

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 2024.

2.0 SUMMARY OF REPORTS

Service / Topic		Assurance level*	No. of Recs*	
2.1	Visitor Information Arrangements	Substantial	Critical High Medium Low	0 0 0 1
2.2	Scheme of Officer Delegations	Substantial	Critical High Medium Low	0 0 0 0
2.3	Public Health Burials	Substantial	Critical High Medium Low	0 0 0 0
2.4	EKS Council Tax Reduction Scheme	Substantial	Critical High Medium Low	0 0 1 0
2.5	Grounds Maintenance	No**	Critical High Medium Low	12 8 2 0

*For Assurance and Recommendation priority definitions see Appendix 2

** Assurance level increased to Reasonable after follow-up - See Section 3.0

2.1 Visitor Information Arrangements - Substantial Assurance

2.1.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that the Council's Visitor Information Services are operated in an efficient and effective manner which safeguards Council assets (income, stock, reputation etc.) and minimises risk.

2.1.2 Summary of findings

The Council runs a dedicated Visitor Information Centre (VIC) on the Margate Harbour Arm together with 23 visitor information boards across the District. Annual Income arising from this activity was £34,697 in 23-24, and total visitor contacts with the VIC being 70,597 in 23-24. The increasing use of social media and the internet by visitors has meant that the VIC is more easily able to reach a wider audience to continue to promote the district and to give information to visitors to the district.

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

- All accommodation being promoted on the 'Visit Thanet' website has signed up to the Thanet Accommodation Charter or another recognised accommodation standard.
- All visitors to the district are kept well informed of local events, attractions, activities, and transport in the district via the 'Visit Thanet' website.
- Visitor information centres stock a wide range of gifts and souvenirs with regular stock checks being completed on the stock held.
- All income received is accounted for at the end of each day and is subject to review.
- Cash takings are being stored securely both in the day and at night.
- Suitable arrangements are in place to facilitate the recently introduced bag drop service.
- Information on tourist information points is kept up to date.

Some minor scope for improvement was however identified in that the service should seek capital funding either through any available grants or by means of the Council's capital bidding process to replace visitor information boards which were identified during the audit as being overdue replacement and in many cases beyond economic repair.

2.2 Scheme of Officer Delegations - Substantial Assurance

2.2.1 Audit Scope

To provide assurance that the approved Scheme of Delegations complies with any national guidance and best practice, is adequately advised to Officers and Councillors and that it is being complied with.

2.2.2 Summary of findings

Under the Local Government and Housing Act 1989 the Monitoring Officer is responsible for the operation of the Council's Constitution; the Scheme of Delegations forms part of this document.

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

- The scheme of officer delegations is well documented and approved in accordance with the Council's Constitution.
- The scheme is complied with.
- Training needs are identified and met.
- Information is readily available to the public and updated on a regular basis.

2.3 Public Health Burials - Substantial Assurance

2.3.1 Audit Scope

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

2.3.2 Summary of findings

Public health burials are carried out by the Council when there is no will or executor to arrange a funeral for the deceased. A contract is in place with a local undertaker to complete the arrangements and funeral costs are recovered from the deceased's estate if possible. In the last 12 months, there have been 34 deaths referred to public health burials in the Thanet district, and for approximately 70% of these, funerals were arranged by the Burials Officers.

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

- There are comprehensive process notes in place for the provision of burials by the local authority.
- There is a contracted undertaker in place who was selected from a tendering process.
- Death certificates or interim death certificates are available for all of the deceased.
- Searches of properties are carried out by at least two officers and all notable items are logged.
- Genealogists are used to identify the next of kin.
- Estates are valued and costs recovered where possible.

2.4 EKS Council Tax Reduction Scheme- Substantial Assurance

2.4.1 Audit Scope

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

2.4.2 Summary of findings

The Welfare Reform Act 2012 abolished Council Tax Benefit from April 2013 and, in accordance with Section 13A of the Local Government Finance Act 1992 with effect from 1 April 2013 each Council has had to approve a local CTRS each year as part of the setting of the council tax base.

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

- Established processes are in place for the processing of Council Tax Reduction Scheme claims by CIVICA.
- The Council Tax Reduction Schemes for each financial year are approved by each of the councils. Discussions are already under way for the next scheme for the 2025-26 financial year when there might be significant changes to the scheme at each council.

2.5 Grounds Maintenance - No Assurance

2.5.1 Audit Scope

To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that the grounds maintenance function is being carried out efficiently and effectively within an appropriate control framework which reduces any risks to an acceptable level.

2.5.2 Summary of findings

The Open Spaces service is responsible for the Grounds Maintenance of parks and designated open space areas in Thanet. The service employs around 40 members of staff and has an annual budget of around £1 million. Most staff use the depot as a base, and whilst they work outside of it most of their working day, are nonetheless reliant on the Dane Park depot.

Management can place No Assurance on the system of internal controls around the management of Grounds Maintenance. This mainly relates to the management of health and safety risks associated with the operation of the grounds maintenance function out of Dane Park.

