

Internal Audit Update

Gravesham Borough Council

For the period:

1 October – 31 December 2023

1. Introduction

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

2. Executive Summary

- 2.1 Work has continued at pace since the last update to the Committee and the following reviews have been finalised during this reporting period;
 - Discretionary Housing Payments - Opinion: **Green**
 - Code of Conduct - Opinion: **Amber**
 - Environmental Enforcement - Opinion: **Green**
 - Private Housing Enforcement - Opinion: **Green**
- 2.2 A further three reviews have had fieldwork completed and are going through the quality control process, and two have draft reports with clients for any final comments. Four reviews are currently underway and commencement of a number of others is being arranged with clients. As a consequence of this work, plan delivery as at 31 December was 45% complete, with a further 20% underway. Full details of the individual reviews can be found in section 5 of this report.
- 2.3 Follow up of agreed actions has continued and performance as of 31 December stood at 76.2%, with 32 of 42 actions due in the period having been completed. 10 remain outstanding and are being monitored in line with the agreed follow up process. Full details of the progress made in relation to action follow up can be found at section 8.
- 2.4 As reported previously, there has been some impact on planned resources and the most recent reviews shows a projected loss of approximately 49 days from the estimated 400 available at the start of the year. A proportion of this loss was addressed as part of the planning process for Q3-Q4, however, it is necessary to make amendments to the plan to account for lost resource.

3. Independence

- 3.1 The Internal Audit Charter was approved by the Finance & Audit Committee in February 2023 and sets out the purpose, authority, and responsibility of the Internal Audit 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.
- 3.2 Given the Head of Internal Audit & Counter Fraud's responsibilities for counter-fraud activities, the Internal Audit team 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

- 4.1 The Internal Audit & Counter Fraud Shared Service reports to the Section 151 Officers of Medway Council and Gravesham Borough Council. The Internal Audit team currently consists of; the Head of Internal Audit & Counter Fraud (0.65FTE), one Internal Audit Manager, one Principal Internal Auditor, five Internal Auditors (4.59FTE) and one Internal Audit apprentice.
- 4.2 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. The establishment at the time the Internal Audit plan for 2023-24 was prepared, was forecasted to provide a total of 1,112 days available for internal audit work (net of allowances for leave, training, management, administration etc.) with the share for Gravesham being 400 days, along with a further 45 days for management of internal audit activity.
- 4.3 Net chargeable days available for Gravesham for the period 1 October to 31 December 2023 amounted to 94.1 days. This represents 24% of the 400 days originally estimated to be available at the start of 2023-24. Of this chargeable time, 87.3 days (93%) was spent on audit assurance work and 6.7 days (7%) was spent on consultancy work. The current status and results of all work carried out are detailed at section 5 of this report.
- 4.4 Based on our most recent assessment, we are currently projecting a loss of approximately 49 days from the projected internal audit resource available at the start of the year.

5. Results of planned Audit & Counter Fraud work

- 5.1 The Internal Audit Plans for Q1-Q2 and Q3-Q4 2023-24 for Gravesham were approved by the Finance & Audit Committee in March 2023 and September 2023 respectively. The Plan is intended to provide a clear picture of how the council will use the Internal Audit resource, reflecting all work to be carried out by the team for Gravesham during the financial year.
- 5.2 The table below provides details the progress of work undertaken as part of the 2023-24 plans during the period.

2022-23 Internal Audit assurance work finalised in 2023-24 (since the last Audit Committee meeting)

| Ref | Activity | Day budget | Days used | Current status | Opinion, summary of findings & recommendations made |
|-----|-----------------------|------------|-----------|---------------------|---|
| 21 | Housing Rent Recovery | 15 | 21 | Final Report Issued | Findings reported at November Committee meeting. |

