

Audit & Counter Fraud Shared Service
Medway Council & Gravesham Borough Council

Audit & Counter Fraud Annual Report 2020-21

Gravesham Borough Council

1. Introduction

The Audit & Counter Fraud Shared Service was established on 1 March 2016 to provide internal audit assurance and consultancy, proactive counter fraud and reactive investigation services to Medway Council & Gravesham Borough Council.

The Chartered Institute of Internal Auditors (CIIA) defines internal auditing as: an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. The Audit & Counter Fraud Shared Service combines this role with working alongside the councils to manage their fraud risk, including work to prevent, detect and investigate fraudulent activity committed against the councils. The team also acts as the Single Point of Contact between both authorities and the Department for Work & Pensions Fraud & Error Service for their investigation of Benefits Fraud.

In accordance with the Public Sector Internal Audit Standards (the Standards), the Head of Audit & Counter Fraud provides Members with update reports detailing the work and findings of the team. The Standards also require that the Chief Audit Executive must deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement. The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

2. Opinion of the Chief Audit Executive

The Accounts & Audit Regulations 2015 require local authorities to ensure that they have: *a sound system of internal control which— (a) facilitates the effective exercise of its functions and the achievement of its aims and objectives; (b) ensures that the financial and operational management of the authority is effective; and (c) includes effective arrangements for the management of risk.* The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The Audit & Counter Fraud Team has carried out all internal audit work in line with the Public Sector Internal Audit Standards and in accordance with our Quality Assurance & Improvement Programme.

In my capacity as Chief Audit Executive, with responsibility for the provision of internal audit services to the council, I am required to provide the organisation, and the Chief Executive, with a statement as to my opinion of the adequacy and effectiveness of the organisation's risk management, control and governance processes. This opinion is intended to support the council's annual governance statement.

In assessing the level of assurance to be given, the following have been taken into account:

- The results of all work carried out by the Audit & Counter Fraud Shared Service for Gravesham from the preparation of the Annual Internal Audit Report 2019-20 in July 2020 to the 31 March 2021,
- Follow-up of recommendations linked to audits from previous periods,
- Significant recommendations not accepted by management or acted upon and the consequent risks,
- The effects of any significant changes in the organisation's objectives or systems, including,
 - The effects of changes to the control environment resulting from emergency decisions taken in response to the Covid 19 Pandemic,
- Front line assurance related activities undertaken by redeployed Audit & Counter Fraud staff in new areas of risk, such as business support grants,

- Matters arising from previous reports to the organisation, and
- The results of work performed by other assurance providers.

I am satisfied that there has been an adequate level of internal audit assurance work undertaken as part of the 2020-21 plan, which was revised to ensure there was adequate focus on highest risks and new & emerging risks as a result of the pandemic. In addition, a member of A&CF staff was part of the resilience group, monitoring the emergency decisions made, which has also provided me with insight into risk management throughout the emergency response. The service was responsible for the pro-active review of the proposed processes for the assessment and validation of the small business grant schemes when they were first announced by Central Government as they presented a new risk area to the organisation. Officers from the Audit & Counter Fraud service were also involved in front-line assurance activity during redeployment to assist with the assessment and validation of those business grant claims.

Taking all this into account, I believe there is sufficient evidence to draw a reasonable conclusion as to the adequacy and effectiveness of the organisation's risk management, system of internal control and governance processes.

While it has been identified that the authority has mainly established adequate internal controls within the areas subject to review between 01 July 2020 and 31 March 2021, there are areas where compliance with existing controls should be enhanced or strengthened or where additional controls should be introduced to reduce the risk of loss to the authority. Where such findings have been made, recommendations have been made to management to improve the controls within the systems and processes they operate. Management have accepted responsibility for the implementation of these recommendations and follow up arrangements are in place to ensure that appropriate action is taken. The results of all work completed will be reported to the Finance & Audit Committee in accordance with the Audit & Counter Fraud Charter.

It is therefore my opinion that Gravesham Borough Council's framework of governance, risk management and system of internal control is adequate and effective, and contributes to the proper, economic, efficient and effective use of resources in achieving the council's objectives.

3. Independence

The Audit & Counter Fraud Charter was approved by Gravesham's Finance & Audit Committee in February 2020 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.

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. The most recent of these reviews was undertaken by Tonbridge & Malling Borough Council in 2018-19.

4. Resources

The Audit & Counter Fraud Shared Service Team reports to the Section 151 Officers of Medway Council and Gravesham Borough Council. At the start of the year, the team had an establishment of 14 officers

(13.64FTE), made up of the Head of Audit & Counter Fraud, three Audit & Counter Fraud Team Leaders, eight Audit & Counter Fraud Officers (7.64FTE), one Audit & Counter Fraud Intelligence Analyst and one Audit & Counter Fraud Assistant.

The Shared Service Agreement sets out the basis for splitting the available resources between the two councils, approximately 64% for Medway with the remaining 36% for Gravesham. At the time the Audit & Counter Fraud Plans for 2020-21 were prepared, this establishment was forecasted to provide a total of 1,895 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 682 days.

The original resource budget and plan were prepared before the council moved into emergency response as a consequence of the pandemic. The service was shut down as non-critical, which impacted on the ability to deliver some of the remainder of the 2019-20 plan as well as the 2020-21 plan. Quarter one of 2020-21 was used for service recovery and a revised 2020-21 plan was prepared based on a revised resource budget covering the period 01 July 2020 to 31 March 2021. The revised forecast indicated a total of 1,356 days available for audit and counter fraud work (net of allowances for leave, training, management, administration etc.). The revised Audit & Counter Fraud Plan for Gravesham was prepared with a resource budget of 488 days.

While the team have been operating on a reduced plan, the final outturns for the year demonstrate how resources have been used across the whole twelve months, including the period of recovery. It should be noted that sickness and the redeployment of Audit & Counter Fraud Officers at various points during the year to assist with covid related grant schemes had significant impact on the levels of resource available during the year.

As of 31 March 2021, the net staff days available for Gravesham for 2020-21 amounted to 695 days and 574 days (82%) were spent on productive audit and counter fraud work. Of this productive time, 387 days (67%) was spent on audit assurance and consultancy work, while 187 days (33%) was spent on proactive counter fraud and investigations work. The current status and results of all work carried out are detailed at section five of this report.

The pandemic situation has had an impact on learning and development needs during the year, but virtual team meetings have taken place and all team members have had regular one to one meetings with their line manager to monitor progress with work-plans. In addition, staff have all been given the opportunity to attend wellbeing webinars throughout the periods of lockdown and there have also been informal team 'catch up's' to try and prevent officers from becoming isolated during enforced remote working.

5. Results of planned Audit & Counter Fraud work

The Revised Audit & Counter Fraud Plan 2020-21 for Gravesham was approved by the Finance & Audit Committee in July 2020. The Plan was intended to provide a clear picture of how the council would use the Audit & Counter Fraud resources, reflecting all work planned for 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.

Arrangements to monitor 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.

During the course of the year the plan was amended to take into account changes in resource levels created by overrunning reviews, sickness, officers commencing their apprenticeship earlier than

anticipated, and the redeployment of officers to assist other services with Covid Grant schemes. Members agreed revisions to the plan for 2020-21, which are summarised below:

- Project Management – GDPR (15 days) - The impact of Covid and changes in staffing within the Information Governance Team have delayed this project. It was therefore felt more appropriate to defer the review until 2021-22.
- Planning Applications (15 days) - of the remaining reviews available, this was felt to present the lowest risk to the organisation.

The tables below provide details of the work from 2019-20 that was finalised in 2020-21, the progress of work undertaken as part of the revised 2020-21 work plan and the results of investigative work completed throughout the year.

2019-20 Internal Audit Assurance Work Finalised in 2020-21 (items in italics detailed in previous update reports)

Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & recommendations made
16	Apprenticeship scheme	15	27.2	<p><i>Final Report Issued</i></p> <p><i>Findings reported September 2020</i></p>	<p><i>The review considered the following Risk Management Objectives:</i></p> <p><i>RM01 – Effective arrangements are in place to deliver the council’s Apprenticeship Scheme.</i></p> <p><i>The review found that although the council has an established apprenticeship scheme, there is not an apprenticeship strategy in place to set out the overall purpose and aims of scheme. There is also no information available regarding how the council will make best use of the apprenticeship levy (through the employment of fixed term apprentices and / or the upskilling of staff) and contribute to the Government’s local target for apprenticeships. In addition, there are no set procedures to identify and promote the use of the apprenticeships at the earliest opportunity for new posts and for the upskilling of existing staff; though it is understood that apprenticeship opportunities are considered when requests are made to Workforce Development for professional training.</i></p> <p><i>The operational responsibilities for the implementation and advancement of the apprenticeship scheme have been allocated and there is an Apprenticeship Policy in place, which is intended to provide managers who may be involved in dealing with apprenticeships with information to ensure that the conduct of the placement is compliant with current legislation, and of maximum benefit to all involved. This does not however include any information regarding procedures for apprenticeships used to upskill existing staff.</i></p> <p><i>The council has an appropriately restricted GOV.UK Apprenticeship Service Account, which is used to get apprenticeship funding, find & save apprenticeships, find, save & manage training providers, recruit apprentices, and add & manage apprenticeships. Details of all apprentices, the courses being undertaken, apprenticeship levy contributions and payments to providers are also recorded on a spreadsheet, though it was noted that there were gaps in the information recorded and the financial information was not up to date. Since the apprenticeship scheme started in April 2017, the scheme has been used to fund 52 apprenticeships, a mixture of fixed term apprenticeships and apprenticeships to upskill existing staff, and to date 12 apprenticeships are marked as having been completed.</i></p> <p><i>For all apprenticeships, an Apprenticeship Agreement is put in place between the council and the apprentice, and an Apprenticeship Contract is put in place between the council and training provider.</i></p> <p><i>Arrangements are in place to regularly monitor apprenticeships, with an Apprenticeship Champion in place to support all fixed term apprentices and an</i></p>

Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & recommendations made
					<p><i>Apprenticeship Forum which apprentices and lines managers are encouraged to attend.</i></p> <p><i>Prescribed groups and public sector bodies with 250 or more staff in England have a government target to employ an average of at least 2.3% of their staff as new apprentice starts over the period of 1 April 2017 to 31 March 2021, with annual Apprenticeship Activity Returns submitted to Government. At the time of audit, the most recent return submitted by GBC covered the period 01 April 2018 to 31 March 2019 and showed an outturn of 2.43%. The council also has an indicator in its Performance Management Framework, relating to the percentage of apprentices securing employment by the end of their apprenticeship; the 2019-20 outturn for this indicator was 72.7%. Opinion: Amber.</i></p> <p><i>RMO2 – Financial arrangements exist to support the Apprenticeship Scheme.</i></p> <p><i>The review found that arrangements exist to pay the Apprenticeship Levy, this being paid through the payroll system using a pre-set formula to calculate the monthly levy payment, which populates the Real Time Information (RTI) file that is sent direct to HMRC each month. The levy payments made for March 2020 – May 2020 were checked and confirmed to be correct.</i></p> <p><i>Employers have 24 months to use their funds once they enter the Apprenticeship Service Account, and arrangements are in place for the account balance to be monitored as of July 2020 no levy amounts had been lost by the council.</i></p> <p><i>Each training provider submits a monthly invoice through the Apprenticeship Service Account giving a breakdown of the apprentices and training it covers; the payment is automatically taken from the account. Currently no checks are undertaken to ensure that the amounts being paid are correct and audit testing identified some discrepancies in payments. Similarly, checks are not currently undertaken to ensure that incentives for employing apprentices between the age of 16- 18 years are being received. Opinion: Amber.</i></p> <p><i>Overall Opinion: Amber. Recommendations: Two high, two medium and one low priority.</i></p> <p><i>Recommendations relate to a strategy being produced to document the aims and objectives of the council's apprenticeship scheme and how these will be achieved; a process being put in place to ensure that apprenticeships are promoted and considered at the earliest stage of recruitment; the Apprenticeship Policy being reviewed and updated, arrangements being put in place for the apprenticeship spreadsheet to be monitored and updated regularly, and arrangements being made for checks to be undertaken of all payments to and from the Apprenticeship Service Account to ensure accuracy.</i></p>

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19	Woodville ticketing	10	15.4	<p>Final Report Issued</p> <p>Findings reported September 2020</p>	<p>The review considered the following Risk Management Objective: RMO1 – Arrangements are in place for ticketing at the Woodville.</p> <p>The review found that the council entered into a two-year contract with TicketSolve in June 2019 to supply an effective and efficient ticket booking facility. The contract includes a comprehensive list of all the chargeable items that the company will provide and sets out clear expectations for both parties.</p> <p>The Woodville has a dedicated website where details are available to the public of all shows and events that are taking place at the theatre. The website is checked daily and updated when necessary, i.e., when a new show or event comes online. A page on the website provides information on how tickets can be booked and the booking and transaction fees that are charged, along with the methods of payment that can be used to purchase tickets. Customers have the option to choose how their tickets will be delivered when booking.</p> <p>The process for booking tickets is the same whether they are booked online, by phone or in person, with Box Office staff having access to the TicketSolve system to place bookings.</p> <p>Arrangements are in place for booking and transaction fees to be applied to each ticket in accordance with the payment matrix set within the TicketSolve contract. A booking fee of £1.50 is added to all tickets and is included in the total ticket price seen by the customer. A £2.50 transaction fee is also added to each booking made on-line or by phone. A reconciliation report covering the month of July 2019 was inspected and showed that the correct booking / transaction fees had been applied to all ticket sales.</p> <p>The pricing matrix set in the TicketSolve contract specifies the fee that will be paid by the council to TicketSolve. TicketSolve submits an itemised invoice to the council each month showing the amount taken from ticket sales and therefore the amount payable by the council based on the above percentages. Arrangements exist for invoices to be checked and authorised, before being passed to the Finance section for payment.</p> <p>For testing purposes, the invoices and reconciliation reports covering the period June 2019 – November 2019 were checked to ensure that the council had been invoiced for the correct amount and that the correct percentage rate (as per the contract) had been charged. We were able to reconcile all invoiced amounts to the reconciliation reports, with a couple of minor discrepancies easily explained by the General Manager. We were also able to demonstrate that regular reconciliations and monitoring is carried out to ensure that all income from The Woodville is recorded on the General Ledger. Opinion: Green.</p>

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					Overall Opinion: Green. Recommendations: None
21	Responsive repairs service (including supplies management)	20	28.9	Final Report Issued Findings reported September 2020	<p>The review considered the following Risk Management Objectives:</p> <p>RMO1 – Arrangements are in place to deliver the council’s responsive repairs service.</p> <p>The review found that there is a Repairs Maintenance policy and Rechargeable Repairs policy in place, with information on repairs available on the council website, including booking of appointments online. All repairs and maintenance requests are prioritised depending on the type of repair; Emergency, Right to Repair and Routine. There are procedures in place to inform tenants that they are liable for the cost of a repair and to recharge them. The appointment process includes reminders to minimise the opportunity for tenants to forget and reduce officer time attending missed appointments. The council has procedures in place to charge tenants for three consecutive missed appointments. With a third party operating the out of hours Service on behalf of the council, there are also arrangements in place to monitor all out of hours appointments and engage with tenants to gauge satisfaction with the service received.</p> <p>The review considered all processes and found sufficient evidence to demonstrate they were working effectively and as expected. Where there was scope for minor improvements, recommendations have been made. Opinion: Green.</p> <p>RMO2 – Arrangements exist for the management of supplies for repairs.</p> <p>Having effective controls to manage the supplies used for repairs is important for controlling costs and minimising risks of stock misuse. The review found appropriate arrangements in place to control a stock of standard items and to procure non-standard items when required. The arrangements include a supply of stock items in vans and the delivery of essential items to sites to ensure time is directed to carrying out repairs rather than travelling to collect stock. These effective arrangements also ensure costs for repairs are managed and monitored. Opinion: Green.</p> <p>Overall Opinion: Green. Recommendations: Two low priority.</p> <p>Recommendations relate to a reminder of the process to record unsuccessful visits and identification of and taking action to correct variances in the repair recharge records.</p>
34	Flexi, TOIL and overtime	15	19.5	Final Report Issued Findings reported	<p>The review considered the following Risk Management Objectives:</p> <p>RMO1 – Adequate arrangements are in place for the operation of the Council’s flexi and TOIL scheme.</p> <p>The review found that while there are various documents and pages related to flexitime in different areas of the council’s intranet, there is not a complete, up-to-date document setting out the parameters of the scheme for staff. There is also only</p>

Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & recommendations made
				September 2020	<p><i>brief reference to TOIL in these documents / pages. Time recording sheets are made available on the intranet, although these contain dates for 2016-2017.</i></p> <p><i>To ensure that the flexi and TOIL schemes are operating in accordance with the above guidance, a sample of ten timesheets was reviewed, including a comparison to data supplied from the leave booking system, SS4U. The review found that for the most part, employees are following the guidance, however the following exceptions were identified:</i></p> <ul style="list-style-type: none"> <i>• recording flexi leave on timesheets but not on SS4U;</i> <i>• inconsistencies in how flexi leave is booked on SS4U for part-days;</i> <i>• carrying over more than the permitted eight hours from one flexi period to the next and reducing the carry forward balance to 7:24 hrs rather than the permitted 8 hrs;</i> <i>• not working the 'core' flexi hours;</i> <i>• working more than the permitted six hours without a break;</i> <i>• claiming incorrect hours for half and full days of leave;</i> <i>• claiming authorised adjustments but not recording a reason for this or recording the wrong reason;</i> <i>• incorrectly recording time for personal appointments;</i> <i>• Recording time spent working in the evening and at the weekend as flexi rather than TOIL and not recording TOIL on the appropriate sheet.</i> <p><i>It was noted that the current guidance lacks clarity on some of these issues. A survey of line managers was also undertaken and found that there are some inconsistencies in the manager oversight of the flexi and TOIL schemes, including access to staff timesheets, the frequency and evidencing of management checks and approaches to addressing concerns relating to flexi and TOIL. Opinion: Amber.</i></p> <p><i>RMO2 – Adequate arrangements are in place for the operation of the Council's overtime scheme.</i></p> <p><i>The review found that the council follows the National Joint Council for Local Government Services National Agreement on Pay and Conditions of Service (also known as the Green Book) that stipulates the grade of staff eligible to claim overtime and at what rate e.g., time and a half or double time. For staff above the grade for overtime it states that the employing authority shall have discretion to pay overtime or an additional payment. The process involved in claiming overtime is not in the Green Book, but we were advised by Payroll that the majority of claimants claim via SS4U. There is no local policy document.</i></p> <p><i>Contracts of employment for a sample of 19 staff were requested from HR, although two of the contracts could not be located. All but one of the contracts supplied</i></p>

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					<p><i>included a section relating to the Conditions of Employment – Green Book (National Joint Council for Local Government Services) and state that employment with GBC is subject to the Conditions of Service of the National Joint Council for Local Government Services (Green Book) as supplemented by the council’s locally negotiated conditions. We were advised by Payroll that most overtime is entered on SS4U, although there are bulk overtime timesheets for some departments, both of which are created by the line manager. We were also advised that service managers sign off overtime payments on SS4U.</i></p> <p><i>Testing on the sample of 19 members of staff indicated that four had claimed overtime via SS4U. Testing identified that one person, who is part-time and so would not be entitled to more than the plain rate of pay until the full-time equivalent hours had been worked; received both time and a half and double time payments even though they had not exceeded full time hours. This was queried with the service manager who stated that although this person is part-time, they also work on a range of projects and events over and above this, which is why the overtime rate varies as this reflects weekends or bank holidays for example. However, another member of full-time staff only received plain time when the guidelines state the minimum rate to be time and a half.</i></p> <p><i>A review of a bulk overtime sheet in January 2020 indicated two members of staff with excessive overtime potentially in contravention of the Working Time Directive. We were advised that this period would not have been representative of normal processes and they are in the process of recruiting additional staff, which will reduce the requirement of much of the overtime currently being undertaken. Opinion: Amber.</i></p> <p>Overall Opinion: Amber. Recommendations: four high priority. Recommendations relate to creating a central flexi / TOIL guidance document and circulating this to staff, reminding line managers of their role in checking time recording sheets on a regular basis to ensure there are no contraventions to the guidance, the creation of a local policy on overtime based around the guidance in the Green Book and any council additions to this, and service managers being reminded of this guidance.</p>

