

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

Audit & Counter Fraud Annual Report 2018-19

Medway Council

1. Introduction

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

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

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

2. Opinion of the Chief Audit Executive

The Head of Audit & Counter Fraud provides an independent and objective annual opinion on the effectiveness of internal control, risk management and governance. This is carried out by an in-house team in conformance with the Public Sector Internal Audit Standards. The opinion of the Head of Audit & Counter Fraud over the Council's overall control environment, delivered in the Audit & Counter Fraud Annual Report 2018/19 is:

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

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

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

In assessing the level of assurance to be given, the following have been taken into account; the results of all work carried out by the Audit & Counter Fraud Shared Service for Medway from the preparation of the Annual Internal Audit Report 2017-18 in June 2018 to the date of this report, follow-up of recommendations linked to audits from previous periods, Significant recommendations not accepted by management or acted upon and the consequent risks, The effects of any significant changes in the organisation's objectives or systems, Matters arising from previous reports to the organisation, and

The results of work performed by other assurance providers.

Although limited to the risk areas considered in the services and functions that have been subject to review in the year; I am satisfied that sufficient internal audit work has been undertaken to allow us to draw a reasonable conclusion as to the adequacy and effectiveness of the organisation's risk management, system of internal control and governance processes.

While it has been identified that the authority has mainly established adequate internal controls within the areas subject to review during 2018-19, there are areas where compliance with existing controls should be enhanced or strengthened or where additional controls should be introduced to reduce the risk of loss to the authority. Where such findings have been made, recommendations have been made to management to improve the controls within the systems and processes they operate. Management have accepted responsibility for the implementation of these recommendations and follow up arrangements are in place to ensure that appropriate action is taken. The results of all work completed will be reported to the Audit Committee in accordance with the Audit & Counter Fraud Charter.

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

3. Independence

The Audit & Counter Fraud Charter was approved by Medway's Audit Committee in March 2019 and sets out the purpose, authority and responsibility of the team. The Charter sets out the arrangements to ensure the team's independence and objectivity through direct reporting lines to senior management and Members, and through safeguards to ensure officers remain free from operational responsibility and do not engage in any other activity that may impair their judgement. The work of the team during the period covered by this report has been free from any inappropriate restriction or influence from senior officers and/or Members.

Given its responsibilities for counter fraud activities, the Audit & Counter Fraud Shared Service cannot provide independent assurance over the counter-fraud activities of either council. Instead independent assurance over the effectiveness of these arrangements will be sought from an external supplier of audit services on a periodic basis.

4. Resources

The Audit & Counter Fraud Shared Service Team reports to the Section 151 Officers of Medway Council and Gravesham Borough Council. At the start of the year, the team had an establishment of 14 officers (13.5FTE), made up of Head of Audit & Counter Fraud, three Audit & Counter Fraud Team Leaders (one vacant at the start of the year), eight Audit & Counter Fraud Officers, one Audit & Counter Fraud Intelligence Analyst (vacant at start of the year) and one Audit & Counter Fraud Assistant.

The Shared Service Agreement sets out the basis for splitting the available resources between the two councils, approximately 64% for Medway with the remaining 36% for Gravesham. At the time the Audit & Counter Fraud Plans for 2018-19 were prepared, this establishment was forecasted to provide a total of 1,834 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 1,174 days.

A mini restructure of the service took place in January 2018, deleting the post of Audit & Counter Fraud Manager and one of the Audit & Counter Fraud Officer posts; replacing them with a third Audit & Counter Fraud Team Leader and an Audit & Counter Fraud Intelligence Analyst.

Following a recruitment process, the Audit & Counter Fraud Intelligence Analyst was in post from 01 June 2018. One of the existing Audit & Counter Fraud Officers was successful in securing the post of Audit & Counter Fraud Team Leader and took up the post with effect from 01 July 2018, leaving an unexpected vacancy for an Audit & Counter Fraud Officer, which was filled with effect from 01 September 2018. One officer was also on long term sick leave for a significant period during the year.

As of 31 March 2019, the net staff days available for Medway for 2018-19 amounted to 1,092 days and 1050 days (88%) were spent on productive audit and counter fraud work. Of this productive time, 53% was spent on audit assurance and consultancy work, while 47% was spent on pro-active counter fraud and investigations work. The current status and results of all work carried out are detailed at section 5 of this report.

Learning and development needs and objectives were agreed through the Performance Development Review (appraisal) process, and delivered through a mixture of formal qualification training, formal skills training, job-shadowing/mentoring and 'on the job' training. Away day team meetings have taken place every other month, and all team members have had regular one to one meetings with their line manager to monitor progress with work-plans and to continue to identify and support staff to become proficient in all aspects of the team's work.

5. Results of planned Audit & Counter Fraud work

The Audit & Counter Fraud Plan 2018-19 for Medway was approved by the Audit Committee in March 2018. The Plan was intended to provide a clear picture of how the council would use the Audit & Counter Fraud resources, reflecting all work planned for the team for 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.

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

During the course of the year the plan was amended to take into account changes in resource levels, operational risk levels and objectives of the organisation. Members agreed revisions to the original plan for 2018-19 to remove planned reviews of:

- Commercial Property Management – While the authority has plans in place for the acquisition of commercial property, there was yet to be any investment and therefore no management controls to review.
- Looked After Children Reviews– The service was one of a number that were subject to a Joint Targeted Area Inspection (JTAI).
- Transparency – This area represented a lower level of risk than those connected to the Troubled Families Service and was removed to compensate for the loss of resource.
- Counter Fraud Review – Direct Payments – This review overlapped with the scheduled review of Adult social care - Assessments & reviews of care packages.
- Luton Infants School – The planned merger of Luton Infants and Luton Juniors meant that it was not suitable to conduct a review of processes as they would all be subject to significant change.
- Planning Applications – Deferred to 2019-20 at the request of the service.

The tables below provide details of the work from 2017-18 that was finalised in 2018-19, the progress of work undertaken as part of the 2018-19 annual plan and the results of investigative work completed. An update on progress with the 201920 plan is also provided.

2017-18 Internal Audit Assurance work finalised in 2018-19 (items in italics have been detailed in previous update reports)

Ref	Activity	Number of Days allocated	Number of Days Used	Current status	Opinion, summary of findings & recommendations made
3	<i>Performance Data Quality</i>	15	18.3	<i>Final Report Issued</i>	<p><i>The review considered the following Risk Management Objectives:</i></p> <p><i>RMO1 - Performance data is verified to ensure accuracy.</i></p> <p><i>The current performance management arrangements are comprehensive and provide the ‘Golden Thread’ link from the council’s strategic priorities to staff objectives.</i></p> <p><i>The data collated by council services has long-standing methodologies in place for calculation of relevant performance statistics and testing identified that the information held in Pentana was accurate. It is not possible to test the accuracy of data provided/obtained from external bodies and therefore no opinion can be provided in relation to its accuracy. Opinion: Strong</i></p> <p><i>RMO2 - Arrangements exist to ensure the council’s decisions are based on sound data.</i></p> <p><i>The data provided in all reports for decisions has been confirmed as accurate and assurance can therefore be drawn that subsequent decisions are based on sound data. However, the corporate Peer Challenge report identified that quarterly performance reports were too narrative in style and did not focus on action to improve where services have not achieved their targets.</i></p> <p><i>Testing has demonstrated that decisions are made at an appropriate level and that all options had been outlined in reports, along with the positives and negatives associated with each option.</i></p> <p><i>Decisions made by the Council, be it by full Council or the Cabinet are subject to scrutiny by interested parties. Opinion: Sufficient</i></p> <p><i>Overall Opinion: Sufficient. Recommendations: One high, one medium and one low priority.</i></p> <p><i>Recommendations relate to counting rules being added to Pentana in respect of all current performance measures, a corporate Performance Data Quality Policy, a review of the style of the quarterly performance reports and a strategy relating to commercial ventures being written.</i></p>

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10	Ethics	15	25.2	Final Report Issued	<p>The review considered the following Risk Management Objectives:</p> <p>RM01 - The council complies with its Code of Governance by behaving with Integrity.</p> <p>The council has in place a number of policies to inform employees on the appropriate behaviour expected of them at work. The main focus relies on the employee Code of Conduct. There were no concerns identified concerning staff integrity but there are areas for improvement regarding the review and circulation of policies to ensure staff read and understand the appropriate policies. Recommendations have also been made to ensure the Code, in particular the offer of gifts and hospitality, are reflected in a way, which is in synergy with the council's focus on working in partnership and in its commercial activities. Opinion: Weak.</p> <p>RM02 - The council complies with its Code of Governance by demonstrating a strong commitment to ethical values.</p> <p>There are processes in place to ensure the council monitor performance regarding their commitment to ethical values. The review confirmed the council have developed robust policies and procedures, which place emphasis on agreed ethical values. Improvement is needed to ensure these policies remain up to date, contain all relevant information and staff are notified of changes. Opinion: Needs Strengthening.</p> <p>RM03 - The council complies with its Code of Governance by respecting the rule of Law.</p> <p>There are appropriate procedures in place to ensure the council ensure staff demonstrate a strong ethical commitment and adhere to relevant laws and regulations. Incidents of wrongdoing are recorded, investigated and police action taken when required.</p> <p>The council optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders. The monitoring officer is responsible for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with and is supported by the Data protection officer for this.</p> <p>There are procedures in place for dealing with breaches of legal and regulatory provisions. The new General Data Protection Regulations that come into force in May 2018 make it a requirement that all breaches must be reported within 72</p>

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					<p>hours. The planned audit of GDPR in 2018/19 will review the arrangements to meet these requirements. Opinion: Sufficient.</p> <p>Overall Opinion: Needs Strengthening. Recommendations: five high and two medium priority.</p> <p>Recommendations relate to improving employee awareness of policies relating to ethical conduct, review and enhancements of the Code of Conduct and improving processes to inform employees when policies change.</p>
14	Customer Contact Centre – Adult Education Funding Arrangements	15	19.1	Final Report Issued	<p>The review considered the following Risk Management Objective:</p> <p>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.</p> <p>The service provide a wide range of courses with feedback at the end of the 2017 courses demonstrating a high level of learners who were happy with their course, including 99% of standard learners. The service takes into consideration the financial viability of courses alongside a holistic approach to under enrolled courses, recognising these can act as a catalyst for learners to take on further or more advanced courses. There are a number of processes and controls in place to ensure effective course planning is considered and reviewed throughout the academic year. Opinion Sufficient.</p> <p>Overall Opinion: Sufficient. Recommendations: One low priority.</p> <p>Recommendation related to ensuring staff comply with the process to ensure courses are viable to run.</p>
17	Final Accounts Preparation	15	15	Final Report Issued	<p>The review considered the following Risk Management Objectives:</p> <p>RMO1 - Statutory deadlines for the preparation of final accounts are fully met. Arrangements are in place to ensure there are written procedures and guidance in place and that staff receive adequate supervision, training and development. Evidence was also available to demonstrate a planned structure and methodology exists with regular monitoring of progress and performance to mitigate the risk that statutory deadlines for the preparation of final accounts are not met. Opinion: Strong</p> <p>RMO2 - All final accounts issues raised by the External Auditor in the 2016/17 final accounts have been formally acknowledged and are being fully addressed and rectified.</p> <p>Evidence demonstrates there to be adequate procedures to ensure that all final account issues raised by the external auditor in the 2016-17 final accounts have</p>

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					<p><i>been formally acknowledged and are being fully addressed and rectified. While a risk register was not in place for 2017-18, the strong processes in place to meet the strict deadlines in the end of year financial accounts timetable ensured that the risks were identified and managed. Opinion: Strong</i></p> <p><i>RM03 - Final accounts are prepared and kept fully in accordance with the latest CIPFA Code.</i></p> <p><i>The key controls that are in place to ensure compliance with the CIPFA Code of Practice are appropriately included in the relevant service plan for 2016-17. Furthermore, they are indicated to be adequate and sufficient to mitigate the risk that final accounts are not prepared and are not kept fully in accordance with the latest CIPFA Code. Opinion: Strong</i></p> <p><i>Overall Opinion: Strong. Recommendations: Two medium priority. Recommendations relate to ensuring that the annual service plan makes reference to recommendations made in the previous external audit and the completion of a Finance Strategy risk register.</i></p>
28	Schools	50	51		<p><i>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:</i></p> <p><i>All schools were subject to a review against the following Risk Management Objective:</i></p> <p><i>RM01 – 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.</i></p> <p><i>Oaklands Primary – Final Report Issued</i></p> <p><i>The Governing Body is set-up in accordance with relevant Regulations and business interest forms have been completed. However, staff involved in the procurement process are not required to complete declaration of interest's forms. The school's finance policy provides guidance and a framework for financial management; establishing appropriate roles and responsibilities for the Governing Body, Resources Committee and Head Teacher. The policy was last updated in Autumn 2017.</i></p> <p><i>We were able to account for all staff on the payroll and were satisfied that the school's processes ensure only legitimate staff are paid. The Head Teacher checks and signs the monthly payroll report. The school makes the majority of its creditor payments by cheque through SIMS, but also uses Nat West One Cards. The petty</i></p>

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					<p><i>cash fund has been run down and is no longer in use. Audit testing found that purchase orders had been raised for the majority of purchases though in some instances these had been done retrospectively. A restructure of the admin team has however since been undertaken to ensure that purchase orders are in place for all orders and evidence has been supplied to demonstrate that orders are now raised in advance of invoices being paid. The audit did not review processes connected to income. Opinion: Sufficient</i></p> <p>Overall Opinion: Sufficient. Recommendations: One Medium Priority. Recommendation related to declarations of interest being signed by those responsible for procurement.</p> <p>Wainscott Primary – Final Report Issued</p> <p><i>The review found that although there were vacancies within the Governing Body when the audit fieldwork was carried out, a sufficient number of these have since been filled to ensure that membership is in accordance with the School Governance (Constitution) (England) Regulations. It was noted however that Governor declarations of interest published on the schools website require updating in line with the new membership.</i></p> <p><i>The governing body are responsible for establishing a policy that sets out the framework for making decisions regarding the pay and reward for all staff employed at the school. A Model Pay Policy is provided by Medway Council. Although the most up to date Pay Policy (2017) is provided on the schools website, at the time of audit no evidence was available to demonstrate that this had been formally adopted by the governing body.</i></p> <p><i>Audit testing comparing details of staff on Medway Council’s payroll and staff on a list provided by the school confirmed that all staff could be accounted for. Although those payroll reports reviewed had been signed by the Business Manager, there was no evidence to confirm that these had been seen by the head teacher as per the requirements of the school finance manual.</i></p> <p><i>A School Finance Policy is in place and signed by the Chair of Governors but indicates it was approved by the governing body on 9 October, whereas the governing body meeting was held on 2 October 2017 and the minutes of this meeting do not make reference to the School Finance Policy. It was noted that there is currently a discrepancy in regard to the maximum spend of the Head Teacher. The Financial Controls Document states that the Head Teacher can</i></p>

