



**QUARTERLY 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 30<sup>th</sup> September 2016.

**2.0 SUMMARY OF REPORTS**

Service / Topic		Assurance level	No. of Recs.	
2.1	Members' Allowances & Expenses	Substantial	C H M L	0 0 0 0
2.2	Environmental Protection Service Requests/Complaints	Substantial	C H M L	0 0 0 3
2.3	Cemeteries and Crematorium	Substantial	C H M L	0 0 0 0
2.4	EK Services ICT Disaster Recovery	Substantial/ Reasonable	C H M L	0 5 1 1
2.5	EK Services Business Rates Reliefs	Reasonable	C H M L	0 0 3 2
2.6	Public Health Burials	Reasonable	C H M L	0 1 2 2
2.7	Playgrounds	Limited	C H M L	0 6 6 1

**2.1 Members' Allowances & Expenses – Substantial Assurance:**

### 2.1.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that Members' allowances and expenses are calculated and paid in accordance with the prevailing rules.

### 2.1.2 Summary of Findings

The Local Authorities (Members Allowances) (England) Regulations 2003 requires local authorities to prepare schemes for the payment of allowances to their Members. Authorities making schemes are required to make provision for the payment of basic allowances and may also provide for the payment of special responsibility allowances, dependants carers allowances, travelling and subsistence and co-optees' allowances.

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

- Established monthly processes are in place to verify, authorise and process claims that are submitted by Members.
- The Members' allowances scheme is reviewed on a regular basis through the Independent Remuneration Panel in conjunction with Canterbury City Council and Dover District Council.

## **2.2 Environmental Protection Service Requests – Substantial Assurance:**

### 2.2.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that the Council has an effective system of controls and procedures for investigating and responding to environmental protection complaints in the following areas:

- Dust;
- Smoke;
- Odour;
- Fumes;
- Animals;
- Noise;
- Accumulations ;
- Filthy and verminous premises; and
- Drainage.

### 2.2.2 Summary of Findings

The Council has a responsibility to investigate and respond to environmental protection complaints in the areas listed above:

Enforcement decisions and actions take into account the provisions of the Human Rights Act 1998, the Crime and Disorder Act 1998, the Police and Criminal Evidence Act 1984, the Criminal Procedure and Investigations Act 1996, Regulation of Investigatory Powers Act 2000, Equal right and anti-discrimination legislation along with any advice issued by the Government, the Chartered Institute of Environmental

Health and other relevant bodies. During 2015/16 the Council received a total of 3,278 internal and external service requests. Four cases were taken to court with a view to prosecute an offender.

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

- The policies and procedures in place are well established and well documented;
- The Council is compliant with legislative requirements;
- Information security within the M3 system was adequate;
- The key controls were proportionate and effective and;
- The multi-agency partnership protocols were well established.

Scope for improvement was however identified in the following areas:

- The website could be more user friendly giving customers the ability to find information themselves using the online services;
- The performance information reported to management could be improved; and
- The actions or notes recorded on the M3 system could be more consistent.

## **2.3 Cemeteries and Crematorium – Substantial Assurance.**

### 2.3.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that the Council's cemetery and crematorium activities are undertaken efficiently and effectively in accordance with Council policy and procedures.

### 2.3.2 Summary of Findings

The Council operates the Thanet Crematorium and cemeteries at Ramsgate and Margate (St. John's). The crematorium deals with approximately 1,649 cremations per year and approximately 212 burials. Income arising from the Cemeteries and Crematorium Service for 2015/16 was £1,459,766 (actual) against a budget of £1,375,410. Expenditure relating to the service was £751,588 (actual) against the budget of £933,070. Thanet District 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 the Substantial Assurance opinion in this area are as follows:

- There is extensive information available to the public on the Council website and this is reviewed on a regular basis to ensure that it is up to date.
- Fees and charges are consistently applied in accordance with the approved Schedule of Fees and Charges.
- Effective arrangements are in place for the raising of invoices, collection of income, and the monitoring and recovery of any outstanding debts.
- Effective grave digging arrangements are in place.
- The cremators are serviced regularly.
- The cremator operators are appropriately trained and qualified.

- Regular health and safety inspections are undertaken at the cemeteries and crematorium.
- A memorial stability programme is in operation.

Scope for improvement was however identified in the following areas:

- Written procedure notes were previously out of date but are now currently in the process of being updated.
- An interface between the cemeteries and crematorium software application system (BACAS) and the Council's main accounting system (Cedar e-financials) is currently being developed, and when implemented will improve efficiency and control.

## **2.4 EK Services – ICT Disaster Recovery – Substantial / Reasonable**

### 2.4.1 Audit Scope

To ensure that the controls over the administration of disaster recovery regarding the EK Services ICT function are robust and sufficient to enable the partner councils to place reliance upon them for this service.

