
Audit & Counter Fraud Update

Medway Council

For the period:

1 September – 30 November 2021

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 This is the second update for 2021-22, covering the period 01 September to 30 November and the following audit reviews were finalised during the reporting period;
 - Childrens Independent Safeguarding & Review Service – Opinion: **Amber** (2020-21 review finalised in 2021-22)
 - Medway Norse Waste & Recycling Contract - Opinion: **Amber** (2020-21 review finalised in 2021-22)
 - Parking Enforcement - Opinion: **Green**
 - *Information Requests* - Opinion: **Amber**
 - Client Financial Affairs - Opinion: **Amber**

In addition, one reviews has the draft report with clients, ten reviews have had fieldwork completed and are now going through the quality control process, four 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 of 30 November was 41% complete, with a further 15% underway. Full details of the individual reviews can be found in section 5 of this report.
- 2.2 Follow up of agreed actions has continued and performance as of 30 November stood at 66%, with 36 of 55 actions due by the end of the period having been implemented. 19 remain outstanding and are being monitored in line with the agreed follow up process. Full details of the progress made in relation to action follow up can be found at section 8, which also includes details of requests for revised implementation dates.
- 2.3 Investigations concluded during the period have identified cashable savings of £80,410.48 in the form of additional council tax liabilities, both historic and future, new business rate liabilities and housing benefit overpayments. There are also non-cashable savings of £93,000 associated with the associated recovery of a council property.
- 2.4 There has been some impact on planned resources due to sickness, and several vacancies over the course of the year, the last of which we anticipate will be filled by around 01 Feb 2022, depending on the notice period of any successful candidates. We are currently projecting a loss of approximately 126 days (100 audit days, 26 counter fraud days) from the projected 1072 available at the start of the year. As a consequence, revisions to the agreed plan are requested.

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. The most recent of these reviews was undertaken by Tonbridge & Malling Borough Council in 2018-19.

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, which following a small restructure consists of; the Head of Internal Audit & Counter Fraud, one Internal Audit Manager, one Senior Internal Auditor (post currently vacant), six Internal Auditors (5.78FTE), one Counter Fraud Manager, two Counter Fraud Officers (one post currently vacant), and two Counter Fraud Intelligence Analysts (1.86FTE).
- 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 2021-22 were prepared, was forecasted to provide a total of 1,815 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 1,162 days.
- 4.3 Net staff days available for Medway for the period 1 August to 30 November 2021 amounted to 308 days and 256 days (85%) were spent on chargeable audit and counter fraud work. Of this chargeable time, 164 days (64%) was spent on audit assurance and consultancy work, while 92 days (36%) was spent on counter fraud and investigations work. In addition, 15 days were spent on SPOC related duties. The current status and results of all work carried out are detailed at section 5 of this report.
- 4.4 As previously reported, staff sickness and various periods of vacancy have affected the level of resources available, and the latest projections suggest a loss of approximately 126 days (100 audit days and 26 counter fraud days) from the projected resource available at the start of the year. As a consequence revisions to the agreed plan are being requested to address some of the resource gap.

5. Results of planned Audit & Counter Fraud work

- 5.1 The Audit & Counter Fraud Plan 2021-22 for Medway was approved by the Audit Committee in March 2021. The Plan is intended to provide a clear picture of how the council will use the Audit & Counter Fraud Shared Service, reflecting all work to be carried out by the team for Medway during the financial year including the council's core finance and governance arrangements, operational assurance work, proactive counter fraud work, responsive investigations, and consultancy services.
- 5.2 The tables below provide details of the work from 2020-21 that has been finalised in 2021-22 (excluding those detailed in the annual report for 2020-21), the progress of work undertaken as part of the 2021-22 annual plan and the results of investigative work completed during the period.

2020-21 Internal Audit assurance work finalised in 2021-22 (since the last Audit Committee meeting)

Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & actions made
19	Section 17 - no recourse to public funds	15	17.8	Final report issued	Findings reported to the Committee – September 2021 meeting.
21	Children's independent safeguarding & review service	15	16.8	Final report issued	<p>The review considered the following Risk Management Objectives:</p> <p>RMO1 - A robust quality assurance function is in place.</p> <p>The review found that following the Ofsted Inspection of Local Authority Children's Services (ILACS) in July 2019, the Quality Assurance (QA) Framework was reviewed and revised, and the audit tool was redesigned with a stronger focus on learning and reflection. The QA Framework is updated in line with the Children's Services Improvement Plan, the most recent of which was finalised in June 2021.</p> <p>Regular auditing is an agreed activity outlined in the QA Framework and internal audit were informed that there is an expectation that Team Managers and above undertake audit activity on some level. Moderators are selected from Group Managers and above, including the Safeguarding and Quality Assurance Service's wider staff, QA auditor and also external moderators.</p> <p>Records of audits undertaken are maintained and the QA team produce quarterly sheets that contain comprehensive details of audits, which can be analysed under a number of headings including assessment, overall grade, and moderation; that includes areas of good practice that can be shared across the service and actions that should be taken within given timescales with audits signed-off by Group Managers and Head of Service.</p> <p>Audit logs are reviewed and any patterns of inconsistencies between auditor and moderator scores used to run individual coaching sessions with anyone that is struggling.</p> <p>A Reflection and Learning Tool, and associated guidance, was introduced in November 2019, setting out the areas to be covered in audits and the key factors to consider when auditing in respect of the child's journey. Training in the use of the tool has been provided and a log is retained of who has attended training.</p> <p>The service advised that the storage of data has been discussed with the council's Information Governance Team and the service holds the same expectations as the wider Children's Services. It was noted that external moderators can sometimes be used during QA audits, and it is understood that this process should be covered by a Data Protection Impact Assessment (DPIA), although the</p>

