

Audit & Counter Fraud Update

Medway Council

For the period:

1 April – 31 August 2020

1. Introduction

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

2. Executive Summary

- 2.1 During quarter one of 2020-21, the service was undertaking a mixture of redeployment activities as part of the emergency response, which was largely targeted in areas where assurance/fraud prevention would still be the main focus, including;

- Validation of Business Support Grant applications,
- Validation and assessment of Discretionary Business Grant Applications,
- Monitoring and logging of Gold Command decisions, checking for changes to the control environment and ensuring correct governance processes were followed,
- Assessment of benefit claims, and
- Scanning for the MRBS service.

- 2.2 Outstanding reviews from 2019-20 were the main focus of activity during the reporting period as part of the recovery process and a return to business as usual when the service recommenced, although work on the 2020-21 plan also commenced from 01 July. The following audit reviews were finalised during the reporting period;

**items in italics had full details of the review included in the 2019-20 annual report*

- *Transparency – Opinion: **Red** (2019-20 review finalised in 2020-21)*
- *Leisure Centre Membership & Income - Opinion: **Red** (2019-20 review finalised in 2020-21)*
- *Looked After Children – Section 17 Children in Need - Opinion: **Red** (2019-20 review finalised in 2020-21)*
- *SEND Education – Education & Health Care Plan Reviews – Opinion: **Green** (2019-20 review finalised in 2020-21)*
- *Agency Staff within Childrens Service (Counter Fraud Review) - Opinion: **Red** (2019-20 review finalised in 2020-21)*
- *Write Offs - Opinion: **Amber** (2019-20 review finalised in 2020-21)*
- *Staff Performance Management Framework - Opinion: **Amber** (2018-19 review finalised in 2019-20)*
- *ICT Frontline Support – Opinion: **Amber** (2019-20 review finalised in 2020-21)*
- *Medway Development Company (MDC) – Governance & Accounting – Opinion: **Green** (2019-20 review finalised in 2020-21)*
- *Temporary Accommodation – Rent Collection - Opinion: **Green** (2019-20 review finalised in 2020-21)*
- *Asset Management and Building Repair & Maintenance Fund – Opinion: **Green** (2019-20 review finalised in 2020-21)*
- *Adoption & Fostering Allowances & Expenses (Counter Fraud Review) - Opinion: **Red** (2019-20 review finalised in 2020-21)*

- Project & Change Management - Opinion: **Green** (2019-20 review finalised in 2020-21)
- Innovation Centre Medway - Opinion: **Amber** (2019-20 review finalised in 2020-21)
- Purchase Cards – Opinion: **Amber**

In addition, four reviews have had fieldwork completed and are now going through the quality control process, six reviews are currently underway and commencement of a number of others is being arranged with the clients. As a consequence of this work, plan delivery as at 31 August was 14% complete, with a further 24% underway. Full details of the individual reviews can be found in section 5 of this report.

- 2.3 Follow up of agreed recommendations was halted in March 2020 with the shutdown of the service but recommenced in June 2020. As of 31 August performance stood at 64.3%, with 45 of 70 recommendations due in the period having been implemented. The 25 that remain outstanding are being monitored in line with the agreed follow up process and full details of the progress made in relation to recommendation follow up can be found at section 8.
- 2.4 Investigations concluded during the period have identified cashable savings of £63,655.82 in the form of additional council tax liabilities, both historic and future, the overpayment of social care funding to a care home following the death of a resident and a small overpayment of housing benefit.

3. Independence

- 3.1 The Audit & Counter Fraud Charter approved by Medway's Audit Committee in January 2020 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.
- 3.2 Given its responsibilities for counter-fraud activities, the Audit & Counter Fraud Shared Service cannot provide independent assurance over the counter-fraud activities of either council. Instead, independent assurance over the effectiveness of these arrangements will be sought from an external supplier of audit services on a periodic basis.

4. Resources

- 4.1 The Audit & Counter Fraud Shared Service reports to the Section 151 Officers of Medway Council and Gravesham Borough Council. The team currently has an establishment of 14 officers, consisting of; the Head of Internal Audit & Counter Fraud, three Audit & Counter Fraud Team Leaders, eight Audit & Counter Fraud Officers (7.64 FTE), one audit & Counter Fraud Intelligence Analyst and one Audit & Counter Fraud Assistant.
- 4.2 The Shared Service Agreement sets out the basis for splitting the available resources between the two councils, approximately 64% for Medway with the remaining 36% for Gravesham. The establishment at the time the Audit & Counter Fraud Plans for 2020-21 were prepared, was forecasted to provide a total of 1,895 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 1,213 days.
- 4.3 As reported to the Committee in July 2020, the Audit & Counter Fraud Service was shut down in March, having been identified as a non critical service, with staff to be redeployed to other services as part of the emergency response. As a consequence of this shut down in normal activity, the outstanding

reviews from 2019-20 were completed during the first quarter of 2020-21 to limit a reduced level of assurance work to 2020-21.

- 4.4 Net staff days available for Medway for the period 1 April to 30 June 2020 amounted to 200 days and 139 days (69%) were spent on productive audit and counter fraud work. Of this productive time, 79 days (57%) was spent on audit assurance and consultancy work, while 60 (44%) was spent on counter fraud and investigations work. Most of the work undertaken during this period that related to 2019-20 reviews was detailed in the annual report for 2019-20. Details of other work undertaken during quarter one are detailed in section 5 of this report.
- 4.5 The revised plan for Medway, which covers the period 01 July 2020 to 31 March 2021, was prepared with a resource budget of 868 days. Net staff days available for Medway for the period 1 July to 31 August 2020 amounted to 238 days and 201 days (84%) were spent on productive audit and counter fraud work. Of this productive time, 141 days (70%) was spent on audit assurance and consultancy work, while 60 (30%) was spent on counter fraud and investigations work. The current status and results of all work carried out are detailed at section 5 of this report.