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

- Checks are not being completed to ensure that the Council is not causing any harm to nesting birds and wildlife during the UK nesting season. This results in the Council being exposed to the risk of failing to be able to demonstrate that it is complying with the requirements of the Wildlife and Countryside Act 1981.
- Significant fire safety concerns were identified in the workshop as a result of insulation in place having no fire protection. Of further concern is that the issue was not identified during the Corporate Health and Safety inspection in December 2022.
- Issues that are identified as part of the Corporate Health and Safety inspection process are not being followed up, or escalated to ensure that issues are rectified.
- Staff training - Significant gaps are evident in training being provided to operatives working at Dane Park. For example, fire safety training has not been provided since 2015 meaning that operatives commencing employment after 2015 have not been provided with any fire safety training which is a clear breach of the Regulatory Reform (Fire Safety) Order 2005. Similarly, first aid training has expired for a large number of operatives.
- Electrical Safety - Fixed electrical testing has not been undertaken at Dane Park since 2017 in accordance with Electricity at Work Regulations 1989 which require three yearly testing and an annual inspection.
- Electrical Safety - PAT testing has not been undertaken at Dane Park since 2019 or at all on a number of items despite it being a legislative requirement to be tested on at least an annual basis.
- Hand Arm Vibration Syndrome (HAVS) - Not all equipment which produces vibration are fitted with HAVS monitoring devices resulting in a risk of harm to operatives using that equipment as a result of inadequate monitoring being in place.
- Chemicals - The Chemical store has no signage on it and not all chemicals are being stored in the chemical store which is a breach of COSHH regulations.
- Fire Safety - The Fire Risk Assessment (FRA) for Dane Park was last completed in 2019 which is not in accordance with the Corporate expectation of an annual review. Also, it

was not completed by a 'competent person', and consequently fails to take into account that up to 150 litres of petrol are being stored on site. Similarly it states that no hot works take place in the workshop which is incorrect. It also fails to consider the presence of highly flammable insulation in the workshop.

- Fire Safety - A number of fire extinguishers at Dane Park have not been serviced within the last 12 months. Most of the fire extinguishers in the vans used by operatives (which also carry petrol) have never been serviced.
- Petrol Storage - Not all petrol at the depot is being stored safely.
- Vehicles - Loads are not being secured on vehicles while travelling on public roads which presents a danger to members of the public.
- Driving licences - The supervisors undertaking driving licence checks are unaware of the licence requirements for tractors which has resulted in an operative driving a tractor on the public highway without the correct licence entitlement.
- Risk Assessments - From a sample of 5 risk assessments, 4 were found to be overdue their annual review date.
- Accidents and Near Misses - Near misses are not being reported.
- Supervisor checks - Supervisor checks on working practices are not being recorded, meaning there is no evidence in place to show that any checks are taking place.
- GDPR - There is a lack of signage in place to inform persons entering the Depot that CCTV cameras are in operation which is a breach of GDPR regulations.
- Performance Management - There are no KPIs in place to help senior management to monitor and measure performance of the service.
- Performance Management -No benchmarking work has been undertaken to establish if the open spaces function provides value for money to the Council.

A significant number of Health and Safety related issues and actual breaches of legislation and the Council's own Health and Safety policy were identified during the audit, all of which require immediate action being taken to reduce the risk of injury to operatives working at or out of Dane Park. The audit observes that the issues identified may mean that the Council has potentially breached a number of different aspects of statutory requirements including:

- The Health and Safety at Work 1974.
- Electricity at Work Regulations 1989.
- Petroleum (Consolidation) Regulations 2014.
- The Regulatory Reform (Fire Safety) Order 2005.
- Road Traffic Act Act.
- Control of Substances Hazardous to Health (COSHH) Regulations 2002.
- Dangerous Substances and Explosive Atmospheres Regulations 2002.
- Wildlife and Countryside Act 1981.

Effective controls were found to be in place and considered to be operating effectively in the following areas:

- All equipment is being serviced in accordance with manufacturers' service schedules.
- Lifting equipment used by the tree team is subject to regular independent examination.
- Good procedures are in place to record daily checks completed on equipment.
- All equipment and consumable items are being stored securely when not in use with records being in place to record the issuing of items.
- Planned programmes of work are in place for the grass cutting element of the service.

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

3.1 As part of the period's work, eleven 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)	Car Parking & Enforcement	No	Reasonable	Critical	2	0
				High	8	2
				Medium	0	0
				Low	0	0
b)	Cyber-Security	Limited	Limited	Critical		See Below
				High		
				Medium		
				Low		
c)	Homelessness	Reasonable/ Limited	Reasonable	Critical	3	0
				High	2	0
				Medium	4	1
				Low	3	0
d)	Employee Health & Safety	Limited	Limited	Critical	2	2
				High	23	10
				Medium	3	0
				Low	3	0
e)	HRA Business Plan	Substantial	Substantial	Critical	0	0
				High	3	0
				Medium	1	0
				Low	2	0
f)	Berth 4-5 Post Implementation Review	No	No Assurance on this Project	Critical	0	0
				High	9	8
				Medium	0	0
				Low	0	0
g)	Refuse Collection	Reasonable	Reasonable	Critical	0	0
				High	0	0
				Medium	5	1
				Low	1	0
h)	EKS Debtors	Substantial	Substantial	C	0	0
				H	0	0
				M	0	0

				L	2	0
i)	Payroll	Substantial	Substantial	C	0	0
				H	0	0
				M	2	0
				L	0	0
j)	Planning Applications, Income and s106 Agreements	Substantial /Limited	Substantial/ Reasonable	C	0	0
				H	8	2
				M	3	2
				L	4	2
k)	Grounds Maintenance**	No	Reasonable	C	12	0
				H	8	0
				M	2	0
				L	0	0

*For Assurance and Recommendation priority definitions see Appendix 2

**An initial follow-up has been completed and the assurance level increased to Reasonable. Some recommendations have implementation dates later in the year and these will be followed up then. See detail at (k) below.

