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# Audit & Counter Fraud Update

Medway Council

For the period:

1 April – 31 August 2017

# 1. Introduction

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

# 2. Independence

- 2.1. The Audit & Counter Fraud Charter was approved by Medway's Audit Committee in March 2017 and sets out the purpose, authority and responsibility of the team. The Charter sets out the arrangements to ensure the team's independence and objectivity through direct reporting lines to senior management and Members, and through safeguards to ensure officers remain free from operational responsibility and do not engage in any other activity that may impair their judgement. The work of the team during the period covered by this report has been free from any inappropriate restriction or influence from senior officers and/or Members.
- 2.2. Given its responsibilities for counter-fraud activities, the Audit & Counter Fraud Shared Service cannot provide independent assurance over the counter-fraud activities of either council. Instead independent assurance over the effectiveness of these arrangements will be sought from an external supplier of audit services on a periodic basis.

# 3. Resources

- 3.1. The Audit & Counter Fraud Shared Service Team reports to the Section 151 Officers of Medway Council and Gravesham Borough Council. The team has an establishment of 14 officers (13.6FTE) consisting of the Head of Audit & Counter Fraud (post currently vacant), the Audit & Counter Fraud Manager, two Audit & Counter Fraud Team Leaders, nine Audit & Counter Fraud Officers and one Audit & Counter Fraud Assistant. All members of the team started in these posts with the launch of the shared service on 1 March 2016. One Audit & Counter Fraud Officer is due to leave the authority in September 2017.
- 3.2. 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. At the time the Audit & Counter Fraud Plans for 2017-18 were prepared, this establishment was forecasted to provide a total of 1,666 days available for audit and counter fraud work (net of allowances for leave, training, management, administration etc.) The Audit & Counter Fraud Plan for Medway was prepared with a resource budget of 1,029 days.
- 3.3. Net staff days available for Medway for the period 1 April to 31 August 2017 amounted to 442 and 374 days (84%) were spent on productive audit and counter fraud work. Of this productive time, 65% was spent on audit assurance and consultancy work, while 35% was spent on counter fraud and investigations work. The current status and results of all work carried out are detailed at section 4 of this report.
- 3.4. Members will note that the net staff days available that have been detailed at paragraph 3.3 are lower than for the first period of 2016-17. There are two factors contributing to this reduction;

- a larger amount of leave has been taken in the period April to July in comparison to the same period last year, and
  - two Audit & Counter Fraud Officers have been long term sick.
- 3.5. The long term sickness of two officers has left a significant gap in resources that will need to be filled by agency staff. The costs of employing any additional officers will be met from salary savings created by the current and pending vacancies within the team

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

- 4.1. The Audit & Counter Fraud Plan 2017-18 for Medway was approved by the Audit Committee in March 2016. The Plan is intended to provide a clear picture of how the council will use the Audit & Counter Fraud Shared Service, reflecting all work to be carried out by the team for Medway during the financial year including the council's core finance and governance arrangements, operational assurance work, proactive counter fraud work, responsive investigations and consultancy services.
- 4.2. As in previous years, a number of items from the 2016-17 audit plan were not finalised in that year, with 87 days spent on work from the previous year's plan in Q1 and Q2 of 2017-18. The productive days spent on Medway's plan have been primarily focused on assurance and consultancy work with 243 days spent on this type of work. A total of 131 days have been spent on reactive fraud work in the period.