2023-24 Internal Audit assurance work

| Ref | Activity | Day budget | Days used | Current status | Opinion, summary of findings & recommendations made |
|-----|--------------------------------|------------|-----------|---------------------|---|
| 1 | Tenancy Management | 15 | | Fieldwork underway | The review will consider the following Risk Management Objective: RMO1 - There are arrangements in place to manage council tenancies, including mutual exchanges, successions, and terminations. |
| 2 | Discretionary Housing Payments | 12 | 12.4 | Final report issued | <p>The review considered the following Risk Management Objective: RMO1 - Applications for Discretionary Housing Payments are appropriately processed.</p> <p>The review found that there is a policy and information defining the criteria for eligibility for DHPs that is reviewed regularly and is publicly available.</p> <p>There are appropriate arrangements to assess applications, which can be completed online or paper, notify applicants of the outcome, including advising unsuccessful applicants of potential next steps, and make payments where appropriate. However, it was noted that the team do not have procedure notes for their processes and rely on the current officers accumulated knowledge and experience. Bank account details of new payees are not sufficiently checked before payment and differences in information provided with the online and paper applications were noted. Testing also identified variations in the level of information being retained.</p> <p>There is a process in place to recover DHP overpayments if required.</p> <p>There are appropriate arrangements in place to set, review and monitor the budget for Discretionary Housing Payments (DHPs) based on Government funding. Opinion: Green.</p> <p>Overall Opinion: Green. Actions: One high, one medium and three low priority. Actions relate to a review of the online and paper application forms, retaining all appropriate evidence, ensuring bank account details are accurate, and having procedure notes and recording more detail for monitoring of reconsiderations.</p> |

| Ref | Activity | Day budget | Days used | Current status | Opinion, summary of findings & recommendations made |
|-----|-----------------------------|------------|-----------|---------------------|--|
| 3 | Private Housing Enforcement | 15 | 15.3 | Final report issued | <p>The review considered the following Risk Management Objective:</p> <p>RM01 - There are arrangements in place for Private Housing Enforcement.</p> <p>The review found there are appropriate Private Sector Housing Enforcement policies and procedures in place, which are available to staff. There are arrangements in place to identify potential breaches in legislation and/or council policy relating to private sector accommodation, including an appropriate mechanism for the public to report concerns. Where reports are received, there are arrangements in place to assess these and determine the need for further investigation, with cases investigated and where necessary, enforcement action taken, in accordance with legislation and council policy, within the necessary timescales and with appropriate records maintained. Audit testing found that this is happening in practice, however inconsistencies in record maintenance were found in a small number of cases. There are arrangements in place to issue civil penalty notices where appropriate and ensure that payments are collected and accounted for appropriately. Opinion: Green.</p> <p>Overall Opinion: Green. Actions: One medium priority.</p> <p>Action relates to implementing a management review process.</p> |
| 4 | Code of Conduct | 15 | 15 | Final report issued | <p>The review considered the following Risk Management Objectives:</p> <p>RM01 - A robust policy is in place to notify all staff regarding their expected conduct.</p> <p>The review found the code of conduct (CoC) was last updated following an ethics audit in 2018-19. However, both the staff intranet and Annex 3 Codes of Practice and Protocols of the council's Constitution contain previous versions of the CoC. The relevant appendices relating to gifts and hospitality and declarations of personal interest are also not attached to those documents, although they can be found as separate standalone documents on the intranet.</p> <p>There is currently no confirmed method for distributing an updated CoC to staff following the removal of Netconsent.</p> <p>The majority of people responding to a survey indicated that they were aware of and had read the CoC, however, this may be an outdated version. Opinion: Amber.</p> <p>RM02 - Clear and concise guidance and procedures are in place for council employees regarding gifts & hospitality.</p> <p>The review found that information about gifts and hospitality is available on the staff intranet, although the details of who holds the register was incorrect on some intranet pages.</p> |