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					<p>service believes this is covered by the wider Privacy Notice for all of Children’s Services which negates the need for a DPIA. On seeking advice from the Information Governance (IG) Manager and Data Protection Officer it was confirmed that DPIAs and Record of Processing Activity (RoPA) documents etc. are required before privacy notices can be developed. Opinion: Amber.</p> <p>RMO2 - Effective arrangements have been put in place to undertake the actions arising from the Medway Children’s Services Improvement Plan in relation to quality assurance.</p> <p>The review found an Improvement Board was set up in October 2019, comprising the Leader of the Council and the Lead Member for Children’s Services, local authority officers including the Chief Executive, and key partner agency representatives. The board was independently chaired and was attended by Eleanor Brazil, the Children’s Commissioner. The purpose of the board was to oversee progress on the Improvement Plan and provide challenge and support. The Secretary of State withdrew Commissioner Eleanor Brazil from Medway Council with effect from 1 January 2021, based on improvement evidenced in a series of progress reports from the commissioner, Ofsted, and Chair of the Improvement Board. To support Medway with its ongoing improvement journey, the Secretary of State has appointed Gladys Rhodes White as Medway Council’s improvement adviser.</p> <p>The Improvement Plan was refreshed in June 2020 and signed off by the Improvement Board in July 2020 and Cabinet in August 2020. At the time of finalising this review, we were advised that the plan had been revised in April 2021 and signed off in May 2021 and will continue to be monitored on a quarterly basis.</p> <p>The QAPIB chaired by the Director, was set up to meet six-weekly, to oversee and challenge all aspects of the Improvement Plan.</p> <p>A progress update report on the Children’s Improvement Plan was presented to QAPIB in February 2021, which stated that a comprehensive audit programme is in place with all managers now taking part. The Ofsted inspectors for the August 2020 monitoring visit agreed with the moderated audit grades for all six cases they tracked. The report highlighted areas for development/improvement and a RAG rated progress report. We understand that since completing this review and</p>

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					<p>during the Ofsted Covid assurance visit in May 2021 another six cases were reviewed with the audit grades found to be appropriate. Work with Essex County Council as a Partner in Practice to improve the QA framework and strengthen the audit process was undertaken and is now complete. Opinion: Green.</p> <p>Overall Opinion: Amber. Actions: One medium priority.</p> <p>Action relates to ensuring that data processing documents are in place relating to GDPR. Note: Action implemented before report finalised.</p>
22	Child exploitation (previously Child sexual exploitation)	15	11.0	Final report issued	Findings reported to the Committee – September 2021 meeting.
24	Commercial property management - Pentagon Centre	15	11.9	Final report issued	Findings reported to the Committee – September 2021 meeting.
27	Medway Norse - waste & recycling contract	15	16.7	Final Report Issued	<p>The review considered the following Risk Management Objective:</p> <p>RMO1 - There are arrangements in place to monitor the Medway Norse Waste and Recycling Contract.</p> <p>The review found Cabinet agreed on 6 March 2018 to transfer the Waste Collection and Cleansing Contract to Medway Norse from October 2019, subject to completion of a contract in terms to be agreed by the Chief Legal Officer in consultation with the Leader and the Portfolio Holder for Resources. There is a draft Waste Management Contract in place which defines roles and responsibilities and sets out the outputs/service standards required, however the contract between the council and Medway Norse is yet to be signed and this something that is currently being worked on by Legal Services. It was advised that from an operational point of view the contract is up and running. The General Requirements Specification within the Waste Management Contract includes a contents, which refers to a Service Delivery Plan, however this is not included in the document. We were advised that a Service Delivery Plan has not yet been shared but should include details of the Medway Norse key contacts for the contract. Medway Norse's Board of Directors includes two representatives from the council. There is also an Operational Liaison Board, with representatives from both Medway Norse and the council. An Authorised Officer for the Waste</p>

Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & actions made
					<p>Management Contract has been set, as has corporate client responsibility for the contract. There is a team in place responsible for contract monitoring. The General Requirements Specification discussed above, details the expectations and requirements for meetings between the council and Medway Norse. It was explained that any urgent issues are raised immediately, however monthly contract meetings also take place with Medway Norse, which is in line with the requirements set out in the contract. We were advised that these meetings are used to discuss “hot topics”, usually areas that are highlighted as a concern or anything that is a priority. Review of the meeting minutes found they broadly cover the points mentioned in the contract.</p> <p>Quarterly Medway Norse reports are presented to Cabinet which include a review of the performance of the joint venture from the perspective of the council client and an update on the joint venture’s achievements and financial performance. There is evidence of these reports regularly being presented to Cabinet. An Annual Review of Waste Contracts report is also presented to the Regeneration, Culture and Environment Overview and Scrutiny Committee. An Environment Service Plan 2020-21 is available on Pentana and is updated quarterly. The draft Waste Management Contract includes a Performance Mechanism document, which includes a number of Key Performance Indicators (KPIs) and Performance Measures (PMs). For each of the 16 Performance Measures listed, a timeframe is provided for reporting the information to the council, however it was advised that this specific information not currently something that is provided or reported.</p> <p>There are arrangements in place for complaints to be investigated and monitored by the team responsible for monitoring the Waste Management Contract. There are arrangements in place to set the budgets for the Waste Management Contract and for budget monitoring to take place. The draft Waste Management Contract includes a Payment Mechanism document which details the requirements of the council and Medway Norse. Monthly finance information is now received with monthly finance meetings between the council and Medway Norse planned. Opinion: Amber.</p> <p>Overall Opinion: Amber. Actions: One high, two medium and one low priority. Actions relate to arrangements being made for the Medway Norse Waste Management Contract to be finalised and signed as soon as possible;</p>

Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & actions made
					arrangements being made to ensure that the council receives the Medway Norse Service Delivery Plan as detailed in the contract; arrangements being made to develop a template for monthly contract meetings to ensure all of the points in the contract are discussed; and review of the arrangements for the regular monitoring and reporting against KPIs and PMs to measure service delivery.

2021-22 Internal Audit assurance work

Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & actions made
Core governance and financial systems assurance work					
1	Constitution maintenance	15	N/A	Terms of reference being prepared	
2	Performance management framework & reporting	15	N/A	Fieldwork complete, in quality control	The review considered the following Risk Management Objective: RMO1 - Arrangements are in place to monitor & report on the council's corporate performance.
3	Ethics	15	N/A	Proposal to remove	Please see section 7 of the report for details.
4	Bad debt provision	15	N/A	Proposal to remove	Please see section 7 of the report for details.
5	Income collection	20	N/A	Proposal to remove	Please see section 7 of the report for details.
6	Housing Benefit & Council Tax Reduction appeals	15	N/A	Fieldwork complete, in quality control	The review considered the following Risk Management Objective: RMO1 - Arrangements are in place to appropriately process HB and CTR appeals.
7	NNDR reliefs	20	N/A	Terms of reference being prepared	
8	Payroll	15	N/A	Fieldwork complete, in quality control	The review considered the following Risk Management Objective: RMO1 - Arrangements are in place to calculate and pay staff salaries effectively, including allowances and overtime.

Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & actions made
9	Insurances	12	N/A	Fieldwork complete, in quality control	The review considered the following Risk Management Objective: RMO1 - Arrangements are in place to maintain appropriate insurance cover and process insurance claims.
10	Budget monitoring	15	N/A	Fieldwork underway	The review will consider the following Risk Management Objective: RMO1 - Budgets within the council's capital programme are appropriately monitored.
11	Schools		N/A		Three schools were selected as part of a risk assessment looking at budgets and the date of the last internal audit review.
	Horsted 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.
	Luton 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.
	Will Adams Centre	20	N/A	Proposal to remove	Please see section 7 of the report for details.
Corporate risks assurance work					
12	Adult social care - assessments & reviews of financial support	20	N/A	Terms of reference being prepared	
13	Market income collection	15	N/A	Not yet started	
14	Parking enforcement	15	16.3	Final report issued	The review considered the following Risk Management Objectives: RMO1 - All Penalty Charge Notices (PCNs) are issued correctly and income is appropriately monitored and collected where possible. The review found there is a Parking Enforcement Policy in place; the policy was last updated in April 2021 and is reviewed on an annual basis. Civil Enforcement Officers (CEO) are responsible for identifying contraventions and issuing PCNs and have been appropriately trained for this, though some newer members of the team are awaiting more formal training that has been delayed due to the Covid-19 pandemic. Arrangements exist for PCNs to be issued where necessary and for recipients to be made aware that the PCN has been issued, either by attaching the PCN directly to the vehicle or by sending it to the registered keeper in the post. Details of all

Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & actions made
					<p>PCNs are uploaded from the CEO handheld devices into the parking system, Taranto; all PCNs are allocated a unique reference number. The system is covered by a contract, which requires the supplier to ensure software is kept up to date with legislation. Parameters within the system apply the correct charge to each PCN based on the contravention selected by the CEO, including applying the full charge if the PCN is not paid within statutory timescales for the reduced rate. Audit testing confirmed that the correct charges are applied in practice.</p> <p>Arrangements exist for payments received in respect of PCNs to be allocated correctly on the Taranto system each weekday; procedures are also in place for income to be recorded on the General Ledger. If payments or representations are not received within statutory timescales set within the Taranto system parameters, arrangements exist for PCNs to automatically move to the next enforcement stage, with officers notified of action which needs to be taken via daily reports. This includes issue of appropriate Notices / Certificates and ultimately court action and referral to enforcement agents if required.</p> <p>Appropriate monitoring of PCNs allocated to enforcement agents is undertaken. A monthly audit of all cancelled PCNs is carried out, checking a sample to ensure the correct process has been followed and that there is the evidence to support the cancellation.</p> <p>The Local Government Transparency Code requires the council to publish data relating to its parking account within one month of the end of the financial year, however the most recent data published at the time of audit related to 2018-19.</p> <p>Opinion: Amber.</p> <p>RMO2 - Appeals against PCNs are administered correctly in accordance with required legislation.</p> <p>The review found an appeals process has been established, which allows for informal and formal representations, prior to an appeal to the Traffic Penalty Tribunal (TPT). Information regarding the process is available to the public within the Parking Enforcement Policy, on the council's website and on the PCN itself. Arrangements exist for all representations to be dealt with in line with council policy and current legislation. Audit testing on a sample of successful representations confirmed that representations are supported by appropriate evidence and responded to within a timely manner. If a representation is unsuccessful, owners can choose to proceed to an independent appeal to the</p>

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					<p>TPT; audit testing confirmed that in such cases, information is provided to the TPT within the 14-day required timescale. Opinion: Green. Overall Opinion: Green. Actions: One high priority. Action relates to publishing annual parking reports in line with the Local Government Transparency Code.</p>
15	Information requests	15	15.9	Final report issued	<p>The review considered the following Risk Management Objective: RMO1 - Arrangements are in place for the council to assess and respond to information requests in accordance with legislation.</p> <p>The review found that appropriate information is made available to the public via the council's website regarding Freedom of Information (FOI) requests and Subject Access Requests (SAR), though there is currently no information provided regarding Environmental Information Regulation (EIR) requests.</p> <p>Employees throughout the council who are responsible for responding to FOI/EIR requests are known as FOI Handlers; in 2018, training was provided to all FOI Handlers, however audit testing found that only approximately 40% of employees currently named as having a role in responding to FOI/EIR requests completed the training. Testing also indicated that there may be a need for further guidance on the refusal of requests. Some employees have indicated that they have received training from previous employers or have learnt from colleagues. SARs are responded to by different handlers; with the exception of GDPR training in 2018, it is understood that no other corporate training has been provided for the handling of SARs.</p> <p>A suite of procedure notes and flowcharts exist but these are currently in draft form, pending discussions regarding transformation of the process for recording information requests.</p> <p>Arrangements exist for information requests to be received into dedicated email inboxes, checked for validity, acknowledged, logged, and passed to the relevant request handler(s). Request handlers are required to coordinate assessment of and responses to information requests within the timescales set out by legislation. Regular information is provided to FOI Handlers on the position of all current FOI/EIR requests and Assistant Directors are provided with a weekly summary of outstanding requests within their areas. Monthly SAR reports are also created and shared with the Children's Social Care SARs team in a monthly meeting. Audit testing on a random sample of FOI/EIR requests and SARs</p>

Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & actions made
					<p>confirmed that responses are largely provided within the appropriate timescales, though there were some omissions relating to use of standard templates and manager approval of FOI/EIR responses.</p> <p>The council's performance in responding to information requests is monitored and reported via quarterly reports to the council's Corporate Management Team (CMT), though it was noted that additional information could be supplied to aid monitoring; there was evidence of action being taken to improve performance. Audit testing confirmed the accuracy of data included in these reports. Opinion: Amber.</p> <p>Overall Opinion: Amber. Actions: One high, two medium and two low priority. Actions relate to reviewing information available relating to information requests on the council's website; training / refresher training being provided to request handlers; request handlers being reminded of elements of the agreed process; and, more detailed reporting on outstanding responses to information requests.</p>
16	Tenancy enforcement	15	N/A	Not yet started	
17	Accessibility Regulations	15	N/A	Fieldwork Underway	The review will consider the following Risk Management Objective: There are arrangements in place to ensure compliance with the Public Sector Bodies Accessibility Regulations 2018.
18	Adult social care - self-directed support (direct payments)	15	N/A	Fieldwork complete, in quality control	The review considered the following Risk Management Objective: RMO1 – Effective arrangements are in place to manage Self-Directed Support (Direct Payments).
19	Business parking permits	15	N/A	Fieldwork complete, in quality control	The review considered the following Risk Management Objective: Business parking permits are issued appropriately and managed effectively.
20	HRA building compliance	15	N/A	Terms of reference being prepared	
21	Advocacy	15	N/A	Fieldwork complete, in quality control	The review considered the following Risk Management Objective: Arrangements are in place to provide and monitor Advocacy services to adults under the Care Act 2014.
22	Child protection – virtual conferences (previously	15	N/A	Fieldwork complete, in quality control	The review considered the following Risk Management Objective: RMO1 - Arrangements are in place to manage child protection virtual conference meetings.

Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & actions made
	Virtual conferences - children's social care)				
23	HR - sickness absence reporting & monitoring	15	N/A	Fieldwork complete, in quality control	The review considered the following Risk Management Objectives: RMO1 - Arrangements exist for staff sickness absence to be reported and accurately recorded. RMO2 - Arrangements exist for sickness absence to be monitored, managed, and reported.
24	Corporate debt recovery	15	N/A	Proposal to remove	Please see section 7 of the report for details.
25	Care leavers - supported housing	15	N/A	Not yet started	
26	Looked after children - bank account provision	15	N/A	Draft report with client for consideration	The review considered the following Risk Management Objectives: RMO1 - Medway Council provide Looked After Children with regular savings which are made available to them when they leave care. RMO2 - Children who are in care for more than 12 months have a Junior ISA or Child Trust Fund opened for them.
27	Kyndi (formerly Medway Commercial Group) - governance & accounting	15	N/A	Fieldwork underway	The review will consider the following Risk Management Objective: Governance arrangements in place are effective to ensure the delivery of quality services and value for money through Kyndi Ltd.
28	IT asset management	10	N/A	Fieldwork complete, in quality control	The review will consider the following Risk Management Objective: RMO1 - Arrangements are in place to monitor distribution and relocation of IT equipment.
29	Client financial affairs	15	19.1	Final report issued	The review considered the following Risk Management Objective: RMO1 - Arrangements are in place to manage client financial affairs (CFA) appropriately. The review found that the council has a Corporate Appointee/Deputy in place, along with a CFA Team responsible for managing the financial affairs of clients who are unable to do so themselves; however, there is not currently an up-to-date record of responsibilities that have been delegated by the Corporate Appointee/Deputy. The Office of the Public Guardian (OPG) has a number of professional deputy standards that should be adhered to, including training of staff, however it was not possible to confirm the training that staff have undertaken. In addition, there are CFA policies and procedures in place, however not all have been reviewed recently and duplicate versions exist.

Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & actions made
					<p>There are arrangements for social workers to make referrals for support under CFA, including completion of relevant documents, and for applications for appointeeship / deputyship to be made where appropriate. Due to resourcing issues, there have been difficulties with completion of COP3 forms required for existing clients to move from appointeeship to deputyship to enable the investment of their capital in accordance with OPG requirements, although this risk has been recognised and there are now plans in place to rectify this. Appropriate arrangements exist for the handling of cash and the setting up of payments to / from client accounts, with appropriate approval levels and segregation of duties in place. Use of cash is minimal, with Allpay cards used instead. An issue was identified with the location of cash held by the team not being in accordance with the council's insurance policy, but this has since been rectified.</p> <p>The CFA Team carry out financial reviews on receipt of uprated benefit letters and visit clients when able, though this has not been possible more recently due to Covid-19. Visits were however restarted in April 2021, although are currently being prioritised. Appropriate procedures are in place for the investigation of complaints.</p> <p>There are various systems used to record client details and audit testing confirmed there are appropriate arrangements for:</p> <ul style="list-style-type: none"> • Clients being assigned to an CFA Officer in accordance with an alphabetical split. • Clients having a National Westminster current bank account set up in the name of client and the council. • Clients having a summary of income/expenditure recorded on the Client Monies Case Management System. • Client bank accounts being regularly reconciled. • Management of debts. • Property held by the team on behalf of clients being appropriately logged and securely stored. • Annual reports being produced in line with OPG timescales. <p>Although some evidence was seen of investments being placed and reviewed, a number of clients in the sample exceeded the maximum level of funds that CFA investment policies say should be kept in their current account (linked to the</p>

Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & actions made
					COP3 issue discussed above), including an instance where there was a need for a benefit review. Opinion: Amber. Overall Opinion: Amber. Actions: Two high, two medium and one low priority. Actions relate to completion of an OPG document stating the duties that have been delegated by the current Corporate Appointee/Deputy; CFA policies and procedures being reviewed and updated; review and recording of mandatory training for CFA staff; review of clients with funds exceeding thresholds for claiming benefits; and, the securities list being dated to reflect the last time it was amended.
30	Safeguarding adults	15	N/A	Not yet started	
31	District enforcement	15	N/A	Not yet started	
32	Student services - Medway test	15	N/A	Not Yet Started	
33	North Kent Marshes Internal Drainage Board	20	9.1	Complete	<i>Findings reported to the Committee – September 2021 meeting.</i>
34	Troubled Families assessment validation	25	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	Grant validations	15	N/A	Underway	Independent validation has been conducted in respect of a number of grants received from Central Government Departments to confirm that the grant funding 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.
36	Finalisation of 2020-21 planned work	20	36.9	Complete	All reviews from 2020-21 have now been finalised.
37	Responsive assurance work	20	N/A	Underway	Please see table on page 16.