2016-17 Internal Audit Assurance work completed in 2017-18 since the last Audit Committee meeting

Ref	Activity	Day Budget	Days Used	Current status	Opinion, summary of findings & recommendations made
	Asset management	8	20.7	Final report issued	<p>The review considered the following Risk Management Objective:  <b>RMO1 – Arrangements are in place to manage and account for the council’s assets.</b></p> <p>The review found that adequate Asset Registers are in place containing accurate, relevant and up-to-date information, along with the current value for the Land &amp; Building, Finance, Highway and Housing registers.  <b>Opinion: Strong</b>  <b>Overall opinion: Strong. Recommendations: none.</b></p>
	Risk management framework	13	30	Final report issued	<p>The review considered the following Risk Management Objectives:  <b>RMO1 – Effective arrangements are in place for the management of operational risk in line with the Risk Management Cycle in the council’s Strategy.</b></p> <p>The review found information is available on the intranet to help Service Managers understand their role in the Risk Management Framework and how to produce a service plan. Seven of the nine services in the sample reviewed provided evidence of their service plan. One provided a reasonable explanation why they did not produce one, but evidence of a service plan was not provided from one service. All nine services knew how to identify, analyse &amp; prioritise risks. Service Managers demonstrated inconsistencies in their risk rating, the templates they use to report risks and the majority were not using Covalent, which supports the opinion of some Service Managers that more training is required.  <b>Opinion: Needs Strengthening</b>  <b>Overall opinion: Needs Strengthening. Recommendations: Four medium priority.</b>  <b>Recommendations related to providing training and introducing arrangements to ensure all services complete service plans and appropriately scored risk registers consistently.</b></p>

Fostering – payments to carers	20	-	Draft report with client for consideration	The review considered the following Risk Management Objectives: <b>RMO1 – The budget for foster carer payments is appropriate</b> <b>RMO2 - An appropriate framework is in place for foster carer payments</b> <b>RMO3 - Payments to foster carers are accurate and appropriately processed</b>
Adoption & fostering – expenses claims and other related expenditure	13	-	Draft report with client for consideration	The review considered the following Risk Management Objectives: <b>RMO1 - The budget for expenses and other related payments within Fostering and Adoption is appropriate.</b> <b>RMO2 - An appropriate framework is in place for the payment of fostering and adoption expense and other related payment claims.</b> <b>RMO3 - Expense and other related payment claims received in regard to fostering and adoption are appropriately processed.</b>
Child sexual exploitation	13	-	Draft report with client for consideration	The review considered the following Risk Management Objectives: <b>RMO1 - Appropriate arrangements are in place to prevent and identify Child Sexual Exploitation in Medway.</b> <b>RMO2 - Appropriate monitoring of referrals is conducted.</b> <b>RMO3 - Appropriate arrangements are in place for inter-agency working.</b>
Regeneration	15	-	Draft report with client for consideration	The review considered the following Risk Management Objective: <b>RMO1 - Arrangements are in place to deliver regeneration projects effectively in line with good governance.</b>

## 2017-18 Internal Audit Assurance work

Ref	Activity	Day Budget	Days Used	Current status	Opinion, summary of findings & recommendations made
<b>Core governance and financial systems assurance work</b>					
1	Finalisation of 2016-17 planned work	20	86.8	Complete	All 2016-17 planned fieldwork has been completed with four reports to be agreed as final.
2	Risk Management (Operational)	15	N/A	Not Yet Started	Proposal to remove
3	Data Quality	15	N/A	Not Yet Started	N/A
4	NNDR Administration & Reliefs	15	N/A	Fieldwork underway	The review will consider the following Risk Management Objectives: <b>RMO1 - Appropriate arrangements are in place for the application of discretionary and mandatory NNDR rate reliefs.</b>
5	Financial Planning	15	N/A	Fieldwork underway	The review will consider the following Risk Management Objectives: <b>RMO1 - The council will have an ongoing plan to balance the budget in the current year and in future years.</b>
6	Capital Accounting	15	N/A	Not Yet Started	N/A
7	Bank Reconciliation	15	N/A	Not Yet Started	N/A
8	Sundry Debtors	15	N/A	Not Yet Started	N/A
9	Housing Benefit	15	N/A	Not Yet Started	N/A
10	Ethics	15	N/A	Not Yet Started	N/A
11	Constitution Maintenance	15	N/A	Not Yet Started	N/A
12	Performance Management	15	N/A	Not Yet Started	N/A
13	Responsive assurance work	15	N/A	Underway	In the period 1 April 2017 to 31 August 2017 the team have: <ul style="list-style-type: none"> <li>• Verified the July 2017 Troubled Families grant claim to the Department of Communities &amp; Local Government.</li> <li>• Conducted a review to provide assurance regarding the management of the Imprest account held by the Old Vicarage residential home. The review concluded that policies and procedures are in place with</li> </ul>