### 2.4.2 Summary of Findings

EK Services maintains three data centres that support around 1500 users across the partner councils. The EK Services ICT annual budget is £2.4m and the total spend on IT across the partnership is around £4.5m.

Information systems can fail and the only way to protect valuable data from being lost is to have an appropriate back up and recovery system in place. In order for disaster recovery processes to be effective management must provide commitment:

- In terms of providing appropriate resources.
- To the identification of requirements and the planning and implementation of standby arrangements.
- To the testing of the disaster recovery arrangements and the need to report on the results and make changes to the plan as appropriate.
- To the need to update the plan in the light of changing systems, people, responsibilities and external events.

Management can place Substantial Assurance on the system of internal controls in operation within EK Services. However; Management can only place Reasonable Assurance on the internal controls in operation at each of the partner councils whilst the Business Continuity Plans are fully developed in liaison with EK Services.

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

- EK Services ICT has an up to date Business Continuity Plan and Emergency Plan in place. It is the requirement of the partner councils to determine their own Business Continuity Plans and Impact Risk Assessments which remain ongoing and require further consultation with EK Services.
- EK Services ICT hold secure copies of their BCP, Emergency Plan and associated key device configurations, guidance and procedures securely and are accessible from any location in the event of a major disaster.

- Back ups are taken and held securely off site.
- Where ever possible EK Services ICT have built resilience into the network within the resources constraints available.

Scope for improvement was however identified in the following areas:

- The partner councils Business Continuity Plans and Impact Risk Assessments have either just been documented and require consultation with EK Services ICT, or are out of date and in the process of being reviewed.
- There is a lack of identification and prioritisation of critical systems, by the partner councils, for restore in the event of a major incident.
- Resource implications for effective disaster recovery require consideration in liaison with EK Services ICT.
- Constraints placed on EK Services ICT have limited the level and effectiveness of testing of system restores.

## **2.5 EK Services Business Rates Reliefs – Reasonable Assurance.**

### 2.5.1 Audit Scope

To ensure that the partner councils' Business Rate accounts are administered by EK Services on their behalf correctly, to ensure the accurate documentation, proper approval and allocation of relevant reliefs from liability in compliance with government legislation.

### 2.5.2 Summary of Findings

For each property in the rating list for their area, the local authority calculates and issues a bill, which it is responsible for collecting, with powers to pursue payment. The ratable value which is prescribed by the Valuation Office is multiplied by the Uniform Business Rate, referred to in legislation as the non-domestic rating multiplier, to arrive at an annual bill. This function has been delegated to EK Services by the three local Councils: Canterbury City Council, Dover District Council & Thanet District Council by the implementation of a Collaboration Agreement and Service Level Agreements.

Some properties are eligible for discounts from the local council on their business rates. This is called 'business rates relief' and an application will need to be made to the relevant Council. The reliefs can be mandatory, discretionary or both and are:

- Charitable and non-profit making organisation relief
- Empty and partly occupied relief
- Rural property relief
- Small Business Rate Relief (SBRR)
- Transitional relief
- Hardship relief
- Enterprise Relief.

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

- There is a policy in place that governs the discretionary relief process;

- There is comprehensive information made available to the public via each authority's website, and;
- There is an efficient management regime in place and all partner councils are kept up to date.

Scope for improvement was however evidenced in the following areas:

- Procedures that govern the reliefs process need to document the daily roles; responsibilities and routines for the NNDR functions;
- The training regime being offered needs to be adequately documented to ensure that CPD is kept up to date and training opportunities are maximised;
- The discretionary reliefs policy needs to be applied and adhered to when processing all types of reliefs, and;
- Evidence in support of the application process needs to be placed on file for all applications.

## **2.6 Public Health Burials – Reasonable Assurance.**

### 2.6.1 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.

### 2.6.2 Summary of Findings

The Council has a statutory responsibility to perform public health burials under the Public Health (Control of Disease) Act 1984 in circumstances when a resident in the area passes away outside of a hospital and there is no-one else willing to pay. During 2015/16 income arising from this activity was £9,733.52 and expenditure was £20,221.54. The three audits previous to this audit have concluded Limited Assurance in this area.

The number of public health burials undertaken by the Council in the past few years compared to the other East Kent Councils is as follows:

	<b>Thanet</b>	<b>Canterbury</b>	<b>Dover</b>	<b>Shepway</b>
2013/14	15	12	9	2
2014/15	20	8	9	6
2015/16	17	8	9	13
2016 to date	5	14	5	3
<b>TOTAL</b>	<b>57</b>	<b>42</b>	<b>32</b>	<b>24</b>

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

- The procedures in place are well documented and are a very useful guide to officers and management;

- Communication with external agencies and with members of the public was well documented and demonstrated a consistent approach and professionalism;
- System access controls were sufficient;
- The authorisation controls were good in most cases;
- The Council has an effective contractual arrangement in place with an undertaker for the provision of services in the event of a Public Health Act Burial and with international genealogists for the provision of tracing relatives; and
- Recovery processes are working effectively and are helping to offset against expenditure.

