
INTERNAL AUDIT PROGRESS REPORT

To: Governance and Audit Committee: 22nd June 2011

By: Chief Executive (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 March 2011.

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 March 2011.

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 eight Internal Audit assignments completed during the period. Of these: six concluded Reasonable assurance and there were two 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, five follow-up reviews have been completed during the period. Of these, one related to an area which was originally assessed as giving rise to a partially Limited assurance and the assurance levels for this business areas remains unchanged.
- 3.3 The Thanet District Council audit plan for 2010-11 was 105.79% complete as at 31st March 2011. The performance figures for the East Kent Audit Partnership for 2010-11 showed 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 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.
- 4.4 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 2010-11 and 2011-12 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.

Contact Officers:	Christine Parker, Head of the Audit Partnership, ext. 7190
	Simon Webb, Audit Manager, ext 7190
	Sue McGonigal, Chief Executive (s.151 Officer) Ext. 7790

Annex List:

Annex 1	East Kent Audit Partnership Update Report – 22-06-2011
---------	--------------------------------------------------------

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 Annual Plan 2011-12</i>	Previously presented to and approved at the 15 th March 2011 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 March 2011.

2.0 SUMMARY OF REPORTS

	Service / Topic	Assurance level
2.1	Waste (Vehicle Fleet) Management	Reasonable
2.2	Coast Protection	Reasonable
2.3	Performance Management	Reasonable
2.4	Members' Code of Conduct and Standards Arrangements	Reasonable
2.5	Contract Monitoring and Management	Reasonable
2.6	Cemeteries and Crematorium	Reasonable
2.7	Housing Benefits Quarterly Testing (Quarter 3 of 2010-11)	Not Applicable
2.8	Housing Benefits Quarterly Testing (Quarter 4 of 2010-11)	Not Applicable

2.1 Waste (Vehicle Fleet) Management – Reasonable Assurance:

2.1.1 Audit Scope

To ensure that the Waste Management and Street Cleansing service is performed in an efficient and effective manner which safeguards Council assets and minimises the risks associated with the management of a large vehicle fleet.

2.1.2 Summary of Findings

The level of maintenance for vehicles is regulated by guidance given by the Vehicle and Operator Service Agency (VOSA) and the regime recommended is closely followed. The service is also a member of the Freight Transport Association (FTA) and as such is subject to an annual audit by their inspectors. The last of these audits, in November 2010, was complimentary.

The findings of this audit confirmed that vehicle safety is maintained through a rigorous structure of defect reporting, routine vehicle inspections and regular maintenance. Some minor administrative recording procedure errors were noted during the audit which should be addressed.

Fuel delivery and use is well recorded and managed through a dedicated computerised system provided by an outside contractor. The system can generate numerous reports and these are used on an irregular basis. A more frequent use of six monthly fuel use reports could enhance the opportunity to identify trends and possible problems.

2.1.3 Management Response

The findings and Reasonable Assurance conclusion of this review are welcomed. Officers are now working towards the implementation of the recommendations contained within the report.

2.2 Coast Protection – Reasonable Assurance:

2.2.1 Audit Scope

- To reduce the risk to people and the developed and natural environment from flooding and coastal erosion by encouraging the provision of technically, environmentally and economically sound and sustainable defence measures.
- To support the provision of adequate and cost effective flood warning systems.
- To support the provision of adequate, economically, technically and environmentally sound and sustainable flood and coastal defence measures.
- To discourage inappropriate development in areas at risk from flooding and coastal erosion.

2.2.2 Summary of Findings

The aims and objectives of the government are reflected within the *Policy Statement on Flood and Coastal Defence*. Working practices, supporting documentation and legislative guidance were found to exist to facilitate the effective implementation of this document. A refresh of the *Policy Statement* however would now be appropriate as per the two-year policy statement review period.

2.2.3 Management Response

The content of the Audit Report on this subject is broadly accepted, however the outcome that the Council can place Reasonable Assurance is not considered to be the appropriate conclusion. The action plan which forms the outcome of the audit contains only one recommendation. This recommendation has been assigned a medium risk and refers to the need to update the Flood and Coastal Defence policy statement. It is agreed that this statement requires updating but the direction of current national policy on coastal management has changed little since the statement was written and the majority of the existing policy's content is still appropriate.