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					<p>authorise spend up to £3,000, whereas the School Finance Policy states that Head Teacher can authorise spend up to £2,000.</p> <p>Audit testing identified inconsistencies in relation to purchase orders being raised in advance of payments being made, as well as gaps in the IT inventory. Opinion: Needs Strengthening.</p> <p>Overall Opinion: Needs Strengthening. Recommendations: Three high, three medium and one low priority.</p> <p>Recommendations relate to the updating of Governor declarations of interest, the review and approval of the school Payroll and Finance Policies, oversight of payroll reports by the Head Teacher, the raising of purchase orders, approval of payments and the updating of the ICT inventory.</p>
30	Environmental Protection	15	26.2	Final Report Issued	<p>The review considered the following Risk Management Objective:</p> <p>RMO1 - There are appropriate arrangements in place for the effective prevention, detection and deterrent of offences that harm the environment.</p> <p>The methods used by the teams are effective and despite staff shortages, they continue to work proactively and reactively. In the period of the review, nine individuals were prosecuted for environmental protection issues, in addition to fines and costs of approximately £17,000 imposed in the first half of the 2017-2018 year. The increase in Fixed Penalty Notice's between Quarter one and Quarter two, demonstrates the teams were actively seeking to reduce behaviour that damages the environment.</p> <p>The stray dog service has been recognised for a number of years by the RSCPA for its good work. It received a gold footprint in 2015, 2016 and 2017, acknowledging their work in this area; which included the launch of Facebook page showing stray/lost dogs as a first port of call for owners. Medway was not recognised at all in the 2014 awards, so to go straight in and receive three successive gold awards reflects the huge strides made in this service and the commitment of the team to maintain the standard. Opinion: Strong.</p> <p>Overall Opinion: Strong. Recommendations: One low priority.</p> <p>Recommendation relates to enhancing procedural guides for staff.</p>
31	Parks & Open Spaces	15	10.6	Final Report Issued	<p>The review considered the following Risk Management Objective:</p> <p>RMO1 - Arrangements are in place for the management of parks and open spaces.</p> <p>The review found that although parks and open spaces (including allotments, amenity sites, country parks, play areas, park and gardens, sport sites and</p>

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					<p>countryside sites) are managed by Medway Council, maintenance work is largely carried out by Medway Norse, with contracts and Service Level Agreements (SLAs) in place to cover this work. While this arrangement appears to work well, there is a need for SLAs to be formally signed and it would be beneficial for clarification to be provided regarding what functions Medway Council and Medway Norse are responsible for delivering. Arrangements exist for the work undertaken by Medway Norse as part of the contract to be monitored.</p> <p>Procedures are also in place for reactive work to be completed by Medway Norse, which is invoiced separately; however, a need was identified for improvements to arrangements for monitoring ad-hoc works carried out prior to authorising payment.</p> <p>Medway Council's website has been used to very good effect to promote Medway's parks and open spaces along with seven green flag sites. However, use of social media and other outlets could be utilised to promote these areas further. Opinion: Needs Strengthening</p> <p>Overall Opinion: Needs Strengthening. Recommendations: Four medium and one low priority.</p> <p>Recommendations relate to the administration of SLAs, responsibility for work conducted by the council and Medway Norse being clarified, investigation of potential for further partnership working, monitoring of reactive work and consideration of additional opportunities to promote parks and open spaces.</p>
32	Medway Commercial Group - Governance & accounting	15	24.1	Final Report Issued	<p>The review considered the following Risk Management Objective:</p> <p>RMO1 - Governance arrangements in place are effective to ensure the delivery of quality services and value for money through Medway Commercial Group.</p> <p>Strategic and operational roles and responsibilities are in place, which enables the Council to direct the strategic objectives and review operational performance. Procedures are in place to ensure there are clear performance expectations for services transferring to MCG. Liaison takes place at operational and strategic levels with 6 monthly performance updates presented to Cabinet. There has been a weakness in the Council's financial and performance monitoring of MCG which can be addressed through a dedicated accountant and performance monitoring by corporate clients. Opinion: Needs Strengthening.</p> <p>Overall Opinion: Needs Strengthening. Recommendations: Four high priority. Recommendations relate to improving performance reporting and financial monitoring. One recommendation implemented before report finalised.</p>

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35	Traded services - Staffing Agency	15	16.7	Final Report Issued	<p>The review considered the following Risk Management Objectives:</p> <p>RM01 - The traded service was established correctly. The correct legal procedures were followed as required by the constitution, however, improved processes are required to ensure legal agreements are agreed and signed prior to transfer of a service from the Council. Opinion: Needs Strengthening.</p> <p>RM02 – The implementation of the traded service was managed effectively. The project outcome was delivered but evidence was not available to demonstrate project management processes were in place. Update reports to Cabinet give details of financial performance but they should also receive assurance from internal corporate clients that the standards of service delivery are acceptable. Opinion: Weak.</p> <p>RM03 – The traded service is used effectively and realising the anticipated savings. Reasonable and effective controls are in place to ensure Ocelot People Solutions control employment of temporary staff. The financial success of the project was based on assumptions, which did not come to fruition immediately. This variance has been reported through the reporting mechanisms in place that ensure the council is aware of the financial returns from MCG. Opinion: Weak.</p> <p>Overall Opinion: Weak. Recommendations: One high and one medium priority. Recommendations relate to protecting the Council’s legal position regarding service delivery and assurance that project management processes are followed. Other areas of weakness are addressed by recommendations from the assurance review of Medway Commercial Group.</p>

2018-19 Internal Audit Assurance work (items in italics have been detailed in previous update reports)

Ref	Activity	Number of Days Allocated	Number of Days Used	Current status	Opinion, summary of findings & recommendations made
Core governance and financial systems assurance work					
1	<i>Finalisation of 2017-18 planned work</i>	40	24.6	Completed	<i>All 2017-18 audits were finalised.</i>
2	Governance framework	15	7.9	Final Report Issued	<p>The review considered the following Risk Management Objectives: RMO1 – Providing assurance into the effectiveness of Medway Council’s governance framework. The council’s code of corporate governance is in line with the CIPFA Delivering Good Governance framework of 2016 and the testing carried out on a sample of the statements confirmed that the code is effective. Opinion: Green. Overall Opinion: Green. Recommendations: None.</p>
3	<i>IT Asset Management</i>	15	13.9	<i>Final Report Issued</i>	<p><i>The review considered the following Risk Management Objectives:</i> <i>RMO1 - Arrangements are in place to know what physical IT assets have been paid for, where they are and who’s using them.</i> <i>Appropriate procedures are in place to control the purchase of IT equipment and to monitor the use of IT assets via the use of the software programme, Snow. The service acknowledge Snow’s potential to identify risks is underutilised. Audit testing found that Snow provides reports identifying where the council is potentially at risk from unsupported applications. The service demonstrates financial efficiency through its re-use of equipment, but should use an asset register to control the storage of this equipment. Opinion: Amber.</i> <i>RMO2 - Arrangements are in place to know what non-physical IT assets have been paid for, where they are and who’s using them.</i> <i>The review found appropriate procedures in place to identify non-physical assets. The available software identifies under and over licensed applications which should be investigated to potentially generate financial savings and reduce the risk of receiving a fine. Opinion: Amber.</i> <i>Overall Opinion: Amber. Recommendations: Two high and one medium priority. Recommendations relate to the management of Snow alerts, assets not picked up by the network for over a month, the production of asset registers relating to computers deemed suitable for reuse and those whose solid state drive has been removed, and over licensed applications and potential cost savings.</i></p>

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4	Business Planning	15	16.2	Final Report Issued	<p>A consultancy review was undertaken to establish: What business planning arrangements are in place across the council All those interviewed were performing service planning, but there were differences in how this is being done including monitoring, recording and the use of templates. All those interviewed were generally content with the way service planning was being undertaken in their divisions, but could also see some areas where it could be improved.</p> <p>The guidance documents on the Intranet were considered to be good practice with some saying they follow the principles. The use of Pentana was not considered by all to be the best way of recording plans although it was agreed that having a central system or some other way of identifying common themes of work would be useful.</p> <p>No Opinion delivered as this was a consultancy review. Recommendations: The service planning process should be reviewed to ensure it meets the requirements of the council; in particular:</p> <ul style="list-style-type: none"> • Service planning and performance monitoring guidance documents should be reviewed and approved by the Corporate Management Team. • The method of recording service plans, including the use of standard templates and/or Pentana, should be reviewed and approved by the Corporate Management Team. • All service plans should make reference to the relevant priority in the council plan. • Risks associated with service plans should be recorded and monitored / reviewed. • KPIs should reflect the work being undertaken to achieve objectives. • If not done via ADQ reporting, the process for monitoring service plans should be clarified.
5	Risk Management Compliance	15	12.1	Final Report Issued	<p>The review considered the following Risk Management Objective: RMO1 - The Council's Risk Management Strategy is complied with The review found that there is a Risk Management Strategy (RMS) in place, which is regularly reviewed and approved by Members. The strategy is reviewed annually and the next review of the RMS should check for consistency throughout the document, the word 'framework' should be replaced with 'strategy' and the roles & responsibilities should be reviewed to ensure they are accurate and relevant.</p>

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					<p>The Strategy has been written in line with BS ISO 31000 (2009) which is not the most up to date guidance but the last review of the document took place before the updated version had been released. The headline changes in the new guidance are around a revised description of 'risk' and placing greater focus on creating and protecting value as the key driver of risk management. It should also be noted that key principles have been revised, this should all be incorporated in the next review. Responsibility for risk management has been clearly defined and installed within the organisation at strategic level, the process of risk management at operational level was not to be reviewed within the scope of this audit.</p> <p>The testing showed that not all services directly share their ADQ reports with portfolio holders and the strategy should be amended to reflect this practice. Arrangements exist to assess the impact and likelihood of all identified risks occurring.</p> <p>Progress updates on mitigating actions are requested on a quarterly basis and the responses can be discussed and reviewed at the Strategic Risk Management Group (SRMG) and Corporate Management Team (CMT) meetings. There is no process to ensure all risk owners are responding with progress updates; and testing of the risk register presented to the January 2019 SRMG meeting showed that for the 67 risks (13 main risks and 54 sub risks) identified in the register, 19 had no reported progress.</p> <p>There was no evidence found to suggest any risks identified for key decisions have not been considered for inclusion the corporate risk register if appropriate.</p> <p>Opinion: Green.</p> <p>Overall Opinion: Green. Recommendations: Two medium and two low priority. Recommendations relate to reviewing and updating the Risk Management Strategy in line with the ISO31000 (2018) guidance and ensuring consistent wording throughout the document, ensuring roles and responsibilities included in the strategy are accurate and relevant, reviewing the Strategic Risk Management Group terms of reference to ensure they are consistent with current practices and introducing a process to ensure all risk authors supply a progress update in time for meeting reviews.</p>
6	Purchase Cards	15	19.4	Final Report Issued	<p>The review considered the following Risk Management Objectives: RMO1 - Access to corporate credit cards is adequately controlled.</p> <p>The review found that the corporate credit cards are maintained securely by Finance and access to them is restricted.</p>

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					<p>Testing has shown that cardholders do not routinely collect and sign for the credit cards, and cards are collected by individuals who have no authority to have access to them, increasing the potential for misuse. The cards are not kept by the cardholder in compliance with both the NatWest T&C's and Medway's own guidance, and while kept in secure locations; are accessible to officers who have no authority to use them.</p> <p>Testing has confirmed that cards are handed over to officers for them to use to make purchases, this practice increases the risk of the card being misused and should be discouraged.</p> <p>It was found that the guidance regarding the use and storage of the cards was signed by the cardholder at the time the application to have a card was made, but returned to Finance, with the onus on the cardholder to retain a copy from the outset. This has led to the guidelines not being adhered to and access to the cards not always being adequately controlled. Opinion: Red.</p> <p>RMO2 - Corporate credit card expenditure is appropriate.</p> <p>The review found that controls are in place to limit expenditure for each card but improvements are needed in relation to evidencing justification in cases where these limits have been exceeded. Where the card limit needs to be higher appropriate controls are in place to support this.</p> <p>Analysis found that cards are used in the main to purchase train tickets and hotel rooms, ICT and other equipment. The council has in place a number of preferred methods of payment for such purchases, which current guidance and policies state should be used rather than using credit cards. A review of credit card usage is required and a decision made to amend guidance and policies to meet current usage or inform officers of the correct methods that should be used for these type of purchases. The type of expenditure may be open to challenge as to whether they are for business purposes, offer value for money or were an appropriate use of public funds.</p> <p>Improvements are required to ensure cards are held and used by appropriate officers, with evidence retained to provide assurance that the expenditure has been approved by an authorised signatory. Where receipts are not available, assurance cannot be given that the expenditure has been appropriate.</p>

Ref	Activity	Number of Days Allocated	Number of Days Used	Current status	Opinion, summary of findings & recommendations made
					<p>It has been suggested that Finance explore the use of pre-payment cards, as currently used by Children’s and Adults Direct Payments team as a cheaper and more easily controlled alternative. Opinion: Red.</p> <p>Overall Opinion: Red. Recommendations: Eight high, three medium and one low priority. Recommendations relate to a review to ensure cards are issued to appropriate staff, improving the process for the issue of credit cards, providing guidance to ensure cardholders know how cards should be kept secure and when they should be used and a review, ensuring that cards are only held by the card holder and not a third party, a process to identify card holders that have changed role or left the authority, regular reviews of guidance and associated policy, for credit card use, declarations for authorising officers to confirm purchases were appropriate and associated receipts are held, a process giving finance authority to suspend or remove credit cards where officers fail to return forms on time or regularly fail to provide receipts, the introduction of an authorised signatory list for credit card expenditure, a process to ensure that credit cards are only used by the card holder. Recommendation regarding pre-payment cards rejected.</p>
7	Income collection	15	14.2	Final Report Issued	<p>The review considered the following Risk Management Objective: RMO1 – Arrangements are in place for the appropriate cash handling and banking of income received</p> <p>The review found that arrangements are in place for money bags to be collected from satellite offices by Contract Security Services (CSS) on a weekly basis. In the case of the automated till held at Kingsley House, collections are made by CSS daily.</p> <p>Deliveries and collections of cash are made to the Cashier Room within the Post Room, where the bag references are cross referenced against the details held on the delivery sheet before being signed for. The cashier room has a standard keypad lock, where the safe is stored and the code for the safe stored within a locked cabinet.</p> <p>The review found arrangements in place for the money bags and automated till envelopes to be counted and verified by a Cashier and added against the relevant ledger code or, in relation to council tax, business rates, housing, and parking fines, the customer account.</p> <p>Procedures are in place for when the cashiering and banking process is complete, for banking paying-in slips to be completed and sealed within each money bag</p>

Ref	Activity	Number of Days Allocated	Number of Days Used	Current status	Opinion, summary of findings & recommendations made
					<p>ready for collection by CSS, and the collection made on 4 March 2019 was received and processed by the bank on 6 March 2019.</p> <p>The review found that from the start of the process where the money bags and automated till are collection, to being paid within the councils bank account, found this took a total of five days in seven instances, six days in one instance and seven days in the final instance.</p> <p>Monthly reconciliations between the daily totals for each cashier against the bank statements are carried out by the control team, and the reconciliations for February and March were complete and balanced to zero. Opinion: Green.</p> <p>Overall Opinion: Green. Recommendations: Two medium priority.</p> <p>Recommendations relate to the location of the safe code and access to the Cashier room in order to comply with conditions in the council's insurance policy.</p>
8	Council Tax Recovery	15	19.7	Final Report Issued	<p>The review considered the following Risk Management Objective: RMO1 - Arrangements are in place for the recovery of unpaid council tax liabilities.</p> <p>The review found the processes in place for recovery of Council Tax were robust and functioning well. The service is affected by a lack of resources in Finance Operations, which delays clearing of payments into the relevant Council Tax accounts and can mean recovery action starts where it doesn't need to. The service are actively taking steps to increase recovery rates by targeting account holder behaviour with success. Following a successful project between Housing Benefits and HMRC regarding benefit overpayments, Council Tax have a project lodged with the Cabinet Office intended to drive a similar link between Council Tax departments and HMRC with the intention of further increasing recovery rates. Opinion: Green.</p> <p>Overall Opinion: Green. Recommendations: None.</p>
9	Payroll - Establishment Management	15	21.4	Final Report Issued	<p>The review considered the following Risk Management Objectives: RMO1 - The council's establishment is appropriately managed.</p> <p>The review found HR and Finance have a shared responsibility for the establishment. While this review did not identify errors with information held by each service, it is recommended that reconciliations take place to provide regular assurance on the information they each hold.</p> <p>Where services have vacancies there is an authorisation process with final approval by Cabinet. This ensures all other avenues are explored before recruiting to a post. Opinion: Amber.</p> <p>RMO2 - The council's salaries budget is appropriately managed.</p>

