raised with management at the two partner sites.

2.9 Shared Payroll Controls – An assurance level is not applicable for this work:

- 2.9.1 The aim of this assignment was to assist the EKHRP in establishing an effective suite of controls over the Shared Payroll service that will be used for all four of the East

Kent cluster councils from the client side in respect of the payroll service being provided by Kent County Council. The overarching aim of these payroll controls is to keep errors on the payroll to a minimum thus ensuring staff are paid correctly.

- 2.9.2 The proposed controls established across the shared payroll function were examined and audit recommendations made to strengthen the control environment where required.

3.0. **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 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.

| Service/ Topic | | Original Assurance level | Revised Assurance level | No of Recs Implemented | | No of Recs Outstanding /In Progress | |
|----------------|---|--------------------------------------|--------------------------------------|------------------------|---|-------------------------------------|---|
| a) | CSO Compliance | Limited | Reasonable | H | 4 | H | 0 |
| | | | | M | 5 | M | 0 |
| | | | | L | 0 | L | 0 |
| b) | Local Code of Corporate Governance | Substantial | Substantial | H | 0 | H | 0 |
| | | | | M | 1 | M | 1 |
| | | | | L | 1 | L | 0 |
| c) | Child Protection | Reasonable | Reasonable | H | 0 | H | 4 |
| | | | | M | 0 | M | 5 |
| | | | | L | 0 | L | 0 |
| d) | Thanet Leisure Force | Substantial/ Limited | Substantial/ Limited | H | 0 | H | 4 |
| | | | | M | 1 | M | 1 |
| | | | | L | 0 | L | 0 |
| e) | Housing Benefits – Fraud Investigation Unit | Reasonable | Reasonable | H | 2 | H | 4 |
| | | | | M | 3 | M | 1 |
| | | | | L | 0 | L | 0 |
| f) | Information Mngmt; FOI; and Data Protection | Substantial Reasonable Limited | Substantial Reasonable Limited | H | 1 | H | 4 |
| | | | | M | 0 | M | 5 |
| | | | | L | 1 | L | 0 |

- 3.2 Details of each of the individual High priority recommendations outstanding after follow-up are included at Appendix 2 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 Member's of the Governance Committee.

The purpose of escalating outstanding high-risk matters 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.

- 3.3 As highlighted in the above table, those areas previously reported as having either Limited or No assurance have been reviewed and Members are advised as follows:

a) CSO Compliance:

A significant amount of work has been undertaken by the Council to address the issues highlighted at the time of the original audit in the summer of 2010. CMT receive monthly reports of Council spend, analysed by department, which enables them to identify and challenge any areas of concern.

d) Thanet Leisure Force:

It is acknowledged, that whilst five recommendations are still outstanding, progress towards their completion is ongoing and that whilst work schedules have delayed their implementation they are still a priority for completion.

f) Data Protection:

Slippage has occurred on implementation dates originally agreed with regards to those recommendations specifically relating to the Data Protection element of the report. Management response within the attached action plan does however provide confidence that the actions taken to date demonstrate commitment to addressing the issues, albeit it is taking longer than originally proposed.

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: Cemeteries and Crematoria, Coast Protection, Performance Management, Members' Code of Conduct and Standards Arrangements, Procurement, Car Parks, and Waste Management (Vehicle Fleet Management).

5.0 CHANGES TO THE AGREED AUDIT PLAN:

- 5.1 The 2010-11 internal audit plan was agreed by Members at the meeting of this Committee on 16th March 2010.
- 5.2 The Head of the Audit Partnership meets on a monthly basis with the Section 151 or delegated officer 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 have been made to the plan during the course of the year as some high profile projects or high-risk areas have been 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 4.

6.0 FRAUD AND CORRUPTION:

There are no known instances of fraud or corruption to bring to Members attention at the present time.

7.0 UNPLANNED WORK:

During the period under review 4.85 days of audit time was spent in assisting a Council appointed independent investigator in respect of a Standards Complaint, the results of which were considered by the Council's Standards Committee.

8.0 INTERNAL AUDIT PERFORMANCE

- 8.1 For the nine month period to 31st December 2010, 374.69 chargeable days were spent out of a planned total of 440.57. Approximately 85.05% of the plan has therefore been completed. All of the recommendations made within reports to management have been accepted by them.
- 8.2 The financial performance of the EKAP is on target and there are no concerns to highlight at this time.
- 8.3 As part of its commitment to continuous improvement and following discussions with the s.151 Officer Client Group, the EKAP has established a range of performance indicators which it records and measures. The performance against each of these indicators for the third quarter of 2010-11 is attached as Appendix 5. There are no concerns regarding the resources engaged or outputs achieved at this time, and the East Kent Audit Partnership is performing well at this time against its targets for the 2010-11 financial year.
- 8.4 The EKAP audit maintains an electronic client satisfaction questionnaire which is used across the partnership. The satisfaction questionnaires are sent out at the conclusion of each audit to receive feedback on the quality of the service. Current feedback arising from the customer satisfaction surveys is featured in the Balanced Scorecard attached as Appendix 5.