5. Results of planned Audit & Counter Fraud work

- 5.1 The Audit & Counter Fraud Plan 2020-21 for Medway, was approved by the Audit Committee in July 2020. The Plan, which covers a reduced period from 01 July 2020 to 31 March 2021 due to the shut down of the Audit & Counter Fraud Service during the peak of the Covid 19 pandemic, is intended to provide a clear picture of how the council will use the Audit & Counter Fraud Shared Service, reflecting all work to be carried out by the team for Medway during the financial year including the council's core finance and governance arrangements, operational assurance work, proactive counter fraud work, responsive investigations and consultancy services.
- 5.2 The tables below provide details of the work from 2019-20 that has been finalised in 2020-21 (excluding those detailed in the annual report for 2019-20), the progress of work undertaken as part of the 2020-21 annual plan and the results of investigative work completed during the period.

2019-20 Internal Audit Assurance work finalised in 2020-21 (since the last Audit Committee meeting)

Ref	Activity	Day Budget	Days Used	Current status	Opinion, summary of findings & recommendations made
2	Project & change management	20	12.9	Final Report Issued	<p>The review considered the following Risk Management Objective: RMO1 - Appropriate arrangements have been put into place to ensure the delivery of the council's business change objectives.</p> <p>Following the end of the Transformation Programme in March 2019 the Business Change team were created to provide the expertise to deliver projects as directed and work closely with services. The Business Change team will ensure transformation is incorporated into normal service delivery. The Business Change team have a service plan in place with meaningful objectives which align with the Corporate Plan. During the Transformation programme the intranet was used to communicate delivery of change projects. The Business Change team have delivered successful projects and have plans to deliver future projects. Publicising their work will demonstrate their success and help develop working relationships to embed transformation within normal service delivery.</p> <p>The projects reviewed had sufficient elements of a typical project lifecycle to demonstrate the projects were initiated, planned, controlled and monitored appropriately. There was less evidence of the risk registers for each project or the project management framework they followed. While the projects we reviewed were delivered by officers with expertise any service manager could be called on to lead or support a project. Improving the availability of skills, knowledge and information available to them will improve opportunities to deliver successful projects. We therefore recommend the same action from the previous review of project management in 2017 that project management be incorporated into the Leadership Academy. While the Leadership Academy will improve the availability of managers' skills, the introduction of information on project management and recommended frameworks on the intranet will also help managers. Improving skills and information available to managers will complement the objective if the Business Change team to embed project management and transformation into normal service delivery. Opinion: Green.</p> <p>Overall Opinion: Green. Recommendations: Two medium and one low priority. Recommendations relate to improving the accessibility of project management skills and information available to managers' and promoting the work of the Business Change team.</p>

Ref	Activity	Day Budget	Days Used	Current status	Opinion, summary of findings & recommendations made
7	Asset management & Building Repair & Maintenance Fund	20	14.5	Final Report Issued	<p>The review considered the following Risk Management Objectives:</p> <p>RMO1 - Arrangements are in place to manage and account for the council's assets.</p> <p>The review found that Asset Registers are in place which contain accurate, relevant and up-to-date information, along with the current value for the Land & Building and Finance registers.</p> <p>The Valuation of Land & Buildings was also subject to an extensive review by External Auditors. Opinion: Green.</p> <p>RMO2 - Arrangements are in place to manage the council's Building Repair & Maintenance Fund (BRMF).</p> <p>The review found that condition surveys were carried out in 2017 and were used to identify the works required over a five year period and the forecasted budget for the identified works.</p> <p>Arrangements were found to be in place for a Planned Maintenance Work programme to be built based on the condition surveys and the emergency work provision.</p> <p>Approval for the overall programme, along with the any amendments are monitored and controlled through the Corporate Strategic Property Board. To meet the council's moratorium on expenditure arrangements were put in place to review the Planned Maintenance Programme for 2019-20 to ensure only essential repairs and those of a Health and Safety nature were approved.</p> <p>Opinion: Green.</p> <p>Overall Opinion: Green. Recommendations: None</p>
9	Park Wood Schools Federation	15	N/A	Fieldwork complete, In quality control	<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>
23	Innovation Centre Medway	15	15.6	Final Report Issued	<p>The review considered the following Risk Management Objective:</p> <p>RMO1 – There are arrangements in place for the management of the facilities offered at the Innovation Centre Medway (including tenancies, virtual offices, meeting rooms)</p> <p>The review found there is an eligibility criteria in place for the use of serviced offices at the Innovation Centre Medway (ICM); this is included in the Innovation Strategy 2014-19 but requires reviewing to ensure that it is reflective of current practices within the ICM. There are also arrangements in place to assess the</p>

Ref	Activity	Day Budget	Days Used	Current status	Opinion, summary of findings & recommendations made
					<p>eligibility of applications, however the review found that this process is not used in all circumstances and commercial considerations are also taken into account when making lettings. It was noted that progress has been made in ensuring that tenant records are maintained, however there are some areas that require strengthening to ensure consistency across the ICM.</p> <p>Signed agreements are in place between the Innovation Centre Medway and the service user and the review found that a signed licence agreement was in place for all tenancies reviewed.</p> <p>The review did however find the tenant's eligibility for services is not routinely reviewed, despite this being detailed in the Innovation Strategy. There are arrangements in place to ensure the recovery of the correct charges and an audit sample found that in all ten cases, regular and accurate invoicing was maintained. However, the review found discrepancies in the charges advertised. A proactive approach has been taken in monitoring debt; there are mechanisms in place to identify non-payment of charges, and where necessary, appropriate action is taken, however these processes do not have any set parameters and therefore risk a lack consistency. Opinion: Amber.</p> <p>Overall Opinion: Amber. Recommendations: One high and four medium priority.</p> <p>Recommendations relate to a review of the Innovation Strategy, formalising the application process for tenants ensuring consistency for all applications, the maintenance of records, and the process for debt recovery.</p>
43	Adoption & Fostering Allowances/ Expenses	15	14.1	Final Report Issued	<p>The review considered the following Risk Management Objective:</p> <p>RMO1 - Appropriate arrangements in place for the payment of fostering and adoption allowances and expenses.</p> <p>The review identified that there are no documented procedures or guidance relating to the payment of fostering and adoption allowances and expenses to ensure a consistent approach and there is also no mechanism to record that staff have received updated policies or the latest guidance set by the council or central government; or that these have been read and understood.</p> <p>A new payment structure was implemented around three years ago and a copy of this was issued to all staff and foster carers at the time. Any new Foster Carers would have received this as part of their induction pack; however, it would not</p>