The Margate Flood and Coast Protection Scheme has been developed by the Engineering section and through partnership working with Canterbury City Council. The scheme was presented to the funders, the Environment Agency in August last year by the Engineering and Technical Services Manager following more than a year of feasibility work. The outcome of this application was a grant award (at 100% rate of grant) in the value of £6.2m. This scheme will protect the Marine Drive frontage and more than 300 households that are currently at a moderate risk of flooding in the Margate Old Town area. The grant award represents the largest single investment in coastal management in the District for more than 30 years.

The Engineering section continues to prioritise the maintenance of the District's 11 miles of hard defenses on a limited annual revenue budget. No major sea wall failures have been suffered since the early 1990's due largely to effective and efficient management of inspection and maintenance work.

It is considered by management that given the performance of this section and the existence of only one medium priority recommendation in the action plan that the Council can comfortably place Substantial Assurance on the Engineering Service in relation to coastal management.

2.3 Performance Management – Reasonable Assurance:

2.3.1 Audit Scope

To ensure that the Council is taking action in response to actual performances to make outcomes for users and the public better than they would otherwise be.

2.3.2 Summary of Findings

The Council has committed to the collection of statistical data using the comprehensive and effective PerformancePlus (P+) data recording system. Investment has been made in the creation of the Performance Management Framework and this is supported by the Data Quality Framework. Both documents have been reviewed and approved by Management and the Governance and Audit Committee. These documents deliver a powerful message of the intent of the Council to measure performance and use the information to drive improvements.

The Performance Management team have made good progress in introducing and maintaining the PerformancePlus system and in developing the Council's approach to collecting and reporting reliable statistical data. Most of the expected controls are in place and effective.

2.3.3 Management Response

The findings of this review are welcomed. Officers are actively working to implement the recommendations found in the report. We believe these changes will help to strengthen and improve the Council's performance management arrangements.

2.4 Members' Code of Conduct/Standards Arrangements – Reasonable Assurance:

2.4.1 Audit Scope

To ensure that the highest possible standards of conduct, probity and propriety are maintained by all Members of Thanet District Council and to thereby preserve the integrity and reputation of the organisation.

2.4.2 Summary of Findings

The audit found that there is good practice in place through the Member Code of Conduct, specialist training and administrative support to ensure that probity is maintained. The Standards Committee arrangements were strong and the processes generally working well. Most of the expected controls are effective.

2.4.3 Management Response

Management are pleased with the Reasonable Assurance level concluded by the audit. Work is in progress towards the implementation of the agreed management action plan.

2.5 Contract Monitoring and Management – Reasonable Assurance:

2.5.1 Audit Scope

To ensure that the Council's derives the maximum possible value and the highest level of performance and customer satisfaction from its contracts.

2.5.2 Summary of Findings

Thanet District Council maintains a contract register that includes contracts above £30,000 recorded on the register. For the purpose of this review five contracts were selected and testing undertaken to ascertain how adequately these contracts are managed and monitored.

The Contract Monitoring process is generally working well however there are no documented guidelines for Managers to follow and as such each officer undertakes things differently. Therefore there is no consistency with approach and the different methods are applied depending upon the contract type and size of budget therein.

There were no serious concerns identified during the review other than highlighting the importance of knowledge of a contract, the terms within and necessary action to be taken in respect of monitoring performance, progress and financial implications.

2.5.3 Management Response

Within this audit review a number of excellent examples of good practice in the management and monitoring of contracts is evidenced. It is accepted that there is some inconsistency in approach which will be addressed through awareness raising/management training during the course of 2011/12.

2.6 Cemeteries and Crematoria – Reasonable Assurance:

2.6.1 Audit Scope

To ensure that the Council's cemetery and crematoria activities are undertaken efficiently and effectively in accordance with Council policy and procedures.