Scope for improvement was however identified in the following areas:

- The administrative fee applied to public health burials should be authorised as part of the approved fees and charges process and consistently applied;
- The audit trail of authorisations and audit trail of officer searches (names of officers in attendance) could be more consistently applied; and
- The way in which the storage facilities are used for personal and portable assets and possessions should be reviewed.

## **2.7 Playgrounds - Limited Assurance:**

### 2.7.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that the service provision regarding playgrounds and the equipment located within them ensures that they are safe, well maintained and are robust to meet their intended use for the future.

### 2.7.2 Summary of Findings

The Council is responsible for managing and monitoring 35 sites containing a combination of playgrounds, skate parks and multi-use game areas (MUGAs) in accordance with the Health and Safety at Work Act 1974; the Children Act 1989 and the Management of Health and Safety at Work Regulations 1999. 13 of these playgrounds are looked after by the Council on behalf of East Kent Housing for an income, in 2015/16, equating to £21,910 - dealt with as a recharge from the HRA. For 2016/17 the approved budget for revenue expenditure in respect of playgrounds was £45,420.

The operational and inspection framework in place is based upon best standards set out by ROSPA (Royal Society for the Prevention of Accidents). The system in place is called a three tier system (i.e. three levels of inspection). The three tier inspection framework is widely recognised as a good working model to have in place in line with best practice. This framework helps the Council comply with the European Playground Equipment Standard EN 1176 and EN 1177. The framework also helps provide a certain level of assurance that playgrounds and playground equipment is being monitored adequately.

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

- There were some weaknesses in all three tier inspection routines which increases the risk of a successful insurance claim being made against the Council;
- The audit trail of materials & methods used to repair defects could be improved;
- There is a need to ensure approved actions and responsibilities are recorded;
- There are a number of amendments that need to be made to the inspection sheets to ensure adequate information is being consistently recorded;
- There is an urgent need to independently survey the structural integrity of the Viking Ship located in the Viking Play Area, Cliftonville; and
- Policies and procedures should be introduced to support a new Open Spaces Strategy once it has been approved and implemented.

Effective control was however evidenced in the following areas:

- The three tier inspection framework is widely recognised as best practice;
- The Council is actively working on the production of an Open Spaces Strategy;
- The resourcefulness and working knowledge of the two mobile operatives as part of the tier one inspection routine was good;
- Budgetary controls were working effectively; and
- The insurance arrangements in place are good although claim information provided to management could be improved.

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

- 3.1 As part of the period's work, six follow up reviews have been completed of those areas previously reported upon to ensure that the recommendations made have been implemented, and the internal control weaknesses leading to those recommendations have been mitigated. Those completed during the period under review are shown in the following table.

Service/ Topic		Original Assurance level	Revised Assurance level	Original Number of Recs		No of Recs. still outstanding	
a)	Visitor Information Arrangements	Substantial	Substantial	C	0	C	0
				H	0	H	0
				M	3	M	2
				L	0	L	0
b)	East Kent Housing – Repairs, Maintenance & Void Mgmt.	Limited	Limited	C	0	C	0
				H	6	H	0
				M	9	M	2
				L	3	L	0
c)	Employee Health, Safety & Welfare	Limited	Reasonable	C	0	C	0
				H	1	H	0
				M	2	M	0
				L	1	L	0
d)	Museums Interim follow-up – please see detail below						
e)	Safeguarding	Limited	Limited	C	0	C	0

Service/ Topic		Original Assurance level	Revised Assurance level	Original Number of Recs		No of Recs. still outstanding	
	Children & Vulnerable Groups			H	4	H	4
				M	4	M	2
				L	5	L	5
f)	EK Services – ICT Physical & Environmental	Reasonable	Reasonable	C	0	C	0
				H	1	H	1
				M	4	M	1
				L	0	L	0

- 3.2 Details of any individual Critical and 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:

b) East Kent Housing – Repairs Maintenance & Void Management:

The main issues, identified at the time of the initial review, that needed to be addressed were surrounding:

- A significant number of variations to job costs at Dover by the contractor without documented approval from EKH.
- High numbers of repairs older than 30 days not being investigated.
- Quotes were not being received for work undertaken outside of the *Price Per Property* (PPP) contract with a value in excess of £1,000 at Canterbury.
- A lack of defined procedures in place for the post inspection of planned maintenance work resulting in confusion over roles and responsibilities. In terms of both informing officers of the work requiring inspection and then the reporting of inspection results.
- Charges for rechargeable works are not being raised and collected in 3 areas.