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					<p>have been issued to new staff. Use of the corporate NetConsent system to disseminate policies is being considered.</p> <p>A review of the payment structure is currently being conducted and it is anticipated that it will be implemented by March 2021, which will result in a revision of procedures.</p> <p>It is general practice for officers not to deal with cases involving anyone they may know; however, there is currently no requirement for staff to complete declarations of interest forms to act as a deterrent.</p> <p>The Frameworki system has an embedded process that identifies duplicates claims, which is an effective means of reducing errors and identifying potential fraud. However, analysis of the different template claim forms showed that not all of them required the applicant to sign the form and in some cases the declaration was not in the same place as the signature and therefore not prominent enough to ensure the applicant was aware of their obligations when claiming. It is general practice for claims to be submitted within one month but there is no set timescale for their submission, with claims outside the timescale being rejected. It has been suggested that this is incorporated into new procedures.</p> <p>The criteria for allowances and expenses that may be payable in relation to adopters are clear and are subject to financial assessments to ensure they are paid correctly. Testing did identify that not all claims were accompanied by receipts, which leaves an exposure to potential fraud in the event that the claim is not based on genuine expenditure.</p> <p>A Foster Carers handbook is issued when a new Foster Carer is engaged, along with information about what is expected from the Foster Carer and what they can expect from the council. Foster Carer allowances are paid in one payment comprised of two elements, these being maintenance & reward, and are set each April. This is being reviewed with a view to move to a single payment as part of the payment structure review to be implemented by March 2021. Annual Leave is no longer paid and instead has been replaced by a loyalty payment. Information relating to these allowances is included in the Foster Carers handbook.</p> <p>Frameworki has embedded processes that calculate the correct rates of allowances but claims for expenses must be submitted separately. While there</p>

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					<p>are no procedures in place, local arrangements exist for claims to be checked prior to authorisation. Testing identified that there was no record to confirm that receipts had been reviewed by the Social Worker before being entered into the system for authorisation by a senior manager. This presents a risk that claims may be authorised without appropriate checks.</p> <p>Foster Children are able to go to respite care, providing this has been agreed in advance by the Social Worker. When the respite is for the child, the council will meet these costs and pay the provider directly upon receipt of an invoice. If the respite is for the Foster Carer, they are required to meet the costs themselves, which is part of the reason for the loyalty payment.</p> <p>During testing, expense claims for respite care were identified. If a Foster Carer requires respite care for a child and the request is to maintain the placement and meeting the needs of the child, the service will pay for respite if agreed. The amount of respite hours needed must be agreed in advance and payment is made direct to the respite carer. Records of decisions and arrangements relating to this respite care were not always found.</p> <p>If the Foster Carer requires respite e.g. for holidays or appointments, they are encouraged to use their loyalty payment and arrange respite care themselves using their support network. In some circumstances e.g. if the Foster Carer were to attend a training course, then respite care would be paid by the service but these records are not always clear. It was noted that the claim forms only require Foster Carers to state whether the respite care was for under or over four hours, as the rates for each category differ. With records not always up to date and no requirement to detail the exact amount of time, this could be exploited and the higher rates claimed.</p> <p>Foster Carers are able to claim mileage for transporting the Foster Child but they are liable for the costs of the first 700 miles per month, only able to claim any mileage in excess of 700. There is no guidance available to advise what level of detail should be included in mileage claims and testing identified differing practices in the level of information being declared, with some Foster Carers detailing all their mileage to demonstrate that they have exceeded 700 in any one month, while others only detailing mileage they claim is in excess of 700. This leaves a weakness in the process that is potentially open to abuse and the submission of fraudulent claims.</p>

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					<p>Overpayments of financial support could occur in the event that a Foster Carer ceases to look after a child and payments are not cancelled. While no instances of overpayments were identified, and being advised that it is an extremely rare occurrence, the Foster Carer agreement does not reference any expectation that overpayments will be recoverable or what steps the council may take in such instances. This could potentially hinder the council's ability to recover overpayments. Opinion: Red.</p> <p>Overall Opinion: Red. Recommendations: Six high, two medium and one low priority.</p> <p>Recommendations relate to Procedure notes being created and issued to all staff with records maintained to confirm staff have received them, Records being maintained of all policies issued to staff along with acknowledgement that they have been read and understood, Declaration of interest forms being completed by all staff, Expense claim forms being reviewed to include signatures and declarations in prominent positions, All claims being accompanied by evidence of expenditure, which is then retained, An episode should be created on Frameworki for the authorising officer to confirm any decisions made and approval for all expenses, including verification of receipts, The policy/accepted practice relating to respite care being reviewed to close the loophole identified or claim forms updated to require exact hours of respite to be declared, A requirement for all mileage to be detailed on claim forms, and The Foster Carer agreement being updated to include overpayment recovery details.</p>

2020-21 Internal Audit Assurance work

Ref	Activity	Day Budget	Days Used	Current status	Opinion, summary of findings & recommendations made
Core governance and financial systems assurance work					
1	Governance framework	5	N/A	Fieldwork complete, In quality control	The review considered the following Risk Management Objective: RMO1 - Medway Council's governance framework is effective.
2	Purchase Cards	5	6.9	Final Report Issued	The review considered the following Risk Management Objective: RMO1 - Access to corporate credit cards is adequately controlled.

