



## **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.

### **2.0 SUMMARY OF REPORTS**

	<b>Service / Topic</b>	<b>Assurance level</b>
2.1	Risk Management	Substantial
2.2	EK Services – Housing Benefits Payments	Substantial
2.3	EK Services – Housing Benefits Admin & Assessment	Reasonable
2.4	Payroll Processing	Reasonable
2.5	Recruitment and Induction	Reasonable
2.6	EK Services – ICT Software Licensing	Limited
2.7	Absence Management (Sickness, Annual and Flexi Leave)	Limited

#### **2.1 Risk Management – Substantial Assurance:**

##### **2.1.1 Audit Scope**

To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that the Council adopts best practices in the identification, evaluation and cost effective control of risks to ensure that they are reduced to an acceptable level or eliminated, and also maximise opportunities to achieve the Council’s vision.

##### **2.1.2 Summary of Findings**

Almost all of the requisite internal controls have been established in this area and are operating effectively.

The Council has a robust and effective risk management strategy and Corporate Risk Register, which is regularly reported to and reviewed by Senior Management team and Governance and Audit Committee.

The Council has recently moved the recording and monitoring of risks from it’s previous risk management system (RiskWeb) and onto InPhase in order to coordinate its performance, project and risk management process as well as its corporate and service plan actions and Annual Governance Statement actions.

Only one medium priority recommendation has been made as part of this review, which is the Council’s Project Management processes and documentation should be

reviewed (and updated where applicable) to ensure that they remain appropriate and relevant.

## **2.2 EK Services Housing Benefits Payments – Substantial Assurance:**

### 2.2.1 Audit Scope

To ensure that the processes and procedures established by EK Services are sufficient to provide the level of service required by the partner authorities of Canterbury CC, Dover DC and Thanet DC and incorporate relevant internal controls regarding the payments of Housing Benefit.

### 2.2.2 Summary of Findings

Established payment processes are in place at each of the authorities that ensure that benefit payments are processed in a timely manner and that the appropriate financial systems are credited with the relevant information.

## **2.3 EK Services Housing Benefits Admin. & Assessment – Reasonable Assurance:**

### 2.3.1 Audit Scope

To ensure that the processes and procedures established by EK Services are sufficient to provide the level of service required by the partner authorities of Canterbury CC, Dover DC and Thanet DC and incorporate relevant internal controls regarding the administration & assessment of Housing Benefit claims.

### 2.3.2 Summary of Findings

The Housing Benefit and new Council Tax Reduction administration and assessment process is operating well with most of the expected controls in place and working effectively. Since April 2011 EK Services have delivered savings to each authority and the reported quality of the service provided has not suffered as a consequence.

During the extensive testing of claims for each Council, it was clear that there was a training need relating to the start dates for new claims, which needs to be addressed. It was also found that a few errors had gone undetected which had previously been subject to quality testing. Despite this it was clear that the knowledge held by members of the Quality Team was extremely good and reliable. Therefore a number of simple measures have been suggested to help improve the quality of assessment and build on the reliability and robustness of the quality testing process. The testing also highlighted the need for consistency in relation to what identification is considered acceptable and what level of identification verification from the DWP should be relied upon when assessing a new claim.

EK Services provide Payment Officers and Customer Services Officers with a large number of useful tools to help Payment Officers assess claims accurately and in compliance with Housing Benefit regulations. These tools are stored electronically in various different places and efforts should be made to try and adopt a consistent approach to the access and filing of some of these tools. Once this has been completed officers should be encouraged to use them. It was noted that some Payment Officers who were responsible for making some of the errors detected during the audit were not using the tools available to them. Management have started

to review the suitability and accessibility of these tools. Once this exercise has been completed those Payment Officers who are identified in future, as having a training need should be encouraged to use the tools to assist with their assessment accuracy.

