

Audit & Counter Fraud Update

Gravesham Borough Council

For the period:

1 September – 28 October 2016

1. Introduction

- 1.1. The Audit & Counter Fraud Shared Service for Medway Council & Gravesham Borough Council was established on 1 March 2016. The team provides internal audit assurance and consultancy, proactive counter fraud and reactive investigation services, and the Single Point of Contact between both authorities and the Department for Work & Pensions Fraud & Error Service for their investigation of Benefits Fraud.
- 1.2. The Public Sector Internal Audit Standards (the Standards) require that: *The chief audit executive must report periodically to senior management and the board on the internal audit activity's purpose, authority, responsibility and performance relative to its plan. Reporting must also include significant risk exposures and control issues, including fraud risks, governance issues and other matters needed or requested by senior management and the board.*

2. Independence

- 2.1. The Audit & Counter Fraud Charter was approved by Gravesham's Finance & Audit Committee in March 2016 and sets out the purpose, authority and responsibility of the team. The Charter sets out the arrangements to ensure the team's independence and objectivity through direct reporting lines to senior management and Members, and through safeguards to ensure officers remain free from operational responsibility and do not engage in any other activity that may impair their judgement. The work of the team during the period covered by this report has been free from any inappropriate restriction or influence from senior officers and/or Members.
- 2.2. Given its responsibilities for counter-fraud activities, the Audit & Counter Fraud Shared Service cannot provide independent assurance over the counter-fraud activities of either council. Instead independent assurance over the effectiveness of these arrangements will be sought from an external supplier of audit services on a periodic basis.

3. Resources

- 2.3. The Audit & Counter Fraud Shared Service Team reports to the Section 151 Officers of Medway Council and Gravesham Borough Council. The team has an establishment of 14 officers (13.75FTE) consisting of the Head of Audit & Counter Fraud, the Audit & Counter Fraud Manager, two Audit & Counter Fraud Team Leaders, nine Audit & Counter Fraud Officers and one Audit & Counter Fraud Assistant. All members of the team started in these posts with the launch of the shared service on 1 March 2016.
- 2.4. The Shared Service Agreement sets out the basis for splitting the available resources between the two councils, approximately 36% for Gravesham with the remaining 64% for Medway. At the time the Audit & Counter Fraud Plans for 2016-17 were prepared, this establishment was forecasted to provide a total of 1,943 days available for audit and counter fraud work (net of allowances for leave, training, management, administration etc.) The Audit & Counter Fraud Plan for Gravesham was prepared with a resource budget of 747 days.
- 2.5. Net staff days available for Gravesham for the period 1 September to 28 October 2016 amounted to 127 days and 111 days (87%) were spent on productive audit and counter fraud work (this is consistent with the previous update). Of this productive time, 67% was spent on audit assurance and consultancy work, while 33% was spent on counter fraud and investigations work (71% and 29% respectively in the last update). The current status and results of all work carried out are detailed at section 4 of this report.
- 2.6. The new shared service has moved the team members into multidisciplinary roles with all staff being responsible for delivering both audit work and counter fraud work over time. The first year of the shared service is being used to introduce staff to the disciplines that are new to them, with learning and development needs and objectives agreed through the Performance Development Review (appraisal)

process, and delivered through a mixture of formal qualification training, formal skills training, job-shadowing/mentoring and 'on the job' training. The team has team away day meetings every other month, and all team members have regular one to one meetings with their line manager to monitor progress with work-plans and to continue to identify and support staff to become proficient in all aspects of the team's work.

4. Results of planned Audit & Counter Fraud work

- 2.7. The Audit & Counter Fraud Plan 2016-17 for Gravesham was approved by the Finance & Audit Committee in March 2016. The Plan is intended to provide a clear picture of how the council will use the Audit & Counter Fraud Shared Service, reflecting all work to be carried out by the team for Gravesham during the financial year including the council's core finance and governance arrangements, operational assurance work, proactive counter fraud work, responsive investigations and consultancy services. As in previous years, a number of items from the 2015-16 audit plan were not finalised in that year; an update on the remaining outstanding items are detailed below.

