

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

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# Audit & Counter Fraud Annual Report 2021-22

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. Independence

The Audit & Counter Fraud Charter was approved by Gravesham's Finance & Audit Committee in March 2021 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 completed with full independence as set out in the Charter and standard 1100. The work completed has also been free from any inappropriate restriction or influence from senior officers and/or Members.

Given its responsibilities for counter fraud activities, the Internal 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.

# 3. Resources

The Internal Audit & Counter Fraud Shared Service 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 Internal Audit & Counter Fraud, two Internal Audit Team Leaders, six Internal Auditors (5.78FTE), one Counter Fraud Team Leader, two Counter Fraud Officers (1.86FTE), 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 Internal Audit & Counter Fraud Plans for 2021-22 were prepared, this establishment was forecasted to provide a total of 1,815 days available for internal audit and counter fraud work (net of allowances for leave, training, management, administration etc.). The Internal Audit & Counter Fraud Plan for Gravesham was prepared with a resource budget of 654 days.

Following the retirement of the counter fraud assistant and resignation of one Internal Audit Team Leader, the service was restructured to reflect the move back to designated roles and redistribute some of the responsibilities. The establishment of 14 officers remains, made up of the Head of Internal Audit & Counter Fraud, one Internal Audit Manager, one Senior Internal auditor, six Internal Auditors (5.78FTE), one Counter Fraud Manager, two Counter Fraud Officers, and two Counter Fraud Intelligence Analysts (1.86FTE). Some existing Officers were successful in changing roles within the service and as a consequence there were several periods of vacancy while staff were recruited.

As of 31 March 2021, the net staff days available for Gravesham for 2021-22 amounted to 641 days and 541 days (84%) were spent on chargeable internal audit and counter fraud work. Of this chargeable time, 322 days (59%) was spent on audit assurance and consultancy work, while 219 days (41%) was spent on pro-active counter fraud and investigations work. The current status and results of all work carried out are detailed at section five of this report.

Learning and development needs and objectives were agreed through the Performance Development Review (appraisal) process, and delivered through a mixture of formal qualification training, formal skills training, job-shadowing/mentoring and 'on the job' training. Team meetings have taken place throughout the year, both virtually and in person, and all team members have had regular one to one meetings with their line manager to monitor progress with work-plans.

## 4. 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.

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, internal control, and governance processes. This opinion is intended to support the council's annual governance statement.

The overall scope of Internal Audit work is defined in the Audit & Counter Fraud Charter and the specific scope of work for the year 2021-22 was detailed in the Internal Audit & Counter Fraud Plan, both of which were approved by the Finance & Audit Committee. The Plan cannot address all risks across the council, but available resources are focused on the highest areas of risk to the authority and those linked to its corporate objectives. There are no specific limits of our scope to report to the Committee.

The Internal Audit Team operates in accordance with the working practices set out in the Internal Audit Manual and work is subject to supervision and quality review. This means we can be satisfied that the 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 forming my opinion, I have considered the outcomes of work completed during the year, which is based on the plan agreed by Members on 9 March 2021 and the subsequent amendments to that plan that were agreed on 21 September and 10 November 2021 to address changes in resource and risk priorities. While placing no specific reliance on sources of external assurance, these have been considered alongside the work completed by the Internal Audit Team.

The council has a duty to manage its resources in a proper, economic, efficient, and effective manner to achieve its objectives. It applies internal controls to manage risks to an acceptable level as it is not possible to remove risks to achieving these objectives completely. Internal Audit can only provide reasonable and not complete assurance of effectiveness. The work completed as part of the Internal

Audit & Counter Fraud Plan for 2021-22 is summarised in this report, assessing the effectiveness of managing the risks identified by the council, and forms the basis of evidence for my overall opinion.

In addition to planned assurance reviews, the monitoring of progress to implement agreed actions identified in earlier reviews have also been considered. While not all risks have been examined within our work programme, I am satisfied that those not directly examined have a sufficient assurance approach in place to provide reasonable assurance of effective management.

While it has been identified that the authority has mainly established adequate internal controls within the areas subject to review since my last opinion was issued in July 2021, there are areas where compliance with existing controls should be enhanced or strengthened or where additional controls should be introduced to reduce the council's exposure to risk. Where such findings have been identified, actions have been agreed by management to improve the controls within the systems and processes they operate. Management have accepted responsibility for the implementation of these actions and follow up arrangements are in place to ensure that appropriate action is taken

I am therefore satisfied that 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.

**Annual Opinion 2021-22**

**It is my opinion that during the year ended 31 March 2022, Gravesham Borough Council's risk management, system of internal control, and framework of governance, were sufficient and effective, and contributed to the proper, economic, efficient, and effective use of resources in achieving the council's objectives.**

**James Larkin**

**Head of Internal Audit & Counter Fraud Shared Service**

## 5. Results of planned Audit & Counter Fraud work

The Internal Audit & Counter Fraud Plan 2021-22 for Gravesham was approved by the Finance & Audit Committee in March 2021. The Plan was intended to provide a clear picture of how the council would use the Internal 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 sickness and staff vacancies. Members agreed revisions to the original plan for 2021-22 to remove planned reviews of:

- Performance management Framework & Reporting
- Project Management – M365
- Housing Rent Administration & Collection
- Financial Planning

The tables below provide details of the work from 2020-21 that was finalised in 2021-22, the progress of work undertaken as part of the 2021-22 annual plan and the results of investigative work completed.



2020-21 Internal Audit Assurance Work Finalised in 2021-22 (items in italics detailed in previous update reports)

Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & actions agreed
6	Cyber security	15	14.8	Final report issued	<p>The review considered the following Risk Management Objective:  <b>RMO1 - There are arrangements in place to protect the council network.</b>                      The review found that the council is broadly compliant with the National Cyber Security Council's 10 Steps to Cyber Security, with appropriate cyber security prevention and detection arrangements in place, though there is a need for adjustment to some arrangements as a result of changes brought about by the COVID-19 pandemic. There are appropriate policies and training in place, though enhancements are required to arrangements for access and monitoring staff completion. <b>Opinion: Amber.</b>  <b>Overall Opinion: Amber. Actions: Three high and four medium priority.</b>  <b>Actions relate to adjustment to arrangements as a result of changes brought about by the COVID-19 pandemic and enhancements to arrangements for access and monitoring staff completion of training /policies.</b></p>
14	Corporate debt recovery	15	18.6	Final report issued	<p>The review considered the following Risk Management Objective:  <b>RMO1 - Arrangements are in place to identify and recover corporate debts to maximise debt collection and prevent reputational damage.</b>                      The review found that the council has an approved Corporate Debt Strategy in place containing an agreed criteria for identifying corporate debts and a process map outlining the matching/recovery process undertaken through use of data matching software. While the data matching software identifies the debt owed by an individual, checks of individual systems are still required to ensure the prioritisation criteria outlined in the strategy is applied correctly.                      Once a corporate debt has been established, the process involves liaison with the customer to assess their situation, determine what support can be provided and ultimately agree a payment plan with the approval of the relevant department(s). Audit testing confirmed that this process is followed in practice, though corporate debt activity was temporarily halted at the height of the COVID-19 pandemic.                      Arrangements exist for payment plans to be monitored and for payments received to be allocated in accordance with the Corporate Debt Strategy. Although in practice there are clear arrangements for returning corporate debt cases to individual departments, these arrangements are not documented within the Corporate Debt Strategy or process map.                      There is regular liaison with departmental recovery officers regarding the progress of corporate debt cases, however the review identified some inconsistency over the location and responsibility for updating records, which presents a risk that not all</p>

Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & actions agreed
					<p>recovery officers will be aware of the most recent action taken in respect of corporate debt cases.</p> <p>There are appropriate arrangements in place for Management Team to receive regular reports on the level of outstanding debt managed by the council. <b>Opinion: Amber.</b></p> <p><b>Overall Opinion: Amber. Actions: One high, one medium and one low priority. Actions relate to a review of the debt data matching process and the tools involved, including an assessment on the number of potential corporate debt cases and the resource required to manage these cases; the process to be followed should corporate debt fail to engage with customers and/or payments are stopped being documented; and, reviewing the process for updating customer records on relevant systems following corporate debt action to ensure all officers have up to date information on the status of corporate debt cases.</b></p>
19	Traded services - Rosherville Ltd	15	22	Final report issued	<p>The review considered the following Risk Management Objective:</p> <p><b>RMO1 - Gravesham Borough Council have governance and accounting arrangements in place to monitor delivery of Rosherville Limited and its subsidiaries.</b></p> <p>The review confirmed that the formation of Rosherville and its subsidiary companies have all been approved via the correct governance processes; as have the governance arrangements, Board Membership, Article of Association (AOA), formation of a shareholder group, and business plans for each company. It was noted that there are no Non-Executive Directors as part of the LATCo Board. Roles and responsibility training was provided to council Members; however, a review of attendees found that not all Directors had received the training.</p> <p>There is a Shareholder's Agreement in place setting out the rights of the council as sole shareholder; along with signed SLAs for support services provided by the council. An annual review of the SLA has been conducted in accordance with the terms in the agreement.</p> <p>Appropriate arrangements are in place for Rosherville Ltd and its subsidiaries to be invoiced on a quarterly basis for support services provided by the council and evidence was seen to confirm this is working in practice.</p> <p>Budgets for Rosherville have been appropriately approved and authority delegated to the Director (Corporate Services) to operationally manage release of funding.</p> <p>Arrangements are also in place for payments to be appropriately authorised and processed and a review of the payments made at time of audit found all to have been processed correctly.</p>

Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & actions agreed
					<p><i>It was noted there is currently no framework to provide update reports to the shareholder, outside of the annual business plans received by Cabinet. <b>Opinion: Amber.</b></i></p> <p><b>Overall Opinion: Amber. Actions: One high and two medium priority. Actions relate to consideration of the Rosherville Ltd board including the Non-Executive Directors, training for additional staff on roles and responsibilities, and performance reporting from Rosherville to the Shareholder Board.</b></p>

2021-22 Internal Audit Assurance work (items in italics detailed in previous update reports)

Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & actions agreed
<b>Core governance and financial systems assurance work</b>					
1	<i>Governance framework</i>	8	8.9	<i>Final report issued</i>	<p><i>The review considered the following Risk Management Objective:</i></p> <p><b><i>RMO1 - An effective Governance Framework is in place.</i></b></p> <p><i>The review found that while a 2019-23 Code of Governance is in place, which underpins the council's objectives and ensures compliance with the CIPFA / SOLACE Delivering Good Governance Framework, there is a need for several policies, strategies and plans identified as governance mechanisms to be updated. There are arrangements in place for an Annual Governance Statement to be compiled each year, alongside a review of the council's governance arrangements. As part of this review, assurance of the effective operation of the council's governance arrangements is sought from a number of sources, including Assurance Statements, External Audit / inspection reports and the Opinion of the Chief Audit Executive. An opportunity was identified to enhance the evidence requirements within the Assurance Statements. Arrangements exist for officers with key governance responsibilities to contribute to preparation of the AGS and for the AGS to be presented to Management Team and approved by the Finance &amp; Audit Committee. There was evidence available that this process was followed in relation to the 2020-21 AGS. <b>Opinion: Green.</b></i></p> <p><b><i>Overall Opinion: Green. Actions: Three medium and one low priority. Actions relate to the ensuring that documents identified as governance mechanisms are kept up to date and regularly checked to ensure this remains the case; including tables of amendments in policies, reviewing processes for ensuring business plans are completed in full and signed off prior to the start of the year to which they</i></b></p>



Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & actions agreed
					<b>relate; and, strengthening evidence requirements in the assurance statements which contribute to the AGS.</b>
2	Constitution maintenance	12	13.2	Final report issued	<p>The review considered the following Risk Management Objective:  <b>RMO1 - Effective arrangements are in place to maintain Gravesham Borough Council's Constitution.</b></p> <p>The review found that an appropriate Constitution is in place for Gravesham Borough Council, which is in line with the requirements of the Local Government Act 2000, as amended. Copies of the Constitution are available online and can be made available in print, where requested. The appointment of an Interim Monitoring Officer, to temporarily replace the outgoing Monitoring Officer was agreed on 23 February 2021 by full Council, though the secondment agreement necessary for this role to be carried by a Medway Council employee within the Legal Services Shared Service was completed retrospectively during the review. Appointment of a new Monitoring Officer was considered by full Council on 05 October 2021, with it agreed that Medway Council's newly appointed Monitoring Officer be appointed as Gravesham Borough Council's Monitoring Officer also, continuing the previous arrangement. Appropriate responsibilities have been identified to ensure that the Constitution is maintained and are set out within Articles 1.5 and 15.3 of the Constitution; an amendment was identified to clarify the identity of the 'Proper Officer' in the context of making minor amendments to the Constitution. Procedures are in place to regularly review the Constitution and there is an appropriate process for proposing changes, including consultation with relevant officers and Members, and approval in line with the requirements of the Constitution. Audit testing confirmed that this process is followed in practice, though it was noted that the documents forming part of the Constitution would benefit from either a review date or a table of amendments being included. <b>Opinion: Amber.</b></p> <p><b>Overall Opinion: Amber. Actions: One high and one medium priority. Actions relate to a secondment agreement for the new Monitoring Officer being put in place and measures being put into place to ensure that the documents that make up the Constitution are noted as to when they were updated, or that a table of amendments is included.</b></p>
3	Risk management compliance	10	10	Final report issued	<p>The review considered the following Risk Management Objective:  <b>RMO1 - There are arrangements in place to manage operational risks.</b></p> <p>The review found that the council's Risk Management Strategy 2021-22 was presented to Cabinet in March 2021 and sets out the council's risk management processes, including responsibility for operational risk management. Audit testing confirmed that managers are aware of the Strategy.</p>

Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & actions agreed
					<p>Arrangements exist for operational risks to be identified, assessed, and recorded in Service Risk Registers as part of the annual business planning process. Due to the COVID-19 pandemic, the business planning process for 2021-22 was postponed but there is an action within the council's 2020-21 Annual Governance Statement for this to be reinstated. Due to the postponement of the business planning process, audit testing focused on a review of 2020-21 Service Risk Registers and identified some inconsistencies in the level of detail recorded within the template, which is designed to ensure compliance with the risk management process.</p> <p>Risk management training was delivered by Zurich Municipal in December 2017, and further training is scheduled for October 2021. It was noted that there are managers involved in the business planning process who will not have completed either session. Although Business Plans and therefore Service Risk Registers are considered live documents and can be reviewed at any time, there is no formal or documented process currently in place for registers to be reviewed in the 15 months between preparation / submission and the end of the year to which the register relates. There are arrangements in place for a compliance check and "sweep" and filter of all Service Risk Registers to be undertaken, to identify all high scoring risks, which are then shared with Financial Services for awareness when completing the corporate risk management process. Risks that are considered to be operational should be maintained within the Service Risk Register and managed at a service level. <b>Opinion: Amber.</b></p> <p><b>Overall Opinion: Amber. Actions: One high and two medium priority. Actions relate to reviewing the processes in place for assessing and recording operational risks; reviewing the arrangements in place for providing consistent risk management training to staff; and, reviewing the arrangements in place for reviewing Service Risk Registers.</b></p>
4	Performance management framework & reporting	15	N/A	Removed from plan	Removal from Plan agreed at the September 2021 Meeting.
5	Bank reconciliation	10	9.7	Final Report Issued	<p>The review considered the following Risk Management Objective:  <b>RMO1 - Bank reconciliations are carried out accurately and on a timely basis.</b></p> <p>The review found that access to banking systems is appropriately restricted and there are appropriate bank signatories in place. Access to banking records on the council's network drive is also restricted but individual access is to be reviewed. There are procedure notes in place supporting the bank reconciliation process, however they could be more comprehensive to ensure continuity of the process should staffing</p>

Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & actions agreed
					<p>change. There is appropriate segregation of duties within the bank reconciliation function, with the officer responsible for the reconciliation having no approval rights for the bank accounts and restricted access to the council's financial systems. There are regular and timely reconciliations of the council's income and expenditure between the bank accounts and general ledger and these reconciliations are reviewed regularly by a senior officer. Audit testing confirmed that reconciliations are carried out and reviewed in a timely manner. Processes are in place for all discrepancies to be investigated and promptly resolved, with any ongoing issues discussed at monthly meetings. <b>Opinion: Green.</b></p> <p><b>Overall Opinion: Green. Actions: One low priority.</b></p> <p><b>Action relates to more comprehensive bank reconciliation procedure notes.</b></p>
6	Project management - M365	15	N/A	Removed from plan	Removal agreed by Committee November 2021.
7	Income collection	15		Fieldwork complete, in quality control	The review considered the following Risk Management Objective: <b>RMO1 - Arrangements are in place for the processing and accounting of income paid by Direct Debit.</b>
8	Housing benefit & CTR appeals	15	13.4	Final report issued	<p>The review considered the following Risk Management Objective: <b>RMO1 – Arrangements are in place to appropriately process HB and CTR appeals.</b></p> <p>The review found that arrangements are in place to notify claimants and other persons affected of their right to request an explanation, request a reconsideration, or make an appeal against their HB and/or CTR decision, via an information sheet provided with the decision notice. Information is also available to the public regarding appeals on the council's website.</p> <p>Administration of HB and CTR reconsiderations and appeals is undertaken in accordance with relevant legislation, and there are arrangements in place to record and monitor all reconsiderations and appeals received. There are no set timescales for the processing of reconsiderations and appeals, however local targets have been set and there is evidence that these are being met. Audit testing confirmed that reconsiderations are considered by an independent officer and claimants are notified of the decision reached, including their right to appeal if the decision has not been changed. Audit testing also confirmed that HB appeals are processed correctly to the Tribunal Service by an independent appeals officer. CTR appeals are made directly to the Valuation Office by the claimant. A written decision for all appeals is provided by the Tribunal Service or Valuation Office, with a copy of the letter sent to the appellant and all involved parties. <b>Opinion: Green.</b></p>

Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & actions agreed
					<b>Overall Opinion: Green. Actions: None.</b>
9	Council Tax discounts, disregards & exemptions	10	10.6	Final Report Issued	<p>The review considered the following Risk Management Objective:  <b>RMO1 - Arrangements are in place to appropriately administer Council Tax discounts, disregards, and exemptions.</b></p> <p>The review found that the Council Tax DDEs available to taxpayers are set out in legislation; comparison of a sample of DDEs applied to accounts against the relevant legislation found them all to have been appropriately determined. There are procedure notes available to support the administration of Council Tax DDEs, however it was found there are a number of documents with various review dates. There is information regarding Council Tax DDEs available on the council's website. Council Tax enquiries can be made using the relevant phone number and email address. Some applications for DDEs can be made via the Council Tax account service, and some forms are also available online; the remainder are available as paper forms which can be requested. Further audit testing on the sample of DDEs applied to accounts found that the majority were supported by appropriate applications and documentation, with just minor isolated omissions. It was however identified that application forms are not required for all DDEs which could lead to the incorrect DDE being applied and make any fraudulent intent harder to prove. Audit testing confirmed the DDEs reviewed had been applied correctly and within reasonable timescales bearing in mind the COVID-19 pandemic. When DDEs are applied, review dates can be added, we were advised that reviews are carried out and some evidence of this was seen, however there is not currently a set documented schedule for these reviews. There are arrangements in place for DDEs to be removed and any debt to be recovered if it is found the taxpayer is no longer eligible. Arrangements are in place for a penalty to be considered and applied when necessary. <b>Opinion: Amber.</b></p> <p><b>Overall Opinion: Amber. Actions: One high, one medium and one low priority. Actions relate to a review of the procedure notes/guidance for the administration of Council Tax DDEs; a review of applications (including online and paper forms), ensuring that appropriate applications are accompanied by a signed application form; and, a review of the arrangements in place to review Council Tax DDEs to ensure that they remain valid, with these reviews documented.</b></p>
10	Housing rent administration and collection	15	N/A	Removed from plan	Removal from Plan agreed at the November 2021 Meeting.
11	VAT	10	4.3	Final report issued	<p>The review considered the following Risk Management Objective:  <b>RMO1 - Effective arrangements are in place to manage the council's VAT matters.</b></p>

Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & actions agreed
					<p>The review found officers dealing with VAT have received sufficient guidance / training to do so effectively. The Corporate Fair Debt policy had been updated to enhance write-on procedures to ensure payments on bad debts have VAT properly handled, however this policy has since been superseded by the Corporate Debt strategy, which is more strategic in nature. While no specific comments are made regarding VAT within the Strategy, it is acknowledged that this scenario is relatively rare and would be dealt with when needed.</p> <p>Procedures are in place for a digital tax return to be submitted to HMRC, with the majority of information pulled directly from the Civica Financial Management System. Parallel running was undertaken on implementation of the system and returns are still checked manually to ensure they are correct before the final submission is made to HMRC. No issues have been identified to date. Procedures are in place to ensure appropriate VAT is reclaimed from HMRC and this is fully accounted for, with a reconciliation undertaken. <b>Opinion: Green.</b></p> <p><b>Overall Opinion: Green. Actions: None.</b></p>
12	Financial planning	10	N/A	Removed from plan	Removal from Plan agreed at the February 2022 Meeting.
<b>Corporate risks assurance work</b>					
13	Planning applications (inc validations and decisions)	15		Fieldwork complete, in quality control	The review considered the following Risk Management Objective: <b>RMO1 - Arrangements exist for planning applications to be administered and managed in line with legislation and council policy.</b>
14	Business continuity planning	15		Fieldwork complete, in quality control	The review considered the following Risk Management Objective: <b>RMO1 - Arrangements are in place to ensure the council is undertaking its responsibilities in relation to Business Continuity as required by the Civil Contingencies Act 2004.</b>
15	Garden waste collection service	10	9.9	Final report Issued	<p>The review considered the following Risk Management Objective: <b>RMO1 - There are arrangements in place to manage the council's garden waste collection service.</b></p> <p>The review found that the council's garden waste collection service is appropriately advertised, and the fees and charges are reviewed annually. Customers can arrange sign up to the garden waste bin collection service online or via customer services; eligibility is established, and payment is taken at the point of application.</p> <p>There are appropriate arrangements in place to ensure the information entered at the time of application is correctly transposed onto the Collective waste management system. Arrangements are also in place to deliver bins, ensure new customers are</p>

Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & actions agreed
					<p><i>correctly added to the collection schedules and to advise customers of their collection dates. Audit testing confirmed these arrangements to be working in practice. Procedures are in place to facilitate renewal of subscriptions and renewal reminders are sent. Customers that have cancelled the service or do not renew are appropriately removed from collection schedules and arrangements made to collect their bin. However, at the time of audit there were 869 subscriptions that had not been renewed and the garden waste bin had not been returned. Arrangements exist for customers to purchase garden waste sacks and there are arrangements in place to collect payment and to manage control stock. Take-up of the garden waste collection service is monitored via a management indicator; income received is monitored through the council's budget monitoring procedures and there are also regular reports to the Operational Services Cabinet Committee. <b>Opinion: Green.</b></i></p> <p><b>Overall Opinion: Green. Actions: One low priority. Recommendation relates to arrangements being made for a review of the procedures to collect garden waste bins from customers where necessary.</b></p>
16	Temporary accommodation	15	17	Final Report Issued	<p><i>The review considered the following Risk Management Objective:</i></p> <p><b>RMO1 - The provision of temporary accommodation (TA) outside of the area is appropriately managed.</b></p> <p><i>The review found that Section 208 of the Housing Act 1996 provides that accommodation, so far as is reasonably practicable, shall be in the local authority's district. However, there are occasions where this is not possible, and TA must be provided outside of the district. There are a number of points set out in homelessness legislation that should be taken into account in determining whether accommodation is suitable for homeless applicants, including those placed out of the area. This along with other guidance and best practice was reviewed and compared to the council's processes, which identified some control weaknesses, including the lack of agreed policies / procedures. It was also identified that costs associated with provision of temporary accommodation outside of the council's housing stock are not being effectively recovered. We were advised at the outset of the audit that the newly appointed Service Manager had already determined the need for changes to the structure of the Housing Options team and also recognised there may be some control weaknesses that are yet to be addressed. A full service review took place in 2021 and Management Team approved a restructure which commenced in June 2021 and was implemented from October 2021. This saw introduction of a specific Temporary Accommodation Officer role, reporting to a Homelessness &amp; Allocations Team Manager and in turn a Housing Options Manager. These roles have now been</i></p>

Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & actions agreed
					<p>recruited and we were advised that the new structure will allow for the actions identified in this report to be addressed. <b>Opinion: Red.</b></p> <p><b>Overall Opinion: Red. Actions: Eight high and one medium priority.</b></p> <p><b>Actions relate to the Temporary Accommodation Out of Area Placement policy (or an equivalent policy) being agreed and reviewed/signed off regularly; up-to-date workflows/procedures for managing temporary accommodation being put in place; procedures being reviewed to ensure compliance with the Homelessness Code of Guidance for local authorities can be demonstrated relating to the standard / suitability of accommodation for out of area placements; and arrangements being in put in place to ensure that costs are recovered for all temporary accommodation placements outside of the council's housing stock.</b></p>
17	Leaseholder management	10	12.2	Final report issued	<p>The review considered the following Risk Management Objective:</p> <p><b>RMO1 - There are arrangements are in place for the administration of leaseholder service charges.</b></p> <p>The review found leaseholder service charges are administered in line with legislation and a summary of this legislation is available in the Leaseholders' Handbook, though the handbook requires updating. Responsibility for administering leaseholder service charges has been allocated, with procedure guides in place, though it would be beneficial for these to be more detailed to enhance resilience. Arrangements exist for leaseholder service charges to be set when properties are sold or transferred, with the charges and terms set out in the lease. Records are held of all council leaseholders, though due to the volume of information, this is currently stored across several spreadsheets and work is planned to create a database to compress the information. Leaseholder service charges are set in line with the financial year April – March, with interim service charges calculated in February of each year, for the forthcoming financial year, and quarterly invoices raised for each leaseholder based on these amounts. There is not currently any documented guidance or a policy in place setting out how interim service charges are calculated.</p> <p>In September of each year, arrangements exist for the actual costs for the previous financial year to be provided by the relevant services and apportioned to individual leaseholder properties, before being used to prepare Certificates of Service Charges for each leaseholder, detailing the actual cost of services provided, less the interim service charges for that year, to give either the balance due to the council, or the refund due to the leaseholder. If a balance is due, an invoice is raised and if a refund is due, this is issued to the leaseholder. Audit testing confirmed that Certificates of Service Charges are prepared accurately. Arrangements exist for service charge disputes to be investigated. There are arrangements in place for leaseholder debt to</p>

Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & actions agreed
					<p><i>be regularly monitored and for debt to be recovered in line with a debt recovery flowchart, which testing confirmed is followed in practice. Leaseholders have a right to request a summary of how their service charges have been calculated and to inspect the council's accounts supporting the summary. A management audit can also be requested. As far as officers are aware, such a request has not been received and therefore the council's preparedness for this has not been tested. <b>Opinion: Amber.</b></i></p> <p><b>Overall Opinion: Amber. Actions: One high and three medium priority. Actions relate to the Leaseholders' Handbook being updated, procedure notes being reviewed, the arrangements in place to calculate interim service charges being reviewed, and reviewing the arrangements in place to respond to requests to view the accounts which can be made available for the inspection of leaseholders.</b></p>
18	Housing allocations	15		Fieldwork complete, in quality control	<p>The review considered the following Risk Management Objective:  <b>RMO1 - Arrangements are in place to manage housing allocations for social housing.</b></p>
19	HRA building compliance	15	17.5	Final Report Issued	<p>The review will consider the following Risk Management Objective:  <b>RMO1 - The council has arrangements in place to ensure the required safety checks are carried out on HRA properties so that the council meets its duties as a landlord.</b></p> <p>The review found the council is aware of the safety checks it is required to undertake in accordance with current regulations and legislation. Arrangements, including the necessary budget, have been put in place to undertake safety checks. Service providers engaged to undertake safety checks have been secured following the correct procurement processes. Roles and responsibilities between the council and service providers have been clearly identified. Performance targets have been clearly defined and cover all key areas of the contracts. Performance targets are monitored and reviewed and include regular reporting to management. Procedures are in place to report, escalate and resolve any problems. Budget monitoring is undertaken on a regular basis. The council holds or has access to appropriate records in relation to the checks carried out on its properties and these records contain all information as prescribed by current regulations or legislation. Data is held or shared in accordance with the Data Protection Act or the General Data Protection Regulations. <b>Opinion: Green.</b></p> <p><b>RMO2 - The council has arrangements in place to respond to new legislation or changes to current legislation.</b></p> <p>The review found there is a process in place to review all government publications for upcoming changes to the duties of local authority landlords. Relevant changes are identified, and reviews and risks are discussed at senior levels to assess the impact</p>



Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & actions agreed
					they may have on the council. All existing safety work being carried is measured against any newly identified requirements. <b>Opinion: Green.</b> <b>Overall Opinion: Green. Actions: None.</b>
20	Council housing disabled adaptations	15		Fieldwork complete, in quality control	The review will consider the following Risk Management Objective: <b>RMO1 - There are arrangements in place to appropriately manage disabled adaptations to council properties.</b>
21	GDPR	15		Final Report Issued	The review considered the following Risk Management Objective: <b>RMO1 - An action plan exists to ensure compliance with GDPR across the council.</b> The review found that at the time the audit fieldwork was undertaken, a draft action plan had been created to support the development and maintenance of GDPR compliant practices within services. Alongside this, work was underway to introduce a methodology to help assess each service's compliance with GDPR and produce a series of service level action plans. Significant resourcing issues have however meant that recent attention has had to be focused on core activities. As a result, although the action plan has been agreed in principle, it has yet to be finalised, with responsible officers and implementation dates allocated for delivery of the plan. It is understood that once finalised, the plan will be monitored via one-to-one meetings and the Information Governance Strategy Group. <b>Opinion: Amber.</b> <b>RMO2 - Arrangements are in place for the reporting and monitoring of data incidents.</b> The review found that there is a suite of policies intended to provide the principles by which the council's information governance arrangements will be directed, though there is a need for these to be re-shared with staff. Staff training is appropriately referenced in these policies, and there are plans for Data Protection refresher training to be rolled out to all staff, however this is not intended to cover detailed arrangements for reporting and handling data incidents, nor has training specifically relating to this subject been provided to staff previously. The Data Breach Policy is comprehensive and includes sections setting out the steps an officer or other person concerned should take if a data incident has occurred or may occur. A flowchart is also provided which sets out the action that should be taken to report and investigate incidents within one hour, four hours, 12 hours, 48 hours, 72 hours, and eight weeks. Arrangements exist for Data Incident Notification forms to be completed and forwarded to the Information Governance team in order for data incidents to be logged; audit testing confirmed that forms are being completed but not always in accordance with the required timescales. The Data Breach Policy is clear on the requirement for a Breach Owner to be nominated and a Data Breach Team compiled to assess the seriousness of and investigate incidents, including liaising with relevant

Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & actions agreed
					<p>officers in relation to whether the Information Commissioner's Office should be notified of the incidents. Processes for recording the outcome of investigations are however currently unclear and it was difficult to establish if the agreed process had been followed, beyond submission of the Data Incident Notification form, for the sample reviewed. There are arrangements set out in the Data Breach Policy for incidents to be assessed for lessons learned and all incidents are classified and discussed at Information Governance Strategy Group meetings. There is not currently a formal stage built into the data incident handling process to follow-up on incidents and the action that has been taken, though this is identified as an action within the GDPR action plan discussed above. <b>Opinion: Amber.</b></p> <p><b>Overall Opinion: Amber. Actions: Four high and one medium priority. Actions relate to the GDPR action plan being finalised; the most up to date versions of the Information Governance policies being shared with staff; planned training to be reviewed to consider the need for specific training on data incident handling; and, a review of the forms and processes in place to capture data incidents, to ensure a complete record is available of the incident and action taken.</b></p>
22	Corporate complaints	15		Fieldwork complete, in quality control	<p>The review considered the following Risk Management Objective: <b>RMO1 - Arrangements are in place for the handling and processing of corporate complaints.</b></p>
23	Waste & Recycling Collection Service	15		Final Report Issued	<p>The review will consider the following Risk Management Objective: <b>RMO1 - There are arrangements in place to manage the council's domestic waste &amp; recycling collection service.</b></p>
24	Accessibility Regulations	15	15.1	Final Report Issued	<p>The review will consider the following Risk Management Objective: <b>RMO1 - There are arrangements in place to ensure compliance with the Public Sector Bodies (Websites and Mobile Applications) (No. 2) Accessibility Regulations 2018.</b></p> <p>The review found that appropriate arrangements have been put in place to check for and fix accessibility issues on the council's main website, gravesham.gov.uk; an accessibility statement which is reviewed and updated regularly is also in place. The Central Digital and Data Office (CDDO) has been monitoring a sample of public sector websites including the council's main website, checking this against the WCAG 2.1 AA standards. Following the check in August 2021 the council was advised that based on the testing, the site was partially compliant with WCAG 2.1 AA. The council was given 12 weeks to review the issues and report back on the actions taken, which was completed in November 2021. At the time of audit, the Silktide App used to monitor accessibility of the council's main website indicated an accessibility score ranked as 'excellent', which had consistently been the case for some time. There are</p>

Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & actions agreed
					<p>arrangements in place to ensure that new content added to the council's main website meets the Accessibility Regulations and training and additional software for staff is planned to assist with ensuring content is accessible at the point of creation. Although the above arrangements are in place for the council's main website, there are several other council-linked websites which do not currently have an accessibility statement, nor are there arrangements to check and fix accessibility problems in accordance with the Accessibility Regulations and CDDO guidance. The staff intranet also requires an accessibility statement. <b>Opinion: Amber.</b></p> <p><b>Overall Opinion: Amber. Actions: One medium and two low priority. Actions relate to reviewing and updating a web accessibility action plan, investigating / agreeing arrangements for websites other than the main council website to be made compliant with the Accessibility Regulations and publishing an accessibility statement on the council's intranet to explain that it is currently exempt from the regulations.</b></p>
25	<i>Finalisation of 2020-21 planned work</i>	20	19.9	Complete	<i>All reviews from 2020-21 have been finalised and outcomes reported to the Committee.</i>
26	<i>Responsive assurance work</i>	13	2.6	Complete	<i>Please refer to the table below for information relating to responsive assurance activity.</i>

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

Activity	Opinion, summary of findings & actions agreed
<i>Election Result Calculations</i>	<i>The team carried out detailed checks to ensure the accuracy of spreadsheets used to verify the ballots issued and calculate the results of the County &amp; PCC elections as well as the Local Bi-Election held in May.</i>
<i>Business Restart Grant Validation</i>	<i>Independent validation to confirm that Business Restart Grant funding had been spent in accordance with the conditions set by the Department for Business, Energy &amp; Industrial Strategy (BEIS)</i>

#### 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>
<i>Right to Buy</i>	<i>A review of the Right to Buy application process has commenced, with a view to confirming that there are arrangements to ensure compliance with the General Data Protection Regulations.</i>

Client service area	Services provided
Rosherville	A review of the processes for splitting costs between the council and Rosherville Servicing Ltd has commenced, with a view to confirming that accounting arrangements are accurate.

## Counter Fraud Activity

Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & actions agreed
	Counter fraud proactive work (inc external data matching such as NFI & KIN)	42	72.2	Active	A significant amount of resource has been dedicated to the review of data matches received from both the 2019-20 and 2020-21 NFI exercises, many of which led to investigations, the results of which are detailed in the table for 'Reactive Investigations work: external investigations'. Full details relating specifically to the results of the NFI Exercise will be included in the NFI annual report. Potential discrepancies highlighted by the activity of the Kent Intelligence Network (KIN) have also resulted in investigations that have identified commercial premises not included in the ratings list, which have resulted in new business rate liabilities.
	Fraud awareness	5	0	N/A	Due to staff shortages, there has been no fraud awareness training during the year.

## 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	2	15	Three cases resulted in creation of new NNDR liability. 12 cases concluded with no evidence of fraud.	£24,458.11	N/A	N/A
Business Grants	4	12	One cases resulted in recovery of an incorrectly paid grant. 11 cases concluded with no evidence of fraud.	£10,000	N/A	N/A
Council Tax	16	261	135 cases were concluded with changes to the council tax discount/exemption, 22 of which also resulted in the issue of a civil penalty. 127 cases were concluded with no evidence of fraud.	£145,096.20 (Historic Liability) £67,062.30 (Additional liability for future years) £1,610 (Civil Penalties)	N/A	N/A

Area	Number of referrals rejected	Number of investigations concluded	Summary of results	Cashable Savings	Non-cashable Savings	Prevented Losses
CTRS	10	24	Nine cases resulted in corrections to the council tax reduction award, one of which also resulted in a civil penalty. 12 cases were concluded with no evidence of fraud.	£16,508.34 (Historic Liability) £8,697.90 (Additional liability for future years) £70 (Civil Penalty) £2,913.65 (HB Overpayments)	N/A	N/A
Housing Allocations	3	0	Three referrals rejected as insufficient information to justify investigation.	N/A	N/A	N/A
Right to Buy	1	1	One case concluded with no evidence of fraud.	N/A	N/A	N/A
Tenancy	3	8	Two cases resulted in the recovery of a council property. One case resulted in changes to the council tax discount, leading to the issue of a civil penalty. Five cases concluded with no evidence of fraud	£1,033.24 (Historic Liability) £321.79 (Additional liability for future years)	N/A	N/A

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

Allegation	Investigation activity & actions
	Three cases concluded with no case to answer

## 6. 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 2021-22 was agreed by Gravesham's Finance & Audit Committee in March 2021.

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. Performance targets have been set for 12 of the 24 indicators and outturns presented are those as of 31 March 2022.

Ref	Indicator	Target	Outturn for report period
<b>Non LA Specific Performance Measurements</b>			
A&CF1	Cost of the Audit & Counter Fraud Service Total Cost LA Share	N/A	£546,759 (Budgeted cost £600,574) £198,398 (Budgeted cost £209,667)
A&CF2	Cost per A&CF day	£400	£326
A&CF3	Proportion of staff with relevant professional qualification: Relevant audit qualification Relevant counter fraud qualification	75%	21% 36%
A&CF4	Proportion of non-qualified staff undertaking professional qualification training	25%	28%
A&CF5	Time spent on CPD/non-professional qualification training, learning & development	70 days	83 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 during the covid pandemic and a number of periods of staff vacancy.
A&CF7	Staff turnover	N/A	N/A
<b>LA Specific Performance Measurements</b>			
A&CF8	Average cost per assurance review	£5,000	£4,274
A&CF9	Proportion of available resources spent on chargeable work	85%	84%
A&CF10	Proportion of chargeable time spent on: assurance work consultancy work	N/A	58% 1%
A&CF11	Proportion of chargeable time spent on:	N/A	

Ref	Indicator	Target	Outturn for report period
	proactive counter fraud work reactive counter fraud work		14% 27%
A&CF12	Proportion of productive time spent on SPOC associated duties	N/A	29 days
A&CF13	Proportion of agreed assurance assignments: Delivered Underway	95%	90% 10%
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%	10%
A&CF15	Proportion of actions agreed by client management	90%	100%
A&CF16	Number of actions agreed that are: Not yet due Implemented Outstanding	N/A	14 44 19
A&CF17	Proportion of agreed actions implemented by agreed date	N/A	70%
A&CF18	Number of referrals received	N/A	297
A&CF19	Number of investigations closed	N/A	325
A&CF20	Value of fraud losses identified, by fraud type: Cashable (losses that can be recovered) Non-cashable (notional savings based on national estimates) Prevented losses (savings associated with blocked applications)	N/A	£287,843 £186,000 £0
A&CF21	Customer satisfaction with individual review/assignment	95%	100% Four responses received in relation to separate reviews, three scoring ten out of ten and one scoring eight out of ten.
A&CF22	Customer satisfaction with overall service	95%	90% The annual survey asked those who had received services from internal audit in the last two years to rate their satisfaction on a scale of one to ten. Scores of 8 or higher are considered to be positive satisfaction. 14 people responded to the annual survey, ten of which had received services from internal audit in the last two years, and nine respondents scored eight or higher.
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 and

Ref	Indicator	Target	Outturn for report period
			have raised no issues with the Head of Internal Audit & Counter Fraud.



