

**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 30th September 2024.

**2.0 SUMMARY OF REPORTS**

Service / Topic		Assurance level*	No. of Recommendations *	
2.1	Member Code of Conduct & Standards Arrangements	Substantial	Critical	0
			High	0
			Medium	0
			Low	0
2.2	Events Management	Limited	Critical	1
			High	11
			Medium	5
			Low	5

\*For Assurance and Recommendation priority definitions see Appendix 2

**2.1 Member Code of Conduct & Standards 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 highest standards of Member conduct and probity are maintained.

**2.1.2 Summary of findings**

In accordance with the Localism Act 2011 the authority must promote and maintain high standards of conduct by Members and co-opted Members of the authority. In discharging this duty, the authority must adopt a code dealing with the conduct that is expected of Members and co-opted Members of the authority when they are acting in that capacity. Thanet District Council has adopted the Kent model Code of Conduct which can be viewed and downloaded from the Council's website.

As a councillor there is a requirement to adhere to the Council's agreed code of conduct for elected members. A failure to comply with the Council's code can be dealt with via the arrangements in place for investigating allegations. These can be found on the Council's webpages.

Following the abolition of Standards for England on 31 March 2012, the Council assumed responsibility for dealing with and investigating all complaints relating to breaches of the Code, including those made against Parish Councillors within the district. Specific responsibility for assessing alleged breaches of the Code rests with the Monitoring Officer, in consultation with the Independent Person, who is appointed by Council. If the Monitoring Officer, in consultation with the Independent Person, considers that the complaint meets certain prescribed tests so as to merit investigation, they will appoint an investigation officer to undertake the investigation. Once the investigation has concluded, the Monitoring Officer may consider that informal resolution is appropriate. Alternatively, they may convene a meeting of the Hearing Panel.

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

- There are procedures established to promote and communicate the Members Code of Conduct, Member / Officer relations protocol and Gifts and Hospitality policies and procedures for the Council for both new and existing Members.
- The Code of Conduct holds sufficient information to ensure there is relevant guidance to promote the ongoing probity and propriety of Members.
- Members are made aware of the rules covering the registration and declaration of interests. Comprehensive information is declared by Members to conform to the guidance given and the 28 day rule is applied in each case of variations in information.
- Suitable arrangements are in place to ensure that Members disclose all relevant Disclosable Pecuniary Interest (DPI) and Other Significant Interest (OSI) at Council and Committee meetings.
- Members receive clear guidance and sufficient training to ensure that they make the necessary disclosures when considering planning decisions.
- The Standards arrangements and rules comply with the Localism Act.
- The procedure for handling complaints is well documented and information on making complaints is easily available to the public.
- All investigations comply with the rules established by the Council's own stated procedures.
- The initial assessment process for complaints against Members is adequate and well documented.
- Members and the Monitoring Officer responsible for carrying out any assessment of complaints receive suitable training to carry out their role. Guidance and advice is available to Parish and Town Councils if requested.

## **2.2 Events Management - Limited Assurance**

### **2.2.1 Audit Scope**

To provide assurance on the adequacy and effectiveness of the procedures and controls established to ensure that events within the district are managed and administered in a safe, efficient and effective manner.

### **2.2.2 Summary of findings**

There is an Event Policy in place accompanied by a Suitable Event Guide which can be viewed and downloaded via the Council's Event webpage:

<https://www.thanet.gov.uk/services/event-organisation/> The Event policy acts as the terms and conditions and a signed copy should be sent into the events team for filing.

The Event Management process is administered via a resource of 0.5 FTE, plus other officers for advice as required. An on-line application process is in place, accessible via the Council's dedicated Event's webpage and managed via a system called Apply4 app.

The decision process is undertaken via an event safety advisory group (SAG) set up to review and provide advice (where necessary), this group operates under a terms of reference and are a mix of staff and stakeholders. Each member receives notifications for all applications via email and has access to the Apply4 app to review all supporting evidence and provide any comments / guidance / conditions to terms as necessary and within a set timeframe.

According to the Apply4 app, income relating to the events process (Application Fee; Deposit and Land Hire) totalling £49,933.96 for 2023/24 period was received.

