



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 30th September 2013

2.0 SUMMARY OF REPORTS

Service / Topic		Assurance level
2.1	Cemeteries and Crematorium	Substantial
2.2	Building Control	Substantial
2.3	Local Code of Corporate Governance	Substantial
2.4	EK Services – Council Tax Reduction Scheme	Substantial
2.5	Officer Code of Conduct & Whistleblowing Arrangements	Reasonable
2.6	Performance Management	Reasonable
2.7	Child Protection	Reasonable
2.8	Service Contract Monitoring & Management	Reasonable
2.9	Public Health Burials	Limited
2.10	EK Services – Housing Benefit Quarterly Testing (Qtr 2 of 2013-14)	Not Applicable

2.1 Cemeteries and Crematorium – Substantial Assurance:

2.1.1 Audit Scope

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

2.1.2 Summary of Findings

The Council operates the Thanet Crematorium and cemeteries at Ramsgate and Margate. The crematorium deals with approximately 1,500 cremations per year and there are approximately 160 burials. Total budget for the Cemeteries and Crematorium Service for 2013/14 is £1,150,000 income and £486,000 expenditure. The Council is a member of the Institute of Cemeteries and Crematorium Management (I.C.C.M.) and their *Charter For The Bereaved* as well as the Federation of Burial and Cremation Authorities (F.B.C.A.).

The primary findings giving rise to this Substantial assurance opinion are as follows:

- The income collection procedures were considered adequate and robust;
- The cash handling, cash collection, cash reconciliation and subsequent security arrangements were working effectively;
- Extensive examination of the fees and charges revealed no major compliance issues;
- Budgets Monitoring was well exercised;
- All files and documentation are retained and maintained in compliance with legal requirements; and
- Examination of the various processes revealed no major issue

There were no significant weaknesses however some small scope for improvement was identified in the following areas:

- One fee for an additional service needs to be formally approved;
- The need to review the debt monitoring processes; and
- The need to reflect some of the operational risks within the risk register.

2.2 Building Control – Substantial Assurance:

2.2.1 Audit Scope

To provide assurance that Building Control procedures are operated in accordance with the Building Act 1984 and the organisation's Financial regulations and approved policy.

2.2.2 Summary of Findings

In 2010 the Building (Local Authority Charges) Regulations 2010 were introduced; this changed the way charges were calculated for building control applications. The Regulations meant that the Council was now responsible for setting their own charges and this would be done on an individual application basis. The new Regulations also introduced refunds of charges if the fee was greater than the amount of work undertaken.

The number of building control applications received in 2012/13 totalled 14,123, which is slightly more than the number of applications received the previous year 2011/12 of 13,083. The total income collected for 2011/12 was £325,774.27 compared to £278,606.38 in 2012/13.

The service area has efficient procedures and controls in place to ensure that all aspects of the building control function are effective.

The primary findings giving rise to the Substantial Assurance opinion are as follows:

- There are effective processes in place to ensure that all income is banked promptly and that building control applications are dealt with effectively.
- Completion certificates are not issued unless all monies due to the Council have been paid in full.
- No VAT is deducted from regularisation fees.
- Only two refunds have been made in this financial year

Scope for improvement was however identified in the following area:

- The target for the service is to break even, however any surplus income generated, should be ring fenced to offset any deficit in a subsequent year.
- The central support services charges allocated to the service have increased significantly from 2011/12. The methodology behind how the charges are calculated must be reviewed to ensure that the charges are appropriate for the service.

2.3 Local Code of Corporate Governance – Substantial Assurance:

2.3.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established in the systems, to ensure that the Council's governance arrangements are adequately designed to lead to good management, good performance, good stewardship of public money, good public engagement and, ultimately, good outcomes for citizens and service users.

2.3.2 Summary of Findings

Good governance should enable an authority to pursue its vision effectively as well as underpinning that vision. CIPFA / SOLACE produce the 'Delivering Good Governance in Local Government' framework and guidance documents. These guidance notes refer to the 6 core principles of good Corporate Governance and this audit has reviewed how the Council ensures that these core principles have been achieved.