| Ref | Activity | Day budget | Days used | Current status | Opinion, summary of findings & recommendations made |
|-----|----------|------------|-----------|----------------|--|
| | | | | | <p>Officers are reminded of the requirement to declare gifts and hospitality whether accepted or not, in an annual email to officers prior to Christmas.</p> <p>All respondents of the audit survey were aware of the need to declare gifts and hospitality with a number indicating that they have made a declaration previously, however almost half of those who had not made any declarations said they did not know how.</p> <p>A review of the registers for 2022-23 and 2023-24 to date showed that both declined and accepted gifts were listed.</p> <p>Service managers or above make the decision about whether or not a gift or hospitality can be accepted, although the declaration form does not include the details of the person making the decision. Opinion: Green.</p> <p>RMO3 - Clear and concise guidance and procedures are in place for council employees, regarding declarations of personal interest.</p> <p>The review found that information regarding declarations of personal interest is available on the staff intranet, although the details of the officer who collates such declarations are incorrect on the declaration form itself.</p> <p>There is currently no expectation for all officers to complete annual declaration forms, with everything reliant on self-declaration. Research undertaken on other government / local government policies indicated an ongoing requirement for officers above a certain grade or within specific job roles to complete annual declarations, even in the event of a nil return.</p> <p>The majority of survey respondents confirmed they were aware of the need to declare personal interests, although very few had completed a declaration form. Those who had not advised that they would not know how to declare an interest should the need arise. Of those that had completed declaration forms, only half indicated that they complete annual reviews, although this was not evidenced within the records held and there has only been one declaration following the prescribed process since April 2022. Opinion: Amber.</p> <p>Overall Opinion: Amber. Actions: One high, seven medium and two low priority. Actions relate to updating the staff intranet and the relevant section of the Constitution with the latest version of the code of conduct, including associated appendices, distributing the latest version to all staff, updating intranet pages with the correct name of the person holding the register, the inclusion of who made the decision regarding the gift / hospitality within the relevant documentation /</p> |

| Ref | Activity | Day budget | Days used | Current status | Opinion, summary of findings & recommendations made |
|-----|-----------------------------------|------------|-----------|--|--|
| | | | | | register, decisions being made relating to who should complete annual declarations (including nil returns) and who should be responsible for the retention of declaration forms and oversight of the central register. Decisions made to be reflected in updated guidance which is circulated to officers with a mechanism put in place to ensure that annual returns for relevant officers are made. |
| 5 | Staff Travel & Subsistence | 15 | | Fieldwork complete, in quality control | The review considered the following Risk Management Objectives: RMO1 - There are arrangements in place to manage the reimbursement of staff travel & subsistence payments via the payroll provider. RMO2 - There are procedures in place to claim & verify travel & subsistence claims. |
| 6 | STG Building Control Partnership | 15 | | Draft report with client for consideration | The review considered the following Risk Management Objective: RMO1 - There are appropriate governance arrangements in place for the STG Building Control Partnership from the perspective of Gravesham Borough Council. |
| 7 | Corporate Credit Cards | 15 | | Draft report with client for consideration | The review considered the following Risk Management Objective: RMO1 - Arrangements exist for corporate credit cards to be used in accordance with the relevant guidelines. |
| 8 | Carbon Reduction Programmes (HRA) | 15 | | Fieldwork underway | The review will consider the following Risk Management Objective: RMO1 - Arrangements exist to monitor and deliver carbon reduction programmes across HRA stock in accordance with the council's objectives. |
| 9 | Environmental Enforcement | 15 | 18.4 | Final report issued | The review considered the following Risk Management Objective: RMO1 - There are appropriate arrangements in place for the effective prevention, detection and enforcement of offences that harm the environment. The review found that there is an Environmental Enforcement Strategy in place which is available on the council's website. The role of the Environmental Enforcement team is multi-faceted, with a mixture of external training and training "on the job". All officers have a personal training record and have been appropriately authorised to exercise the council's powers and duties in connection with various legislation relating to environmental enforcement. The public can report fly tipping using an online form on the council's website or by phoning the customer contact centre, who will assist in completing the form. A process is in place for all reports to be triaged to determine the need for further investigation, with officers dispatched where necessary to gather potential evidence. Once this has been completed, arrangements exist for the Waste Management team to be advised the waste is ready to be cleared. Arrangements exist for all cases being progressed to be allocated a unique reference number and for records of the investigation to be stored. Investigations are monitored and |

