

QUARTERLY INTERNAL AUDIT UPDATE REPORT FROM THE HEAD OF THE EAST KENT AUDIT PARTNERSHIP

1.0 INTRODUCTION AND BACKGROUND

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 2023.

2.0 SUMMARY OF REPORTS

Service / Topic		Assurance level	No. of Recs.	
2.1	Environmental Health Protection - Contaminated Land, Air and Water Quality	Substantial	C H M L	0 0 0 0
2.2	EKS/Civica - Debtors	Substantial	C H M L	0 0 0 2
2.3	Refuse Collection	Reasonable	C H M L	0 0 6 1
2.4	Value Added Tax	Reasonable	C H M L	0 1 1 2
2.5	Absence Management: <ul style="list-style-type: none"> ● Annual Leave ● Sick Leave ● Flexi Leave 	Reasonable Limited Limited	C H M L	0 6 1 1
2.6	Licensing	Reasonable/No	C H M L	1 4 5 1
2.7	Car Parking & Enforcement	No	C H M L	2 8 0 0

2.1 Environmental Health Protection - Contaminated Land, Air and Water Quality - Substantial Assurance

2.1.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established by the Council in the following areas of environmental protection:

- Air Quality Management and Air Quality Monitoring;
- Contaminated land;
- Polluting Industrial Processes (Pollution prevention and control regime); and
- Drinking Water

2.1.2 Summary of findings

This audit has been undertaken to provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that the Council complies with its statutory responsibilities under the various legislation governing Environmental Protection and therefore also manages the risks to the public associated with Environmental Protection and also.

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

- Air quality monitoring arrangements are considered to be in accordance with regulations.
- The Council monitors air quality across the whole of the District.
- Where air quality monitoring results show that objectives for air quality are either unlikely to be met, or not being met, the Council takes action to introduce an Air Quality Management Area (AQMA) at the relevant locations.
- An up to date Contaminated Land Strategy is in place.
- Contaminated Land officers should get sight of all planning applications so that they can be checked against the Contaminated Land register.
- The Council maintains and publishes a register listing all Part B operators permitted by the Council under the Environmental Permitting Regulations 2016.
- Visits are undertaken at the appropriate intervals to permitted establishments under the Environmental Permitting Regulations 2016 with the outcome of all visits being suitably documented.

2.2 EKS/Civica Debtors – Substantial Assurance

2.2.1 Audit Scope

To ensure that the processes and procedures used by CIVICA UK are sufficient to provide the level of service required by the partner Councils and incorporate relevant internal controls regarding debtors.

2.2.2 Summary of findings

The recovery of Sundry Debts is covered by the Local Government Act 1972, the Accounts and Audit Regulations 2011, The Harbours Act 1964 and the Late Payment of Commercial Debts Regulations 2002. Sundry debts relate to all monies owed to Local Authorities other than Council Tax, Business Rates and Housing Benefit overpayments. The collection of sundry debts has been outsourced to Civica.

This audit review has focused on the role carried out by Civica UK and not the elements of the debtors process carried out by Officers at each council.

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

- Established processes are in place for the sundry debtor process carried out by the Corporate Income Team within Civica.
- Performance is regularly and accurately reported by Civica to the partner Councils.
- Debts are only written off after all available recovery methods have been exhausted.

Scope for improvement was however identified in the following areas:

- Although the Income Management Policy is reviewed on a regular basis, consideration should be given to putting in a change control / version history document as part of the policy that confirms the date of any changes, who has approved them and also that the council's websites have been updated with the revised policy each year.
- There are issues with the reporting to Members and the appropriate committees at Dover and Thanet Councils regarding annual reports and write offs. EK Services are aware of this and are addressing these issues.

2.3 Refuse Collection – Reasonable 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 provides an efficient and effective refuse collection service to residents across the district in accordance with approved service standards and prevailing legislation.

2.3.2 Summary of findings

The refuse collection service currently employs 74 staff split between 28 drivers, 43 loaders and 3 supervisors to undertake weekly collections to around 68,000 properties across the district. This is predicted to rise to around 79,000 properties by 2030.

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

- Current collection rounds were found to maximise the use of the vehicle fleet.

- Collection rounds are kept under constant review to prevent instances of vehicle overloading.
- The Council benchmarks its performance and working practices against other local authorities.
- Accurate records are kept detailing vehicle weights and the amounts being tipped so that instances of vehicle overloading can continue to be reduced.
- Expenditure on agency staff and overtime payments to employees is kept under review and wherever possible, the use of agency staff is kept as low as practical while also maintaining an effective service to residents.
- Suitable procedures are in place to ensure that all accidents and near misses are recorded.
- Suitable KPIs are in place and being regularly reported.

