

**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 31st May 2022.

**2.0 SUMMARY OF REPORTS**

Service / Topic		Assurance level	No. of Recs.	
2.1	Budgetary Control	Substantial	C H M L	0 0 0 0
2.2	EKS; ICT Procurement & Disposal	Substantial	C H M L	0 0 2 2
2.3	Food Safety	Substantial/No	C H M L	1 0 1 0
2.4	Ramsgate Marina	Reasonable	C H M L	0 5 5 3
2.5	Electoral Registration & Election Management	Reasonable	C H M L	0 1 3 6
2.6	Risk Management	Reasonable	C H M L	0 0 2 0
2.7	Tenancy & Estate Management	Reasonable/Limited	C H M L	0 4 3 2
2.8	Housing Repairs and Maintenance	Limited	C H M L	0 4 5 5
2.9	CCTV	No	C	4

			H	5
			M	2
			L	0

## 2.1 Budgetary Control – Substantial Assurance

### 2.1.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that budgetary control is exercised across the Council on a corporate wide basis.

### 2.1.2 Summary of Findings

A sound budget is essential to ensure effective financial control in any organisation and the preparation of the annual budget is a key activity at every council. Every council must have a balanced and robust budget for the forthcoming financial year and also a 'medium term financial strategy (MTFS)' which is also known as a Medium Term Financial Plan (MTFP).

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

- Revenue Account (RA) and Revenue Outturn are produced in accordance with the Service Reporting Code of Practice (SeRCOP).
- There is a clearly defined reporting hierarchy and budget rules and controls are applied consistently; this is set out in the Council's chart of accounts and applied through controls within the eFin system
- The Budget and Policy Framework is sufficiently documented and applied.
- The financial governance arrangements in place, in terms of approval of the budget, are appropriate.
- Controls relating to the financial integrity of the figures loaded into e-financials at the start of the year is sufficient to minimise the risk of fraud and error.
- Budget monitoring is effective and the process for identifying budget reductions and savings should be identified and managed effectively.
- The Financial Systems in place provide an effective management tool, to enable senior management to be kept fully informed of whether the Council will meet its required spending levels.
- The budget monitoring systems in place provides reliable, accurate, timely and relevant information to management and is in a format which can be easily understood.
- The budget preparation process is well established and well documented with clear roles and responsibilities identified throughout.
- The virement process is well documented and consistently applied.
- Out-turn is accurately and consistently reported to management and to the Cabinet.

## **2.2 EKS; ICT Procurement & Disposal – Substantial Assurance**

### **2.2.1 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 to ensure that the controls over the administration of the procurement and the disposal of ICT equipment are robust.

### **2.2.2 Summary of Findings**

The procurement of ICT equipment is vital to each council to ensure that it is able to deliver its services. The equipment purchased should be of the highest specification (where possible) but also obtained at the best market price. In addition the disposal of surplus equipment should be carried out in accordance with service standards and best practice guidance that will remove the risk of any possible data breaches.

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

- Established processes are in place across ICT for both the procurement and the disposal of ICT equipment.
- Disposals are being carried out in accordance with best practice and legislation and there is a supporting Equipment Disposal Policy in place that could be further enhanced to confirm who has responsibility for each stage of the disposal process (i.e. produce disposal schedules and arrange collection) and what they do with the relevant records / information.
- The procurement of ICT equipment has to follow set processes on Topdesk that ensure a complete audit trail is in place. In addition Client Services also hold supporting evidence for every purchase that is made.

Scope for improvement was however identified in the following areas:

- The Dover District Council Digital team have confirmed that they are now procuring laptops directly, consequently the agreement with EKS and the ICT catalogue should be revised and updated to reflect this.
- The authorised signatories for ICT need to be reviewed to ensure that they are up to date at each authority (i.e Head of ICT has the correct authorisation at each authority).
- Discussions should be held between ICT and the Canterbury City Council Insurance section to agree what information could be provided in respect of an asset register and then this should be provided on an annual basis to the Insurance Section.

## **2.3 Food Safety – Substantial/Limited Assurance**

### **2.3.1 Audit Scope**

To provide assurance on the adequacy and effectiveness of the procedures and controls established to reduce the incidence of food poisoning within the district through effective registration and inspection of all food businesses, investigation of food complaints, enforcement of the Food Safety and Hygiene Regulations (England) 2013 and associated legislation, provision of food hygiene training, and offering advice and guidance.

### **2.3.2 Summary of Findings**

As at April 2021 there were 1567 Food Premises in the District. Differing inspection frequencies for different establishments mean that around 650 planned inspections need to be completed per annum by the Public Protection Officers.

The assurance for this review has been split. It is pleasing to report that management can place Substantial Assurance on the system of internal controls around the operation of the Food Safety function. The primary findings giving rise to the Substantial Assurance opinion in this area are as follows:

- Up to date policies and procedure notes are in place detailing how the Council will fulfil its statutory responsibility for food safety in the District.
- A detailed Food Service Plan and Enforcement Policy is in place which is subject to regular review detailing how the Council intends to provide an effective food safety service that meets the requirements of the Food Standards Agency (FSA) Framework Agreement.
- All officers undertaking Food Safety inspections and related enforcement action have been granted suitable delegated authority to fulfil that function.
- All officers are suitably qualified and undertake at least 20 hours continuing Professional development training in accordance with the requirements of the FSA.
- All registered premises are inspected at the point of initial registration to establish the level of risk associated with the establishment.
- All premises are inspected in line with the inspection timescales laid down in the Food Service Plan.
- Checklists and aides-memoire are used to ensure consistency for each inspection.
- Inspection routines are subject to an ongoing audit process to ensure both accuracy and consistency of establishment inspections.
- Complaints about food establishments are investigated on a timely basis.