Ref	Activity	Day Budget	Days Used	Current status	Opinion, summary of findings & recommendations made
					<p>good record keeping and monthly returns submitted in a timely fashion. The transactions reviewed showed that all expenditure is appropriate and reasonable for the home. The staff are all advised of their roles and responsibilities during their induction training but the evidence suggests that they do not always follow the guidelines as set out by Medway Council. The sample of transactions reviewed indicated that receipts are not always retained, VAT is not always recorded accurately and staff do not always choose the most appropriate method of payment for goods and services. Recommendations have agreed to address the weaknesses identified.</p> <ul style="list-style-type: none"> <li>Conducted a review to provide assurance over cash management procedures at the Rochester Visitor Information Centre following a theft. The review concluded that there was a lack of general awareness among officers on how to identify cash management risks and controls to reduce those risks, resulting in an over reliance on trust to safeguard the Visitor Information Centre building, safe, stock and assets. Recommendations have been made to address the weaknesses identified and since the site visit the centre has ordered a new safe with combination and key options and the Duty Manager has introduced procedures for ensuring building security during the cashing up process.</li> </ul>
<b>Corporate risks assurance work</b>					
<b>Finances</b>					
14	Customer Contact Centre – Adult Education Funding Arrangements	15	N/A	Fieldwork completed, in quality control	The review considered the following Risk Management Objectives: <b>RMO1 - Arrangements are in place to ensure the planning arrangements for the programme of learning are effectively designed with funding sources in mind and provide value for money.</b>
15	Shared Services	15	N/A	Fieldwork underway	The review will consider the following Risk Management Objective: <b>RMO1 - Appropriate arrangements have been put into place to ensure the delivery of shared services projects.</b>
16	Off Payroll Engagements	15	N/A	Not Yet Started	N/A

Ref	Activity	Day Budget	Days Used	Current status	Opinion, summary of findings & recommendations made
17	Final Accounts Preparation	15	N/A	Not Yet Started	N/A
18	Coroner's Service	15	N/A	Not Yet Started	N/A
19	Digital Transformation	20	N/A	Fieldwork underway	To be completed through attendance at Digital Transformation Working Group.
<b>Children's Social Care</b>					
20	Special Educational Needs & Disabilities Transport	15	N/A	Not Yet Started	N/A
<b>Keeping vulnerable young people safe and on-track</b>					
21	Children's Services - 16-19 Strategy	15	N/A	Not Yet Started	N/A
22	Attendance Advisory Service to Schools and Academies (AASSA)	15	N/A	Fieldwork underway	The review will consider the following Risk Management Objective: <b>RMO1 - Pupil attendance is monitored to identify pupils falling below the required attendance target.</b>
23	Youth Justice	15	N/A	Not Yet Started	N/A
<b>Adult social care transformation</b>					
24	Deprivation of Liberty Arrangements	15	N/A	Not Yet Started	N/A
25	Safeguarding Adults	15	N/A	Fieldwork completed, in quality control	The review considered the following Risk Management Objectives: <b>RMO1 - Effective arrangements are in place for the safeguarding of adults in Medway.</b>
26	Medway Integrated Community Health Equipment Service	15	N/A	Fieldwork completed, in quality control	The review considered the following Risk Management Objectives: <b>RMO1 - The budget for the contract is monitored regularly and all payments made are accurate and appropriately authorised.</b> <b>RMO2 - There are processes in place to ensure the service is being delivered in accordance with the contract and is giving the council value for money.</b>
27	Adult Social Care	15	N/A	Not Yet Started	N/A