Scope for improvement was however identified in the following areas:

- The Council should plan for funding to be in place to purchase new refuse freighters in line with new property completions and the subsequent increasing number of properties requiring a waste collection.
- Service Standards for the Waste Collection service are currently out of date and should be renewed as soon as practical under the newly elected administration.
- A costed Action Plan should be put in place and approved by the newly elected administration detailing how the Council will increase recycling rates to 65% by 2035.
- The number of missed bins, in streets where a collection was not completed due to access restrictions, should be included in missed bin performance data (currently not the case).
- Meetings of the Manston Road Health and Safety Committee should re-commence as soon as practical.

2.4 VAT – Reasonable Assurance

2.4.1 Audit Scope

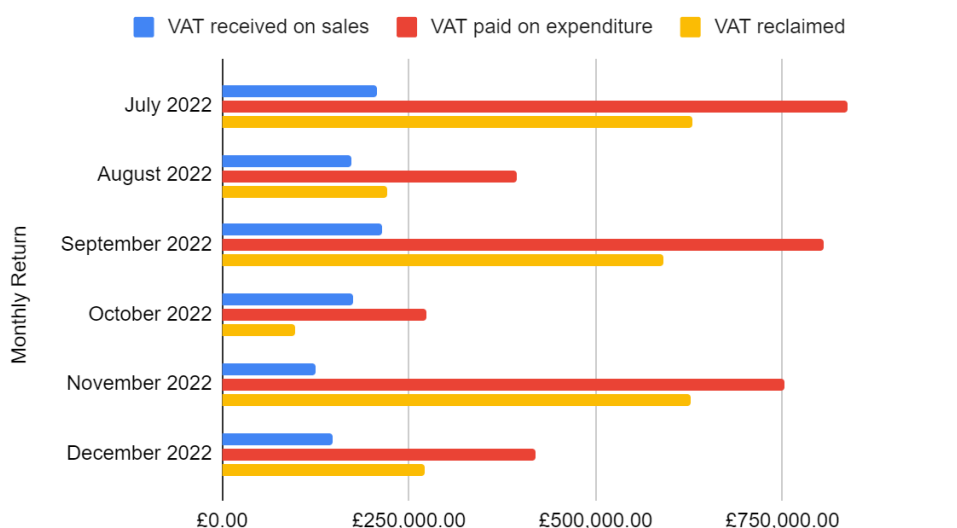
To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that VAT is completely and correctly accounted for in a timely manner in accordance with the prevailing legislation.

2.4.2 Summary of Findings

VAT is a tax on income from products and services sold by VAT-registered organisations. Due to the nature of business the Council usually accounts for less VAT on income received than it gets charged on expenditure. The net effect is very often a debit in the VAT control account each month which is the figure used to calculate the VAT due to the Council from HMRC. The Council has a responsibility to ensure VAT calculations are accurate and evidence is retained for at least six years plus the current tax year in case HMRC wants to inspect the accuracy of VAT returns.

Management prepares and submits a VAT return to HMRC on a monthly basis. This audit focused on the last six monthly VAT returns submitted from July 2022 to December 2022, details of which are summarised below: -

VAT Summary Data



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

- There are good procedures in place that help with VAT control and resilience;
- Accountancy controls and processes in place are good;
- The VAT returns are supported by sufficient evidence;
- There are suitable partial exemption calculation procedures in place;
- Oversight and authorisation over VAT returns are sufficient; and
- Land and Property that the Council has opted to tax is being taxed correctly.

Scope for improvement was however identified in the following areas:

- Non-accountancy officers are making some mistakes with the treatment of some VAT on income and expenditure transactions. Management needs to correct these and tighten controls over checking and training.

2.5 Absence Management - Reasonable/Limited/Limited Assurance

2.5.1 Audit Scope

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

2.5.2 Summary of Findings

At the point of the audit there were 543 employees employed by Thanet District Council. The staff handbook states that *'in order to ensure that the Council's most*

valuable assets, its employees, are able to contribute successfully towards the strategic direction of the Council and to achieve their full potential, the Council needs an effective framework for the recruitment, retention, deployment and development of its entire staff.'

The Council has an Absence Management Policy and Procedure, an Annual Leave Entitlement Policy, a Flexible Working Hours (Flexi-time) Policy and a Flexible Working Policy in place which form part of a framework for managing absence across the Council. See below absence management figures taken from the East Kent People system: -

	Headcount	Days lost (sickness)	Sickness Absence Per FTE
2019/20	FTE 459	2,250.50	4.90
2020/21	FTE 443	2,238	5.05
2021/22	FTE 498	2,852	5.72

Management can place Limited Assurance on the system of control in operation for the management of sickness absence and time management and Reasonable Assurance on the system of control for the management of annual leave and flexi leave.

