

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

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# Internal Audit Annual Report 2023-24

Gravesham Borough Council

# 1. Introduction

The Internal 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.

In accordance with the Public Sector Internal Audit Standards (the Standards), the Head of Internal Audit & Counter Fraud provides Members with update reports detailing the work and findings of the Internal Audit 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 Internal Audit Charter was approved by Gravesham's Finance & Audit Committee in February 2023 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 that the Head of Internal Audit & Counter Fraud has responsibility 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, although a review is scheduled to be undertaken by Dartford & Sevenoaks Audit Partnership in 2024-25.

## 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 Internal Audit team had an establishment of eight officers (8.43FTE), made up of the Head of Internal Audit & Counter Fraud (0.65FTE), one Internal Audit Manager, one Principal Internal Auditor, five Internal Auditors (4.78FTE) and one Internal Audit Apprentice.

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 Plans for 2023-24 were prepared, this establishment was forecasted to provide a total of 1,112 days available for internal audit work (net of allowances for leave, training, management, administration etc.). The Internal Audit Plans for Gravesham were prepared with a resource budget of 400 days, plus an additional 45 days of internal audit management time.

As of 31 March 2024, the net staff audit days for Gravesham for 2023-24 amounted to 334.5 days and equates 84% of estimated audit resources (400 days) delivered. An additional 59.5 days were spent on

review of internal audit work by the internal audit manager. Of this overall time, 356.6 days (91%) were spent on audit assurance work and 37.4 days (9%) were spent on consultancy work. The current status and results of all work carried out are detailed at section five of this report.

The shortfall of 65.5 days from the estimated resource is largely due to one auditor reducing their working hours part way through the year, but also underestimates in the level of time necessary for professional qualification training associated with those undertaking apprenticeships, and additional administrative time associated with the Medpay review process that was not anticipated at the beginning of the year.

Learning and development needs and objectives were agreed through the Performance Development Review (appraisal) process and delivered through a mixture of formal qualification training (including apprenticeships), formal skills training, job-shadowing/mentoring and 'on the job' training. Team meetings have taken place throughout the year, 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 Internal Audit Charter and the specific scope of work for the year 2023-24 was detailed in the Internal Audit Plans, which were approved by the Finance & Audit Committee. The Plans 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. The opinion that follows is based on all work completed since the last annual opinion was delivered, including overrunning reviews from 2022-23 and work outlined in the 2023-24 Plans.

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 following:

- The outcomes of work completed by the Internal Audit team since the last annual opinion,
- The findings of previous years' internal audit work carried out,
- The risk management processes of the council,
- The monitoring of progress to implement agreed actions identified in earlier reviews to ensure that control weaknesses identified by the Internal Audit team have been mitigated,
- The outcomes of consultancy work completed by the Internal Audit team, and
- The outcomes of counter fraud and investigation work completed by the Counter Fraud team.

There were no matters identified through the counter fraud work carried out which have a material impact upon the corporate governance, risk, and internal control framework of the council. 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. The Internal Audit team can only provide reasonable and not complete assurance of effectiveness. The work completed as part of the Internal Audit Plans for 2023-24, and reviews overrunning from the 2022-23, 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.

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 2023, 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 2023-24**

##### **Corporate Governance**

Corporate Governance is defined as being the structure of rules, practices, and processes that direct and control the Council. The reviews of Procurement Compliance, Write Offs, and Financial Planning and Budget Setting undertaken in 2022-23, along with the reviews of Code of Conduct (Ethics), Asset Management, and Risk Management Framework, all fall within this area and lead me to be satisfied that the council complies with corporate governance guidance.

##### **Risk Management**

The council has a risk management strategy that is approved by Cabinet and maintains a corporate risk register that is regularly reviewed. A review of the council's risk management framework was conducted in 2023-24, resulting in an Amber opinion. A number of actions arising from the review are yet to be completed, although have not yet reached the agreed target date, so are not overdue. A key finding from the review was that service and corporate risk management processes were operating independently, opposed to service risks informing corporate risks and vice versa. While this is not ideal and requires improvement, risk management is happening at both service and corporate levels. I am therefore satisfied that we can place sufficient assurance on the council's risk management arrangements for 2023-24.

##### **Internal control**

Fieldwork was completed in relation to 18 assurance reviews during 2023-24, 14 of which have been finalised with client services, along with a further seven reviews from 2022-23 that were finalised in 2023-24 after the last annual opinion. Of the 21 reviews finalised, 20 resulted in Amber or Green opinions, indicating that all key risks were being managed effectively.

Where actions for improvement were agreed, these were subject to a follow up process to ensure that they had been implemented appropriately. This follow up process identified that 79.1% of all actions due to be implemented in 2023-24 (53 of 67 actions) have been completed.

One review relating to Homelessness – Temporary Accommodation did result in a red opinion; however, this is an isolated area and 11 of the 13 actions identified were addressed in year,

significantly improving the internal controls, and budget monitoring showing a decrease in expenditure; suggesting that the improvements are having a positive impact.  
I am satisfied that the council can place assurance on the aspects of the system of control tested and in operation during 2023-24.

**Overall Opinion**

**It is my opinion that during the year ended 31 March 2024, Gravesham Borough Council's framework of governance, risk management, and system of internal control, 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 Internal Audit work

The six-monthly Internal Audit Plans for 2023-24 for Gravesham were approved by the Finance & Audit Committee in March 2023 and September 2023. The Plans were intended to provide a clear picture of how the council would use the Internal Audit resources, reflecting all work planned for the team for Gravesham during the financial year in the highest areas of risk to the council.

Arrangements to monitor the delivery of planned work are 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-plans 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 Q3-Q4 plan was amended to take into account changes in resource levels due to a reduction in the working hours of one officer, sickness, training requirements for those on apprenticeships and unanticipated administrative time. Members agreed revisions to the original Q3-Q4 plan for 2023-24 to remove a planned review of:

- Housing Management System

In addition, the planned assurance review of Recruitment (inc. advertising, application, appointment, induction) was not able to take place, due to pressures within the service and changes to processes that were already in progress.