3.2 As part of the follow up action, the recommendations under review are either:

- “closed” as they have been successfully implemented, or
- “closed” as the recommendation is yet to be fully implemented but is on target with a revised implementation date, or
- (for medium or low risks only) “closed” as management has decided to tolerate the risk, or the circumstances have since changed, or
- (for critical or high risks only) “closed” on the EKAP System with a revised implementation date and escalated to management for further tracking and reporting to the audit committee.

3.3 Details of each of any individual critical or high priority recommendations outstanding after follow-up are included at Annex 1 and on the grounds that these recommendations have not been implemented by the dates originally agreed with management, they are now being escalated for the attention of the s.151 Officer and Members of the Governance Committee.

3.4 The purpose of escalating outstanding high-risk matters is to try to gain support for any additional resources (if required) to resolve the risk, or to ensure that risk acceptance or tolerance is approved at an appropriate level.

b) ICT - Cyber Security

The initial report contained 21 agreed management actions to reduce the identified risks. The follow up has been undertaken now at management request, however many of the recommendations had not reached their ‘due by date’, as some were set for completion by November 24. The follow up is therefore in two parts as follows;

The two tables below show how the recommendations were categorised and whether or not they have been implemented as at the time of follow up: -

Recommendations due before 01 July 2024

Risk Priority	No. of Initial Recommendations	No. Implemented	No. Partially Implemented with Revised Implementation Date	No. Outstanding with Revised Implementation Date
Critical	1	0	0	1
High	7	5	1	1
Medium	2	2	0	0
Low	1	1	0	0

Recommendations due after 01 July 2024

Risk Priority	No. of Initial Recommendations	No. Implemented	No in progress
Critical	3	0	3
High	5	1	4
Medium	2	1	1

Significant improvements have been made around the Cyber Security processes, yet there remains a large amount of work needing to be completed before all of the recommendations are fully implemented. Three recommendations (1 x Critical & 2 x High) due by 1st July 2024 are either only partially implemented or still outstanding. Good progress is already being made on most of the recommendations due for implementation by November 2024.

At the time of the initial audit completed in December 2023 EKAP concluded that Management could have Limited assurance in this area. It would be premature to revise this opinion at the present time. A further follow-up will therefore be undertaken after the November 2024 actions become due.

Management Response:

Overview

Since the time of the initial audit, the council has rightly prioritised cyber security at both a departmental and organisational level.

The previous 'limited assurance' opinion was acknowledged and immediate action was taken to progress the broad range of recommendations and remedial actions.

As part of the follow up audit, evidence has been provided to EKAP to demonstrate that all 21 agreed management actions have progressed and are either on track for delivery ahead of their proposed deadline or have already been completed. A request has been made to extend the deadline of one critical action to reflect an aspiration to broaden the scope of work and as resources were redirected at the start of the year to manage a security incident. As alluded to above, all of this activity has taken part within the context of navigating a live

security incident in January that affected a number of councils and organisations globally, and the ongoing complexities of the disaggregation of ICT. Indeed until April 2024, the council didn't have a dedicated information security resource.

Improvements made Significant improvements have been implemented to cyber security across the board:

- Shoring up the governance arrangements surrounding information security (evidenced by our new Security Information Forum - meeting monthly since April and a new Cyber Security Cabinet Advisory Group and monthly CMT level reporting);
- Enhancing our programme of mandated training, education and communication for all users;
- Overhauling 14 previously outdated ICT and Digital policies - developed within recognised national frameworks and according to best practice - with approvals expected at the end of this month;
- Introducing a new AI powered cyber training and policy platform 'KnowBe4' which will assess organisational and individual level of risk;
- Rolling out new equipment to staff as part of the organisational device refresh with improved asset management and disposal practices introduced;
- Creating new robust processes and procedures to manage and monitor devices including enforcing stringent password protection;
- Enhancing the monitoring and reporting of vulnerabilities, including continuing to decommission unsupported or outdated servers and systems;
- Introducing a new globally recognised 24/7 Managed Detection and Response (MDR) threat hunting platform which responds to suspicious activity in real time;
- Creating a bespoke security risk register, enhanced disaster recovery plan and new configuration management database (containing all assets, hardware, software and dependencies) - which are all well underway and will be complete in line with the new extended deadline.

Further progress

The council has been enrolled as one of only 20 councils to the new national Cyber Assessment Framework pilot, created by the NCSC which will involve the creation of a bespoke Thanet security action plan.