Attachments

- Appendix 1 Summary of High priority recommendations resulting from the period's work.
- Appendix 2 Summary of High priority recommendations outstanding after follow-up.
- Appendix 3 Summary of services with Limited / No Assurances
- Appendix 4 Progress to 31st December 2010 against the agreed 2010-11 Audit Plan.
- Appendix 5 EKAP Balanced Scorecard of Performance Indicators to 30th December 2010.
- Appendix 6 Assurance statements

| SUMMARY OF HIGH PRIORITY RECOMMENDATIONS RESULTING FROM THE PERIOD'S WORK - APPENDIX 1 | | |
|--|---|---|
| RECOMMENDATION/ WEAKNESS | AGREED ACTION, RESPONSIBILITY & TARTGET DATE | RESPONSIBILITY AND TARGET DATE |
| Members' Allowances – January 2011 | | |
| <p>The project plan and acceptance of the CIVICA process proposed by March 2011 should reflect the current working practice control elements to ensure the effectiveness of the control environment is maintained.</p> <p>Use of the CIVICA workflow system should ensure activity processes highlight specific criteria within the Members Allowance Scheme. Process prompts should be in place to ensure compliance is achieved and/or Councillors are challenged where necessary.</p> | <p>This risk will be addressed when Democratic Services introduce the CIVICA workflow process in time for the new intake of Councillors after the election on 5 May 2011.</p> | <p>Date: May 2011 Committee Services Manager (NH).</p> |
| Leasehold Services – February 2011 | | |
| <p>Document the Leasehold Service Charge process to ensure the continuity and consistency of process and to also demonstrate working practice compliance to current legislation.</p> | <p>Document the process within a flowchart.</p> | <p>Date: 31.3.11 Housing Maintenance Manager / Leasehold Management Officer</p> |
| <p>Reconciliation input sheets should be completed for each data source. The result should confirm the source data total reconciles with the totals on the excel spreadsheet once costs have been input to individual accounts. Any discrepancies between totals should be investigated and recorded.</p> | <p>Implement reconciliation input sheets for 2010-11 service charges.</p> <p><u>Audit comment:</u> Implementation date accepted as this links into the timetable for issue of the leasehold charge accounts</p> | <p>Date: 31.8.11 Housing Maintenance Manager / Leasehold Management Officer</p> |

SUMMARY OF HIGH PRIORITY RECOMMENDATIONS RESULTING FROM THE PERIOD'S WORK - APPENDIX 1

| RECOMMENDATION/ WEAKNESS | AGREED ACTION, RESPONSIBILITY & TARTGET DATE | RESPONSIBILITY AND TARGET DATE |
|---|---|--|
| Equality and Diversity – February 2011 | | |
| Management should ensure that the Equalities Policy, Equalities Action Plan and Corporate Equity Plan are reviewed and the outcomes of the previous documents reported. Once these documents are updated they should be made available to the public and to staff. | Current review of old actions. In 2011/12 develop new Corporate Equality Plan to align with the Corporate Planning Cycle – 4 year rolling plan of a 2012/2015. | March 2011 Internal E&D Group March 2012 Internal E&D Group |
| The Council must ensure that priority attention is given to Equalities and Diversity throughout the Council, especially in light of the recent changes in legislation and the introduction of Public Service Duties ensuring it is equipped to deal with the legal requirements. | Equalities Action Plan updated to ensure compliant with statutory/legal requirements. EKHR to provide workforce data :Public Services Duties | March 2011 Internal E&D Group Head of the EKHR Partnership (JOS) |
| The Equalities and Diversity Group should establish a schedule for managers to identify the areas that require an Equalities Impact Assessment to be carried out and identify the responsible officers to undertake this duty. | EIA completed for harmonised Terms & Conditions Timetable for EIAs re. new posts/restructure | Complete Subject to appointment of top tier in new corporate structure - May 2011 |
| To ensure that all agreed actions decided at the Equalities and Diversity Group are implemented efficiently and effectively, members should take ownership responsibility and report outcomes in a timely manner. | Actions from minutes implemented. | On-going Internal E&D Group |
| The Council must ensure that it continues to update the State of District Report and communicates this effectively internally and externally, ensuring that it is able to provide clear relevant and reliable information about its aims and objectives should the council ever be held to account for any information published. | Report designed to be updated automatically via external data-links. Annual refresh. | On-going Performance Information Officer |

| SUMMARY OF HIGH PRIORITY RECOMMENDATIONS RESULTING FROM THE PERIOD'S WORK - APPENDIX 1 | | |
|---|---|---|
| RECOMMENDATION/ WEAKNESS | AGREED ACTION, RESPONSIBILITY & TARTGET DATE | RESPONSIBILITY AND TARGET DATE |
| HRA Business Plan – February 2011 | | |
| The Council must ensure that the developed framework within its HRA Business Plan, (that is ultimately the vision of the service), is continued when the Housing ALMO goes live. | The service provided by the ALMO will be detailed in the agreed Delivery Plan and monitored by the Housing Manager. The ALMO will contribute to the BP review thereby buying to the agreed vision | Delivery Plan – July 2011. BP Review Dec 2011 Housing Manager |
| The Council's HRA Business Plan will require review when the ALMO goes live, which is anticipated to be in April 2011. Ownership of the HRA Business Plan should remain with the Council, with the ALMO working towards the objectives. | The ALMO needs a settling in period of at least 6 months before the BP is usefully reviewed. | Dec 2011 Housing Manager |
| Planning, Building Control and s.106 Agreements | | |