Ref	Activity	Day Budget	Days Used	Current status	Opinion, summary of findings & recommendations made
					<p>The review found there are procedures in place to control the issue and return of corporate credit cards and these controls have remained unchanged during the Covid-19 pandemic. During the review a new control was introduced to identify card holders who have left the council or changed their job. The automated process is appropriate but implementation during the review limited the scope to test it. There are card and transaction limits appropriate to all users and any variances are appropriately authorised. There are records maintained which identify all corporate credit cards that have been issued and their associated details. Opinion: Green.</p> <p>RMO2 –Corporate credit card expenditure is appropriate.</p> <p>The review found not all the card holders retain and provide all evidence of expenditure, 89% of transactions in the sample had supporting evidence available to view. Two cardholders have not responded to the Control Team Leader’s request for evidence and how to allocate costs in the general ledger. All expenditure was approved as a business need and use of the card was an appropriate method of payment. Between 25% and 33% of credit card holders do not return expense form statements to the finance control team in a timely manner. This undermines the assurance that transactions comply with council guidelines. The cardholder guidance has appropriate controls to suspend those who fail to comply but this action may not always be the appropriate first step. The Control Team require guidance on the most appropriate action to take and when. Opinion: Amber.</p> <p>Overall Opinion: Amber. Recommendations: One medium priority. Recommendation relates to enforcing the cardholder guidance to encourage cardholders to return supporting evidence in a timely manner.</p>
3	Purchase Ledger	5	N/A	Fieldwork Underway	<p>The review will consider the following Risk Management Objective: RMO1 - Effective arrangements are in place for the payment of the council’s creditors.</p>
4	Housing rent collection & arrears	5	N/A	Fieldwork complete, In quality control	<p>The review considered the following Risk Management Objectives: RMO1 - There are arrangements in place for rent income received to be accounted for accurately and promptly. RMO2 - There are arrangements are in place to manage the rent arrears of current and former tenants.</p>

Ref	Activity	Day Budget	Days Used	Current status	Opinion, summary of findings & recommendations made
5	General ledger	15	N/A	Fieldwork complete, In quality control	The review considered the following Risk Management Objective: RMO1 - Medway Council's governance framework is effective.
6	Capital accounting	15	N/A	Fieldwork complete, In quality control	The review considered the following Risk Management Objective: RMO1 - Arrangements exist for the appropriate accounting of income and expenditure relating to the HRA capital programme.
7	Council tax collection	15	N/A	Not Yet Started	
8	Payroll	15	N/A	Not Yet Started	
9	Financial planning	15	N/A	Not Yet Started	
10	Schools	40	N/A		Two schools were selected as part of a risk assessment looking at budgets and the date of the last internal audit review.
	New Road Primary School	20	N/A	Fieldwork Underway	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.
	St Nicholas CofE Infants	20	N/A	Fieldwork Underway	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.
Corporate risks assurance work					
11	Adult social care - Assessments & reviews of care packages	10	N/A	Terms of Reference being prepared	
12	Cyber security	15	N/A	Terms of Reference being prepared	
13	Highways - winter service	15	N/A	Fieldwork Underway	The review will consider the following Risk Management Objectives: RMO1 - The council have arrangements in place to provide an effective Winter Service - General Maintenance. RMO2 - The council have arrangements in place to provide an effective Winter Service – Salting and snow clearance operations. RMO3 - The council have arrangements in place to provide an effective Winter Service – Salt bins.
14	Fostering- Virtual Panels	15	N/A	Fieldwork Underway	The review will consider the following Risk Management Objective: RMO1 - Arrangements are in place to manage decision making through virtual panels.

Ref	Activity	Day Budget	Days Used	Current status	Opinion, summary of findings & recommendations made
15	Tree Service	15	N/A	Fieldwork Underway	The review will consider the following Risk Management Objectives: RMO1 - The council have procedures in place to protect trees that bring significant amenity to the local area by way of Tree Preservation Orders. RMO2 - The council have arrangements in place to monitor the Tree Maintenance Contract delivered by Medway Norse.
16	HRA capital repairs & maintenance work allocation	15	N/A	Fieldwork Underway	The review will consider the following Risk Management Objectives: RMO1 - Arrangements are in place to produce a capital repairs and maintenance programme and to have an agreed budget to complete them. RMO2 - Arrangements are in place to tender and manage the delivery of all elements of the capital repairs and maintenance programme.
17	Calidicott guardian	10	N/A	Not Yet Started	
18	Disabled Facilities Grants	15	N/A	Not Yet Started	
19	Section 17 - No Recourse to Public Funds	15	N/A	Not Yet Started	
20	Free school transport	20	N/A	Not Yet Started	
21	Children's' Independent Safeguarding & Review Service	15	N/A	Not Yet Started	
22	Child Sexual Exploitation	15	N/A	Not Yet Started	
23	Income collection - visitor parking permits	15	N/A	Not Yet Started	
24	Commercial property management - Pentagon Centre	15	N/A	Not Yet Started	
25	HR - sickness absence reporting & monitoring	15	N/A	Not Yet Started	
26	Medway Adult & Community Learning Service - 24+ Advanced Learning Loans & repayment	15	N/A	Not Yet Started	
27	Medway Norse - waste & recycling contract	15	N/A	Not Yet Started	
28	Tenancy enforcement	15	N/A	Not Yet Started	