Responsive assurance activity

Activity	Opinion, summary of findings & actions made
	No responsive activity in the reporting period

Other consultancy services including advice & information

Activity	Opinion, summary of findings & actions made
Strategic Risk Management Group	Internal Audit have a representative on this corporate working group, which supports the council in its efforts to co-ordinate Strategic Risk Management.
Security and Information Governance Group	Internal Audit have a representative on this corporate working group to offer advice on relevant risk management, control and governance issues.

Counter Fraud activity

Ref	Activity	Day budget	Days used	Current status	Opinion, summary of findings & actions made
42	Counter fraud proactive work (inc external data matching such as NFI& KIN)	75	N/A	Underway	Only two matches from the 2019-20 NFI Exercise are left to be resolved. Results to date include additional council tax liabilities of £31,772 and additional liability of £19,980 in future years. Work has also continued on the 2020-21 NFI Exercise, and early results to date have led to additional council tax liabilities of £47,737 (£22,503 in future years) linked to the removal of 65 discounts, and housing benefit overpayments of £40,226. In addition, 153 blue badges have been cancelled as customers have been identified as deceased.
43	Fraud Awareness	5	N/A	Not Yet Started	

Responsive investigation work: external investigations

Area	Number of referrals rejected	Number of investigations concluded	Summary of results	Cashable savings	Non-cashable savings	Prevented losses
Unfortunately, due to a fault with the reporting software, we are unable to provide a breakdown on the number of cases closed in individual areas. We are working to correct this fault while a new fraud				£36,394	£93,000	£0

Area	Number of referrals rejected	Number of investigations concluded	Summary of results	Cashable savings	Non-cashable savings	Prevented losses
			management system is procured. We are, however, able to provide a breakdown of the financial savings achieved by the counter fraud team as this is recorded separately.	(Historic Council Tax Liability) £21,479 (Additional liability for future years) £5,827 (new NNDR liability) £16,711 (Housing Benefit overpayments)	(one council property recovered)	

Responsive investigation 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 & actions
	Nothing to report

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 and as such outturns at present are not to target levels but are provided for Member's 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	£599,944 (Budgeted Costs) £383,964
PM2	Cost per A&CF day	£400	
PM3	Proportion of staff with relevant professional qualification: a) Relevant audit qualification b) Relevant counter fraud qualification	75%	21% 36%
PM4	Proportion of non-qualified staff undertaking professional qualification training	25%	21%
PM5	Time spent on CPD/non-professional qualification training, learning & development	70 days	26 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 that require improvement.
PM7	Staff turnover	N/A	7%
LA Specific Performance Measurements			
PM8	Average cost per assurance review	£5,000	£5,311
PM9	Proportion of available resources spent on	N/A	85%

Ref	Indicator	Target	Outturn
	chargeable work		
PM10	Proportion of chargeable time spent on: a) assurance work b) consultancy work	N/A	64% 0%
PM11	Proportion of chargeable time spent on: a) proactive counter fraud work b) reactive counter fraud work	N/A	12% 24%
PM12	Proportion of chargeable time spent on SPOC associated duties	N/A	15 days
PM13	Proportion of agreed assurance assignments: a) Delivered b) Underway	95%	41% 15%
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 actions agreed that are: a) not yet due b) Implemented c) Outstanding	N/A	29 36 19
PM17	Proportion of recommended actions implemented by agreed date	N/A	66%
PM18	Number of referrals received	N/A	Unavailable
PM19	Number of investigations closed	N/A	Unavailable
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	£80,410 £93,000 £0
PM21	Customer satisfaction with individual review/assignment	95%	No survey responses received during the period.
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 was not possible to conduct a review during 2020-21. We hope to issue a new survey later in 2021-22.
PM23	Member satisfaction with assurance provided (based on Chair of Audit Committee contribution to Appraisal of the Head of Audit & Counter Fraud role)	Positive	The Chair of the Audit Committee will be invited to contribute to the HIACF's mid-year performance review.
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 We are projecting a loss of around 100 audit days, which is based on our last vacancy being filled by 01 February 2022. We are therefore requesting revisions to the agreed plan to account for the loss in resource. The following reviews are requested to be removed;
- Income Collection (20 days) – There are a number of changes taking place within Finance Operations, which are going to result in changes to a number of processes. It is felt that it would be more beneficial to delay the review and ensure that assurance is provided over the processes that will be in place rather than those which may become redundant.
 - Will Adams Centre (20 days) – Initial meetings took place but before the review could formally commence, notice was received that the school will be transferring Academy status from 01 April. Accordingly internal audit would not be able to follow up on any recommendations made as part of the review and it was not felt to be an effective use of audit resource, particularly in light of the current impacts.
 - Bad Debt Provision (15 days) – This review hasn't started and finance are now moving into the period for Budget setting before final accounts. Felt to be more appropriate to reschedule during 2022-23.
 - Corporate Debt Recovery (15 days) – Due to delays created by the impact of covid and also in recruitment, the project has not advanced as far as originally predicted and the strategy is not yet in place. As such, we cannot review controls and compliance with the strategy, so this should be considered again in the future once the project has moved forward.
 - Ethics (15 days) – This review has not yet commenced and was part of the cyclical plan rather than being based upon risk. As such, it is more appropriate for removal than some of the remaining reviews.
- 7.3 This will account for 80 days lost resource and should leave the service in a more manageable position while still providing sufficient assurance.