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

- The Local Governance Code is based on the guidelines provided by CIPFA / SOLACE;
- The Corporate Plan is prepared by the Leader and his Cabinet;
- The Authority has set out a clear statement of the respective roles and responsibilities of the executive and of members;
- Codes of Conduct exist in the Council's Constitution; and
- The Authority maintains effective scrutiny, risk management and whistleblowing functions.

Scope for improvement was however identified in the following areas:

- Updating the current list of supporting documents; and
- Providing hyperlinks on the Internet to those documents which evidence compliance with the code.

2.4 EK Services – Council Tax Reduction Scheme – Substantial Assurance

2.4.1 Audit Scope

To ensure that the recently introduced Council Tax Reduction Scheme has been implemented correctly by EK Services as intended by the partner authorities of Canterbury CC, Dover DC and Thanet DC.

2.4.2 Summary of Findings

As part of the Welfare Reform Act 2012 the Government announced that from 1st April 2013 council tax benefit would be abolished and councils would need to design and operate their own local Council Tax Support Scheme. The new scheme had to be created and adopted by councils by the 31st January 2013 in order to be eligible for support funding. Applications were made by all three EK authorities for support funding, these were approved and the monies were paid to the councils in April 2013.

EK Services developed a scheme which was approved by all three partner authorities. The relief reduction agreed was:-

- Canterbury City Council – 5%
- Dover District Council – 6%
- Thanet District Council – 5.5%

The primary findings giving rise to this Substantial Assurance opinion are as follows:

- New Council Tax Reduction Schemes were developed and adopted by the deadline set by the Department of Communities and Local Government.
- The new parameters were robustly and extensively tested prior to them being loaded into the live systems for the commencement of the scheme on the 1st April 2013.
- All relevant staff were provided with detailed training and guidance notes on the new scheme.
- Monthly management information is being produced by EK Services for the partner authorities to review and monitor the number of 'new payers'.

2.5 Officer Code of Conduct & Whistleblowing Arrangements – Reasonable Assurance:

2.5.1 Audit Scope

To provide assurance that the key controls and operating procedures surrounding officer compliance with the Code of Conduct and Statement on the Prevention of Fraud & Corruption are found to be operative throughout the year and that the business objectives were met.

2.5.2 Summary of Findings

Counter Fraud and Corruption:

The Council's Fraud and Corruption policies are clear, well documented and provide suitable protection for whistleblowers. A couple of minor changes have been suggested to reflect the introduction of the Bribery Act 2010 and the new relationship with Grant Thornton as the Council's External Auditors. The policies were easily located on the intranet but were not easily located on the Council's external facing website for members of the public or, more importantly, for contractors to locate. Whilst the Council's contract templates specifically include a counter fraud and corruption clause, there is currently not a process whereby contractors are sent a link to the anti-fraud, corruption or whistle-blowing arrangements on the Council website.

EK Services have recently implemented a Net Consent facility, which has the ability to electronically record that an employee has viewed and understood a specific policy. The anti-fraud and corruption policies have not yet been added to this facility and could provide additional protection to the organisation and further raise awareness of the potential for fraud or corruption in the workplace.

The Council's Risk Management process could benefit from the inclusion of fraud and corruption in terms of probability and impact. These measures would each help the Council strengthen its stance on counter fraud and corruption.

Officers' Code of Conduct:

The vast majority of the content within the Code of Conduct is still relevant and credible despite the Code of Conduct having been adopted back in 1998. The Council should consider reviewing the existing Code of Conduct in order to address issues such as the use of social media and the inclusion of the whistle-blowing arrangements.

The HR intranet page was examined and is easy to navigate, however the Code of Conduct itself was difficult to locate. There was also some confusion as to whether HR or the Council was responsible for operating and maintaining a list of Politically Restricted Posts which forms part of the Local Government and Housing Act 1989 as amended by the Local Democracy, Economic Development and Construction Act 2009 (section 6).

2.6 Performance Management – Reasonable Assurance:

2.6.1 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.

2.6.2 Summary of Findings

Whilst the system of internal controls currently delivers a Reasonable Assurance, there is strong emerging evidence to support the direction of travel towards an audit opinion of Substantial Assurance.

The Council has robust and effective performance management arrangements, and almost all of the requisite internal controls have been established in this area and are operating effectively.