Ref	Activity	Day Budget	Days Used	Current status	Opinion, summary of findings & recommendations made
29	Section 17 - Intentional homelessness	15	N/A	Not Yet Started	
30	Information requests	15	N/A	Not Yet Started	
31	Cultural venue management	15	N/A	Not Yet Started	
32	Building Compliance	15	N/A	Underway	All council buildings are being inspected by officers from property services to ensure they are Covid secure, with recommendations being made for any additional works required. Audit & Counter Fraud have been responsible for the final sign off of each building once recommendations have been implemented to provide independent assurance over the process.
33	Department for Transport grant validation	10	N/A	Underway	Independent validation was conducted to confirm that bus subsidy grant funding received as part of the Covid 19 support had been spent in accordance with set conditions 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.
34	Early Help Service (Inc. MAfF, Family Support Service, Common Assessment Framework)	20	N/A	Underway	The team have provided independent verification of several claims for funding from the Ministry of Housing, Communities & Local Government in relation to troubled families.
35	Responsive assurance work	25	N/A	Underway	Please see table on page 15.
Counter Fraud Assurance Work					
38	Adult social care - self directed support (direct payments)	15	N/A	Not Yet Started	
39	Business parking permits	15	N/A	Not Yet Started	
40	Special Guardianship Orders	15	N/A	Fieldwork Underway	The review will consider the following Risk Management Objectives: RMO1 - Policies and procedures in place to assist in the prevention of Special Guardianship Orders fraud. RMO2 - Arrangements exist for detecting Special Guardianship Orders fraud. RMO3 - Arrangements exist to deter individuals fraudulently obtaining or Special Guardianship Orders. RMO4 - Policies and procedures in place to support enforcement action being taken against those who commit special guardianship orders fraud.

Other consultancy services including advice & information

Activity	Opinion, summary of findings & recommendations made
No activity during the period	

Responsive Assurance Activity

Activity	Opinion, summary of findings & recommendations made
Business Support Grant Application validation	Officers assisted with the validation of claims received for Business Support Grants using their expertise in fraud prevention and providing assurance over the application process.
Discretionary Business Grant application validation and assessment	Officers assisted with the validation and assessment of applications received as part of the discretionary grants process.
Covid 19 Governance	Officers from the service have assisted in monitoring and logging the decisions made by Gold Command, which have subsequently been checked for the implications of those decisions to ensure the correct governance processes have been followed.

Counter Fraud Activity

Ref	Activity	Day Budget	Days Used	Current status	Opinion, summary of findings & recommendations made
41	Pro-active investigations work	54	N/A	Not yet started	While time in the plan has been allocated to pro-active investigation work, the shut down of the service means that the time is likely to be reallocated to existing data matching exercises, such as the NFI.
42	Data matching exercises, including National Fraud Initiative and Kent Intelligence Network	54	N/A	Underway	During the lockdown period the teams Intelligence Analyst was able to continue reviewing the HMRC data matches received as part of the 2018-19 NFI exercise and has significantly reduced the number of matches outstanding. The activity continues to clear the few remaining matches but some have progressed to full investigation. Work will shortly commence on the council tax SPD matches received in January 2020.

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	0	1	One case concluded with the issue of a warning letter regarding misuse of the Blue Badge Scheme.	N/A	N/A	N/A
Business Rates	1	2	Two cases concluded with no evidence of fraud.	N/A	N/A	N/A
Council Tax	19	23	Eight cases concluded with no evidence of fraud. 15 cases concluded with the removal of the council tax discount/exemption or reduction. One case also resulted in a housing benefit overpayment	£10,066 (Historic Liability) £5,815 (Additional liability for future years) £861 (Housing Benefit)	N/A	N/A
Homelessness	0	1	One case concluded with no evidence of fraud.	N/A	N/A	N/A
Housing Allocations	2	3	Two cases concluded with no evidence of fraud and one concluded with the customer being removed from the waiting list.	N/A	£4,000	N/A
Other	1	0	Referral received about an individual with false disabilities but insufficient information to warrant passing to DWP.	N/A	N/A	N/A
Parking Permits	1	0	Referral received regarding misuse of visitor permits. Advice provided to service.	N/A	N/A	N/A
Social Care	0	1	One case concluded with payments to a care home stopped and an overpayment to be recovered.	£46,899.31	N/A	N/A
School Fraud	0	5	Two cases closed with no evidence of fraud. Three cases concluded with the offer of a school place withdrawn.	N/A	N/A	N/A
Tenancy	3	0	Three referrals rejected due to insufficient information to warrant investigation.	N/A	N/A	N/A

Reactive Investigations work: internal investigations

The Audit & Counter Fraud Team conduct disciplinary investigations on behalf of HR into a range of matters. Details cannot be provided while investigations are ongoing but an anonymised summary will be included in updates after the cases are concluded.

Allegation	Investigation activity & recommendations
	Nothing to report

Other Redeployment activity during emergency response period

Activity	Details
Benefit Assessments	The team Administration Officer was formerly a benefit assessor and was redeployed to the benefits service to assist with the assessment of applications. Despite the service recommencing on 01 July, this arrangement will continue until 30 September due to the increase in the volume of claims for benefits received.
Revenues & Benefits Scanning	The teams Intelligence Analyst attended the office throughout the lockdown providing support to the MRBS scanning team, while also monitoring requests for information being received from external agencies, such as the Police.

6. Quality Assurance & Improvement Programme

- 6.1 The Standards require that: *The chief audit executive must develop and maintain a quality assurance and improvement programme that covers all aspects of the internal audit activity. A Quality Assurance & Improvement Programme (QAIP) has been prepared to meet this requirement.* The Audit & Counter Fraud Shared Service QAIP was agreed by Medway's Audit Committee in July 2020.
- 6.2 The arrangements set out in the QAIP have been implemented with the collection and monitoring of performance data largely automated through the team's time recording and quality management processes. It should be noted that the results recorded below have not been subjected to independent data quality verification.
- 6.3 In line with the QAIP, the team monitor performance against a suite of 24 performance indicators based on the balanced scorecard, covering the four perspectives; financial, internal process, learning & growth and customer. The table below sets out the performance targets, which are grouped into measures for the service and those that are specific to the individual authority. Targets have been set for 17 of the 24 indicators, however it should be noted that these are for full year outturns; as such outturns at present are not to target levels but are provided for Members information.