The management information available on the performance and productivity of its Payment Officers is considerably well documented across all three sites. The 'one and done' ethic which is widely promoted by EK Services to encourage staff to obtain all information as efficiently as possible was also clear to see during the audit. The service looks to be adapting well to the April 2013 changes, following the introduction of the benefit reforms. Going forward the effects of these changes will need to be monitored closely as the service evolves and adapts to the significant challenges, which lay ahead.

## **2.4 Payroll Processing– Reasonable Assurance:**

### **2.4.1 Audit Scope**

To provide an effective, efficient and economical shared service to the three partner councils covering Officers and Members, whilst ensuring that all the necessary statutory requirements for the administration of the payroll service, such as income tax and national insurance are adhered to.

### **2.4.2 Summary of Findings**

The Payroll process is generally working accurately, with very few pay errors. The current process is now established and embedded and functioning to deadline each month.

However, there are inconsistencies at each of the authorities regarding the level of payroll processing and checking being carried out, in addition to the roles being carried out by EKHRP and KCC each month. The payroll processing and checking at the authorities was initially set up as a short term requirement whilst the 'self service' elements of the new payroll process were further developed and implemented. These are local decisions made at each of the separate councils. Following the cancellation of any further system development with iTrent, this additional control is still required and, whilst there are different levels of checking at each site, the controls were found to be working effectively.

## **2.5 Recruitment and Induction – Reasonable Assurance:**

### **2.5.1 Audit Scope**

To provide assurance in respect of the internal controls and procedures for the screening of potential new employees in order to limit or avoid the possibility of employing unsuitable individuals, and also to ensure that the successful applicant has the correct aptitudes for the job and are effectively recruited and inducted into the organisation.

### **2.5.2 Summary of Findings**

The Recruitment and Induction process is generally working well and most of the expected controls are effective. The process has recently been revised and the new toolkit has led to a culture change for managers, which will need time to embed into

each organisation. Presentations have been made to the managers' forums at each authority apart from Canterbury City Council where this is still to be arranged. In addition various communication channels have been utilised to get the new toolkit message out to managers.

The Recruitment and Selection Policy and Procedure states that at least one member of the selection panel must have received formal interviewing training. EKHR have confirmed that when a manager is setting up a panel to carry out interviews that they are ensuring that at least one member of the panel has carried out interviews before or has completed some form of interview training. However there is also a need to ensure that any new managers are suitably trained prior to carrying out any recruitment.

As part of the audit a sample of personnel files were reviewed to ensure that references had been obtained in accordance with policy and best practice. The results have identified that generally the recruitment checklist had not been completed correctly as the 'request references' action was not being signed off. Also copies of the references were not always on the files even though there may have been emails sent to the manager to confirm that the references had been received or alternatively the references may have gone directly to managers and copies not passed to EKHR for them to be placed on to the individual's personnel file. Overall it is better general house keeping of the files that needs to be put in place to ensure that each file consistently shows all the correct information.

## **2.6 EK Services ICT Software Licences – Limited Assurance:**

### **2.6.1 Audit Scope**

To ensure that the procedures and internal controls established by EK Services are sufficient to provide an effective, efficient, secure and economical ICT service to the three partner authorities of Canterbury CC, Dover DC and Thanet DC. An important aspect of this being software licensing of the ICT applications on behalf of the partners.

### **2.6.2 Summary of Findings**

The Limited Assurance is primarily due to the fact that there is no single/comprehensive register of software currently in place, there are several registers, not all of which can claim to be complete or up to date. It should be noted that management are currently working towards a deadline of April 2014 to produce one centralised register of software licences, which is the date a number of Microsoft Licenses in use become unsupported. This will allow the service to reconcile the software licences owned by each council with the software licences actually in operation. This light touch review was the first audit of Software Licences since the responsibility for the service was transferred to EK Services in April 2011.