However, management can place No Assurance on the internal controls to ensure adherence with GDPR Regulations for the retention and disposal of information relating to establishments and inspection of those establishments in the M3 system. The primary findings giving rise to the No Assurance opinion for data retention are as follows:

- Audit testing identified weaknesses in procedures for ensuring compliance with GDPR regulations for the disposal of data in the M3 system. At present, whilst obsolete records in the M3 system are being held in compliance with the requirements of the Food Standards Agency, they are not being disposed of in line with the Privacy Notice for Public Protection. Management should seek advice from the Data Protection Officer and M3 System Administrator so that retention timescales for records can be reviewed and agreed, and all obsolete data should then be disposed of in line with the new Retention Schedule and GDPR.

## **2.4 Ramsgate Marina – Reasonable Assurance**

### 2.4.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that all income arising from the Council's operations at Ramsgate Marina are completely and correctly accounted for.

### 2.4.2 Summary of findings

Income for operations at the Marina is managed via two systems, the Financial System (eFin) and the Ports and Harbour system (Harbour Assist). These two systems do not currently interface and therefore reconciliation processes become key to ensuring the income received is being accurately recorded.

The expected income for all operations within the Ramsgate Marina for 2021/22 is £2,412,720.

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

- The fees and charges schedule is approved, up to date and being correctly administered;
- Terms and Conditions of use are available and up to date;
- The debt recovery process is working well.
- User access being granted to third parties has been detailed within the privacy statement to show compliance with GDPR

Scope for improvement was however identified in the following areas:

- The Port of Ramsgate Website is not secure and also needs to be updated with all fees and charges.
- Checks on compliance with Harbour Terms and Conditions are not currently fully undertaken. These need to be documented, managed and monitored.
- Insurance documentation checks are not up to date and highlight the non-compliance with terms and conditions. (At the time of testing there were 136 out of date insurance records, if second and subsequent reminder letters had been sent, attracting a £29 admin fee, this would generate an income of upwards of £3,944).

- More detailed information on the reasons and authorisation process is required to be held on file to document to support the credit and refunds process and to explain any reduction in fees that are applied.
- A review is required to ensure all authorised signatories are in place for all personnel who are involved with the income routines.
- Whilst clear documented procedures are partially in place, the reconciliation process undertaken between the financial (Efin) and harbour systems (Harbour Assist) needs to be documented along with the daily administration routines.

## **2.5 Electoral Registration & Election Management – Reasonable Assurance**

### 2.5.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established by the Council's Electoral Registration Officer (ERO) and Returning Officer (RO) to ensure that the electoral registration functions together with its management of all elections is administered in an efficient and effective manner in accordance with all prevailing legislation.

### 2.5.2 Summary of Findings

In 2014 the arrangements for electoral registration changed when the introduction of the Electoral Registration and Administration Act 2013 brought in Individual Electoral Registration (IER). District and Borough Councils in England have adapted for these changes and as at December 2021 Thanet had 100,291 electors held within its electoral register.

The Representation of the People Act 1983 Section 35 places a duty on a Returning Officer to oversee local elections. The 1983 Act allows for all expenses reasonably incurred by the Returning Officer (which can be capped by locally agreed limits) shall be paid to that Returning Officer by the principal local authority and that they, in turn, can then require local councils to repay such costs.

In the 2021-22 there were a total of six elections. In May 2021 Thanet District Council administered the election of the Kent Police Crime Commissioner, Kent County Councillors, Town and Parish Councillors and held a Neighbourhood Planning Referendum. In July 2021 it administered a district by-election for the Cliftonville-East ward and in November 2021 a district by-election for the Thanet villages ward.

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

- Electoral registration is being managed in accordance with requirements;
- The annual canvass was well managed and submitted on time;
- Payments made to staff during the May 2021 elections were calculated correctly;
- Postal vote arrangements are well managed;
- The storage of election equipment is secure and sufficient; and
- Election costs, recharges and general finances are well managed.

Scope for improvement was however identified in the following areas:

- The Council has not complied with Contract Standing Orders for the printing of Poll Cards, Ballot Papers and Canvass Forms;
- Whilst no serious errors were detected over the payments to election staff, the control over the authorisation of staff payments needs to be improved; and
- Improvements over the election risk management processes have been identified.

## **2.6 Risk Management – Reasonable Assurance**

### 2.6.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that the organisation 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 organisation's visions and priorities.

### 2.6.2 Summary of Findings

Risk management is defined as the process of identifying, monitoring and managing potential risks in order to minimise the negative impact they may have on an organisation. Examples of potential risks include security breaches, data loss, cyberattacks, system failures and natural disasters.

The Accounts and Audit Regulations 2015, Part 2 – paragraphs 3 and 4, requires the Council to be responsible for ensuring that its financial management is adequate and that it has a sound system of internal control which facilitates the effective exercise of its functions including arrangements for the management of risk.

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

- The Risk Management Strategy and Risk Management Process adopted by the Council are comprehensive documents;
- Risk identification is working effectively;
- Corporate risk scoring is documented in some directorates;
- The second line of defence is managing operational risks effectively; and
- Corporate Management Team regularly discusses corporate risks and these are regularly reported to the Governance and Audit Committee.