2015-16 Internal Audit Assurance work completed in 2016-17 since the last Audit Committee meeting

Ref	Activity	Current status	Opinion, summary of findings & recommendations made
	Cash Collection Arrangements	Final report issued	<p>The audit considered the following Risk Management Objective: RMO1 – Appropriate arrangements exist for cash income to be collected and banked.</p> <p>The review found that the council has an appropriate contract in place with Contract Security Services for the collection of cash income from the parking meters, the box office and Towncentric and audit testing confirmed that collections are being carried out in line with the schedule. Appropriate arrangements are in place for staff to cash up the kiosks, box office and Towncentric income prior to collections. Receipts are provided by the contractor upon collections and there are arrangements to verify the amounts expected to the amounts actually banked by the contractor. Recommendations were made to further improve the security of the room in which the kiosks are cashed up though the council's insurance adequately provides for cash stored in the safe and strong-room.</p> <p>Appropriate arrangements were found to be in place for the council to verify the income collected by the contractor directly from the parking meters by comparison to audit tickets produced. Audit testing did not identify any unexplained variances in any of the collections checked. Arrangements to record transactions accurately to the council's general ledger were found to be operating effectively though an opportunity was identified to improve procedures to reconcile cash income recorded by the box office to that returns passed to Finance to reduce administrative work required.</p> <p>Overall opinion: Green. Recommendations: Four medium priority.</p>

Ref	Activity	Current status	Opinion, summary of findings & recommendations made
	Bulky & Green Waste Collections	Final report issued	<p>The audit considered the following Risk Management Objective: RMO1 – Arrangements are in place to manage the council’s bulky waste collection service.</p> <p>The review found that the council’s bulky waste, fridge freezer and metal collection services are appropriately publicised and the fees reviewed and set on an annual basis. An effective online booking and payment system is also in place, and working effectively in practice, to allow customers to easily access these services.</p> <p>To allow for cash payments to be taken through the Kiosk at the Civic Centre a staff version of the bulky waste booking form has been created which is identical, except that there is a payment bypass option which only asks that a Kiosk transaction ID is recorded in order to complete the booking; this is not however a mandatory field and as such there is nothing to prevent a booking being accidentally or fraudulently completed without payment being taken. Reconciliations are not currently carried out between data from the booking system and income on the General Ledger and as such, a risk is posed that instances such as those described above would not be identified; Kiosk payments do however only represent 3% of all bulky waste, fridge freezer and metal collection payments taken.</p> <p>Appropriate arrangements exist for customers to select a convenient collection date and procedures are in place for rules regarding the number of items collected per booking to be enforced; an adequate set of terms & conditions is also in place which customers must read and accept when placing a booking. An additional online form allows for amendments and cancellations to be requested up to midday the day before collection and arrangements exist for refunds to be generated where necessary. Income received from the bulky waste, fridge freezer and metal collection services is regularly monitored.</p> <p>Opinion: Amber. Recommendations: One high priority.</p> <p>RMO2 – Appropriate arrangements are in place to manage the council’s green waste collection service.</p> <p>The review found that the council’s garden waste collection service is appropriately publicised and the fee reviewed and set on an annual basis. An effective online booking and payment system is also in place, and working effectively in practice, to allow customers to easily access this service.</p> <p>Unlike the bulky waste booking form, to allow for cash payments to be taken for the garden waste service through the Kiosk at the Civic Centre, an additional form has been created on which a Kiosk transaction ID must be recorded, in a mandatory field, to complete the booking. While checks are carried out to identify a Kiosk transaction ID prior to all bins being delivered, reconciliations are not undertaken to verify that all income appears on the General Ledger. Kiosk payments represent 5% of</p>