The council is also currently recruiting a Transformation Programme Manager - Technical Lead, which is a new post and will provide a dedicated SISO resource not previously included within the structure.

Summary

Whilst we recognise there is more to be done and acknowledge that cyber security will correctly remain a corporate risk, the organisation is in a markedly improved position compared to where it was in 2023. Although a further follow up exercise is welcomed - and ongoing scrutiny also will be a key part of the overarching governance structure - not lifting the currently 'limited' opinion feels potentially misleading and not reflective of the changed situation as outlined in this management response.

d) Employee Health and Safety

The Council's Employee Health & Safety process is improving with recording systems, training and ownership being the forefront of these improvements. As a result of this follow-up review the main issues identified within paragraph 1.3 that require some attention are included in the comments below. Health & Safety systems are and remain continually reviewed, monitored and managed:

The implementation of the Google led system has been delayed and the use of TAM continues, risks on the continued use of the system (e.g. security risk and GDPR) needs to be logged as well as the risk associated with the system change over project. Evidence was provided that risks are now being registered, managed and monitored with regards to the eLearning system. Work continues on managing and monitoring the recommendations from the final report and the associated risks. Whilst these are documented within their own risk register, they have not featured within the Corporate Risk Register.

The corporate training system went live in October 2023 and a timetable of training courses was published via TOM with further notifications via staff newsletters. It is the responsibility of managers to ensure their teams are up to date with training and the training system provides managers with the relevant information in which they can review staff training records and manage these within their teams. As a whole organisation, health and safety training is not up to date, and there is a lack of historical data being available due to the change over of systems. When considered alongside other health and safety findings within other Council areas being audited since this initial review, i.e. Grounds Maintenance, this risk remains until CMT are satisfied that all staff have undertaken the corporate training AND any additional training in commensurate with their posts with satisfactory training records being in place.

Compliance visits undertaken by the H&S Committee across all sites are not due for completion until November 2024. Workplace inspections are also underway by the H&S Compliance Officer along with the Building Managers resulting in site specific action plans being put in place. Until a full cycle of visits has been completed, risks to the Council remain undetected, noted, managed and reported on. To further the compliance work, management and monitoring, Property Services have set up 2 spreadsheets, one detailing ownership, sites, risks that come under different directorships and services and the other is a Compliance Spreadsheet which details actions and checklists to complete for an inspection and is under 3 headings: Compliance Action List; Property and Facilities Checklist and a Building Occupier Checklist. The template was provided as evidence and this type of management and monitoring requires time to embed.

A further training course for those 11 remaining staff that use ladders needs to be scheduled and completed. Until completed, restricted duties should be considered.

At the time of follow-up testing, fire risk assessments were required and a contractor had been appointed to complete the assessments by the end of June 2024. Actions arising from asbestos reports require to be evidenced. The use of performance indicators for H&S requires further advancement.

Management Response:

Background:

1. The initial Audit of Employee Health and Safety was completed in August 2023. The initial report contained 31 agreed management actions to reduce the identified risks. The table below shows how these were categorised: -

Risk Priority	No. of Initial Recommendations
Critical	2
High	23
Medium	3
Low	3

Latest Position:

2. As indicated above, the initial report contained 31 recommendations that required action and below is the latest position on these recommendations:

Risk Priority	No. of Initial Recommendations	No. Implemented	No. Outstanding with Revised Implementation Date
Critical	2	2	0
High	23	15	8
Medium	3	3	0
Low	3	3	0

3. The above demonstrates that a significant amount of progress has been made at follow up, but that some works remain under review. Some actions have been agreed and implemented but can't be signed off in full at this stage due to their nature, this is that they need time to bed in in order to be considered 'delivered'.
4. With regards to the actions outstanding, it is worth noting the following:
 - The roll out of any new systems/processes to replace the existing obsolete system is complex and multifaceted, but essential for enhancing workplace safety and compliance. These are significant projects which from the start were not a 'quick fix' and were complicated in that they involved all departments and significant resources from those departments to ensure a smooth transition.
 - Fire Risk assessments are all completed with the exception of two sites, which will have been completed 19/20 June.
 - With regards to the cycle of H&S inspections, while the cycle is progressing, we acknowledge that the delays in completing the full reporting cycle may expose the Council to certain risks, however mitigation has been put in place and is due to be completed by November 2024.