Scope for improvement was however identified in the following areas:

- Risk Management documentation (including risk identification, risk scoring and risk actions) needs to be improved at a corporate level to evidence that the Risk Management Strategy and Process are being consistently applied;
- Whilst there is evidence to show that risk identification was well employed the documentation to allow an independent assessment of risk management processes was weak.

- Information presented to the Governance and Audit Committee could be more comprehensive;
- Risk management e-learning should be introduced; and
- Roles and responsibilities could be strengthened to further evidence that risk management is embedded within the Council.

## **2.7 Tenancy & Estate Management – Reasonable/Limited Assurance**

### 2.7.1 Audit Scope

To provide assurance on the Council's arrangements for tenancy and estate management including looking after housing estates such as managing grass cutting, gardening contracts, cleaning and maintenance of communal areas etc.

### 2.7.2 Summary of findings

Thanet District Council rents out 3,065 properties to its social housing tenants within the district in addition to the management of 414 leasehold properties. Below is a breakdown of tenancies as at November 2021: -

<b>Tenancy Type</b>	<b>Number of Tenancies</b>
Introductory Tenancies	159
Flexible Tenancies (2 years)	1
Flexible Tenancies (5 years)	638
Non-secure Tenancies	6
Use and Occupation	1
Secure tenancies	2,238
Voids (empty)	22
<b>Total</b>	<b>3065</b>

Since the service was brought back in-house in October 2020 a total of 107 complaints have been received that specifically relate to social housing related services. Only eleven of these relate to poor customer care.

The assurance for the Tenancy & Estates Management review has been split. Management can place Reasonable Assurance on some aspects of the system of internal controls in operation, however the risk of not meeting the Homes Standard gives rise to a Limited Assurance for areas such as Grounds Maintenance and block inspections, as follows;.

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

- Communal cleaning arrangements are working effectively;
- Communal repairs are being processed correctly;
- Tenancy management processes are generally working effectively; and
- Policies and processes that promote good customer care are working effectively.

Scope for improvement was however identified in the following areas:

- There are no service standards in place for Grounds Maintenance routines which means the Council is not able to demonstrate that it meets 1.2b of the Homes Standard set by the Homes and Communities Agency;
- Records of grounds maintenance work undertaken on housing areas or land could not be provided by management;
- There are improvements that need to be made to block inspections documented processes to enable the Council to demonstrate that it can meet 1.2b of the Homes Standard set by the Homes and Communities Agency;
- There are some policies, procedures, documents and information in existence that still make reference to East Kent Housing and outdated legislation such as the Data Protection Act 1998; and
- There are some administrative improvements that need to be made to strengthen fraud prevention measures and assist assurance providers.

## **2.8 Housing Repairs & Maintenance – Limited Assurance**

### 2.8.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that that the Council's housing stock is well maintained, proving a good level of service to Council tenants (which demonstrates value for money and tenant participation), in partnership with the Council's contractors and in accordance with Council policy and procedures.

### 2.8.2 Summary of Findings

The Council is responsible for managing the housing repairs and maintenance service to 3,081 social housing properties and 416 leasehold properties within the district. Repairs and maintenance is managed through the Housing Revenue Account Capital Programme which is a budgeted four year programme and is funded through the Major Repairs Reserve.

There are four main standards set by Homes England that every Council in England must comply with. These are the *Home Standard*, *Tenancy Standard*, *Neighbourhood and Community Standard* and *Tenant Involvement* and the *Empowerment Standard*.

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

- There is not currently a Housing Repairs or Estate Management Policy in place that is aligned to the Home Standard set by the Homes and Communities Agency and 2006 decent homes guidance;

- There is no Voids Management Policy / Voids Standard in place that is aligned to the contract in place with Mears and other contractors;
- There is no Resident Involvement Strategy or Customer Profiling Strategy in place that is aligned to the requirements of the Tenant involvement and Empowerment Standard;
- The Council is not chasing its residents for their proportion of rechargeable works (approximately 10% of all void works identified) and this is sending the wrong message to vacating tenants and represents poor value for money for existing tenants;
- Contractor performance on voids needs to be improved; and
- KPI information sent through by the contractors Gas Call and Mears is sometimes incomplete.

Effective control was however evidenced in the following areas:

- The evidence and audit trail of repairs and maintenance undertaken is good;
- The Mears schedule of rates is correctly used for repairs work & calculations;
- The record of housing assets (properties) is accurate;
- The Major Repairs Reserve is adequately monitored and managed;
- There is a good management improvement plan in place, although deadlines and responsibilities need to be adequately recorded to improve governance & transparency; and
- Void controls are good although there are some inconsistencies in the audit trail and the use of folders to capture evidence of work.

## **2.9 CCTV – No Assurance**

### 2.9.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that the CCTV operation is undertaken in accordance with the Code of Practice and all prevailing legislation such as the GDPR and the Human Rights Act.

### 2.9.2 Summary of Findings

The Council currently operates 170 CCTV cameras across the District from its CCTV Control Room based in the Cecil Square offices. All material recorded by the system is owned by the Council and is subject to statutory conditions of the General Data Protection Regulations, Human Rights Act and Regulation of Investigatory Powers Act 2000. The intended purpose of the system is to help provide a safe public environment for the benefit of those people who live, work, trade, visit, service and enjoy the facilities of the town centres, foreshores, beaches and surrounding villages.

Management can place No Assurance on the system of internal controls in operation around the operation of the CCTV system. The primary findings giving rise to the No Assurance opinion in this area are as follows:

- Despite being reviewed and updated in June 2021, the Council's published Code of Practice for CCTV is not up to date and not fully reflective of current working

practices. This means that incorrect information is being given to members of the public regarding the way in which the CCTV system is operated.

