

Thanet Lotto Update

Governance & Audit	29 November 2023
Report Author	Chris Blundell, Director of Corporate Services & s151 Officer
Portfolio Holder	Rob Yates, Portfolio Holder for Corporate Services
Status	For Information
Classification:	Unrestricted
Key Decision	No
Ward:	All

Executive Summary:

This report sets out an update on the progress made on implementation of internal audit recommendations in relation to the Thanet Lotto.

Recommendation(s):

The committee notes the report

Corporate Implications

Financial and Value for Money

There are no financial implications arising directly from the noting of this report.

Legal

The Local Audit and Accountability Act 2014 and associated regulations require a Local Authority to take undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance. Good governance is essential to the effective working of a Local Authority and ensures that proper arrangements are in place to support the achievement of its objectives. This report notes the progress made in addressing the areas of concern raised by internal audit. The report is for noting and as such there are no particular legal implications arising

Risk Management

As part of their prior audit of the Thanet Lotto East Kent Audit Partnership made a number of recommendations to management to reduce the risks associated with the operation of the lottery.

Management has accepted these recommendations and this report details the progress made in implementing the recommendations.

Equality Act 2010 & Public Sector Equality Duty

Members are reminded of the requirement, under the Public Sector Equality Duty (section 149 of the Equality Act 2010) to have due regard to the aims of the Duty at the time the decision is taken. The aims of the Duty are: (i) eliminate unlawful discrimination, harassment, victimisation and other conduct prohibited by the Act, (ii) advance equality of opportunity between people who share a protected characteristic and people who do not share it, and (iii) foster good relations between people who share a protected characteristic and people who do not share it.

Protected characteristics: age, sex, disability, race, sexual orientation, gender reassignment, religion or belief and pregnancy & maternity. Only aim (i) of the Duty applies to Marriage & civil partnership.

This report relates to the following aim of the equality duty: -

- To advance equality of opportunity between people who share a protected characteristic and people who do not share it
- To foster good relations between people who share a protected characteristic and people who do not share it.

Corporate Priorities

This report relates to the following corporate priorities: -

- *Communities*

1. Introduction and Background

- 1.1. An initial audit on the Thanet Community Lotto was initially undertaken in 2022 following a licensing issue that saw the Gambling Commission suspend the Thanet Community Lotto. The initial audit contained 14 agreed management actions to reduce the identified risks. The table below shows how these were categorised and whether or not they had been implemented at the point of follow up in February 2023.

Risk Priority	No. of Initial	No. Fully	No. Partially	No.
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	Recommendations.	Implemented	Implemented with Revised Implementation Date	Outstanding
Critical	1	-	-	1
High	5	2	-	3
Medium	8	4	-	4
Low	-	-	-	-

1.2. It can be seen that at the point of follow up six of the recommendations had been fully implemented, but eight were still outstanding. These included:

- 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.

1.3. This report provides a detailed update on the progress made against the eight outstanding recommendations.

2. Progress Against Recommendations

Critical Recommendations

2.1. Outstanding Recommendation Number 1 - Policies

Audit Recommendation

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:

- 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.

Management Response

This action has been partially implemented. All the above named policies were considered and approved by the Corporate Management Team on 29 August 2023. The next stage will be to promote and publicise these policies, this task will be assigned to the new Policy Manager who starts their employment with the council next month. The anticipated completion date is February 2024.

High Recommendations

2.2. Outstanding Recommendation Number 2 - Allocation of Thanet Community Fund

Audit Recommendation

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'.

Management Response

This action has been partially implemented: The procedure for allocation and distribution of the Thanet Community Fund will be aligned with the Council's Shared Prosperity Fund, which will launch in January 2024. This will include an application process to apply for small grants of between £1,000-£5,000 for 'good causes' across Thanet. A framework is being set up to sift and manage the approval process. The scoring criteria will be published alongside guidance and the application form.

2.3. Outstanding Recommendation Number 3 - Scheme of Delegation

Audit Recommendation

The Scheme of Delegation should be specifically revisited and updated to include responsibilities for the Thanet Lotto, before the Section 151 Officer and the Head of Strategy and Transformation are added to the licence.

Management Response

This action has been implemented: The Scheme of Delegation has been updated to reflect that the Director of Corporate Services is assigned as the Thanet Lotto licence holder.

2.4. Outstanding Recommendation Number 4 - Training

Audit Recommendation

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.

Management Response

This action is partially implemented. Management has enquired as to whether in person training can be provided, however only on-line e-learning is available. This e-learning training has been completed by some but not all staff involved with the Lotto.

Medium Recommendations

2.5. Outstanding Recommendation Number 5 - Scheme of Delegation

Audit Recommendation

The entire Scheme of Delegation more generally should be reviewed to ensure the current post holders are acknowledged on the latest versions published on TOM and previous post holders are removed.

Management Response

This action is implemented. The officer scheme of delegation has been revised and approved by the General Purposes Committee.

2.6. Outstanding Recommendation Number 6 - Ticket Designation Licencing Condition

Audit Recommendation

Lottery tickets generated by a customer must '*state the name of a member of the society who is designated, by persons acting on behalf of the society, as having responsibility within the society for the promotion of the lottery*' in accordance with Licence condition 11.1.1.

Management Response

This action has been implemented.

2.7. Outstanding Recommendation Number 7 - Licence Holders

Audit Recommendation

The Council should continue with its intention to add the Section 151 Officer (CB) and Director of Communications (HT) as licence holders for the Thanet Community Lotto.

Management Response

This action is partially implemented: The S151 Officer has now been added to the licence. Head of Strategy and Transformation is still to be added. Anticipated completion date is February 2024.

2.8. Outstanding Recommendation Number 7 - Terms and Conditions

Audit Recommendation

Management should adopt the 'Proposed Terms & Conditions - Good Causes Applications' dated March 2022, include the name of the officer who approved the document and then share this with Gatherwell.

Management Response

This action has been implemented. The Terms and Conditions have been adopted and shared with Gatherwell.

3. Conclusion

- 3.1. This reports the progress has been made since the follow-up audit in February, with now four of of the eight actions remaining implemented and another four remaining to be implemented over the coming month

Contact Officer: *Chris Blundell, Director of Corporate Services & s151 Officer*
Reporting to: *Colin Carmichael (Chief Executive)*

Annex List

None

Background Papers

None

Corporate Consultation

Finance: *N/A*

Legal: *Ingrid Brown (Head of Legal and Democracy & Monitoring Officer)*