Ref	Activity	Current status	Opinion, summary of findings & recommendations made
			<p>all garden waste payments taken.</p> <p>Appropriate arrangements exist for the details of all new customers to be transposed onto a master spreadsheet, a bin delivery schedule and the collection schedules on a weekly basis. Garden waste collections are carried out on a fortnightly basis and accurate schedules are in place to ensure that collections are carried out in an efficient manner, from all customers; arrangements also exist for any problem collections to be noted and investigated as necessary. All customers are sufficiently notified of what to do if moving house and procedures are in place for the recovery of bins wherever possible.</p> <p>Arrangements exist for invoices to be generated via the Debtors system for all existing customers on an annual basis to collect the appropriate fee. Adequate recovery procedures are in place, which ultimately lead to cancellation of the service for continued non-payment. Arrangements are in place for the customer base to be monitored via a management indicator as part of the council's performance management framework and income received is regularly monitored via the council's budget monitoring procedures.</p> <p>Opinion: Green. Recommendation: None.</p> <p>RMO3 – Appropriate arrangements are in place to manage the garden waste ticket scheme.</p> <p>The service plans to replace the existing garden waste ticket scheme with a green sack system in the near future; as such audit testing on the old arrangements was not considered a good use of the team's resources so the work was not carried out.</p> <p>Overall opinion: Green. Recommendations: One high priority.</p>
	Follow up of Reprographics	Fieldwork complete	<p>Fieldwork carried out confirmed that action had been taken to address weaknesses identified in the original report, however the council's Communications & Reprographics Teams are being restructured; as such the review will conclude once the new management is in post to ensure all issues are resolved moving forwards.</p>

2016-17 Internal Audit Assurance work

Ref	Activity	Current status	Opinion, summary of findings & recommendations made
1	Business planning & risk management	Fieldwork underway	<p>The review will consider the following Risk Management Objective (RMO):</p> <p>RMO1 – The council has business plans and risk registers in place for all services.</p>
2	Strategic asset management	Fieldwork underway	<p>The review will consider the following Risk Management Objectives:</p> <p>RMO1 – The acquisition of assets is appropriately managed.</p>

Ref	Activity	Current status	Opinion, summary of findings & recommendations made
			<p>RMO2 – An adequate asset register is in place which is appropriately monitored.</p> <p>RMO3 – The disposal of assets is appropriately managed.</p>
3A	Treasury management – Managed Property Funds	Final report issued	<p>The review considered the following Risk Management Objective:</p> <p>RMO1 – The governance of the managed property funds has been set up as agreed with members.</p> <p>The use of property funds for investment of council funds has been appropriately agreed by members. Audit testing confirmed that all property funds in use had been approved and agreed to by Members, and that all sums invested (including set up fees and charges) are within the agreed limits. Arrangements are currently being developed to ensure regular reviews of the performance of the property funds are carried out.</p> <p>Overall opinion: Green. Recommendations: One medium priority.</p>
3B	Treasury Management – Compliance	Terms of Reference prepared	N/A
4	NNDR	Fieldwork underway	<p>The review will consider the following Risk Management Objective:</p> <p>RMO1 – Appropriate arrangements are in place for the application of discretionary and mandatory NNDR rate reliefs.</p>
5	Data quality	Fieldwork underway	<p>The review will consider the following Risk Management Objectives:</p> <p>RMO1 – Performance data is verified to ensure accuracy.</p> <p>RMO2 – Arrangements exist to ensure the council's decisions are based on sound data.</p>
6	Debtors	Not yet started	N/A
7	Economic development	Draft report with client for consideration	<p>The review considered the following Risk Management Objectives:</p> <p>RMO1 – The role and responsibilities of the economic development function have been identified.</p> <p>RMO2 – There is a plan in place to ensure the economic development function achieves its objectives, and appropriate records are maintained to assist in the measurement of performance against targets.</p>
8	Car parking – pay by phone (Parkmobile)	Not yet started	N/A
9	Budget monitoring	Not yet started	N/A
10	Transformation – change & project management	Not yet started	N/A
11	Taxi Licensing –	Final report	The review considered the following Risk Management