2.6.2 Summary of Findings

The Council's Cemeteries and Crematoria arrangements are working well and most of the expected controls are effective as reflected in the awarding of the Silver Standard by the Institute of Cemetery and Crematorium Management.

The Council needs to establish a regular inspection programme of headstones and memorials which will reduce the risk of accident and possible claims against the organisation. This is something that has been identified as needing to be addressed by the officers at the Crematorium prior to this audit and will be reviewed as part of

the follow up audit process to ensure that the inspections are being carried. The implementation of this process is hoped will have a further positive impact on the assurance level given at the time of the follow up review.

2.6.3 Management Response

The audit findings and conclusion of Reasonable Assurance are welcomed. Work is in hand to implement the recommendations for improvement identified by the audit process.

2.7 Housing Benefit Testing (Quarter 3 of 2010-11) – An assurance level is not applicable for this work:

- 2.7.1 Over the course of the 2010/11 financial year the East Kent Audit Partnership completed a sample check of council tax, rent allowance and rent rebate and Local Housing Allowance benefit claims to support the Audit Commission's verification work.
- 2.7.2 For the third quarter of the 2010/11 financial year (October to December 2010) five claims including new, cancellation and change of circumstances of each benefit type were randomly selected for verification.
- 2.7.3 In total 20 benefit claims were checked and of these 4 have failed the criteria set by the Audit Commission's verification guidelines, 2 have been queried and are currently outstanding and they may also impact on the subsidy claim.

2.8 Housing Benefit Testing (Quarter 4 of 2010-11) – An assurance level is not applicable for this work:

- 2.8.1 Over the course of the 2010/11 financial year the East Kent Audit Partnership completed a sample check of council tax, rent allowance and rent rebate and Local Housing Allowance benefit claims to support the Audit Commission's verification work.
- 2.8.2 For the fourth quarter of the 2010/11 financial year (January to March 2011) five claims including new, cancellation and change of circumstances of each benefit type were randomly selected for verification.
- 2.8.3 In total 20 benefit claims were checked and of these 4 have failed the criteria set by the Audit Commission's verification guidelines as they impact on the subsidy claim and 0 failed on data quality.
- 2.8.4 Overall for 2010/11 there have been 80 benefit claims checked of which there have been 12 failures identified that affect the subsidy claim. In addition to this, of the two queried claims outstanding from quarter 3, one has passed but the other is still outstanding. In total this represents a failure rate of 15% (12/80) which is an increase of 2.5% based on the previous year's figures. This failure rate may increase further to 16.25% if the 1 outstanding Quarter 3 query is found to also be incorrect
- 2.8.5 Below is table of comparison against the other neighbouring authorities where a similar testing regime is carried out. It can be seen there has been an increase in the number of benefit claims across the four authorities over the twelve months and Thanet has the highest number of claims overall. Therefore it could be fair to suggest that a higher error rate is tolerable. Furthermore the errors detected do not show any trend and neither do they appear to be by the same assessor at each authority

therefore no indication of a training issue, however self employed claims do appear at all of the authorities as a weaker area where assessment is made.

- 2.8.6 Now that shared working arrangements are in place it is important that a consistent approach to assessment is implemented across the authorities. Quality Assurance testing from within the Shared Partnership will hopefully highlight any areas of concern. The Managers at each authority have been made aware of the individual errors detected.

AUTHORITY	No of Claims Checked 2010/11	No of Failures Subsidy impact 2010/11	% of Failures Subsidy impact 2010/11	2009/10 Failure Subsidy Impact Rate %
Neighbouring Council A	30	1	3.33%	8% (based on 20 claims checked)
Neighbouring Council B	80	8	10%	8.75%
Thanet District Council	80	12	15%	12.5% (Figure for full year based on 80 claims)

AUTHORITY	No of housing benefit claims at 01/04/2010	No of housing benefit claims at 31/03/2011	No of council tax benefit claims at 01/04/2010	No of council tax benefit claims at 31/03/2011	2010/2011 % Increase	
					HB	CTB
Neighbouring Council A	8628	8987	11,056	11,482	4.16%	3.85%
Neighbouring Council B	8229	8615	10,393	10,749	4.69%	3.43%
Thanet District Council	13,843	14,554	17,502	18,262	5.14%	4.34%