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

- Whilst officer's are aware of project planning requirements and risk management, i.e. financial, legal, reputational and health and safety issues etc. improvements are required as testing identified areas of weakness for health & safety (errors in insurance certificates; lack of signed terms and conditions on file and not all supporting information was provided or requested) and financial control (invoice miscalculations).
- Post event reviews are not being undertaken and therefore lessons to be learnt are being missed.
- Site visits (pre, during and post event) are currently not being undertaken due to staff resource issues; reliance on the return of the deposit is currently based upon any information received from the Parks Department, who during the course of their own work, could visit at least two weeks after the event and clearance of the site.
- Whilst there is a documented process in place and to be followed for the hire of Council premises, the management and monitoring requires improvement. Testing identified lack of control in the submission and checking of the supporting documentation required for the event size and not all were supported with signed terms and conditions.
- Whilst Health and Safety arrangements are considered as part of the Event Management Plan, for which all the test sample provided evidence, additional considerations are required as the size of the event increases i.e. traffic management control, crowd management control, noise control, evacuation plan, lost child policy and medical plan were required to be submitted. Testing identified that 54.5% of the sample had incomplete data submission for the event size.
- Up to date public liability insurance should be provided for every event to the value of £5 million. 45.5% of applications tested and checked identified issues regarding the public liability insurance details provided, i.e. no insurance; out of date insurance and only evidence of renewal letter (no certificate) provided. All of these were provided with a permit and permission to hold the event.
- For the sample tested, the event size (small, medium, large or major) had been miscategorised leading to incorrect fees being applied. It was determined that these were

being charged based upon the number of persons on site at any one time (usually resulting in a small event being categorised) rather than the expected total of attendees.

- As per the policy, a SAG meeting is required for new medium, all large and all major events and a de-brief is required for new Medium and all Major events. This has not been occurring, however, the SAG are emailed for all event applications and any further information requests, comments and conditions are managed via the Apply4 app. Any member of the SAG can request a meeting; this updated process will need to be included within the new policy.
- The Terms of Reference (TOR) for the Safety Advisory Group (SAG) requires a review and update - last reviewed and agreed by Cabinet in October 2016.
- The Lead Service within the TOR is recognised as TDC and details the Events Team, however, the Council no longer has this Team in place and the current arrangements need to be documented.

Effective control was however evidenced in the following areas:

- An in date policy (2021-2024) is in place, this is due to be reviewed and updated by April 2025.
- There are operational policies and procedures in place for Event Management which supports the Event Management Policy. Namely the Suitability of Events guidance for use by all (event organiser and staff) and procedures for staff on use of the system. Objectives have been identified within the Policy itself.
- Key officers in the events management process are identified within the Policy. Roles and responsibilities have been communicated via the Terms of Reference in place for the Safety Advisory Group.
- There is a wealth of information available to the applicant via the Event Webpages to support the application and event organisation process.
- From the samples tested, all event organisers provided a sufficient written Risk Assessment of their own event as part of the application process.
- The granting and administering of Temporary Events Notices (TENS) is working well, however there is a pending change of systems where data migration needs to be considered.
- Council hire venues have been recognised and detailed within the Event Organisation webpage. This would benefit from a refresh as some sights are no longer available. One hire venue is under the management of Housing Services and as such follow a separate hire process.
- There is no policy or arrangement in place for Event advertising, although event organisers are made aware in the Policy / terms and conditions that posters should be displayed in accordance with any planning obligations i.e. no fly posting.
- Council information platforms (i.e. Website) promotes and provides all relevant information for event planning and application process

Management Response - The outcome of this audit is disappointing particularly considering the number of actions that have been resolved immediately. The team continues to work on the recommendations with the updated Policy currently being worked on by a cross council group.

**Head of Neighbourhoods 12-11-2024**

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

3.1 As part of the period's work, one follow up review has 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)	Coastal Management	Substantial	Substantial	Critical	0	0
				High	0	0
				Medium	0	0
				Low	1	0

\*For Assurance and Recommendation priority definitions see Appendix 2

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. There are none this period.

#### 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: Rechargeable Works, Members' Allowances, Cemeteries and Crematoria, GDPR, FOI and Information Mngmt, Your Leisure (review leases), ICT Network Security, and Allotments.