- Ladder training will be completed by 17 July.
5. It is fair to say that there is significantly more focus on Health and Safety now and processes have been put in place to ensure appropriate monitoring and escalation, the following is a list of some of the mechanisms being utilised to help drive transformation in this area:
- The Corporate Health and Safety committee now meets every 3 months and is chaired by the Director with responsibility for Health and Safety, the Director of Corporate Services & S151 Officer and the Chief Exec is now included within the membership. At this meeting the H&S compliance monitoring is presented and actions agreed.
 - The Health and Safety Compliance Manager now reports into CMT on a regular basis but at least quarterly. They will present an annual report on Health and Safety along with regular updates as required.
 - The governance group is now tracking all outstanding critical and High Audit recommendations with a view to ensuring compliance/implementation.
 - This is also now included within the Corporate Risk Register as a separate risk.
 - As part of the Corporate Service Planning process, Health and safety now has their own distinct area within the Finance, Procurement and Risk Service plan. The Service Plan identifies key service areas of responsibility and these are as follows:
 - Contribute to the development of an organisational culture, which promotes the Health and Safety of all employees, clients and the public and supports a safe working environment.
 - Identifying all Health & Safety issues and risks across the whole Council to enable decisions and judgements to be made, consistent with the Council's obligations as an employer and Council's corporate policy.
 - Within the Health & Safety framework, develop action plans, support managers in implementing these and monitor compliance of all Health & Safety legislation, policies and practices and highlight exceptions to the Corporate Director responsible for Health and Safety and then on to CMT.
 - To keep CMT abreast of all Health and Safety issues and enable dynamic decision making on key H&S obligations for the Organisation, this will sometimes mean presenting information with cost vs risk analysis to support decisions.

f) Berth 4-5 Post Implementation Review

The nine high priority recommendations resulting from this review focussed on the lack of a Project Management framework. It has been agreed to close the Berth 4-5 Post Implementation Review, and to provide the following update from the responsible Director. The new Project Management arrangements will be assessed in an audit proposed for 2024-25 Quarter 3. The new audit will pick up the 8 remaining High Priority recommendations previously made, the risks against which are being tolerated by management whilst the new Project Management Framework is rolled out. These are detailed on Annex 3, along with the revised implementation date of 31.05.24 along with a progress update from the responsible Director; and they are now escalated for the attention of the s.151 and the audit committee.

Management Response:

The Berth 4-5 project was delayed whilst an environmental impact assessment was developed to inform planning and marine licensing consents. The original berth was taken out of service in November 2020 due to its deteriorated condition. A Cabinet decision was made in July 2021 to increase budget provision for the project. The EIA was completed in January 2022. The Planning Prior Approval and Marine Licence were both granted in May 2022. The berth installation works commenced in June 2022 and reached substantial completion at the end of September 2022. Electrical supply and service lighting installation work was completed at the beginning of August 2023. The berth is ready for service subject to the installation of an aggregates conveyor by Brett Aggregates. The timescale for the installation of the conveyor is likely to be July 2024.

The change in project programme following the notification that an Environmental Impact Assessment was required resulted in a financial impact to the Council due to extended berth outage and associated contractual costs. The final cost of the work element of the scheme has not yet been determined. An outcome was anticipated at the end of 2023 but has been delayed. Further dialogue with the contractor is being arranged and a final position will be reached as soon as is practically possible. It is expected that this will be by the end of July 2024.

Corporate Risk Lead Officer: Director of Environment

k) Grounds Maintenance:

Since the original audit, a significant amount of work has been undertaken by all staff working out of the Dane Park Depot to take action in respect of the issues identified during the audit. While a number of recommendations are not yet due or fully implemented, good progress has been made to implement all of the Critical and High risk recommendations and all are on track to be implemented by their due date.

Recommendations due before 01 July 2024

Risk Priority	No. of Initial Recommendations	No. Implemented	No. Partially Implemented with Revised Implementation Date	No. Outstanding with Revised Implementation Date
Critical	7	6	1	0
High	5	3	2	0

Medium	0	0	0	0
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Recommendations due after 01 July 2024

Risk Priority	No. of Initial Recommendations	No. Implemented	No in progress
Critical	4	1	3
High	3	2	1
Medium	2	0	2

Of the 21 recommendations made in the original report, 9 are considered to be not yet due, despite that, management have already fully implemented 12 recommendations. Of those which are not yet implemented, work has already started to move to implementing all recommendations in line with the proposed completion dates.

The level of risk associated with both fire and electrical safety is considered to have reduced significantly since the original audit as a result of the completion of periodic electrical testing and a new Fire Risk Assessment for the depot. While some residual risk around fire safety is still evident, that risk will reduce even further once fire extinguishers have been procured and fitted to the vans used by operatives.

The new staff restructure has hindered the implementation of a number of recommendations around the completion of staff training and supervisor checks. Once the restructure is completed, those remaining recommendations are all likely to be implemented in line with the originally proposed implementation dates.

The Open Spaces Manager and all staff working out of the Dane Park depot should be commended for taking action to address the issues identified through the audit process.

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: Your Leisure, Coastal Management, Member Code of Conduct & Standards Arrangements, and Tenant Engagement.