| Ref | Activity | Day budget | Days used | Current status | Opinion, summary of findings & recommendations made |
|-----|--|------------|-----------|--|--|
| | | | | | enforcement action appropriately authorised. Arrangements also exist for Fixed Penalty Notices (FPNs) to be issued in appropriate circumstances, with each FPN allocated a unique reference number and payments recorded against the FPN when received, though it was noted there were some gaps in the payment information recorded on the monitoring spreadsheet. The team works closely with the Communications team to educate the public, seek assistance with investigations and publicise the outcomes of environmental enforcement activity. Opinion: Green. Overall Opinion: Green. Actions: One low priority. Action relates to reminding officers to regularly monitor and update the FPN spreadsheet. |
| 10 | Trade Waste Collection | 15 | | Fieldwork complete, in quality control | The review considered the following Risk Management Objective: RMO1 - Trade waste contracts are effectively managed. |
| 11 | Risk Management Framework | 15 | | Terms of reference being prepared | |
| 12 | Staff Flexible Working Arrangements | 15 | | Fieldwork complete, in quality control | The review considered the following Risk Management Objectives: RMO1 - There are appropriate arrangements in place to manage and monitor hybrid working arrangements. RMO2 - There are appropriate arrangements in place to manage staff flexible working arrangements. |
| 13 | Recruitment (inc advertising, application, appointment, induction) | 15 | | Terms of reference being prepared | |
| 14 | Planning Enforcement | 15 | | Terms of reference being prepared | |
| 15 | Asset Management | 15 | | Terms of reference being prepared | |
| 16 | IT Asset Management | 15 | | Fieldwork underway | The review will consider the following Risk Management Objective: RMO1 - Arrangements are in place to monitor distribution and relocation of IT equipment. |

| Ref | Activity | Day budget | Days used | Current status | Opinion, summary of findings & recommendations made |
|-----|--------------------------------------|------------|-----------|-----------------------------------|---|
| 17 | Housing Management System | 15 | | Proposal to defer | |
| 18 | Information requests (FOI, SAR, EIR) | 15 | | Not yet started | |
| 19 | Taxi Licencing & Enforcement | 15 | | Fieldwork underway | The review will consider the following Risk Management Objectives: RMO1 - There are policies and procedures in place for taxi & private hire vehicle licenses to be issued in accordance with relevant legislation and local requirements. RMO2 - There are arrangements in place to enforce relevant legislation and conditions in relation to taxi & private hire vehicle licences. |
| 20 | HMO Licencing | 15 | | Terms of reference being prepared | |

Other assurance activity

| Ref | Activity | Day budget | Days used | Current status | Opinion, summary of findings & recommendations made |
|-----|---|------------|-------------|-----------------|---|
| | <i>Finalisation of 2022-23 Planned Work</i> | <i>30</i> | <i>35.3</i> | <i>Complete</i> | <i>All reviews from 2022-23 are now finalised.</i> |
| | Grant Validations | 2.5 | N/A | Not yet started | No grant validations required in the period. |

Responsive assurance activity

| Activity | Opinion, summary of findings & recommendations made |
|---------------------------|---|
| No activity in the period | |

Other consultancy services including advice & information

| Activity | Opinion, summary of findings & recommendations made |
|--|---|
| Emergency Planning | A consultancy review looking at the council's arrangements to respond to an emergency / incident that affects the borough was undertaken and a number of suggested actions were identified for the service to consider to further enhance those arrangements. |
| Woodville | A consultancy review is currently in progress; fieldwork has been completed and the review is now in the quality control process. |
| Performance Data Quality | A consultancy review is currently in progress; fieldwork is underway. |
| Surveillance Camera Codes of Practice | Terms of reference being prepared. |
| Social Lettings Agency Corporate Working Group | The Principal Internal Auditor has been part of the corporate working group for the Social Lettings Agency, providing advice on governance, risk management and internal control for its set up and operation. |
| Information Governance Strategy Group | The Principal Internal Auditor had attended the Information Governance Strategy Group, providing advice on governance, risk management and internal control matters. |

6. Quality Assurance & Improvement Programme

- 6.1 The Standards require that: *The chief audit executive must develop and maintain a quality assurance and improvement programme that covers all aspects of the internal audit activity. A Quality Assurance & Improvement Programme (QAIP) has been prepared to meet this requirement.* The Internal Audit QAIP was agreed by the Finance & Audit Committee in February 2022.
- 6.2 The arrangements set out in the QAIP have been implemented with the collection and monitoring of performance data largely automated through the team’s time recording and quality management processes. It should be noted that the results recorded below have not been subjected to independent data quality verification.
- 6.3 In line with the QAIP, the team monitor performance against a suite of 13 performance indicators. The table below sets out the performance targets, which are grouped into measures for the service and those that are specific to the individual authority. Targets have been set for six of the 13 indicators; however, it should be noted that these are for full year outturns; as such outturns at present are not to target levels but are provided for Members information.