It should be noted that due to the wording set out in the Collaboration Agreement (paragraph 15) the exposure to legal challenges is held entirely by Thanet District Council. All three councils carry the risk of the potential for poor value for money from under or oversubscription of software licences. The most significant risk, bared by the host Council, relates to financial penalties resulting from a possible legal challenge from either the Federation Against Software Theft (FAST) or from companies like Microsoft (amongst other software producing companies) that the councils use. This is going to be an extremely complicated task but all steps should be taken to ensure

this reconciliation process is carried out by adequately trained member/s of staff as soon as possible. Since this audit was undertaken Microsoft have made contact with Canterbury City Council. They have requested information on its software licences and as a result Microsoft are now aware of the shared service arrangements.

It was discovered that the programme (Track IT), which can be used to detect software installed on a council computer or laptop, was not working properly as it is unable to scan across the multiple domains that EK Services support. A functioning software detection system is critical to allow the service to carry out a reconciliation of installed software, which will be one of the first steps towards creating a reliable central register. Once this programme is ready to be used EK Services should consider how it to deal with the detection of unauthorised downloaded software, which will inevitably come to light as part of this reconciliation.

The EK Services Business Support Team is currently responsible for purchasing software and the IT Technicians are responsible for installing the software. There were instances where software had been purchased and installed but records were incomplete which hampers the reconciliation further. With the increasing availability of downloadable software it is key that working processes between the two departments and the responsibilities of the two departments are established and well documented. Once a reliable central register has been produced the Business Support Team should have the ability to access and amend the register at the point of any purchase of software, installation and de-installation. This will also enable the Business Support Team to identify unused licences and record new licences acquired on the new central register.

### 2.6.3 Management Comment

EK Services recognise the importance of software licence control. Progress has been made on identifying an approach to asset and licence management by implementing a single software system and processes to ensure that all partnership software licences are controlled and managed effectively.

Demonstrations of Software Asset Management (SAM) systems have been undertaken and EK Services are preparing to procure and implement. This new tool and process will enable the effective discovery of software installed on all partnership devices and provide a comprehensive management suite in line with vendor licensing models including Microsoft and Oracle.

The Canterbury Microsoft licencing review has reached a key milestone and it is now known what the effective licence position (ELP) is for Canterbury. EK Services are working with Microsoft to eliminate some of the perceived shortfalls.

EK Services have commissioned a licence review for Oracle products in use across the partnership via a large account reseller service. This review is in final draft report stage and outcomes will be reported back to partnership client officers (Head of ICT – EK Services).

## **2.7 Absence Management – Limited Assurance:**

### 2.7.1 Audit Scope

To provide assurance that staff absences are valid and authorised by management either in advance or in the case of sickness immediately after the event. To ensure that staff resources are adequately controlled and managed.

## 2.7.2 Summary of Findings

Whilst not every authority functioned incorrectly in every area there was sufficient evidence to show that each would benefit from improved practices and procedures. Established working practices need to be rethought to ensure that the current policies are complied with, enhancing the efficiency of the services. Re-launching the policies and guidance and drawing the attention of staff to the modifications introduced would support and guide this action.

The audit looked at sickness absence monitoring, annual leave and flexitime recording across the four organisations for 2011/12; samples drawn from the workforce for each authority were based upon staffing information provided by EK Human Resources.

### *Sickness absence monitoring:*

Line Managers have primary responsibility for recording instances of sickness and for implementing the universal Absence Management Policy in force at each authority. From the evidence available the initial recording of an individuals' sickness appears to be functioning as designed, albeit using different methods. It is the finer detail and the appreciation of why each element needs to be completed which gives some cause for concern.

The full follow up process was not being implemented for all staff within the sample tested leading to concern that all staff were not being treated equally. The return to work interview should be documented and evidence of the interview retained by both the line manager and EKHR; this was not always the case. Poor records could influence adversely any disciplinary or supportive action planned for those with persistent sickness. Trigger points for further action, set out within the policy, had also been missed. The guidance notes, whilst easily available through EKHR links, would benefit from small modifications to improve staff understanding and to clarify the correct processes.