## 7. Follow up of agreed actions

Where the work of the Internal Audit team finds opportunities to strengthen the council's risk management, governance and/or control arrangements, the team make and agree actions 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 steps taken towards implementing all agreed actions due on a monthly basis and are also asked to supply evidence to confirm that High priority actions have been implemented, which is verified by the Internal Audit Team.

The first of the two tables below sets out the position of all agreed actions which have formed part of the follow-up process during the 2021-22 financial year. **There are two requests for changes to actions previously agreed;**

The second table details agreed actions that were more than six months over their planned implementation date as at 31 March 2022 (this includes any that have not been implemented by their revised implementation dates); along with an update from the relevant Service Manager/Assistant Director/Director.

## Status of Agreed Actions (as of 31 March 2022)

Audit & Counter Fraud Review title	Overall opinion and number of actions of each priority agreed with management	Proportion of actions due for implementation where a positive management response has been received
Use of Enforcement Services	<p>Opinion: <b>Amber</b></p> <p>Three actions agreed: one high, one medium and one low priority. Actions 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>	<p>Three actions due, two implemented.</p> <p>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.</p>
Business Continuity – IT Backup Arrangements	<p>Opinion: <b>Amber</b></p> <p>Two high priority actions agreed. Actions 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.</p>	<p>Two actions due, two implemented.</p>
Tenancy Enforcement	<p>Opinion: <b>Amber</b></p> <p>Three high priority actions agreed. Actions 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.</p>	<p>Three actions due, three implemented.</p>
Unauthorised Encampments	<p>Opinion: <b>Amber</b></p> <p>Two medium priority actions agreed. Actions relate to the provision of diversity-based training to officers and implementing procedures to archive/delete data they no longer require.</p>	<p>Two actions due, two implemented.</p>
Fraud Focused Review of Flexi, TOIL & Overtime	<p>Opinion: <b>Amber</b></p> <p>Four high priority actions agreed. Actions 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 actions due, four implemented.</p>

Audit & Counter Fraud Review title	Overall opinion and number of actions of each priority agreed with management	Proportion of actions due for implementation where a positive management response has been received
Apprenticeship Scheme	<p>Opinion: <b>Amber</b></p> <p>Five actions agreed: two high, two medium and one low priority.</p> <p>Actions 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 actions due, two implemented.</p> <p>One 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; and the Apprenticeship Policy being reviewed and updated.</p>
Payroll Establishment, Payments & Deductions	<p>Opinion: <b>Green</b></p> <p>Two medium priority actions agreed.</p> <p>Actions 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.</p>	<p>Two actions due, two implemented.</p>
Fraud Focused Review of Lone Workers	<p>Opinion: <b>Amber</b></p> <p>Six actions agreed: Four high and two medium priority.</p> <p>Actions 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>	<p>Six actions due, three implemented.</p> <p>Two high and one medium priority outstanding relating to reviewing and updating the procedures linked to the lone working policy; managers being reminded of their responsibilities for contacting officers working away from the office; and managers undertaking regular quality control checks of visits.</p>
Fraud Focused Review of Staff Leave Booking	<p>Opinion: <b>Amber.</b></p> <p>Three recommendations agreed: One high and two medium priority.</p> <p>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>	<p>Three actions due, three implemented.</p>
Member Standards	<p>Opinion: <b>Amber.</b></p> <p>Three actions agreed: Two medium and one low priority.</p> <p>Actions relate to the Member training requirements included in the Constitution being reviewed for consistency, arrangements being put in place to maintain a</p>	<p>Three actions due, two implemented.</p> <p>One medium priority outstanding relating to Member training requirements included in the Constitution being reviewed for consistency</p>

Audit & Counter Fraud Review title	Overall opinion and number of actions of each priority agreed with management	Proportion of actions due for implementation where a positive management response has been received
	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.	
Capital Accounting (HRA)	Opinion: <b>Green</b> . One low priority recommendation agreed. Recommendation relates to arrangements for documenting the approval and evaluation of CP1 forms being reviewed.	One action due, one implemented.
Shared Services	Opinion: <b>Amber</b> . One high priority action agreed. Action relates to a review of all Shared Service Agreements.	One action due, none implemented. One high priority outstanding relating to a review of all Shared Service Agreements.
IT Asset Management	Opinion: <b>Red</b> . Five high priority recommendations agreed. Recommendations relate to arrangements being made for the IT Asset Register to be reviewed for accuracy and completeness; regular independent reviews of the IT Asset Register being carried out, including physical checks of IT assets to ensure they are still held by the intended users; ensuring there is a robust process for identifying staff leavers; ensuring IT assets are recovered when staff leave the council and that the IT Asset Register is promptly updated; an accurate record being prepared of all unallocated IT assets and regular reconciliations taking place to ensure this record is accurate and up to date, with all discrepancies investigated and reported as appropriate; and, all sales/disposals of IT assets being undertaken in accordance with the ICT Disposals Policy	Five actions due, five implemented.
Private Housing Enforcement	Opinion: <b>Red</b> . Four high and two medium priority actions agreed. Actions relate to private Housing procedures being written and tailored to ensure they reflect local priorities; the team investigating digitalisation of Private Housing enforcement processes, including making best use of the systems available and moving away from paper files, as well as reviewing arrangements to ensure the Public HMO Register is accurate; arrangements being put in place to facilitate the timely renewal of HMO licences and for enforcement action to be taken where this is not the case; arrangements being put in place to ensure the council is able to take robust private housing enforcement action; the necessary work to facilitate the introduction of Civil	Four actions due, one implemented. Three high priority outstanding relating to arrangements being put in place to facilitate the timely renewal of HMO licences and for enforcement action to be taken where this is not the case; arrangements being put in place to ensure the council is able to take robust private housing enforcement action; and the necessary work to facilitate the introduction of Civil Penalties being progressed.