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

- The absence management policy suite still refers to EKHR and there are some policies that must be revisited and reviewed as a priority;
- There is a lack of consistency in the way in which sickness absence is managed and recorded with non-compliance with policy requirements identified across several service areas;
- Managers are not automatically notified if employee sickness triggers are hit and these triggers are being missed by managers in accordance with policy requirements;
- The process for recording absences relating to covid is inconsistent;
- Sickness reporting to senior managers and elected members could be improved; and
- The Flexible Working Hours Policy is too ambiguous and essentially allows managers to put in place whatever time recording systems they want to which is causing inconsistency of approach and poor record keeping.

Effective control, giving rise to the partial Reasonable Assurance opinion was however evidenced in the following areas:

- There are policies and guidance in place for employee absence management;
- There were pockets of good practice demonstrated when examining sickness absences;
- For long term sickness employee 'keep in touch days' and the use of Occupation Health was good; and
- Annual leave is very well managed within the East Kent People system.

Management Response

The Head of HR would like to thank the audit team for both their collaborative approach and depth of review. I am in agreement with the findings of the absence audit and transferring HR back in house has enabled an increased focus and HR support on the application of the absence policy and process.

As Head of HR I am committed to addressing the recommendations outlined in the audit. A number of initiatives have already been undertaken to address some of the findings and others will be addressed over the next 3 to 6 months.

2.6 Licensing - Reasonable/ No Assurance

2.6.1 Audit Scope

To ensure that Licences are issued correctly to applicants who qualify for the various licensing categories, the information is recorded accurately and the income receivable by the Council is collected correctly and on a timely basis in line with the procedures laid down.

2.6.2 Summary of Findings

The aim of the licensing function and its supporting policies have four key objectives for the district which are:

1. The prevention of crime and disorder
2. Public safety
3. The prevention of public nuisance
4. The protection of children from harm.

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

- Day to day established processes and procedures are in place to support the licensing function from an administration point of view.
- Established monthly budget monitoring processes and reporting are in place along with regular meetings between the Technical Support Manager and Accountancy.
- Although there is a considerable amount of information on the Thanet District Council in respect of the licensing function this could be reviewed to make it more user friendly and information is easier to find (i.e. fees and charges).

The primary findings giving rise to the No Assurance opinion in this area are as follows:

- There is no evidence to support a cost neutral exercise having been carried out that would then feed into the calculation of the fees and charges.
- The setting of the fees and charges should be calculated each year taking into account the cost neutral exercise that should be carried out at the same time. Any surplus from the previous year should be used to reduce the new fees and

charges. A blanket standard % increase (i.e. 10%) should not be applied to the fees and charges.

- Clarification should be sought in respect of the role of the Licensing Board in approving the fees and charges to ensure that its terms of reference are up to date and it is carrying out its duties correctly. It should be noted that fees and charges are currently being approved through the established processes that have been in place for many years.
- An exercise to ensure that all staff across the departments have in place the correct delegated authority should be carried out on a regular basis.
- Supporting policies for the licensing function need to be brought up to date.

Management Response

We welcome the findings of the audit and are progressing well with the agreed actions.

Head of Neighbourhoods

2.7 Car Parking & Enforcement - No Assurance

2.7.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that:

- Car park machine income (on-street and off-street), is adequately monitored and reconciled to expected income and that income trends are monitored for individual car parks for management information.
- Income due to the Council from PCNs is adequately monitored and reconciled to expected income and that income trends are monitored for management information.

2.7.2 Summary of Findings

This audit has been undertaken to provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that the Council car parking enforcement function is working effectively and in accordance with the requirements of the Traffic Management Act 2004. It has also been undertaken to ensure that income generated from car parking is adequately monitored and reconciled.

The primary findings giving rise to the No Assurance opinion are as follows:

- The Council has not published an Annual Parking report for 21/22; it therefore is not complying with the Traffic Management Act 2004.
- The Council is not complying with its Data Retention schedule for PCN related information as it is holding information relating to 57,549 PCNs which should have been deleted; it therefore is not complying with GDPR regulations.
- Not all areas where parking is being charged for were listed in the Fees and Charges for 22/23.
- Management do not undertake analytical reviews of income being generated by the parking function to identify trends or underperforming car parks or residential permit areas. Similarly no analytical reviews take place around PCNs.