2020-21 Internal Audit Assurance work (items in italics detailed in previous update reports)

Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & recommendations made
Core governance and financial systems assurance work					
1	NNDR collection	5	10.9	Final Report Issued	<p><i>The review considered the following Risk Management Objective:</i></p> <p>RMO1 - Arrangements are in place for the collection of NNDR.</p> <p>The review found the council has a duty to collect National Non-Domestic Rates (NNDR), also known as business rates, from all chargeable properties within the borough that are held on the Valuation Office Agency (VOA) rating list. The VOA provides rateable values for all non-domestic properties which are used by the council to calculate the business rates payable.</p> <p>Arrangements are in place to identify chargeable properties in the borough, with information received via several council departments. As an aid to identifying new and changed properties, the council also has a contract with a consultant company who undertake their own research to identify properties that are missing from the rating list or are undervalued.</p> <p>When the Revenues section is made aware of a new chargeable property, procedures are in place to set up a property record on the Northgate Revenues & Benefits system and to request a rateable value from the VOA. Review of a report showing all current chargeable properties confirmed that all Property Reference Numbers are unique. Staff members in the Revenues section have access to the VOA website and are able to view schedules of changes to the rateable value of properties in the borough; testing confirmed that these are checked, and the changes made on Northgate in a timely manner. The VOA schedules also identify the total number and rateable value of properties in the borough and these figures are regularly reconciled to the same information produced from Northgate. From checking the reports for September and October 2020 we were able to confirm that regular reconciliations take place, and any irregularities are addressed.</p> <p>Every council has a responsibility to maintain a definitive list of addresses; this information is held in a master database called the Local Land Property Gazetteer (LLPG), which is maintained by the Street Naming and Numbering section and is regularly cross referenced with other databases, including Northgate. To ensure a consistent approach to the recording of addresses across the council, a process is currently being trialled whereby the Street Naming and Numbering section will take responsibility for setting up the addresses of new developments before they are passed to the Revenues section to get the rateable value from the VOA.</p>

Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & recommendations made
					<p>Arrangements exist to identify liable parties where these are not known, and each liable party is allocated a Personal Identification Number (PIN) on Northgate. Review of a report showing all current liable parties confirmed that all PINs are unique. Appropriate system parameters are in place to ensure that the correct amount of NNDR is applied to all chargeable properties, and the relevant non-domestic and small business non-domestic rating multipliers have been entered for 2020-21. The council is required to issue Rate Demand Notices to all chargeable properties in the borough before the start of each financial year, outlining the amounts payable during that year. Under Schedule 2 of the Council Tax and Non-Domestic Rating (Demand Notices) (England) Regulations 2003 a Rate Demand Notice should contain set information and review of a sample Notice for 2020-21 confirmed that all appropriate information was included.</p> <p>To ensure that a Rate Demand Notice is issued for all chargeable properties a “NDR Annual Non-Schedule billing reconciliation report” is produced from Northgate at the time of annual billing. We were able to see that at annual billing for 2020-21, a Rate Demand Notice was issued in all appropriate instances. Since the start of the COVID-19 pandemic, the government have put measures in place to assist various types of business via their business rates. It is understood that in these cases, amended rate Demand Notices have been sent to all affected liable parties to show their new liability.</p> <p>An area of the council’s website is dedicated to Business Rates and gives information on how the public can register for an online account and pay by Direct Debit, Standing Order, online and via telephone. The Finance Systems Team receive details of all NNDR payments, which are imported into the Income Management system. The system performs validation checks on the account numbers and any errors are sent to an exception list to be reviewed and corrected the same day. At the end of the day the data is imported into the General Ledger and Northgate. A random sample of five transactions from the NNDR income files for the period 1 April 2020 to 30 June 2020 was examined. We were able to confirm that the amounts paid had been posted to the relevant account on the Northgate system and had been posted to the General Ledger on the same or following day. A monthly suspense account report is produced that shows any amounts that have not been credited to the correct account and is actioned to ensure all suspense account balances are cleared. The NNDR suspense account report for September 2020 was inspected and confirmed that there were no outstanding NNDR items in the suspense account. Opinion: Green.</p> <p>Overall Opinion: Green. No recommendations made.</p>

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2	Debtors	5	8.6	Final Report Issued Findings reported February 2021	<p>The review considered the following Risk Management Objective: RMO1 - Arrangements are in place to administer and recover the council's sundry debtors.</p> <p>The review found all debtors and invoices created within the Civica Financial System to have their own unique reference number.</p> <p>Audit testing carried out on a random sample of invoices created since January 2020 to August 2020 found to have been appropriately authorised.</p> <p>The review found that invoices are raised by individual departments as per the New Access Form which must be completed in order to gain access to the system.</p> <p>Audit testing carried out on a random sample of 10 transactions that took place between January 2020 and August 2020 gave assurance that payments are recorded against the correct debtor and general ledger code.</p> <p>The review found that as at July 2020 all reconciliations between the debtors system and general ledger, and between the general ledger and the council's bank account to be completed.</p> <p>The review found that a Corporate Debt Strategy is held, and Process Maps are in place for the Income Team as well as monitoring spreadsheets for the recovery of outstanding debts. Due to the covid-19 pandemic and resources available within the team, debts for periods October 2019 to December 2019, and January 2020 to March 2020 have been written off and appropriately authorised in line with the constitution. The write-off reports for Q1 and Q2 2020/21 have been prepared and require authorisation. Opinion: Green.</p> <p>Overall Opinion: Green. Recommendations: One low priority. Recommendation relates to the authorisation of outstanding write-off reports.</p>
3	Project management - GDPR	10	N/A	Deferred to 2021-22	Due to loss of resources, the Committee agreed to defer this review to 2021-22 as the impact of Covid and changes in staffing within the Information Governance Team had delayed this project.
4	Payroll establishment, payments & deductions	15	17.6	Final Report Issued	<p>The review considered the following Risk Management Objective: RMO1 – Arrangements are in place to calculate and pay staff salaries effectively.</p> <p>In 2017 the council entered into a service level agreement whereby Medway Council are responsible for the payment of Gravesham employees' salaries. The HR team at the council are responsible for collating all the relevant payroll documentation and ensuring that it is passed to Medway Council for implementation. Officers at the council are then responsible for ensuring payments to employees are accurate and that all payments to third parties are actioned accurately and promptly.</p> <p>The review found details of starters, leavers and changes are accurate, appropriately approved and arrangements are in place to advise the payroll provider of this</p>

Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & recommendations made
					<p>information. Testing of starter, leaver and change records from the period November 2019 to October 2020 identified no errors with original entries, however in one case, the officer had since completed their probationary period, but their line manager had not completed the correct paperwork for an increment to be applied; a similar instance was also identified as part of another sample reviewed during the audit. Evidence was available to demonstrate that checks are made of all amendments to payroll data by HR and the Medway Council Payroll team, as well as regular salaries budget monitoring by Finance.</p> <p>Testing of salary payments & allowances in the April 2020 pay run indicated the majority of payments were accurate, although there was one occasion where an officer was being paid the incorrect leased car cash alternative. The HR team have investigated and will rectify this. Further testing of leased car records showed that one officer's leased car award level was incorrect but the leased car they had did not exceed the correct level and therefore no additional contributions were required. Mandatory deductions such as PAYE, National Insurance, and pension payments are calculated and applied by the system parameters in the Medway Council payroll software and are therefore beyond the scope of this review. A sample of voluntary / additional deductions made in the May 2020 pay run was tested and each deduction was found to be accurate and supported by an appropriate instruction where relevant. Testing was also carried out on deductions made direct from salaries for council tax, rent and car park season tickets, and found that payments were correctly applied to council tax and rent accounts and all payments for parking season tickets were made on behalf of valid ticket holders.</p> <p>Testing confirmed that there are arrangements are in place to confirm accuracy and authorise the payroll, ensuring all payments to staff are accurate and paid on time. Arrangements also exist for payroll payments to be recorded correctly against the General Ledger and to ensure that payments made are accounted for in the correct accounting period, together with regular reconciliations. The reconciliations for 2020-2021 were reviewed and the spreadsheet showed monthly discrepancies, which had been investigated and cleared later in the year. There is one on-going discrepancy with childcare vouchers which is being investigated.</p> <p>Arrangements are in place to ensure payments to third parties associated with employees' deductions are accurate and paid on time. The Medway Council Payroll team raise all the necessary paperwork for these payments, and they are forwarded to the council's Exchequer team for processing. A random sample of five payments for the month of April 2020 were reviewed in the General Ledger and all were paid with two days of the staff payroll date. Opinion Green.</p>

Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & recommendations made
					Overall Opinion: <i>Green</i>. Recommendations: Two medium priority. Recommendations relate to probationary periods being monitored to ensure increments are correctly applied, and instructions received to add or amend allowances being checked to ensure they are at applied at the correct level.
5	Capital accounting	15	21.9	Final Report Issued	<p>The review considered the following Risk Management Objective: RMO1 – Arrangements are in place to account for the Housing Revenue Account (HRA) Capital Programme.</p> <p>The review found that appropriate procedures are in place for approval of the annual HRA Capital Programme, in line with council’s Constitution. Assurance can be provided that the 2019-20 and 2020-21 HRA Capital Programmes were appropriately approved.</p> <p>A Capital Strategy 2020–2025 is in place, which sets out the council’s HRA capital investment priorities for the period, as well as the procedures for identification and appraisal of capital project proposals. Audit testing confirmed these procedures are being followed in practice, though some inconsistencies were identified in relation to completion of the relevant forms.</p> <p>A monitoring spreadsheet is in place for the HRA Capital Programme and arrangements exist for monthly reports to be provided to budget holders detailing current budgets, actuals, and variances. Financial Services meet with budget holders on a monthly basis to provide guidance and to discuss the reports and any actions that are required. In line with the council’s Constitution, quarterly budget monitoring reports are presented to the Finance & Audit Committee and Cabinet. Budget monitoring reports were consistently presented to the relevant committees during 2019-20 and 2020-21. As part of the monthly budget monitoring procedures, the cost centres for all HRA capital projects are reviewed to ensure that no transactions have been incorrectly coded, including revenue spend that may have been allocated to a capital code. A review of cost centres linked to the HRA Capital Programme found that 2020-21 expenditure appeared to have been appropriately coded. Opinion: <i>Green</i>.</p> <p>Overall Opinion: <i>Green</i>. Recommendations: One low priority. Recommendation relates to arrangements for documenting the approval and evaluation of CP1 forms being reviewed.</p>
6	Cyber security	15	N/A	Draft report with client for consideration	<p>The review considered the following Risk Management Objectives: RMO1 - There are arrangements in place to protect the council network.</p>
7	Member standards	15	15.1	Final Report Issued	<p>The review considered the following Risk Management Objectives: RMO1 – Arrangements are in place to ensure expected Member standards are communicated effectively.</p>

Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & recommendations made
					<p>The review found that a Member Code of Conduct is in place, which forms part of the council's Constitution, and was updated in 2020 following a review of Local Government Ethical Standards by the Committee on Standards in Public Life (CSPL). The Code was considered by the council's Standards Committee, who are responsible for maintaining high standards of conduct for Members, before ultimately being approved by Full Council. The CSPL review identified 15 best practice recommendations to improve ethical standards in Local government; the council's responses and proposed actions to these recommendations were also considered and approved by both the Standards Committee and Full Council.</p> <p>A guide for Gravesham Councillors 2019 booklet was provided to all 44 elected Members following the Borough Elections in May 2019. This booklet contained reference to the Constitution, including the Member Code of Conduct, council policies, Declarations of Pecuniary Interests (DPIs) and training. A Member Induction Training Programme was also put in place consisting of 30 sessions covering a variety of topics, including a 'Meet and Greet' induction and a session on the Member Code of Conduct. Attendance statistics for these sessions were reported as part of the Member Training 2019-20 Annual Report, tabled at the Overview Scrutiny Committee meeting on 19 November 2020.</p> <p>Although there is no legislative requirement for Members to undergo training, the council's Constitution stipulates that Planning Committee Members and substitutes must attend relevant training every two years. The Constitution does not indicate that Licensing Panel Members require training, but we were advised that this is also a requirement which is applied. As part of the Member Induction Training Programme three courses relating to planning and two courses relating to licensing were included, however not all Planning Committee & Licensing Panel Members attended. We were advised that Members who did not attend the training will have either had training within the last two years or will have undergone a one-to-one training session; however, it is not easy to confirm this, with records of training limited to the Member's signature on an attendance form or an email from the trainer stating that the Member has had the training. It is also not clear, what training must be attended in order for the requirements of the Constitution to be considered met, for example if all three parts of the training must be attended, or if attendance at certain sessions is sufficient.</p> <p>Arrangements exist for the council's Standards Committee to be convened when the need arises, which could be connected to a complaint against a Member or a change in legislation and/or policy. The responsibilities and required membership of the</p>

Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & recommendations made
					<p>Committee are set out within the council’s Constitution and the current membership is in line with these requirements. Opinion: Amber.</p> <p>RMO2 – Arrangements are in place to ensure Member standards are upheld.</p> <p>The review found that a performance indicator is in place to measure the meeting attendance rate of Members. A Management Indicator also measures Member training attendance; however, it was identified that the figures for two of the quarters in 2019-20 had been skewed by the number of Members booked on a course being included rather than the number who attended.</p> <p>The council’s Member Code of Conduct outlines the requirements in place for registering Disclosable Pecuniary Interests (DPIs) and Other Significant Interests (OSIs) and a DPI form is given to Members with the induction pack. The process for declaring interests at meetings and information regarding dispensations is also given in the Code. From a sample of nine Members on one of the Committees reviewed as part of this audit, it was found that all had completed a DPI since May 2019 and three Members had also subsequently updated their declarations since that date due to changes in interests. All were signed off by the Deputy Monitoring Officer.</p> <p>Arrangements for declaring and recording interests at committee meetings were found to be appropriate as part of the 2020-21 audit of Remote Meetings. Appropriate arrangements are in place for requests for dispensations to be considered by the Standards Committee, or Monitoring Officer in exceptional circumstances, and evidence was seen of requests being considered by the Standards Committee at the meeting on 8 December 2020.</p> <p>The council’s Member Code of Conduct gives details relating to gifts and hospitality, stating that Members must notify the Monitoring Officer within 28 days of receiving the benefit. There is a form available for entering gifts and hospitality on the Member Gifts and Hospitality Register maintained by Finance, which states that the form should be returned to the Committee Section. The Code also states that “Where any gift, benefit or hospitality received or accepted relates to any matter to be considered, or being considered at a meeting, this must be disclosed at the commencement of the meeting or when the interest becomes apparent and for three years from the date when the gift, benefit or hospitality was registered”. At the time of audit, it was found that Member Gifts and Hospitality declarations were only retained for one year, however after seeking clarification from the council’s Data Protection Officer, we were advised that it would be prudent to retain this data for three years plus one year based on the above requirement.</p> <p>There are detailed procedures in place for making complaints about Member conduct, which can be found on the council’s website alongside an online complaint</p>

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					<p>form. There are four main stages of the process: screening, investigation, independent review, and conclusion. There has only been one complaint investigated since April 2019 and on reviewing the documentation relating to this complaint, it was found that the correct procedures had been followed. There are appropriate arrangements in place for the appointment of Independent Persons. Opinion: Amber.</p> <p>Overall Opinion: Amber. Recommendations: Two medium and one low priority. Recommendations relate to the Member training requirements included in the Constitution being reviewed for consistency, arrangements being put in place to maintain a central log of attendance at Planning & Licensing training, including 1-1 sessions, to ensure 'refresher' training is provided to Committee Members at the appropriate frequency, and the point of contact for declaring gifts and hospitality being clarified and the Member Gifts and Hospitality register being retained in accordance with the requirements of the Member Code of Conduct.</p>
Corporate risks assurance work					
8	Purchase cards	5	9	<p>Final Report Issued</p> <p>Findings reported February 2021</p>	<p>The review considered the following Risk Management Objective: RMO1 - Purchase Cards are adequately controlled.</p> <p>The review found that officers are issued with comprehensive guidelines for the use and management of purchase cards. These identify the need to provide receipts and purchase orders within a specified 10-day period once statements have been received. Testing found that 17 statements between November 2019 and May 2020 remain outstanding. This means it has not been possible for Finance to correctly attribute £4,289.32 to the correct cost codes.</p> <p>Testing has shown appropriate controls are in place to ensure the cards that have been uplifted have been authorised for this change and there is a genuine business need for the uplift.</p> <p>A lack of communication between Payroll and the Exchequer Manager was identified, regarding leavers and a recommendation has been made to alleviate any risk this may pose. Opinion: Amber.</p> <p>Overall Opinion: Amber. Recommendations: Two medium and one low priority. Recommendations relate to amending the guidelines to show job roles rather than named officers, establishing a link between Payroll and the Exchequer Manager regarding card holders leaving and to agree an escalation process for cardholders who do not comply with their requirement to promptly provide required statement information.</p>

Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & recommendations made
9	Housing Benefit & CTR administration	5	11.8	Final Report Issued Findings reported February 2021	<p>The review considered the following Risk Management Objective: RMO1 - Housing Benefit and CTR is appropriately administered and accurately calculated.</p> <p>Information about eligibility for Housing Benefit (HB) and Council Tax Reduction (CTR) is available on the council's website showing the eligibility criteria and qualifying conditions along with the documentation that is required to complete a claim. The public are able to download and print an application form that covers both schemes. The Digital team are responsible for updating the website, the relevant pages were last updated in August 2020.</p> <p>It is normally a requirement that original documents are provided by claimants e.g., passport or birth certificates, however since COVID 19 restrictions the government have issued guidance to Local Authorities (LA) allowing them to adopt a "Trust and Protect" process for verification checks for new and existing HB and CTR claims. Scanned copies of original documents are being accepted but if there is any doubt in the authenticity of any documents provided, the claimant would be asked to provide the original documents.</p> <p>Arrangements are in place to ensure that claims are securely received and stored. Claims are generally received either by post or in person, however during COVID 19 the public have not been allowed access to the Civic Centre unless by appointment. Post is opened and sorted daily by the Scanning and Indexing Team, who will scan to the benefits module of the ANITE Imaging system in the relevant claim file. A secure transfer of data is received daily from the DWP which is placed into a restricted drive and is accessed by senior officers. Each claim is allocated a unique reference number that is used on both the ANITE and Northgate system.</p> <p>A section of the Revenues and Benefits Business Plan 2020-21 is dedicated to workforce development. The review found that there is a comprehensive training plan in place for new starters. Working from home has become the 'new normal' for benefit staff with all circulars and processing procedures emailed to staff with voting buttons to acknowledge when they have read the e-mail, and whether they understand the contents or require help. For the past year the majority of assessors have been trained on all aspects of assessing benefit claims from start to finish, giving more resilience to the team.</p> <p>The Northgate system has set parameters that are updated annually based on information received from government to ensure that claimants receive the correct amount of benefit. The Assessment Officers are required to manually input the information detailed within the benefit claim form onto the Northgate system.</p>

Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & recommendations made
					<p><i>A procedure is in place for dealing with incomplete or defective claims. If a claim is received that is missing information or the claim form has not been completed sufficiently, they are classed as defective, and it is noted on the system as 'pending'. The claimant is given 28 days to provide any information that has been requested before the claim is cancelled. We were advised that an Incomplete Claims Report is run on a weekly basis to check if the pending flags have been removed or further action is required by the assessor. On checking a report for September 2020, we found that there were claims with pending flags that should have been removed; assurances were given that the report has now been allocated to an assessor who will review the report regularly.</i></p> <p><i>The processing time for new claims and change of circumstances is contained in the HB regulations 2006 stating:</i></p> <p><i>The relevant authority shall make a decision on each claim within 14 days of the provisions of regs 83 and 86 being satisfied or as soon as reasonably practicable thereafter</i></p> <p><i>Within the Revenues and Benefits Business Plan 2020-21, Revs and Bens is required to report on among others:</i></p> <ul style="list-style-type: none"> <i>• Average processing time for Housing Benefit claims (PI 23)</i> <i>• Average processing time for changes of circumstance in HB claims (PI 24)</i> <i>• Average processing time taken across all new CTR claims (MI 17)</i> <i>• Average processing time taken across all new CTR claims changes of circumstances (MI 18)</i> <p><i>Management was able to provide information to show that for the period April – August 2020 that the average time for the assessment of new claims was 17.8 days and for changes 2.4 days.</i></p> <p><i>Monitoring forms part of the Senior Benefits Officer role, with a monthly % accuracy check of all officer's work carried out using the Performance Monitoring Quality Assurance (PMQA) module on the Northgate system. A report showing claims assessed in July 2020 was checked and it was found that out of the five claims examined that two had been returned to the assessor to make amendment.</i></p> <p><i>We were able to see that there is a process in place to review claims. A new claim form is sent out in response to queries that may arise from the various data matches and reports that are received on the section i.e., Verify Earnings and Pensions (VEPs) (which has replaced Real Time Information (RTI)), HBMS, and ATLAS; the section also undertakes planned reviews e.g., child in house over 16. The assessor will also carry out a review if speaking to the claimant on the phone if the claim has not been reviewed for a long time. Opinion: Green.</i></p>

Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & recommendations made
					Overall Opinion: Green. Recommendations: None
10	Open space management	15	13.6	Final Report Issued Findings reported February 2021	<p>The review considered the following Risk Management Objectives:</p> <p>RMO1 - There are arrangements in place for the management of the council's parks and play areas.</p> <p>The review found the council's parks, open spaces and play sites are appropriately advertised, including the display of adequate signage. The vast majority of council owned parks and open spaces are left open for the public to enjoy, however a number of sites are closed each evening; council staff are responsible for the opening of the parks, whereas the closing is contracted out to a security company. Arrangements are in place to carry out various inspections of the council's play sites including weekly site visits, quarterly operational inspections carried out by the council's Register of Play Inspectors International (RPII) qualified operational inspectors and Annual Independent Inspections carried out an RPII accredited inspector.</p> <p>In addition, there are appropriate procedures in place for the regular maintenance and cleaning of the council's parks, open spaces and play sites. A 20-year replacement programme, including capital funding, has been established for council owned play sites. Opinion: Green.</p> <p>RMO2 - There are arrangements in place to implement the government's latest COVID-19 guidance.</p> <p>Following the first COVID-19 lockdown in spring 2020, which required all play sites close, the Government announced that play sites could reopen from 4 July 2020. The review found that prior to reopening, site inspections were carried out and changes were made where necessary to comply with Government guidance. A COVID-19 Risk Assessment was prepared specifically for play sites and another for the Horticultural Services Team to support their safe return to work. There is appropriate guidance available for the public regarding the use of parks and play areas in light of COVID-19 and throughout the pandemic, the council's website and social media channels have been regularly updated. Opinion: Green.</p> <p>Overall Opinion: Green. Recommendations: None.</p>
11	IT asset management	15	24.5	Final Report Issued	The findings from this review are being reported separately to the Committee due to the overall opinion of Red .
12	Virtual committee meetings	15	14.8	Final Report Issued	<p>The review considered the following Risk Management Objective:</p> <p>RMO1 - Arrangements are in place to ensure remote committee meetings remain in line with constitutional requirements.</p> <p>The review found that following the introduction of the Local Authorities and Police and Crime Panels (Coronavirus) (Flexibility of Local Authority and Police and Crime</p>

Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & recommendations made
				<p><i>Findings reported February 2021</i></p>	<p><i>Panel Meetings) (England and Wales) Regulations 2020, a report was presented to Council on 12 May 2020 setting out proposals for how the regulations could be adopted for all GBC committee meetings, and the consequential impact on the 2020-21 schedule of meetings. As a result, procedures were put in place for all 2020-21 committee meetings to be held remotely using Zoom video conferencing technology. Arrangements have also been made for public meetings to be live streamed through the council's YouTube channel to provide remote viewing for members of the public and press. Meeting agendas are published on the council's website five working days prior to each meeting, with details of how to view the meeting published as part of the agenda.</i></p> <p><i>Zoom meetings are set up by a Zoom Co-ordinator, with invitations sent to Members, the relevant officers and any members of the public who have registered to exercise a right to speak by email in advance of each meeting. Extensive guidance, training and support is available, with documented procedures for handling any technical difficulties, though it is understood these procedures have not had to be used to date. Arrangements exist for Committee Members to introduce themselves at the start of each meeting and at every contribution they make throughout, when invited to do so by the Chair, to confirm that they can see and hear the proceedings / other participants and can therefore be classed as 'attending'. Details of all Members in attendance that were expected or substituted are noted and attendance statistics are available to view on the council's website. Committee Members are able contribute to meetings by informing the Chair in advance of the meeting or by using the 'raise hand' function; arrangements have also been made to facilitate decision making by Committee Members.</i></p> <p><i>Procedures are in place for any Member participating in a remote meeting, who declares an interest that would normally require them to leave the room, to also leave the remote meeting; this is managed by the Zoom-Coordinator using the 'waiting room' facility. This facility is also used for managing the entry and exit of members of the public who have registered to exercise a right to speak. Arrangements are in place to close meetings to the press and public when discussing Part B items, by the Zoom Co-ordinator disconnecting the live YouTube feed and Committee Members confirming that there are no persons present who are not entitled to be hearing or seeing the proceedings. Audit testing carried out on a total of 10 Council, Cabinet, Planning Committee, and Licensing Panel meetings held between March and September 2020 confirmed all of the above arrangements to be working in practice. Following each meeting, the council is required to publish a set of minutes, which can be accessed in the meetings section of the council's website. The livestream of</i></p>

Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & recommendations made
					<p><i>meetings through the council's YouTube channel is automatically recorded, however a decision has been taken that these will be deleted once the meeting has finished. A review of the council's YouTube channel confirmed that no recordings are held of previous council meetings. Opinion: Green.</i></p> <p>Overall Opinion: Green. Recommendations: None.</p>
13	Shared services	15	23.3	Final Report Issued	<p>The review considered the following Risk Management Objective: RMO1 – Performance monitoring and reporting arrangements are set out in Shared Service Agreements and arrangements are in place to ensure that performance is monitored effectively.</p> <p>The council are involved in a number of shared service and shared management arrangements with Medway Council, which contribute to the delivery of council objectives and services, giving the council increased resilience and potential savings. The council currently has Shared Working Arrangements in place for:</p> <ul style="list-style-type: none"> • Audit and Counter Fraud (A&CF) • Payroll • Legal Services and Information Governance • HR • Licensing • Revenues and Benefits (shared management) <p>Medway Council act as the host for all of these shared working arrangements apart from the Licensing service, which is hosted by Gravesham.</p> <p>The council's Working in Partnership Framework 2019 states that the senior management of the council oversee the requirements of the shared working framework and provide assurance that each shared service has the appropriate governance in place and the objectives are being met. The Corporate Register of Partnerships names the responsible officer for each shared service:</p> <ul style="list-style-type: none"> • The Director of Corporate Services is responsible for A&CF, Payroll, Information Governance and Revenues & Benefits. • The Director of Communities is responsible for HR, Legal Services and Licensing. <p>As each shared service operates differently based upon the type of agreement, each has a Shared Service Agreement (SSA), which sets out the key arrangements and performance indicators that have been set to ensure the delivery of the service and value for money for all parties.</p> <p>The review identified that all shared services have a set of agreed KPI's and performance against these KPI's is monitored and reported in line with agreed timescales in most services. However, it was evident from discussions with the</p>

Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & recommendations made
					<p>Responsible Officers that the level of performance information differs across all the services, with varying degrees of satisfaction over the information supplied. Responsible Officers raised concerns that there was very little in the way of reporting information from services such as HR, and while legal provide monthly reporting, the information contained in the reports do not show the service as a whole, which would be beneficial to demonstrate that there was a fair split of resources. This had already been raised with the Head of Legal Services, who advised that they were in the process of reviewing the information being made available with a view to providing data on the whole service. The Licencing service indicated that they were only reporting on two of the nine agreed indicators as the other seven did not provide an accurate reflection of performance. The Regulatory Services Manager advised that it is not viable to apportion time spent on Licensing work for either authority. Arrangements are in place across most services to ensure the data being provided in performance reports is accurate, with each service having suitable mechanisms in place dependent upon the way their operational information is stored. The A&CF, Legal Services/Information Governance and Revenues & Benefits services use workload management systems with tested formulae in place to allow information to be extracted, giving assurance to the quality of performance data produced. Licensing use a spreadsheet to monitor the workload; the number of applications received. We were advised that quarterly “spot checks” of the spreadsheet are carried out to ensure the quality of the data and to check all the dates that have been input are correct. The officers currently input any inspection visits they have made on Outlook which are added up to give monthly figures. It was recognised that this was not an ideal way to collate the information but were advised that it was being addressed. As no monitoring information was provided for HR, we were unable to verify the accuracy of the data.</p> <p>The Corporate Register of Partnerships is published on the council’s website and there are arrangements in place for all shared services to undertake an annual review. The review process gives both authorities the opportunity to consider if the service is delivering against the agreed objectives and to identify any improvements or changes that are required for the continued success of the arrangement. Up-to-date reviews were seen for all the shared service arrangements apart from the HR shared service. The last review of this service took place in May 2019, with the 2020 review delayed due to the HR service at Medway undergoing a restructure, which may have affected the way services are delivered for Gravesham. The Head of A&CF has queried the value of the questions being asked as part of the annual reviews for services that have been in operation for a number of years and whether there needs to be new</p>

Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & recommendations made
					<p>objectives set for the service and the direction partner councils would like to move in to drive the service further.</p> <p>Arrangements are in place to address poor performance of the shared services. Each SSA contains a section that is dedicated to dispute resolution, with the advice being for efforts to be made by all parties of the agreement to resolve the matter informally. If this is not possible a formal report is prepared and “escalates up the chain” to both chief executives. Either party can terminate the shared service agreement by giving three months written notice or terminate immediately with mutual consent. Opinion: Amber.</p> <p>Overall Opinion: Amber. Recommendations: One high priority.</p> <p>Recommendation relates to a review of all Shared Service Agreements.</p>
14	Corporate debt recovery	15	N/A	Draft report with client for consideration	<p>The review considered the following Risk Management Objectives:</p> <p>RMO1 - Arrangements are in place to identify and recover corporate debts to maximise debt collection and prevent reputational damage.</p>
15	Fly-tipping	15	12.9	Final Report Issued	<p>The review was originally due to consider the following Risk Management Objectives:</p> <p>RMO1 - Procedures are in place to ensure effective delivery of Fly Tipping Enforcement, and</p> <p>RMO2 - Incidents of fly-tipping are investigated, and appropriate enforcement action is taken.</p> <p>However, when the review commenced it became clear that the service was in the middle of a period of significant change following the appointment of the new Enforcement Manager. As such, the review was changed to consultancy with a view to providing advice/assurance over the plans for the future of the service; this means there was no formal audit opinion.</p> <p>The review concluded that legislation is being adhered to and the Team are working towards establishing a policy that will be in line with this. There has been a significant increase in the amount of enforcement action taken since the Team was established and the Team has identified a number of areas where processes can be improved, including:</p> <ul style="list-style-type: none"> • Creation of an Environmental Enforcement Policy. • Updating the Fly-tipping information provided on the council’s website. • Promoting the reporting of fly-tipping among council employees. • Organising more formal training for officers within the Environmental Enforcement Team • Enhancing performance reporting in relation to the work of the Team. • Implementing a system to digitalise the FPN process.

Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & recommendations made
					No control weaknesses were identified that were not already being addressed by the Team.
16	Private housing enforcement	15	22.1	Final Report Issued	The findings from this review are being reported separately to the Committee due to the overall opinion of Red .
17	<i>Planning applications</i>	15	N/A	<i>Deferred to 221-22</i>	<i>The Committee agreed to defer this review to 2021-22 to account for lost resource.</i>
18	Community safety	15	N/A	Not completed	Unfortunately, due to loss of resource we were not able to complete this review.
19	Traded services - Rosherville Ltd	15	N/A	Draft report with client for consideration	The review considered the following Risk Management Objectives: RM01 - Gravesham Borough Council have governance and accounting arrangements in place to monitor delivery of Rosherville Limited and its subsidiaries.
20	Responsive assurance work	30	30.9	Complete	Full details of the responsive assurance activity can be found in the table starting on page 30.
Counter Fraud Assurance Work					
23	Lone workers	15	21.7	Final Report Issued	<p>The review considered the following Risk Management Objectives:</p> <p>RM01 – Procedures in place to assist in the prevention of fraud by lone workers. The review found that the council has a Lone Working Policy, which forms part of a suite of Health and Safety (H&S) at Work documents. The purpose of the policy is to ensure the safety of field staff working away from the office during normal working hours. The ‘model general procedure for personnel working away from the office’ contained within the policy appear to have a gap around regular contact with lone workers that exposes the authority to potential misconduct via fraud and also a risk to officers H&S, although they do outline the course of action that should be followed when officers fail to report back to the office at the appointed time. The Lone Worker Policy is clear that it is the responsibility of all Service Managers to ensure that all relevant staff are advised of the procedures, are trained and that all procedures are implemented. Opinion Amber.</p> <p>RM02 – Arrangements exist for detecting lone worker fraud. The review identified that although the lone working policy has a ‘model general procedure for personnel working away from the office’ the practice varied across services, largely due to the variation in duties undertaken. Testing identified that most services use Outlook calendars to diarise visits being undertaken by officers, although some records were found to be limited. All services apart from one were able to outline their procedures for contacting staff who do not return at allotted times and some were able to outline procedures for contacting officers while they were out.</p>

Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & recommendations made
					<p>There are limited records maintained after visits have been conducted, to identify time away from the office and any mileage incurred. This means there are no records available for managers to validate time sheets or mileage claims that may be received. There were no records found to demonstrate that officers had conducted security checks prior to visiting premises. This was not unexpected as it would only be necessary to record a potential safety issue rather than a lack of one; however, a survey issued to ten lone workers revealed that four of the five respondents did not check the unacceptable behaviour register prior to visiting, which puts them at potential risk. Opinion Amber.</p> <p>RMO3 – Arrangements exist to deter lone workings officers from committing fraud The review found that the Council has introduced a range of technologies across the different services to help and protect field staff when undertaking work away from their respective office, these include the issuing of iPhones, iPads, body worn cameras and other personal safety devices such as Skyguard. As with other areas identified in this review, there is differing practice across the various services. In addition, except for Skyguard, such technology wouldn't necessarily indicate when an officer is in some form of distress. Regular contact with officers meets the council's responsibilities under H&S and acts as a deterrent to fraudulent activity. Seven of the nine service managers responded to survey questions about quality control; all agreeing that safety of lone workers is a joint responsibility between managers and the officers themselves but only three confirmed they undertake any quality checks of visits that have taken place. The rest indicated that they only perform such checks if there are concerns. This leaves opportunity for fraudulent activity. Opinion Amber.</p> <p>RMO4 – Arrangements in place to support enforcement action being taken against officers who commit fraud The council actively seeks to promote an anti-fraud culture, and this is supported by the Anti-Fraud & Corruption Policy, which outlines the council's approach to dealing with allegations and proven instances of fraud. All nine Service Managers confirmed that they knew how to raise any concerns regarding lone working arrangements or Code of Conduct breaches. As there have been no proven cases relating to these issues, testing to ensure a consistent approach was not possible but any enforcement/disciplinary activity would be in line with relevant policies/legislation. Opinion: Green.</p> <p>Overall Opinion: Amber. Recommendations: Four high and two medium priority. Recommendations relate to reviewing and updating the procedures linked to the lone working policy, officers being reminded of the need to include sufficient details</p>

Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & recommendations made
					<p>of diarised visits, managers being reminded of their responsibilities for contacting officers working away from the office, records of visits being maintained after the event to enable validation of timesheets and mileage claims, a reminder for staff undertaking lone working duties to perform security checks prior to visits, including checking the unacceptable behaviour register as appropriate, and managers undertaking regular quality control checks of visits.</p>
24	Staff leave booking	15	13.6	Final Report Issued	<p>The review considered the following Risk Management Objectives: RMO1 – Procedures are in place to assist in the prevention and detection of leave booking fraud by staff.</p> <p>The SelfServe4You (SS4U) system is used by the majority of the 525 staff at Gravesham to book annual leave and the finance systems team at Medway are responsible for setting parameters within the system to ensure that staff are unable to exceed their annual leave entitlement.</p> <p>Guides for managers and officers on how to use the system for various functions are available on the staff intranet and it also forms part of the induction for new starters. Bank holidays are included in the annual leave entitlement for all those that use SS4U to book annual leave, so all bank holidays must be booked as ‘Holiday’. Staff that do not have access to SS4U have alternative procedures, such as leave cards, and do not have bank holidays included in their annual leave entitlement, so are not required to book them.</p> <p>At the beginning of each financial year, HR issue instruction to all staff to book bank holidays, and any ex-gratia days, as appropriate to ensure they are deducted from the annual leave balance. A survey issued to 18 line managers to ascertain how this is monitored produced mixed results; with some managers indicating that they cross reference leave booked with the bank holiday dates, while others keep either electronic or manual records.</p> <p>Testing identified inconsistencies across all staff levels, with employees and their line managers in the sample identified as having only booked some bank holidays and in some cases none at all. It also identified that some managers are authorising bank holidays and ex-gratia days as ‘special leave’ meaning it is not deducted from the employee’s leave balance.</p> <p>The testing indicates that managers at varying levels are not undertaking sufficient checks to ensure that bank holidays and ex-gratia days are appropriately booked on the SS4U system, which creates a risk that staff could have additional days of paid leave for which they are not entitled and also increases the level of fraud risk associated with this area. Opinion: Amber.</p>

Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & recommendations made
					<p>RMO2 – Arrangements exist to deter employees from committing leave booking fraud as well as enforcing it.</p> <p>The council actively seeks to promote an anti-fraud culture, and this is supported by the Anti-Fraud & Corruption Policy, which outlines the council’s approach to dealing with allegations and proven instances of fraud.</p> <p>As there have been no proven cases relating to these issues, testing to ensure a consistent approach was not possible but any enforcement/disciplinary activity would be in line with relevant policies/legislation. Opinion: Green.</p> <p>Overall Opinion: Amber. Recommendations: One high and two medium priority. Recommendations relate to guidance being updated to include descriptions of all various types of leave; detailing those which are deducted from leave entitlement and those which are not, deadlines, deadlines being included with annual instruction to book bank holidays and ex-gratia day, and managers at all levels ensuring bank holidays for staff and themselves are booked.</p>

Other consultancy services including advice & information (items in italics detailed in previous update reports)

Client service area	Services provided
<i>Town Twinning Association</i>	<i>The team carried out an audit of the Gravesham Town Twinning Association’s accounts.</i>
Contact Centre Monitoring	The team provided assistance with creating a mechanism for monitoring Contact Centre performance.