The following areas for suggested improvement have been identified by the review:

- a) Provide a link to the Performance Management pages from the front page of the intranet;
- b) Update the version of the *Performance Management Framework* on the staff intranet pages;
- c) Update the version of the *Data Quality Framework* on the staff intranet pages;
- d) Clearly define the Council's performance reporting *arrangements* within the approved *Performance Management Framework*;
- e) The *Corporate Performance Review Working Party* should receive regular reports on performance, service planning, corporate plan priorities, shared service performance etc. as detailed in its existing terms of reference;
- f) Each staff objective - set during the appraisal process for individual members of staff - should be cross referenced to the service plan objectives which they support;
- g) Consider closer alignment of the Council's performance management and shared service monitoring activities, including the recording, monitoring and reporting of

- all shared service performance in the same manner as that for in-house Directorates; and
- h) Consider the opportunities for benchmarking some or all areas of the Council's performance against other councils.

2.7 Child Protection – Reasonable Assurance:

2.7.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that the Council fulfils its obligations under the Children Act 1989 and section 11 of the Children Act 2004. The Children Act 2004 states that the child's welfare is paramount and that every child has a right to protection from abuse, neglect and exploitation.

2.7.2 Summary of Findings

The Children Act 1989 and Section 11 of the Children Act 2004, detail the responsibilities of local authorities to ensure the protection of children and the safeguard of them.

Kent County Council have established the Kent Safeguarding Children's Board (KSCB), which has key statutory responsibilities for agreeing how the relevant organisations will co-operate to safeguard and promote the welfare of children and for ensuring the effectiveness of this work in Kent. Thanet District Council is a member of the KSCB and, as a result of this, completed their self assessment in October 2012 to ensure that they had effective arrangements in place regarding child protection.

The responsibility of ensuring all relevant officers have undertaken a Disclosure and Barring Service check (formerly called CRB) has recently been moved from EK Human Resources to the Community Services Officer, due to the fact that the Council could not be assured that the checks were being undertaken by EK Human Resources in a timely manner and that all relevant staff had a recent check.

As part of the induction process staff must complete the e-learning module on child protection. However a report supplied by EK Human Resources showed that only 74 staff had completed the e-learning module equating to just 15.4% of the staff employed.

2.8 Service Contract Monitoring & Management – Reasonable Assurance:

2.8.1 Audit Scope

To evaluate the management and monitoring of a sample of contracts across Council departments with a view to ensuring that the contract terms and conditions are adequately monitored and managed and result in the Council receiving the highest levels of performance from its contractors.

2.8.2 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 procurement process was not examined as part of this review.

The five contracts reviewed were as follows:

- Contract 1 – Beach Cleaning
- Contract 2 – Maintenance of Pay & Display Machines
- Contract 3 – Security at Ramsgate Harbour and the Port
- Contract 4 – Cleaning Services at Ramsgate Port and Royal Harbour
- Contract 5 – Cleaning Services – Public Conveniences

Each of the contracts is managed to a different level but this is to be expected given the different nature of each contract. Monitoring of each contract is undertaken regularly and good contact is maintained between the Council and each contractor. Whilst formal reports are not received for all contracts the level of monitoring undertaken is considered to be appropriate for each contract reviewed.

Expenditure has been monitored well for each contract and variations to the level of service required has been adequately controlled.

Formal contracts were in place for four of the contracts reviewed – whilst there is an agreement in place for the Maintenance of Pay & Display Machines this is not a formal contract and does not include provision for liquidated damages.

Performance bonds had not been sought for three of the contracts reviewed – this is in accordance with the criteria set by the Council.

Four of the contracts include an option to extend then term of the contract and this has been exercised appropriately in one case.

2.9 Public Health Burials – Limited Assurance:

2.9.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established for Public Health Act Burials, ensuring that any burials undertaken are performed in line with procedures, and sufficient records maintained to safeguard the officer(s) making arrangements / fulfil statutory requirements should there be any estate.

2.9.2 Summary of Findings

This is the third audit review carried out within this area which has concluded limited assurance; accordingly, Senior Management and Members of the Governance and Audit Committee will want assurance that remedial action is taken to address the control weaknesses in this area as a matter of priority and that controls are not allowed to lapse again in the future.