Ref	Indicator	Target	Outturn
Non LA Specific Performance Measurements			
PM1	Cost of the Audit & Counter Fraud Service a) Total Cost b) LA Share	N/A	£658,830 (Budgeted Costs) £443,101
PM2	Cost per A&CF day	£400	Due to the time spent redeployed to other services, the calculations normally used to calculate this figure require significant update. Estimate costs will be provided in the next update.
PM3	Proportion of staff with relevant professional qualification: a) Relevant audit qualification b) Relevant counter fraud qualification	75%	21% 50%
PM4	Proportion of non-qualified staff undertaking professional qualification training	25%	14%
PM5	Time spent on CPD/non-professional qualification training, learning & development	70 days	13 Days
PM6	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

Ref	Indicator	Target	Outturn
			that require improvement.
PM7	Staff turnover	N/A	N/A
LA Specific Performance Measurements			
PM8	Average cost per assurance review	£5,000	Insufficient data at this time to calculate costs.
PM9	Proportion of available resources spent on chargeable work	90%	78%
PM10	Proportion of productive time spent on: a) assurance work b) consultancy work	N/A	64% 0%
PM11	Proportion of productive time spent on: a) proactive counter fraud work b) reactive counter fraud work	N/A	9% 27%
PM12	Proportion of productive time spent on SPOC associated duties	N/A	28 days
PM13	Proportion of agreed assurance assignments: a) Delivered b) Underway	95%	14% 23%
PM14	Proportion of completed reviews subject to a second stage (senior management) quality control check in addition to the primary quality control review	10%	0
PM15	Proportion of recommended actions agreed by client management	90%	100%
PM16	Number of recommendations agreed that are: a) not yet due b) Implemented c) Outstanding	N/A	41 45 25
PM17	Proportion of recommended actions implemented by agreed date	N/A	64%
PM18	Number of referrals received	N/A	73
PM19	Number of investigations closed	N/A	64
PM20	Value of fraud losses identified: a) cashable (losses that can be recovered) b) non-cashable (notional savings based on national estimates) c) Prevented Losses (Savings associated with blocked applications)	N/A	£63,655.82 £4,000 £0
PM21	Customer satisfaction with individual review/assignment	95%	No completed surveys received
PM22	Customer satisfaction with overall service	95%	A wider satisfaction survey was last completed in March 2019 and was positive. Due to the Covid 19 pandemic, it has not been possible to conduct a review this year to date.
PM23	Member satisfaction with assurance provided (based on Chair of Audit Committee contribution to Appraisal of the	Positive	The Chair of the Audit Committee will be invited to contribute to the HIACF's mid-year performance

Ref	Indicator	Target	Outturn
	Head of Audit & Counter Fraud role		review, which is currently scheduled for 24 September.
PM24	Statement of external audit	Positive	External Audit report by exception. At the time of writing this report, no concerns had been raised with the Head of Internal Audit and Counter Fraud by Grant Thornton.

7. Review of Audit & Counter Fraud Plan

- 7.1 Monitoring of the delivery of planned work is built into the team's processes with individual officer time recording data feeding into an automated performance monitoring workbook; this tracks the performance of the team against the shared service work-plan as a whole and enables the supervisory staff to plan and support officers to deliver their individual work plans. On at least a quarterly basis, a projection of the resources that will be available to the year-end is carried out and compared to forecasts for each item of work on the plan to be completed.
- 7.2 At this time there is no change to the projected resources that were used to inform the revised 2020-21 plan. We continue to monitor the resource budget on a monthly basis to ensure that we are responsive to changes as soon as possible.

8. Follow up of agreed recommendations

- 8.1 Where the work of the team finds opportunities to strengthen the council's risk management, governance and/or control arrangements, the team make and agree recommendations for improvement with service managers. The Standards require that a follow-up process is established: *to monitor and ensure that management actions have been effectively implemented or that senior management has accepted the risk of not taking action.* As with all audit work, resources should be prioritised based on risk.
- 8.2 Service managers are asked to provide an update on action taken towards implementing all recommendations due on a monthly basis and are also asked to supply evidence to confirm that action has been taken in respect of all High priority recommendations, which is verified by the Audit & Counter Fraud Team.
- 8.3 The first of the two tables below details the current position in relation to the follow up process and the second details recommendations that are now more than six months over their planned implementation date; along with an update from the relevant Service Manager/Assistant Director/Director.

Status of Agreed Recommendations

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
Income collection	<p>Opinion: Needs strengthening Two recommendations agreed: one high and one low priority. Recommendations relate to creating a refunds policy and written procedures.</p>	Two recommendation due, two implemented.
HR Self-Serve	<p>Opinion: Needs Strengthening Three recommendations agreed: one high, one medium and one low priority. Recommendations relate to electronic approval processes, staff delegations and subsequent notifications of roles and responsibilities.</p>	Two recommendations due, two implemented. Revised implementation date agreed for one high priority recommendation relating to electronic approval processes.
Staff Expense Reimbursement	<p>Opinion: Strong Two recommendations agreed: one medium and one low priority. Recommendations relate 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>	One recommendation due, one implemented. Revised implementation date agreed for one low priority recommendation relating to including a prompt to authorising managers highlighting their requirement to validate claims and evidence being submitted.
Sundry Debtors	<p>Opinion: Needs Strengthening Eleven recommendations agreed: two high, seven medium and two low priority. Recommendations relate 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>	Eleven recommendations due, ten implemented. One low priority recommendation to be followed up in September to allow further investigations by systems team into automatic debt cycles.
Ethics	<p>Opinion: Needs Strengthening Seven recommendations agreed: five high and two medium priority. Recommendations relate to improving employee awareness of policies relating to ethical conduct, review of the Code of Conduct and enhancing arrangements relating to Gifts & Hospitality.</p>	Seven recommendations due, seven implemented.
Performance Data Quality	<p>Opinion: Sufficient Three recommendations agreed: one high, one medium and one low priority. Recommendations relate to counting rules being added to Pentana in respect of all current performance measures, a corporate Performance Data Quality Policy, a</p>	Three recommendations due, two implemented. One medium priority outstanding relating to introduction of a corporate Performance Data Quality policy.