Ref	Activity	Day Budget	Days Used	Current status	Opinion, summary of findings & recommendations made
	Programme Management Office				
<b>Government changes to local authority responsibility for schools</b>					
28	Schools	50	N/A	Fieldwork underway	<p>A risk assessment of the schools remaining in Medway's control has resulted in the selection of the following schools for review in 2017-18:</p> <ul style="list-style-type: none"> <li>• Oaklands Primary</li> <li>• Burnt Oak Primary</li> <li>• Wainscott Primary</li> <li>• St Peters Infants</li> <li>• Crest Infants &amp; Nursery</li> </ul> <p>All schools will be subject to provide assurance that the school has appropriate mechanisms in place to ensure it is in a sound financial position and that there are no material probity issues.</p>
<b>Delivering regeneration</b>					
29	Common Housing Register	15	10.77	Final Report Issued	<p>The review considered the following Risk Management Objective:</p> <p><b>RMO1 – Arrangements are in place to ensure council properties are allocated appropriately.</b></p> <p>Housing have an allocation policy available on the public website and the intranet. The Service were already planning to review this policy as it does not relate to the latest Housing Strategy or changes to their operational procedures. There are also procedure notes available for staff to follow and meet the requirements of ISO9001. Each applicant can be identified by a unique reference number but there was one unexplained anomaly referred to the IT provider to investigate. All applicants tested were found to have been sent a letter to confirm their unique reference number and banding. There were several examples to demonstrate applicants were made aware of their responsibility to notify changes in their circumstances to the council as this can affect their banding. All applicants who requested a review of their banding were reviewed within the target time period. <b>Opinion: Needs Strengthening</b></p> <p><b>Overall opinion: Needs Strengthening. Recommendations: One high</b></p>

Ref	Activity	Day Budget	Days Used	Current status	Opinion, summary of findings & recommendations made
					priority and one low priority. Recommendations related to a policy review and updating the date procedure notes are reviewed.
30	Environmental Protection	15	N/A	Not Yet Started	N/A
31	Parks & Open Spaces	15	N/A	Not Yet Started	N/A
<b>Procurement and savings – capacity &amp; delivery</b>					
32	Medway Commercial Group - Governance & accounting	15	N/A	Not Yet Started	N/A
33	Legal Services	15	N/A	Not Yet Started	N/A
34	Traded services - Health & Wellbeing	15	N/A	Not Yet Started	N/A
35	Traded services - Staffing Agency	15	N/A	Not Yet Started	N/A
<b>Business continuity &amp; emergency planning</b>					
36	Business Continuity Planning	15	N/A	Not Yet Started	N/A
<b>Data &amp; information</b>					
37	Information Governance (Data protection)	15	N/A	Not Yet Started	N/A
38	Information Requests	15	N/A	Not Yet Started	N/A
<b>Impact of Welfare Reform</b>					
39	Nil	N/A	N/A	N/A	N/A
<b>Counter Fraud Assurance Work</b>					
40	Client Financial Affairs	15	N/A	Not Yet Started	N/A
41	Staff Expense Reimbursement	15	N/A	Fieldwork underway	The review will consider the following Risk Management Objectives: <b>RMO1 – Medway Council has adequate arrangements in place to</b>

Ref	Activity	Day Budget	Days Used	Current status	Opinion, summary of findings & recommendations made
					reduce the risk of fraud associated with mileage expense claims. <b>RMO2 – Medway Council has adequate arrangements in place to reduce the risk of fraud associated with non-mileage expense claims i.e. subsistence, accommodation, car parking.</b>
42	Serious & Organised Crime Risk	15	N/A	Not Yet Started	N/A
43	Procurement compliance	15	N/A	Draft report with Client for consideration	The review considered the following Risk Management Objectives: <b>RMO1 – Medway Council’s Construction Professional Services Consultancy Framework is being used in the correct way.</b>