There are several issues that need to be addressed to improve the controls that are in place. A sample of files has been reviewed and there appears to be some inconsistencies in place in the processes being followed and the records being kept for Public Health Burials. These include

- The cost of the funerals (These vary across the sample selected);
- Failing to follow up relatives in respect of payment of the funeral;
- Sign off by the Environmental Health Manager to agree that the funeral should be paid for by the authority; and
- No or incomplete listings of any items or documentation taken from the deceased person's property.

This inconsistent application of process, coupled with incomplete record keeping were also the main findings of previous audits in this area.

A checklist on the front of each of the files would be helpful so that it is easy to establish the current position of the burial and the ongoing attempts to recover monies for the authority.

A comparison exercise has been carried out with two neighbouring authorities to look at the number of public health burials that have been carried out over the last 2 complete financial years.

	TDC		CCC		DDC	
	2011/12	2012/13	2011/12	2012/13	2011/12	2012/13
TOTALS	25	15	4	5	2	7

The results show that Thanet District Council has carried out a significantly greater number of public health burials in comparison to the other two. (40 compared to 18 in total for the other two authorities for the last two financial years). Although Thanet District Council has more deprived wards coupled with a more transient population, these figures are significantly higher than the neighbouring authorities. There is a concern that the authority has been paying for funerals even though next of kin are known or have appeared at the funeral and processes to recover monies have not been carried out. Again, these findings are similar to those reported previously by Internal Audit.

At a neighbouring authority it is the Finance team that are responsible for the collection of any monies owed from a public health burial. This method of working could be considered as the lack of resources within Environmental Health means that there could be considerable delays in obtaining any monies. There would then also be a separation between the legislative actions of the public health burials and the financial reclaim of any outstanding monies owed to the authority.

At the time of the last audit in this area, it was recommended that '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'. Whilst this recommendation was accepted, it has not resulted in an adequate degree of improvement and accordingly greater management supervision in this area still appears to be warranted.

2.10 EK Services Housing Benefit Quarterly Testing (Quarter 2 of 2013-14):

2.10.1 Over the course of the 2013/14 financial year the East Kent Audit Partnership will be completing 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.

For the second quarter of 2013/14 financial year (July to September 2013) 20 claims including new and change of circumstances of each benefit type were selected by using Excel software to randomly select the various claims for verification.

In total 20 benefit claims were checked and of these just one was found to have failed the criteria set by the former Audit Commission's verification guidelines

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)	Dog Warden and Litter Enforcement	Reasonable/ Limited	Reasonable/ Limited	H M L	4 8 3	H M L	3 1 1	
b)	Business Continuity and Emergency Planning	Reasonable	Reasonable	H M L	2 4 1	H M L	1 2 1	
c)	EK Services – Housing Benefit Administration & Assessment	Reasonable	Reasonable	H M L	1 6 0	H M L	0 3 0	
d)	EK Services – Customer Services / Gateway	Reasonable	Reasonable	H M L	2 2 0	H M L	0 0 0	
e)	Grounds Maintenance	Reasonable	Reasonable	H M L	2 7 1	H M L	0 1 1	

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:

a) Dog Warden:

The main issues highlighted as part of the original audit as requiring addressing and which remain outstanding after follow-up are that

- stray dog 'pick up' and kennelling charges continue to be invoiced in retrospect making recovery difficult;
- there is no reconciliation of income received to expected income and stray dog jobs raised on M3 should not be closed until the Council's responsibility for the dog has ended; and
- closure codes should accurately reflect the action taken i.e. dog returned to owner, ownership transferred to kennel etc.

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 currently outstanding recommendations is as follows:

Service/ Topic		Assurance level	No of Recs. Outstanding	
a)	Employee Health and Safety – 2011-12	Reasonable	H	1
			M	1
			L	0
b)	Business Continuity and Emergency Planning – 2012-13	Reasonable	H	0
			M	2
			L	1
c)	Food Safety – 2009-10	Reasonable	H	0
			M	1
			L	0
d)	HRA Business Plan – 2009-10	Substantial	H	1
			M	0
			L	0
e)	CCTV	Reasonable	H	1
			M	0
			L	0
f)	Your Leisure – 2012-13	Substantial Limited Limited	H	1
			M	2
			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: Business Rates, Local Code of Corporate Governance, Homelessness, Main Accounting System, Budget Monitoring, Planning, Ramsgate Marina, Coast Protection, and Housing Repairs and Maintenance.