Ref	Activity	Number of Days Allocated	Number of Days Used	Current status	Opinion, summary of findings & recommendations made
					<p>The review found that Finance Strategy leave vacant posts in place in budgetary terms when projecting the salary needs for each cost centre. This ensures budgets are over estimated rather than under, limiting any potential overspend if a post is filled and providing capacity to increase the establishment if appropriate, and if not, use those monies in other areas. This method has been in place for a number of years and managers are aware any potential changes to staffing need to be discussed with their Finance Business Partner to ensure appropriate funding is in place or can be secured before any further action is taken. Opinion: Green.</p> <p>Overall Opinion: Amber. Recommendations: Three medium and one low priority.</p> <p>Recommendations relate to ensuring that regular reconciliations take place between HR and Finance, incomplete HR forms are returned to the relevant manager for completion, and HR scan the signed recruitment to vacancy forms onto the Idox system.</p>
10	Housing rents	15	22.1	Final Report Issued	<p><i>The review considered the following Risk Management Objectives:</i></p> <p>RMO1 - Adequate arrangements are in place for the administration of the Council's rent accounts.</p> <p><i>The review found that arrangements are in place for the annual rent review to be calculated by the Senior Accountant for each property type, and 2018/19 rent charges were appropriately approved by Cabinet and Full Council in February 2018. Arrangements are in place for tenants to be informed of their rent liability annually, and at tenancy sign up stage, where methods of payment are shown on the reverse of all letters and online.</i></p> <p><i>Arrangements are in place for quarterly rent variation checks, and monthly new tenancy checks to be carried out by the RCET Performance and Intelligence Hub. Access to the system is requested via the ICT Service Portal, and key permission controls are in place and allocated, in relation to amending property & rent charges, creating provisional tenancies and confirming them.</i></p> <p><i>Omissions were found around the Housing Management System permissions and the confirmation of new tenancies in instances when the tenancy is managed by another department. Opinion: Amber.</i></p> <p>RMO2 - Income received is accounted for accurately and promptly.</p> <p><i>The review found that arrangements are in place for rental income and Housing Benefit payments to be automatically posted to individual rent accounts on a daily basis, and monthly & weekly reconciliations are carried out. At the time of audit</i></p>

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					<p><i>both reconciliations were up to date and checked & signed off by the Housing Income Manager. Opinion: Green.</i></p> <p>Overall Opinion: Amber. Recommendations: Two medium priority. Recommendations relate to reviewing all users allocated key controls within the Housing Management System and ensuring that new tenancies created are confirmed by an additional authorised officer to ensure a segregation of duty is maintained in all instances.</p>
11	VAT	15	12.6	Final Report Issued	<p>The review considered the following Risk Management Objectives:</p> <p>RMO1 - VAT is reclaimed for all qualifying expenditure and promptly and accurately recorded in the accounting records.</p> <p>The PSTax review in 2016 made recommendations to ensure Medway complied with VAT regulations. Based on these recommendations there is a need for ongoing VAT awareness training to staff as well as tightening procedures to identify companies from overseas who are not subject to VAT in the UK. Opinion: Red.</p> <p>RMO2 - VAT is identified correctly on relevant income received, calculated accurately and promptly recorded in the accounting records.</p> <p>The review found procedures are required to implement PSTax recommendations relating to VAT in relation to bad debt relief and income receipts against written off debts. Opinion: Red.</p> <p>Overall Opinion: Red. Recommendations: Four high priority. Recommendations relate to training for all staff that encounter VAT as part of their normal duties, both in raising invoices and paying creditors; ensuring supplier addresses are maintained, the identification of all overseas suppliers, implementation of procedures in relation to bad debt relief and income received against written off debt.</p>
12	Insurances	15	24.8	Final Report Issued	<p>The review considered the following Risk Management Objectives:</p> <p>RMO1 - The insurance contract currently held meets the council's insurance requirements.</p> <p>The review found that Medway Council's long term insurance agreement expired on 31 March 2018 and Marsh Ltd was engaged by the council to conduct a tender exercise for the procurement of all insurances currently purchased. Tenders were evaluated against the agreed specification and the various policies approved by the Procurement Board, collectively made a savings of £180,022 over three years and £300,037 over five years.</p>

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					<p>The council's Financial Rules place responsibility with the Chief Finance Officer for arranging insurance cover and operating the insurance fund, including determining whether to insure any risk externally or in house. There are no written policies or procedures in relation to processes for determining insurance cover required or for how the insurance fund will be operated, and it was difficult to obtain this information during the course of the audit; a spreadsheet was however provided demonstrating that the insurance fund is reconciled.</p> <p>There is evidence to suggest that the insurance policies the council holds were reviewed as part of the tender exercise, as well as the excesses and terms, though little information was available in relation how conclusions had been reached.</p> <p>Opinion: Amber.</p> <p>RMO2 - Insurance claims received by the council are appropriately processed.</p> <p>The review found that adequate procedure notes are available to support the claims process and audit testing confirmed that claims are processed as per the relevant procedures. Claims processed by the council's insurance team are filtered through the Local Authority Claims Handling System (LACHS). If any data is duplicated an alert is sent so that staff can interrogate the system to see if it is a duplicate claim. It is understood that the policy for retaining claim records is currently being reviewed as part of the General Data Protection Regulations.</p> <p>Opinion: Green.</p> <p>Overall Opinion: Amber. Recommendations: Three medium and one low priority. Recommendations relate to documenting procedures for determining the insurance cover required by the council, including operation of the insurance fund; reminding relevant officers of the requirement to notify the Insurances team of changes to insurable risks, updating information in relation to the insurance policies held on the council's intranet and formalising the council's policy in relation to retaining claim records.</p>
13	Budget monitoring	15	13	Final Report Issued	<p>The review considered the following Risk Management Objectives:</p> <p>RMO1 - The council's budgets are appropriately monitored.</p> <p>Roles and responsibilities for budget monitoring are clear for senior managers and this information is being passed on to budget holders. Some budget holders indicated that they had not had specific training on how to monitor their budgets via Integra, so should be reminded that if they require extra training and support, it is available from the finance system team via i-share courses.</p>

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					<p>There is a mechanism in place to provide budget holders with a monitoring statement to complete on a timely basis.</p> <p>Budget holders are reviewing their budgets and providing forecasts to finance as required. Service Managers are still required to take ownership of their budgets and the accountants work closely with them to achieve successful monitoring. One of the highest and most sensitive costs to the council is in the form of salaries and there are arrangements in place to ensure only authorised personnel have access to salary budget information. Opinion: Green</p> <p>RMO2 - The results of budget monitoring activities are appropriately actioned and reported.</p> <p>There are arrangements in place to produce updated year-end forecasts regularly and report the findings to senior management and council members.</p> <p>The figures that are presented to council members are a true reflection of the current position and as up to date as possible taking into consideration the need to submit reports for meetings by specific dates.</p> <p>The budget monitoring process is a continuous process of monitoring actual costs and identifying areas where savings can be made.</p> <p>The monitoring process has arrangements in place to investigate significant variances, any actions made to mitigate these variances are monitored in the next round of monitoring and their successful delivery is reported back to senior managers and council members.</p> <p>There are arrangements in place to make virements to the budget lines and the financial limits for their approval are set out in the constitution. Opinion: Green.</p> <p>Overall Opinion: Green. Recommendations: One low priority.</p> <p>Recommendation relates to budget holders being made aware of available training.</p>
14	Schools				<p>A budget of 75 days was originally set for the review of five schools (15 each). This was later amended to 70 due to the need for one school to have a more in depth review.</p>
	Luton Juniors	20	19.4	Final Report Issued	<p>The review considered the following Risk Management Objective:</p> <p>RMO1 - 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> <p>The school voluntary fund contains money that has come directly from parents, fund raising events and other donations. The finance policy specifies the expenditure that this money can be used for but evidence shows that monies have</p>

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					<p>been used for inappropriate expenditure. These funds should also be subject to an annual audit of the accounts but there are no records to suggest that this has ever taken place. If there are no audited accounts, the funds are considered public money and should be included on the school's quarterly returns to Medway Council School Finance Team. This demonstrates poor accounting practices and non-compliance with Medway Schools finance guidance.</p> <p>Staff responsible for approving payments appear to have failed to scrutinise and challenge their validity.</p> <p>The school finance policy contains inaccurate information as the School Business Manger named is no longer in post.</p> <p>The recruitment processes are not sufficiently documented and are poor with references not being correctly obtained and late submission of DBS checks, as well as a missing DBS in the case of one employee.</p> <p>There has been a failure to make accurate returns to Medway Council regarding school assets with a mini bus not being declared. Asset registers are also incomplete, leaving the school open to loss in the event that it was necessary to make an insurance claim.</p> <p>There has been non-compliance with Medway Council Gifts & Hospitality guidance. The Governing Body failed to scrutinise school expenditure at a sufficient level and make adequate challenges. Opinion: Red.</p> <p>Overall Opinion: Red. Recommendations: Eleven high, four medium and one low priority.</p> <p>Recommendations relate to changes to the school voluntary fund, a review of staff responsibilities and the school finance policy, updates to the school asset register, accurate records being maintained in relation to the booster sessions and associated overtime, overtime being agreed by the Governing Body, the Chair of Governors approving Head Teacher expenses, payroll reports being signed by the officer preparing and the Head Teacher, a HR audit to check staff well-being and that recruitment procedures are correct, the raising of purchase orders and prompt processing of payments, ceasing the purchase of gifts and hospitality, new staff reimbursement processes and detailed records of all income streams.</p>

Ref	Activity	Number of Days Allocated	Number of Days Used	Current status	Opinion, summary of findings & recommendations made
	St John Fisher	15	22	Final Report Issued	<p>The review considered the following Risk Management Objective: RMO1 - 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> <p>The review found a Finance Policy in place, giving financial clarity to the roles and limits of those involved in spending but found no limit on petty cash. Within the policy it states that annual reviews will be undertaken but there was no evidence of reviews or updates having taken place. Some staff within the policy were referred to by name rather than job role and were no longer employed at the school.</p> <p>Declaration of Interest forms are in place for all Governors. Staff in a non-governor role that are able to influence spending had not completed Declaration of Interest forms, thus transparency in all purchases was not maintained.</p> <p>The payroll process is robust with adequate checks to ensure that the correct staff members are paid. Staff overtime claims were checked and two incorrect payments were identified, although the financial value of the errors was minimal at under £20 each.</p> <p>Controls are in place to ensure spending is authorised, with any purchases requiring two signatories. The review found purchase orders were not completed for a large number of purchases which makes budget monitoring less accurate. Purchases of wine and flowers for staff totaling £552.45 were identified. Staff are provided with a beverage vending machine hired from a vending company. The rental, maintenance and usage costs involved are not covered by the fees paid by staff and therefore the majority of costs are paid by school funds; this is not in-line with Medway's Gifts and Hospitality Policy.</p> <p>The school does not have a credit/debit card and it was found that some large emergency payments, e.g. school mini bus repair, were made using a personal credit card. Staff should not have to use their personal finances for school purchases.</p> <p>A petty cash system is used by the staff, there is an unwritten £20 spend limit on purchases using petty cash, most of the items checked fell within this parameter. However, if staff had paid using their debit card some instances found they were reimbursed in cash rather than being paid back to the account used for the purchase, this is contrary to money laundering legislation.</p> <p>Schools Financial Value Standard (SFVS) were not always considered when making purchases/payments on behalf of the school. Opinion: Amber.</p>

Ref	Activity	Number of Days Allocated	Number of Days Used	Current status	Opinion, summary of findings & recommendations made
					<p>Overall Opinion: Amber. Recommendations: Four high and seven medium priority.</p> <p>Recommendations relate to declaration of interest forms being completed, updates to the Finance Policy, overtime claims being checked for accuracy, value for money being considered for all purchases, adhering to Medway Council's Gifts & Hospitality Policy, purchase orders for all purchases being raised in advance of purchase, the school obtaining a business credit/debit card, the drinks vending machine contract being cancelled, use of Parent Mail being utilised and the contract for the franking machine ended, If the franking machine remains, a pin or password protection to be implemented and all reimbursements being paid in the method they were originally paid.</p>
	Abbey Court	15	16.9	Final Report Issued	<p>The review will consider the following Risk Management Objective: RMO1 - 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> <p>The IT asset Register contained insufficient information to safe guard the assets. The head teacher and governor expenses are not being reported annually to the governing body as agreed in the previous audit. The finance decisions by the governing body are not being adequately recorded in the minutes of their meetings. The process for monies collected from parents for the children's snacks should be documented. The school are currently only raising purchase orders on the financial system for 32% of transactions, the testing showed that 50% of the transactions had signed pre-approval. To assist with the schools budget monitoring process, purchase orders should, whenever possible, be raised when the spending is agreed. Opinion: Amber.</p> <p>Overall Opinion: Amber. Recommendations: One high, two medium and two low priority.</p> <p>Recommendations relate to improving the IT Asset Register that will comprehensively safeguard the school's equipment; regular reporting of Head Teacher expenses to the governing body; comprehensive minutes of Governing body meetings and documentation of the process for the snack money fund in a suitable policy.</p>

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	Luton Infant & Nursery	15	N/A	Removed from Plan	Due to the impending merger with Luton Junior School, there will be a complete change to processes and controls. It would therefore be more effective to conduct a review of the new primary school in 2020-21, once it has had time to set up its new working processes.
	School 5	15	N/A	Removed from Plan	Number of schools was reduced to four to allow reallocation of resource to a more in depth review at one of the other schools selected. Four schools still represented 10% of all maintained Schools.
15	Responsive assurance work	15	11.1	Final Report Issued	The team has conducted responsive assurance at Splashes Leisure Centre following a theft of monies from the safe and also reviewed processes linked to deliveries and collections at the Innovation Centre after a complaint was received about a missing delivery. Please see table at page 47 for further information.
Corporate risks assurance work					
16	Adult social care - Assessments & reviews of care packages	15	N/A	Draft report with client for consideration	The review considered the following Risk Management Objectives: RMO1 - Effective arrangements are in place for care plans assessments and reviews
17	HR - recruitment (including Vetting)	15	9.6	Final Report Issued	The review considered the following Risk Management Objectives: RMO1 – Adequate recruitment procedures are in place. The review found that adequate recruitment procedures are in place and guidance is available on Medway Council’s intranet for all Recruiting Managers. The guidance sets out that two specific e-learning courses must be undertaken by Recruiting Managers prior to interview and this is reiterated in an email sent to Recruiting Managers once the vacancy has been posted on Jobs Go Public; however testing on 15 vacancies in the past year found that only six Recruiting Managers had completed one of these courses and none had completed the other. Vacancies are advertised on Jobs Go Public by the Resourcing Team and the Recruiting Manager can monitor applications, shortlist applicants and arrange interviews via the website. Interviews are then conducted and the manager should raise an offer of appointment pro forma and send this to the Resourcing Team along with interview notes, a form confirming why the candidate was offered the position and evidence of ID. The successful applicant is then set up on the system and is issued with an offer letter. A tracker sheet is used by the Resourcing Team in conjunction with Jobs Go Public to ensure that the recruitment procedure is followed and this should be scanned onto Idox, with all other documentation associated with the recruitment. Audit testing identified a number of gaps in the