- Insufficient information is being added to the PCN system to adequately explain the reasons for cancelling PCNs.
- There is no evidence in place to show that Senior Officers are reviewing PCNs cancelled or written off.
- No reports of PCN write offs have been submitted to the Council's S151 Officer in accordance with the Council's constitution.
- No performance indicators are in place for the parking enforcement function.

There is no Service Risk Register in place for the Car Parking service. Review of fees displayed on machines, signage next to machines and also the Ringo website established that fees for hourly charges are aligned with Fees and Charges but Fees and Charges state that a linear increase in fees of 10 pence for every 10 minute increment is applied. However testing established this is not to be the case for both parking machines and Ringo where it was identified that the incremental increases vary between 20 pence and 40 pence per 10 minute increment rather than the 10p as approved in Fees and charges. The result of this being that charges are not aligned with the approved fees and charges.

Discussions with the Director of Neighbourhoods established that the budgeted FTE is for 11 CEOs. Unfortunately, problems recruiting new CEOs have meant that at present there are only 5 CEOs in post. Management already recognise that this is insufficient to effectively enforce parking restrictions in all parking areas across the District and intend to undertake further recruitment exercises in 23/24.

Procedures were found to be in place and working effectively in the following areas:

- Staff involved in the car parks system are aware of, and have copies of, the relevant regulations, legislation and procedures.
- All PCNs tested were found to have been correctly issued and have sufficient evidence in place to support the issuing of the PCN.
- Sound procedures were found to be in place to reconcile income from parking machines and PCNs.
- Suitable procedures are in place to ensure that evidence is being provided to support residential and business permits.
- Permits are not issued until the correct fee has been paid.

Management Response

I welcome the findings of the audit and am working to implement the recommendations in a timely manner.

Head of Neighbourhoods

3.0. FOLLOW UP OF AUDIT REPORT ACTION PLANS:

- 3.1 As part of the period's work, five follow up reviews have been completed of those areas previously reported upon to ensure that the recommendations made have been implemented, and the internal control weaknesses leading to those recommendations have been mitigated. 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)	Thanet Community Lotto	Limited	Limited	C	1	C	1
				H	5	H	3
				M	8	M	4
				L	0	L	0
b)	Housing Repairs & Maintenance	Limited	Reasonable	C	0	C	0
				H	4	H	0
				M	5	M	0
				L	5	L	0
c)	Museums	Limited	Limited	C	0	C	0
				H	3	H	3
				M	4	M	2
				L	0	L	0
d)	Safeguarding	Reasonable	Reasonable	C	0	C	0
				H	5	H	1
				M	1	M	0
				L	5	L	2
e)	Dog Warden & Street Scene Enforcement:	Reasonable	Reasonable	C	1	C	1
	Dog Warden	Reasonable	Reasonable	H	1	H	0
	Fly Tipping	No	No	M	3	M	1
	Littering	No	No	L	0	L	0

3.2 Details of any individual Critical and High priority recommendations yet 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.

Thanet Community Lottery - The Council has taken action to replace the sole licensing holder, however there are a number of actions still outstanding that are a requirement of good governance and best practice. These include: -

- Adopting six pre-written template policies which have been shared with the Council by the External Lottery Manager (Gatherwell) largely to help protect children and vulnerable people and protect the Council from crime and disorder.
- Adopting a policy or procedure for allocating the Thanet Community Fund.
- Arranging training sessions for licensing holders.
- Adding the Director of Communications (HT) as an additional licensing holder to help improve resilience.
- Updating the scheme of delegation to include responsibilities for the Thanet Community Lotto.

Management Response - It is unfortunate that since the initial Audit, staff turnover and interim arrangements have had a significant impact on our ability to deal with outstanding recommendations.

While 6 of the recommendations in this report have been fully implemented and 1 partially implemented, there are 7 that still require further input from one key individual, namely the Director of Law and Democracy. With the review of Governance now completed and the Corporate Management Team restructure set to be implemented 1 April 2023, we will be able to recruit to this currently vacant position with a view to moving these recommendations through to completion in the forthcoming year.

External Training has been procured through VIXIO who have provided our Gambling training since inception. At present 4 staff members who are either involved with the Lottery or who are anticipated to have involvement have been signed up for a variety of training, including Licence Conditions and Codes of Practice and Anti Money Laundering.

Museums - As part of the 2022/23 audit plan a full audit review of Museums was to be undertaken, however, in the early stages of the review process Audit hit a stumbling block on establishing the management and reporting lines of these assets. This leads us to conclude that since the last audit process undertaken in 2016 no improvements have been made and a degree of uncertainty remains over their past, present and future management.