Whilst progress has been made in most of the areas where weaknesses were identified, there remains a number of recommendations which are either not yet fully implemented, or have been implemented so recently that they are not yet fully embedded in standard practices, an example of which surrounds the post inspection of planned maintenance work which was only implemented in May 2016.

Variations to job costs were identified in the original review as an area requiring improvement, our review of job costs varied by more than £150 for jobs completed in April & May 16 identified 96 jobs varied by more than £150, but the correct authorisation had only been granted by EKH officers for 25 of the jobs.

Our testing of repairs undertaken outside of the *Price Per Property* (PPP) contract at Canterbury with a value in excess of £1,000 during April and May 16 identified 34 jobs with a cost in excess of £1,000 per job. Officers had not obtained quotes for 11 of the jobs which had a combined value of £26,895.

The procedures surrounding the inspection of planned maintenance work were identified in the original review as having weaknesses evident. Our testing confirms that revised procedures were introduced in May 2016 which have resulted in inspections being better documented, however it was also identified that no post inspections have been recorded for kitchens and bathrooms in both the Thanet and Canterbury areas. Therefore while procedures for post inspections of planned maintenance work are now being better documented, weaknesses continue to be evident.

Similarly post inspections of repairs at Dover are now subject to management review, however approximately 20% of work post inspected continues to fail post inspection, yet there is no evidence to show that procedures for post inspections have been revised to attempt to reduce the proportion of work failing post inspections.

d) Museums Interim follow-up:

A full follow-up review will be undertaken in April 2017 and reported to Governance and Audit Committee in June 2017. In the interim, Committee is advised of the following action which is in progress:

- The new Director of Community Services has identified the need to improve assurance in particular by engaging more effectively with key stakeholders and by seeking Cabinet approval for a programme of action that will put the museums on a more sustainable footing, addressing governance, staffing and investment issues.
- Discussions are underway to put a Service Level Agreement in place which will enable the Friends of Margate Museum to register as a charity.
- The Cabinet has agreed that Dickens House should be registered as a Trust with Thanet District Council as the sole trustee. Approval has also been secured to address short term management issues with a view to appointing additional /replacement trustees in due course
- Grant funding has been secured to catalogue the collection. This will allow artefacts to be valued for insurance purposes, to understand the extent of the collection and whether there have been any losses, and inform decisions about where the collection should be held
- A bid to the HLF resilience fund is in preparation which will fund a Project Manager and feasibility studies in order to identify options for the museum estate going forward. These options include focusing on fewer buildings in order to reduce liabilities, generate potential receipts while enhancing the visitor experience. The Project Manager will also have the capacity to put together funding bids to implement in preferred investment strategy.

e) Safeguarding Children and Vulnerable Groups:

Safeguarding is becoming more corporately owned through the setting up of various forums, board members, meetings, and training regimes. The new post of Safeguarding Officer was filled in September 2016 and should now enable the recommendations to be brought to a resolution.

The recommendations contained within the final audit report were based upon the implementation of a new policy, which at the time of follow-up was still to be approved.

The primary concern relates to the register, which remains incomplete and primarily out of date. Two thirds of the recognised posts requiring a DBS check were highlighted as either an incomplete record, missing or out of date DBS check. As such, a decision is required on what steps need to be taken to mitigate any risks the Council is exposed to with regards to recognised post holders going about their daily duties and maintaining contact with vulnerable persons.

#### **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: Tenancy & Estate Management, Officer Code of Conduct and Gifts and Hospitality, Local Code of Corporate Governance, Private Sector Housing (HMO and Selective Licensing), Coastal Management, Homelessness, and Maritime Services.

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

5.1 The 2016-17 internal audit plan was agreed by Members at the meeting of this Committee on 15<sup>th</sup> March 2016.

5.2 The Head of the Audit Partnership meets on a quarterly 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 being investigated by the EKAP to bring to Members attention at the present time.

#### **7.0 UNPLANNED WORK:**

All unplanned work is summarised in the table contained at Appendix 3.

#### **8.0 INTERNAL AUDIT PERFORMANCE**

8.1 For the six month period to 30<sup>th</sup> September 2016, 172.23 chargeable days were delivered against the planned target of 295.36 days which equates to 58% 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 2015-16 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 Critical and High priority recommendations outstanding after follow-up.
- Appendix 2 Summary of services with Limited / No Assurances.
- Appendix 3 Progress to 30<sup>th</sup> September 2016 against the agreed 2015-16 Audit Plan.
- Appendix 4 EKAP Balanced Scorecard of Performance Indicators to 30<sup>th</sup> September 2016.
- Appendix 5 Definition of Audit Assurance Statements & Recommendation Priorities