Ref	Activity	Current status	Opinion, summary of findings & recommendations made
	Administration & Enforcement	issued	<p>Objectives:</p> <p>RMO1 – There are adequate policies and procedures in place for taxi licences to be issued in accordance with statutory regulations.</p> <p>The review found that there are adequate policies in place but there are limited procedure notes in place. The testing indicated that the electronic record keeping, agreed in the 2011 audit, is inconsistent. The licensing team are not always able to evidence that DBS checks are up to date due to drivers failing to return documents. Not all streams of Taxi licence income collected is recorded and there is no regular reconciliation of the income. Opinion: Amber. Recommendations: Three high priority, two medium.</p> <p>RMO2 – There are arrangements in place to enforce the taxi licence regulations.</p> <p>The review found that the electronic record keeping was inconsistent, however all recorded complaints were dealt with in a timely manner and there was no evidence of any complaints directly about the licensing service. Opinion: Amber. Recommendations: One medium priority.</p> <p>Overall opinion: Amber. Recommendations: Three high priority, three medium.</p>
12	Private housing enforcement	Fieldwork underway	<p>The review will consider the following Risk Management Objectives:</p> <p>RMO1 – The role and responsibilities of the private housing enforcement function have been identified.</p> <p>RMO2 – Arrangements exist for private housing enforcement to be delivered in line with legislation and council policy / procedure.</p>
13	Housing & Planning Bill	Not yet started	N/A
14	Safeguarding	Not yet started	N/A
15	Complaints	Final report issued	<p>The review considered the following Risk Management Objective:</p> <p>RMO1 – Arrangements are in place to effectively record, respond to and monitor complaints.</p> <p>The review found that an appropriate complaints procedure is in place and available to staff, which is being followed in the majority of instances to ensure that complaints are responded to effectively. In the remaining instances appropriate responses are being provided, however these are not necessarily dealt with in accordance with the procedures set out in the policy. There is some inconsistency among staff as to what constitutes a complaint; particularly in relation to complaints made verbally. While an appropriate facility is in place for the details of all complaints to be recorded, this is not currently being used consistently and as such data extracted from the system for</p>

Ref	Activity	Current status	Opinion, summary of findings & recommendations made
			reporting purposes is not always complete; management may not therefore be able to easily identify trends in the complaints received. In addition, complaint documentation is currently stored in different locations on the council's network or in paper files, not always in accordance with the council's document retention policy. Overall opinion: Amber. Recommendations: One high priority, two medium.
16	Human Resources – staff performance management framework	Not yet started	N/A
17	Telephony	To be removed from plan	It is proposed that the planned review of Telephony (10 days) will not be completed in 2016-17 and will instead be considered for the 2017-18 plan, as following initial discussions with the council's IT Services team the risk to the council is currently considered to be low.
18	Business continuity – IT recovery	Not yet started	N/A
19	ICT Data Sharing Agreement	Not yet started	N/A
20	Phase 2 of Refuse & Recycling implementation – project management	Not yet started	N/A
21	Homelessness – temporary accommodation	Fieldwork underway	The review will consider the following Risk Management Objective: RMO1 – There are arrangements in place to provide and manage suitable temporary accommodation to homeless people in the borough.
22	Sheltered housing management	Fieldwork complete, in quality control	The review considered the following Risk Management Objective: RMO1 – The effectiveness of the management of the Sheltered Scheme and Community Alarm service are being monitored and evaluated to ensure that there is consistency and best value throughout the service.
23	Housing repairs & maintenance capital programme	Terms of Reference prepared	N/A

Proactive Counter Fraud work

Ref	Activity	Current status	Opinion, summary of findings & recommendations made
24	Standards of conduct	Not yet started	N/A
25	Prevention of	Not yet	N/A