Ref	Activity	Number of Days Allocated	Number of Days Used	Current status	Opinion, summary of findings & recommendations made
					<p>documentation scanned onto Idox for the random sample of fifteen vacancies discussed above.</p> <p>Statistics are available to the council's Resourcing Team from Jobs Go public regarding disabilities, ethnic origin, gender, religious belief, sexual orientation and age of an applicants, both successful and unsuccessful. Opinion: Amber.</p> <p>RMO2 – Adequate recruitment vetting procedures are in place.</p> <p>The review found that applicants who have been offered an interview are asked to provide their original birth certificate or passport as proof of identity and right to work. If these are not provided at the interview, they must be provided prior to employment.</p> <p>In addition, appropriate references are obtained for each successful candidate and copies are retained.</p> <p>Recruiting Managers are responsible for identifying what qualifications are required for each vacancy and which vacancies require a DBS check (within strict guidelines). Evidence of qualifications held is obtained for each successful candidate prior to employment and copies are retained. The Resourcing Team maintain records of DBS checks undertaken and when these are due to be renewed. A DBS policy is available on the council's intranet, however this this has not been updated since 2016.</p> <p>Audit testing carried on 15 vacancies in the past year, confirmed that all of the above procedures had been followed where appropriate. Opinion: Green.</p> <p>Overall Opinion: Amber. Recommendations: Two high and two low priority. Recommendations relate to hyperlinking to relevant training courses in the email issued to all Recruiting Managers, ensuring that all Recruiting Managers complete the relevant training evidence prior to interview, ensuring that all appropriate documentation is retained; including why successful candidates were offered the vacancy and updating the council's DBS policy and associated forms.</p>
18	Traffic Management	15	25	Final Report Issued	<p>The review considered the following Risk Management Objective:</p> <p>RMO1 - There is an effective procedure in place for assessing and processing applications for temporary road closures, in accordance with legislation.</p> <p>The review found that the council's website contains comprehensive information in regard to the application process for temporary road closures, though this does require updating.</p>

Ref	Activity	Number of Days Allocated	Number of Days Used	Current status	Opinion, summary of findings & recommendations made
					<p>Appropriate application forms are in place for applications under both Section 14-16 of the Road Traffic Regulations Act 1984 and Section 21 of the Town Police Clauses Act 1847, which are also available on the website, however it would be beneficial for robust declarations to be added.</p> <p>Arrangements exist for Temporary Traffic Regulation Order (TTRO) applications to be processed, including ensuring that these are brought to the notice of those that may be affected as per legislation and for sealed orders to be produced. Audit testing carried out on 10 planned TTRO applications received in 2018 confirmed that the appropriate processes had been followed.</p> <p>Procedures are in place for the details of all TTROs to be logged on a spreadsheet and for the documents associated with each application to be saved in a folder on the council's network. It was noted however that the status of TTRO applications cannot easily be identified, without scrutinising the paperwork saved in relation to each individual application.</p> <p>Fees and charges are agreed by Full Council on a yearly basis. The current fee for a section 14(1) planned works application is £1,223.60 and the fee for a section 14(2) emergency closure is £948.40. The fee for a closure under the Town Police Clauses Act 1847 is £65, however we were advised that none of the six applications made under this legislation in 2018 had been charged; there are currently no arrangements to document the reason for the charge not being applied.</p> <p>The guidance notes which accompany the TTRO application form are specific in stating that a charge of £50 per hour will be incurred if insufficient details or information leads to a delay in processing the application, however we were advised that this charge is not currently being applied, despite there being evidence of applications requiring additional information.</p> <p>Arrangements exist for invoices for Section 14 TTROs to be raised through Integra, however it is understood that generally invoices are raised a minimum of two months after the TTROs come into force due to current workload. If invoices have not been paid after 28 and 90 days, automated reminders are generated in Integra and are sent to the debtor, however there is no set procedure in relation to timescale and responsibility for recovering TTRO invoices which are not paid. At the time of audit there were 48 unpaid TTRO invoices with a total value of £56,246.90; 47% of the debt related to one debtor, however new applications were still being processed. Since being made aware that this level of debt was outstanding, authorisation has been given for letters to be sent to the current</p>

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					<p>debtors advising that unless debt is paid, any future TTRO applications will not be processed.</p> <p>There are currently no written procedures in place for processing TTROs which may have contributed to inconsistencies in regard to processing invoices, chasing unpaid invoices and not applying extra costs as stated in the guidelines. Opinion: Amber.</p> <p>Overall Opinion: Amber. Recommendations: Two high, four medium and one low priority. Recommendations relate to updating the 'Request a road closure' section of the council's website, adding robust declarations to the application forms for temporary road closures, enhancing existing records to ensure that the status of all temporary traffic order applications can be identified, ensuring that invoices are raised for Town Police Clauses Act applications or obtaining and retaining appropriate approval for the fees to be waived, applying the agreed additional charges for applications which require additional information, establishing robust procedures for the recovery of TTRO invoices, ensuring that TTRO services are not provided to debtors with excessive level of debts and producing procedure notes to support to TTRO process.</p>
19	Community safety partnership (inc. action plan delivery)	15	5.3	Final Report Issued	<p>The review considered the following Risk Management Objective: RMO1 – Effective arrangement are in place to deliver Medway's Community Safety Plan 2016-20.</p> <p>The review found that Medway Community Safety Partnership (CSP) was formed in response to the Crime and Disorder Act 1998, placing a duty on councils, the Police and other public agencies to form a crime and disorder partnership. The Community Safety Plan 2016-20, which was approved by Full Council on 21 July 2016, was devised to ensure that Medway Council and the partners involved in the CSP had a structured strategy to help reduce crime and disorder in the Medway area. Clear priorities and appropriate actions have been identified in the Community Safety Plan 2016-20 and associated Action Plan, with a lead partner allocated to each priority. Arrangements exist for actions taken against the identified priorities to be monitored on a quarterly basis, with annual scrutiny provided by the Regeneration, Culture and Environment Overview & Scrutiny Committee.</p> <p>A budget is allocated to the CSP by the Police Crime Commissioner to support their work. Opinion: Green.</p> <p>Overall Opinion: Green. Recommendations: None.</p>

Ref	Activity	Number of Days Allocated	Number of Days Used	Current status	Opinion, summary of findings & recommendations made
20	Bereavement Services (previously listed as Cemeteries)	15	20.5	Final Report Issued	<p>The review considered the following Risk Management Objectives:</p> <p>RMO1 - Appropriate arrangements are in place for setting Cemetery and Crematorium fees.</p> <p>Full Council annually sets and approves The Cemetery and Crematorium fees. A schedule of fees and charges for bereavement services is in place for 2018 -2019 and is in part available on the council’s website. The full list of funeral memorabilia and prices is extensive; some items are not available throughout the year and only the commonly available items have their prices published electronically. Further items are available to be purchased are listed in paper format. Opinion: Green</p> <p>RMO2 - Procedures are in place to ensure that income is collected and accounted for.</p> <p>Several procedures exist that must be adhered to in order for a burial or cremation to take place. The procedures used in the office were extensive but had not been reviewed recently and contained the personal names of officers; some of whom were no longer with the service.</p> <p>An adequate process in place for customers to access the services offered for the Crematorium and the cemeteries. The booking of cremations involves the Funeral Director telephoning the section to book a slot for a service. This can be a lengthy process as the Funeral Directors also use it as an opportunity to check progress on other cases. Each cremation service has an allocated time slot, which means it could be booked online, incorporating a view of documents that have been received that could be visible to clients.</p> <p>The application forms contain the applicant’s personal details, name, address, phone number, in addition to the information about the deceased. These application forms are stored on a number of hooks on the office wall and remain there until all the required documentation is available.</p> <p>The office is not accessible to the public, however, cleaning staff have access to the offices out of hours, meaning that personal data is not secure and presenting risks associated with a breach of GDPR.</p> <p>One officer administers the invoicing for services and at the time of testing was on leave making the obtaining of information difficult and time consuming. This highlighted concerns around resilience for the service in relation to this process.</p> <p>Cash and cheques are received in Bereavement Services, these are logged onto the ICON system and a receipt is issued to the customer. Cash is reconciled daily against receipts but this does not include cheques received.</p>

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					<p>The section uses a petty cash system that enables the Service Manager to buy items required for a quick repair/maintenance job within the chapels or Crematorium. The purchases are currently authorised by an officer on the section; however, with the appointment of a new office manager, it may be more appropriate to review the level of authorisation in this process.</p> <p>Funeral directors have been doing business with the Crematorium for a number of years and have developed a good working relationship with Bereavement Services. However, new Funeral Directors using the service may not adopt the same approach to payment of fees and a Service Level Agreement would document the Council's expectations. Opinion: Amber</p> <p>Overall Opinion: Amber. Recommendations: One high, seven medium and one low priority.</p> <p>Recommendations relate to office procedures being reviewed and updated; installing an online booking system for cremations; updating the website pages relating to the service; storing personal information in a secure area to ensure GDPR compliance; the implementation of a Service Level Agreement for Funeral Directors; training for officers across the service; reconciliation processes being reviewed; a schedule for changes to door code combinations and improvements to the petty cash authorisation process.</p>
21	Member development	15	12.4	Final Report Issued	<p>The review considered the following Risk Management Objective: RMO1 – Arrangements are in place to provide Members with training and development.</p> <p>The review found that there is currently no Member Development Strategy in place, the last one having been in place from 2007-11. However, an up-to-date training programme exists and is delivered within budget. The training and development programme usually comprises four phases to match the four years of each administration between Local elections.</p> <p>The Member Development Advisory Group (MDAG), consisting of member representatives, was established to promote, oversee and monitor Member training and development; co-ordinated by Member Services in conjunction with Workforce Development. The initial induction programme is largely delivered "in house" because the sessions are aimed at improving the new Councillors understanding of the way Medway Council and the place operates, so is best facilitated by the relevant officers. Phases two, three and four of the programme tend to focus on the "soft" skills Councillors may need, such as time management</p>

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					<p>and reading for efficiency, and external facilitators are usually engaged for these sessions.</p> <p>The training offered is relevant and prioritised to suit Members needs and requirements, linking to the Council's Corporate Objectives.</p> <p>The induction programme covers some compulsory subjects, such as Code of Conduct, Corporate Parenting, Safeguarding, Licensing and Planning, along with a range of other subjects. In 2015 the induction programme was issued to all candidates in advance of the election to give them advance notice of the dates; then sent to all elected members by email, with paper copies provided on request. It has already been agreed by CMT that the induction programme for May 2019 will be available via the new members' portal, but sent electronically to all candidates after the close of nominations because some of them will not currently be sitting Councillors and therefore will not have access to the portal.</p> <p>A process is in place to monitor attendance at the training/briefing sessions. Members are required to sign into every training session they attend. Each Group Whip is provided with attendance details of the training sessions that have been delivered and Members are actively encouraged to engage in all training that is taking place. Members are also asked to provide feedback after each session. The MDAG receive quarterly updates on Member attendance and feedback, so that they can monitor whether the training is of appropriate quality and is meeting Members' needs. Opinion: Green.</p> <p>Overall Opinion: Green Recommendations: None.</p>
22	<i>Looked After Children - Reviews</i>	15	N/A	<i>Removed from Plan</i>	<i>The service was one of a number that were subject to a Joint Targeted Area Inspection (JTAI). This inspection covered most of the areas that would have been the focus of the audit and had already made recommendations. As a consequence this review was not undertaken.</i>
23	Homelessness	15	10.4	Final Report Issued	<p>The review considered the following Risk Management Objective:</p> <p>RMO1 – Arrangements are in place to meet the new requirements within the Homelessness Reduction Act 2017 (HRA 2017).</p> <p>The review found that the Housing Options team have made information available on the council's website that shows the type of assistance available, including eligibility. In addition, there is a Homelessness Prevention Strategy in place, dated 2017-2019. The strategy was written before the implementation of the HRA 2017 but with knowledge of the proposed changes and it was planned to be reviewed in</p>

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					<p>line with the Act when all information had been confirmed. The Head of Strategic Housing confirmed this review is being carried out and will proceed through the usual council adoption process in late spring / early summer 2019.</p> <p>There are arrangements in place to prevent homelessness for all eligible applicants, including records of assessments and personal housing plans (PHPs). Testing showed that assessments and PHPs have been completed where required by the HRA 2017.</p> <p>Arrangements are also in place to relieve homelessness for all eligible applicants for a minimum of 6 months and the council has accommodation options available to meet this requirement; there is on-going work to increase the number of options available. In line with the HRA 2017, arrangements exist to end the prevention or relief duty for applicants failing to co-operate with the process. Procedures are in place to facilitate 'specified public authority' referrals. The council's website has a link for referrals and these referrals are received directly into Locata, other referrals can be received via phone or email and they are then recorded on a spreadsheet to be actioned manually by the duty senior. All staff in the team that are involved in implementing the HRA 2017 have received the relevant training and also some additional training recommended by MCHLG.</p> <p>Opinion: Green.</p> <p>Overall Opinion: Green. Recommendations: None</p>
24	Shared Lives Scheme (Adult fostering)	15	19.3	Final Report Issued	<p>The review considered the following Risk Management Objectives:</p> <p>RMO1 - An appropriate framework is in place for carer payments.</p> <p>Shared Lives is a service that prides itself on treating its service users as individuals and strives to find the best solution for all its users, while recognising that the needs of that individual may present urgent changes to service provision and that this cannot be predicted. While they administer the Shared Lives service they are reliant on other parties to gather information for them and to ensure they are kept abreast of all changes in their service users' circumstances. Opinion: Amber.</p> <p>RMO2 - Payments to foster carers are accurate and appropriately processed.</p> <p>Shared Lives historically have not provided an annual letter of fees or an annual statement for their carers, but acknowledge that this may provide a clearer idea of fees paid for both parties, especially where queries regarding payments are raised. The payments are made by one officer in Finance, allowing inconsistencies to be identified and challenged and also ensuring a consistent approach in clawing back overpayments. Opinion: Amber.</p>

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					<p>Overall Opinion: Amber. Recommendations: One high and three medium priority. Recommendations relate to segregating purchasing and authorisation permissions, ensuring carers agreements are managed effectively and improved transparency with fees.</p>
25	Private Housing Enforcement	15	8.8	Final Report Issued	<p>The review considered the following Risk Management Objective: RMO1 – Arrangements exist for private housing enforcement to be delivered in line with legislation and council policy.</p> <p>The review found that Medway Council has a Housing Enforcement Policy in place, however this has not been reviewed since 2008. Prior to the commencement of this audit, arrangements had been made for the policy to be reviewed with an agreed timetable in place. Procedure manuals exist which are used to ensure that action taken by team members is appropriate and consistent.</p> <p>Medway Council’s website provides concise information to tenants and landlords on their respective responsibilities. It is the tenant’s responsibility to contact the landlord in the first instance to report problems at their property, however, if the landlord fails to rectify the problem or does not respond/arrange suitable repairs to be carried out, the tenant can refer this to the council via its website.</p> <p>Arrangements exist for details of all referrals to be recorded on the Uniform system and for documentation to be stored in Idox, however there are currently unresolved issues with Uniform which mean staff time is being lost due to duplication of effort. Audit testing on 10% of live cases at the time of audit confirmed that enforcement action is taken in line with the current Housing Enforcement Policy.</p> <p>The council is empowered to make reasonable charges as a means of covering certain expenses in relation to enforcement action, including staff time. Due to the issues with Uniform discussed above, charges are currently being calculated manually using a set schedule of amounts; it is understood that the current charges are in need of review to ensure that costs are recovered.</p> <p>It is understood that six enforcement notices have been issued in 2018-19 and invoices are in the process of being raised. Opinion: Amber.</p> <p>Overall Opinion: Amber. Recommendations: Three medium and one low. Recommendations relate to a review of the Housing Enforcement Policy, resolving issues relating to recording enforcement cases on Uniform, reviewing</p>