- The Privacy Statement for CCTV and Body Worn cameras is incorrect as it lists an incorrect retention period for normal CCTV data and does not reflect that some data is held for extended periods. Also, it has not been subject to regular review resulting in it not being reflective of who data may be shared with. This means that the Council is failing to comply with its statutory obligations under the General Data Protection Regulations.
- The Council has not undertaken a Data Protection Impact Assessment for the use of the CCTV system meaning that the Council is not operating the system in accordance with Section 64 DPA 2018 and article 35 of the GDPR regulations.
- Inadequate signage is in place to inform members of the public that they are entering an area covered by CCTV cameras meaning that the Council is not operating the CCTV in adherence with DPA 2018.
- The Council has not undertaken an annual review of its CCTV signage in accordance with its published CCTV Code of Practice.
- Privacy zones are not applied to all CCTV cameras meaning that cameras in certain locations are capable of capturing images of sensitive private areas such as upstairs rooms and gardens in private dwellings.
- No details are available to evidence when the Council last undertook a review of its CCTV system to ensure that it remains justified.
- CCTV Operators are neither trained nor hold the accreditations expected of them in the CCTV Code of Practice.
- None of the CCTV Operators have completed a confidentiality agreement.
- At present, none of the CCTV Operators have an Enhanced Disclosure and Barring check in place, despite it being listed as a requirement in the CCTV Code of Practice.
- Checks are not undertaken to ensure that the CCTV system is not subject to misuse

Effective procedures were identified and found to be in place around:

- Subject Access requests are dealt with in line with Corporate Subject Access Procedures.
- Security access to the CCTV Control Room is suitably restricted.
- Liaison with Kent Police and Thanet Safe to make the best use of the resources available.
- Proactive monitoring of the Street Scene by CCTV Operators.
- Management and maintenance of the CCTV system to ensure that system downtime is minimised.
- Access to CCTV images for evidential purposes is restricted and kept under review.

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

- 3.1 As part of the period's work, seven 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. The review completed during the period under review is shown in the following table.

Service/ Topic		Original Assurance level	Revised Assurance level	Original Number of Recs		No of Recs. Outstanding after follow-up	
a)	DBS Checks	Limited	Limited	C	1	C	1
				H	11	H	2
				M	6	M	1
				L	1	L	0
b)	Coastal Management	Substantial	Substantial	C	0	C	0
				H	0	H	0
				M	3	M	0
				L	4	L	1
c)	Commercial Let Properties and Concessions	Limited	Limited	C	0	C	0
				H	11	H	11
				M	5	M	5
				L	0	L	0
d)	EKS Payroll	Substantial	Substantial	C	0	C	0
				H	0	H	0
				M	0	M	0
				L	2	L	0
e)	EKS ICT Disaster Recovery	Reasonable	Reasonable	C	0	C	0
				H	3	H	0
				M	5	M	0
				L	1	L	0
f)	EKS Housing Benefit Payments	Substantial	Substantial	C	0	C	0
				H	2	H	0
				M	2	M	0
				L	0	L	0
g)	Right to Buy	Limited	Reasonable	C	0	C	0
				H	18	H	1
				M	2	M	0
				L	0	L	0

3.2 Details of any individual Critical and High priority recommendations still to be implemented at the time of follow-up are included at Appendix 3 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 high-priority recommendations which have not been implemented 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.

- a) DBS Checks - The Council has improved its control over DBS checks and its compliance has improved since the initial audit in September 2020. However the DBS List of Posts has not been formally approved as part of the DBS Policy, the DBS List of Posts is not being consistently updated when jobs titles or job roles change and there the DBS List of Posts and reconciliation report does not exactly match which means the compliance reports are likely to be inaccurate.
  
- b) Commercial Let Properties and Concessions - There has been no improvement to the processes relating to Let Commercial Properties and Concessions since the audit review was concluded in October 2021. This may be in part due to resource issues surrounding the Director of Properties post, however this should not have deterred the progress very much required in order to strengthen the processes. It has now become urgent that matters surrounding EPC ratings are dealt with expediently. This was an area flagged up within the last audit review undertaken in 2015/16 but remained outstanding at follow-up.

Rent reviews and lease renewals also remain outstanding which has a potential impact on the levels of income for the Council.

#### **4.0 WORK-IN-PROGRESS:**

- 4.1 During the period under review, work has also been undertaken on the following topics, which will be reported to this Committee at future meetings: Recruitment, Income & Cash Collection, HMO Licensing, Complaints Monitoring, and Operational Services Vehicle Fleet Management.

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

- 5.1 The 2022-23 internal audit plan was agreed by Members at the meeting of this Committee on 9th March 2022.
  
- 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 are made to the plan during the course of the year as some high profile projects or high-risk areas may be 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 1.

#### **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 responsive assurance / unplanned work is summarised in the table contained at Appendix 1.

## **8.0 INTERNAL AUDIT PERFORMANCE**

- 8.1 For the two months to 31st May 2022, 61.15 chargeable days were delivered against the target of 330 days which equates to 18.53% 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.
- 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.

### **Attachments**

- Appendix 1 Progress to 31st May 2022 against the agreed 2022-23 Audit Plan.
- Appendix 2 Definition of Audit Assurance Statements & Recommendation Priorities
- Appendix 3 Summary of Critical and High priority recommendations not implemented at the time of follow-up.
- Appendix 4 Summary of services with Limited / No Assurances yet to be followed up.