8. Follow up of agreed actions

- 8.1 Where the work of the team finds opportunities to strengthen the council's risk management, governance and/or control arrangements, the team agree actions for improvement with service managers. The Standards require that a follow-up process 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 actions 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 actions, which is verified by the Audit & Counter Fraud Team.
- 8.3 The first of the two tables below details the position of actions within the follow up process as of the end of the reporting period and the second details actions that are now more than six months over their planned implementation date; along with an update from the relevant Service Manager/Assistant Director/Director, which include a requests for revised implementation dates where appropriate.

Status of agreed actions

Audit title	Overall opinion and number of actions of each priority agreed with management	Proportion of actions due for implementation where a positive management response has been received
HR Self-Serve	<p>Opinion: Needs Strengthening Three actions agreed: one high, one medium and one low priority. Actions relate to electronic approval processes, staff delegations and subsequent notifications of roles and responsibilities.</p>	<p>Two actions due, two implemented. Revised implementation date agreed for one high priority action relating to electronic approval processes.</p>
Whistleblowing	<p>Opinion: Amber Seven actions agreed: two high and five medium priority. Actions 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>Seven actions due, two implemented. One high and four medium priority outstanding relating to 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>
Children in Need - Section 17 Financial Assistance	<p>Opinion: Red Two high priority actions agreed. Actions relate to the distribution of new policies and procedures and identifying secure payment methods as an alternative to cash.</p>	<p>One action due, one implemented. Revised implementation date agreed for one high priority action relating to identifying secure payment methods as an alternative to cash.</p>
Write-offs	<p>Opinion: Amber Eight actions agreed: Six high and two medium priority. Actions relate to reviewing and circulating the Corporate Debt Strategy and Policy, putting in place procedure and process documents for all areas to ensure a consistent and timely approach to writing-off debt from the Council financial systems, ensuring records kept of any sub-delegated authority to write off debt, ensuring that exhaustive checks are made in a timely manner before writing-off debts, ensuring there is a segregation of duties and that write-offs are actioned on Integra, and ensuring that Management Teams and Cabinet receive reports on debt recovery performance and debt write-off.</p>	<p>One action due, one implemented. Revised implementation dates agreed for five high and two medium priority actions relating to reviewing and circulating the Corporate Debt Strategy and Policy, putting in place procedure and process documents for all areas to ensure a consistent and timely approach to writing-off debt from the Council financial systems, ensuring records kept of any sub-delegated authority to write off debt, ensuring that exhaustive checks are made in a timely manner before writing-off debts, ensuring there is a segregation of duties and that write-offs are actioned on Integra, and ensuring that Management Teams receive reports on debt recovery performance and debt write-off.</p>
Staff Performance Management Framework	<p>Opinion: Amber Four actions agreed: Three high and one medium priority. Actions relate to updating training requirements in the Corporate Induction Programme; ensuring all staff undertake training in relation to the MedPay</p>	<p>Three actions due, three implemented. Revised implementation date agreed for one medium priority action relating to a system function</p>