Responsive Assurance Activity (items in italics detailed in previous update reports)

Activity	Opinion, summary of findings & recommendations made
<i>Business Support Grant Application validation</i>	<i>Officers assisted with the validation of claims received for Business Support Grants using their expertise in fraud prevention and providing assurance over the application process.</i>
<i>Discretionary Business Grant application validation and assessment</i>	<i>Officers assisted with the validation and assessment of applications received as part of the discretionary grants process.</i>
<i>Covid 19 Governance</i>	<i>A Team Leader from the service was part of the Resilience Group during the emergency response, monitoring and logging any emergency decisions that may have impacted on the councils control environment.</i>
<i>Alternative Restrictions Grant application validation and assessment</i>	<i>Officers assisted with the validation and assessment of applications received as part of the latest discretionary grants process.</i>

Counter Fraud Activity

Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & recommendations made
25	Pro-active investigations work	30	0	N/A	Given the redeployment of staff and limited counter fraud activity that was possible while national restrictions were in place, pro-active activity was not deemed to be an effective use of resources. As a result, no pro-active activity outside of planned data matching has taken place.
26	Data matching exercises, including National Fraud Initiative and Kent Intelligence Network	30	62.6	Complete	<p>Work has taken place in relation to the both the 2018-19 and 2019-20 NFI exercises. A specific update report was provided to Members of the Audit Committee in November 2020, which outlined that the total financial values linked to the 2018-19 exercise were £376,525.98.</p> <p>A further update is being provided separately at the June 2021 meeting, which will outline the financial values linked to the 2019-20 exercise. As of 30 June 2021, this was £30,536 in additional council tax.</p> <p>It should be noted that the work undertaken on NFI matches crosses financial years and results are included within the reported results for individual reactive investigation categories. The figures quoted in this section are not in addition to previously reported fraud savings/losses.</p>

Reactive Investigations work: external investigations

Area	Number of referrals rejected	Number of investigations concluded	Summary of results	Cashable Savings	Non-cashable Savings	Prevented Losses
Business Rates	0	2	Two cases concluded with no evidence of fraud.	N/A	N/A	N/A
Council Tax	7	73	<p>36 cases were concluded with the removal of the council tax discount/exemption, seven of which also resulted in the issue of a civil penalty.</p> <p>Six cases were concluded with the removal of the Council Tax Reduction Award.</p> <p>31 cases were concluded with no evidence of fraud.</p>	<p>£47,194.16 (Historic Liability)</p> <p>£18,301.94 (Additional liability for future years)</p> <p>£490 (Civil Penalty)</p> <p>£16,677.05 (HB Overpayments)</p>	N/A	N/A

Area	Number of referrals rejected	Number of investigations concluded	Summary of results	Cashable Savings	Non-cashable Savings	Prevented Losses
Homelessness	2	0	Two referrals rejected as insufficient information to justify investigation.	N/A	N/A	N/A
Housing Allocations	1	3	Once person was removed from the waiting list as a result of investigation. One case resulted in the removal of council tax reduction. One case was concluded with no evidence of fraud.	£4.66 (Historic Liability) £323.81 (Additional liability for future years)	£4,000	N/A
Right to Buy	0	4	One case concluded with the cancellation of the right to buy application and recovery of the council property. Three cases were concluded with no evidence of fraud.	N/A	£93,000	£84,200
Tenancy	0	10	One case resulted in the recovery of a GBC property. In two other cases, while no evidence of tenancy fraud was found, they did result in the removal of an SPD after discovery of an additional occupant in one case and a change to the council tax reduction award in the other. Seven cases were concluded with no evidence of fraud.	£641.28 (Historic Liability) £1,102.24 (Additional liability for future years)	£93,000	N/A

Reactive Investigations work: internal investigations (items in italics detailed in previous update reports)

Allegation	Investigation activity & recommendations
Falsified Covid 19 Shielding Letters	Allegations were received in relation to two employees who were suspected to have supplied falsified shielding letters to remain at home on full pay. Enquiries were commenced but both employees resigned shortly after notifications of the disciplinary investigation were issued. Following consultation with HR it was decided to accept the letters of resignation rather than pursue the disciplinary.

4. Quality Assurance & Improvement Programme

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 for 2019-20 was agreed by Gravesham's Finance & Audit Committee in March 2019.

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.

In line with the QAIP, the team monitor performance against a suite of 24 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 24 indicators and outturns presented are those as of 31 March 2020 unless otherwise stated. The statistics for the proportion of agreed assignments delivered and underway are shown both as at 31 March 2020 and 30 June 2020 to reflect the work undertaken over an extended period as part of the recovery phase of emergency planning.

Ref	Indicator	Target	Outturn for report period
Non LA Specific Performance Measurements			
A&CF1	Cost of the Audit & Counter Fraud Service Total Cost LA Share	N/A	£580,067 £208,824
A&CF2	Cost per A&CF day	£400	£385
A&CF3	Proportion of staff with relevant professional qualification: Relevant audit qualification Relevant counter fraud qualification	75%	21% 50%
A&CF4	Proportion of non-qualified staff undertaking professional qualification training	25%	21%
A&CF5	Time spent on CPD/non-professional qualification training, learning & development	70 days	48 days
A&CF6	Compliance with PSIAS	100%	Our January 2019 self- assessment showed full compliance with 94% of the standards, partial compliance with a further 4% and work required to address the remaining 2%. Work to address the areas that require improvement has been delayed due to reallocation of resources to assist with the covid response and it was not possible to complete an updated self-assessment in 2020-21.
A&CF7	Staff turnover	N/A	N/A
LA Specific Performance Measurements			
A&CF8	Average cost per assurance review	£5,000	£4,999
A&CF9	Proportion of available resources spent on productive work	90%	83%

Ref	Indicator	Target	Outturn for report period
A&CF10	Proportion of chargeable time spent on:	N/A	
	assurance work consultancy work		67% 1%
A&CF11	Proportion of chargeable time spent on:	N/A	
	proactive counter fraud work reactive counter fraud work		19% 13%
A&CF12	Time spent on SPOC associated duties	N/A	28 days
A&CF13	Proportion of agreed assurance assignments:	95%	
	Delivered Underway		95% 0%
A&CF14	Proportion of completed reviews subject to a second stage (senior management) quality control check in addition to the primary quality control review	10%	13%
A&CF15	Proportion of recommended actions agreed by client management	90%	100%
A&CF16	Number of recommendations agreed that are:	N/A	
	Not yet due		7
	Implemented		36
	Outstanding		13
A&CF17	Proportion of recommended actions implemented by agreed date	N/A	74%
A&CF18	Number of referrals received	N/A	116
A&CF19	Number of investigations closed	N/A	96
A&CF20	Value of fraud losses identified, by fraud type:	N/A	
	Cashable (losses that can be recovered)		£84,735
	Non-cashable (notional savings based on national estimates)		£190,000
	Prevented losses (savings associated with blocked applications)		£84,200
A&CF21	Customer satisfaction with individual review/assignment	95%	100% (based on six responses received during the period)
A&CF22	Customer satisfaction with overall service	95%	A wider satisfaction survey was conducted in March 2019 with all respondents saying they were very satisfied or satisfied with the overall service. Due to resources being redirected to assist with covid response and other priorities, it has not been possible to conduct an updated wider satisfaction survey.
A&CF23	Member satisfaction with assurance provided (based on Chair of Audit Committee contribution to Appraisal of the Head of Audit & Counter Fraud role)	Positive	
A&CF24	Statement of external audit	Positive	External Audit report by exception.

Ref	Indicator	Target	Outturn for report period
			At the time of writing this report, no concerns had been raised with the Head of Internal Audit and Counter Fraud by Grant Thornton.

5. Follow up of agreed recommendations

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.

Service managers are asked to provide an update on action taken towards implementing all recommendations due on a monthly basis and are also asked to supply evidence to confirm that action has been taken in respect of all High priority recommendations, which is verified by the Audit & Counter Fraud Team.

The first of the two tables below sets out the position of all recommendations which have formed part of the recommendation follow-up process during the 2020-21 financial year. The second details recommendations that were more than six months over their planned implementation date as at 31 March 2021, along with an update from the relevant Service Manager/Assistant Director/Director.

Status of Agreed Recommendations

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
Housing Allocations (Counter Fraud review)	<p>Opinion: Amber</p> <p>Seven recommendations agreed: three high and four medium priority. Recommendations relate to reviewing and, where appropriate, updating the current Allocations policy, refresher training in respect of document verification, applicants supplying original identification and supporting evidence in respect of all applications, application forms and supporting documents being retained in all cases, the introduction of a formal process for all direct let authorisations, an annual review of the housing waiting list and annual declarations of interest being completed by all allocations staff.</p>	Seven recommendations due, seven implemented.
Homelessness	<p>Opinion: Red</p> <p>Four recommendations agreed: three high and one medium priority. Recommendations relate to the website being updated in line with the Homelessness Reduction Act, and the rebadging, implementation and publication of the Homelessness Prevention Strategy, as in line with the Rough Sleeping Strategy delivery plan, the creation of procedure notes to support the new requirements of the act and looking at prevention measures and longer-term accommodation options, in order to make better use of the temporary accommodation budget and help prevent homelessness.</p>	Four recommendations due, three implemented. One high priority outstanding relating looking at prevention measures and longer-term accommodation options.
Use of Enforcement Services	<p>Opinion: Amber</p> <p>Three recommendations agreed: one high, one medium and one low priority. Recommendations relate to the council's Corporate Fair Debt Policy being circulated to all relevant staff, the council's procedures and policy in respect of vulnerable debtors being reviewed and shared with the Enforcement Agents, Debt Collection Agents and Sheriffs used, and appropriate agreements being put in place for all enforcement services, including expected performance arrangements then being put in place for performance to be monitored in line with the agreement, including documenting any meetings held.</p>	Three recommendations due, two implemented. One high priority outstanding relating to appropriate agreements being put in place for all enforcement services, including expected performance arrangements then being put in place for performance to be monitored in line with the agreement, including documenting any meetings held.
Ethics	<p>Opinion: Amber</p> <p>Five recommendations agreed: two medium and three low priority. Recommendations relate to establishing a clear and consistent definition of what ethical values the council holds and expects its employees to work by, incorporating these ethical values into the recruitment, induction and appraisal processes, reviewing reporting arrangements outlined within the Anti-Fraud &</p>	Five recommendations due, five implemented.