3.0. **FOLLOW UP OF AUDIT REPORT ACTION PLANS:**

- 3.1 As part of the period's work, five 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	Original Number of Recs		No of Recs Outstanding	
a)	Public Health Burials	Limited	Limited	H	6	H	5
				M	2	M	2
				L	0	L	0

Service/ Topic		Original Assurance level	Revised Assurance level	Original Number of Recs		No of Recs Outstanding	
b)	External Funding Protocol	Reasonable	Reasonable	H	3	H	3
				M	0	M	0
				L	0	L	0
c)	Business Rates	Substantial	Substantial	H	0	H	0
				M	1	M	1
				L	0	L	0
d)	Events Management	Reasonable	Substantial	H	0	H	0
				M	9	M	0
				L	1	L	0
e)	Asset Management	Reasonable	Reasonable	H	2	H	0
				M	0	M	0
				L	0	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) Public Health Burials:

Whilst a reasonable amount of work has been undertaken towards the implementation of the recommendations contained within the original report with all of these recommendations still in progress (and a revised implementation date of July 2011 now set) it would be premature to increase the Assurance level from Limited until such time as these recommendations are fully implemented and have had sufficient time to become embedded within the working practices of the Council.

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: Procurement, RIPA, Car Parks, Anti-Money Laundering Arrangements, CCTV, Community Safety, Complaints Monitoring, and the Receipt and Opening of Tenders

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 Officer or their nominated representative 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:

There was no unplanned work arising during the period to bring to Members attention at the present time.

8.0 INTERNAL AUDIT PERFORMANCE

8.1 For the year to 31st March 2011, 466.04 chargeable days were delivered against a planned target of 440.57. Accordingly EKAP have been able to deliver an additional 25.52 days during 2010-11 which equates to achievement of 105.79% of the original planned number of days. All of the recommendations made within reports to management have been accepted by them.

8.2 In addition, EKAP have also been able to deliver a cost saving to the Council against the estimated costs for 2010-11.

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 fourth 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 has performed extremely well against its targets for the 2010-11 financial year.

8.4 The EKAP 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 March 2011 against the agreed 2010-11 Audit Plan.

Appendix 5 EKAP Balanced Scorecard of Performance Indicators to 31st March 2011.