5.0 CHANGES TO THE AGREED AUDIT PLAN:

5.1 The 2024-25 internal audit plan was agreed by Members at the meeting of this Committee on 6th March 2024.

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 the 2024-25 Audit Plan is shown in 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 2024, 52.55 chargeable days were delivered against the target for the year of 348 days which equates to 15.1% 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 2024 against the agreed 2024-25 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 AGAINST THE AGREED 2024-25 AUDIT PLAN
THANET DISTRICT COUNCIL**

Area	Original Planned Days	Revised Budgeted Days	Actual days to 31-05-2024	Status and Assurance Level
FINANCIAL GOVERNANCE:				
Main Accounting System	10	10	0	Quarter 3
HOUSING SYSTEMS:				
Decent Homes	5	5	0	Quarter 3
Garage Management	7	7	6.88	Work-in-Progress
Tenant Health & Safety	10	10	0	Quarter 2
Rechargeable Works	10	10	0	Quarter 2
Tenancy Fraud	10	10	0	Quarter 3
New Build Capital Programme	5	5	0	Quarter 4
Energy Efficiency & Carbon Reduction	10	10	0	Quarter 4
GOVERNANCE RELATED:				
GDPR	10	10	0	Quarter 3
Project Management	10	10	0	Quarter 3
Member Code of Conduct & Standards Arrangements	10	10	0	Quarter 2
Corporate Advice/ CMT	2	2	1.86	Work-in-progress
s.151 Officer Meetings & Support	9	9	2.73	Work-in-progress
Governance & Audit Committee Meetings and Report Preparation	12	12	1.44	Work-in-progress
Audit Plan & Preparation Meetings	9	9	0	Work-in-progress
HR RELATED:				
Payroll	3	3	0	Quarter 3
Employee Benefits-in-Kind	3	3	0	Quarter 3
Apprenticeships	10	10	0	Quarter 4
COUNTER FRAUD:				
Data Analytics	8	8	0	Quarter 4

Duplicate Creditor Testing	2	2	0	Quarter 3
CONTRACT RELATED:				
Service Contract Management	10	10	0	Quarter 2
Receipt & Opening of Tenders	5	5	0	Quarter 3
Procurement	8	8	0	Quarter 3
ICT RELATED:				
Data Management	14	14	0	Quarter 2
Procurement & Disposal	14	14	0	Quarter 4
SERVICE LEVEL:				
Cemeteries & Crematoria	10	10	0	Quarter 2
Coastal Management	10	10	13.68	Work-in-progress
Public Health Burials	10	10	6.84	Finalised - Substantial
Environmental Health & Safety at Work	10	10	0	Quarter 4
Business Continuity & Emergency Planning	5	5	0	Quarter 2
Disabled Facilities Grants	10	10	0	Quarter 2
Allotments	10	0	0	Quarter 2
Ramsgate Harbour Accounts	5	5	0	Quarter 3
Members' Allowances	10	10	0	Quarter 2
Phones, Mobiles and Utilities	10	10	0	Quarter 2
Events Management	10	10	0.18	Quarter 2
Climate Change	5	5	0	Quarter 4
OTHER:				
Liaison With External Auditors	1	1	0.14	Work-in-progress
Follow Up Reviews	15	15	11.7	Work-in-progress
FINALISATION OF 2023-24 AUDITS:				
Grounds Maintenance	5	5	6.37	Finalised - No
Resident Engagement			0.41	Work-in-progress
VICs			0.26	Finalised - Substantial
Your Leisure			0.06	Work-in-progress
RESPONSIVE ASSURANCE:				
LUF Grant - Project Assurance	0	0	0	Work-in-progress
TOTAL	348	348	52.55	15.10%

**PROGRESS AGAINST THE AGREED 2024-25 AUDIT PLAN
EAST KENT SERVICES**

Review	Original Planned Days	Revised Planned Days	Actual days to 31/05/2024	Status and Assurance Level
EKS REVIEWS:				
Housing Benefits Overpayments	16	16	0.26	Quarter 2
Housing Benefits Appeals	16	16	0.27	Quarter 1
Business Rates / Reliefs & Credits	16	16	0.27	Quarter 3
Customer Services	16	16	8.38	Work-in-progress
OTHER:				
Corporate/Committee	5	5	0.47	Ongoing
Follow Up	3	3	0.99	Ongoing
FINALISATION of 2023-24 AUDITS:				
Council Tax Reduction Scheme	1	1	0.07	Finalised - Substantial
Transition Project Governance	1	1	0.14	Finalised - N/A
Total	74	74	10.85	14.66%

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>Car Parking & Enforcement - March 2024:</i>		
Ensure that the Linear charging structure on Parking machines and the Ringo software are aligned with fees and charges.	This has been reviewed and any changes required will be made. Proposed completion date and responsibility: Head of Neighbourhoods End June 2023	The Service confirmed that the alignment of the linear charging structure on Parking machines, the Ringo software and fees and charges is yet to be implemented and that the process is due to be reviewed as part of the parking review. Outstanding with Revised Completion Date of 30/09/24
Develop and report at regular intervals suitable performance indicators for the parking service which could include the following: <ul style="list-style-type: none"> ● Percentage of PCNs cancelled by CEOs. ● Overall percentage of cancelled PCNs. ● Percentage of PCNs paid. ● Percentage of PCNs written off. ● Percentage of PCNs overturned at tribunal. 	Develop performance indicators with the corporate centre for public reporting as well as improve management performance indicators. Proposed completion date and responsibility: Parking and Transportation Enforcement Manager and Civil Enforcement Supervisor By End of August 2023	No information was provided to evidence that KPI's have been developed. Outstanding with Revised Completion Date of 01/04/24
<i>Planning Applications, Income & s106 Agreements - June 2024:</i>		
Include any index uplifts to be applied within the monitoring spreadsheet to ensure these are being managed and monitored.	Indexation payable is calculated at the point that the contribution is due, when a request is made. The relevant index is stated within the S106 and a google form is used to request finance	Delayed due to the work on the IFS, and the practicalities of implementing an update to the spreadsheet which would require a year update to all outstanding figures, the index calculator will occur as the required triggers