After a meeting between Heads of Service and Directors and in order to take this forward, it was decided that the Director of Regeneration has taken this under their management control, therefore the Head of Audit thought it beneficial to undertake a further progress review to provide an updated position statement to members.

At an audit meeting held on 25 January 2023 it was established that a Strategic Museum Review is going to be commissioned (Consultancy led) to provide Corporate Management Team and Members with a formulated plan, based upon the industry standard and best practice, with regards to management of such unique assets so that a Strategic Decision can be made. A project proposal is currently being written with a view to have this finalised and with CMT. This was not provided to Audit as part of this review process and a date to have the proposal with CMT was not given. (Updated 10.07.23 - "this was agreed, the procurement exercise has been completed and the consultancy team has been engaged" - Head of Regeneration and Growth).

Internal Audit has now concluded reviewing and testing of the following to provide a position statement on the current management arrangements in place:

- The agreed management actions resulting from the audit review finalised in September 2016,
- The follow-up actions to the June 2017 progress report; and
- The Expected Controls to be in place.

Based upon the findings of this review, 31 ideas for improvement have been provided for management to consider in order to mitigate against any short term risks pending the Governance Review.

The final report issued 22 September 2016 contained 7 agreed management actions to reduce the identified risks at that time, the follow-up review issued on 08 June 2017 reported on their progress.

The Final Audit Report concluded that management can place Limited Assurance on the system of internal controls in operation; however, many of the issues which have been identified as part of this review are still outstanding from previous audits and are historical issues that require decisions to be made at a senior level of management within the Council as to how to move them forward. It should be noted that Dickens House is generally run to a satisfactory standard on a day to day basis with the Community Development Officer overseeing the operation from a distance and not being involved in the day to day running of it. The primary findings giving rise to the Limited Assurance opinion in this area are as follows:

- There is still no formal agreement in place for the Friends of Margate Museum to run the museum and they are yet to sort out the required processes and application to become a registered charity despite having started the process well over a year ago.
- Decisions need to be made as to the way to best run Dickens House Museum in the future (e.g. set up a trust to run it?). The previous audit in 2012 reported that it was the Council's long term goal to set up a management trust for Dickens House Museum. This is however a sensitive subject and to date little progress has been made.
- The cataloguing of artefacts at the various locations is still to be completed thus raising issues about the valuation of the artefacts for insurance purposes and a lack of clarity as to whether or not any items have gone missing over time as no proper records have been in place.

The follow-up review further concluded that the Council's Museums process had moved forward in that the charitable status has been obtained in respect of the Margate Museums Trust. However the Memorandum of Understanding is still outstanding and the cataloguing of pictures and artefacts at the Museum and at Dickens House have not been completed.

Management Response

Head of Regeneration and Growth.

e) Dog Warden and Street Scene enforcement - The completion and publication of a new Code of Practice along with the Stray Dogs register now means that the Council is considered to be complying with legislation relating to Stray Dogs. The development of

a Service Level Agreement with a kennelling provider now also ensures that the Council has a greater level of assurance around capacity to accommodate stray dogs which are collected.

At the time of the original audit, the Council had no ongoing enforcement function around littering. This is still considered to be the case and therefore the assurance rating relating to Littering remains as No Assurance. The decision to re-introduce an ongoing littering enforcement function is outside the gift of the Service and considered to be a decision needing to be made at a Corporate level.

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: External Funding Protocol, Garden Waste, Payroll, CSO Compliance, Cyber-Security, and Insurance & Inventories of Assets.

5.0 CHANGES TO THE AGREED AUDIT PLAN:

5.1 The 2023-24 internal audit plan was agreed by Members at the meeting of this Committee on 8th March 2023.

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-month period to 31st May 2023, 58.37 chargeable days were delivered against the target for the year of 348 days which equates to 16.77% 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 2023 against the agreed 2023-24 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.
- Appendix 5 Balanced Scorecard of Performance Indicators for EKAP