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					charges for conducting enforcement action and officers completing periodic declarations of interest.
26	Housing Revenue Account Building Management – Compliancy	15	N/A	Fieldwork complete, in Quality Control	The review will consider the following Risk Management Objective: RMO1 - The council has arrangements in place to ensure the required safety checks are carried out on HRA properties so that the council meets its duties as a Landlord.
27	Commercial property management (including income)	15	N/A	Removed from Plan	While the authority has plans in place for the acquisition of commercial property, there was yet to be any investment and therefore no management controls to review.
28	GDPR	15	10.2	Final Report Issued	<p>The review sought to provide an opinion that a framework is in place to ensure:</p> <ol style="list-style-type: none"> 1. Data processing is fair, lawful and transparent. 2. Data collected is purpose limited. 3. Data minimisation is in place. 4. Data held is accurate. 5. Data retention periods are monitored. 6. There is adequate data security in place. 7. Data sharing complies with GDPR. <p>The introduction of GDPR was a project requiring a staged approach; firstly to establish operational readiness and embed compliant behaviour, then secondly to establish a framework to monitor compliance.</p> <p>Because the Council remains at the establishing operational readiness stage, a framework to monitor GDPR compliance is not in place. It has therefore not been possible to review effectiveness of the framework required to monitor GDPR.</p> <p>Opinion: Red.</p> <p>Overall Opinion: Red. Recommendations: one high priority.</p> <p>Recommendation relates to implementing an effective monitoring system once the Council has progressed its GDPR compliance sufficiently.</p>
29	Elections & electoral registration	15	12.3	Final Report Issued	<p>The review considered the following Risk Management Objectives:</p> <p>RMO1 - Adequate procedures are in place to ensure the ongoing maintenance of the Electoral Register.</p> <p>The system used by Electoral Services is a sophisticated program, which ensures the data entered complies with the current legislation. The Guidance issued by the Electoral Commission is comprehensive and identify the vast majority of situations that may occur. Using these tools the Electoral Register is maintained effectively,</p>

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					<p>while still allowing the officers to manually check any variations, ensuring the Register's integrity is preserved. Opinion: Green.</p> <p>RMO2 - Adequate procedures are in place to ensure that public engagement with the election process is maintained.</p> <p>A large part of the engagement process is the annual canvass, which did not form part of this audit. Electoral Services make good use of Medway's social media feeds to promote the need to register as an elector. There is strategy in place which is reviewed on a regular basis to incorporate lessons learned. The public facing Council website is utilised outside of the annual canvas period to prompt users of other services, e.g. Council Tax, to share change of address information with Electoral Services. Opinion: Green.</p> <p>RMO3 - Adequate procedures are in place to ensure monies received in Electoral Services are handled correctly.</p> <p>While there are currently no written procedures, the service is undergoing a period of change, where some of the previously fee paying tasks they undertook are, under GDPR legislation, free of charge. This will greatly reduce the amount of requests where a fee is due. There is also due to be a change to staffing with new officers joining the team. This would be an ideal opportunity to memorialise the procedures. Opinion: Green.</p> <p>Overall Opinion: Green. Recommendations: One high and two low priority. Recommendations relate to confirmation that old documentation has been destroyed, links between relevant public facing webpages to engage the public with Electoral services and memorialising the procedures for dealing with income received by Electoral Services, given the changes to fee paying tasks and staffing.</p>
30	Car parking – pay by phone	15	15.4	Final Report Issued	<p>The review considered the following Risk Management Objectives:</p> <p>RMO1 - A written contract exists between Medway Council and RingGo, which is regularly monitored.</p> <p>The review found that Medway Council procured the contract with Cobalt Technologies Limited in accordance with its contract procedure rules. Key Performance Indicators (KPI's) are checked and assurances can be provided that the scheme has grown in terms of transactions booked, new users and users extending their parking. Opinion: Green.</p> <p>RMO2 - Appropriate measures exist for the collection of RingGo income.</p> <p>The review found Medway Council clearly advertises its cashless parking option with RingGo, including how the scheme works and how users register for it.</p>

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					Enforcement officers are adequately trained in respect of RingGo and have been observed in the field demonstrating this. All income is reconciled and recorded on the general ledger, ensuring VAT is paid and income is assigned to the correct car park code. With examples of refunds being given, procedure notes are required to ensure there is a consistent approach to deal with these. Opinion: Green. Overall Opinion: Green. Recommendations: One medium priority. Recommendation relates to the implementation of refund procedures.
31	Planning applications	15	N/A	Removed from Plan	Delays in starting the review created by lost resources meant that the service were unable to accommodate the review.As such it has been deferred to 2019-20.
32	Transparency	15	N/A	Removed from Plan	The approach to meeting the requirements of the Transparency Codes are subject to significant review by the Information Governance Team with complete changes to processes. As a consequence, the review was deferred to 2019-20.
33	Netconsent	15	8.2	Final Report Issued	A consultancy review was undertaken to establish: What policy management arrangements are in place through the use of NETconsent. The review concluded that there is no evidence of policy management through the NETconsent system; policies held within NETconsent are being distributed to some but not all staff and in at least one instance they may be receiving out dated information, specifically the employee code of conduct, which was found to be a different version than the one approved as part of the Constitution. The council have paid and are continuing to pay for software that is being underutilised. If there are policies within the council that all staff should be compliant with the council could be using NETconsent to effectively manage this process. No Opinion delivered as this was a consultancy review. Recommendations: Corporate Management Team should decide if they wish to continue with the use of NETconsent as its preferred option for policy management or cancel the contract.
34	Counter Fraud (Results of an independent review of the Medway & Gravesham shared Counter Fraud	7	2.8	Final Report Received (see Appendix 2 for details of TMBC's assurance	The review considered the following Risk Management Objectives: RMO1 - Arrangements in place to promote fraud awareness and prevention. It was established that while generic Member training has been undertaken, with more planned for post-election, and some training with specific services, officer training is ad hoc rather than focussed on key risk areas. Currently there is not a documented Fraud Risk Assessment in place to inform training or other proactive work such as fraud proofing reviews. We understand that the multidisciplinary

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	Function undertaken by Tonbridge and Malling Borough Council (TMBC))			option structure)	<p>nature of the team has necessitated prioritisation of internal audit work with fraud resource therefore limited to investigations. Opinion: Adequate.</p> <p>RMO2 - Relevant policies and procedures are adequate and adhere to legislation and best practice. Anti-Fraud and Corruption Policies are in place at both authorities and are adequate; however, they are inconsistent in the approach taken between the two authorities, which is not advantageous to a shared service. In addition, the involvement of the Audit Committee in the review and/or approval process was unclear. Neither Policy/Strategy covers all key fraud risks, with Medway having additional risk areas due to their unitary status. Gravesham has specific policies for particular risk areas, such as Housing, while Medway does not; consequently the principles of the Gravesham policies are applied at both authorities. An exercise is planned to review and align the policies of both authorities for the shared service to apply a consistent approach across the partnership. Opinion: Adequate.</p> <p>RMO3 - Referrals are reviewed and progressed appropriately with escalation to investigation in line with the Council's policy/thresholds and those decision are fully documented. Processes for managing referrals were reviewed and found to be complied with overall. There was sufficient information to show the source of referrals, the information captured within the system matched the details provided and reviews were undertaken in a timely manner in the majority of cases. Minor delays in the sifting of referrals were noted in three of the 30 cases tested. Justification was in place on the majority of cases and approved by the manager, with some low-level cases progressed by an officer. Where cases were not progressed, these were closed and, where relevant, overloaded to an appropriate body (i.e. DWP). Where cases came from an in-house source there was engagement with the referrer to progress. Opinion: Substantial.</p> <p>RMO4 - The investigations the Council undertakes are robust, appropriate and comply with the relevant legislation as well as organisational policy and procedures. Testing of investigations showed that lines of enquiry were evident and reasonable in the majority of cases. There were some cases (4/30) where it could be argued that additional lines could have been followed but currently no investigation plans are used to outline all lines of enquiry to review and track cases. The majority of cases were progressed in a timely manner, however where delays occurred (4/30) reasons for those delays were not documented. There were good records of evidence obtained with appropriate case notes and where statements</p>

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					<p>were obtained, the correct format was used. It was also established that there was good use of Data Protection forms, and letters issued to suspects and witnesses quoted relevant legislation to provide a legal gateway to obtain information. Where interviews took place these were undertaken in a timely manner with interview plans and other relevant documentation in place. Witness statements where needed were recorded on the relevant section 9 statement.</p> <p>For five cases out of 11 which required ongoing review these were not undertaken three monthly. However, review at the appropriate decision-making point (closure) was in place in all cases. In relation to closures and reporting, justifications were in place to support the conclusions reached and the decision to close. In the majority of cases (28/30) there was evidence of manager sign off, those that did not were due to the source of the case being a false/positive match from data matching software. Outcomes, including any over/under payment, were recorded correctly on management information and where applicable the relevant service manager was informed of the outcome. Opinion: Substantial.</p> <p>RM05 - Sanctions are applied when relevant and are proportionate. Decisions to apply sanctions are documented and approved in line with the Council's policy. Sanctions are defined in the policies reviewed as Caution, Administrative Penalty or Prosecution, with clear criteria and public interest tests etc. defined and consistent across the Policies in place. A total of 34 cases were identified that were closed with fraud/error found and six were reviewed; three where a sanction in line with the policy definition was applied, one prosecution and two cautions, as well as three where Civil Penalties were applied. The remaining 28 cases had outcomes varying from an exemption being removed to a council property being recovered. According to the Investigation Mapping Process a Case Progression Form (CPF) is required for all cases to be considered for further action; however the service advised that case progression forms are only required where there is to be consideration of a criminal sanction, as per those defined in policies. For the six cases tested CPFs were provided for three. Of the remaining three, two were Civil Penalties and one was a Prosecution. In relation to the prosecution we were told that the decision was undertaken at the start of the shared service arrangement and it was only at that point it was realised there was no formal sanction decision notice used and therefore the process was introduced. Decisions relating to civil actions are referred to the relevant department with a recommendation from the investigation officer and therefore do not require a case progression. The service</p>

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					<p>have noted that this is a gap in their process map but have followed the same process consistently.</p> <p>For the 3 CPFs that were on file all were completed consistently with sufficient information and the sanction was in line with Policy. Opinion: Adequate.</p> <p>Overall Opinion: Adequate. Recommendations: Four medium priority.</p> <p>Recommendations relate to undertaking a fraud risk assessment to prioritise work in the highest areas; including staff training, a review of all fraud related policies at both organisations; aligning key policies as appropriate, more detailed records of management authorisations in relation to referrals and periodic reviews of ongoing investigations, and updating the investigation process map to correct an identified gap.</p>
Counter Fraud Assurance Work					
35	Adult social care - Self Directed Support (Personal Budgets)	15	N/A	Removed from Plan	<p>When attempting to commence this review the service identified that there was significant overlap with the review already being undertaken at item 16. This was not identified during the service consultation period before the plan was agreed and as a consequence we were unable to respond accordingly</p>
36	School admissions	15	11.1	Final Report issued	<p>The review will consider the following Risk Management Objectives:</p> <p>RMO1 - Arrangements are in place to manage the application process for school places.</p> <p>The review found appropriate procedures in place to ensure that school admissions can take place across Medway's schools and is carried out in-line with legislation.</p> <p>Arrangements are in place to monitor and report on school admissions. Records are maintained for each Primary and Secondary application received within the year, from this, 'Offer Day' reports are produced giving details of how many children received a place at each school; whether the school was the first choice; timescales involved and other criteria.</p> <p>Arrangements exist to control access to School Admissions systems preventing fraudulent activity. Access to the system is restricted and an audit trail of who has been into the system, what cases have been accessed and what actions have been carried out, is recorded.</p> <p>There is an expectation that members of the section will declare an interest in a child. In order to formalise this arrangement, it would be beneficial for staff to complete an annual Declaration of Interest to show any children that they are connected to that are due to take part in the admissions process. Opinion: Green.</p>

Ref	Activity	Number of Days Allocated	Number of Days Used	Current status	Opinion, summary of findings & recommendations made
					<p>RMO2 - Review arrangements to verify and monitor the information contained in the applications.</p> <p>The review found no formal fraud training for staff, however, staff are aware of trending fraud risks associated with school admissions, generally by what is reported in the press. There is an intention for staff to undertake generic fraud awareness training in the coming year.</p> <p>Appropriate procedures in place to verify information supplied to support school admissions. The import tool within Parent Portal searches for duplicate applications by looking for records with similar names; dates of birth and addresses, these will be further investigation. Proof of identity and address to be requested.</p> <p>In order to discourage fraud, the Council's website and presentations to parents advise if false information is supplied to secure a school place that it will be investigated and may result in the place being withdrawn. Although a warning is present on the website, it is not immediately visible on all pages to act enough of a deterrent for parents considering submitting false information to gain a school placement in a highly desirable area. Opinion: Green.</p> <p>Overall Opinion: Green. Recommendations: One medium and one low priority. Recommendations relate to declaration of interest forms being completed by staff and the warning notification on the website to parents / guardians being more prominent.</p>
37	Residents Parking permits	15	11.9	Final Report Issued	<p>The review considered the following Risk Management Objective:</p> <p>RMO1 - Adequate procedures are in place to prevent residential parking permit fraud.</p> <p>The review found that a new online application system was introduced in September 2018, however this had not been publicised at the time the audit commenced. In addition there are no arrangements for information to be shared between the new application systems and the existing RPP system which means that information collected digitally, as well as information provided on paper application forms, must be manually entered into the RPP system, creating a risk of human error. A robust set of Terms and Conditions exists - which contains information regarding responsibilities of the applicant and consequences of false applications being made. This document is only available on the council's website and is not contained in the application form nor is it issued with the permit. Applicants are required to supply proof of residency dated within the last three</p>

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					<p>months and proof of vehicle ownership with their application, however due to historical advice provided to the Parking Services Team in relation to data protection, copies of this evidence are not retained. Instead a note should be made on the application form of what evidence has been seen by officers. With evidence not being retained, there is a risk that if an allegation of RPP fraud was received, there would be no evidence to prove what fraudulent information the applicant had submitted. Audit testing carried out on a random sample of 20 RPP applications received within the last year identified four instances in which no notes had been made of the evidence seen; in a further six instances, evidence had been retained despite this not being the team's current procedure. Testing also found that record keeping is poor, with two applications in the sample that could not be found.</p> <p>Pre-printed parking permit paper is purchased in bulk and the RPP is then printed onto the paper. This is supplied with a silver security strip on it, however the paper is not stored securely within the office and therefore there is a risk that a member of staff could take the pre-printed paper and create their own RPP.</p> <p>RPPs must be renewed on an annual basis and letters are currently issued to RPP holders when the permit is due for renewal rather than obtaining email addresses in order to send automatic reminders. There is no application form in place for renewing or changing the details on a permit, with requests being accepted by email or over the telephone; the same issues therefore exist in relation to the declaration and Terms and Conditions. In addition, new evidence is not requested for permit renewals, therefore the only fraud prevention mechanism is that the permit is posted to the original applicant address, though the applicant could have a postal redirect in place. As such there is a risk that permits could be issued to applicants who are no longer eligible. There is no advice on how to report suspected fraud or misuse of RPPs on the council's website.</p> <p>Currently there is no way to verify that all income has been received in respect of RPPs as all types of permit income is attributed to one General Ledger code. In addition, due to limitations in the hardware used, Civic Enforcement Officers cannot be advised of the details of RPPs which have been cancelled.</p> <p>There are opportunities for some of the weaknesses identified to be rectified with the introduction of the new online application system. Opinion: Red.</p> <p>Overall Opinion: Red. Recommendations: Nine high, three medium and one low priority.</p>

Ref	Activity	Number of Days Allocated	Number of Days Used	Current status	Opinion, summary of findings & recommendations made
					Recommendations relate to a hyperlink being added on the council's Residents Parking Permits webpage to the new online application form, investigations being made with ICT Services in relation to integrating the new online application system and existing RPP system, Terms and Conditions being added to the paper based application form with an updated declaration, a Data Protection Impact Assessments (DPIA) being completed to assess the impact of retaining RPP application evidence, improving arrangements for verifying proof of residency and vehicle ownership for all RPP applications, parking permit paper being securely stored, applicant email address being added to the application form to automate renewal reminders, application forms being implemented for renewals and change of RPP details, including obtaining evidence to ensure ongoing entitlement to the RPP, conducting reconciliations to ensure full income from RPP sales is received, providing information on the council's website in relation to how to report concerns regarding RPP fraud or misuse, fraud awareness training for the Parking Services Team, investigating mechanisms for the Civil Enforcement Officers to be provided with information regarding cancelled permits, and declarations of interest forms being completed by the Parking Services Team.