SUMMARY OF HIGH PRIORITY RECOMMENDATIONS RESULTING FROM THE PERIOD'S WORK - APPENDIX 1

| RECOMMENDATION/ WEAKNESS | AGREED ACTION, RESPONSIBILITY & TARTGET DATE | RESPONSIBILITY AND TARGET DATE |
|--|---|--|
| <p><u>Planning:</u></p> <p>Three reports should be obtained on a monthly basis from the income section within accountancy from the Paris Income System.</p> <ul style="list-style-type: none"> • All Cheque payments received in that period. • All Adelante payments received in that period. • All Kiosk payments received within that period. <p>Once all three Paris Income reports have been agreed to the E-Fins system, reconciliation to Acolaid can be completed. The new cross references in place by having the application number on cheque payments along with the individual receipt number will identify those payments that are either missed due to timing or by incorrect coding. The Adelante and Kiosk payments should also be easier to reconcile with the receipt number entered on to Acolaid. It should be noted, that without the cross reference between the income systems full reconciliation is virtually impossible as many of the transactions are for the same value.</p> | <p>Initial meeting with Income Section has been undertaken. Income Section is unable to produce monthly reports but will train BSM to extract reports via Paris.</p> <p>Following IT difficulties Paris has finally been installed on BSM's PC and dates will be scheduled for training asap with Income.</p> | <p>August 2011 Business Support Manager (HW)</p> |
| <p><u>Building Control:</u></p> <p>Reconciliation between Acolaid and Efins should be undertaken to ensure that all income has been accounted for.</p> | <p>Agreed in principle, however with the Service scheduled to be part of the next EKS Tranche the best use of resources would be to fully implement the reconciliations upon commencement as all three partners use the same building control software.</p> | <p>June 2011 Building Control Manager (GM)</p> |

| SUMMARY OF HIGH PRIORITY RECOMMENDATIONS RESULTING FROM THE PERIOD'S WORK - APPENDIX 1 | | |
|--|--|--|
| RECOMMENDATION/ WEAKNESS | AGREED ACTION, RESPONSIBILITY & TARTGET DATE | RESPONSIBILITY AND TARGET DATE |
| <p>The Council should investigate the possibility of including in the Section 106 Agreement clauses that allow the monies to be spent by the local authority if not used by a set time period by the County Council. For example: -</p> <ul style="list-style-type: none"> Section 106 agreement to spend monies within five years of receipt. First four years for Highways by KCC, if not used transfer to the Council for use within Affordable Housing. | <p>This has been investigated but is not legally possible.</p> | <p>No Action Possible.</p> |
| <p>At six monthly intervals finance, planning, KCC (Highways), Leisure and Housing should review the s.106 schedule and document when, and on what subject, spend will occur.</p> | <p>Agreed</p> | <p>May 2011 Planning Applications Manager (ST)</p> |

SUMMARY OF HIGH PRIORITY RECOMMENDATIONS OUTSTANDING AFTER FOLLOW-UP - APPENDIX 2

| Original Recommendation | Agreed Management Action , Responsibility and Target Date | Manager's Comment on Progress Towards Implementation. |
|--|---|---|
| Child Protection – January 2011 | | |
| Establishment posts should be categorised using the regulated and controlled activity criteria | <p>EKHRP will support the organisation to identify and recommend to CMT the posts that should be categorised as requiring CRB checks.</p> <p>Target Date: September 2010</p> <p>Responsibility: EKHRP Operations Manager (SG) / EKHRP Learning and Development Case Consultant (JC)</p> | <p>The new process and policy is currently awaiting confirmation from the HR Strategic Board and then CMTs.</p> <p>By March 2011</p> |
| The new duties to refer information to the ISA when a member of staff leaves the employment of TDC in 'certain circumstances' should be incorporated into documented Leaver procedures and supporting working practices. | <p>The safeguarding regulation introduced in October 2009 continues to apply. Procedures will therefore incorporate this requirement</p> <p>Target Date: August 2010</p> <p>Responsibility: EKHRP Operations Manager (SG) / EKHRP Learning and Development Case Consultant (JC)</p> | <p>This is currently being incorporated into the processes and will be completed by 31 January 2011.</p> |
| Housing Benefit Fraud Investigation Unit – January 2011 | | |
| The Fraud Investigation Operational Risk Log should capture the issues identified within this report. | <p>Operational Risk Log to be updated with high risk issues.</p> <p>Target Date: July 2010</p> <p>Responsibility: Counter Fraud and Quality Control Manager / Senior Investigation Officer</p> | <p>Shared Services will influence plans on how operational risk management is demonstrated at service level.</p> |
| Health and Safety risk assessment should be undertaken to assess the corporate requirements and the feasibility of introducing a corporate risk register of known dangerous or high risk properties and/or people. | <p>Recommendation accepted. Implementation will be considered in consultation with appropriate parties.</p> <p>Target Date: 31 October 2010.</p> | <p>Currently not being progressed as discussions are taking place at the H&S committee as to how this could be taken forward linking into a revised lone working policy which the EKHRP</p> |