The tables below provide details of the work from 2022-23 that was finalised in 2023-24 (after last annual report) and the progress of work undertaken as part of the 2023-24 Plans.

2022-23 Internal Audit Assurance Work Finalised in 2023-24 (items in italics detailed in previous update reports)

Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & actions agreed
4	<i>Right to Buy</i>	15	18.9	<i>Final Report Issued</i>	<p>The review considered the following Risk Management Objective:  <b><i>RM01 – There are adequate arrangements in place to allow Right to Buy (RTB) applications to be processed.</i></b></p> <p>The review found there are policies and procedures in place to support the RTB process, with information also available on the council’s website, including copies of the application forms; paper versions of the application forms are also available. Arrangements exist for all applications to be logged, and for application forms and supporting documents to be checked to determine if the application can be admitted to the scheme, with a Section 124 Notice issued to notify the applicant of the outcome. For applications that are admitted, arrangements exist for a Section 125 (offer) Notice to be prepared issued, with additional checks undertaken by the Counter Fraud Team and discount calculations verified. Audit testing on a sample of RTB cases confirmed these arrangements to be working effectively in practice and that there are procedures in place for the statutory timescales to be met. There are also arrangements in place for the relevant legal charges to be entered for each property that has been sold. During the audit, a need was identified for the processes relating to preparing and retaining case files to be reviewed and streamlined to ensure compliance with the Data Protection Act 2018. <b>Opinion: Amber.</b></p> <p><b>Overall Opinion: Amber. Actions: one high priority.</b>  <b>Action relates to processes for retaining RTB documentation being reviewed and streamlined.</b></p>
13	<i>Homelessness - Temporary Accommodation</i>	20	26.4	<i>Final Report Issued</i>	<p>The review considered the following Risk Management Objective:  <b><i>RM01 - The provision of temporary accommodation is appropriately managed.</i></b></p> <p>The review found a Homelessness &amp; Rough Sleeping Prevention Strategy 2019-2024 and Temporary Accommodation Policy are in place. Further information about the placement of households in temporary accommodation is provided in a comprehensive procedure manual which is available to staff, though updates are required to reflect changes in practice over time. A Homelessness section is provided on the council’s website where potential applicants can access detailed information and support regarding homelessness. There are arrangements in place for initial enquiries on homelessness to be completed and Housing Options Assessments undertaken, which includes reaching a decision on whether the applicant meets the criteria for interim accommodation under S188 of the Housing Act 1996. Where officers have reason to believe that interim accommodation should be provided, arrangements exist for Temporary Accommodation Request Forms to be completed and approved by a line</p>

Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & actions agreed
					<p><i>manager. Procedures are in place for officers to identify accommodation available for approved placements, confirm placements with providers, issue Offer of Interim accommodation letters, and prepare Licence Agreements. Similarly, nightly paid providers are required to complete booking forms and supply gas and electrical safety certificates, with inspections carried out by the Private Sector Housing Team. The agreement for rent to be paid and the need for a housing benefit claim to be submitted is set out in several documents prepared as part of the temporary accommodation placement process. There is a documented arrears process. Advice is offered to applicants at various points to apply for the Housing Register.</i></p> <p><i>Audit testing confirmed that the duty to provide temporary accommodation is discharged and temporary accommodation placements are ended in appropriate instances, following the correct procedure. Monthly budget monitoring is undertaken with regular performance reports presented to senior management. <b>Opinion: Red.</b></i></p> <p><b>Overall Opinion: Red. Actions: Four high, five medium, and four low priority.</b></p> <p><b>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.</b></p>
14	Planned & Major Works Programme	15	14.7	Final Report Issued	<p><i>The review considered the following Risk Management Objective:</i></p> <p><b>RMO1 - There are arrangements in place to deliver planned and major works on HRA properties and monitor the expenditure.</b></p> <p><i>Arrangements are in place to establish the annual HRA capital programme, which includes planned &amp; major works. The HRA capital programme has an agreed budget that is regularly monitored, reviewed, and reported on. Planned and major works are adequately assessed for their need before works commence and there are arrangements in place to advise tenants of upcoming planned &amp; major works and deal with any access issues. The HRA asset register has recently been transferred to a module within the new housing system, MRI; records of all works carried out on HRA</i></p>

Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & actions agreed
					<p>properties have been added and testing is currently being carried out by the service to ensure all data has been added correctly. Annual reconciliations are carried out of work completed against actual spend on the general ledger and this information is used to update the asset register. Arrangements are in place to procure external contractors to undertake specific elements of the planned &amp; major works programme and evidence was available that such contracts are procured appropriately, however for smaller projects total aggregated spend should be considered. There are arrangements in place to monitor the performance of external contractors that have been procured to deliver projects as part of the planned &amp; major works programme. <b>Opinion: Green.</b></p> <p><b>Overall Opinion: Green. Actions: None.</b></p>
18	Climate Change Action Plan	15	4	Final Report Issued	<p>The review considered the following Risk Management Objective:</p> <p><b>RMO1 - An effective Climate Change Action Plan and associated governance arrangements are in place to support the council's commitments for addressing climate change.</b></p> <p>The review found there is a Climate Change Strategy 2022-2030, that is in line with the council's objectives and has been appropriately approved; the strategy includes a Delivery plan, which is supported by a more detailed Management Delivery Plan. The Management Delivery Plan is regularly reviewed, with a corporate working group in place to manage this and reporting undertaken via the Climate Change Advisory Board. Responsible officers and timescales have been allocated for all actions in the Management Delivery Plan, with all responsible officers having attended Carbon Literacy training, though there is a need for elapsed timescales to be reviewed and risks to the delivery of the plan have not been formally identified. There is a Climate Change Reserve to support delivery of the plan alongside individual service budgets, and grant funding is identified where possible. There are arrangements in place to monitor and report on performance and progress towards delivery of the Delivery Plan via an annual report, and performance indicators included within the council's Performance Management Framework. <b>Opinion Green.</b></p> <p><b>Overall Opinion Green. Actions: One medium and three low priority.</b></p> <p><b>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.</b></p>
19	Write-offs	15	19.6	Final Report Issued	<p>The review considered the following Risk Management Objective:</p> <p><b>RMO1 - There are appropriate procedures in place regarding debt write-off.</b></p>



Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & actions agreed
					<p>All services adhere to the corporate write off policy in regard to establishing a reason for the write off and obtaining the appropriate authorisation.</p> <p>Most services have arrangements in place to identify and write off debts quarterly, however, some are identifying the debt but not writing off as regularly.</p> <p>Testing identified that the debt written off was accurate based on the system balances for accounts written off but, on occasions the supporting paperwork did not match the amounts correctly.</p> <p>The sundry debt service had arrangements in place to review all council debt before they proceeded with writing off debt however, the other services did not have any similar arrangements in place.</p> <p>All services had arrangements in place to ensure there was a segregation of duties between those writing off the debt and those authorising the write off, and testing showed that all write offs were being appropriately approved.</p> <p>There are appropriate arrangements in place to monitor and report on the level of debt being written off. <b>Opinion: Amber.</b></p> <p><b>Overall Opinion: Amber. Actions: Three medium and one low priority.</b></p> <p><b>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.</b></p>
20	Regeneration	15	11.1	Final Report Issued	<p>The review considered the following Risk Management Objective:</p> <p><b>RMO1 - Appropriate governance arrangements are in place in relation to the council's strategic regeneration activities.</b></p> <p>The review found that clear objectives for the council's strategic regeneration activity have been documented and agreed.</p> <p>An Action Plan has been developed and is used as a tool to identify who will be involved, the target date for completion, and any budgetary implications for the various projects. Appropriate documentation is maintained and held securely.</p> <p>Arrangements exist for regeneration projects to be approved and regular discussion and monitoring takes place with senior management and key Members, on both current projects and potential areas for regeneration.</p> <p>The service doesn't currently have its own budget lines, although the budget for producing the Design Code, which sits with Planning, is overseen by the Assistant Director Strategic Regeneration. It was discussed and agreed that it would be beneficial to have a new budget code for each project, when necessary, to ensure accurate budget monitoring. <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>
21	<i>Housing Rent Recovery</i>	15	21	<i>Final Report Issued</i>	<p>The review considered the following Risk Management Objective:  <b>RMO1 - There are appropriate arrangements to recover rent arrears, including former tenant arrears.</b></p> <p>The review found that there is Housing Rent Arrears Policy in place and available on the council's website. There is also a Rent Arrears Procedure for current tenant rent arrears, however there is no documented description of the recovery process for former tenant rent arrears. There is appropriate information available to tenants regarding the payment of rent and rent arrears, including support available. The council's new housing management system includes software to automatically identify accounts with rent arrears and rank them by risk. Parameters within the system also identify when each step in the recovery process should be taken, in line with the rent arrears procedure, enabling officers to review all accounts allocated to them and take the appropriate action, though testing identified a need for greater management oversight of this process. Former tenant rent accounts with arrears are identified in the same way as current tenant rent accounts with arrears but are currently managed by the Income Team. Testing confirmed that appropriate action is taken to recover arrears, though this could be improved by increasing the frequency of identifying and prioritising accounts for recovery action. There are arrangements in place for payments to be allocated to the correct rent accounts, which was confirmed by testing. Performance data relating to rent arrears is captured but could be expanded to include more data regarding former tenant rent arrears. <b>Opinion: Amber.</b></p> <p><b>Overall Opinion: Amber. Actions: 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.</b></p>

2023-24 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
1	Tenancy Management	15		Fieldwork complete, in quality control	The review considered the following Risk Management Objective: <b>RMO1 - There are arrangements in place to manage council tenancies, including mutual exchanges, successions, and terminations.</b>
2	<i>Discretionary Housing Payments</i>	12	12.4	<i>Final report issued</i>	The review considered the following Risk Management Objective:

Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & actions agreed
					<p><b>RMO1 - Applications for Discretionary Housing Payments are appropriately processed.</b></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. 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. There are appropriate arrangements in place to set, review and monitor the budget for Discretionary Housing Payments (DHPs) based on Government funding. <b>Opinion: Green.</b></p> <p><b>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.</b></p>
3	Private Housing Enforcement	15	15.3	Final report issued	<p>The review considered the following Risk Management Objective:</p> <p><b>RMO1 - There are arrangements in place for Private Housing Enforcement.</b></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. <b>Opinion: Green.</b></p> <p><b>Overall Opinion: Green. Actions: One medium priority. Action relates to implementing a management review process.</b></p>

Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & actions agreed
4	Code of Conduct	15	15	Final report issued	<p>The review considered the following Risk Management Objectives:</p> <p><b>RMO1 - A robust policy is in place to notify all staff regarding their expected conduct.</b> 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. There is currently no confirmed method for distributing an updated CoC to staff following the removal of Netconsent. <b>Opinion: Amber.</b></p> <p><b>RMO2 - Clear and concise guidance and procedures are in place for council employees regarding gifts &amp; hospitality.</b> The review found that information about gifts and hospitality is available on the staff intranet, although some details were incorrect. Officers are reminded of the requirement to declare gifts and hospitality whether accepted or not, in an annual email to officers prior to Christmas. A review of the registers for 2022-23 and 2023-24 to date showed that both declined and accepted gifts were listed. <b>Opinion: Green.</b></p> <p><b>RMO3 - Clear and concise guidance and procedures are in place for council employees, regarding declarations of personal interest.</b> The review found that information regarding declarations of personal interest is available on the staff intranet. There is currently no expectation for all officers to complete annual declaration forms, with everything reliant on self-declaration. <b>Opinion: Amber.</b></p> <p><b>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 / 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.</b></p>
5	Staff Travel & Subsistence	15	12.6	Final report issued	<p>The review considered the following Risk Management Objectives:</p>

Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & actions agreed
					<p><b>RMO1 - There are arrangements in place to manage the reimbursement of staff travel &amp; subsistence payments via the payroll provider.</b></p> <p>The review found that there is a Service Level Agreement (SLA) in place with the payroll provider and a review of this is being worked on but is not yet complete. There are arrangements in place to advise the payroll provider should there be any changes requiring amendment to the parameters within the payroll system, but there is no process to verify their accuracy and audit testing identified several rates within the council's Travel &amp; Subsistence Policy &amp; Procedure that are not set up within the system for staff to claim.</p> <p>The authorisation of staff travel &amp; subsistence claims is linked to posts rather than employees and is currently set, in the main, at senior manager level. However, it may be that this could be more effectively undertaken by line managers, who will likely have more knowledge of the day-to-day activities of their direct reports. Although there is a form to request that new posts are set up within the system, this does not include a mechanism to advise the payroll provider if the post should be an authoriser for travel &amp; subsistence claims. Audit testing identified four posts that should be set up as authorisers but are not. <b>Opinion: Amber.</b></p> <p><b>RMO2 - There are procedures in place to claim &amp; verify travel &amp; subsistence claims.</b></p> <p>The review found there is a Travel &amp; Subsistence Policy and Procedure available on the staff intranet, however this does not appear to have been reviewed for some time and contains some inconsistent information. There is information included within the policy relating to roles and responsibilities when claiming travel &amp; subsistence and authorising claims, but the policy has been accessed on the staff intranet by less than 50% of staff.</p> <p>There are procedures in place to claim travel &amp; subsistence, and for claims to be authorised, however audit testing identified that a lack of detail and appropriate supporting evidence means it is not possible to give assurance that all claims are accurate and valid. It should however be noted that the value of travel &amp; subsistence claims processed represents a very small proportion of the council's overall budget.</p> <p><b>Opinion: Red.</b></p> <p><b>Overall Opinion: Amber. Actions: Three high, one medium and one low priority. Actions relate to completing the review of the Service Level Agreement and considering inclusion of arrangements to allow further verification of system set up; reviewing the post level that can authorise claims and making any necessary changes to authorisations; agreeing amendments to the new post set up form; and, reviewing the Staff Travel &amp; Subsistence Policy and Procedure and making sure all staff and managers aware of the updated policy, including their roles &amp; responsibilities.</b></p>

Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & actions agreed
6	STG Building Control Partnership	15	10	Final report issued	<p>The review considered the following Risk Management Objective:  <b>RMO1 - There are appropriate governance arrangements in place for the STG Building Control Partnership from the perspective of Gravesham Borough Council.</b></p> <p>The review found there is a Memorandum of Agreement (MOA) in place for the Partnership, setting out clear roles and responsibilities, which was last updated in 2023, following the process for variations set out in the MOA. A Joint Committee has been established to oversee the Partnership, which operates in line with an agreed Constitution and Terms of Reference; GBC has appropriate representation on the Joint Committee. Arrangements exist for an annual Business Plan and financial budget to be prepared in line with the MOA. Audit Testing confirmed the 2023-2026 Business Plan and Delivery Plan received appropriate approval from the Joint Committee, as well as GBCs Cabinet, with the council's 2023-24 contribution calculated in line with the MOA and appropriately reflected in its budget book. There are arrangements in place for appropriate risk management to be undertaken, with a risk register included within the 2023-2026 Delivery Plan. The specific elements of the Building Control function to be delivered by the Partnership, including the statutory and discretionary services, are set out in the MOA. Three monitoring reports are presented to the Joint Committee each year, as well as an annual report. Within these reports information is provided in relation to the current financial forecast, progress against the Business Plan/Delivery Plan, and performance. There are arrangements in place for complaints to be recorded, monitored, and reported. <b>Opinion: Green.</b></p> <p><b>Overall Opinion: Green. Actions: None.</b></p>
7	Corporate Credit Cards	15	24.6	Final report issued	<p>The review considered the following Risk Management Objective:  <b>RMO1 - Arrangements exist for corporate credit cards to be used in accordance with the relevant guidelines.</b></p> <p>The review found that there are arrangements in place for senior management to approve the allocation of corporate credit cards and set transaction limits, however there are inconsistencies between written records and current practice in relation to what level of senior management this approval should sit at, as well as in the arrangements for raising purchase orders for corporate credit card transactions. Arrangements for Merchant Category Group blocking on corporate credit cards are also inconsistent. Procedures are in place for cardholders to sign an agreement confirming that they have read and understood the terms of use when receiving their corporate credit card, alongside guidance on appropriate usage, though this is not currently routinely recirculated. Spreadsheets are held that provide a record of all corporate credit card holders and transaction limits, though data comparison between these spreadsheets and the Lloyds Banking System identified a number of</p>

Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & actions agreed
					<p>discrepancies. Arrangements exist for monthly statements to be checked by cardholders and for supporting receipts/invoices to be supplied to support transactions. There are arrangements in place for corporate credit cards to be cancelled and recovered where appropriate. <b>Opinion: Amber.</b></p> <p><b>Overall Opinion: Amber. Actions: Two high priority.</b></p> <p><b>Actions relate to agreeing the approval requirements for corporate credit cards and transaction limits and updating information relating to corporate credit cards in the council's Constitution and making arrangements to, update guidance and make this available to cardholders, review arrangements for Merchant Category Group blocking on corporate credit cards, update the User Agreement, review and update corporate credit card records, agree the purchase ordering requirements for corporate credit cards, and, remind staff to ensure monthly statements are appropriately authorised and all transactions are supported by appropriate receipts or equivalent evidence, with VAT accounted for correctly.</b></p>
8	Carbon Reduction Programmes (HRA)	15	17.6	Final report issued	<p>The review considered the following Risk Management Objective:  <b>RMO1 - Arrangements exist to monitor and deliver carbon reduction programmes across HRA stock in accordance with the council's objectives.</b></p> <p>The review found that carbon reduction programmes are identified in line with the councils' overall objectives. The Climate Change Strategy 2022-30 was developed as a result of the council's pledge to become net zero by 2030 and is supported by a Management Delivery Plan which details the budgets and timescales for individual projects. The work is promoted on the Council's website as well as in corporate publications.</p> <p>The team has allocated roles and responsibilities for delivering carbon reduction programmes and there are arrangements in place to procure contractors where necessary.</p> <p>Budgets are identified and monitored, and if the allocated budget is to be exceeded, a request will be made for external funding. Progress towards individual carbon reduction programmes is monitored quarterly and is reported to the Climate Change Advisory Board. There are also monthly meetings held with contractors to track progress, with records of works completed maintained.</p> <p>Repairs and Maintenance procedures are updated to support new equipment installed and tenants are made aware of the updated information.</p> <p>Arrangements exist to monitor the impact of carbon reduction programmes through performance monitoring. <b>Opinion: Green.</b></p> <p><b>Overall Opinion: Green. Actions: None.</b></p>



Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & actions agreed
9	Environmental Enforcement	15	18.4	Final report issued	<p>The review considered the following Risk Management Objective:  <b>RMO1 - There are appropriate arrangements in place for the effective prevention, detection and enforcement of offences that harm the environment.</b></p> <p>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 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. <b>Opinion: Green.</b></p> <p><b>Overall Opinion: Green. Actions: One low priority.</b></p> <p><b>Action relates to reminding officers to regularly monitor and update the FPN spreadsheet.</b></p>
10	Trade Waste Collection	15	16	Final report issued	<p>The review considered the following Risk Management Objective:  <b>RMO1 - Trade waste contracts are effectively managed.</b></p> <p>The review found that information is available regarding the council's trade waste collection service, though there may be opportunities to publicise the service further. The fees are reviewed on an annual basis and are available on request via a no-obligation quote. An appropriate process is in place for businesses to set up a trade waste account, with an Agreement Form forming a contract with the business once relevant checks have been completed. It was noted that there are a number of old agreements in existence and the service are in the process of sending new agreements to existing customers. Terms &amp; Conditions are in place and supplied to businesses alongside the Agreement form, but acceptance of these does not currently form part of</p>



Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & actions agreed
					<p>the declaration in the form. Arrangements exist for accounts to be created on the Collective system, identified by a unique reference number, and for collections to be scheduled and invoices raised for completed collections, included any excess collected. Arrangements are also in place for outstanding invoices to be monitored and for collections to be suspended pending the account being settled. <b>Opinion: Green.</b></p> <p><b>Overall Opinion: Green. Actions: One medium and two low priority.</b></p> <p><b>Actions relate to amending the agreement form to include acceptance of the terms &amp; conditions, exploring the use of NAFN for credit checks, and introducing a review date for contracts.</b></p>
11	Risk Management Framework	15	11.4	Final report issued	<p>The review considered the following Risk Management Objective:</p> <p><b>RMO1 – There are arrangements in place to manage service risks.</b></p> <p>The review found there are arrangements in place for risk management training to be delivered, however audit testing identified there are some managers responsible for service risk management who have not attended recent training.</p> <p>Service risk registers are included in annual business plans and there are arrangements in place for templates to be created for all services and for the business planning process to be launched with managers, though there is limited guidance available regarding how service risk registers should be completed. Audit testing found completed 2023-24 service risk registers for 24 of 28 services, though there were varying levels of detail and consistency across these. There is no formal requirement for service risk registers to be reviewed / updated after their initial preparation and it was noted that the corporate and service risk management processes are currently operated independently of one another. The percentage of business plans completed is monitored by a management indicator, the outturn of which is presented to Management Team. The council has a Risk Management Working Group which meets on a quarterly basis, though there appears to have been some drift from the group's original purpose and membership. <b>Opinion: Amber.</b></p> <p><b>Overall Opinion: Amber. Actions: Two high, two medium and one low priority</b></p>
12	Staff Flexible Working Arrangements	15	11.1	Final report issued	<p>The review considered the following Risk Management Objectives:</p> <p><b>RMO1 - There are appropriate arrangements in place to manage and monitor hybrid working arrangements.</b></p> <p>The review found there is a Hybrid Working Policy in place, which is available on the staff intranet, but is overdue a review. The Hybrid Working Policy defines the procedures to support hybrid working in the workplace and the roles and responsibilities associated with the management of a hybrid workforce. Although it is understood some training on Leadership Behaviours for Managing and Motivating Hybrid Teams was completed in 2021, it has not been possible to verify that this was</p>

Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & actions agreed
					<p>attended by all line managers, in line with the policy, and no repeat courses have been run for new line managers or those requiring refresher training.</p> <p>Information about performance management and communication is included within the Hybrid Working Policy. Feedback from IIP assessments undertaken in 2019 and 2022 shows a clear improvement in staff perception around managing performance. Information on expectations in relation to carrying out appraisals and one to ones is provided on the staff intranet, with links to supporting documents and guidance. Completion of appraisals is monitored by HR, but a new Management Indicator has been introduced to help address compliance issues with this process. The Hybrid Working Policy details the health &amp; safety risk assessments that should be undertaken, with information and a form through which these can be completed provided on the staff intranet. As of October 2023, 100% of existing staff had completed DSE and home working assessments. <b>Opinion: Amber.</b></p> <p><b>RMO2 - There are appropriate arrangements in place to manage staff flexible working arrangements.</b></p> <p>The review found there is a Flexible Working Policy in place, which is up to date and available on the staff intranet. The policy sets out the procedures that should be followed when making and determining a flexible working request and there are a number of letter templates available to support the process which can be supplied to managers when needed. Records of requests are maintained by HR; however, audit testing identified some gaps in the documentation available to support the requests made in 2023. There is also a Homeworking Policy in place and available on the staff intranet. However, this has not been reviewed since 2015 and there is now some overlap with the Hybrid Working Policy. <b>Opinion: Amber.</b></p> <p><b>Overall Opinion: Amber. Actions: Five medium priority.</b></p> <p><b>Actions relate to reviewing the Hybrid Working Policy and Employee Handbook and making these available on the staff intranet, reviewing and commissioning appropriate training for line managers, staff being reminded of the requirements for administering flexible working requests and reviewing the Homeworking Policy.</b></p>
13	Recruitment (inc. advertising, application, appointment, induction)	15		Not completed	
14	Planning Enforcement	15		Fieldwork complete, in quality control	<p>The review considered the following Risk Management Objective:</p> <p><b>RMO1 - Arrangements are in place to ensure that Planning Enforcement is carried out effectively.</b></p>

Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & actions agreed
15	Asset Management	15		Fieldwork complete, in quality control	The review considered the following Risk Management Objective: <b>RMO1 - Arrangements are in place to manage and account for the council's land and property assets.</b>
16	IT Asset Management	15		Fieldwork complete, in quality control	The review considered the following Risk Management Objective: <b>RMO1 - Arrangements are in place to monitor distribution and relocation of IT equipment.</b>
17	Housing Management System	15		Review cancelled	
18	Information requests (FOI, SAR, EIR)	15	12.8	Final report issued	<p>The review considered the following Risk Management Objective: <b>RMO1 -Arrangements are in place for the council to assess and respond to information request in accordance with legislation.</b></p> <p>The review found that there are appropriate policies and procedures in place, with details provided on the council website, although some were slightly out of date. Three training courses are available, although records showed no attendance during 2022, or 2023. Further in-house training was arranged, however, there was no attendance for the DPIA training, and only limited attendance at the SAR training. Training with several individual teams has now been arranged, although there is no separate training for authorisation of a request.</p> <p>FOI requests are managed through the IKEN system and testing confirmed that acknowledgment is sent to the customer and the request is sent to service. Responses are authorised by the Head of Service/Director and testing confirmed responses were sent by or copied to the appropriate level. Appropriate exemptions were found to have been applied in call cases tested and had been applied following correct procedures.</p> <p>Members of the public have the right of appeal to the Information Commissioner Office and appropriate information was provided within the agreed timeframe for the one compliant received.</p> <p>Subject Access Requests can be made through any communication channel, although it was identified that managers need to be more aware of the procedure. Testing confirmed that customers are contacted for identification, although management of requests covering multiple services could be better and action is being taken to address these weaknesses.</p> <p>Performance statistics are reported quarterly, and services are provided with details of outstanding requests on a weekly basis. <b>Opinion: Green.</b></p> <p><b>Overall Opinion: Green. Actions: One medium priority.</b></p> <p><b>Action relates to arrangements being made to ensure that mandatory role specific FOI/EIR &amp; SAR training is completed across the council.</b></p>

Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & actions agreed
19	Taxi Licencing & Enforcement	17	20.3	Final report issued	<p>The review considered the following Risk Management Objectives:</p> <p><b>RMO1 - There are policies and procedures in place for taxi &amp; private hire vehicle licenses to be issued in accordance with relevant legislation and local requirements.</b> Gravesham Borough Council hosts a shared Licencing service with Medway Council and the review found there are up to date taxi &amp; private hire licencing policies in place for both councils, that have been appropriately agreed, are publicly available and are regularly reviewed. There are also arrangements in place for vehicle licence fees to be set and agreed. Vehicle licences for both councils can be applied for and renewed online via the Gravesham Borough Council website, with appropriate information available to the public about the respective processes. Officers have procedure notes available and there are arrangements in place for all vehicle licence applications received to be processed in a timely and accurate manner and to ensure applications are supported by the correct documents and fee. There are also arrangements in place to ensure the relevant inspections are carried out on all vehicles for both new and renewal applications. Once applications have been processed and the relevant inspections have been completed, there are arrangements in place for the licence to be approved and issued. There are also arrangements in place for income received to be appropriately recorded and banked. <b>Opinion: Green.</b></p> <p><b>RMO2 - There are arrangements in place to enforce relevant legislation and conditions in relation to taxi &amp; private hire vehicle licences.</b> The review found there are arrangements in place to monitor the renewal dates of vehicle licences, with automatic renewal notices issued; it is the licence holder's responsibility to renew the licence and if no application is received, it will expire. There are appropriate enforcement policies in place, which detail the enforcement options that are available. Information on how to report complaints about a driver is provided on the Gravesham Borough Council website but could provide more clarity about what can be reported. There are arrangements in place to deal with reported complaints/concerns and they are investigated in a timely manner, with action taken in accordance with the enforcement policy where appropriate. There is an additional requirement for vehicles to have six-monthly interim inspections, and an automatic reminder is issued when this is due, however at the time of audit there was no evidence available to confirm that this was being followed up. <b>Opinion: Amber.</b></p> <p><b>Overall Opinion: Green. Actions: One medium and four low priority. Actions relate to updating application information provided on the Gravesham Borough Council website; introducing management sample checks of application processing; updating information about reporting complaints/concerns on the</b></p>

Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & actions agreed
					<b>Gravesham Borough Council and Medway Council websites; and making arrangements to monitor and follow up on overdue six-monthly vehicle inspections.</b>
20	HMO Licencing	15	8.1	Final Report Issued	<p>The review considered the following Risk Management Objective:  <b>RMO1 - There are appropriate arrangements in place to licence Houses in Multiple Occupation (HMO), including renewals.</b></p> <p>The review found there is an up-to-date Houses of Multiple Occupation (HMO) Licensing Policy and Guide in place, which are available on the council's website. Arrangements exist for HMO license fees to be approved by Cabinet annually and are detailed on the council's website. HMO license applications can be made via an online application form with clear procedures to support this process, which were found to be working in practice. There is also an appropriate application procedure for Temporary Exemption Notices. A HMO Public Register has been published on the council's website. The council's website also has information relating to reporting suspected unlicensed HMOs, including a link to an online form through which reports can be made. Arrangements exist for reports to be allocated to officers for investigation in line with the Houses of Multiple Occupation (HMO) Licensing Policy and Private Sector Housing Enforcement Policy. <b>Opinion: Green.</b></p> <p><b>Overall Opinion: Green. Actions: None</b></p>

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

Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & recommendations made
	<i>Finalisation of 2022-23 Planned Work</i>	30	35.3	<i>Complete</i>	<i>All reviews from 2022-23 finalised.</i>

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

Activity	Opinion, summary of findings & actions agreed
<i>Election Spreadsheet Verification</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 2023 Local elections held in May.</i>
Enforcement Agent Tender Evaluation	The team carried out detailed checks to ensure the accuracy of spreadsheets that would be used as part of the Enforcement Agent Tender Evaluation.