Audit & Counter Fraud Review title	Overall opinion and number of actions of each priority agreed with management	Proportion of actions due for implementation where a positive management response has been received
	Penalties being progressed; and, the service exploring alternative means to hold the landlord forums and otherwise engage with landlords	
Cyber Security	Opinion: <b>Amber</b> . Seven actions agreed: three high and four medium priority. Actions relate to adjustment to arrangements as a result of changes brought about by the COVID-19 pandemic and enhancements to arrangements for access and monitoring staff completion of training /policies.	Seven actions due, seven implemented.
Corporate Debt Recovery	Opinion: <b>Amber</b> . Three actions agreed: one high, one medium and one low priority. Actions relate to a review of the debt data matching process and the tools involved, including an assessment on the number of potential corporate debt cases and the resource required to manage these cases; the process to be followed should corporate debt fail to engage with customers and/or payments are stopped being documented; and, reviewing the process for updating customer records on relevant systems following corporate debt action to ensure all officers have up to date information on the status of corporate debt cases.	Three actions due, two implemented. One high priority outstanding relating to a review of the debt data matching process and the tools involved, including an assessment on the number of potential corporate debt cases and the resource required to manage these cases.
Traded Services – Rosherville Ltd	Opinion: <b>Amber</b> . Three actions agreed: one high and two medium priority. Actions relate to consideration of the Rosherville Ltd board including the Non-Executive Directors, training for additional staff on roles and responsibilities, and performance reporting from Rosherville to the Shareholder Board.	Three actions due, two implemented. One medium priority outstanding relating to training for additional staff on roles and responsibilities.
Garden Waste Collection Service	Opinion <b>Green</b> . One low priority action agreed. Action relates to arrangements being made for a review of the procedures to collect garden waste bins from customers where necessary.	One action due, one implemented.
Constitution Maintenance	Opinion: <b>Amber</b> Two actions agreed: One high and one low priority. Actions relate to a secondment agreement for the new Monitoring Officer being put in place and measures being put into place to ensure that the documents that make up the Constitution are noted as to when they were updated, or that a table of amendments is included.	Two actions due, one implemented. One high priority outstanding relating to a secondment agreement for the new Monitoring Officer being put in place.
Governance Framework	Opinion <b>Green</b> . Four actions agreed: three medium and one low priority. Actions relate to the ensuring that documents identified as governance mechanisms are kept up to date and regularly checked to ensure this remains the case; including tables of amendments in policies, reviewing processes for	Four actions due, three implemented. One low priority outstanding relating to including tables of amendments in policies.

Audit & Counter Fraud Review title	Overall opinion and number of actions of each priority agreed with management	Proportion of actions due for implementation where a positive management response has been received
	ensuring business plans are completed in full and signed off prior to the start of the year to which they relate; and, strengthening evidence requirements in the assurance statements which contribute to the AGS.	
Leaseholder Management	Opinion: <b>Amber</b> . Four actions agreed: One high and three medium priority. Actions relate to the Leaseholders' Handbook being updated, procedure notes being reviewed, the arrangements in place to calculate interim service charges being reviewed, and reviewing the arrangements in place to respond to requests to view the accounts which can be made available for the inspection of leaseholders.	Three actions due, none implemented. One high and two medium priority outstanding relating to the Leaseholders' Handbook being updated, procedure notes being reviewed, the arrangements in place to calculate interim service charges being reviewed, and reviewing the arrangements in place to respond to requests to view the accounts which can be made available for the inspection of leaseholders.
Risk Management Compliance	Opinion: <b>Amber</b> . Three actions agreed: One high and two medium priority. Actions relate to reviewing the processes in place for assessing and recording operational risks; reviewing the arrangements in place for providing consistent risk management training to staff; and, reviewing the arrangements in place for reviewing Service Risk Registers.	Three actions due, three implemented.
Temporary Accommodation – Out of Area Placements	Opinion Red. Eight actions agreed: Seven high and one medium priority. Actions relate to the Temporary Accommodation Out of Area Placement policy (or an equivalent policy) being agreed and reviewed/signed off regularly; up-to-date workflows/procedures for managing temporary accommodation being put in place; procedures being reviewed to ensure compliance with the Homelessness Code of Guidance for local authorities can be demonstrated relating to the standard / suitability of accommodation for out of area placements; and arrangements being in put in place to ensure that costs are recovered for all temporary accommodation placements outside of the council's housing stock.	One action implemented before report finalised. No other actions due before 31 March 2022.

Actions outstanding more than six months after scheduled implementation date (as of 31 March 2022)

Directorate	Audit & Counter Fraud Review title	Recommendation	Priority	Planned Implementation Date	Management Update
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	<del>31 December 2019</del> Revised 31 March 2022	Although outstanding as of 31 March 2022, this action has now been completed.
Communities	Apprenticeship Scheme	A strategy should be produced to document the aims and objectives of the council's apprenticeship scheme and how these will be achieved.	High	<del>31 December 2020</del> Revised 31 March 2022	A Strategy has been drafted and will be presented to Management Team for approval before the end of July.
Communities	Apprenticeship Scheme	The Apprenticeship Policy should be reviewed and updated.	Medium	<del>31 December 2020</del> Revised 31 March 2022	Although outstanding as of 31 March 2022, this action has now been completed.
Communities	Fraud Focused Review of Lone Workers	The corporate 'model' procedures in the lone working policy should be reviewed and updated to incorporate frequent contact with lone workers.	High	31 August 2021 2021	Although outstanding as of 31 March 2022, this action has now been completed.
Communities	Fraud Focused Review of Lone Workers	Managers with responsibility for lone workers should be reminded of their responsibilities to make contact with officers who have not returned at scheduled times and of the need to implement procedures to make regular contact with those conducting visits to multiple premises over a period of several hours.	High	31 August 2021 2021	Although outstanding as of 31 March 2022, this action has now been completed.

Communities	Fraud Focused Review of Lone Workers	Managers should undertake regular quality control checks to ensure lone workers are performing the visits recorded and detail this action as part of performance management in 1-2-1 records	Medium	31 August 2021 2021	Although outstanding as of 31 March 2022, this action has now been completed.
Corporate Services	Corporate Debt Recovery	A review of the debt data matching process and the tools involved in this should be undertaken, including an assessment on the number of potential corporate debt cases and the resource required to implement processing of these cases.	High	31 August 2021 2021	Although outstanding as of 31 March 2022, this action has now been completed.



## 8. Update on 2022-23 Planned Internal Audit Work

Ref	Activity	Day budget	Days Used	Current status	Opinion, summary of findings & actions made
1	IT Security & Access Controls			Terms of Reference being prepared	
2	Communications Strategy			Terms of Reference being prepared	
3	NNDR Reliefs			Terms of Reference being prepared	
4	Right to Buy			Terms of Reference being prepared	
5	Procurement Compliance			Fieldwork underway	The review will consider the following risk management objective: <b>RMO1 - Processes are in place to ensure the council complies with the requirements of the Public Contracts Regulations 2015 and the council's own Contracts Procedure Rules.</b>
6	Planning Obligations			Fieldwork underway	The review will consider the following risk management objectives: <b>RMO1 - Planning obligations are appropriately used to ensure that development does not adversely impact the borough.</b> <b>RMO2 - Appropriate monitoring is undertaken of all planning obligation agreements.</b>
8	Whistleblowing			Terms of Reference being prepared	
9	Void Property Management			Fieldwork underway	The review will consider the following risk management objective: <b>RMO1 - There are appropriate arrangements for void properties to be managed.</b>
10	Food Safety Inspections (rating scheme)			Fieldwork underway	The review will consider the following risk management objective: <b>RMO1 - There are appropriate arrangements in place to manage whistleblowing.</b>

## Definitions of audit opinions

<p><b>Green</b> – 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. Actions made are considered to be opportunities to enhance existing arrangements.</p>
<p><b>Amber</b> – 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 actions have been made to improve this.</p>
<p><b>Red</b> – 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. Actions have been made to introduce new controls, improve compliance with existing controls or improve the efficiency of operations.</p>

## Recommendation Priorities

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