#### 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 six month period to 30th September 2024, 189.61 chargeable days were delivered against the target for the year of 348 days which equates to 54.49% 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 30th September 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.
- Appendix 5 Balanced Scorecard to 30th September 2024

## APPENDIX 1

**PROGRESS AGAINST THE AGREED 2024-25 AUDIT PLAN  
THANET DISTRICT COUNCIL**

Area	Original Planned Days	Revised Budgeted Days	Actual days to 30-09-2024	Status and Assurance Level
<b>FINANCIAL GOVERNANCE:</b>				
Main Accounting System	10	10	0.18	Work-in-progress
<b>HOUSING SYSTEMS:</b>				
Decent Homes	5	5	0	Quarter 4
Garage Management	7	7	11.14	Finalised - Reasonable
Tenant Health & Safety	10	10	2.47	Work-in-progress
Rechargeable Works	10	10	0.18	Work-in-progress
Tenancy Fraud	10	10	0	Quarter 4
New Build Capital Programme	5	5	0	Quarter 4
Energy Efficiency & Carbon Reduction	10	10	0	Quarter 4
<b>GOVERNANCE RELATED:</b>				
GDPR	10	10	0.24	Work-in-progress
Project Management	10	10	0	Quarter 4
Member Code of Conduct & Standards Arrangements	10	10	10.35	Finalised - Substantial
Corporate Advice/ CMT	2	2	4.39	Work-in-progress
s.151 Officer Meetings & Support	9	9	10.32	Work-in-progress
Governance & Audit Committee Meetings and Report Preparation	12	12	9.97	Work-in-progress
Audit Plan & Preparation Meetings	9	9	0.26	Work-in-progress
<b>HR RELATED:</b>				
Payroll	3	3	4.38	Work-in-progress
Employee Benefits-in-Kind	3	3		
Apprenticeships	10	10	0	Quarter 4

<b>COUNTER FRAUD:</b>				
Data Analytics	8	8	0	Quarter 4
Duplicate Creditor Testing	2	2	0	Work-in-progress
<b>CONTRACT RELATED:</b>				
Service Contract Management	10	10	0	Quarter 4
Receipt & Opening of Tenders	5	5	0	Quarter 4
Procurement	8	8	5.58	Work-in-progress
<b>ICT RELATED:</b>				
Network Security & Data Management	14	14	6.94	Work-in-progress
Procurement & Disposal	14	14	0	Quarter 4
<b>SERVICE LEVEL:</b>				
Cemeteries & Crematoria	10	10	0.18	Work-in-progress
Coastal Management	10	10	34.18	Finalised - Substantial
Public Health Burials	10	10	13.94	Finalised - Substantial
Environmental Health & Safety at Work	10	10	0	Quarter 4
Business Continuity & Emergency Planning	5	5	0.18	Quarter 4
Disabled Facilities Grants	10	10	9.22	Finalised - Substantial
Allotments	10	0	1.63	Work-in-progress
Ramsgate Harbour Accounts	5	5	0	Work-in-progress
Members' Allowances	10	10	2.86	Work-in-progress
Phones, Mobiles and Utilities	10	10	0	Quarter 4
Events Management	10	10	16.14	Finalised - Limited
Climate Change	5	5	0	Quarter 4
<b>OTHER:</b>				
Liaison With External Auditors	1	1	0.14	Work-in-progress
Follow Up Reviews	15	15	21.28	Work-in-progress
<b>FINALISATION OF 2023-24 AUDITS:</b>				
Grounds Maintenance	5	5	6.37	Finalised - No
Resident Engagement			6.64	Finalised - Substantial
VICs			0.26	Finalised - Substantial
Your Leisure			7.76	Work-in-progress
<b>RESPONSIVE ASSURANCE:</b>				
LUF Grant - Project Assurance	0	0	0.27	Work-in-progress



Housing Decarbonization Grant	0	0	2.16	Work-in-progress
<b>TOTAL</b>	<b>348</b>	<b>348</b>	<b>189.61</b>	<b>54.49%</b>

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

<b>Review</b>	<b>Original Planned Days</b>	<b>Revised Planned Days</b>	<b>Actual days to 30/09/2024</b>	<b>Status and Assurance Level</b>
<b>EKS REVIEWS:</b>				
Housing Benefits Overpayments	16	16	0.26	Quarter 3
Housing Benefits Appeals	16	16	8.93	Finalised - Substantial
Business Rates / Reliefs & Credits	16	16	0.34	Work in progress
Customer Services	16	16	13.30	Finalised - Substantial
<b>OTHER:</b>				
Corporate/Committee	5	5	1.43	Ongoing
Follow Up	3	3	0.99	Ongoing
<b>FINALISATION of 2023-24 AUDITS:</b>				
Council Tax Reduction Scheme	1	1	0.07	Finalised - Substantial
Transition Project Governance	1	1	0.14	Finalised - N/A
<b>Total</b>	<b>74</b>	<b>74</b>	<b>25.46</b>	<b>34.41%</b>