### Proactive Counter Fraud Work

Ref	Activity	Day Budget	Days Used	Current status	Opinion, summary of findings & recommendations made
47	Data matching exercises, including National Fraud Initiative and Kent Intelligence Network	10	N/A	Not Yet Started	Matches received as part of the 2016-17 National Fraud Initiative exercise were distributed to relevant departments for checking in order to eliminate any false positives and to report concerns over suspected fraud to the Audit & Counter Fraud Team. To date, no referrals have been received in connection with these matches.  The KIN matches initially yielded very little but the recent matches linked to NNDR identified additional liability of £42,193 by linking multiple premises with small business rate relief being paid from the same bank account. Further matches linked to charitable relief have now been received but have not been progressed due to issues relating to access to the system. The KIN board are investigating this with the software company.
48	Fraud awareness	10	N/A	Not Yet Started	A Members briefing session is scheduled for Medway in September and for Gravesham in November. From there, awareness sessions will be delivered to wider management team and then individual departments.

### Reactive Investigations work: external investigations

Area	Number of cases concluded	Summary of results
CTAX	Unavailable	In the period of this report, cases linked to fraudulent discounts and exemptions were closed. These cases have identified additional Council Tax liabilities with a total value of £27,275. They have also identified additional liability of £2,436 for future years.

### Reactive Investigations work: internal investigations

Allegation	Investigation activity & recommendations
	The audit & Counter Fraud Team has provided some assistance to HR in the form of disciplinary enquiries but there have been no formal criminal investigations.

### Other consultancy services including advice & information

Activity	Opinion, summary of findings & recommendations made
Internal Drainage Board	The team carried out an audit of the Internal Drainage Board accounts.
Blue Badge Digitalisation	The team provided advice regarding the control implications associated with plans to accept digital blue badge applications.
Audit Committee Membership	Following a request from Members at the previous Audit Committee meeting, analysis was conducted on the membership of Audit Committees across Kent (results reported in a briefing paper to Members).
Security & Information Governance Group	Audit & Counter Fraud have a representative on this corporate working group, which supports the council in identifying its information needs, management and risks.

## 5. Quality Assurance & Improvement Programme

- 5.1. The Standards require that: *The chief audit executive must develop and maintain a quality assurance and improvement programme that covers all aspects of the internal audit activity. A Quality Assurance & Improvement Programme (QAIP) has been prepared to meet this requirement.* The Audit & Counter Fraud Shared Service QAIP was agreed by Medway's Audit Committee in March 2017.
- 5.2. The arrangements set out in the QAIP have been implemented with the collection and monitoring of performance data largely automated through the team's time recording and quality management processes. It should be noted that the results recorded below have not been subjected to independent data quality verification; it is planned that officers in the team will carry out checks to ensure the accuracy of the calculation of performance data reported to Members in future.
- 5.3. In line with the QAIP, the team monitor performance against a suite of 25 performance indicators based on the balanced scorecard, covering the four perspectives; financial, internal process, learning & growth and customer. Performance targets have been set for 15 of the 25 indicators however it should be noted that these are for full year outturns; as such outturns at present are not to target levels for the majority of these but are provided for Members information.