SUMMARY OF HIGH PRIORITY RECOMMENDATIONS OUTSTANDING AFTER FOLLOW-UP - APPENDIX 2

| Original Recommendation | Agreed Management Action , Responsibility and Target Date | Manager's Comment on Progress Towards Implementation. |
|---|--|---|
| | Responsibility: Head of Human Resources Partnership / H&S Officer | <p>is currently reviewing. It is going back to the H&S committee in March 2011.</p> <p>The EKHRP is also currently investigating the costs of a centralised system to manage the risk register across the authorities.</p> |
| Thanet Leisure Force – February 2011 | | |
| <p>The terms and conditions of the Lease require updating with regards to: -</p> <ul style="list-style-type: none"> • The removal of Northdown House within the Lease as all services under the agreement have ceased. • The removal of the interest on rent arrears Item 5.19.1 as no rent is payable. • Removal of annual payment of £45,000 to be used solely towards the repairs to the buildings, Item 6.3, as this figure is disproportionately low to the actual cost incurred by TLF. The new Lease agreement should include a new maintenance matrix. • Removal of the Westbrook Loggia storage facility stated within the Third Schedule if, as planned, the facility will not be used on completion of works within Hartsdown Park. • The Fourth Schedule within the lease agreement should be removed, with the aim of collaborative working between the two partners for completion of major works. | <p>Review and amend the Lease in negotiation with Thanet Leisure Force to agree the removal of facilities no longer required and provisions that are no longer applicable as detailed in no.1, adding in new services now being provided.</p> <p>£45,000 repairs payment to be mainstreamed into annual management grant.</p> <p>Target Date: 31 October 2010.</p> <p>Responsibility: Cultural Manager/Director of Environmental Services /TLF Managing Director/ Financial Services Manager</p> | <p>Proposed amendments to lease and management agreement agreed between TDC &TLF.</p> <p>Northdown House to be retained in lease. Awaiting public consultation on community use arrangements by TLF in Northdown House.</p> <p>Cabinet approved revised term of 20 year lease for TLF. (Linked to new pool scheme).</p> |
| <p>A full schedule of required, but not essential capital works should be developed jointly between the Council and TLF. On completion Capital Funding bids should be made with an aim of reducing the responsive non-budgeted repairs.</p> | <p>Schedule of Works compiled, costed and prioritised within a 5year plan</p> <p>Prioritised capital Funding bids developed</p> | <p>Current work on schedule suspended awaiting outcome of asset transfer discussions.</p> <p>Ramsgate Pool to be excluded due to</p> |

SUMMARY OF HIGH PRIORITY RECOMMENDATIONS OUTSTANDING AFTER FOLLOW-UP - APPENDIX 2

| Original Recommendation | Agreed Management Action , Responsibility and Target Date | Manager's Comment on Progress Towards Implementation. |
|--|--|---|
| | <p>Taregt Date: 31 October 2010.</p> <p>Responsibility: Building Control & Property Manager/ Warren Reeves TLF</p> <p>Cultural Manager in liaison with Finance Manager (HRA, Capital and External Funding</p> | <p>closure of pool linked to new pool development.</p> <p>New capital funding bid approved. £50k from 2011/12 onwards for capital maintenance.</p> |
| <p>The grant conditions should be updated with a new management agreement reflecting the following points:</p> <ul style="list-style-type: none"> - • The requirement to provide the Director of Finance & Deputy Chief Executive, with an Operationally Strategy on an annual basis should be removed and replaced with the requirement for the policy to be agreed by the TLF board that includes representation from the Council. • The requirement to provide the Director of Finance & Deputy Chief Executive, with a Marketing Plan on an annual basis should be removed and replaced with the requirement for the policy to be agreed by the TLF board that includes representation from the Council. • The requirement to undertake monthly quality audits should be removed and replaced with the requirement to maintain high standards via implementation of Customer Care Policies with complaints monitored by the TLF board. • The requirement to provide the Director of Finance & Deputy Chief Executive, quarterly accounts should | <p>The Management Agreement to be reviewed in negotiation with TLF incorporating the proposed changes</p> <p>The final revised management agreement to be approved by the TLF Board and TDC Cabinet</p> <p>Target Date: 31 October 2010.</p> <p>Responsibility: Cultural Manager/ Director of Environmental Services /TLF Managing Director Director of Environmental Services / TLF Managing Director</p> | <p>Changes as set out to Management agreement agreed by TDC & TLF and revisions drafted</p> <p>Formal approval of revised management agreement delayed. Timetable to be revised, linked to outcome of asset transfer discussions</p> <p>Cabinet approved revised term of 20 year lease for TLF. (Linked to new pool scheme)</p> |