**SUMMARY OF CRITICAL & HIGH PRIORITY RECOMMENDATIONS STILL OUTSTANDING AFTER FOLLOW-UP – APPENDIX 1**

Original Recommendation	Agreed Management Action , Responsibility and Target Date	Manager's Comment on Progress Towards Implementation.
<i>EK Services - ICT Physical &amp; Environmental Controls:</i>		
To install a gaseous fire suppressant system (DDC) in line with other local authorities.	<p>This issue will be raised at the next DDC Client meeting.</p> <p><b>Proposed Completion Date</b> March 2016</p> <p><b>Responsibility</b> Head of ICT</p>	<p>The issue of fire suppressant was raised by the Head of ICT with the DDC Client Officer in 2015 and at subsequent meetings; no agreement has been reached.</p> <p>Outstanding.</p>
<i>Safeguarding Children &amp; Vulnerable Groups – November 2016:</i>		
In accordance with the policy, HR in consultation with the Lead Officer, should maintain, update & publish the list of post holders requiring a DBS check.	<p>As per recommendation 2</p> <p>List of job roles requiring a check to be held on EKHR/ TDC intranet.</p> <p><b>Proposed Completion Date-</b> May 2016</p> <p><b>Responsibility</b> - Designated Safeguarding Officer</p>	<p><b><u>Managers comments</u></b> - As per recommendation 2 comments.</p> <p><b><u>Update</u></b> - on 17/10 the newly appointed safeguarding officer advised that the register had been completed on 07/10/16 and will now be monitored and updated. The register was pulled together from four sources of information and has identified 63 posts as requiring a form of DBS check, some of these are voluntary posts.</p> <p>The list posted on the website only identifies 45 posts and states that the list is correct as at 14/07/14. Therefore, the post holder list being displayed on the webpage appears not to have been updated and the webpage is out of date.</p>

**SUMMARY OF CRITICAL & HIGH PRIORITY RECOMMENDATIONS STILL OUTSTANDING AFTER FOLLOW-UP – APPENDIX 1**

Original Recommendation	Agreed Management Action , Responsibility and Target Date	Manager’s Comment on Progress Towards Implementation.
		<p>To remedy this, the Safeguarding officer has advised that they will carry our further checks between the information currently being maintained by the Council with that being published to ensure that it accurately reflects the true position of the Council.</p> <p><b>Partially implemented – to be finalised by December 2016</b></p>
<p>A register should be maintained to ensure the re-checking of DBS occurs every three years, in line with the DBS policy and that DBS paperwork has been received and checked before the post holder is employed.</p>	<p>DBS Spreadsheet is held by TDC lead officer and sent quarterly or as required to EKHR.</p> <p>Columns include evidence of the certificate number, date of issue and date of expiry. Copies of completed certificates are requested from staff when received as Employer no longer gets a copy sent to them. This is scanned by TDC community safety officers and held on file for 6 months.</p> <p><b>Proposed Completion Date-</b> May 2016</p> <p><b>Responsibility -</b> Designated Safeguarding Officer</p>	<p><b>Managers comments</b> - This has been completed, ongoing process notifying lead officer of new appointments currently being established with HR.</p> <p><b>Update</b>– Testing identified that the register (compiled and completed on 07/10/16) identifies, to date, 63 posts/persons on the register that require a form of DBS check. These posts were highlighted as either:</p> <ul style="list-style-type: none"> <li>• Green - indicates that the information is correct and up to date; or</li> <li>• Red - indicates that there is a concern with the entry, be it no detail, part details or out of date.</li> </ul> <p>Out of these 63 records 20 were highlighted green, this represents only a third of posts as having relevant DBS checks at the time of follow-up.</p> <p>The Council’s 2013 Policy (active until</p>

**SUMMARY OF CRITICAL & HIGH PRIORITY RECOMMENDATIONS STILL OUTSTANDING AFTER FOLLOW-UP – APPENDIX 1**

Original Recommendation	Agreed Management Action , Responsibility and Target Date	Manager’s Comment on Progress Towards Implementation.
		<p>replaced with the refreshed policy) clearly states at Page 4 ‘These checks are renewed every three years in line with Central Government legislation’ however, the evidence provided indicates this renewal process has not been carried out. A copy of the certificate is maintained on the HR file, this copying process should be reviewed to ensure it is permitted by the legislation.</p> <p>The register is a live working document that needs further work to ensure the information remains current and up to date. 43 posts need to have current up to date DBS checks. The Council must consider the risk of letting those post holders remain in contact with vulnerable groups until a relevant check is in place.</p> <p><b>Partially implemented – to be finalised by December 2016</b></p>
<p>To ensure that all members of staff undertake and refresh their knowledge of Child Protection and Safeguarding issues, any relevant training modules to be completed regularly by all staff and recorded as part of the appraisal process.</p>	<p>The e-learning safeguarding module is part of the formal induction process and therefore all new starters should be completing this.</p> <p>The module is on the compulsory e-learning update list requested by the CEO and therefore it is envisaged that the % of those completing will increase in 2016.</p>	<p><b>Managers comments</b> - Full Council wide e-learning refresh has been completed, currently running at 96% completion rate.</p> <p>Further classroom based inputs planned for remote working staff and to enhance managers and safeguarding champions.</p> <p>Further classroom inputs delayed due to deputy designated officer leaving authority</p>