Ref	Activity	Current status	Opinion, summary of findings & recommendations made
	procurement fraud	started	
26	Prevention of creditors fraud	Not yet started	N/A
27	Action plan for each stream of Fighting Fraud Locally Strategy: Housing Tenancy fraud Council Tax fraud Procurement fraud Grant fraud Employee fraud	Underway	The Audit & Counter Fraud Team have continued to support Housing Services to validate Right to Buy applications including carrying out enhanced checks and visits to applicants. A Fraud proofing review is currently underway; this aims to strengthen the fraud prevention elements of the Right to Buy application process against both losses and instances of money laundering.
28	Data matching exercises, including National Fraud Initiative and Kent Intelligence Network	Underway	As previously reported, the Legal agreements for the sharing of data have now been signed. The first batches of data have been submitted to the Kent Intelligence Network to identify potentially fraudulent Council Tax Single Persons Discounts by matching those records against the household information provided with applications for the common housing register. It is anticipated that the first results will be available in late November or early December. The Cabinet Office has now received all data submissions for the 2016-17 NFI exercise and results will be released in January 2017.
29	Fraud awareness	Underway	At the requests of Medway's Committee Services Team, the Audit & Counter Fraud Team prepared a Fraud Awareness Briefing for Medway Members. This was due to be delivered in September but has been postponed. The Briefing or the materials could be provided to Gravesham Members should there be an appetite to do so. It is intended that a modified version of this briefing be delivered to wider management teams at both authorities and for it to then be used as a guide for the design of awareness sessions that are tailored for the work undertaken by individual teams/departments.

Reactive Investigations work: external investigations

Area	Number of cases concluded	Summary of results
Housing	25	The team has completed three investigations into suspected tenancy fraud, three connected to applications for housing. 19 cases linked to the verification of Right to Buy applications have been completed. As a result of these investigations, two Right to Buy applications were cancelled and in one case the property was also recovered as the tenant was found to be sub-letting the property. Formal criminal action did not follow as the tenant was leaving the country.

Area	Number of cases concluded	Summary of results
Council Tax	31	<p>In the period of this report, 31 cases linked to fraudulent discounts and exemptions were closed. These cases have identified additional Council Tax liabilities with a total value of £13,094, of which Gravesham Borough Council's share is £1,309.</p> <p>The exercise has also resulted in the removal of Council Tax Single Person Discounts which mean that the Council Tax liability for future years has also increased by £9,181, of which Gravesham's share is £918.</p> <p>The final 17 cases from the 2015-16 National Fraud Initiative exercise are nearing completion and it is expected that they will all be completed before new referrals are received from the 2016-17 exercise.</p>

Reactive Investigations work: internal investigations

Allegation	Investigation activity & recommendations
No active investigations in this period.	

Other consultancy services including advice & information

Client service area	Services provided
No consultancy services delivered in this period.	

3. Quality Assurance & Improvement Programme

- 3.1. The Standards require that: The chief audit executive must develop and maintain a quality assurance and improvement programme that covers all aspects of the internal audit activity. A Quality Assurance & Improvement Programme (QAIP) has been prepared to meet this requirement. The Audit & Counter Fraud Shared Service QAIP was agreed by Gravesham's Finance & Audit Committee in March 2016.
- 3.2. The arrangements set out in the QAIP have been implemented with the collection and monitoring of performance data largely automated through the team's time recording and quality management processes. It should be noted that the results recorded below have not been subjected to independent data quality verification; it is planned that officers in the team will carry out checks to ensure the accuracy of the calculation of performance data reported to Members in future.
- 3.3. In line with the QAIP, the team monitor performance against a suite of 25 performance indicators based on the balanced scorecard, covering the four perspectives; financial, internal process, learning & growth and customer. Performance targets have been set for 15 of the 25 indicators however it should be noted that these are for full year outturns; as such outturns at present are not to target levels for the majority of these but are provided for Members information.

Ref		Target	Outturn for report period
Financial			
A&CF1	Total cost of the Audit & Counter Fraud Service	N/A	GBC cost £205,696