SUMMARY OF HIGH PRIORITY RECOMMENDATIONS OUTSTANDING AFTER FOLLOW-UP - APPENDIX 2

| Original Recommendation | Agreed Management Action , Responsibility and Target Date | Manager's Comment on Progress Towards Implementation. |
|---|---|---|
| <p>be removed and replaced with the requirement for the monitoring of finances to be undertaken by the TLF board that includes representation from the Council.</p> <ul style="list-style-type: none"> • The requirement to provide audited annual accounts prior to each years grant application should be removed and replaced with the requirement to provide the Section 151 Officer a copy of the annual audited accounts for noting. • The current structure requirement for the Board should be reviewed upon clarification on the minimum requirement when IPS's are governed by the Charity Commission rather than the FSA. However, representation from the Council should always be set as a minimum of two as the current grant conditions state. • The requirement to provide charging policies within the Operational Strategy should be removed and replaced with the requirement that the board approves all pricing structures which includes representation from the Council. • The set requirement of 500 hours to be made available free of charge to the Council should be removed and replaced with an emphasis moving towards partnership working which would benefit both organisations. • The requirement to provide the Director of Finance & Deputy Chief Executive with an annual report should be removed as the new bimonthly meeting process significantly reduces its requirement or impact. <p>The requirement for regular weekly meetings between Director of Finance, Deputy Chief Executive and the MD of TLF should be removed.</p> | | |

SUMMARY OF HIGH PRIORITY RECOMMENDATIONS OUTSTANDING AFTER FOLLOW-UP - APPENDIX 2

| Original Recommendation | Agreed Management Action , Responsibility and Target Date | Manager's Comment on Progress Towards Implementation. |
|---|--|--|
| <p>To ensure full compliance with VAT legislation, and that the most tax efficient route is taken in future payment structures, the revised conditions of grant, and supporting documentation to be agreed with the Council's Financial Services Manager.</p> | <p>The Management Agreement to be reviewed in negotiation with TLF incorporating the proposed changes including liaison with the Financial Services Manager to ensure the most efficient VAT treatment.</p> <p>The final revised management agreement to be approved by the TLF Board and TDC Cabinet.</p> <p>Target Date: 31 October 2010.</p> <p>Responsibility: Director of Environmental Services/Financial Services Manager</p> | <p>Initial VAT advice has been sought. Actions arising include exploring options of TDC purchasing utilities & energy on behalf of TLF.</p> <p>External specialist advice to be sought to ensure the principles of the current management and lease arrangement (based on pepper corn rent) and the payment of an annual grant rather than management fee does not compromise the Council's position on partial exemptions while achieving the most tax efficient structure.</p> |
| Information Management, FOI and Data Protection – February 2011 | | |
| <p>The internet/Intranet should include an overarching statement on corporate responsibility and compliance requirements that links the associated legislation together (DPA/FOI/EIR). The current information should be reviewed to ensure DPA is given adequate emphasis and coverage to inform staff and the public alike.</p> | <p>The Acting Legal Services Manager (GC) and Litigation Solicitor (PR) met on 28th July to consider how best to address the issue of how FOI and data protection matters should be handled across the Council. A further meeting is scheduled to take place on 25 August between Head of Legal Services, the Acting Legal Services Manager and Peter Reilly, senior litigation solicitor, to commence work on an action plan that will ensure all recommendations in the report are implemented by the end of 2010</p> <p>The corporate response period for reviews/appeals to be reviewed and raised to maximum permitted by ICO and FOI Act 2000 – i.e. 40 days</p> <p>Target Date: December 2010</p> | <p>Draft statements for both internet and intranet now prepared in light of current DPA information on TOM and to link in with other policy documents being drafted. Next steps: to agree draft versions with Comms ready for CMT approval; then to website.</p> |