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

Client service area	Services provided
Corporate Working Groups	The Head of Internal Audit & Counter Fraud is a member of the Risk Management Working Group, and the Principal Internal Auditor has been part of the Information Governance Strategy Group and Social Lettings Agency Corporate Working Group, offering advice and guidance on internal control and risk matters.
<i>Rent Deposit Scheme</i>	<i>A consultancy review to determine whether the councils rent deposit scheme remained fit for purpose and that appropriate policies and procedures were in place to support its use moving forward, was concluded in year. The review identified that while there were appropriate controls in place, suggestions for a number of improvements were identified in relation to updates to the policy and procedures, further training for staff to ensure the scheme was used consistently, information available to the public and the accuracy of records maintained.</i>
<i>Emergency Planning</i>	<i>A consultancy review looking at the arrangements to ensure the council is prepared to deal with any emergency/incident impacting on the borough, was concluded in year. A number of actions were suggested to help improve controls and strengthen the emergency planning arrangements.</i>
Woodville	A consultancy review looking at the arrangements for the recruitment and time management of casual staff, volunteers, and work experience placements, was concluded in year. Areas for improvement were identified due to a lack of documented procedures and actions were suggested to the service in order to improve internal controls moving forward.
Performance Indicators	The team conducted a review the methodologies used to calculate the outturn figures for a sample of the performance indicators listed in the Council Plan. Services responsible for those indicators were consulted and the evidence base for the methodologies was reviewed with feedback provided to officers to ensure the accuracy of future reporting.

## 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 Internal Audit QAIP for 2023-24 was agreed by Gravesham’s Finance & Audit Committee in March 2023.

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 13 performance indicators. Performance targets have been set for nine of the 13 indicators and outturns presented are those as of 31 March 2024.

Ref	Indicator	Target	Outturn for report period
<b>Non-LA Specific Performance Measurements</b>			
IA1	Proportion of staff with professional qualification relevant to internal audit	N/A	67%
IA2	Proportion of non-qualified staff undertaking professional qualification training	N/A	0%
IA3	Time spent on professional qualification training:	N/A	87.4 days
IA4	Time spent on CPD/non-professional qualification training, learning & development (including corporate training)	40 days	14.5 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%. This shows improvement on our 2019 self-assessment and our latest external quality assessment received a Green opinion as well as improvements identified since the last assessment in 2018.
<b>LA Specific Performance Measurements</b>			
IA6	Average cost per agreed assurance review	<£5,000	
IA7	Proportion of estimated resources delivered	N/A	84%
IA8	Proportion of chargeable time spent on: Assurance work Consultancy work	N/A	91% 9%
IA9	Proportion of agreed assurance reviews: Delivered Underway	95%	84% 11%
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%	13%
IA11	Number of agreed actions that are: Not yet due Implemented Outstanding	N/A	8 53 14

Ref	Indicator	Target	Outturn for report period
IA12	Proportion of actions implemented by agreed date	N/A	79.1%
IA13	Client, Management and Member satisfaction with internal audit services	90%	<p>100%</p> <p>The annual survey asked those who had received services from internal audit in the last 12 months to rate their satisfaction on a scale of one to ten. Scores of eight or higher are considered to be positive satisfaction. 13 people responded to the annual survey, 11 of which had received services from internal audit in the last 12 months and all respondents scored eight or higher.</p>



## 7. Follow up of agreed actions

Where the work of the Internal Audit team identifies 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 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 internal 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 2023-24 financial year.

The second table details agreed actions that were more than six months over their planned implementation date as of 31 March 2024 (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 2024)

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
Leaseholder Management	<p>Opinion: <b>Amber</b>.</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>Three actions due, two completed.</p> <p>One medium priority outstanding relating to the Leaseholders' Handbook being updated.</p>
Temporary Accommodation – Out of Area Placements	<p>Opinion <b>Red</b>.</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 place to ensure that costs are recovered for all temporary accommodation placements outside of the council's housing stock.</p>	<p>Seven actions completed.</p> <p>One high priority action cancelled as it was replaced by an action arising from the Homelessness – Temporary Accommodation audit finalised in August 2023.</p>
Council Tax Discounts, Disregards & Exemptions	<p>Opinion: <b>Amber</b>.</p> <p>Three actions agreed: One high, one medium and one low priority.</p> <p>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.</p>	<p>All actions completed.</p>
GDPR	<p>Opinion: <b>Amber</b>.</p> <p>Five actions agreed: Four high and one medium priority.</p> <p>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</p>	<p>All actions completed.</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
	incidents, to ensure a complete record is available of the incident and action taken.	
Housing Allocations	Opinion: <b>Amber</b> . Two actions agreed: Two medium priority. Actions relate to a checklist being created to confirm all necessary documents have been obtained for each application; and regular quality assurance checks being carried out.	All actions completed.
Planning Applications	Opinion: <b>Amber</b> . Five actions agreed: Two high, two medium and one low priority. 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.	Five actions due, four completed. One high priority outstanding relating to arrangements being made for approval arrangements for planning applications set out in the Constitution to be reviewed.
Business Continuity Planning	Opinion: <b>Amber</b> . Five actions agreed: Two high, two medium and one low priority. Actions relate to the Business Continuity Management Framework and revised BCP templates being circulated to relevant staff and plan owners instructed to update their plans; an updated Corporate BCP being created; testing exercises being scheduled and carried out; and the Framework being updated in relation to arrangements for post incident reviews	All actions completed.
Planning Obligations	Opinion: <b>Amber</b> . Five actions agreed: Two high and three medium priority. 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 agreements, and allocating responsibility for maintaining and monitoring these records, and putting arrangements in place to monitor unspent contributions.	All actions completed.
Void Property Management	Opinion: <b>Green</b> . Two medium priority actions agreed. Actions relate to reviewing the procedures for identifying and booking pre-termination visits and undertaking cost analysis for pursuit of rechargeable costs in eviction cases.	All actions completed.