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' Code of Conduct and Standards Arrangements – May 2011		
<p>The Council should consider the establishment of a voluntary Standards Committee and associated Local Code of Conduct for elected Members ahead of the abolition of the existing Standards Board regime.</p>	<p>Agreed in principle. Chapter Five of the Localism Bill proposes the establishment of a revised Standards Framework by Local Authorities to promote and maintain high standards of conduct. The Standards Committee will be an advisory body to the council, not a statutory body with no voting rights for Independent Members.</p> <p>Next steps: Further consultation with the Standards Committee and Group Leaders to establish how a voluntary code of conduct could work.</p> <p>Following the May elections, new councillors will be trained on the 2007 Code of Conduct. Estimated timescale for the establishment and adoption of a voluntary code is November 2011 by which time more details of the Localism Bill will be available.</p>	<p>Monitoring Officer</p> <p>November 2011</p>
Contract Monitoring and Management – May 2011		
<p>Contract Managers should ensure that they are aware of the contractor's obligations in accordance with the terms and conditions of the contract they are responsible for managing and that these are being fulfilled in every aspect. They should implement the necessary controls to highlight any anticipated delays or non conformance with the contract and take prompt action to resolve this.</p>	<p>With the new management structure now in place it is proposed that Contract Monitoring and Contract Standing Order training will be delivered to all managers responsible for TDC contracts. It is envisaged that this will remedy this recommendation</p>	<p>During 2011/12 April 2012</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
Contract managers should ensure that they are fully aware of the default and liquidation damages clauses within each contract that they monitor and how they should be applied should it be necessary to do so.	This will be reiterated as part of the proposed training ensuring Managers are aware of the remedies available to them in the event of default.	During 2011/12 April 2012
Contract Managers should ensure that where a contractor is not fulfilling their contractual duties. Damages for non performance should be implemented and applied correctly, ensuring that the contractual procedures are followed when the contractor has failed to meet the contractual obligations.	All Contract Managers will be reminded of the importance of ensuring this is undertaken as part of the proposed training in 2011/12.	During 2011/12 April 2012
Cemeteries and Crematoria – May 2011		
Inspections to be put in place to ensure that newly erected headstones have been placed on the correct grave and are in accordance with the application that has been submitted.	Process to be incorporated into imminent Memorial Stability Programme. 'Informal' observations are also made by all Staff on site.	Crematorium & Cemeteries Officer and Registrar 30th September 2011
Waste (Vehicle Fleet) Management – May 2011		
A certification system should be introduced to ensure that goods invoiced have been received before payment is authorised.	A list of 6 nominated persons to check and agree delivery notes will be set up, following a simple set of instructions of action to be taken. A central record will be kept of delivery notes within the administration office for these 6 staff to update.	Waste Collection Manager July 2011
A procedure should be introduced to accurately record all vehicle hire periods and an invoice certification system should be established to ensure that vehicle hire invoices are accurate prior to payment. The hire procedure should include a process to ensure that insurance is provided only for the correct period.	This appears to relate to a single incident, but hire arrangements have already been tightened up for other reasons (based on vehicle conditions when they arrive so that a full survey is done on arrival). The other improvement is to ensure that the insurance company are advised when vehicles go off hire, which was missed on one occasion.	Completed 12.5.11

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

RECOMMENDATION/ WEAKNESS	AGREED ACTION, RESPONSIBILITY & TARTGET DATE	RESPONSIBILITY AND TARGET DATE
A CSO waiver application should be submitted for the vehicle hire contractor and for the major tyre supplier.	CSO waiver to be submitted for additional vehicle hire provider. Tyres will be done through the issue of a new tender.	Waste Collection Manager September 2011
Site Management should complete a Fire Risk Assessment in accordance with the Fire Safety Act 2005. Once completed, the Fire Risk Assessment should be made available to the KFRS, where this service is still available, to ensure that they can make their own risk assessment of the Manston Road Depot.	Assistance has been sought from the H&S officers in the HR Partnership to undertake the assessment and provide recommendations for implementation. This will provide basis for reviews as indicated in recommendation 9 below.	Waste Collection Manager July 2011
Management should ensure that time is allocated in advance to review the Fire Risk Assessment which should be updated either annually or when any material fire related change takes place to the site.	Agreed.	Waste Collection Manager July 2011