Counter Fraud Activity

Ref	Activity	Number of Days Allocated	Number of Days Used	Current status	Opinion, summary of findings & recommendations made
39	Pro-active investigations work	52	43.6	N/A	A pro-active drive reviewing all council tax accounts with full student exemptions was undertaken, involving scrutiny of all student certificates supplied in order to confirm that they were genuine. Approx. 500 accounts were reviewed with 41 identified as having potential discrepancies, which were subject to investigation.
40	Data matching exercises, including National Fraud Initiative and Kent Intelligence Network	52	11.4	N/A	Data matching with the Kent Intelligence Network has been stalled by a number of issues throughout the year, which started with the search for a new software provider. While the new software is now available there are still issues around GDPR being resolved. Data matching for small business rate relief has taken place with a company called Destin Solutions, who use publicly available data. This

Ref	Activity	Number of Days Allocated	Number of Days Used	Current status	Opinion, summary of findings & recommendations made
					has identified businesses with relief at more than one authority, which are then subject to investigation with the removal of the rate relief if appropriate. The Council has taken part in the National Fraud Initiative Exercise for 2018-19 with data submitted in October 2018 and matches received in January 2019. The Audit & Counter Fraud Team is working with services to check the matches received and identify whether there are genuine discrepancies that require more in depth investigation.
41	Fraud awareness	10	2.1	N/A	<i>Fraud Awareness Training has been provided to members of the Self Directed Support (SDS) team as part of their introduction of a pre-payment card for clients. AC&F officers attended a SDS team meeting to discuss the importance of Knowing Your Customer to prevent money laundering. Staff were informed where to find the Council's AML policy and how to report Suspicious Activity. Awareness Training was also delivered to the Parking Administration Team that deals with applications for residents parking permits following a counter fraud review of the service.</i>

Reactive Investigations work: external investigations

Area	Number of referrals rejected	Number of investigations concluded	Summary of results	Cashable Savings	Non-cashable Savings	Prevented Losses
Blue Badge	1	1	One case concluded with no evidence of fraud.	N/A	N/A	N/A
NNDR (Business Rates)	0	19	Nine cases were concluded with the removal of Small Business Rate Relief (SBRR). Ten cases were concluded with no evidence of fraud.	£51,502.45	N/A	N/A
Council Tax	20	75	Three cases were concluded with the removal of the council tax discount/exemption; two of which also resulted in the issue of civil penalties and one with the customer receiving a caution	£22,090.77 (Historic Liability) £10,550.19 (Additional	N/A	N/A

Area	Number of referrals rejected	Number of investigations concluded	Summary of results	Cashable Savings	Non-cashable Savings	Prevented Losses
			for submitting false documentation to gain a discount. One case was concluded with the removal of the CTR award. 51 cases were concluded with no evidence of fraud.	liability for future years) £140 (Civil Penalties)		
Housing Allocations & Homelessness	3	6	Two people were removed from the register following investigations. Four cases were concluded with no evidence of fraud.	N/A	£4,000	N/A
Tenancy	4	6	One council property recovered. Five cases concluded with no evidence of fraud.	N/A	£18,000	N/A
Right to Buy	0	1	One council property recovered following a successful conviction in March 2018 for providing false information to obtain housing and for a right to buy application.	N/A	£18,000	N/A
No Recourse to Public Funds	0	3	Payment prevented as a result of fraud intervention in one case. Two cases concluded with no evidence of fraud.	N/A	N/A	£3,926
Housing Association	0	1	Joint working with MHS Homes resulted in the recovery of one of their properties.	N/A	N/A	N/A
Social Care	0	1	One case concluded with no evidence of fraud.	N/A	N/A	N/A

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

Allegation	Investigation activity & recommendations
<i>Conducting a personal business on council time</i>	<p><i>An employee was investigated in connection with allegations that he may be running a personal business during contracted hours. This also had implications to the council reputation due to the conflict with his contracted duties.</i></p> <p><i>The investigation identified that there was a disciplinary case to answer but the employee resigned before any formal hearing.</i></p>
<i>Falsification of Time sheets</i>	<i>No evidence of fraud found – no case to answer.</i>
<i>Undisclosed relationship with team member and bullying</i>	<i>Investigation determined that there was a case to answer but the employee resigned before a hearing occurred.</i>
<i>Deliberate data breach – accessing records relating to an ex-partner.</i>	<i>Investigation determined that there was a case to answer. Employee received a final written warning following a hearing.</i>
<p><i>Deliberate data breach – accessing personal data in the form of an application form for internal vacancy.</i></p> <p><i>(One case involving three employees)</i></p>	<i>Investigation determined that there was a case to answer but the employee resigned before a hearing occurred.</i>
	<i>Investigation determined that there was a case to answer. Employee received a final written warning following a hearing.</i>
	<i>Investigation determined that there was a case to answer. Employee received a written warning following a hearing.</i>
<ul style="list-style-type: none"> • <i>Serious or deliberate failure to comply with the Council’s relations protocol and Code of Conduct for Employees</i> • <i>Improper use of an official position</i> • <i>Wilful neglect of duties and responsibilities</i> • <i>Actions could be seen to bring reputational damage to the Council.</i> • <i>Sexual misconduct at work</i> 	<i>Investigation determined that there was a case to answer in respect of four of the five allegations (no evidence in relation to the allegations of sexual misconduct at work) but the employee resigned before a hearing occurred.</i>

Responsive Internal Audit Assurance work (items in italics detailed in previous update reports)

Activity	Current status	Opinion, summary of findings & recommendations made
<p>Review of cash handling procedures at Splashes Leisure Centre following a theft from the safe.</p>	<p>Final Report Issued</p>	<p>The review considered the following Risk Management Objectives:</p> <p>RM01 – Policies and procedures are in place to ensure the security of safe and strong room keys and combination codes and access to those is limited to those with a genuine business need.</p> <p>The review has identified weaknesses in controls as the office containing the safe key and the safe itself did not have appropriate restrictions on access. Off duty staff were storing personal belongings in the office when visiting the centre as a member of the public to use the gym and officers that were not part of the approved list were able to access the safe to obtain change. Opinion: Amber.</p> <p>RM02 – Controls are in place to ensure safes, cash registers and any other money storage device i.e. tea club, lottery or birthday club remains locked and secure at all times.</p> <p>During the course of the review it was identified that while the safe was closed during business hours, it was not locked, meaning there was unrestricted access. The office itself was also not locked. By regularly not locking the safe and office doors, staff were not ensuring effective controls were in place to minimise the opportunity for theft or loss from the safe.</p> <p>Management also identified that safe inspections had previously identified that till floats were short. These matters were not investigated further as the discrepancies were within identified tolerance levels. Opinion: Amber.</p> <p>RM03 – Policies and procedures are in place to ensure there is an appropriate petty cash authorisation process.</p> <p>Procedures are in place to ensure an appropriate authorisation process has been implemented. Staff are aware of the need for prior approval and that receipts must also be attached. Opinion: Green.</p> <p>RM04 – All cash collected is promptly reconciled to that expected and any significant discrepancies are investigated.</p> <p>The review has identified that procedures need improving to ensure cash is promptly reconciled and discrepancies investigated where appropriate.</p> <p>No concerns were identified in relation to reconciliations of the income being banked. Opinion: Amber.</p> <p>RM05 – Cash collections are proportionate to income collected and in accordance with insurance policy.</p> <p>Arrangements are in place to ensure daily takings are banked; however, it was identified during the review that those procedures are not always followed to ensure cash is regularly banked. This leads to an increase in the amount of cash being held in the safe, meaning that the potential losses in the event of a theft are also increased. Opinion: Amber.</p> <p>Overall Opinion: Amber. Recommendations: Two high and three medium priority.</p> <p>Recommendations relate to ensuring the safe is locked at all times with access to keys appropriately restricted, access to the main office being controlled, with particular attention to restricting access during</p>

Activity	Current status	Opinion, summary of findings & recommendations made
		<p>till reconciliations, ensuring staff are trained and understand cash management practices, improving reporting and investigation of discrepancies and aligning banking procedures with those of other Medway sports centres.</p>
<p>Review of the Virtual Office Service following improper collection of a customer's mail.</p>	<p>Final Report Issued</p>	<p>The review considered the following Risk Management Objectives:</p> <p>RMO1 – Policies and procedures are in place to ensure that relevant information is supplied and verified regarding applicants wishing to make amendments to existing accounts.</p> <p>The review found that the virtual office arrangements have been in place for a number of years and are in need of refreshing to ensure they take into account the increasing sophisticated frauds/thefts perpetrated against companies. Currently the practice is to ensure photo ID is held for the person opening the virtual office account, but not to obtain a name or ID for any further individuals collecting the post. Accounts can be amended by phone, leaving the account and the ICM open to abuse and misappropriation of post. Opinion: Amber.</p> <p>RMO2 – Measures are in place to ensure parcels and/or post is only released to individuals authorised by the company/individual the post belongs to, and its collection is correctly recorded.</p> <p>The review found that the current process of not obtaining a name or ID for any individual (bar the account opener) who collects post leaves ICM in a vulnerable position. While the relaxed, informal nature of the ICM is what draws clients to it, it must be recognised that the security of the post received as part of the virtual office set up is vital to the continuing success of this service and ensuring they can identify the person who has collected the post ensures this. By the introduction of relatively simple measures, a book that records the printed name of the person collecting the parcel as well as their signature, and ensuring only named individuals are given post, this can be remedied effectively. Opinion: Amber.</p> <p>Overall Opinion: Amber. Recommendations: Two high and two medium priority.</p> <p>Recommendations relate to providing awareness training to ICM staff dealing with virtual offices, increasing verification processes both on account opening and for any subsequent amendments and enhancing security arrangements around the collection of post.</p>

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

Client service area	Services provided
Internal Drainage Board	The team have reviewed the accounts for the North Kent Marshes Internal Drainage Board to provide independent verification.
Troubled Families	The team have provided independent verification of claims for funding from the Ministry of Housing, Communities & Local Government in relation to troubled families.
Flood Resilience & Pothole Fund Expenditure	Sample testing was conducted for assurance purposes to enable to the Chief Executive and Head of Internal Audit & Counter Fraud to sign a statement confirming that grant funding had been appropriately spent.
GDPR/SIGG Working Group	Audit & Counter Fraud have a representative on this corporate working group, which supports the council in its efforts to ensure compliance with the new GDPR.
Local Transport Bus Subsidy Grant	Sample testing was conducted for assurance purposes to enable to the Chief Executive and Head of Internal Audit & Counter Fraud to sign a statement confirming that grant funding had been appropriately spent.
Strategic Risk Management Group	Audit & Counter Fraud have a representative on this corporate working group, which supports the council in its efforts to co-ordinate Strategic Risk Management

6. Quality Assurance & Improvement Programme

The Standards require that: The chief audit executive must develop and maintain a quality assurance and improvement programme that covers all aspects of the internal audit activity. A Quality Assurance & Improvement Programme (QAIP) has been prepared to meet this requirement. The Audit & Counter Fraud Shared Service QAIP for 2017-18 was agreed by Medway's Audit Committee in March 2017.

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 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 and outturns presented are those as of 31 March 2018.

Ref	Indicator	Target	Outturn for report period
Non LA Specific Performance Measurements			
A&CF1	Cost of the Audit & Counter Fraud Service Total Cost LA Share	N/A	£536,785 £343,543
A&CF2	Cost per A&CF day	£400	£293
A&CF3	Proportion of staff with relevant professional qualification: Relevant audit qualification Relevant counter fraud qualification	75%	21% 57%
A&CF4	Proportion of non-qualified staff undertaking professional qualification training	25%	0%
A&CF5	Time spent on CPD/non-professional qualification training, learning & development	70 days	89 days
A&CF6	Compliance with PSIAS	100%	The External Quality Assessment (EQA) conducted in February 2018 was positive with performance in line with or above that of other local authorities as per benchmarking; however, it did not provide a percentage of compliance. Our January 2019 self- assessment showed full compliance with 94% of the standards, partial compliance with a further 4% and work required to address the remaining 2%. We are working to address the areas that require improvement
A&CF7	Staff turnover	N/A	There were no resignations during the year, however, an internal candidate was successful in the recruitment for a

Ref	Indicator	Target	Outturn for report period
			new Audit & Counter Fraud Team Leader; resulting in a vacancy for a short period while a new Audit & Counter Fraud Officer was recruited. One officer also took flexible retirement from 01 September 2018, reducing to two days per week. This reduction in hours, along with those of other part time officers, leaves 1 FTE vacant from the establishment.
LA Specific Performance Measurements			
A&CF8	Average cost per assurance review	£5,000	£4,330
A&CF9	Proportion of available resources spent on productive work	90%	88%
A&CF10	Proportion of productive time spent on: assurance work consultancy work	65%	48% 5%
A&CF11	Proportion of productive time spent on: proactive counter fraud work reactive counter fraud work	35%	5% 42%
A&CF12	Proportion of agreed assurance assignments: Delivered Underway	95%	97% 3%
A&CF13	Proportion of assignments completed within allocated day budget	90%	60%
A&CF14	Proportion of completed reviews subject to a second stage (senior management) quality control check in addition to the primary quality control review	10%	25%
A&CF15	Proportion of recommended actions agreed by client management	90%	98%
A&CF16	Number of recommendations agreed that are: not yet due Implemented Outstanding	N/A	34 140 46
A&CF17	Proportion of recommended actions implemented by agreed date	N/A	75.3%
A&CF18	Number of referrals received	N/A	125
A&CF19	Number of investigations closed	N/A	141
A&CF20	Value of fraud losses identified, by fraud type a) cashable (losses that can be recovered) b) non-cashable (notional savings based on national estimates)	N/A	Total: £128,209 a) £84,283 b) £40,000

Ref	Indicator	Target	Outturn for report period
			Also a prevented loss of £3,926
A&CF21	Customer satisfaction with individual review/assignment	95%	95.8%
A&CF22	Customer satisfaction with overall service	95%	The results of the survey indicate that clients are satisfied with the services received from Audit & Counter Fraud, with all 13 respondents saying they were very satisfied or satisfied with the overall service.
A&CF23	Member satisfaction with assurance provided (based on Chair of Audit Committee contribution to Appraisal of the Head of Audit & Counter Fraud role)	Positive	
A&CF24	Statement of external audit	Positive	External Audit report by exception. The Audit Plan for 2018-19 from Grant Thornton raises no concerns in relation to the work of internal audit.

7. Follow up of agreed recommendations

Where the work of the team finds opportunities to strengthen the council's risk management, governance and/or control arrangements, the team make and agree recommendations for improvement with service managers. The Standards require that a follow-up process is established: to monitor and ensure that management actions have been effectively implemented or that senior management has accepted the risk of not taking action. As with all audit work, resources should be prioritised based on risk.

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.

The table below sets out the position of all recommendations which have formed part of the recommendation follow-up process during the 2018-19 financial year.