**PROGRESS TO DATE AGAINST THE AGREED THANET DISTRICT COUNCIL  
2022-23 AUDIT PLAN – APPENDIX 1**

<b>Area</b>	<b>Original Planned Days</b>	<b>Revised Budgeted Days</b>	<b>Actual days to 31-05-2022</b>	<b>Status and Assurance Level</b>
<b>FINANCIAL GOVERNANCE:</b>				
Car Parking & Enforcement	10	10	0	Quarter 3
VAT	10	10	0	Quarter 3
<b>HOUSING SYSTEMS:</b>				
Housing Allocations	10	10	0	Quarter 4
HMO Licensing	10	10	0.24	Quarter 2
Tenant Health & Safety	10	10	0	Quarter 4
Leasehold Services	12	12	0	Quarter 2
Capital Programme/ Planned Maintenance	12	12	0	Quarter 4
Contract Letting Procurement Process	10	10	0	Quarter 3
<b>GOVERNANCE RELATED:</b>				
Digital/Cloud Computing	10	10	0.41	Work-in-Progress
Officers' Code of Conduct	10	10	0	Quarter 2
Complaints Monitoring	10	10	0.21	Work-in-Progress
Project Management	10	10	0	Quarter 4
Corporate Advice/CMT	2	2	0.75	Work-in-Progress
s.151 Officer Meetings and Support	9	9	2.28	Work-in-Progress
Governance & Audit Committee Meetings and Report Preparation	12	12	2.52	Work-in-Progress
2023-24 Audit Plan and Preparation Meetings	9	9	0	Quarter 4
<b>HR RELATED:</b>				
Absence Management - Sickness, Annual and Flexi Leave	12	12	0.22	Work-in-Progress
<b>COUNTER FRAUD:</b>				
Counter Fraud & Corruption	10	10	0	Quarter 3
<b>SERVICE LEVEL:</b>				

Safeguarding	10	10	0	Quarter 3
Community Safety	10	10	0	Quarter 3
CCTV	10	10	10.42	Finalised - No
Dog Warden & Environmental Crime	10	10	0	Quarter 3
Food Safety	10	10	9.53	Finalised - Substantial/No
Pollution/Contaminated Land	10	10	0.22	Work-in-Progress
Business Continuity/Emergency Planning	10	10	0	Quarter 4
Licensing	10	10	0.18	Quarter 2
Museums	10	10	0	Work-in-Progress
Ramsgate Harbour Accounts	5	5	0	Quarter 2
East Kent Opportunities	10	10	0	Quarter 3
Waste Vehicle Fleet Mngmt	13	13	0.72	Work-in-Progress
Climate Change	5	5	0	Quarter 3
Employee Health and Safety	10	10	0	Quarter 4
<b>OTHER:</b>				
Liaison With External Auditors	1	1	0.22	Work-in-Progress
Follow-up Reviews	15	15	3.63	Work-in-Progress
<b>FINALISATION OF 2020-21 AUDITS:</b>				
Repairs & Maintenance	5	5	0.84	Finalised - Limited
Income, Bank Rec. & Cash Collection			8.77	Work-in-Progress
Maritime			1.29	Finalised - Reasonable
Recruitment			6.83	Work-in-Progress
Risk Management			1.9	Finalised - Reasonable
Thanet Lottery			8.82	Work-in-Progress
<b>RESPONSIVE ASSURANCE:</b>				
Corporate Leak Investigation	0	0	1.15	Work-in-Progress
<b>TOTAL</b>	<b>330</b>	<b>330</b>	<b>61.15</b>	<b>18.53%</b>

**PROGRESS TO DATE AGAINST THE AGREED EKS & CIVICA  
AUDIT PLAN 2022-23**

<b>Review</b>	<b>Original Planned Days</b>	<b>Revised Planned Days</b>	<b>Actual days to 31/05/2022</b>	<b>Status and Assurance Level</b>
<b>EKS REVIEWS:</b>				
Business Rates	15	15	0	Quarter 2
Housing Benefit DHPs	15	15	0	Quarter 3
Housing Benefit Testing	15	15	8.79	Work in progress
Debtors	15	15	0	Quarter 4
ICT – Data Management	15	15	0	Quarter 4
ICT – Network Security	15	15	0	Quarter 3
KPIs	5	5	2.81	Work in progress
Payroll	18	18	0	Quarter 2
<b>OTHER:</b>				
Corporate/Committee	8	8	1.72	Ongoing
Follow Up	6	6	0	Ongoing
<b>FINALISATION OF 2020-21 AUDITS:</b>				
ICT Procurement & Disposal	1	1	1.22	Finalised - Substantial
<b>Total</b>	<b>128</b>	<b>128</b>	<b>14.54</b>	<b>11.36%</b>