**SUMMARY OF CRITICAL & HIGH PRIORITY RECOMMENDATIONS STILL OUTSTANDING AFTER FOLLOW-UP – APPENDIX 1**

Original Recommendation	Agreed Management Action , Responsibility and Target Date	Manager’s Comment on Progress Towards Implementation.
	<p>A full analysis of all job roles has been undertaken as part of the policy refresh and each role has been allocated a ‘level’ of training ranging from basic awareness, e-learning, formal classroom and specific ‘designated person’ training.</p> <p><b>Proposed Completion Date-</b> Formal classroom based training – Sept 2016 E-learning On-going</p> <p><b>Responsibility -</b> Designated Safeguarding Officer &amp; EKHR Officer</p>	<p>and officer capacity.</p> <p>Job evaluation has been completed; a full list of all roles has now been compiled and is held by the Designated CP Officer and HR.</p> <p><b>Update</b> On-Line courses have been completed and training records are being maintained by the Safeguarding Officer, there is one more classroom based exercise to be completed for staff that does not have use of a computer.</p> <p>Further training courses have been identified and are in place and training dates will be given to Managers once the New Policy has been implemented.</p> <p>Training needs to be monitored and maintained annually, as per policy recommendations.</p> <p><b>Partially implemented – To be finalised by December 2016</b></p>
<p>Establish the legal requirements for data retention for these types of referrals and document this within the Policy and ensure that file types are managed correctly within the Civica system.</p>	<p>New policy clearly indicates retention of records on Civica.</p> <p>Procedures for completing clear up of records state process for deleting files.</p>	<p><b>Managers Comments</b> - This has now been addressed corporately.</p> <p><b>Update</b> – There is a corporate Retention &amp; Disposal Protocol for staff to follow, this is</p>

**SUMMARY OF CRITICAL & HIGH PRIORITY RECOMMENDATIONS STILL OUTSTANDING AFTER FOLLOW-UP – APPENDIX 1**

Original Recommendation	Agreed Management Action , Responsibility and Target Date	Manager’s Comment on Progress Towards Implementation.
	<p>Retention timescales set in accordance with national guidance.</p> <p><b>Proposed Completion Date-</b> May 2016</p> <p><b>Responsibility</b> - Designated Safeguarding Officer</p>	<p>available on-line. This corporate process needs to be followed and timescales documented for record retention.</p> <p>The new Safeguarding policy is yet to be authorised and adopted by Management Team, upon reviewong this it would appear that retention of records has not been defined/referenced.</p> <p>The follow-up process identified the use of a further system for recording a safeguarding concern – the M3 system. Data protection; Data retention; Data review and the need for further barring/police checks were highlighted and discussed with the Safeguarding Officer as access to records will need to be controlled i.e. systems administrators who have the access and ability to view all sensitive records.</p> <p><b>Partially implemented – to be finalised by December 2016</b></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>Follow-up Action Due</b>
Museums	March 2016	Limited	April 2017 follow-up to be reported to Ctte. in June 2017
Street Cleansing	September 2016	Limited	January 2017
Grounds Maintenance	September 2016	Limited	April 2017
EKS – PCI DSS	September 2016	Limited	Spring 2017
Playgrounds	December 2016	Limited	Spring 2017

**PROGRESS TO DATE AGAINST THE AGREED 2016-17 AUDIT PLAN – APPENDIX 3**

**THANET DISTRICT COUNCIL:**

Area	Original Planned Days	Revised Budgeted Days	Actual days to 30-09-2016	Status and Assurance Level
<b>FINANCIAL SYSTEMS:</b>				
Main Accounting System	10	10	0.99	Work-in-Progress
Budgetary Control	10	10	1.23	Work-in-Progress
<b>RESIDUAL HOUSING SERVICES:</b>				
Homelessness	10	10	11.93	Work-in-Progress
<b>GOVERNANCE RELATED:</b>				
Member Code of Conduct & Standards Arrangements	10	10	9.04	Finalised - Substantial
Officer Code of Conduct, Register of Interests, and Gifts and Hospitality	10	10	0.17	Work-in-Progress
Local Code of Corporate Governance	7	7	0.17	Work-in-Progress
Anti-Fraud & Corruption	9	0	0	Postpone until 2017-18
Performance Management	10	0	0	Postpone until 2017-18
Project Management	10	0	0	Postpone until 2017-18
Corporate Advice/CMT	2	2	1.53	Work-in-progress throughout 2016-17
s.151 Officer Meetings and Support	9	9	6.33	Work-in-progress throughout 2016-17
Governance & Audit Committee Meetings and Report Preparation	12	12	7.87	Work-in-progress throughout 2016-17
2017-18 Audit Plan and Preparation Meetings	9	9	0.94	Quarter 4
<b>CONTRACT RELATED:</b>				
Service Contract Management	10	10	0	Quarter 4
Procurement	10	10	0.17	Work-in-Progress
<b>SERVICE LEVEL:</b>				
Cemeteries & Crematoria	10	10	8.54	Finalised - Substantial
S11 Safeguarding Return to KCC	1	1	0	Quarter 4
HMO & Selective Licensing	10	10	0.17	Work-in-Progress
Coastal Management	10	10	2.84	Work-in-Progress
Public Health Burials	6	6	3.37	Finalised - Reasonable