Ref		Target	Outturn to end August 2017
<b>Financial</b>			
A&CF 1	Total cost of the Audit & Counter Fraud Service (compared to the 2015-16 baseline year budgets)	N/A	Medway cost £384,393 (2015-16 budget £522,060)
A&CF 2	Average cost per assurance review	N/A	£5,373 (44 reviews averaging 14 days)
A&CF 3	Cost per A&CF day	N/A	£376
A&CF 4	Value of fraud losses identified, by fraud type (cashable & non-cashable)	N/A	£27,275 Council Tax (historic periods) and £2,436 increase in liability for future years £42,193 NNDR (linked to KIN data matching)
<b>Internal Process</b>			
A&CF 5	Compliance with PSIAS	100%	91% (based on 16-17 self-assessment)
A&CF 6	Proportion of available resources spent on productive work	90%	84%
A&CF 7	Proportion of productive work time spent on assurance work	75-85%	65%
A&CF 8	Proportion of productive time spent on: a) consultancy work b) proactive counter fraud work c) reactive counter fraud work	15-25%	Total: 63% 0% 0% 35%
A&CF 9	Investigator average caseload	TBC	10
A&CF 10	Proportion of agreed plan: Delivered (fieldwork completed) Underway (fieldwork current)	95%	9% 27%
A&CF 11	Proportion of assignments completed within	90%	100%

Ref		Target	Outturn to end August 2017
	allocated day budget		
A&CF 12	Proportion of recommended actions agreed by client management	90%	100%
A&CF 13	Proportion of recommended actions implemented by agreed date	95%	52%
A&CF 14	Number of recommendations agreed that are: a) not yet due b) implemented c) outstanding	N/A	37 22 20
A&CF 15	Number of referrals received	N/A	
A&CF 16	Number of investigations closed	N/A	
<b>Learning &amp; growth</b>			
A&CF 17	Proportion of staff with relevant professional qualification	25%	78.57%
A&CF 18	Proportion of non-qualified staff undertaking professional qualification training	25%	36%
A&CF 19	Time spent on CPD/non-professional qualification training, learning & development	TBC	23.5 days
A&CF 20	Staff turnover	N/A	7.14% (1 employee)
A&CF 21	Proportion of completed reviews subject to a second stage (senior management) quality control check in addition to the primary quality control review	10%	0%
<b>Customer</b>			
A&CF 22	Customer satisfaction with overall service	95%	N/A – full client survey in development – planned for 2017-18.
A&CF 23	Member satisfaction on effectiveness of internal audit (as set out in the terms of reference of the Audit Committee)	Positive	N/A – Members views on their satisfaction with the service to be sought through survey in development –2017-18.
A&CF 24	Statement of external audit on internal audit and/or their ability to rely on the work of internal audit	Positive	
A&CF 25	Customer satisfaction with individual review/assignment	95%	N/A – no surveys returned in year to date

## 6. Review of Audit & Counter Fraud Plan

- 6.1 Monitoring of the delivery of planned work is built into the team's processes with individual officer time recording data feeding into an automated performance monitoring workbook; this tracks the performance of the team against the shared service work-plan as a whole and enables the supervisory staff to plan and support officers to deliver their individual work plans. On at least a quarterly basis, a

projection of the resources that will be available to the year end is carried out and compared to forecasts for each item of work on the plan to be completed.

- 6.2 As mentioned at paragraphs 3.4 and 3.5, there is currently a need to employ agency staff to provide additional resource to fill a gap created by long term sickness. This is necessary to ensure that the work plan can be delivered and adequate work completed to deliver the Council's annual assurance statement.
- 6.3 There is however a recommendations to remove one audit from the plan. Item 2, Risk Management (Operational). This is due to the fact that the audit of the risk management framework was expanded to include checks of controls relating to operational risk management. As this was only finalised within the first quarter of 2017-18, an opinion has already been delivered.

## 7. Follow up of agreed recommendations

- 7.1. Where the work of the team finds opportunities to strengthen the council's risk management, governance and/or control arrangements, the team make and agree recommendations for improvement with service managers. The Standards require that a follow-up process is established: *to monitor and ensure that management actions have been effectively implemented or that senior management has accepted the risk of not taking action.* As with all audit work, resources should be prioritised based on risk.
- 7.2. Following the launch of the new shared service, the follow up arrangements in place at both Medway and Gravesham were reviewed and a revised process, consistent across both sites, was agreed with senior management. It was agreed that service managers will be asked to provide an update on action taken towards implementing all recommendations agreed, but they will also be asked to supply evidence to confirm the action stated and the Audit & Counter Fraud Team will verify this. In addition, recommendations made as part of proactive and reactive counter fraud work will be incorporated into the follow up process to ensure action is taken to address fraud risks identified.
- 7.3. The table below sets out the position on all recommendations made.