There were anomalies in the system of sickness management reports produced and this has been recognised by EKHR who have designed and had accepted a standard method for reporting on sickness to each authority. Line managers reported that it would be extremely beneficial to receive regular reports to help them monitor trigger points; this comment reinforces the findings mentioned above. The Absence Management Policy sets out three tiers of responsibility for receiving reports, line managers, senior managers and Members. The new agreed report has sufficient information for each of these groups, however, it is imperative that the report is appropriately disseminated to line managers and that senior managers fulfil their oversight role.

### *Annual leave:*

Annual leave allowances were clearly defined and calculated correctly in the majority of instances, however, some errors were identified in the basic calculations and in the number of carry forward days from one year to the next. It was not clear from the policy documents available if TDC/EKS staff were allowed to carry any days forwards whereas for DDC and CCC this was a policy specification. The agreed brief stated that where errors had been found in a particular service that service should be fully checked and this is reflected in the recommendations. Annual leave authorisation and recording was well documented.

*Flexi-leave:*

The three councils have adopted a common flexi leave policy. The type of post to which the policy applied however was not widely understood and accordingly there is a risk that the policy is not being consistently applied to all staff. The recording methods used across the authorities were more numerous than anticipated (at one authority five different recording systems exist). Authorisation of flex periods should be done after the completion of each 4 weekly cycle, this was not always the case and some systems did not prevent amendment after authorisation; the DDC system locked down the time sheet once authorised. There were cases where staff had carried forwards more than the 15 hours allowed without sufficient explanation being provided. Many time sheets were not signed-off by line managers and there were examples of overtime being paid on a regular basis for hours that could not be carried forwards, in contravention of the policy. The use of a single simple system like that at DDC could help reassure management.

2.7.3 Management Comment

Management have commissioned the Head of EKHR to move the action plan forward (Director of Shared Services).

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

3.1 As part of the period's work, eight 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)	VAT Compliance	Reasonable	Substantial	H M L	3 0 1	H M L	0 0 0
b)	Procurement, Creditors and Construction Industry Scheme	Substantial	Substantial	H M L	0 2 5	H M L	0 0 2
c)	CSO Compliance	Reasonable	Reasonable	H M L	4 2 0	H M L	0 0 0
d)	Bank Reconciliation	Substantial	Substantial	H M L	0 1 1	H M L	0 0 0
e)	Dickens House and Margate Museums	Reasonable/ Limited	Reasonable /Limited	H M L	5 7 0	H M L	4 4 0
f)	Homelessness	Reasonable/ Limited/ Limited	Reasonable /No	H M L	3 1 0	H M L	1 0 0

Service/ Topic		Original Assurance level	Revised Assurance level	Original Number of Recs.		No of Recs. Outstanding	
g)	Partnerships	Reasonable	Reasonable	H	1	H	0
				M	6	M	2
				L	0	L	0

3.2 Details of any individual High priority recommendations outstanding after follow-up are included at Appendix 1 and on the grounds that these recommendations have not been implemented by the dates originally agreed with management, they are now being escalated for the attention of the s.151 officer and Members' of the Governance and Audit 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, in respect of those remaining at below Reasonable assurance, Members are advised as follows:

e) Dickens House and Margate Museums:

Albeit that commendable progress has been made to date to address the weaknesses highlighted in the original audit report, it is important that focus remains to ensure that the ongoing activities continue to progress, strengthen the associated control objectives and improve overall risk management. Management need therefore be satisfied that an adequate monitoring process is in place and that progress is regularly reported at an appropriate officer level.

The original report recognised that the improvements required to the management and working operations of the museums would not be an overnight process. The report also acknowledged that the improvements would take time, would be subject to budgetary restrictions, officer availability and the goodwill of those volunteers involved in the operational running of the museums. The main issues that need to be addressed at the Dickens House Museum include:

- The staff restructure to meet the future needs of the museum and to address the Curator's lack of employee contract;
- The transfer and reconciliation of artefact records from current paper records onto a database;
- Undertaking a revaluation exercise of the museum artefacts;
- Ensuring the adequacy of insurance on individual artefacts and/or the collection as a whole;
- Completion of agreements regulating the loan of artefacts to the Museum; and
- Environmental equipment installed.