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
Heritage Buildings	<p>Opinion: Needs strengthening Eight recommendations agreed: five high and three medium priority. Recommendations relate to clearer communication of roles and responsibilities in the maintenance of heritage assets.</p>	<p>Eight recommendations due, four implemented. Four high priority outstanding relating to communication of roles and responsibilities in the maintenance of heritage assets.</p>
Income collection	<p>Opinion: Needs strengthening Two recommendations agreed: one high and one low priority, relating to policy and procedure.</p>	<p>Two recommendations due, none implemented. One high and one low priority outstanding relating to creating a refunds policy and written procedures.</p>
Council Tax	<p>Opinion: Sufficient Four recommendations agreed: 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.</p>	<p>Four recommendations due, four implemented.</p>
Emergency Planning	<p>Opinion: Strong Two low priority recommendations agreed relating to communicating emergency planning to all staff to raise awareness and information on the intranet being made clearer.</p>	<p>Two recommendations due, two implemented.</p>
HR Self Serve	<p>Opinion: Needs Strengthening Three recommendations agreed: one high, one medium and one low priority relating to electronic approval processes, staff delegations and subsequent notifications of roles and responsibilities</p>	<p>Three recommendations due, two implemented. One high priority outstanding relating to electronic approval processes.</p>
Cyber Security	<p>Opinion: Sufficient Four recommendations agreed: three high and one medium priority relating to reviews of policies & procedures and intranet pages.</p>	<p>Four recommendations due, four implemented.</p>

Audit & Counter Fraud Review title	Overall opinion and number of recommendations of each priority agreed with management	Proportion of recommendations due for implementation where a positive management response has been received
Information Requests 2016-17	<p>Opinion: Needs strengthening</p> <p>Seven recommendations agreed: one high, five medium and one low priority.</p> <p>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.</p>	Seven recommendations due, seven implemented.
Information Requests 2017-18	<p>Opinion: Needs strengthening</p> <p>Two Recommendations agreed: one medium and one low priority.</p> <p>Recommendations relate to links to the transparency data on the council website and all templates relating to information requests being made available on the staff intranet.</p>	Two recommendations due, none implemented. One medium and one low priority outstanding relating to links to the transparency data on the council website and all templates relating to information requests being made available on the staff intranet.
Project Management	<p>Opinion: Sufficient</p> <p>Two recommendations agreed: one high and one medium priority, relating to inclusion of change management on the intranet and as part of the project management toolkit.</p>	Two recommendations due, two implemented.
Common Housing Register	<p>Opinion: Strong</p> <p>Two recommendations agreed: one high and one low priority relating to policy and procedure updates.</p>	Two recommendations due, two implemented.
Risk Management Framework	<p>Opinion: Needs strengthening</p> <p>Four medium priority recommendations agreed relating to staff training and ensuring completion of service plans and risk registers.</p>	Four recommendations due, four implemented.
Adoption & Fostering Expenses Claims	<p>Opinion: Weak</p> <p>12 recommendations agreed: Seven high and five medium priority relating to creating a code for the fostering panel, establishing the criteria of expenses and producing policies and procedures, undertaking an annual review of rates, modifying claim forms, spot checking the reasonableness of claims,</p>	Twelve recommendations due, twelve 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
	putting a process in place to ensure duplicate payments are not made and updating the finance manual.	
Child Sexual Exploitation	Opinion: Needs Strengthening Four recommendations agreed: three high and one low priority relating to analysis of referrals, provide briefing instructions to staff, provide awareness training to service managers and all other staff.	Four recommendations due, four implemented.
Fostering – Payments to Carers	Opinion: Needs Strengthening Five recommendations agreed: three high and two medium priority relating to putting policies and procedures in place to improve consistency in decisions made to award and review payments made to carers.	Five recommendations due, five implemented.
Regeneration	Opinion: Needs Strengthening Nine recommendations agreed: seven high and two medium priority to improve governance arrangements, budget monitoring and risk management of projects.	Nine recommendations due, nine implemented.
Procurement	Opinion: Sufficient Two medium priority recommendations agreed to improve use of the framework in place.	Two recommendations due, two implemented.
MICES	Opinion: Weak Six recommendations agreed: three high and three medium priority to align the budget to the increase in services, agreeing a partnership process for all staff to order equipment, ensuring stock is checked and agree a process for the assessment of items considered not suitable for reuse.	Six recommendations due, six implemented.
Children’s Services 16-19 Strategy 2016-2020	Opinion: N/A as this was a consultancy review One high priority recommendation agreed to review and update the strategy.	One recommendation due, one implemented
NNDR Administration and Reliefs	Opinion: Sufficient	One recommendation due, one 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
	<p>One medium priority recommendation agreed relating to the use of declarations for reliefs and exemptions.</p>	
Adult Education	<p>Opinion: Sufficient</p> <p>One low priority recommendation agreed relating to ensuring staff comply with the process to ensure courses are viable to run.</p>	One recommendation due, one implemented.
Adult Social Care Strategy 2016 - 2020	<p>Opinion: Sufficient</p> <p>One high priority recommendation agreed relating to ensuring a clear trail of how the strategy delivery plan actions are linked to service plans.</p>	One recommendation due, one implemented.
Burnt Oak School	<p>Opinion: Sufficient</p> <p>Three recommendations agreed: two high and one medium priority relating to payments to Place2Be being approved by governing body, changes to the use of petty cash and the location of the safe key</p>	Three recommendations due, three implemented.
Business Continuity Planning	<p>Opinion: Needs Strengthening</p> <p>Two high priority recommendations agreed relating to ensuring managers annually review their BCP and training being provided to staff.</p>	Two recommendations due, two implemented.
Coroners Service	<p>Opinion: Sufficient</p> <p>One medium priority recommendation agreed relating to formalising the SLA with KCC, which will set out the means by which Medway can have access to budgetary information and allow Medway officers to attend panel meetings to keep abreast of developments</p>	<p>One recommendation due, none implemented.</p> <p>One medium priority outstanding relating to formalising the SLA with KCC, which will set out the means by which Medway can have access to budgetary information and allow Medway officers to attend panel meetings to keep abreast of developments.</p>
Crest Infant & Nursery School	<p>Opinion: Needs Strengthening</p> <p>Ten recommendations agreed: six high and four medium priority relating to declarations of interest being held in a central place, updates to the school finance policy and bank mandate forms, purchase orders being raised in respect of all purchases, Governors approving spend over £5,000 (including</p>	Ten recommendations due, ten 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
	aggregated spend), staff not using personal loyalty cards when purchasing goods for the school, the use of Petty Cash being restricted and within the £20 limit, petty cash reconciliations only being signed when amounts held agree to the transaction listings, and procedures being introduced for the handling of refunds in order to comply with Money Laundering Regulations.	
Deprivation of Liberty Arrangements	<p>Opinion: Needs Strengthening</p> <p>Three recommendations agreed: one high and two medium priority relating to transparency in authorising signatories by completing annual declarations of interests, implementing strict timescales to direct officers to action applications at all stages and to update spreadsheets to include functional formulas to ensure clarity in performance monitoring.</p>	Three recommendations due, three implemented.
Shared Services	<p>Opinion: Needs Strengthening</p> <p>Five high priority recommendations agreed relating to preparation of a shared services strategy, implementation of formal project management arrangements and adherence to legal agreements.</p>	Five recommendations due, five implemented
Environmental Protection	<p>Opinion: Strong</p> <p>One low priority recommendation agreed relating to enhancing procedural guides for staff.</p>	One recommendation due, one implemented.
Financial Planning	<p>Opinion: Sufficient</p> <p>Two recommendations agreed: one medium and one low priority relating to a review of the authority's reserve strategy and ensuring data is included for every year of the MTFP if available.</p>	Two recommendations due, two implemented

Audit & Counter Fraud Review title	Overall opinion and number of recommendations of each priority agreed with management	Proportion of recommendations due for implementation where a positive management response has been received
Housing Benefits	<p>Opinion: Strong One high priority recommendation agreed relating to the counter-checking of payments made from the Discretionary Housing Payment fund.</p>	One recommendation due, one implemented
Information Governance (Data Protection)	<p>Opinion: Sufficient Two high priority recommendations agreed relating to a process for ensuring all staff attend relevant data protection training with records of attendance maintained and a post implementation review with a programme of corporate monitoring to ensure ongoing compliance</p>	Two recommendations due, one implemented. One high priority outstanding relating to a post implementation review with a programme of corporate monitoring to ensure ongoing compliance.
Oaklands School	<p>Opinion: Sufficient One medium priority recommendation agreed relating to declarations of interest being signed by those responsible for procurement.</p>	One recommendation due, one implemented
Off Payroll Engagements	<p>Opinion: Needs Strengthening Three recommendations agreed: two high and one medium priority relating to ensuring that records relating to workers affected by the IR35 rules are closed on Integra to prevent payments being made via any other means than through payroll, agreements / contracts being obtained for all off-payroll engagements, records of IR35 assessments being retained and procedures being implemented for the structured ongoing monitoring of off- payroll engagements.</p>	Three recommendations due, three implemented.
Safeguarding Adults	<p>Opinion: Sufficient Three recommendations agreed: two medium and one low priority relating to ensuring that frontline staff complete safeguarding awareness training, that safeguarding surveys are issued to all appropriate clients and that enhancements are made to arrangements for monitoring staff conflicts of interest.</p>	Three recommendations due, three 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
Special Education Needs & Disabilities Transport	<p>Opinion: Needs Strengthening</p> <p>Six recommendations agreed: one high, three medium and two low priority relating to the introduction of a more robust declaration on all application forms, a centralised recording mechanism for all children requiring transport, all claims for cash allowances to be cross referenced with school attendance and any identified overpayments recovered, termination forms being completed for all children who no longer need transport, the Home to School Transport Policy being updated to include a section on fraud and how the authority will deal with any instances of identified fraud and annual declarations of interest to be completed by all staff connected to SEND transport.</p>	Six recommendations due, six implemented.
St Peters School	<p>Opinion: Needs Strengthening</p> <p>Ten recommendations agreed: two high and eight medium priority relating to the Chair of Governors authorising the Head Teachers personal expenses and the school checking whether the ongoing contract with Edukent should be subject to a tendering process, purchase orders being raised for all relevant purchases, evidence of how suppliers are engaged and selected to be retained, invoices being checked for accuracy prior to approval, updates to the finance policy, VAT being claimed for all relevant purchases, banking being conducted on a regular basis, and existing procedures being implemented correctly to reduce/prevent pre-approved spend or the claiming of loyalty points on petty cash purchases.</p> <p>One medium priority recommendation relating to receipts or a record of payment for all monies paid in by parents was rejected.</p>	Ten recommendations due, ten 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
Staff Expense Reimbursement	<p>Opinion: Strong</p> <p>Two recommendations agreed: one medium and one low priority relating to aligning declarations on electronic and paper claims and including a prompt to authorising managers highlighting their requirement to validate claims and evidence being submitted</p>	<p>Two recommendations due, none implemented.</p> <p>One medium and one low priority outstanding relating to aligning declarations on electronic and paper claims and including a prompt to authorising managers highlighting their requirement to validate claims and evidence being submitted.</p>
Sundry Debtors	<p>Opinion: Needs Strengthening</p> <p>Eleven recommendations agreed: two high, seven medium and two low priority relating to restricting access to users on Integra to ensure appropriate segregation of duties, reconciliations being signed and dated by officers preparing and checking/certifying, the cause of discrepancies between the general ledger control account and sales ledger being identified and corrected, automated reminder letters being issued to debtors, the Corporate Debt Working Group reviewing management information reports, the introduction of written procedures regarding the coding of VAT, a programme of corporate VAT training, the introduction of a standardised invoicing process and a review of the resources devoted to debt recovery.</p>	<p>One recommendation implemented before report finalised.</p> <p>Eleven recommendations due, three implemented.</p> <p>One high, six medium and one low priority outstanding relating to restricting access to users on Integra to ensure appropriate segregation of duties, automated reminder letters being issued to debtors, the Corporate Debt Working Group reviewing management information reports, the introduction of written procedures regarding the coding of VAT, a programme of corporate VAT training, the introduction of a standardised invoicing process and a review of the resources devoted to debt recovery.</p>
Ethics	<p>Opinion: Needs Strengthening.</p> <p>Seven recommendations agreed: five high and two medium priority relating to improving employee awareness of policies relating to ethical conduct, review and enhancements of the Code of Conduct and improving processes to inform employees when policies change.</p>	<p>Three recommendations due, none implemented.</p> <p>Two high and one medium priority outstanding relating to improving employee awareness of policies relating to ethical conduct, review and enhancements of the Code of Conduct and periodic reviews of Directorate Gifts & Hospitality Registers</p>

Audit & Counter Fraud Review title	Overall opinion and number of recommendations of each priority agreed with management	Proportion of recommendations due for implementation where a positive management response has been received
Performance Data Quality	<p>Opinion: Sufficient.</p> <p>Three recommendations agreed: one high, one medium and one low priority relating to counting rules being added to Pentana in respect of all current performance measures, a corporate Performance Data Quality Policy, a review of the style of the quarterly performance reports and a strategy relating to commercial ventures being written.</p>	<p>One recommendation implemented before report finalised.</p> <p>One recommendation due, none implemented.</p> <p>One low priority outstanding relating to counting rules being added to Pentana in respect of all current performance measures.</p>
Traded Services – Staffing Agency	<p>Opinion: Weak.</p> <p>Two recommendations agreed: one high and one medium priority relating to protecting the Council’s legal position regarding service delivery and assurance that project management processes are followed.</p>	<p>Two recommendations due, none implemented.</p> <p>One high and one medium priority outstanding relating to protecting the Council’s legal position regarding service delivery and assurance that project management processes are followed</p>
Medway Commercial Group – Governance & Accounting	<p>Opinion: Needs Strengthening.</p> <p>Four high priority recommendations agreed relating to improving performance reporting and financial monitoring</p>	<p>One recommendation implemented before report finalised.</p> <p>Three recommendations due, none implemented.</p> <p>Three high priority outstanding relating to improving performance reporting and financial monitoring.</p>
Budget Monitoring	<p>Opinion: Green</p> <p>One low priority recommendation agreed relating to budget holders being made aware of available training.</p>	<p>One recommendation due, one implemented.</p>
Elections & Electoral Registration	<p>Opinion: Green.</p> <p>Three recommendations agreed: one high and two low priority relating to confirmation that old documentation has been destroyed, links between relevant public facing webpages to engage the public with Electoral services and memorialising the procedures for dealing with income received by Electoral Services, given the changes to fee paying tasks and staffing.</p>	<p>Three recommendations due, three implemented.</p>
Bereavement Services	<p>Opinion: Amber</p> <p>Nine Recommendations agreed: one high, seven medium and one low relating to procedures being reviewed and updated; installing an online booking system for cremations; updating the website pages relating to the service; storing personal</p>	<p>Five recommendations due, five implemented.</p> <p>(Three recommendations implemented before report finalised)</p>