| Ref | Indicator | Target | Outturn for period |
|---|---|---------|--|
| Non-LA Specific Performance Measurements | | | |
| IA1 | Proportion of staff with professional qualification relevant to internal audit | N/A | Annual outturn only |
| IA2 | Proportion of non-qualified staff undertaking professional qualification training | N/A | 50% |
| IA3 | Time spent on professional qualification training: | N/A | 25.4 days |
| IA4 | Time spent on CPD/non-professional qualification training, learning & development (including corporate training) | 40 days | 3.2 days |
| IA5 | Compliance with PSIAS | 100% | Our January 2023 self- assessment showed full compliance with 97.5% of the standards, partial compliance with a further 2% and work required to address the remaining 0.5%. Our 2023 external quality assessment received a Green opinion. |
| LA Specific Performance Measurements | | | |
| IA6 | Average cost per agreed assurance review | <£5,000 | Annual outturn only |
| IA7 | Proportion of estimated resources delivered | N/A | 24% |
| IA8 | Proportion of chargeable time spent on: a) Assurance work b) Consultancy work | N/A | 93% 7% |
| IA9 | Proportion of agreed assurance reviews: a) Delivered b) Underway | 95% | 45% 20% |
| IA10 | Proportion of completed assurance reviews subject to a second stage (senior management) quality control check in addition to the primary quality control review | 10% | Annual outturn only |

| Ref | Indicator | Target | Outturn for period |
|------|--|--------|---|
| IA11 | Number of agreed actions that are: a) Not yet due b) Implemented c) Outstanding | N/A | 28 32 10 |
| IA12 | Proportion of actions implemented by agreed date | N/A | 76.2% |
| IA13 | Client, Management and Member satisfaction with internal audit services | 90% | A satisfaction survey will be issued at the end of 2023-24. |

7. Review of Internal Audit Plan

- 7.1 Monitoring of the delivery of planned work is built into the team's processes with individual officer time recording data feeding into an automated performance monitoring workbook; this tracks the performance of the team against the internal audit work plans and enables the Internal Audit Manager to plan and support officers to deliver their individual work plans.
- 7.2 Projection of the resources that will be available to the year-end are calculated at least quarterly and compared to the original forecasts. This determines any impacts on projected resources that would impact on delivery of the internal audit plan.
- 7.3 As noted in paragraph 4.4, we are projecting a loss of approximately 49 days from the estimated resource. A proportion of this loss was addressed as part of the planning process for Q3-Q4, however, it is necessary to make amendments to the plan to account for lost resource.
- 7.4 It is therefore proposed that the following reviews are deferred to 2024-25;
- Housing Management System
- 7.5 These reviews are considered the lowest risk of those on the current plan and are also the only reviews from Q3-Q4 yet to start.

8. Follow up of agreed Actions

- 8.1 Where the work of the team finds opportunities to strengthen the council's risk management, governance and/or control arrangements, the team agree actions for improvement with service managers. The Standards require that a follow-up process be 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.
- 8.2 Service managers are asked to provide an update on action taken towards implementing all actions due on a monthly basis and are also asked to supply evidence in respect of all completed High priority actions, which is verified by the Internal Audit Team.
- 8.3 The first of the two tables below details the current position in relation to the follow up process and the second details actions that are now more than six months over their planned implementation date; along with an update from the relevant Service Manager/Assistant Director/Director. Some may also contain details of revised implementation dates that have been agreed by Management Team.