The main issues that need to be addressed at the Margate Museum include:

- Finalisation of the SLA between TDC and Friends of Margate Museum;
- Completion of the artefacts catalogue;



- Ensuring the adequacy of insurance on individual artefacts and/or the collection as a whole; and
- Environmental equipment installed.

Management response:

The report shows that significant progress has been made on the audit recommendations and the plans in place to achieve the others are realistic given the resources available. The reliance on volunteers to support the work does add a variance that is outside the council's control. However, the Margate Museum volunteers have shown a high level of commitment and progress is being steadily made. The creation of new catalogues is most reliant on volunteer input, however the audits carried out on the Margate Museum artifacts and planned for Dickens House have/ will minimise the risk to the council while the new catalogues are being developed. HLF are being approached to see if the Council/Friends can apply for funds that would speed up the cataloging of the museum collections.

Electronic database depends on finding a willing volunteer. The Council is looking into applying for a HLF bid to assist with the cataloguing of the collection.

f) Homelessness:

The issue which remains in progress is to decide what action is necessary to either terminate the contract for the Old School Lodge with Casa Support or seek to enforce the terms of conditions of this contract which Casa are currently in breach of having let a conflicting contract with Supporting People. Management are currently liaising with the legal section in this regard however until this issue has been resolved, it would be premature to increase the assurance level with regard to the Old School Lodge.

- 3.4 After the follow-up review has been completed by the East Kent Audit Partnership any recommendations which remain outstanding are tracked through the Council's Policy & Business Planning team, via quarterly reminders, with an expectation that progress reports will be provided quarterly for all high priority matters. If the recommendations remain outstanding the tracking and reminders will continue for three years, which is the usual period between programmed internal audits. The current numbers involved and progress towards achieving existing outstanding recommendations is as follows:

Service/ Topic		Assurance level	No of Recs. Outstanding	
a)	Employee Health and Safety	Reasonable	H	1
			M	1
			L	0
b)	CCTV	Reasonable	H	1
			M	0
			L	0
c)	Coast Protection	Substantial	H	0
			M	1
			L	0

Service/ Topic		Assurance level	No of Recs. Outstanding	
d)	Electoral Registration	Reasonable	H	0
			M	1
			L	0
e)	Food Safety	Reasonable	H	0
			M	1
			L	0
f)	HRA Business Plan	Substantial	H	1
			M	0
			L	0

#### 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: Members' Allowances and Expenses, Cemeteries and Crematoria, Officers' Code of Conduct and Whistle blowing Arrangements, Housing Allocations, Child Protection and CRB, Imprest Floats and Rail Travel Procurement, Members' Code of Conduct and Standards Arrangements, and ICT – Network Security.

#### 5.0 CHANGES TO THE AGREED AUDIT PLAN:

5.1 The 2013-14 internal audit plan was agreed by Members at the meeting of this Committee on 21<sup>st</sup> March 2013.

5.2 The Head of the Audit Partnership meets regularly 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.

#### 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 new unplanned work arising during the period quarter to bring to Members attention at the present time.

#### Attachments

Appendix 1 Summary of High priority recommendations outstanding after follow-up.