Ref		Target	Outturn for report period
	(compared to the 2015-16 baseline year budgets)		(2015-16 £272,016)
A&CF 2	Average cost per assurance review	N/A	£3,673 (26 reviews averaging 12.5 days)
A&CF 3	Cost per A&CF day	N/A	£294
A&CF 4	Value of fraud losses identified, by fraud type (cashable & non-cashable)	N/A	£13,094 Council Tax (proportion retained by Gravesham: £1,309) Non-cashable savings of £26,000 (Property recovery = 18,000, 2 Waiting list removals = £8,000) Prevented RTB losses of £121,900
Internal Process			
A&CF 5	Compliance with PSIAS	100%	N/A – initial assessment found no significant variances in May 2016, self-assessment to be updated in Q3/4 2016-17.
A&CF 6	Proportion of available resources spent on productive work	90%	87%
A&CF 7	Proportion of productive work time spent on assurance work	75-85%	67%
A&CF 8	Proportion of productive time spent on: a) consultancy work b) proactive counter fraud work c) reactive counter fraud work	15-25%	Total: 33% 2% 12% 21%
A&CF 9	Investigator average caseload	TBC	10
A&CF 10	Proportion of agreed plan: Delivered (fieldwork completed) Underway (fieldwork current)	95%	14% 42%
A&CF 11	Proportion of assignments completed within allocated day budget	90%	67%
A&CF 12	Proportion of recommended actions agreed by client management	90%	98%
A&CF 13	Proportion of recommended actions implemented by agreed date	95%	94%
A&CF 14	Number of recommendations agreed that are: a) not yet due b) implemented c) outstanding	N/A	25 50 2
A&CF 15	Number of referrals received	N/A	22 in period of report
A&CF 16	Number of investigations closed	N/A	56 in period of report
Learning & growth			
A&CF 17	Proportion of staff with relevant professional qualification	25%	43%
A&CF 18	Proportion of non-qualified staff undertaking professional qualification training	25%	36%

Ref		Target	Outturn for report period
A&CF 19	Time spent on CPD/non-professional qualification training, learning & development	TBC	58 days year to date
A&CF 20	Staff turnover	N/A	0%
A&CF 21	Proportion of completed reviews subject to a second stage (senior management) quality control check in addition to the primary quality control review	10%	10% year to date
Customer			
A&CF 22	Customer satisfaction with overall service	95%	N/A – full client survey planned for Q4 2016-17
A&CF 23	Member satisfaction	Positive	N/A – Members views on their satisfaction with the service to be sought through survey planned for Q4 2016-17
A&CF 24	Opinion of external audit	Positive	In their Audit Plan for 2016-17, Grant Thornton stated: Overall, we have concluded that the internal audit service provides an independent and satisfactory service to the council and that internal audit work contributes to an effective internal control environment.
A&CF 25	Customer satisfaction with individual review/assignment	95%	100% positive response to post review client surveys

4. Review of Audit & Counter Fraud Plan

- 4.1. Monitoring of the delivery of planned work is built into the team's processes with individual officer time recording data feeding into an automated performance monitoring workbook; this tracks the performance of the team against the shared service work-plan as a whole and enables the supervisory staff to plan and support officers to deliver their individual work plans. On at least a quarterly basis, a projection of the resources that will be available to the year end is carried out and compared to forecasts for each item of work on the plan to be completed.
- 4.2. The latest review projects that the team will have less work days available than would be required to deliver the plan, with an estimated variance of 90 days in total for the shared service. This would equate to around 36 work days for Gravesham and around three reviews.
- 4.3. It is proposed that the planned review of Telephony (10 days) will not be completed in 2016-17 and will instead be considered for the 2017-18 plan, as following initial discussions with the council's IT Services team the risk to the council is currently considered to be low. The team are not proposing to make any further removals from the 2016-17 plan for Gravesham at this time; it is anticipated that the required days may be released for the team's supervisory staff to conduct some reviews through the continued automation and refinement of the team's working practices over time.
- 4.4. As outlined at section three of this report, all staff in the team are adjusting to new ways of working and new disciplines while building the relationships necessary to deliver this work efficiently within organisations they are new to. Supervisory staff are supporting the team and staff are making good

progress in improving the proportion of their reviews that are completed within the allocated resources and timeframes.