Status of agreed actions

| 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 |
|--|---|---|
| Leaseholder Management | <p>Opinion: Amber.</p> <p>Four actions agreed: One high and three medium priority.</p> <p>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.</p> | <p>Four actions due, two completed.</p> <p>Two medium priority outstanding, relating to the Leaseholders' Handbook being updated the arrangements in place to calculate interim service charges being reviewed.</p> |
| Temporary Accommodation – Out of Area Placements | <p>Opinion Red.</p> <p>Eight actions agreed: Seven high and one medium priority.</p> <p>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.</p> | <p>Eight actions due, seven completed.</p> <p>Remaining action cancelled with the agreement of Management Team due actions identified in a more recent review.</p> |
| Planning Applications | <p>Opinion: Amber.</p> <p>Five actions agreed: Two high, two medium and one low priority.</p> <p>Actions relate to charging for pre-application advice being reviewed; invalid applications being monitored to ensure there are no significant delays; Timely completion of the pre-validation checklist being made a mandatory part of the validation process and monitored via the Planning Technical Support Team Leader; investigating if the recommendation approval tab on Uniform can be restricted to senior officers only; and, arrangements being made for approval arrangements for planning applications set out in the Constitution to be reviewed.</p> | <p>Five actions due, four completed.</p> <p>One high priority outstanding relating to arrangements being made for approval arrangements for planning applications set out in the Constitution to be reviewed.</p> |
| Planning Obligations | <p>Opinion: Amber.</p> <p>Five actions agreed: Two high and three medium priority.</p> <p>Actions relate to preparing guidance notes to support the processes for arranging and amending S106 agreements, making arrangements to publish the required Infrastructure Funding Statements, preparing accurate records of S106</p> | <p>Five actions due, four completed.</p> <p>One high priority outstanding relating to making arrangements to publish the required Infrastructure Funding Statements.</p> |

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| | agreements, and allocating responsibility for maintaining and monitoring these records, and putting arrangements in place to monitor unspent contributions. | |
| Whistleblowing | Opinion: Amber . Three actions agreed: Two high and one medium priority. Actions relate to reviewing the Whistleblowing Policy and guidance on responding to concerns; raising awareness of the Whistleblowing Policy across the council, including ensuring it is covered in staff inductions; and reviewing whistleblowing training for employees and managers. | Three actions due, none completed. Two high and one medium priority outstanding relating to reviewing the Whistleblowing Policy and guidance on responding to concerns; raising awareness of the Whistleblowing Policy across the council, including ensuring it is covered in staff inductions; and reviewing whistleblowing training for employees and managers. |
| Communications Strategy | Opinion: Green . Two medium priority actions agreed. Actions relate to reviewing the strategy objectives to confirm they have been met and putting a process in place to ensure that relevant council communications are placed on corporate communication channels in preference to personal accounts. | All actions completed. |
| Procurement compliance | Opinion: Amber . Five medium priority actions agreed. Actions relate to updating the Procurement Strategy, training and guidance for staff, effective monitoring of aggregate spend being put in place, and updating the Contracts Register. | One action completed before review finalised. Two actions due, none completed. Two medium priority outstanding relating to updating the Procurement Strategy and effective monitoring of aggregate spend being put in place. |
| Homelessness | Opinion: Red . 13 actions agreed: Four high, five medium, and four low priority. Actions relate to reviewing and updating the TA procedure manual; reviewing arrangements for evidencing authorisation of TA placements; introducing spot checks to ensure all required documents are completed and retained; reviewing the TA sign-up procedure; spot checking TA info shared with the Housing Benefits team; training being provided for TA officers on the procedures for assisting applicants with submission of housing benefit claims; introducing additional measures to increase the number of housing benefit claims that are successfully made; reviewing the arrears recovery process timeline and finalising the non-co-operation policy; ensuring the arrears recovery process is followed for all rent accounts; ensuring income is correctly allocated on the General Ledger; reviewing procedures for making introductory contact at the outset of placements and ensuring appropriate checks are undertaken after placement to verify residency; ensuring eligible applicants are registered on Kent Home Choice; and, reviewing recharges to the homelessness budget. | Three actions due, three completed. |
| Right to Buy | Opinion: Amber . One high priority action agreed. | All actions completed. |