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
	review of the style of the quarterly performance reports and a strategy relating to commercial ventures being written.	
Medway Commercial Group – Governance & Accounting	<p>Opinion: Needs Strengthening Four high priority recommendations agreed. Recommendations relate to improving performance reporting and financial monitoring.</p>	Four recommendations due, three implemented. One high priority outstanding relating to improving performance reporting.
Bereavement Services	<p>Opinion: Amber Nine Recommendations agreed: one high, seven medium and one low priority. Recommendations relate to 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>	Nine recommendation due, nine implemented.
IT Asset Management	<p>Opinion: Amber Three recommendations agreed: 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.</p>	No recommendations due before 31 August 2020.
VAT	<p>Opinion: Red Four high priority recommendations agreed. 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>	Four recommendations due, four implemented.
Insurances	<p>Opinion: Amber Four recommendations agreed: Two medium and two 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</p>	Four recommendations due, three implemented. One outstanding low priority recommendation is reliant on training an officer to update insurance and policy information on the council’s intranet. To be followed up in September.

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
	council's intranet and formalising the council's policy in relation to retaining claim records.	
GDPR	<p>Opinion: Red One high priority recommendation agreed. Recommendation relates to implementing an effective monitoring system once the Council has progressed its GDPR compliance sufficiently.</p>	One recommendation due, one implemented.
Establishment Management	<p>Opinion: Amber Three recommendations agreed: two medium and one low priority. Recommendations relate to ensuring that regular reconciliations take place between HR and Finance records, incomplete HR forms are returned to the relevant manager for completion, HR scan the signed recruitment to vacancy forms onto the Idox system, and, Managers inform HR of all changes relating to staff in post.</p>	Three recommendations due, two implemented. One medium priority outstanding relating to regular reconciliations taking place between HR and Finance records.
Treasury Management	<p>Opinion: Green One low priority recommendation agreed. Recommendation relates to ensuring there are additional staff trained to cover the Principal Accountant role.</p>	One recommendation due, one implemented.
Allotments	<p>Opinion: Red Eleven recommendations agreed: Five high, five medium and one low priority. Recommendations relate to the implementation of a new strategy, new processes and procedures clearly outlining roles and responsibilities, liaison with the Business Change team to review the current IT solution, a review of resources available to deliver the service, introduction and monitoring of KPI's, review of current process to ensure GDPR compliance, a review of fee calculations process within Colony, clarification of the published fees and charges relating to Bloors Lane Church Allotments, clearer information being supplied to tenants in respect of payments, income received being reconciled regularly, and building and maintaining a relationship with the Medway Allotment Federation.</p>	Nine recommendations due, five implemented. Three high and one medium priority outstanding relating to the implementation of a new strategy, a review of resources available to deliver the service, introduction and monitoring of KPI's and a review of current process to ensure GDPR compliance.
Workforce Development	<p>Opinion: Amber Five medium priority recommendations agreed. Recommendations relate to processes being consistently followed throughout the council, the retention of evidence for approval, centralisation of conference budgets, a review of conference request forms and ensuring that three quotes are obtained in all possible circumstances.</p>	Four recommendation due, four implemented.
Whistleblowing	<p>Opinion: Amber Seven recommendations agreed: two high and five medium priority.</p>	Three recommendations due, none 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>Recommendations relate to reviewing the whistleblowing policy, including contact details and information for managers, training of whistleblowing officers, managers and staff, investigating the introduction of an online reporting form and ensuring there are systems in place for recording and reporting all concerns.</p>	<p>Two high and one medium priority outstanding. AD for legal and corporate services is working with HR to refresh policy and procedures and bring the draft policy to Employment and Audit Committees in due course. To follow up in September.</p>
<p>Childrens & Adults Imprest Account</p>	<p>Opinion: Red Thirteen recommendations agreed: Eight high, four medium and one low priority. Recommendations relate to a review of procedure notes for the Business Admin team to ensure they are up to date and comprehensive, access to the central register of authorised signatories, a regular check of the account balance to ensure monthly schedules are processed, improvements to cash handling procedures, the creation/update of council policies to reflect the councils' position on the costs it is prepared to meet, detailed criteria for the use of the imprest account in relation to client spend, payments of planned financial support being processed through Frameworki, payment for medical reports being processed via webreq, the use of pre-payment cards for service users in place of cash payments, ceasing the unnecessary use of the imprest account for non-client spend, recording VAT and ensuring it is reclaimed where appropriate, all claims for reimbursement being accompanied by receipts before approval, and an escalation process being put in place for the Admin team to challenge potential inappropriate spend.</p>	<p>Thirteen recommendations due, thirteen implemented.</p>
<p>St Mary's Catholic Primary School</p>	<p>Opinion Red Ten recommendations agreed: Three high and seven medium priority. Recommendations relate to completion of annual declaration of interests for Governors, the updating of the school Finance Policy, ensuring that petty cash payments do not exceed the amount stated in the Finance Policy, recording approval for spend above the Head Teacher's limit in the Governing Body minutes, reviewing use of the Onecard to ensure separation of duties and that the terms & conditions of the card are met, putting in place arrangements to ensure there is a separation of duties in the purchasing and payment processes, making arrangements for purchase orders to be raised wherever required, ensuring the Hospitality Policy is adhered to, ensuring profit made from the breakfast club is used appropriately, and reviewing the asset register to include sufficient information should a claim need to be made.</p>	<p>Ten recommendations due. Update to be requested as part of the September follow up process.</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
Agency Staff within Children Services	<p>Opinion: Red</p> <p>Seven recommendations agreed: Three high, three medium and one low priority. Recommendations relate to written confirmation being provided by the Chief Executive to confirm that Children’s Services are exempt from the documented procedure to recruit agency workers, recruitment documentation being retained electronically, cancellation of purchase orders if agency staff leave before their expiry, MCG being issued with a list of line managers able to authorise timesheets for payment, instruction to managers regarding notifying the recruitment team of agency leavers in writing, procedures notes relating to the issue and return of council equipment, and an equipment log and a signed disclaimer advising that the worker will be charged for ay equipment that is not returned.</p>	Six recommendations due, six implemented.
Staff Performance Management Framework	<p>Overall Opinion: Amber</p> <p>Four recommendations agreed: Three high and one medium priority. Recommendations relate to updating training requirements in the Corporate Induction Programme; ensuring all staff undertake training in relation to the MedPay framework, investigating the PDR recording process available through SelfServe4You and updating PDR guidance to state how PDR documents should be retained for GDPR compliance.</p>	Four recommendations due, three implemented. One medium priority outstanding relates to a system function to monitor management of staff performance through recording of PDR and 1-1’s.
Leisure Centre Memberships Income Collection	<p>Overall Opinion: Amber</p> <p>Six recommendations agreed: One high, three medium and two low priority. Recommendations relate to amending fees & charges information on literature and the council website, producing consistent T&C for members, procedures to deliver consistent approach to manage memberships, procedures to monitor accuracy of membership data, seeking advice on VAT for leisure services and compliance with GDPR.</p> <p>All medium and low priority recommendations were implemented before the review was finalised.</p>	Five recommendations due, five implemented.
SEND, Education, Health, Care Plan Reviews	<p>Overall Opinion: Amber</p> <p>Two recommendations agreed: One high and one medium priority. Recommendations relate to IT solutions to improve process efficiency.</p>	One recommendation due, one implemented.
ICT Frontline Support	<p>Overall Opinion: Amber</p> <p>Three recommendations agreed: One high priority and two medium priority.</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
	Recommendations relate to monitoring of calls, regular reviewing of Top Desk reporting statistics by ICT management and investigating ways to increase customer feedback. All recommendations were implemented before the final report was issued.	
Temporary Accommodation – Rent Collection	<p>Overall Opinion: Green</p> <p>Two recommendations agreed: Two low priority.</p> <p>Recommendations relate to improved recording of visit details and a review and update of procedure guides.</p>	One recommendation due, one implemented.
Corporate Credit Cards	<p>Overall Opinion: Amber</p> <p>One recommendation agreed: One medium priority.</p> <p>Recommendation relates to enforcing cardholder guidance to encourage cardholders to return supporting information in a timely manner. Recommendation implemented before the final report was issued.</p>	One recommendation due, one implemented.
Innovation Centre Medway	<p>Overall Opinion: Amber</p> <p>Five recommendations agreed: One high and four medium priority.</p> <p>Recommendations relate to a review of the Innovation Strategy, formalising the application process for tenants ensuring consistency for all applications, the maintenance of records, and the process for debt recovery.</p>	<p>One recommendation implemented before review finalised.</p> <p>No other recommendations due before 30 September.</p>
Project & Change Management	<p>Overall Opinion: Green</p> <p>Three recommendations agreed: Two medium and one low priority.</p> <p>Recommendations relate to improving the accessibility of project management skills and information available to managers’ and promoting the work of the Business Change team</p>	No recommendations due before 30 September.