5. Follow up of agreed recommendations

- 5.1. Where the work of the team finds opportunities to strengthen the council’s risk management, governance and/or control arrangements, the team make and agree recommendations for improvement with service managers. The Standards require that a follow-up process is established: *to monitor and ensure that management actions have been effectively implemented or that senior management has accepted the risk of not taking action*. As with all audit work, resources should be prioritised based on risk.
- 5.2. Following the launch of the new shared service, the follow up arrangements in place at both Gravesham and Medway were reviewed and a revised process, consistent across both sites, was agreed with senior management. Previously at Gravesham, the team carried out full follow up audits of all reviews given an overall opinion of Red (including re-testing of controls originally given opinions of Green and Amber). Where an overall opinion of Amber or Green was given, the team sought confirmation from the service manager that action had been taken, but this was not verified by the team through re-testing. As such the team’s resources were being used to verify that low and medium priority recommendations agreed as part of Red audit reviews have been implemented, while high priority recommendations that were made as part of Green and Amber reviews, were not verified.
- 5.3. It was agreed that service managers will be asked to provide an update on action taken towards implementing all recommendations agreed, but they will also be asked to supply evidence to confirm the action stated and the Audit & Counter Fraud Team will verify this. In addition, recommendations made as part of proactive and reactive counter fraud work will be incorporated into the follow up process to ensure action is taken to address fraud risks identified. The results of follow up work will continue to be reported to the council’s Management Team on a quarterly basis.

Audit & Counter Fraud Review title	Overall opinion and number of recommendations of each priority agreed with management	Proportion of recommendations due for implementation where a positive management response has been received
Member Allowances	Opinion: Amber Seven recommendations agreed: five high priority, two medium.	Seven recommendations due, six implemented – 86% One medium priority recommendation outstanding – this is being monitored through quarterly reports to the council’s Management Team.
Planning Enforcement	Opinion: Amber Seven recommendations agreed: three high priority, three medium, one low.	Seven recommendations due, six implemented – 86% One high priority recommendation outstanding – this is being monitored through quarterly reports to the council’s Management Team.
Establishment Management	Opinion: Amber Five recommendations agreed: one high priority, four medium.	Two recommendations due, two implemented – 100%
Section 106 Agreements & Other Planning Obligations	Opinion: Amber Five recommendations agreed: three high priority, two low.	Two recommendations due, two implemented – 100%.
Garages	Opinion: Red	Fourteen recommendations due, fourteen

Audit & Counter Fraud Review title	Overall opinion and number of recommendations of each priority agreed with management	Proportion of recommendations due for implementation where a positive management response has been received
	Fifteen recommendations agreed: eight high priority, four medium, three low.	implemented – 100%.
Mutual Exchanges	Opinion: Amber Four recommendations agreed: two high priority, two low.	Four recommendations due, four implemented – 100%.
Council Tax Recovery	Opinion: Amber Three recommendations agreed: three high priority.	One recommendation due, one implemented – 100%.
Council Tax Discounts, Disregards & Exemptions	Opinion: Amber Five recommendations agreed: three high priority, one medium, one low.	Two recommendations due, two implemented – 100%.
Housing Tenancy Transfers & Successions	Opinion: Red Nine recommendations agreed: two high priority, three medium, four low.	Seven recommendations due, seven implemented – 100%.
Purchase Cards	Opinion: Amber Six recommendations agreed: three high priority, two medium, one low. One low priority recommendation rejected.	Four recommendations due, four implemented – 100%.
Taxi Licensing – Administration & Enforcement	Opinion: Amber Six recommendations agreed: three high priority, three medium.	One recommendation due, one implemented – 100%.

Definitions of audit opinions

<p>Green – Risk management operates effectively and objectives are being met</p>	<p>Expected controls are in place and effective to ensure risks are well managed and the service objectives are being met. Any errors found are minor or the occurrence of errors is considered to be isolated. Recommendations made are considered to be opportunities to enhance existing arrangements.</p>
<p>Amber – Key risks are being managed to enable the key objectives to be met</p>	<p>Expected key or compensating controls are in place and generally complied with ensuring significant risks are adequately managed and the service area meets its key objectives. Instances of failure to comply with controls or errors / omissions have been identified. Improvements to the control process or compliance with controls have been identified and recommendations have been made to improve this.</p>

Red – Risk management arrangements require improvement to ensure objectives can be met

The overall control process is weak with one or more expected key control(s) or compensating control(s) absent or there is evidence of significant non-compliance. Risk management is not considered to be effective and the service risks failing to meet its objectives, significant loss/error, fraud/impropriety or damage to reputation. Recommendations have been made to introduce new controls, improve compliance with existing controls or improve the efficiency of operations.