APPENDIX 1

PROGRESS AGAINST THE AGREED 2023-24 AUDIT PLAN
THANET DISTRICT COUNCIL

Area	Original Planned Days	Revised Budgeted Days	Actual days to 31-05-2023	Status and Assurance Level
FINANCIAL GOVERNANCE:				
Capital	10	10	0	Quarter 3
Treasury Management	10	10	0	Quarter 3
External Funding Protocol	10	10	0	Work-in-Progress
Insurance & Inventories of Portable Assets	10	10	6.74	Finalised - Substantial
HOUSING SYSTEMS:				
Homelessness	10	10	0.93	Work-in-Progress
Void Property Management	10	10	0	Quarter 4
Rent Setting, Accounting & Debt Management	10	10	3.56	Quarter 2
Tenancy Fraud	10	10	0	Work-in-Progress
Resident Involvement	10	10	0	Quarter 3
Anti-Social Behaviour	5	5	0	Quarter 3
HRA Business Plan	10	10	1.96	Work-in-Progress
GOVERNANCE RELATED:				
Scheme of Officer Delegations	10	10	0	Quarter 4
Performance Management	10	10	0	Quarter 3
Corporate Advice/ CMT	2	2	0	Ongoing
s.151 Officer Meetings & Support	9	9	2.45	Ongoing
Governance & Audit Committee Meetings and Report Preparation	12	12	3.51	Ongoing
2024-25 Audit Plan & Preparation Meetings	9	9	0	Ongoing
HR RELATED:				
Payroll	3	3	0	Work-in-Progress
COUNTER FRAUD:				
Counter Fraud & Corruption	10	10	0	Quarter 4

ICT RELATED:				
Change Controls	15	15	0	Quarter 4
Network Security	10	10	0	Quarter 3
Cyber-Security	10	10	1.52	Work-in-Progress
SERVICE LEVEL:				
CSO Compliance	10	10	0.18	Quarter 2
Community Safety	10	10	0	Quarter 3
Environmental Protection Service Requests	10	10	9.01	Work-in-Progress
Grounds Maintenance	12	12	0	Quarter 3
Ramsgate Harbour Accounts	5	5	0	Quarter 4
Planning Applications, Income & s.106	10	10	0.19	Work-in-Progress
Building Control	10	10	0	Quarter 4
Your Leisure	10	10	0	Quarter 3
VICs	10	10	0	Quarter 3
Garden Waste	10	10	5.3	Work-in-Progress
Refuse Collection	10	10	8.66	Finalised - Reasonable
Climate Change	5	5	0	Quarter 4
Employee Health & Safety	10	10	5.88	Work-in-Progress
OTHER:				
Liaison With External Auditors	1	1	0.27	Ongoing
Follow-up Reviews	15	15	0.41	Ongoing
FINALISATION OF 2022-23 AUDITS:				
Absence Management	5	5	0.23	Finalised - Reasonable/ Limited
Car Parking & Enforcement			5.09	Finalised - No
Ramsgate Harbour Accounts			2.48	Finalised
RESPONSIVE ASSURANCE:				
None to Date				
TOTAL	348	348	58.37	16.77%

**PROGRESS AGAINST THE AGREED 2023-24 AUDIT PLAN
EAST KENT SERVICES**

Review	Original Planned Days	Revised Planned Days	Actual Days to 31/05/2023	Status and Assurance Level
EKS REVIEWS:				
Housing Benefits Administration	15	15	0.11	Quarter 2
Housing Benefits Testing	20	20	0.27	Quarter 1
Council Tax Reduction Scheme	15	15	0.10	Quarter 3
Customer Services	15	15	0	Quarter 4
OTHER:				
Corporate/ Committee	4	4	1.43	Ongoing
Follow Up	2	2	0.04	Ongoing
FINALISATION OF 2022-23 AUDITS:				
Debtors	2	2	1.45	Finalised - Substantial
Data Management	1	1	1.01	Draft Report
TOTAL	74	74	4.42	5.97%

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>Thanet Community Lotto - February 2023:</i>		
<p>Critical - CMT should review the full range of conditions on the initial licence granted by the Gambling Commission in 2017 and introduce the following policies which are template policies provided by the reputable external lottery manager (Gatherwell) and were provided to the Council for consideration and adoption: -</p> <ul style="list-style-type: none"> - Children and Vulnerable person protection policy; - Fair and Open Gambling Policy; - Implementation Procedures Policy; - Protection from Source of Crime & Disorder Policy; - Remote Technical Standards Policy; and - Social Responsibility in Gambling Policy. 	<p>Recommendation Accepted.</p> <p>Proposed Completion Date & Responsibility</p> <p>Director of Law and Democracy (EC) / Acting S151 Officer (MS) - September 2022</p>	<p>The audit report was scheduled to be discussed at CMT on 6/12/2022 due to competing priorities and time constraints the audit recommendations outstanding were not discussed. This has been added to the CMT forward plan to be discussed and a decision to be made within the next month.</p> <p>Recommendation Outstanding with Intent to Action. Revised Implementation Date April 2023.</p>
<p>Senior Management must adopt a policy or procedure and publish this online that transparently sets out the process for allocation and distribution of the Thanet Community Fund. Management must also acknowledge that the details published online suggest that organisations can ‘apply for this fund’ once ‘the fund has built up’.</p>	<p>Recommendation accepted.</p> <p>Proposed Completion Date & Responsibility</p> <p>Director of Law and Democracy (EC) / Acting S151 Officer (MS) - July 2022</p>	<p>The audit report was scheduled to be discussed at CMT on 6/12/2022 due to competing priorities and time constraints the audit recommendations outstanding were not discussed. This has been added to the CMT forward plan to be discussed and a decision to be made within the next month.</p> <p>Recommendation Outstanding with Intent to Action. Revised Implementation Date April 2023.</p>