Audit & Counter Fraud Review title	Overall opinion and number of recommendations of each priority agreed with management	Proportion of recommendations due for implementation where a positive management response has been received
Adoption Services	Opinion: Weak Four recommendations agreed relating to insufficient arrangements to review financial assessments.	Four recommendations due, two implemented. Two recommendations remain outstanding but rely on approval to recruit. An update on this position has been delayed due to long term sickness of a service manager but has been requested as part of the latest follow up process review.
Right To Buy	Opinion: Sufficient Seven recommendations, one medium and six low priority. Recommendations relate to increasing staff awareness of Right To Buy fraud, document verification, funding of purchases, retention of signed documents, confirmation	Seven recommendations, all implemented.

Audit & Counter Fraud Review title	Overall opinion and number of recommendations of each priority agreed with management	Proportion of recommendations due for implementation where a positive management response has been received
	that legal charges on a purchased property are applied and use of an existing database to record management information.	
Purchase Ledger	Opinion: Strong Two medium priority recommendations relating to updates of authorised signatory lists.	Two recommendations, both implemented.
Markets	Opinion: Weak Five recommendations, three high and two low priority. Recommendations relate to arrangements to record, bank and reconcile income.	Five recommendations, all implemented.
Blue Badge	Opinion: Needs strengthening Thirteen recommendations, six high, six medium and one low priority. Recommendations relate to processes	Thirteen recommendations, four implemented, seven linked to introduction of a policy and awaiting a response from a manager who is currently on leave. Two are not due for implementation.
Procurement	Opinion: Sufficient Three medium priority recommendations relating to staff following correct processes for new suppliers.	Three recommendations, all implemented.
Heritage Buildings	Opinion: Needs strengthening Eight recommendations, five high and three medium priority. Recommendations relate to clearer communication of roles and responsibilities in the maintenance of heritage assets.	The recommendations are not due for implementation.
Legal Services – Dunsfold Associates Ltd	Opinion: N/A as consultancy audit review Three high priority recommendations relating to a review of arrangements relating to Dunsfold Associates Ltd position as a contractor and their access to information.	The recommendations are not due for implementation.
St Michaels RC school	Opinion: Strong One recommendation relating to the resolution of a self-employed teachers status.	The recommendation has been implemented.



<b>Audit &amp; Counter Fraud Review title</b>	<b>Overall opinion and number of recommendations of each priority agreed with management</b>	<b>Proportion of recommendations due for implementation where a positive management response has been received</b>
Income collection	Opinion: Needs strengthening Two recommendations, one high and one low priority, relating to policy and procedure.	The recommendations are not due for implementation.
Council Tax	Opinion: Sufficient Four recommendations, three medium and one low priority. Recommendations relate to reviewing procedural notes, visiting properties with exemptions, processing hardship applications within the agreed time and applying financial penalties where appropriate.	Four recommendations, three implemented and the remaining one is not due for implementation.
Emergency Planning	Opinion: Strong Two low priority recommendations.	The recommendations are not due for implementation.
HR Self Serve	Opinion: Needs strengthening Three recommendations, one high, one medium and one low priority. Recommendations relate to updating user guides, notifying delegated staff of their responsibilities and reviewing the list of posts approved to authorise claims.	Three recommendations, one has been implemented and an update on the remaining two has been requested as part of the latest follow up process.
Bligh	Opinion: Weak Five recommendations, four high and one low priority. Recommendations relate to updating the finance policy, regular reconciliation of petty cash, reconciliation of the school accounts prior to academy transfer, cancellation of credit card and use of purchase orders.	Five recommendations, three recommendations implemented and update on the remaining two has been requested as part of the latest follow up process.
Treasury Management	Opinion: Strong One low priority recommendation relating to user access to bankline.	One recommendation implemented.
Cyber Security	Opinion: Sufficient Four recommendations. Three high priority and one medium, relating to reviews of policies & procedures and	Four recommendations, an update on three has been requested as part of the latest follow up process and one is not due for implementation until next year.