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| | Action relates to processes for retaining RTB documentation being reviewed and streamlined. | |
| Climate Change Action Plan | Opinion: Green . Four actions agreed: One medium and three low priority. Actions relate to Terms of Reference being agreed for the corporate working groups; investigating revision and roll out of Carbon Literacy training for all staff; reviewing actions within the Management Delivery Plan where the original timescale has lapsed; and identifying, recording, and managing risks to the delivery of the Delivery Plan. | One action completed before the review finalised. Two actions due, one completed. One low priority outstanding relating to identifying, recording, and managing risks to the delivery of the Delivery Plan. |
| Write Offs | Opinion: Amber . Four actions agreed: Three medium and one low priority. Actions relate to ensuring service level policy is consistent with the Constitution, ensuring all services write off debt quarterly, sufficient evidence is available to support write off, the amount authorised for write off is accurate and checks are made across the services for any potential monies that may be usable to reduce the amount to be written off. | No actions due in report period. |
| Housing Rent Recovery | Opinion: Amber . Four actions agreed: Two high, one medium and one low priority. Actions relate to documenting the recovery process for former tenant rent arrears, formalising management oversight arrangements for rent accounts, reviewing the frequency of identifying and procedures for prioritising/recovering former tenant rent arrears, and reviewing performance data captured in relation to rent arrears. | One action due, one completed. |
| Discretionary Housing Payments | Opinion: Green . Five actions agreed: one high, one medium and three low priority. Actions relate to a review of the online and paper application forms, retaining all appropriate evidence, ensuring bank account details are accurate, and having procedure notes and recording more detail for monitoring of reconsiderations. | All actions completed. |
| Code of Conduct | Opinion: Amber . Ten actions agreed: One high, seven medium and two low priority. Actions relate to updating the staff intranet and the relevant section of the Constitution with the latest version of the code of conduct, including associated appendices, distributing the latest version to all staff, updating intranet pages with the correct name of the person holding the register, the inclusion of who made the decision regarding the gift / hospitality within the relevant documentation / register, decisions being made relating to who should complete annual declarations (including nil returns) and who should be responsible for the retention of declaration forms and oversight of the central register. Decisions made to be reflected in updated guidance which is circulated to officers with a | No actions due in report period. |

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|------------------------------------|---|------------------------|
| | mechanism put in place to ensure that annual returns for relevant officers are made. | |
| Environmental Enforcement | Opinion: Green . One low priority action agreed. Action relates to reminding officers to regularly monitor and update the FPN spreadsheet. | All actions completed. |
| Private Sector Housing Enforcement | Opinion: Green . One medium priority action agreed. Action relates to implementing a management review process. | All actions completed. |

Actions outstanding more than six months after scheduled implementation date

| Directorate | Audit title | Action | Priority | Planned implementation date | Management update |
|-------------|-----------------------|---|----------|-----------------------------|--------------------|
| Environment | Planning Obligations | Arrangements to be made to publish the annual Infrastructure Funding Statements for 2020-21 and 2021-22 in line with the appropriate Regulations. | High | 31 January 2023 | No update received |
| Environment | Planning Applications | Arrangements to be made for approval arrangements for planning applications set out in the Constitution to be reviewed. | High | 30 April 2023 | No update received |

Definitions of audit opinions & action priorities

| Opinion | Definition |
|---|---|
| Green – Risk management operates effectively, and objectives are being met | 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 agreed are considered to be opportunities to enhance existing arrangements. |
| Amber – Key risks are being managed to enable the key objectives to be met | 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 agreed to improve this. |
| Red – Risk management arrangements require improvement to ensure objectives can be met | The overall control process is weak with one or more expected key control(s) or compensating control(s) absent or there is evidence of significant non-compliance. Risk management is not considered to be effective and the service risks failing to meet its objectives, significant loss/error, fraud/impropriety, or damage to reputation. Actions have been agreed to introduce new controls, improve compliance with existing controls or improve the efficiency of operations. |

| Priority | Definition |
|---------------|--|
| High | The findings indicate a fundamental weakness in control that leaves the council exposed to significant risk. The agreed action addresses the weakness identified; to mitigate the risk exposure and enable the achievement of key objectives. Management should address the action as a matter of urgency. |
| Medium | The findings indicate a weakness in control, or lack of compliance with existing controls, that leaves the system open to risk, although it is not critical to the achievement of objectives. Management should address the action within a reasonable timeframe. |
| Low | The findings have identified an opportunity to enhance the efficiency or effectiveness of the system/control environment. Management should address the action as resources allow. |