<p>Senior Management should organise external training sessions on the Thanet Lottery and the Council's licensing obligations as a lottery provider, as part of a formal training regime for all key staff involved in managing the lottery including all existing and future licensees.</p> <p>N.B. The Gambling Commission have recommended Gatherwell be approached to deliver this training as a reputable external lottery provider and a stakeholder with a vested interest in the continuation and success of the Thanet Community Lottery.</p>	<p>Recommendation accepted.</p> <p>Proposed Completion Date & Responsibility</p> <p>Director of Law and Democracy (EC) / Acting S151 Officer (MS) - July 2022</p>	<p>The audit report was scheduled to be discussed at CMT on 6/12/2022 due to competing priorities and time constraints the audit recommendations outstanding were not discussed. This has been added to the CMT forward plan to be discussed and a decision to be made within the next month.</p> <p>Recommendation Outstanding with Intent to Action. Revised Implementation Date April 2023.</p>
<p>The Scheme of Delegation (Resources) should be specifically revisited and updated to include responsibilities for the Thanet Lotto, before the Section 151 Officer (CB) and the Director of Communications (HT) are added to the licence.</p>	<p>Recommendation accepted.</p> <p>Proposed Completion Date & Responsibility</p> <p>Director of Law and Democracy (EC) / Acting S151 Officer (MS) / Director of Communications (HT) - July 2022</p>	<p>The Scheme of Delegation has not yet been updated. This needs to be updated to include responsibilities for the Thanet Lotto.</p> <p>Recommendation Outstanding with Intent to Action. Revised Implementation Date April 2023.</p>
<p><i>Museums - March 2023:</i></p>		
<p>There should be a formal contract/agreement defining the responsibilities and the expected service to be provided for the running of the museum. (i.e. formal management arrangements between the Council and The Friends of Margate Museum).</p>	<p>Service Level Agreement to be agreed between TDC and Friends of Museum once Friends have registered with Charities Commission which is underway</p> <p>Proposed Completion Date / Responsibility</p> <p>Feb 2017/ Community Regeneration Officer (KW)</p>	<p>The Margate Museums Trust received Charitable status on 15 May 2017. The Memorandum of Understanding is being worked on with Legal and with the recent loss of Head of Service this has created a delay in this being completed. (The previous lease agreement with East Kent Maritime Trust is dated 08/12/00, and ran for 21 years starting 01 Jun 1994 - this therefore expired on 31 May 2015.</p>

		Recommendation Outstanding with Intent to Action.
Discussions at a senior level within the Council need to be held to decide the best way forward for Dickens House and how it is to be run in future (e.g. setting up a management trust).	<p>Cabinet Decision Sept 2016 will allow Dickens House to be registered as a Trust and short term management issues to be resolved</p> <p>Proposed Completion Date / Responsibility</p> <p>Short term management proposals to be implemented by May 2017</p> <p>Community Regeneration Officer (KW)</p>	<p>Discussions at a senior level have taken place. The short term management issues are not costing the Council money but we are not maximising the full potential of this asset. We are working on a brief to Legal, and a budget is being sought.</p> <p>Recommendation Outstanding with Intent to Action.</p> <p>This control weakness is no further forward. The Curator has left and the Caretaker is due to retire. In the short term, funding has been secured to recruit a Visitor Services Manager to manage this asset.</p>
A timetable should be put in place to complete the artefact schedules at all locations as without them there is no way of knowing if any artefacts are missing and also if the valuations for insurance purposes are correct.	<p>Grant funding secured to catalogue the collection</p> <p>Proposed Completion Date / Responsibility</p> <p>Collection to be catalogued by Sept 2017 / Community Regeneration Officer (KW)</p>	<p>In 2017 Grant funding for £33k was accessed from HLF for the Margate Museum. A project called Picture Margate was delivered from Jan-Sept 2017 for cataloguing the pictures. A database system was purchased/ licensed for the cataloguing and the volunteers were using it and will be able to continue to use the database after the end of the HLF project.</p> <p>This project is not being delivered at Dickens House. The group of volunteers are no longer working on the archiving because they wanted a TDC employee to be working on the project alongside them. To facilitate the continuation of this and as part of the governance of the museums TDC are bidding for HLF resilient</p>