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 21st March 2013.

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 3.

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.

8.0 INTERNAL AUDIT PERFORMANCE

8.1 For the six month period to 30th September 2013, 137.78 chargeable days were delivered against the planned target of 300 days which equates to 45.92% plan completion.

8.2 The financial performance of the EKAP is on target at the present 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 2013-14 is attached as Appendix 5.

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 4.

Attachments

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

Appendix 2 Summary of services with Limited / No Assurances

Appendix 3 Progress to 30th September 2013 against the agreed 2013-14 Audit Plan.

Appendix 4 EKAP Balanced Scorecard of Performance Indicators to 30th September 2013.

Appendix 5 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.
<i>Dog Warden and Litter Enforcement – October 2013:</i>		
<p>1. The Street Scene Enforcement Manager should consider the collection of all Council and kennelling fees upfront before a dog is returned to its owner. This would reduce administrative costs and increase the monies recovered.</p>	<p>Discussions are already underway with the Environmental Health Manager to start collecting fees upfront for stray dogs before returning them to their owner. This would also need to include a press campaign. We are keen to recover the costs we are currently not and this has the support of the CE.</p> <p>Proposed Completion Date: 31/03/2013</p> <p>Responsibility: Street Scene Enforcement Manager</p>	<p>Still ongoing. A final decision has not yet been made on a suitable collection method & procedure.</p> <p>Recommendation outstanding with the intention to implement improved income collection procedures once a decision on the most suitable income collection method has been approved.</p> <p>Revised Implementation Date 31/12/2013</p>
<p>9. The Street Scene Enforcement Manager must ensure that stray dog jobs on M3 are not closed until the Council’s responsibility for the animal has expired i.e. the dog is claimed and returned to its owner within the prescribed seven day period; ownership is transferred to the kennels at the end of the prescribed seven day period.</p>	<p>More appropriate closure codes have been selected and we are working on procedures and training for the staff.</p> <p>Proposed Completion Date: 31/12/2012</p> <p>Responsibility: Street Scene Enforcement Manager</p>	<p>Still ongoing.</p> <p>Recommendation remains outstanding with the intention to fully implement.</p> <p>Revised Implementation Date 31/12/13</p>
<p>15. The Street Scene Enforcement Manager should ensure that regular independent reconciliations of expected income to actual income, as recorded on the relevant cost centres are</p>	<p>All payment data is now recorded on M3 and this will be reconciled against income during the monthly budget analysis to ensure what is</p>	<p>Still ongoing Manager has still to complete.</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>undertaken to ensure that income is correctly received onto the correct income codes and promptly identify any errors and/or possible misappropriation. This would be simplified if all payment data is recorded on M3.</p>	<p>expected to be received is being received.</p> <p>Proposed Completion Date: 31/12/2012</p> <p>Responsibility: Environmental Health Manager</p>	<p>Recommendation remains outstanding with the intention to fully implement.</p> <p>Revised Implementation Date 31/12/2013</p>
<p><i>Business Continuity and Emergency Planning – October 2013</i></p>		
<p>Management should consider working with EK Services to develop a comprehensive disaster recovery plan for IT. This should include detailed analysis of the various computer systems and the time period by which Thanet expect them to be recovered by. Once agreed this should be included in the business continuity plan.</p>	<p>Currently in the process of developing a working group for business continuity to include EK Services and EKH.</p> <p>Proposed Completion Date: 30/09/2013</p> <p>Responsibility: Emergency Planning & Inspection Officer</p>	<p>Meetings and discussion with EK Services are on-going with a view to aligning EK services ICT Emergency and Disaster Recovery Plan with the expectations of TDC. Shortcomings in the latest ICT plan are being addressed working with EKS. Information on TDC expectations is still being gathered from the work in progress on the Part 2 service plans.</p>

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

Service	Reported to Committee	Level of Assurance	Management Action	Follow-up Action Due
Data Protection Act Compliance	December 2012	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.	Work-in-Progress
Absence Management	June 2013	Limited	On-going management action in progress to remedy the weaknesses identified.	Work-in-Progress

PROGRESS TO DATE AGAINST THE AGREED 2013-14 AUDIT PLAN – APPENDIX 3

THANET DISTRICT COUNCIL:

Area	Original Planned Days	Revised Budgeted Days	Actual days to 30-09-2013	Status and Assurance Level
FINANCIAL SYSTEMS:				
Main Accounting System	10	10	0.17	Work-in-Progress
Budget Monitoring	10	10	0.17	Work-in-Progress
Income	10	10	0	Quarter 3 if new income system implemented or replace with a Project Mngmt. audit
RESIDUAL HOUSING SERVICES:				
Homelessness	10	10	0	Work-in-Progress
GOVERNANCE RELATED:				
Asset Management	10	10	0	Quarter 4
Members' Code of Conduct & Standards Arrangements	10	10	11.09	Finalised - Reasonable
Officers Code of Conduct and Whistle blowing Arrangements	10	10	12.23	Finalised - Reasonable
Local Code of Corporate Governance	7	7	0.17	Finalised - Substantial
Performance Management	10	10	9.93	Finalised - Reasonable
Corporate Advice/SMT	2	2	0.51	Work-in-progress throughout 2013-14
s.151 Officer Meetings and Support	9	9	4.55	Work-in-progress throughout 2013-14
Governance & Audit Committee Meetings and Report Preparation	12	12	5.68	Work-in-progress throughout 2013-14
2014-15 Audit Plan and Preparation Meetings	9	9	0	Quarter 4
CONTRACT RELATED:				
Service Contract Monitoring and Management	10	10	9.78	Finalised - Reasonable
Procurement Strategy	10	10	0	Quarter 4
SERVICE LEVEL:				
Cemeteries and Crematoria	10	10	9.52	Finalised - Reasonable
HMO Licensing and Selective Licensing Scheme	10	10	0	Quarter 4
Coast Protection	8	8	2.02	Work-in-Progress

Area	Original Planned Days	Revised Budgeted Days	Actual days to 30-09-2013	Status and Assurance Level
Environmental Health – Food Safety	10	10	0.17	Quarter 4 or postpone
Environmental Health – Public Health Burials	6	6	9.19	Finalised - Limited
Environmental Protection Service Requests	10	10	8.33	Finalised - Reasonable
Equality & Diversity	10	10	0	Quarter 4
Disabled Facilities Grants	10	10	0.52	Work-in-Progress
Maritime – Ramsgate Marina	10	10	1.59	Work-in-Progress
Members' Allowances	10	10	10.23	Finalised – Substantial
Planning & s.106 Agreements	10	10	0	Work-in-Progress
Building Control	10	10	7.15	Finalised - Substantial
Travel Warrants and Imprest Floats	5	5	4.85	Finalised – Substantial
Phones, Mobiles and Utilities	7	7	7.21	Finalised – Substantial
OTHER :				
Liaison With External Auditors	3	3	0.07	Work-in-progress throughout 2013-14
Follow-up Reviews	17	16	14.76	Work-in-progress throughout 2013-14
UNPLANNED WORK:				
Election Duty – 1 Presiding Officer at KCC May Elections	0	1	1	Finalised
Broadstairs Visitor Information Kiosk –Financial Arrangements	0	0	0.17	Finalised
FINALISATION OF 2012-13 AUDITS:				
Days under delivered in 2012-13	0	0	-9.01	Completed
Housing Allocations	5	5	7.41	Finalised - Reasonable
Child Protection and CRB Checks			6.38	Finalised - Reasonable
Recruitment & Induction			1.75	Finalised - Reasonable
EK HUMAN RESOURCES:				
Payroll, SMP and SSP	5	5	0.07	Quarter 3
Employee Benefits-in-Kind	5	5	0.12	Quarter 4
TOTAL - THANET DISTRICT COUNCIL RESIDUAL DAYS	300	300	137.78	45.93 % Complete as at 30-09-2013
UNPLANNED ADDITIONAL WORK				
Interreg Grant – Maritime (Yacht Valley)	4	4	9.47	Work-in-progress throughout 2013-14

Area	Original Planned Days	Revised Budgeted Days	Actual days to 30-09-2013	Status and Assurance Level
Interreg Grant – LOPINOD	4	4	0.89	Work-in-progress throughout 2013-14
English Heritage Grant	2	2	2.4	Finalised
Cluster of Empty Homes Grant	0	2	0.14	Finalised