SUMMARY OF HIGH PRIORITY RECOMMENDATIONS OUTSTANDING AFTER FOLLOW-UP - APPENDIX 2

| Original Recommendation | Agreed Management Action , Responsibility and Target Date | Manager's Comment on Progress Towards Implementation. |
|--|--|---|
| <p>A Data Protection Policy should be compiled to reflect corporate and legislative requirements. Responsibilities and accountabilities will need to be defined to assist in raising the profile, requirements and risk management in support of compliance to the DPA.</p> <p>Mechanisms should be included to ensure consistency can be demonstrated within associated working practices of all service units.</p> | <p>Responsibility: Head of Legal & Democratic Services / Acting Legal services Manager</p> <p>The Acting Legal Services Manager (GC) and Litigation Solicitor (PR) met on 28th July to consider how best to address the issue of how FOI and data protection matters should be handled across the Council. A further meeting is scheduled to take place on 25 August between Head of Legal Services, the Acting Legal Services Manager and Peter Reilly, senior litigation solicitor, to commence work on an action plan that will ensure all recommendations in the report are implemented by the end of 2010</p> <p>The corporate response period for reviews/appeals to be reviewed and raised to maximum permitted by ICO and FOI Act 2000 – i.e. 40 days</p> <p>Target Date: December 2010</p> <p>Responsibility: Head of Legal & Democratic Services / Acting Legal services Manager</p> | <p>Draft DPA policies and procedures now compiled; draft security policy almost complete (subject to approvals as 3 above). Responsibilities and accountabilities will be defined and reinforced within policies and via appropriate training and awareness program being devised between Acting LSM and Comms, so as to ensure full coverage and consistent approach across all service units.</p> |
| <p>Publication of the DPA Policy should be appropriately communicated to staff to raise awareness of its release.</p> | <p>The Acting Legal Services Manager (GC) and Litigation Solicitor (PR) met on 28th July to consider how best to address the issue of how FOI and data protection matters should be handled across the Council. A further meeting is scheduled to take place on 25 August between Head of Legal Services, the Acting Legal Services Manager and Peter Reilly, senior litigation solicitor, to commence work on an action plan that will ensure all recommendations in the report are implemented</p> | <p>Acting LSM and Comms are working on an awareness raising strategy to include a 'DPA Awareness Week' and presentation by Acting LSM to Managers' Conference (a draft of which is almost complete and ready for finalisation with Comms), in addition to planned training for all staff handling personal data within TOC. Acting LSM</p> |

SUMMARY OF HIGH PRIORITY RECOMMENDATIONS OUTSTANDING AFTER FOLLOW-UP - APPENDIX 2

| Original Recommendation | Agreed Management Action , Responsibility and Target Date | Manager's Comment on Progress Towards Implementation. |
|---|---|--|
| | <p>by the end of 2010</p> <p>The corporate response period for reviews/appeals to be reviewed and raised to maximum permitted by ICO and FOI Act 2000 – i.e. 40 days</p> <p>Target Date: December 2010</p> <p>Responsibility: Head of Legal & Democratic Services / Acting Legal services Manager</p> | <p>has already asked Comms to ensure that OPA policy is communicated to all new staff as part of their formal induction process.</p> |
| <p>Risk management of DPA legislation should be assessed and appropriately reported via the corporate risk management database, the RiskWeb system.</p> | <p>The Risk Officer will be asked to provide advice on including DPA as a corporate risk on the RiskWeb system.</p> <p>Target Date: December 2010</p> <p>Responsibility: Head of Legal & Democratic Services / Acting Legal services Manager</p> | <p>The Acting LSM will meet with the Risk Officer to determine what DPA corporate risk elements should be included on RiskWeb". This should take place only after the DPA policies and procedures have been formally agreed.</p> |

SERVICES GIVEN LIMITED / NO ASSURANCE LEVELS STILL TO BE REVIEWED – APPENDIX 3

| Service | Reported to Committee | Level of Assurance | Management Action | Follow-up Action Due |
|--|-----------------------|------------------------|---|-------------------------------|
| Homelessness and the Rent Deposit Scheme | January 2011 | Reasonable/ Limited | On-going management action in progress to remedy the weaknesses identified. | Quarter 1 of the 2011-12 Plan |
| Public Health Burials | January 2011 | Limited | On-going management action in progress to remedy the weaknesses identified. | Work-in-progress |
| Employee Benefits-in-Kind | January 2011 | Limited | On-going management action in progress to remedy the weaknesses identified. | Spring 2011 |
| Equality and Diversity | March 2011 | Limited | On-going management action in progress to remedy the weaknesses identified. | Spring 2011 |