	<p>calculate the indexation on contributions currently.</p> <p>To speed up the existing process, a new column to be added within the monitoring spreadsheet to include an indexation method to be applied.</p> <p>Proposed Completion Date: End of March 2024 Responsibility: Section 106 Monitoring and Infrastructure Delivery Officer</p>	<p>are met, through monitoring, development compliance and enforcement work.</p> <p>Outstanding with Revised Completion Date: End of 2024 and then Ongoing</p>
<p>Review neighbouring authority websites for the layout and report format for CIL and ensure this is published and up to date asap. Then update on a yearly basis.</p>	<p>Draft reports have been collated for 19/20, 21/22. The Section 106 Monitoring sheet includes the tabs for the IFS data.</p> <p>Information has been collated on other authorities IFS.</p> <p>Proposed action is for 3 years worth of IFS to be published by end of financial year 23/24, with 22/23 published by end of September 2024, with 23/24 published by December 2024. Yearly publication to occur thereafter.</p> <p>Proposed Completion Date: Completed and on-going Responsibility: Planning Applications Manager and S106 Monitoring and Infrastructure Delivery Officer</p>	<p>3 years of IFS data is due to be reported to Cabinet on 25th July 2024 (delay in part due to the general election - draft cabinet report provided as evidence).</p> <p>Aim of all required IFSs to be published by March 2025, with 3 years by End of August 2024, 22/23 and 23/24 by March 2025.</p> <p>Outstanding with Revised Completion Date: End of 2025</p>

Berth 4-5 Project Post Implementation Review - April 2024:

1. Time allocations for achieving project milestones must be well researched, be realistic and include a healthy contingency to cover unforeseen project slips that will inevitably materialise.

Agreed

Proposed completion date: December 23

Responsibility: Chief Executive

The Council has commissioned a detailed review of its project management arrangement and recruited external expertise to complete this work. The outcome will include a new, bespoke project management framework, with new template documentation to guide project managers through the new process.

In addition the council has established a new Project Delivery Board (PDB), that has oversight of all 'in scope' projects, with the Corporate Management Team (CMT) taking responsibility for determining which projects are in scope. The CMT has agreed a list of in scope projects and has already completed a review of everything on this list. The PDB scrutinises the delivery of projects against their project plans, project milestones, budget and the achievements of their outputs, and a copy of the terms of reference for the PDB is attached here:

[☰ TDC Project Delivery Board - Terms of...](#)

The new project management framework provides an extended project management lifecycle from early initiation (Stage A) to post-project benefits evaluation (Stage G). This work also includes refreshed project management documentation.

A new Google app has been developed in-house. This enables project managers to register their projects in a central register, and to retain project documentation centrally. This new

		<p>Project App is both a tool for project managers to use for their individual projects and to provide a single, master portfolio view of projects across TDC. As such, it will support the PDB in scrutinising both projects as well as the cross-council portfolio.</p> <p>A Working Group has been established to develop a requirements specification for project planning software, and to review market offerings. Key requirements currently include dependencies and critical path analysis, as well as budget and resource profiling and Google compatibility.</p> <p>Partially Implemented with Revised Completion date: 31/05/24.</p>
<p>2. Cost estimates included in Capital Project Bids must be well researched, be realistic and include 'deal break' points and a healthy contingency to cover unforeseen risks that will inevitably materialise. Consideration to introduce a requirement for a provisional valuation of schemes over £1m threshold, to be undertaken before they are included in the capital programme, and further consider adding inflationary uplift to capital programme slippage in future years.</p>	<p>Agreed</p> <p>Proposed completion date: December 23</p> <p>Responsibility: Chief Executive</p>	<p>The new TDC Project Management Framework provides for new governance stage gates between Stage A - Initiation and Stage E - Project Close. Early stage gates consider the inclusion of project funding in the capital programme. In this way the new Project Management Framework will mirror, and be integrated with the capital bid process.</p> <p>The new TDC Project Management Framework will also reflect the RIBA design stages, so that prudent inflation can be incorporated into cost assumptions at key decision points.</p> <p>Project initiation procedures will include an early project size assessment, with differing processes for small, medium and large projects.</p> <p>Partially Implemented with Revised Completion date: 31/05/24.</p>