## Definition of Audit Assurance Statements & Recommendation Priorities

### Cipfa Recommended Assurance Statement Definitions:

**Substantial assurance** - A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

**Reasonable assurance** - There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.

**Limited assurance** - Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.

**No assurance** - Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

### EKAP 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.

**SUMMARY OF CRITICAL & HIGH PRIORITY RECOMMENDATIONS NOT IMPLEMENTED AT THE TIME OF FOLLOW-UP – APPENDIX 3**

Original Recommendation	Agreed Management Action , Responsibility and Target Date	Manager’s Comment on Progress Towards Implementation.
<i>Commercial Let Properties and Concessions - April 2022</i>		
<p>Provide one Policy documentation to cover all aspects of Asset Management.</p>	<p>New policies will be prepared and approval sought by Cabinet for;</p> <ul style="list-style-type: none"> <li>● Property Lease &amp; Rent Policy &amp; Procedures;</li> <li>● Voluntary &amp; Community Sector Accommodation Policy &amp; Procedures;</li> <li>● Property Risks &amp; Compliance Policy &amp; Procedures; and</li> <li>● Building Maintenance Policy</li> </ul> <p>Proposed Completion Date: 31 March 2022</p> <p>Responsibility: Director of Property</p>	<p>As at 05/04/22 no actions have been taken to implement the recommendation.</p> <p>The Director of Property advises that ‘Help will be required here as no or almost no progress has been made on these items.</p> <p>Significant resources will be required to action which are not available.’</p> <p>Auditor notes: a web based search proved unfruitful; a search for cabinet decisions found no policies have been brought forward; therefore it has been concluded that this recommendation is yet to be fully implemented.</p> <p><b>Outstanding</b></p>
<p>Ensure procurement procedures are being followed in every case and if necessary seek and put in place CSO waivers.</p>	<p>Refresher training for Property management team re; procurement processes to be undertaken.</p> <p>Proposed Completion Date: tbc</p>	<p>As at 05/04/22 no actions have been taken to implement the recommendation.</p> <p>The Director of Property advises that ‘Help will be required here as no or almost no</p>

	<p>Responsibility: Procurement Manager (Operations)</p>	<p>progress has been made on these items.</p> <p>Significant resources will be required to action which are not available.'</p> <p>Auditor notes: there are extensive notes on the procurement process that Managers can familiarise themselves with prior to any training being sought and given by the Procurement Team.</p> <p><b>Outstanding</b></p>
<p>Produce a set of procedures for staff which detail the day to day management of Commercial properties and Concessions and detail the systems (paper based or computerised) in use</p>	<p>To be incorporated in to new policies &amp; procedures outlined in item 2 above.</p> <p>Proposed Completion Date: 31 March 2022</p> <p>Responsibility: Director of Property</p>	<p>See comments within point 2 above.</p> <p><b>Outstanding</b></p>
<p>Review the delegations to ensure job titles and processes are up to date.</p>	<p>The Director of Law and Democracy is currently reviewing the delegations.</p> <p>Proposed Completion Date: tbc</p> <p>Responsibility: Director of Law and Democracy</p>	<p>Managers Comments: As at 05/04/22 no actions have been taken to implement the recommendation.</p> <p>The Director of Property advises that 'Help will be required here as no or almost no progress has been made on these items.</p> <p>Significant resources will be required to action which are not available.'</p>

		<p>Auditor notes - email sent to the Director of Law and Democracy for an updated position on 11/04/22. Awaiting a response.</p> <p><b>Outstanding</b></p>
<p>Add to the existing asset register all EPC data</p>	<p>Data will be added to the asset register.</p> <p>Proposed Completion Date: 31 December 2021</p> <p>Responsibility: Director of Property</p>	<p>Managers comments:As at 05/04/22 no actions have been taken to implement the recommendation.</p> <p>The Director of Property advises that 'Help will be required here as no or almost no progress has been made on these items.</p> <p>Significant resources will be required to action which are not available.'</p> <p>Auditor Comments: from reviewing the shared documents it would appear that the EPC data is yet to be added.</p> <p>11/04/22 Emailed management Surveyor (SB) &amp; Technical Officer (CB) to request if this has been completed. Awaiting a response</p> <p><b>Outstanding</b></p>
<p>Provide a report to CMT and Cabinet on :</p> <ul style="list-style-type: none"> <li>the current position of the EPC ratings;</li> </ul>	<p>A report will be prepared and issued for consideration.</p> <p>Proposed Completion Date: 31 March 2022</p>	<p>Managers comments:As at 05/04/22 no actions have been taken to implement the recommendation.</p>

<ul style="list-style-type: none"> <li>• how this is going to be managed to provide a rating for all Council properties;</li> <li>• Highlight those properties that require attention (and any expected to fail the rating);</li> <li>• Provide a copy of the risk assessments for those F&amp;G rated properties which identifies works required to bring the property up to standard so a decision can be made on works required;</li> <li>• Set up a scoring matrix to identify those properties most at risk i.e. currently failing legislation; and</li> <li>• make a recommendation moving forward on the treatment of each given its economical viability.</li> </ul>	<p>Responsibility: Director of Property</p>	<p>The Director of Property advises that 'Help will be required here as no or almost no progress has been made on these items.</p> <p>Significant resources will be required to action which are not available.'</p> <p>Auditor Notes: a search on Cabinet Reports and decisions provided no hits therefore can only conclude this is yet to be undertaken. Since April 2018- subject to certain exemptions - it has been a legal requirement under the Minimum Energy Efficiency Standard regulations that <b>a commercial building must have a rating of at least E before a new or renewal lease can be granted.</b> Following a consultation in 2019 the Government confirmed it was planning to go further so that by 2030 all rented commercial properties achieve a minimum of a B EPC rating.</p> <p><b>Outstanding</b></p>
<p>Review, update and/or initiate a reporting regime for the Performance Indicators</p>	<p>A suite of appropriate KPIs will be established and monitored.</p> <p>Proposed Completion Date: 31 March 2022</p> <p>Responsibility: Director of Property</p>	<p>Managers comments:As at 05/04/22 no actions have been taken to implement the recommendation.</p> <p>The Director of Property advises that 'Help will be required here as no or almost no progress has been made on these items.</p>