Recommendations still outstanding more than six months after scheduled implementation date

Directorate	Audit & Counter Fraud Review title	Recommendation	Priority	Planned Implementation Date	Management Update
BSD	MCG Governance & Accounting	The corporate client for recruitment services is required to have a process in place to receive KPI data and monitor performance against the agreed standards in the BTA.	High	30 Nov 2018	No update received.
BSD	Performance Data Quality	A corporate Performance Data Quality Policy should be introduced to ensure a corporate approach to dealing with data.	Medium	30 Sep 2019	No update received.
BSD	Establishment Management	Arrangements should be put in place for periodic reconciliations between the establishment list and salaries budget to ensure consistency.	Medium	31 Dec 2019	No update received.

Definitions of audit opinions & Recommendation Priorities

Opinion	Definition
Green – Risk management operates effectively and objectives are being met	Expected controls are in place and effective to ensure risks are well managed and the service objectives are being met. Any errors found are minor or the occurrence of errors is considered to be isolated. Recommendations made are considered to be opportunities to enhance existing arrangements.
Amber – Key risks are being managed to enable the key objectives to be met	Expected key or compensating controls are in place and generally complied with ensuring significant risks are adequately managed and the service area meets its key objectives. Instances of failure to comply with controls or errors / omissions have been identified. Improvements to the control process or compliance with controls have been identified and recommendations have been made to improve this.
Red – Risk management arrangements require improvement to ensure objectives can be met	The overall control process is weak with one or more expected key control(s) or compensating control(s) absent or there is evidence of significant non-compliance. Risk management is not considered to be effective and the service risks failing to meet its objectives, significant loss/error, fraud/impropriety or damage to reputation. Recommendations have been made to introduce new controls, improve compliance with existing controls or improve the efficiency of operations.

Recommendation priority	Definition
High	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.
Medium	The findings indicate a weakness in control, or lack of compliance with existing controls, that leaves the system open to risk, although it is not critical to the achievement of objectives. Management should address the recommendation within a reasonable timeframe.
Low	The findings have identified an opportunity to enhance the efficiency or effectiveness of the system/control environment. Management should address the recommendation as resources allow.