EAST KENT HOUSING LIMITED:

Review	Original Planned Days	Revised Planned Days	Actual days to 30-09-13	Status and Assurance Level
Planned Work:				
Audit Ctte/EA Liaison/Follow-up	8	8	4.24	Work-in-Progress throughout 2013-14
Rents Accounting, Collection and Debt Management	12	12	0	Quarter 4
Leasehold Services	40	40	0.28	Work-in-Progress
Sheltered Housing	20	0	0.27	Postpone until 2014-15
Finalisation of 2012-13 Audits:				
Housing Repairs and Maintenance	9	29	27.50	Work-in-Progress
Days over delivered in 2012-13	0	0	6.65	Completed
Responsive Work:				
None in Quarter 2				
Total	89	89	38.94	43.75 % Complete as at 30-09-2013

EK SERVICES:

Review	Original Planned Days	Revised Planned Days	Actual days to 30-09-13	Status and Assurance Level
Planned Work:				
Housing Benefits – Overpayments	15	15	0	Quarter 4
Housing Benefits – Fraud Investigation Unit	15	15	0	Quarter 4

Review	Original Planned Days	Revised Planned Days	Actual days to 30-09-13	Status and Assurance Level
Council Tax Reduction Scheme	0	15	0.27	Work-in-progress
Housing Benefits – Quarterly Testing	40	40	13.54	Work-in-progress throughout 2013-14
Business Rates	30	23	15.31	Work-in-Progress
Debtors and Rechargeable Works	15	15	0	Quarter 4
ICT – Change Controls	15	15	0.37	Work-in-progress
ICT – Procurement and Disposal	15	15	14.58	Work-in-progress
ICT – PC Controls and Application Controls	15	15	0	Quarter 4
Corporate/Committee	0	2	1.35	Work-in-progress throughout 2013-14
Follow-up	0	5	4.53	Work-in-progress throughout 2013-14
New Homes Bonus	0	0	0.34	Work-in-progress
<u>Finalisation of 2012-13 Audits:</u>				
Housing Benefits and Assessment	0	9	8.68	Finalised
ICT – Network Security	0	4	4.02	Finalised
Days under delivered in 2012-13	0	-28	-28.11	Work-in-progress
Total	160	160	34.88	21.8% Complete as at 30-09-2013

BALANCED SCORECARD – QUARTER 2

<u>INTERNAL PROCESSES PERSPECTIVE:</u>	<u>2013-14 Actual</u>	<u>Target</u>	<u>FINANCIAL PERSPECTIVE:</u>	<u>2013-14 Actual</u>	<u>Target</u>
	Quarter 2				
Chargeable as % of available days	82%	80%	Cost per Audit Day (Reported Annually)		£319.56
Chargeable days as % of planned days					
CCC	50%	50%			
DDC	43%	50%			
SDC	40%	50%			
TDC	46%	50%			
EKS	22%	50%			
EKH	44%	50%			
Overall	41%	50%			
Follow up/ Progress Reviews;					
• Issued	35	-			
• Not yet due	31	-			
• Now due for Follow Up	20	-			
Percentage compliance with the CIPFA Code for Internal Audit 2006	97%	97%			

BALANCED SCORECARD – QUARTER 2

<u>CUSTOMER PERSPECTIVE:</u>	<u>2013-14 Actual</u>	<u>Target</u>	<u>INNOVATION & LEARNING PERSPECTIVE:</u>	<u>2013-14 Actual</u>	<u>Target</u>
	Quarter 2			Quarter 2	
Number of Satisfaction Questionnaires Issued;	55		Percentage of staff qualified to relevant technician level	75%	75%
Number of completed questionnaires received back;	23 =42%		Percentage of staff holding a relevant higher level qualification	33%	32%
Percentage of Customers who felt that;			Percentage of staff studying for a relevant professional qualification	13%	13%
<ul style="list-style-type: none"> • Interviews were conducted in a professional manner • The audit report was 'Good' or better • That the audit was worthwhile. 	100%	100%	Number of days technical training per FTE	1.61	3.5
	100%	90%	Percentage of staff meeting formal CPD requirements	33%	32%
	100%	100%			



Appendix 5

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.