		<p>Significant resources will be required to action which are not available.'</p> <p>Auditor Notes: From reviewing the performance reports it would appear that no KPI's have been put in place. these have been identified and set at Page 17 of the SAMP, those listed were as follows:</p> <ul style="list-style-type: none"> <li>● Capital Receipts Received;</li> <li>● Revenue Income From Lettings;</li> <li>● Revenue Income (other);</li> <li>● Cost of Void Periods;</li> <li>● Water Usage;</li> <li>● Energy Usage; and</li> <li>● Maintenance Expenditure.</li> </ul> <p><b>Outstanding</b></p>
Produce a policy or include in an overarching policy (rec 2) on the type of lettings to be operated and the format and content of leases	<p>Proposed Completion Date: 31 March 2022</p> <p>Responsibility: Director of Property</p>	<b>Outstanding</b>
Identify those properties affected by shared spaces and amenities where a service charge could become payable. Check with Legal Services that the wording currently set within section 3 is sufficient and fit for purpose should this scenario arise.	<p>We will ensure the Asset Register identifies all the relevant properties, where repair and other operational costs are able to be recovered from tenants.</p> <p>The new Property Lease &amp; Rent Policy &amp; Procedures will include a requirement to properly document all service charges and</p>	<p>Auditor Notes: - awaiting a copy of the Register to ensure relevant properties have been identified.</p> <p><b>Outstanding</b></p>

	<p>aim to ensure that costs are fully recoverable from occupiers.</p> <p>Proposed Completion Date: 31 March 2022</p> <p>Responsibility: Director of Property</p>	
<p>Rent reviews must be dealt with as soon as possible to avoid accumulating back-dated charges to tenants. Consider sending an interim letter to tenants to warn them that a review has been undertaken and the likely increase in rent – TBC etc</p>	<p>Letters to be sent to tenants with outstanding rent reviews.</p> <p>Proposed Completion Date: 30 November 2022</p> <p>Responsibility: Principal Property Surveyor</p>	<p>Managers comments:As at 05/04/22 no actions have been taken to implement the recommendation.</p> <p>The Director of Property advises that 'Help will be required here as no or almost no progress has been made on these items.</p> <p>Significant resources will be required to take action which are not available.'</p> <p>Auditor Notes: implementation date still valid, however from the comments received by management there is a concern that this deadline might pass before any actions are undertaken.</p> <p><b>Not yet due, and not started.</b></p>
<p>Produce a policy or include in an overarching policy (rec 2) detailing the lettings process for both commercial properties and concessions; this should include issuing of a temporary licence and details on the surrender process</p>	<p>Refer 2 above</p> <p>Proposed Completion Date: 31 March 2022</p> <p>Responsibility: Director of Property</p>	<p>Please refer to point 2 above.</p> <p><b>Outstanding</b></p>

<i>DBS Checks - May 2022</i>		
<p>Each Council's Senior Management Team should review and update their DBS List of Posts taking into account the audit findings and pass this amended list to EKHR as soon as possible. The new list should: -</p> <ul style="list-style-type: none"> <li>● Contain all posts where there is a safeguarding requirement based on personal contact with children or vulnerable adults or access to personal or sensitive data relating to children or vulnerable adults including CCTV images;</li> <li>● Contain all management posts required to manage anyone requiring a DBS check from safeguarding reasons mentioned above;</li> <li>● Contain all posts where there is a professional requirement (accountants and solicitors / legal executive upon entry to profession);</li> <li>● Contain all posts responsible for traffic management and civil enforcement;</li> <li>● Contain all the correct names of the latest posts within the current organisational structure;</li> <li>● Contain the level of check required (Standard, Enhanced or Child Barred).</li> </ul>	<p>TDC - DBS list is currently being reviewed due to the addition of EKH roles and all new roles and existing role changes will be updated at this review.</p> <p>Managers and HOS will be updated and requested to inform the DBS lead when a job role changes.</p>	<p><u>Policy</u></p> <p>A Safeguarding Policy was introduced last year and a new draft DBS Policy has been obtained from HR. It has been suggested that this policy will be going to the Management Team for approval in February 2022. The new draft DBS Policy is a HR policy targeted at the way in which DBS is administered for staff. It sets out how the DBS process will be managed and controlled. The new policy states that DBS reconciliations will be carried out annually however they are currently being carried out quarterly and it is suggested that quarterly reconciliations continue particularly during the implementation of the change programme.</p> <p>The new draft DBS policy does not contain the actual DBS List of Posts for approval but instead delegates the responsibility to the Safeguarding Lead. This is perfectly acceptable except the DBS List of Posts is still inaccurate when comparing job titles with those within East Kent People. It is suggested that the DBS List of Posts is reviewed again and appended to the draft</p>