PROGRESS TO DATE AGAINST THE AGREED 2010-11 AUDIT PLAN – APPENDIX 4

| Area | Original Planned Days | Revised Budgeted Days as at 31-12-10 | Actual days to 31-12-10 | Status and Assurance Level |
|--|-----------------------------|--|-------------------------------|---|
| FINANCIAL SYSTEMS: | | | | |
| Housing Benefits – Shared Revenues and Benefits Database with Dover District Council | 5 | 3.2 | 3.2 | Finalised |
| Housing Benefits – Quarterly Testing | 20 | 14.09 | 14.09 | 2009-10 Quarter 4 – Finalised 2010-11 Quarter 1 – Finalised 2010-11 Quarter 2 - Finalised |
| Payroll | 5 | 3.47 | 3.47 | Work-in-Progress |
| Car Parking and PCNs | 8 | 8 | 0.17 | Work-in-Progress |
| Bank Reconciliation | 5 | 5.91 | 5.91 | Finalised - Substantial |
| Creditors and CIS | 8 | 8 | 5.85 | Finalised - Substantial |
| Miscellaneous Income/Cash Collection | 8 | 0 | 0 | Fund from 2011-12 plan |
| Financial Stewardship | 8 | 6.1 | 6.1 | Finalised |
| Council Tax | 12 | 12.68 | 12.68 | Finalised – Substantial |
| Business Rates | 12 | 8.32 | 8.32 | Finalised - Substantial |
| External Funding Protocol | 8 | 4.35 | 4.35 | Finalised – Reasonable |
| HOUSING SERVICES: | | | | |
| Housing Rents | 10 | 9.89 | 9.89 | Finalised – Substantial |
| Housing Repairs and Maintenance | 10 | 10.73 | 10.73 | Finalised - Reasonable |
| Leasehold Services | 10 | 10 | 7.8 | Finalised - Reasonable |
| HRA Business Plan | 8 | 8.23 | 8.23 | Finalised - Substantial |
| Rent Deposit Scheme/Homelessness | 5 | 7.63 | 7.63 | Finalised – Reasonable/Limited |
| Housing Estate Management | 8 | 0 | 0 | Fund from 2011-12 plan |
| ICT SYSTEMS: | | | | |
| ICT Change Control and File Security | 8 | 0 | 0 | Fund from 2011-12 plan |
| HUMAN RESOURCES RELATED: | | | | |
| Recruitment and CRB | 8 | 0.17 | 0.17 | Delete from plan due to low levels of recruitment at the present time. CRB element covered by Child Protection audit. |
| Employee Benefits-in-Kind | 8 | 12.61 | 12.61 | Finalised - Limited |

| Area | Original Planned Days | Revised Budgeted Days as at 31-12-10 | Actual days to 31-12-10 | Status and Assurance Level |
|---|-----------------------------|--|-------------------------------|---|
| GOVERNANCE RELATED: | | | | |
| Asset Management | 8 | 12.23 | 12.23 | Finalised - Reasonable |
| Members' Code of Conduct and Standards Arrangements | 8 | 7 | 3.08 | Work-in-Progress |
| Officers' Code of Conduct and Whistleblowing Arrangements | 8 | 7.64 | 7.64 | Finalised - Reasonable |
| Performance Management | 9 | 9 | 0.17 | Work-in-Progress |
| Corporate/CMT/Committee | 30 | 32 | 28.91 | Work-in-Progress throughout 2010-11 |
| East Kent Shared Services – Validation of Performance Indicators for Tranche 1 Services | 2 | 3.27 | 3.27 | Finalised |
| CONTRACT RELATED: | | | | |
| Contract Standing Order Compliance | 10 | 0 | 0 | Fund from 2011-12 plan |
| Contract Monitoring | 10 | 9 | 6.33 | Finalised - Reasonable |
| Procurement | 10 | 5.95 | 0.15 | Work-in-Progress |
| SERVICE LEVEL: | | | | |
| Accommodation Strategy | 7 | 5.04 | 5.04 | Finalised - Substantial |
| Members' Allowances | 8 | 8 | 7.13 | Finalised - Reasonable |
| Public Health Burials | 6 | 7.05 | 7.05 | Finalised - Limited |
| Coast Protection/Management | 9 | 9 | 0.71 | Work-in-Progress |
| Cemeteries and Crematorium | 9 | 9 | 1.3 | Work-in-Progress |
| Planning and Building Control (including s.106 Agreements) | 20 | 15 | 13.54 | Finalised – Reasonable/Substantial |
| Events Management | 10 | 10.43 | 10.43 | Finalised - Reasonable |
| Electoral Registration | 8 | 0 | 0 | Delete from plan to accommodate higher risk reviews. Include in 2011-12 plan. |
| Equality and Diversity | 8 | 8.63 | 8.63 | Finalised - Limited |
| Thanet Works | 9 | 14.84 | 14.84 | Finalised - Reasonable |
| Disabled Facilities Grants | 9 | 9.57 | 9.57 | Finalised - Substantial |
| Maritime – Visiting Yachts and Ancillary Services | 10 | 11.34 | 11.34 | Finalised - Reasonable |
| Maritime – Permanent Berths and let Properties | 10 | 10.89 | 10.89 | Finalised - Reasonable |
| Waste Management | 10 | 10 | 0.17 | Work-in-Progress |