<p>3. The culture of the Council should encourage all options that benefit the Council to be worked through for consideration, including taking calculated risks with good governance to secure value for money, and utilise the powers contained in the Constitution to enable improved Decision Making.</p>	<p>Agreed</p> <p>Proposed completion date: December 23</p> <p>Responsibility: Chief Executive</p>	<p>The remit of the Project Delivery Board includes the review of project risk and is able to provide governance and decision making advice to project managers.</p> <p>The new TDC Project Management Framework makes use of 'Stage Gates' which provide for additional governance between Stage A - Initiation and Stage E - Close Project. Additionally, Stage B - Integrated Design & Planning proscribes options assessment and feasibility.</p> <p>Project level risk management is mandatory across all sizes and types of projects, and updated project risk management guidance is being aligned with corporate risk management procedures. As part of the investment in project management training, risk management training is being explored for all project managers.</p> <p>Additionally wider changes in organisational culture have been secured since the restructuring of senior management arrangements. For example, we now have an expanded CMT, an inclusive bottom up budget setting process, and the governance group that enhances our decision making processes and aids collaboration between three statutory officers. This is further evidenced by findings of the recently completed staff survey.</p> <p>Partially Implemented with Revised Completion date: 31/05/24.</p>
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<p>5. The Council should allocate responsibility for Project Management, agree a Project Management Framework, provide guidance on the intranet and support relevant staff with training.</p>	<p>Agreed Proposed completion date: December 23 Responsibility: Chief Executive</p>	<p>Lead officer and resources identified to complete a full review of project management at TDC and implement a new PM framework. This work is due to be completed in May 2024. The new TDC Project Management Framework will be hosted on the intranet for ease of accessibility and use. Roll out will be supported by a programme of training to the project management community.</p> <p>A new full-time permanent role of Project Management Lead Officer will be introduced to support the project management community and the new project management framework.</p> <p>Partially Implemented with Revised Completion date: 31/05/24.</p>
<p>6. Each project plan should include a detailed communication strategy considering the needs of all stakeholders to include community engagement opportunities to enhance good governance, (transparency and openness).</p>	<p>Agreed Proposed completion date: December 23 Responsibility: Chief Executive</p>	<p>New stakeholder engagement and communications guidance is being developed as part of the TDC Project Management Framework.</p> <p>Partially Implemented with Revised Completion date: 31/05/24.</p>
<p>7. Create capacity for greater inclusion of the specialist input required on project teams throughout the life of the project. Ensure the project team agrees (or escalates) that each milestone has been achieved before proceeding, and any 'deal break' points are fully considered.</p>	<p>Agreed Proposed completion date: December 23 Responsibility: Chief Executive</p>	<p>The proposed decision gateways within the new project management framework will ensure that recommendation is implemented. Gateway decisions will include an assessment of the resources required to progress to the next stage, and a review of the delivery of milestones from the previous stage. It will also ensure that effective planning is in place for the next stage, including project specific and meaningful milestones.</p> <p>This approach is already being trialled by the</p>

		<p>project delivery board ahead of the launch of the new framework in May 2024..</p> <p>Partially Implemented with Revised Completion date: 31/05/24.</p>
<p>8. Identify sooner when external resources or expertise will be required, and acknowledge the delay or cost impact this could have on a project.</p>	<p>Agreed</p> <p>Proposed completion date: December 23</p> <p>Responsibility: Chief Executive</p>	<p>See comments for Recommendation 7 above.</p> <p>Partially Implemented with Revised Completion date: 31/05/24.</p>
<p>9. Programming of Capital works should start earlier, and resources should be sufficient to create capacity to think adequately ahead; particularly for the replacement of Council assets before their end of life.</p>	<p>Agreed</p> <p>Proposed completion date: December 23</p> <p>Responsibility: Chief Executive</p>	<p>Stage A of the project management framework will link with stage 1 of the capital bid process, so that resources can be allocated to projects at the initial inception stage to complete detailed feasibility assessments and robust project and cost plans.</p> <p>Partially Implemented with Revised Completion date: 31/05/24.</p>
<p><i>ICT Cyber-Security - July 2024:</i></p>		
<p>Critical - Formally introduce Business Continuity Plans and Incident Response Plans.</p> <p>NB The introduction of incident response plans should also address the audit trail weaknesses of incidents being managed outside the ticketed ICT system.</p>	<p>Recommendation to be considered and actioned by the Head of EK Services ICT (DE).</p> <p>Proposed completion date and responsibility: Head of EK Services ICT (DE) - March 2024</p>	<p>Audit Findings</p> <p>As a result of the impact of the security incident which occurred in January, and having to redirect resources to effectively manage this response on behalf of the organisation recommendation not yet implemented and the implementation date has been revised to 01/11/24.</p> <p>Recommendation not implemented</p>
<p>High - A random sample of test restores should be undertaken each quarter to verify the integrity of backed up data.</p>	<p>Recommendation to be considered and actioned by the Head of EK Services ICT (DE).</p> <p>Proposed completion date and responsibility:</p>	<p>Audit Findings</p> <p>Testing identified that the random testing of restores has not yet commenced. The</p>

	Head of EK Services ICT (DE) - March 2024	service has had to restore some backed up data for operational reasons but this is not considered to be the same as a pre planned testing process. Outstanding with a revised implementation date of 30/11/24
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SERVICES GIVEN LIMITED / NO ASSURANCE LEVEL YET TO BE REVIEWED – APPENDIX 4

Service	Reported to Committee	Level of Assurance	Follow-up Action Due
EKS ICT Desegregation Project	September 2023	Limited	Quarter 2 2024-25
External Funding Protocol	March 2024	Limited	Quarter 2 2024-25