Appendix 2 Summary of services with Limited / No Assurances

Appendix 3 Assurance statements

**SUMMARY OF HIGH PRIORITY RECOMMENDATIONS OUTSTANDING AFTER FOLLOW-UP - APPENDIX 1**

Original Recommendation	Agreed Management Action , Responsibility and Target Date	Manager's Comment on Progress Towards Implementation.
<b>Dickens House and Margate Museum:</b>		
<p>There should be a formal contract/agreement defining the responsibilities and the expected service to be provided for the running of the museums.</p> <ul style="list-style-type: none"> <li>• <b>Dickens House Museum:</b> Employee Contract for the Curator.</li> </ul>	<ul style="list-style-type: none"> <li>• Contact HR to discuss Honorarium implications and how to progress</li> <li>• Put in place a contract for the curator position</li> </ul> <p><b>Proposed Completion Date:</b> March 2013</p> <p><b>Responsibility:</b> Economic Development and Regeneration Manager (RH) / Community Development Officer (KW) / Community Services Manager (MH)</p>	<p><b>Dickens House Museum:</b> Feedback from EKHR was that the honorarium is treated as a service contract. In recent years many of these honorariums have been converted into employment contracts, but to convert to them requires going through the formal job evaluation process.</p> <p>The present staff structure at the museum needs to be restructured to meet the future needs of the museum, the Economic and Regeneration manager has agreed that an SMT paper would be written laying out the options, and any re-structure should be in the autumn to minimise disruption to the opening of the attraction. On hearing this EKHR advised not to proceed with an employment contract as this was a lot of work when it is about to change within a year.</p> <p>If TDC decided to terminate the honorarium EKHR provisionally advised the person could claim redundancy payment, due to the length of service, but they would not</p>

**SUMMARY OF HIGH PRIORITY RECOMMENDATIONS OUTSTANDING AFTER FOLLOW-UP - APPENDIX 1**

Original Recommendation	Agreed Management Action , Responsibility and Target Date	Manager's Comment on Progress Towards Implementation.
		<p>give a definite answer until this was a certainty.</p> <p>Revised Implementation Date; January 2014</p>
<ul style="list-style-type: none"> <li>• <b>Margate Museum:</b> Formal management arrangements between the Council and FoMM</li> </ul>	<ul style="list-style-type: none"> <li>• Draft a SLA between TDC and FoMM to include recommendations</li> </ul> <p><b>Proposed Completion Date:</b> March 2013</p> <p><b>Responsibility:</b> Economic Development and Regeneration Manager (RH) / Community Development Officer (KW) / Community Services Manager (MH)</p>	<p><b>Margate Museum:</b></p> <p>Draft SLA between TDC and FoMM has been discussed with FoMM and a draft started. Now the FoMM have been opening the museum regularly for a year, there is a better understand of the capability of FoMM, and the income and expenditure involved which means the SLA will be fair and sustainable for both sides.</p> <p>Revised Implementation Date: September 2013</p>
<p><b>Margate Museum:</b></p> <p>Due to the collection valuation of £400,000 and associated insurance risks i.e. inadequate insurance cover for the collection and/or individual valuable items, alternative options should be sought to shorten the two year time scale for the cataloguing of artefacts. Option considerations should ensure that Council interests are adequately protected.</p>	<p><b>Agreed Management Action.</b> High value artefacts catalogued first:</p> <p>a) Artwork in store catalogued – June 2013 b) Artefacts of high value catalogued – March 2013 c) Artefacts at sites other than the museum catalogued – March 2012</p> <p><b>Proposed Completion Date:</b> See completion dates above</p>	<p>The museum storeroom has been revamped and an audit of these pictures is complete; just under 1,000 pictures have been audited. The audit is against the EKMT catalogue; the parts of this catalogue based on the Colin Wilson TDC curator documents are accurate, it is later items where there are problems.</p>