Area	Original Planned Days	Revised Budgeted Days	Actual days to 30-09-2016	Status and Assurance Level
Environmental Protection Service Requests	10	10	9.94	Finalised - Substantial
Playgrounds	8	8	9.76	Finalised - Limited
Events Management	10	10	0	Quarter 4
Disabled Facilities Grants	10	10	9.36	Finalised - Substantial
Asset Management	10	10	0	Quarter 4
Maritime	12	12	1.74	Work-in-Progress
Members Allowances & Expenses	10	10	5.53	Finalised - Substantial
Building Control	10	10	1.65	Work-in-Progress
Imprest Floats & Travel Warrants	6	6	6.03	Finalised - Substantial
Phones, Mobiles & Utilities	7	3	0	Quarter 4
<b>OTHER :</b>				
Liaison With External Auditors	2	0	0	Work-in-progress throughout 2016-17
Follow-up Reviews	10	10	15.10	Work-in-progress throughout 2016-17
<b>FINALISATION OF 2015-16 AUDITS:</b>				
Days under delivered in 2015-16	0	-4.64	0	Completed
Grounds Maintenance	5	32	10.52	Finalised – Limited
Street Cleansing			9.74	Finalised – Limited
Planning Applications, Income & s106 Agreements			13.61	Finalised – Reasonable/Limited
Museums			1.28	Finalised - Limited
Recruitment			5.43	Work-in-Progress
<b>UNPLANNED:</b>				
Car Parking – Key Control Testing	0	2	2.37	Finalised
Post Implementation Review	0	5	9.74	Finalised
CSO Compliance Query	0	0	0.84	Finalised
Safeguarding referral	0	0	3.3	Finalised
Referendum – 1 Presiding Officer	0	1	1	Finalised
<b>EK HUMAN RESOURCES:</b>				
Payroll	5	5	0	Work-in-Progress
Employee Benefits-in-Kind	5	5	0	Work-in-Progress

Area	Original Planned Days	Revised Budgeted Days	Actual days to 30-09-2016	Status and Assurance Level
Leavers/Disciplinary	5	5	0	Work-in-Progress
<b>TOTAL</b>	<b>300</b>	<b>295.36</b>	<b>172.23</b>	<b>58% as at 30-09-2016</b>

**EAST KENT HOUSING LIMITED:**

Review	Original Planned Days	Revised Planned Days	Actual days to 30-09-2016	Status and Assurance Level
<b>Planned Work:</b>				
Governance	15	0	0	Postponed to future audit plan
Finance Systems and ICT Controls	15	0	0	Postponed to future audit plan
Audit Ctte/EA Liaison/Follow-up	6	6	7.84	Work-in-progress throughout 2016-17
Rent Accounting & Collection	15	15	0	Quarter 4
Tenancy & Estate Management	29	29	9.27	Work-in-Progress
Days over delivered in 2015-16	0	-18.15	0	Completed
<b>Unplanned Work:</b>				
Procurement	0	15	14.31	Finalised
Repairs & Maintenance Contract Query	0	0	0.37	Finalised
Single System Controls	0	15	2.08	Work-in-Progress
<b>Total</b>	<b>80</b>	<b>61.85</b>	<b>33.87</b>	<b>55% at 30-09-2016</b>

**EK SERVICES:**

Review	Original Planned Days	Revised Planned Days	Actual days to 30-09-2016	Status and Assurance Level
<b>Planned Work:</b>				
Housing Benefit Overpayments	15	15	13.85	Finalised - Substantial
Fraud Investigations	15	0	0.64	No longer required
Housing Benefit Subsidy	15	15	0.26	Quarter 3