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.
Public Health Burials – May 2011		
<p>As a short term measure, all Public Health Burial case files should be reviewed and signed off by the Environmental Protection Manager until there is a demonstrable improvement in the quality of documentation. Thereafter, it would be advisable for a random sample of files to be examined periodically.</p>	<p>Target Date: This will be fully introduced as part of the revision of the procedure. Responsibility: However with immediate effect all funerals will be authorised by EHM before order being placed with Dignity.</p>	<p>All burials are discussed with Team Leader during 1:1's prior to being undertaken. Revised implementation date: July 2011. Recommendation still in progress.</p>
<p>(a) If the next of kin are not prepared to arrange and pay for the funeral they should be asked to make a written statement to confirm this and confirm TDC's first claim on any monies to recover its expenses and that they fully understand what the funeral arranged by TDC consists of.</p> <p>(b) The Council should ensure that it only undertakes a public health burial after every robust attempt has been made to ensure that any next of kin (or the NHS if the deceased dies in hospital) accept their responsibility to deal with the burial of the deceased themselves.</p>	<p>As a whole these two items are undertaken but the need to undertake them on all occasions is understood therefore this will be included in the revised procedure</p> <p>Target Date: Complete implementation by February 2011. Responsibility Environmental Health Manager with Environmental Protection Team & Business Support Team.</p>	<p>Written confirmation is requested prior to funeral arrangements being undertaken, this is also highlighted in the new procedure.</p> <p>Cases have been handed back to Coroner's Officer when it became obvious that next of kin hadn't been contacted. None have been received from NHS since audit but this has been included in new procedures.</p> <p>Revised implementation date: July 2011. Recommendation still in progress.</p>
<p>The Public Health Officer should communicate with other Council departments in respect of the affairs of the deceased e.g. Housing Benefits, Council Tax and Housing and adequately document this. This would be beneficial to ensure that other departments are aware of the death and are advised of any funds</p>	<p>This will be introduced fully in the new procedures but the Public Health Officer has been advised to begin undertaking this with immediate effect.</p> <p>Target Date: Complete implementation by</p>	<p>Public Health Officer was advised of this but will be included in new procedures as well.</p> <p>Revised implementation date: July 2011.</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>which may be available to claim against should there be outstanding Council Tax or rent due to the Council.</p>	<p>February 2011. Responsibility Environmental Health Manager with Environmental Protection Team & Business Support Team.</p>	<p>Recommendation still in progress.</p>
<p>Where there is sufficient value in the deceased's estate, the Council should consistently levy an administration charge of £100 as a contribution towards the officer time consumed in arranging the burial.</p>	<p>This will be introduced fully in the new procedures but the Public Health Officer has been advised to begin undertaking this with immediate effect. Target Date: Complete implementation by February 2011. Responsibility Environmental Health Manager with Environmental Protection Team & Business Support Team.</p>	<p>This will be introduced where funds are available and is part of the new procedure Revised implementation date: July 2011. Recommendation still in progress.</p>
<p>In instances in which the possessions of the deceased are sold, a receipt must be obtained for these items which is either on headed paper or contains the name and address of the person to whom the goods were sold.</p>	<p>An immediate reminder to the Public Health Officer & inclusion in the new procedures. Target Date: Complete implementation by February 2011. Responsibility Environmental Health Manager with Environmental Protection Team & Business Support Team.</p>	<p>The reminder has been issued and this will be in the new procedure. Revised implementation date: July 2011. Recommendation still in progress.</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 2 of the 2011-12 Plan
Employee Benefits-in-Kind	January 2011	Limited	On-going management action in progress to remedy the weaknesses identified.	Work-in-Progress
Equality and Diversity	March 2011	Limited	On-going management action in progress to remedy the weaknesses identified.	Summer 2011

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

Area	Original Planned Days	Revised Budgeted Days as at 31-03-11	Actual days to 31-03-11	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	14.85	14.85	2009-10 Quarter 4 – Finalised 2010-11 Quarter 1 – Finalised 2010-11 Quarter 2 – Finalised 2010-11 Quarter 3 - Finalised
Payroll	5	3.47	3.47	Finalised
Car Parking and PCNs	8	0.17	0.17	Work-in-Progress (Qtr 1 of 2011-12)
Bank Reconciliation	5	5.91	5.91	Finalised - Substantial
Creditors and CIS	8	10.28	10.28	Finalised - Substantial
Miscellaneous Income/Cash Collection	8	0	0	Delete from plan to accommodate higher risk reviews. Include in 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	11.15	11.15	Finalised - Reasonable
HRA Business Plan	8	8.6	8.6	Finalised - Substantial
Rent Deposit Scheme/Homelessness	5	7.63	7.63	Finalised – Reasonable/Limited
Housing Estate Management	8	0	0	Delete from plan to accommodate higher risk reviews. Include in 2011-12 plan.
ICT SYSTEMS:				
ICT Change Control and File Security	8	0	0	Delete from plan to accommodate higher risk reviews. Include in 2011-12 plan.