| Area | Original Planned Days | Revised Budgeted Days as at 31-12-10 | Actual days to 31-12-10 | Status and Assurance Level |
|--|-----------------------------|--|-------------------------------|---|
| OTHER | | | | |
| Liaison With Audit Commission | 5 | 2 | 1.46 | Work-in-Progress throughout 2010-11 |
| Follow-up Reviews | 13 | 25 | 24.3 | Work-in-Progress throughout 2010-11 |
| FINALISATION OF 2009-10 AUDITS | | | | |
| Child Protection | 20.57 | 41.31 | 7.38 | Finalised – Reasonable |
| Homelessness | | | 0.39 | Finalised - Limited |
| Housing Benefit – Fraud Investigation Arrangements | | | 1.11 | Finalised – Reasonable |
| Thanet Leisure Force | | | 6.75 | Finalised – Substantial/Limited |
| Information Management, FOI and Data Protection | | | 12.89 | Finalised – Substantial/Reasonable/Limited |
| CSO Compliance | | | 0.61 | Finalised – Limited |
| Green Waste Service | | | 4.36 | Finalised – Substantial |
| Local Code of Corporate Governance | | | 0.10 | Finalised - Substantial |
| Choice Based Lettings | | | 7.72 | Finalised - Substantial |
| UNPLANNED WORK | | | | |
| Creative Margate Consultancy Arrangements (Balance of time from 2009-10 audit) | 0 | 0.07 | 0.07 | Finalised - Limited |
| Overtime | 0 | 6.01 | 6.01 | Finalised – Reasonable |
| External Funding – ERDF Grants | 0 | 13.07 | 13.07 | Finalised – Reasonable |
| Standards Investigation | 0 | 4.85 | 4.85 | Finalised |
| Total (Including 10.57 days brought forward from 2009-10) | 440.57 | 440.57 | 374.69 | 85.05% Complete as at 31-12-10 |
| UNPLANNED ADDITIONAL WORK | | | | |
| Meridian Village | 2 | 2 | 2.07 | Audit verification of costs deductible from income arising from development |
| Interreg Grant – Customer Services | 4 | 4 | 0 | First Level Controller sign off charged to project |
| Interreg Grant – Tudor House | 4 | 4 | 3.11 | First Level Controller sign off charged to project |
| Interreg Grant – Maritime (Off-Shore Wind Farm) | 4 | 4 | 0.34 | First Level Controller sign off charged to project |

BALANCED SCORECARD – QUARTER 3

| <u>INTERNAL PROCESSES PERSPECTIVE:</u> | | | <u>FINANCIAL PERSPECTIVE:</u> | | |
|---|----------------------------------|----------------------|--|----------------------------------|----------------------|
| | <u>2010-11 Actual</u> | <u>Target</u> | | <u>2010-11 Actual</u> | <u>Target</u> |
| | Quarter 3 | | | | |
| Chargeable as % of available days | 87% | 75% | Cost per Audit Day (Reported Annually) | | £300 |
| Chargeable days as % of planned days | 85% | 75% | | | |
| Follow up Reviews; | | | | | |
| • Issued | 26 | - | | | |
| • Not yet due | 10 | - | | | |
| • Now overdue for Follow Up | 3 | 0 | | | |
| Percentage compliance with the CIPFA Code for Internal Audit 2006 | 97% | 97% | | | |

BALANCED SCORECARD – QUARTER 3

| <u>CUSTOMER PERSPECTIVE:</u> | <u>2010-11 Actual</u> | <u>Target</u> | <u>INNOVATION & LEARNING PERSPECTIVE:</u> | <u>2010-11 Actual</u> | <u>Target</u> |
|--|----------------------------------|----------------------|---|----------------------------------|----------------------|
| | Quarter 3 | | | Quarter 3 | |
| Number of Satisfaction Questionnaires Issued; | 34 | | Percentage of staff qualified to relevant technician level | 76% | 75% |
| Number of completed questionnaires received back; | 13 | | Percentage of staff holding a relevant higher level qualification | 32% | 32% |
| Percentage of Customers who felt that; | | | Percentage of staff studying for a relevant professional qualification | 24% | 24% |
| <ul style="list-style-type: none"> Interviews were conducted in a professional manner | 100% | 100% | Number of days technical training per FTE | 3.05 | 3.5 |
| <ul style="list-style-type: none"> The audit report was 'Excellent or Very Good' | 100% | 90% | Percentage of staff meeting formal CPD requirements | 32% | 32% |
| <ul style="list-style-type: none"> That the audit was worthwhile. | 100% | 100% | Number of business efficiency/ service improvement recommendations introduced | 19 | - |



Appendix 6

AUDIT ASSURANCE

Definition of Audit Assurance Statements

Substantial Assurance

From the testing completed during this review a sound system of control is currently being managed and achieved. All of the necessary, key controls of the system are in place. Any errors found were minor and not indicative of system faults. These may however result in a negligible level of risk to the achievement of the system objectives.

Reasonable Assurance

From the testing completed during this review most of the necessary controls of the system in place are managed and achieved. There is evidence of non-compliance with some of the key controls resulting in a marginal level of risk to the achievement of the system objectives. Scope for improvement has been identified, strengthening existing controls or recommending new controls.

Limited Assurance

From the testing completed during this review some of the necessary controls of the system are in place, managed and achieved. There is evidence of significant errors or non-compliance with many key controls not operating as intended resulting in a risk to the achievement of the system objectives. Scope for improvement has been identified, improving existing controls or recommending new controls.

No Assurance

From the testing completed during this review a substantial number of the necessary key controls of the system have been identified as absent or weak. There is evidence of substantial errors or non-compliance with many key controls leaving the system open to fundamental error or abuse. The requirement for urgent improvement has been identified, to improve existing controls or new controls should be introduced to reduce the critical risk.