Audit & Counter Fraud Review title	Overall opinion and number of recommendations of each priority agreed with management	Proportion of recommendations due for implementation where a positive management response has been received
	information in a secure area to ensure GDPR compliance; the implementation of a Service Level Agreement for Funeral Directors; training for officers across the service; reconciliation processes being reviewed; a schedule for changes to door code combinations and improvements to the petty cash authorisation process	
Luton Junior School	<p>Opinion: Red.</p> <p>16 recommendations agreed: 11 high, four medium and one low priority relating to the school voluntary fund, a review of staff responsibilities and the school finance policy, updates to the school asset register, accurate records being maintained in relation to the booster sessions and associated overtime, overtime being agreed by the Governing Body, the Chair of Governors approving Head Teacher expenses, payroll reports being signed by the officer preparing and the Head Teacher, a HR audit to check staff well-being and that recruitment procedures are correct, the raising of purchase orders and prompt processing of payments, ceasing the purchase of gifts and hospitality, new staff reimbursement processes and detailed records of all income streams.</p>	<p>16 recommendations due, 15 implemented. (Eight recommendations implemented before report finalised). One high priority outstanding relating to a review of staff responsibilities.</p>
Residents Parking Permits	<p>Opinion: Red.</p> <p>13 recommendations agreed: nine high, three medium and one low priority relating to a hyperlink being added on the council's Residents Parking Permits webpage to the new online application form, investigations being made with ICT Services in relation to integrating the new online application system and existing RPP system, Terms and Conditions being added to the paper based application form with an updated declaration, a Data Protection Impact Assessments (DPIA) being completed to assess the impact of retaining RPP application evidence, improving arrangements for verifying proof of residency and vehicle ownership for all RPP applications, parking permit paper being securely stored, applicant email address being added to</p>	<p>Eight recommendations due, six implemented. (One recommendation implemented before report finalised). Two high priority outstanding relating to application forms being implemented for renewals and change of RPP details and investigating mechanisms for the Civil Enforcement Officers to be provided with information regarding cancelled permits.</p>

Audit & Counter Fraud Review title	Overall opinion and number of recommendations of each priority agreed with management	Proportion of recommendations due for implementation where a positive management response has been received
	<p>the application form to automate renewal reminders, application forms being implemented for renewals and change of RPP details, including obtaining evidence to ensure ongoing entitlement to the RPP, conducting reconciliations to ensure full income from RPP sales is received, providing information on the council's website in relation to how to report concerns regarding RPP fraud or misuse, fraud awareness training for the Parking Services Team, investigating mechanisms for the Civil Enforcement Officers to be provided with information regarding cancelled permits, and declarations of interest forms being completed by the Parking Services Team.</p>	
Car Parking - Pay by Phone	<p>Opinion: Green. One medium priority recommendation agreed relating to the implementation of refund procedures.</p>	One recommendation due, one implemented.
Shared Lives Scheme (Adult Fostering)	<p>Opinion: Amber. Four recommendations: one high and three medium priority relating to segregating purchasing and authorisation permissions, ensuring carers agreements are managed effectively and improved transparency with fees.</p>	Three recommendations implemented before report finalised. No other recommendations due before 31 March 2019.
Traffic Management	<p>Opinion: Amber. Seven recommendations agreed: two high, four medium and one low priority relating to updating the 'Request a road closure' section of the council's website, adding robust declarations to the application forms for temporary road closures, enhancing existing records to ensure that the status of all temporary traffic order applications can be identified, ensuring that invoices are raised for Town Police Clauses Act applications or obtaining and retaining appropriate approval for the fees to be waived, applying the agreed additional charges for applications which require additional information, establishing robust procedures for the recovery of TTRO invoices, ensuring that TTRO services are not provided to</p>	Seven recommendations due, six implemented. One low priority outstanding relating to updating the 'Request a road closure' section of the council's website.

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
	debtors with excessive level of debts and producing procedure notes to support to TTRO process.	
Abbey Court	<p>Opinion: Amber.</p> <p>Five recommendations agreed: one high, two medium and two low priority relating to improving the IT Asset Register that will comprehensively safeguard the school's equipment; regular reporting of Head Teacher expenses to the governing body; comprehensive minutes of Governing body meetings and documentation of the process for the snack money fund in a suitable policy.</p>	Five recommendations due, five implemented.
IT Asset Management	<p>Opinion: Amber.</p> <p>Three recommendations agreed: two high and one medium priority relating to the management of Snow alerts, assets not picked up by the network for over a month, the production of asset registers relating to computers deemed suitable for reuse and those whose solid state drive has been removed, and over licensed applications and potential cost savings.</p>	No recommendations due before 31 March 2019
Housing Rents	<p>Opinion: Amber.</p> <p>Two medium priority recommendations relating to reviewing all users being allocated key controls within the Housing Management System and ensuring that new tenancies created are confirmed by an additional authorised officer to ensure a segregation of duty is maintained in all instances.</p>	One recommendation implemented before report finalised. No other recommendations due before 31 March 2019.
Purchase Cards	<p>Opinion: Red.</p> <p>11 recommendations agreed: eight high, two medium and one low priority relating to a review to ensure cards are issued to appropriate staff, improving the process for the issue of credit cards, providing guidance to ensure cardholders know how cards should be kept secure and when they should be used and a review, ensuring that cards are only held by the card holder and not a third party, a process to identify card holders that have changed role or left the authority, regular reviews of</p>	Ten recommendations due, none implemented. Eight high , one medium and one low priority outstanding relating to a review to ensure cards are issued to appropriate staff, improving the process for the issue of credit cards, providing guidance to ensure cardholders know how cards should be kept secure and when they should be used and a review, ensuring that cards are only held by the card holder and not a third party, a process to identify card holders that have changed role or left the authority, regular reviews of guidance and associated policy, for

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
	<p>guidance and associated policy, for credit card use, declarations for authorising officers to confirm purchases were appropriate and associated receipts are held, a process giving finance authority to suspend or remove credit cards where officers fail to return forms on time or regularly fail to provide receipts, the introduction of an authorised signatory list for credit card expenditure, a process to ensure that credit cards are only used by the card holder.</p> <p>One medium priority recommendation regarding pre-payment cards was rejected.</p>	<p>credit card use, declarations for authorising officers to confirm purchases were appropriate and associated receipts are held, a process giving finance authority to suspend or remove credit cards where officers fail to return forms on time or regularly fail to provide receipts, a process to ensure that credit cards are only used by the card holder.</p>
HR Recruitment & Vetting	<p>Opinion: Amber.</p> <p>Four recommendations agreed: two high and two low priority relating to hyperlinking to relevant training courses in the email issued to all Recruiting Managers, ensuring that all Recruiting Managers complete the relevant training evidence prior to interview, ensuring that all appropriate documentation is retained, including why successful candidates were offered the vacancy and updating the council's DBS policy and associated forms.</p>	<p>Two recommendations implemented before report finalised. Two recommendations due, none implemented.</p> <p>One high and one low priority outstanding relating to ensuring that all appropriate documentation is retained, including why successful candidates were offered the vacancy and updating the council's DBS policy and associated forms and hyperlinking to relevant training courses in the email issued to all Recruiting Managers.</p>
VAT	<p>Opinion: Red.</p> <p>Four high priority recommendations agreed relating to training for all staff that encounter VAT as part of their normal duties, both in raising invoices and paying creditors, ensuring supplier addresses are maintained, the identification of all overseas suppliers, implementation of procedures in relation to bad debt relief and income received against written off debt.</p>	<p>No recommendations due before 31 March 2019</p>
Insurances	<p>Opinion: Amber.</p> <p>Four recommendations agreed: Three medium and one low priority relating to documenting procedures for determining the insurance cover required by the council, including operation of the insurance fund; reminding relevant officers of the requirement to notify the Insurances team of changes to</p>	<p>No recommendations due before 31 March 2019</p>

Audit & Counter Fraud Review title	Overall opinion and number of recommendations of each priority agreed with management	Proportion of recommendations due for implementation where a positive management response has been received
	insurable risks, updating information in relation to the insurance policies held on the council's intranet and formalising the council's policy in relation to retaining claim records.	
School Admissions	<p>Opinion: Green.</p> <p>Two recommendations agreed: one medium and one low priority relating to declaration of interest forms being completed by staff and the warning notification on the website to parents / guardians being more prominent</p>	No recommendations due before 31 March 2019

Recommendations outstanding more than six months after scheduled implementation date (as at 31 March 2019)

Directorate	Audit & Counter Fraud Review title	Recommendation	Priority	Planned Implementation Date	Management Update
RCET	Heritage Buildings	For structures that do not have an allocated responsible officer (e.g. Roman and Medieval City Walls), an officer should be identified and a review of their condition should be undertaken and reported.	High	30 May 2018	It has been agreed that, following discussion, the Roman and Medieval City walls will be surveyed by the Property Team. We are now in a process of conducting surveys, first one was carried out last week (w/c 3 June 2019) with the rest scheduled to happen this week and next.
RCET	Heritage Buildings	A review of the ongoing viability of the council's management of the heritage buildings should be conducted prior to renewing the LMA in 2017; consideration should be given to options including negotiating a better deal for the council, or passing the management to English Heritage.	High	30 May 2018	Although outstanding at 31 March 2019, recommendation has since been implemented.
RCET	Heritage Buildings	Maintenance and repairs highlighted by condition surveys and a regular programme of maintenance activities should be undertaken with reference to the Local Management Agreement and information from English Heritage regarding "managing local authority heritage assets.	High	30 September 2017	Although outstanding at 31 March 2019, recommendation has since been implemented.
RCET	Heritage Buildings	The role of council designated officers/service areas in relation to the maintenance and preservation of heritage buildings should be clarified in regard to what is covered by the Medway Norse FM Services contract and what needs to be picked up and funded separately by designated officers/service areas.	High	30 September 2017	Although outstanding at 31 March 2019, recommendation has since been implemented.

BSD	HR Self Serve	Only Director or Assistant Director can approve posts to electronically authorise payment of expenses and irregular claims through self-serve. Providing they have approved a post to authorise payments the current practice requiring an authorised signatory form when new staff move into post is unnecessary. Removing this process will save time spent processing and saving unnecessary paperwork. To ensure the list of approved posts is correct HR should send Directors and Assistant Directors a list of approved posts to review on an annual or bi-annual basis.	High	31 August 2017	An area being worked on with Zellis is the hierarchal structures within Resource Link as suspect they have never been set up and used properly since the product was first purchased. We have a price and an agreement to go ahead with the work and am awaiting for dates from Zellis for the resource to be allocated and then this will be fixed alongside a number of issues relating to incorrect hierarchal structures within the system.
BSD	Information Requests 2017-18	All templates relating to information requests should be made available on staff intranet.	Medium	31 August 2018	At the request of Neil Davies, with a view to improving council performance on information requests, a review of the information requests process has been undertaken. This review resulted in a proposal that includes this recommendation. The proposal was put forward to the Transformation Board to be considered as a project for 2019/20. Unfortunately, the April 2019 Transformation Board was cancelled and we are awaiting confirmation of a date for the next meeting.
BSD	Staff Expense Reimbursement	Paper claim forms should be updated to show the same declaration as electronic claims to ensure consistency.	Medium	31 July 2018	The move to the hosted payroll service which is underway will be looking to replace these forms by Q3.
BSD	Sundry Debtors	The Exchequer Team Supervisor's Integra access should be amended to read-only access or monitoring access for data entry or maintenance of suspense accounts.	High	30 June 2018	Although outstanding at 31 March 2019, recommendation has since been implemented.

BSD	Income Collection	Create a Refunds Policy which is available to the general public and employees outlining how a person can request a refund and appropriate evidence necessary for the authority to do so.	Low	30 September 2017	I had been awaiting some responses from services which I have now received and this will be completed June 2019
BSD	Income Collection	Create written procedures to ensure relevant staff apply refunds correctly.	High	30 September 2017	Will be completed next week (w/c 17 June 2019)

Update on 2019-20 Audit & Counter Fraud Planned Work

Ref	Activity	Day budget	Days Used	Current status	Opinion, summary of findings & recommendations made
	Planning Applications	15	N/A	Fieldwork complete, in quality control	Deferred from 2018-19 after 2019-20 plan agreed by Audit Committee. The review considered the following Risk Management Objective: RMO1 - Arrangements exist for planning applications to be administered in line with legislation and council policy.
5	Housing Benefit Overpayments	15	N/A	Fieldwork Underway	The review will consider the following Risk Management Objectives: RMO1 - Adequate processes are in place to support Housing Benefit overpayments. RMO2 - Adequate processes are in place to recover overpaid Housing Benefit.
11	Whistleblowing	15	N/A	Preliminary research and preparation of terms of reference	
13	Joint Health & Wellbeing Strategy	15	N/A	Fieldwork Underway	The review will consider the following Risk Management Objective: RMO1 - The council are compliant with the legislation set out in the Health and Social Care Act 2012 regarding sections 192, 193 and 194. RMO2 - The Joint Health & Wellbeing strategy in place is compliant with the legislation. RMO3 - There are controls in place to ensure the strategy is being followed and the outcomes monitored.
15	Looked After Children – Section 20 voluntary accommodation (originally Looked After Children – Commissioning of Placements)	15	N/A	Preliminary research and preparation of terms of reference	
19	Community hubs - income collection	20	N/A	Preliminary research and preparation of terms of reference	

Ref	Activity	Day budget	Days Used	Current status	Opinion, summary of findings & recommendations made
20	Workforce Development	15	N/A	Fieldwork Underway	The review will consider the following Risk Management Objective: RMO1 - Appropriate procedures are in place to identify and approve the council's staff training requirements. RMO2 - Arrangements are in place to deliver the identified staff training needs.
21	HRA – Managed Moves	15	N/A	Fieldwork complete, in quality control	The review considered the following Risk Management Objective: RMO1 - The process of 'Managed Moves' is carried out and approved in a fair & transparent manner.
31	Special Educational Needs & Disabilities Transport	15	N/A	Fieldwork Underway	The review will consider the following Risk Management Objective: RMO1 - : Effective arrangements are in place for the delivery of Special Education Needs and Disabilities (SEND) Transport.
33	Allotments - allocations & income collection	15	N/A	Fieldwork Underway	The review will consider the following Risk Management Objectives: RMO1 - The council monitors the allotment service delivered by Medway Norse as part of the Urban Ranger Service. RMO2 - The council delivers the administrative service to support the allotment service.
45	Recording of working hours – Focused on Agency Staff within Children's Services	15	N/A	Fieldwork Underway	The review will consider the following Risk Management Objective: RMO1 - Appropriate arrangements exist for the appointment of agency staff within Children's Services. RMO2 - Review arrangements of payment procedures relating to agency staff. RMO3 - Review arrangements of equipment used by agency staff. RMO4 - Review arrangements to monitor the budget allocation.

Definitions of audit opinions & Recommendation Priorities

<p>Green – Risk management operates effectively and objectives are being met</p>	<p>Expected controls are in place and effective to ensure risks are well managed and the service objectives are being met. Any errors found are minor or the occurrence of errors is considered to be isolated. Recommendations made are considered to be opportunities to enhance existing arrangements.</p>
<p>Amber – Key risks are being managed to enable the key objectives to be met</p>	<p>Expected key or compensating controls are in place and generally complied with ensuring significant risks are adequately managed and the service area meets its key objectives. Instances of failure to comply with controls or errors / omissions have been identified. Improvements to the control process or compliance with controls have been identified and recommendations have been made to improve this.</p>
<p>Red – Risk management arrangements require improvement to ensure objectives can be met</p>	<p>The overall control process is weak with one or more expected key control(s) or compensating control(s) absent or there is evidence of significant non-compliance. Risk management is not considered to be effective and the service risks failing to meet its objectives, significant loss/error, fraud/impropriety or damage to reputation. Recommendations have been made to introduce new controls, improve compliance with existing controls or improve the efficiency of operations.</p>
<p>High</p>	<p>The findings indicate a fundamental weakness in control that leaves the council exposed to significant risk. The recommended action addresses the weakness identified; to mitigate the risk exposure and enable the achievement of key objectives. Management should address the recommendation as a matter of urgency.</p>
<p>Medium</p>	<p>The findings indicate a weakness in control, or lack of compliance with existing controls, that leaves the system open to risk, although it is not critical to the achievement of objectives. Management should address the recommendation within a reasonable timeframe.</p>
<p>Low</p>	<p>The findings have identified an opportunity to enhance the efficiency or effectiveness of the system/control environment. Management should address the recommendation as resources allow.</p>