## Definition of Audit Assurance Statements & Recommendation Priorities

### Cipfa Recommended Assurance Statement Definitions:

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

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

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

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

### EKAP Priority of Recommendations Definitions:

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

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

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

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

<b>SUMMARY OF CRITICAL &amp; HIGH PRIORITY RECOMMENDATIONS NOT IMPLEMENTED AT THE TIME OF FOLLOW-UP – APPENDIX 3</b>		
<b>Original Recommendation</b>	<b>Agreed Management Action , Responsibility and Target Date</b>	<b>Manager’s Comment on Progress Towards Implementation.</b>
<i>None to report this Quarter</i>		

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

<b>Service</b>	<b>Reported to Committee</b>	<b>Level of Assurance</b>	<b>Follow-up Action Due</b>
EKS ICT Desegregation Project	September 2023	Limited	Work-in-progress
External Funding Protocol	March 2024	Limited	Work-in-progress
Events Management	December 2024	Limited	Spring 2025

### BALANCED SCORECARD

<u>INTERNAL PROCESSES PERSPECTIVE</u>	<u>2024-25 Actual</u>	<u>Target</u>	<u>FINANCIAL PERSPECTIVE:</u>	<u>2024-25 Actual</u>	<u>Original Budget</u>
:	Quarter 2		Reported Annually		
Chargeable as % of available days	86%	90%	<ul style="list-style-type: none"> <li>• Cost per Audit Day</li> <li>• Direct Costs</li> <li>• + Indirect Costs (Recharges from Host)</li> <li>• - 'Unplanned Income'</li> <li>• = Net EKAP cost (as billed all Partners)</li> </ul>	£-	£428.41
Chargeable days as % of planned days	42.04%	50%		£-	£10,530
CCC	60.90%	50%		£-	Zero
DDC	54.49%	50%		-£-	
TDC	39.22%	50%		£-	£565,502
FHDC	24.39%	50%			
EKS					
Overall	48.69%	50%		Reported Annually	
Follow up/ Progress Reviews;	29	-			
• Issued	20	-			
• Not yet due	34				
• Now due for Follow Up					
Compliance with the Public Sector Internal Audit Standards (PSIAS)	Generally Conforms	- (the top rated score possible)			

<b><u>CUSTOMER PERSPECTIVE:</u></b>	<b><u>2024-25 Actual</u></b>	<b><u>Target</u></b>	<b><u>INNOVATION &amp; LEARNING PERSPECTIVE:</u></b>	<b><u>2024-25 Actual</u></b>	<b><u>Target</u></b>
	<b>Quarter 2</b>		<b>Quarter 2</b>		
<b>Number of Satisfaction Questionnaires Issued;</b>	<b>31</b>		<b>Percentage of staff qualified to relevant technician level</b>	<b>75%</b>	<b>50%</b>
<b>Number of completed questionnaires received back;</b>	<b>17</b>		<b>Percentage of staff holding a relevant higher-level qualification</b>	<b>36%</b>	<b>36%</b>
	<b>= 55%</b>		<b>Percentage of staff studying for a relevant professional qualification</b>	<b>0%</b>	<b>N/A</b>
<b>Percentage of Customers who felt that;</b>			<b>Number of days technical training per FTE</b>	<b>1</b>	<b>3.5</b>
<ul style="list-style-type: none"> <li>● Interviews were conducted in a professional manner</li> </ul>	<b>100%</b>	<b>100%</b>	<b>Percentage of staff meeting formal CPD requirements (post qualification)</b>	<b>36%</b>	<b>36%</b>
<ul style="list-style-type: none"> <li>● The audit report was 'Good' or better</li> </ul>	<b>100%</b>	<b>90%</b>			
<ul style="list-style-type: none"> <li>● That the audit was worthwhile.</li> </ul>	<b>100%</b>	<b>100%</b>			