<b>Audit &amp; Counter Fraud Review title</b>	<b>Overall opinion and number of recommendations of each priority agreed with management</b>	<b>Proportion of recommendations due for implementation where a positive management response has been received</b>
	intranet pages.	
Adult Social Care - Financial Assessments & Reviews	Opinion: Needs strengthening Five recommendations, two high, two medium and one low priority relating to monitoring timescales for visits, use of credit checks to prevent fraud, scanning of documentation and completing staff declaration of interests.	Five recommendations, four implemented and one rejected as limited resources made it impractical.
Information Requests	Opinion: Needs strengthening Seven recommendations, one high, five medium and one low priority. Recommendations relate to review of the response process to subject access requests, improving compliance with response times, information on the council's website, improving procedural notes, provision of staff training and improved information reported to management.	The recommendations are not due for implementation.
Project Management	Opinion: Sufficient Two recommendations, one high and one medium priority, relating to inclusion of change management on the intranet and as part of the project management toolkit.	The recommendations are not due for implementation.
Tourism	Opinion: Needs strengthening Two high priority recommendations relating to improving documentary evidence of joint working conducted between Medway Council and third parties, and for service level agreements or contracts to be held for all third party joint working.	The recommendations are not due for implementation.
Common Housing Register	Opinion: Strong Two recommendations, one high and one low relating to policy and procedure updates.	The recommendations are not due for implementation.
Visitor Information Centre	Opinion: N/A as consultancy audit review Eleven recommendations, seven high priority and four medium relating to improved controls to secure assets and cash income.	Eleven recommendations, eight implemented, an update on two has been requested as part of the latest follow up process and one is not due for implementation.

<b>Audit &amp; Counter Fraud Review title</b>	<b>Overall opinion and number of recommendations of each priority agreed with management</b>	<b>Proportion of recommendations due for implementation where a positive management response has been received</b>
Risk Management Framework	Opinion: Needs strengthening Four medium priority recommendations relating to staff training and ensuring completion of service plans and risk registers.	The recommendations are not due for implementation.

<b>Definitions of audit opinions</b>	
<b>Strong (1)</b>	<p><u>Risk Based:</u> Appropriate controls are in place and working effectively, maximising the likelihood of achieving service objectives and minimising the Council's risk exposure.</p> <p><u>Compliance:</u> Fully compliant, with an appropriate system in place for ensuring ongoing compliance with all requirements.</p>
<b>Sufficient (2)</b>	<p><u>Risk Based:</u> Control arrangements ensure that all critical risks are appropriately mitigated, but further action is required to minimise the Council's risk exposure.</p> <p><u>Compliance:</u> Compliant with all significant requirements, with an appropriate system in place for monitoring compliance. Very minor areas of non-compliance.</p>
<b>Needs Strengthening (3)</b>	<p><u>Risk Based:</u> There are one or more failings in the control process that leave the Council exposed to an unacceptable level of risk.</p> <p><u>Compliance:</u> Individual cases of non-compliance with significant requirements and/or systematic failure to ensure compliance with all requirements.</p>
<b>Weak (4)</b>	<p><u>Risk Based:</u> There are widespread or major failings in the control environment that leave the Council exposed to significant likelihood of critical risk. Urgent remedial action is required.</p> <p><u>Compliance:</u> Non-compliant, poor arrangements in place to ensure compliance. Urgent remedial action is required.</p>