<b>Review</b>	<b>Original Planned Days</b>	<b>Revised Planned Days</b>	<b>Actual days to 30-09-2016</b>	<b>Status and Assurance Level</b>
Council Tax	30	20	0.10	Quarter 3
Customer Services	15	15	15.31	Finalised - Substantial
ICT Change Controls	12	12	0.20	Quarter 3
ICT Software Licensing	12	12	0	Quarter 3
ICT Network Security	12	12	0	Quarter 4
Corporate/Committee	8	8	3.23	Ongoing
Follow-up	6	6	1.26	Work-in-progress throughout 2016-17
DDC / TDC Quarterly Housing Benefit Testing	20	20	9.28	Work-in-progress throughout 2016-17
Finalisation of 2015-16 work-in-progress	0	25	25.96	Completed
Days under delivered in 2015-16	7.33	7.33	7.33	Completed
<b>Total</b>	<b>167.33</b>	<b>167.33</b>	<b>77.42</b>	<b>46% at 30-09-2016</b>

**BALANCED SCORECARD – QUARTER 1**

<u>INTERNAL PROCESSES PERSPECTIVE:</u>	<u>2016-17 Actual</u>	<u>Target</u>	<u>FINANCIAL PERSPECTIVE:</u>	<u>2016-17 Actual</u>	<u>Original Budget</u>
	Quarter 2		Reported Annually		
Chargeable as % of available days	87%	80%	<ul style="list-style-type: none"> <li>• Cost per Audit Day</li> </ul>	£	£326.61
Chargeable days as % of planned days			<ul style="list-style-type: none"> <li>• Direct Costs</li> </ul>	£	£419,42
CCC	59%	50%	<ul style="list-style-type: none"> <li>• + Indirect Costs (Recharges from Host)</li> </ul>	£	0
DDC	49%	50%	<ul style="list-style-type: none"> <li>• - 'Unplanned Income'</li> </ul>	£	£11,700
SDC	45%	50%	<ul style="list-style-type: none"> <li>• = Net EKAP cost (all Partners)</li> </ul>	£	Zero
TDC	58%	50%	<ul style="list-style-type: none"> <li>• Saving Target</li> </ul>	£	£431,120
EKS	46%	50%			
EKH	55%	50%			
Overall	51%	50%			
Follow up/ Progress Reviews;					10%
<ul style="list-style-type: none"> <li>• Issued</li> </ul>	44	-			
<ul style="list-style-type: none"> <li>• Not yet due</li> </ul>	28	-			
<ul style="list-style-type: none"> <li>• Now due for Follow Up</li> </ul>	29	-			
Compliance with the Public Sector Internal Audit Standards (PSIAS) (see Annual Report for more details)	Partial	Full			

**BALANCED SCORECARD – QUARTER 1**

<u>CUSTOMER PERSPECTIVE:</u>	<u>2016-17 Actual</u>	<u>Target</u>	<u>INNOVATION &amp; LEARNING PERSPECTIVE:</u>	<u>2016-17 Actual</u>	<u>Target</u>
	Quarter 2			Quarter 2	
Number of Satisfaction Questionnaires Issued;	37		Percentage of staff qualified to relevant technician level	83%	75%
Number of completed questionnaires received back;	20		Percentage of staff holding a relevant higher level qualification	36%	32%
	= 54%		Percentage of staff studying for a relevant professional qualification	28%	N/A
Percentage of Customers who felt that;			Number of days technical training per FTE	0.61	3.5
<ul style="list-style-type: none"> <li>• Interviews were conducted in a professional manner</li> <li>• The audit report was 'Good' or better</li> <li>• That the audit was worthwhile.</li> </ul>	100%	100%	Percentage of staff meeting formal CPD requirements (post qualification)	36%	32%
	100%	100%			

## Definition of Audit Assurance Statements & Recommendation Priorities

### 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.

### Priority of Recommendations Definitions:

**Critical** – A finding which significantly impacts upon a corporate risk or seriously impairs the organisation's ability to achieve a corporate priority. Critical recommendations also relate to non-compliance with significant pieces of legislation which the organisation is required to adhere to and which could result in a financial penalty or prosecution. Such recommendations are likely to require immediate remedial action and are actions the Council must take without delay.

**High** – A finding which significantly impacts upon the operational service objective of the area under review. This would also normally be the priority assigned to recommendations relating to the (actual or potential) breach of a less prominent legal responsibility or significant internal policies; unless the consequences of non-compliance are severe. High priority recommendations are likely to require remedial action at the next available opportunity or as soon as is practical and are recommendations that the Council must take.

**Medium** – A finding where the Council is in (actual or potential) breach of - or where there is a weakness within - its own policies, procedures or internal control measures, but which does not directly impact upon a strategic risk, key priority, or the operational service objective of the area under review. Medium priority recommendations are likely to require remedial action within three to six months and are actions which the Council should take.

**Low** – A finding where there is little if any risk to the Council or the recommendation is of a business efficiency nature and is therefore advisory in nature. Low priority recommendations are suggested for implementation within six to nine months and generally describe actions the Council could take.