		<p>heritage grant to review the collections. This will include the provision of a project officer.</p> <p>Audit Comments - The project has ended. Details of spend and final evaluation report are held with Finance - total spend was £22,898</p> <p>Recommendation Outstanding with Intent to Action.</p>
<i>Safeguarding - March 2023:</i>		
Discuss the form submission with the Digital team to ensure a reconciliation process can occur between submission, receipt and logging onto M3.	<p>Confirmed with Digital Team - this cannot be done until the new case management system is in place.</p> <p>Proposed completion: Jan 2023 Responsibility: Community Services Manager</p>	<p>Process and procedures will not change until the new system has been purchased, installed and tested. Therefore at the time of follow-up M3 remains the recording system for safeguarding concerns and there is no reconciliation occurring between submission, receipt and recording.</p> <p>Recommendation Outstanding with Intent to Action.</p>
<i>Dog Warden and Street Scene Enforcement - June 2023:</i>		
The Council should review its objective in the 2019-2023 Corporate Statement of maintaining a Zero Tolerance policy for Littering and / or how this is to be achieved as currently no enforcement activity is being undertaken.	<p>2023 Fixed Penalty Notice Books adapted for inclusion of littering FPN</p> <p>Proposed completion date and responsibility:</p> <p>Completed Enforcement & Multi Agency Task Force Manager</p>	<p>Audit Findings</p> <p>Fixed Penalty Notice Books have been adapted for inclusion of littering FPN but no decision has been made regarding enforcement of the zero tolerance policy on littering.</p> <p>Partially Implemented</p>

SERVICES GIVEN LIMITED / NO ASSURANCE LEVEL YET TO BE REVIEWED – APPENDIX 4

Service	Reported to Committee	Level of Assurance	Follow-up Action Due
Dog Warden / Fly Tipping / & Litter Enforcement	March 2023	Reasonable/ Reasonable/ No	Spring 2023
Complaints Monitoring	March 2023	No	Spring 2023
Absence Management	July 2023	Reasonable/ Limited	Autumn 2023
Licensing	July 2023	Reasonable/ No	Autumn 2023
Car Parking & Enforcement	July 2023	No	Autumn 2023

BALANCED SCORECARD

<u>INTERNAL PROCESSES PERSPECTIVE :</u>	<u>2023-24 Actual Quarter 1</u>	<u>Target</u>	<u>FINANCIAL PERSPECTIVE:</u>	<u>2023-24 Actual</u>	<u>Original Budget</u>
Chargeable as % of available days	86%	90%	Reported Annually		
			• Cost per Audit Day	£	£403.37
			• Direct Costs	£	£521,918
Chargeable days as % of planned days			• + Indirect Costs (Recharges from Host)	£	£10,530
CCC	16.88%	25%	• - 'Unplanned Income'	£	Zero
DDC	29.04%	25%			
TDC	23.09%	25%			
FHDC	21.68%	25%			
EKS	9.46%	25%			
Overall	22.3%	25%	• = Net EKAP cost (all Partners)	£	£532,448
Follow up/ Progress Reviews;					
• Issued	17	-			
• Not yet due	23	-			
• Now due for Follow Up	31	-			
Compliance with the Public Sector Internal Audit Standards (PSIAS) (see Annual Report for more details)	Partial	Partial			

<u>CUSTOMER PERSPECTIVE:</u>	<u>2023-24 Actual</u>	<u>Target</u>	<u>INNOVATION & LEARNING PERSPECTIVE:</u>	<u>2023-24 Actual</u>	<u>Target</u>
	Quarter 1		Quarter 1		
Number of Satisfaction Questionnaires Issued;	18		Percentage of staff qualified to relevant technician level	61%	60%
Number of completed questionnaires received back;	5		Percentage of staff holding a relevant higher-level qualification	50%	50%
	= 28 %		Percentage of staff studying for a relevant professional qualification	0%	N/A
Percentage of Customers who felt that;			Number of days technical training per FTE	1.5	3.5
<ul style="list-style-type: none"> ● Interviews were conducted in a professional manner ● The audit report was 'Good' or better ● That the audit was worthwhile. 	100%	100%	Percentage of staff meeting formal CPD requirements (post qualification)	50%	50%
	96%	90%			
	98%	100%			