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
Whistleblowing	<p>Opinion: <b>Amber</b>.</p> <p>Three actions agreed: Two high and one medium priority.</p> <p>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.</p>	All actions completed.
IT Security & Access Controls	<p>Opinion: <b>Green</b>.</p> <p>Two actions agreed: One medium and one low priority.</p> <p>Actions relate to formalising the arrangements in place for granting and removing access to network folders and for resetting passwords.</p>	All actions completed.
Communications Strategy	<p>Opinion: <b>Green</b>.</p> <p>Two medium priority actions agreed.</p> <p>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.</p>	All actions completed.
Procurement Compliance	<p>Opinion: <b>Amber</b>.</p> <p>Five medium priority actions agreed.</p> <p>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.</p>	<p>Four actions due, none completed.</p> <p>Four medium priority outstanding relating to updating the Procurement Strategy, training and guidance for staff, effective monitoring of aggregate spends being put in place</p>
Homelessness	<p>Opinion: <b>Red</b>.</p> <p>13 actions agreed: Four high, five medium, and four low priority.</p> <p>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</p>	<p>13 actions due, 11 completed.</p> <p>One high and one medium priority outstanding relating to reviewing the arrears recovery process timeline and finalising the non-co-operation policy and reviewing procedures for making introductory contact at the outset of placements and ensuring appropriate checks are undertaken after placement to verify residency.</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
	verify residency; ensuring eligible applicants are registered on Kent Home Choice; and, reviewing recharges to the homelessness budget.	
Right to Buy	Opinion: <b>Amber</b> . One high priority action agreed. Action relates to processes for retaining RTB documentation being reviewed and streamlined.	All actions completed.
Climate Change Action Plan	Opinion: <b>Green</b> . 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 report 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: <b>Amber</b> . 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 year.
Housing Rent Recovery	Opinion: <b>Amber</b> . 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.	All actions completed.
Discretionary Housing Payments	Opinion: <b>Green</b> . 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: <b>Amber</b> . 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	Ten actions due, five completed. Three medium and two low priority outstanding relating to updating the staff intranet and the relevant section of the Constitution; additions to

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
	<p>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 mechanism put in place to ensure that annual returns for relevant officers are made.</p>	<p>the relevant documentation / register; management decisions regarding who should complete annual declarations and oversight of the central register; updated guidance circulated to officers with a mechanism put in place to ensure that annual returns for relevant officers are made.</p>
Environmental Enforcement	<p>Opinion: <b>Green</b>. One low priority action agreed. Action relates to reminding officers to regularly monitor and update the FPN spreadsheet.</p>	<p>All actions completed.</p>
Private Sector Housing Enforcement	<p>Opinion: <b>Green</b>. One medium priority action agreed. Action relates to implementing a management review process.</p>	<p>All actions completed.</p>
Trade Waste Collections	<p>Opinion: <b>Green</b>. One medium and two low priority actions agreed. Actions relate to amending the agreement form to include acceptance of the terms &amp; conditions, exploring the use of NAFN for credit checks, and introducing a review date for contracts.</p>	<p>One action completed before report finalised. One action due, one completed.</p>
Corporate Credit Cards	<p>Opinion: <b>Amber</b>. Two high priority actions agreed. Actions relate to agreeing the approval requirements for corporate credit cards and transaction limits and updating information relating to corporate credit cards in the council's Constitution and making arrangements to, update guidance and make this available to cardholders, review arrangements for Merchant Category Group blocking on corporate credit cards, update the User Agreement, review and update corporate credit card records, agree the purchase ordering requirements for corporate credit cards, and, remind staff to ensure monthly statements are appropriately authorised and all transactions are supported by appropriate receipts or equivalent evidence, with VAT accounted for correctly.</p>	<p>One action due, one completed.</p>

Actions outstanding more than six months after scheduled implementation date (as of 31 March 2024)

Directorate	Audit & Counter Fraud Review title	Action	Priority	Planned Implementation Date	Management Update
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	Although outstanding as of 31 March 2024, this action has since been completed.
Corporate Services	Climate Change Action Plan	Arrangements to be made to identify, record, and manage risks to the delivery of the Climate Change Delivery Plan.	Low	30 September 2023	Although outstanding as of 31 March 2024, this action has since been completed.

## 8. Update on 2024-25 Planned Internal Audit Work

Ref	Activity	Day budget	Days Used	Current status	Opinion, summary of findings & actions made
1	Homelessness			Terms of Reference being prepared	
2	Repairs & Supplies Management			Terms of Reference being prepared	
3	Housing Rent Administration & Collection, inc. Service Charges			Terms of Reference being prepared	
4	Rough Sleeping Service	15		Fieldwork Underway	The review will consider the following risk management objective: <b>RMO1 - Appropriate measures are in place to operationally manage the service and to effectively deliver the Rough Sleeping Strategy.</b>
5	Community Grants				
6	Council Tax Discounts, Disregards & Exemptions				
7	Street Cleansing			Terms of Reference being prepared	
8	Policy Framework				
9	Corporate Debt Recovery				
10	Parking - Income Collection			Terms of Reference being prepared	



## 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>

## Action 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>