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
	Corruption Strategy and introducing arrangements to identify and collate reports of unethical behaviour received via the various council policies.	
Refunds	Opinion: Amber Nine recommendations agreed: three high, five medium and one low priority. Recommendations relate to a review of the Corporate Refunds Procedure, implementation of procedure notes for individual departments, a review of information provided in respect of refunds on the council's website, checks being made by Council Tax / NNDR with all relevant departments to identify other outstanding debts, investigations into enabling easy identification of card refunds, access rights within the Revenues & Benefits system being reviewed, provision made for customer services team leaders to be added to the authorised signatory list, all refunds being approved by an appropriately authorised officer, investigations being undertaken in relation to implementation of digital refund procedures for all services and the Charge-back policy being reviewed and re-circulated to relevant staff.	Nine recommendations due, nine implemented.
Housing Rent Collection & Administration	Opinion: Amber Two recommendations agreed: one high and one medium priority. Recommendations relate to making further checks to ensure service charges are correct on entry and for a procedure for checking staff who have access to Capita are reconciled at least annually with the relevant Service Manager.	Two recommendation due, two implemented.
Business Continuity – IT Backup Arrangements	Opinion: Amber Two high priority recommendations agreed. Recommendations relate to the introduction of a test schedule to comply with requirement of the Civil Contingencies Act 2004 and the IT Disaster Recovery Plan being updated and reviewed in line with the overarching Business Continuity Plan.	Two recommendation due, one implemented. One high priority outstanding relating to the introduction of a test schedule to comply with requirement of the Civil Contingencies Act 2004.
Staff Sickness Management & Monitoring	Opinion: Amber Five recommendations agreed: three high and two medium priority. Recommendations relate to staff being reminded of the requirements for reporting sickness, a review of the distribution lists and operational setup for the sickness line, supporting information being made easily available to line managers, and support being provided to departments with the highest level of sickness absences.	Five recommendations due, five implemented.
Tenancy Enforcement	Opinion: Amber Three high priority recommendations agreed.	Three recommendations due, two implemented. One high priority outstanding relating to the introduction of procedure guidance for staff,

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
	Recommendations relate to the introduction of procedure guidance for staff, directly relating to tenancy enforcement, to ensure consistency of action and that accurate records are maintained; reviewing training available for Housing Officers; and, ensuring tenancies are ended promptly on the housing management system and a consistent approach is followed when transferring tenancies, with approval for any significant overlaps.	directly relating to tenancy enforcement, to ensure consistency of action and that accurate records are maintained.
Unauthorised Encampments	Opinion: Amber Two medium priority recommendations agreed. Recommendations relate to the provision of diversity-based training to officers and implementing procedures to archive/delete data they no longer require.	Two recommendations due, one implemented. One medium priority outstanding relating to provision of diversity-based training to officers.
Asset Management	Opinion: Green One high priority recommendation agreed. Recommendation relates to reviewing the terms of reference of the asset management working group and improving accuracy of non-financial details of the asset register.	One recommendation due, one implemented.
Sheltered Housing	Opinion: Amber Four medium priority recommendations agreed. Recommendations relate to identification and provision of training, reviewing information on the Council website, conducting periodic risk assessment for tenants, and improving consistent recording of H&S inspection records.	Four recommendations due, four implemented.
Insurances	Opinion Green Two recommendations agreed: one medium and one low priority. Recommendations relate to authorisation of the insurance policy and amendment to the council website to enable receipt of reports of insurance fraud.	Two recommendations due, two implemented.
Responsive Repairs	Opinion: Green Two low priority recommendations agreed. Recommendations relate to a reminder of the process to record unsuccessful visits and identification of and taking action to correct variances in the repair recharge records.	Two recommendations due, two implemented.
Governance Framework	Opinion: Amber Two medium priority recommendations agreed. Recommendations relate to investigating the formation of a council wide action tracker and reviewing all policies and strategies held on the GBC website and intranet to ensure the most up to date versions have been published.	Two recommendations due, two implemented.

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
Fraud Focused Review of Flexi, TOIL & Overtime	<p>Opinion: Amber</p> <p>Four high priority recommendations agreed.</p> <p>Recommendations relate to creating a central flexi / TOIL guidance document and circulating this to staff, reminding line managers of their role in checking time recording sheets on a regular basis to ensure there are no contraventions to the guidance, the creation of a local policy on overtime based around the guidance in the Green Book and any council additions to this, and service managers being reminded of this guidance.</p>	<p>Four recommendations due, none implemented.</p> <p>Four high priority outstanding relating to creating a central flexi / TOIL guidance document and circulating this to staff, reminding line managers of their role in checking time recording sheets on a regular basis to ensure there are no contraventions to the guidance, the creation of a local policy on overtime based around the guidance in the Green Book and any council additions to this, and service managers being reminded of this guidance.</p>
Apprenticeship Scheme	<p>Opinion: Amber</p> <p>Five recommendations agreed: two high, two medium and one low priority.</p> <p>Recommendations relate to a strategy being produced to document the aims and objectives of the council's apprenticeship scheme and how these will be achieved; a process being put in place to ensure that apprenticeships are promoted and considered at the earliest stage of recruitment; the Apprenticeship Policy being reviewed and updated, arrangements being put in place for the apprenticeship spreadsheet to be monitored and updated regularly, and arrangements being made for checks to be undertaken of all payments to and from the Apprenticeship Service Account to ensure accuracy.</p>	<p>Five recommendations due, one implemented.</p> <p>Two high and two medium priority outstanding relating to a strategy being produced to document the aims and objectives of the council's apprenticeship scheme and how these will be achieved; a process being put in place to ensure that apprenticeships are promoted and considered at the earliest stage of recruitment; the Apprenticeship Policy being reviewed and updated, and arrangements being made for checks to be undertaken of all payments to and from the Apprenticeship Service Account to ensure accuracy.</p>
Debtors	<p>Opinion: Green</p> <p>One low priority recommendation agreed.</p> <p>Recommendation relates to the authorisation of outstanding write-off reports.</p>	<p>One recommendation due, one implemented.</p>
Purchase Cards	<p>Opinion: Amber</p> <p>Three recommendations agreed: Two medium and one low priority.</p> <p>Recommendations relate to amending the guidelines to show job roles rather than named officers, establishing a link between Payroll and the Exchequer Manager regarding card holders leaving and to agree an escalation process for cardholders who do not comply with their requirement to promptly provide required statement information.</p>	<p>Three recommendations due, three implemented.</p>
Payroll Establishment,	<p>Opinion: Green</p> <p>Two medium priority recommendations agreed.</p>	<p>No recommendations due prior to 31 March 2021.</p>

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
Payments & Deductions	Recommendations relate to probationary periods being monitored to ensure increments are correctly applied, and instructions received to add or amend allowances being checked to ensure they are at applied at the correct level.	
Fraud Focused Review of Lone Workers	<p>Opinion: Amber</p> <p>Six recommendations agreed: Four high and two medium priority.</p> <p>Recommendations relate to reviewing and updating the procedures linked to the lone working policy, officers being reminded of the need to include sufficient details of diarised visits, managers being reminded of their responsibilities for contacting officers working away from the office, records of visits being maintained after the event to enable validation of timesheets and mileage claims, a reminder for staff undertaking lone working duties to perform security checks prior to visits, including checking the unacceptable behaviour register as appropriate, and managers undertaking regular quality control checks of visits.</p>	No recommendations due prior to 31 March 2021.

Recommendations outstanding more than six months after scheduled implementation date

Directorate	Audit & Counter Fraud Review title	Recommendation	Priority	Planned Implementation Date	Management Update
Housing	Homelessness	A scheme working with private landlords & organisations should be put in place, along with looking for longer term accommodation options, in order to make better use of the temporary accommodation budget, and to help prevent homelessness.	High	31 December 2019	The service is going through a huge amount of change and the current service manager has recently received approval from Senior Management Team to progress with a full housing restructure. Part of this proposal is to introduce dedicated staff that focus on homeless prevention and build relationships with landlords in the private sector. In addition to this, it is recognised that a specific officer is required to manage temporary accommodation to ensure we are obtaining value for money and maximising income. This is also in the proposal. Consultation is due to commence this month and posts will be in position by September 2021. As a result, the deadline for this piece of work will be pushed back until September 2021 to align with these changes.
Corporate Services	Use of Enforcement Services	Appropriate agreements should be put in place for all enforcement services, including expected performance. Arrangements should then be put in place for performance to be monitored in line with the agreement, including documenting any meetings held.	High	31 December 2019	The CDWG has progressed the procurement of the corporate enforcement services by confirming that the agreement we have with the Yorkshire Purchasing Organisation (the YPO) is still in place. Completion of the Data Protection Impact Assessment has commenced which when completed will enable the project to move forward. A sub-group of the CDWG will meet to discuss the requirements, processes etc in order to adopt the corporate enforcement agencies.
Corporate Services	Business Continuity – IT Backup Arrangements	Regular testing of the backup arrangements to be put into place once the review and any alterations to the system have been implemented; ensuring compliance with the requirements of the Civil Contingencies Act 2004 to regularly review and test all	High	30 June 2020	All hardware and software has been installed and is operational. Testing of a failover scenario has been arranged with the supplier in July and August which will be used as the template for the regular testing plan moving forward.

		aspects of the Business Continuity Plan.			
Housing	Tenancy Enforcement	<p>Guidance and procedure notes relating to tenancy enforcement actions should be created and shared with staff, to include:</p> <ul style="list-style-type: none"> - guidance on documenting and recording enforcement actions, - guidance on when cases should be referred to other teams such as the Anti-Social Behaviour Housing Officers, Audit & Counter Fraud & Legal, including what actions should be taken prior to referral, and, - guidance on the tools and actions available, as well as, when and in what circumstances they are suitable, particularly where one action must be taken before another. 	High	31 August 2020	Although outstanding as at 31 March 2021, recommendation has since been implemented.

6. Update on 2021-22 Planned Audit & Counter Fraud Work

Ref	Activity	Day budget	Days Used	Current status	Opinion, summary of findings & recommendations made
1	Governance Framework	8	N/A	Fieldwork Underway	The review will consider the following Risk Management Objective: RMO1 - An effective Governance Framework is in place.
2	Constitution maintenance	12	N/A	Fieldwork Underway	The review will consider the following Risk Management Objective: RMO1 - Effective arrangements are in place to maintain Gravesham Borough Council's Constitution.
3	Risk management compliance	10	N/A	Preliminary research and preparation of terms of reference	
11	VAT	15	N/A	Preliminary research and preparation of terms of reference	
16	Garden waste collection service	10	N/A	Fieldwork Underway	The review considered the following Risk Management Objective: RMO1 - There are arrangements in place to manage the council's garden waste collection service.
17	Temporary Accommodation	15	N/A	Fieldwork Underway	The review will consider the following Risk Management Objectives. RMO1 – The provision of temporary accommodation (TA) outside of the area is appropriately managed.
18	Leaseholder Management	10	N/A	Fieldwork Underway	The review will consider the following Risk Management Objectives. RMO1 - There are arrangements are in place for the administration of leaseholder service charges.
20	HRA Building Compliance	15	N/A	Preliminary research and preparation of terms of reference	

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>
<p>Red – Risk management arrangements require improvement to ensure objectives can be met</p>	<p>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.</p>

Recommendation Priorities

<p>High</p>	<p>Action addresses a significant weakness to enable the achievement of key objectives.</p>
<p>Medium</p>	<p>Action addresses a weakness identified that is not critical to the achievement of objectives.</p>
<p>Low</p>	<p>Action is a system enhancement or improvement to the efficiency of the service.</p>