Area	Original Planned Days	Revised Budgeted Days as at 31-03-11	Actual days to 31-03-11	Status and Assurance Level
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
GOVERNANCE RELATED:				
Asset Management	8	12.23	12.23	Finalised - Reasonable
Members' Code of Conduct and Standards Arrangements	8	8.34	8.34	Finalised - Reasonable
Officers' Code of Conduct and Whistleblowing Arrangements	8	7.64	7.64	Finalised - Reasonable
Performance Management	9	11.44	11.44	Finalised - Reasonable
Corporate/CMT/Committee	30	42.94	42.94	Finalised
East Kent Shared Services – Validation of Performance Indicators for Tranche 1 Services	2	0	0	Delete from plan to accommodate higher risk reviews.
CONTRACT RELATED:				
Contract Standing Order Compliance	10	0	0	Delete from plan to accommodate higher risk reviews. Include in 2011-12 plan.
Contract Monitoring	10	9.54	9.54	Finalised - Reasonable
Procurement	10	0.15	0.15	Work-in-Progress (Qtr 1 of 2011-12)
SERVICE LEVEL:				
Accommodation Strategy	7	5.04	5.04	Finalised - Substantial
Members' Allowances	8	8.99	8.99	Finalised - Reasonable
Public Health Burials	6	7.05	7.05	Finalised - Limited
Coast Protection/Management	9	11.81	11.81	Finalised - Reasonable
Cemeteries and Crematorium	9	10.18	10.18	Finalised - Reasonable
Planning, Building Control and s.106 Agreements	20	20.02	20.02	Finalised – Reasonable/Substantial/ Substantial
Events Management	10	10.43	10.43	Finalised - Reasonable

Area	Original Planned Days	Revised Budgeted Days as at 31-03-11	Actual days to 31-03-11	Status and Assurance Level
Electoral Registration	8	0	0	Delete from plan to accommodate higher risk reviews. Include in 2011-12 plan.
Equality and Diversity	8	8.88	8.88	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	11.77	11.77	Finalised - Substantial
OTHER				
Liaison With External Auditors	5	2.08	2.08	Finalised
Follow-up Reviews	13	31.83	31.83	Finalised
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			0.1	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
EK Services – Tranche 1 Performance Indicator Validation	0	3.27	3.27	Finalised
External Funding – ERDF Grants	0	13.55	13.55	Finalised – Reasonable
Standards Investigation	0	4.85	4.85	Finalised

Area	Original Planned Days	Revised Budgeted Days as at 31-03-11	Actual days to 31-03-11	Status and Assurance Level
Total (Including 10.57 days brought forward from 2009-10)	440.57	466.04	466.04	105.79% Complete as at 31-03-11
UNPLANNED ADDITIONAL WORK				
Meridian Village	2	2.07	2.07	Audit verification of costs deductible from income arising from development
Interreg Grant – Customer Services	4	5.45	5.45	First Level Controller sign off charged to project
MACH Grant	0	1.13	1.13	Audit costs for sign off of grant claim charged to project
Interreg Grant – Tudor House	4	5.42	5.42	First Level Controller sign off charged to project
Interreg Grant – Maritime (Off-Shore Wind Farm)	4	3.76	3.76	First Level Controller sign off charged to project

BALANCED SCORECARD – QUARTER 4

INTERNAL PROCESSES PERSPECTIVE:	2010-11 Actual	Target	FINANCIAL PERSPECTIVE:	2010-11 Actual	Target
	Quarter 4				
Chargeable as % of available days	88%	75%	Cost per Audit Day (Reported Annually)	£268	£300
Chargeable days as % of planned days	106%	100%			
Follow up Reviews;					
<ul style="list-style-type: none"> • Issued • Not yet due • Now overdue for Follow Up 	31 10 2	- - 0			
Percentage compliance with the CIPFA Code for Internal Audit 2006	97%	97%			

BALANCED SCORECARD – QUARTER 4

<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 4			Quarter 4	
Number of Satisfaction Questionnaires Issued;	44		Percentage of staff qualified to relevant technician level	76%	75%
Number of completed questionnaires received back;	21		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 • The audit report was 'Excellent or Very Good' • That the audit was worthwhile. 	100%	100%	Number of days technical training per FTE	3.07	3.5
	100%	90%	Percentage of staff meeting formal CPD requirements	32%	32%
	100%	100%	Number of business efficiency/ service Improvement recommendations introduced	35	-



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.