<ul style="list-style-type: none"><li>● Contain the date of approval;</li><li>● Contain the names of the officer / manager authorising the latest list;</li><li>● Contains the date it was last sent to EKHR.</li></ul>		<p>DBS policy so that elected members and senior management can have full confidence that the list of posts is accurate from the DBS Policy approval date.</p> <p><u>List of Posts</u> The DBS List of Posts does now contain all of the positions as set out within the original recommendation however the list does still contain some errors and it has not yet been approved by CMT. This was scheduled to happen in December 2021 but CMT had some further queries in relation to senior officers requiring DBS checks.</p> <p>The Council has made good progress working towards the unapproved DBS List of Posts but until this list is authorised and approved by CMT, progress made cannot be reliably measured.</p> <p><b>Recommendation Outstanding</b></p> <p>A new focused recommendation has been suggested within the audit follow-up which is aimed at strengthening the DBS List of Posts as a key control.</p> <p><b>New recommendation 1 (high)</b> The Council should approve its Draft DBS Policy which should include as an appendix the approved DBS List of Posts to ensure</p>
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		<p>full transparency and scrutiny is applied by senior officers.</p>
<p>Senior Management Teams (CMT or SMT) should assume responsibility for receiving the results of an EKHR DBS Reconciliation every three years in order to identify and oversee any areas requiring further action to be taken on overdue or missing DBS Checks.</p>	<p>TDC - Safeguarding lead will update senior management lead as well as the Safeguarding Forum with any changes. Any concerns raised will be escalated and dealt with in collaboration with senior managers, DBS lead and Safeguarding forum.</p>	<p><u>Auditor Comment</u></p> <p>HR carry out quarterly reconciliations and this is then shared with the Safeguarding Lead but this information is not formally considered by MT. The reconciliations help identify DBS checks that have not taken place or that are overdue. The last reconciliation undertaken at the beginning of November 2021 suggests that 77% of staff requiring up to date DBS checks have done so. Management have confirmed that many of the 23% outstanding have had their checks undertaken and are awaiting the certificates to come through before updating East Kent People with the details.</p> <p>It was noticed during an examination of the DBS List of Posts and the reconciliation reports produced by HR that there are some anomalies between the two lists. For example there are four job posts that are contained within the compliance report that do not feature on the DBS List of Posts.</p> <p>There are also 25 posts that are contained within the DBS List of Posts that do not feature on the compliance report. It is not clear whether some of these posts are vacant posts or whether they have just been omitted from the compliance report. If the</p>

		<p>latter applies then these posts will need to be checked within East Kent People so that the compliance reporting process picks these up for reporting purposes. These are: -</p> <p><b>Recommendation Outstanding</b></p>
<p>Once the DBS List of Posts has been reviewed and updated by Thanet District Council Senior Management Team it should rectify the 17% of DBS checks that have never been carried out and the 17% of DBS checks that are out of date.</p>	<p>TDC - DBS job list is currently being reviewed.</p> <p>Managers will take responsibility for coordinating their staff to engage in the DBS process. Updates will be fed back to senior management by the DBS Lead, should there be no compliance in the DBS process.</p>	<p><u>Auditor Comment</u></p> <p>Compliance is now reported to be in excess of 77% but there are anomalies in the compliance report and the DBS List of Posts is still due to be approved by CMT. Once this has been approved senior management will need to lead from the top down and cascade the requirement for staff to complete DBS checks as a requirement of their positions. As mentioned previously the DBS list and the reconciliation reports need to be revisited before they are approved to ensure they are accurate.</p> <p><b>Recommendation Outstanding</b></p> <p><b>Recommendation 3 (high)</b></p> <p>The Safeguarding Lead should go through the DBS List of Posts and check whether the following posts which are contained within the compliance report should be listed on the DBS List of Posts: -</p> <ul style="list-style-type: none"> <li>- Senior ICT Customer Liaison Officer</li> <li>- SAMM Engagement Officer</li> <li>- Compliance Administrator</li> <li>- Senior Rent Officer.</li> </ul>

		<p><b>Recommendation 4 (high)</b></p> <p>HR should go through the quarterly compliance report and check whether the following posts which are contained within the DBS List of Posts should be listed on the compliance report / East Kent People: -</p> <ul style="list-style-type: none"><li>- Homeless Prevention Officer</li><li>- Senior Housing Officer</li><li>- Senior Income Recovery Officer</li><li>- Housing Licensing Support Officer</li><li>- Thanet Coast Project Officer</li><li>- Community Officer (listed twice)</li><li>- Community Development Officer</li><li>- Environmental Health Practitioner</li><li>- Beach and Coastal Supervisor</li><li>- Coastal Enforcement Officer</li><li>- Thanet Coast Volunteer</li><li>- Adaptations Supervisor</li><li>- Compliance Officer</li><li>- Customer Insight Officer</li><li>- Compliance Inspector</li><li>- Income Recovery Officer</li><li>- Step-up Project Coordinator</li><li>- Level One Sports Coach</li><li>- Level Two Sports Coach</li><li>- Community Tree Planting Co-ordinator</li><li>- Capital Treasury Accountant</li><li>- Multi-Agency Task Force Lead</li><li>- Director of Property</li></ul>
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Right to Buy - June 2022		
<p>Undertake a cost analysis on the valuation process to ensure value for money is obtained i.e. look at testing the market and putting in place a contract for this service.</p>	<p>Procurement required for valuations service.</p> <p>Proposed Completion Date: Apr 2022</p> <p>Responsibility: Housing Services Manager</p>	<p>Procurement has not been carried out. We have a large backlog of procurement for much larger contracts. We have checked to ensure we are not outside CSO by retaining this service in this way.</p> <p>Our intention is to procure once we have pushed through some of our larger campaigns.</p> <p><b>Outstanding</b></p>

**SERVICES GIVEN LIMITED / NO ASSURANCE LEVELS STILL TO BE REVIEWED – APPENDIX 4**

<b>Service</b>	<b>Reported to Committee</b>	<b>Level of Assurance</b>	<b>Follow-up Action Due</b>
Equality & Diversity	March 2022	Limited	Spring/Summer 2022
Tenancy & Estate Mngmt	July 2022	Reasonable/Limited	Summer 2022
Repairs & Maintenance	July 2022	Limited	Summer 2022