**SUMMARY OF HIGH PRIORITY RECOMMENDATIONS OUTSTANDING AFTER FOLLOW-UP - APPENDIX 1**

Original Recommendation	Agreed Management Action , Responsibility and Target Date	Manager's Comment on Progress Towards Implementation.
	<p><b>Responsibility:</b>                      Economic Development and Regeneration Manager (RH) / Community Development Officer (KW) / Community Services Manager (MH)</p>	<p>All the high value artefacts have been audited, and the pictures at Northdown House and Theatre Royal have been audited.</p> <p>The new catalogue, which will give greater detail and photographs, is progressing slowly as volunteers have been concentrating on the audit. The creation of the catalogue is being carried out systematically i.e. room by room to avoid artefacts being missed. The downstairs display rooms are almost complete. The audited pictures are going to be imported into the new catalogue, but will lack meta data, picture and the new unique number; this data will be added during the systematic cataloguing process. The importing of the audit information will be completed by the autumn.</p> <p>New Implementation Date: Audit information imported into the new catalogue October 2013. New catalogue 2017</p>
<b>Dickens House Museum:</b>	Independent valuation of artefacts owned by Dickens	Discussions have been held with the Dickens Fellowship, who owns the

**SUMMARY OF HIGH PRIORITY RECOMMENDATIONS OUTSTANDING AFTER FOLLOW-UP - APPENDIX 1**

Original Recommendation	Agreed Management Action , Responsibility and Target Date	Manager's Comment on Progress Towards Implementation.
<p>Consideration should be given to undertaking a revaluation exercise of the museum artefacts. Revaluation details should be incorporated within the Inventory of Assets submitted to Finance for insurance purposes.</p>	<p><b>Proposed Completion Date:</b> March 2013</p> <p><b>Responsibility:</b> Economic Development and Regeneration Manager (RH) / Community Development Officer (KW)</p>	<p>majority of the valuable artefacts about re-valuation of their artefacts. This will be carried out after the audit in June.</p> <p>New Implementation Date: November 2013</p>
<p><b>Margate Museum:</b></p> <p>Regular updates regarding the project for cataloguing artefacts should be forwarded to Accountancy for insurance purposes. Consideration should be given to exploring the practise used by other local authorities regarding the insurance of their museum assets.</p>	<p><b>Agreed Management Action.</b></p> <p>a) Identify practises used by other LAs regarding insurance of museum assets</p> <p>b) Send updates of catalogued artefacts to Accountancy for insurance – once a quarter.</p> <p><b>Proposed Completion Date:</b> May 2013</p> <p><b>Responsibility:</b> Community Development Officer (KW)</p>	<p>Dover and Canterbury Councils contacted, and awaiting a response from their museum officers.</p> <p>As the museum isn't on the internet, memory stick is the only way to transfer data. The TDC authorised memory sticks are presently unavailable.</p> <p>New Implementation Date: June 2013</p>
<p><b>Homelessness:</b></p>		
<p>Management should liaise with Legal and decide what action is necessary to either terminate the contract for the Old School Lodge with Casa Support or seek to enforce the terms of conditions of this contract which Casa are currently in breach of having let a conflicting contract with Supporting People.</p>	<p>Decision to be made following contact with Casa Support – Target Date April 2012</p>	<p>Management are currently liaising with legal to ascertain the legal option available to the Council and the most appropriate course of action to pursue.</p>

**SERVICES GIVEN LIMITED / NO ASSURANCE LEVELS STILL TO BE REVIEWED – APPENDIX 2**

<b>Service</b>	<b>Reported to Committee</b>	<b>Level of Assurance</b>	<b>Management Action</b>	<b>Follow-up Action Due</b>
Thanet Leisure Force – Monitoring and Performance Arrangements	December 2012	Substantial/Limited	On-going management action in progress to remedy the weaknesses identified.	Work-in-Progress
Data Protection Act Compliance	December 2012	Reasonable/Limited	On-going management action in progress to remedy the weaknesses identified.	Work-in-Progress
Dog Warden and Litter Enforcement	March 2013	Reasonable/Limited	On-going management action in progress to remedy the weaknesses identified.	Work-in-Progress
EK Services – Software Licences	June 2013	Limited	On-going management action in progress to remedy the weaknesses identified.	Quarter 2 2013-14
Absence Management	June 2013	Limited	On-going management action in progress to remedy the weaknesses identified.	Quarter 2 2013-14



## Appendix 3

### 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.