	framework, investigating the PDR recording process available through SelfServe4You and updating PDR guidance to state how PDR documents should be retained for GDPR compliance.	to monitor management of staff performance through recording of PDR and 1-1's.
Adoption & Fostering Allowances & expenses	<p>Opinion: Red</p> <p>Nine actions agreed: Six high, two medium and one low priority.</p> <p>Actions 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 being 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>	<p>Nine actions due, six implemented.</p> <p>Three high priority outstanding relating to an episode being created on Frameworki for the authorising officer to confirm any decisions made, and procedure notes being created and issued to all staff, with records maintained to confirm staff have received them.</p>
Innovation Centre Medway	<p>Opinion: Amber</p> <p>Five actions agreed: One high and four medium priority.</p> <p>Actions 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>	Five actions due, five implemented.
Capital Accounting – HRA	<p>Opinion: Green</p> <p>One low priority action agreed.</p> <p>Action relates to the inclusion of a link to the latest capital programme schemes monitoring information in the Capital and Revenue Budgets report that is presented to Council for decision making.</p>	<p>No actions due before 30 November 2021.</p> <p>Revised implementation date agreed for one low priority action relating to the inclusion of a link to the latest capital programme schemes monitoring information in the Capital and Revenue Budgets report that is presented to Council for decision making.</p>
Purchase Ledger	<p>Opinion: Green</p> <p>Three actions agreed: One medium and two low priority.</p> <p>Actions relate to updating links to guidance documents within e-forms; deactivation of suppliers not used for more than 18 months and review of the authorised signatories list to remove past employees and update users with name changes.</p>	Three actions due, three implemented.
Fostering – Virtual Panels	<p>Opinion: Green</p> <p>One medium priority action agreed.</p>	One action due, none implemented.

	Action relates to approval of the Data Protection Impact Assessment for paperless panel meetings.	One medium priority outstanding relating to approval of the Data Protection Impact Assessment for paperless panel meetings.
New Road Primary School	<p>Opinion: Amber</p> <p>Ten actions agreed: One high, seven medium and two low priority.</p> <p>Actions relate to declarations of interest for staff, purchase orders being raised for all non-emergency spend, all spending above the Head Teacher's limit being supported by appropriate quotes, approved by the governing body and recorded in the relevant meeting minutes, the School Business Manager being replaced as an authorised signatory, members of staff not authorising their own reimbursements and the governing body having regular oversight of any reimbursements to the Head Teacher, credit card processes being reviewed, regular reporting on the financial outcome of all trips, clear procedures being set up for the charging, collection, and reconciliation of snack money contributions, all assets being recorded on the asset register, including the production of accurate reports, and the annual check of the asset register being carried out by an independent member of staff.</p>	Ten actions due, ten implemented.
Caldicott Guardian	<p>Opinion: Red</p> <p>Twelve actions agreed: Ten high and two medium priority.</p> <p>Actions relate to creating a profile page for the Caldicott Guardian that is available to all, ensuring all council officers are aware of the Caldicott Guardian's roles & responsibilities, appointing a deputy, maintaining records of Caldicott Guardian activities and decisions, ensuring all data sharing agreements & protocols are recorded and their use monitored, being responsible for the DSP toolkit sign off, Completing bespoke training, creating a strategy or action plan, ensuring officers responding to ROI are appropriately trained for the role, ensuring all officers are aware of the Caldicott Principles by having training, signing the required data access agreement, all those accessing personal data having managerial approval, and all officers completing Data Protection Impact Assessments having awareness of the Caldicott Principles.</p>	Twelve actions due, eleven implemented. One high priority outstanding relating to creating a strategy or action plan.
Tree Service	<p>Opinion: Red</p> <p>Eight actions agreed: Seven high and one medium priority.</p> <p>Actions relate to updating the Tree Policy, making the Tree Preservation Order Register available on line and giving Medway Norse Tree Officers further access, exploring the reasons for the high level of tree works applications and putting remedies in place, ensuring Medway Norse conform to the s211 notice requirements and that these notices were actioned in the six week time period, ensure Tree Preservation Orders have adequate sign off, that the Senior Tree Officer</p>	Four actions due, three implemented. One high priority outstanding relating to ensuring that Tree Preservation Orders have adequate sign off.

	carries out enforcement action where appropriate, and a review of the trees covered by Tree Preservation Orders.	
Fraud Focused Review of Special Guardianship Orders	<p>Opinion: Red</p> <p>Six actions agreed: Four high, one medium and one low priority.</p> <p>Actions relate to a review of the financial assessment form and calculator (including the declaration), supporting evidence for assessments being retained and stored in one place, assessments being authorised by senior officers prior to payment, annual declarations of interest being completed by staff, SGO's being paid two weeks in arrears in line with foster care payments, and procedures being put in place to support recovery of overpaid awards.</p>	<p>Five actions due, one implemented.</p> <p>Four high priority outstanding relating to review of the financial assessment form and calculator (including the declaration), supporting evidence for assessments being retained and stored in one place, assessments being authorised by senior officers prior to payment and procedures being put in place to support recovery of overpaid awards.</p>
Cyber Security	<p>Opinion: Green</p> <p>Two medium priority actions agreed.</p> <p>Actions relate to review of the arrangements that are in place to allow staff to confirm that ICT Security policies have been read and to confirm that mandatory ICT Cyber Security training has been completed by staff.</p>	<p>Two actions due, one implemented.</p> <p>One medium priority outstanding relating to review of the arrangements that are in place to allow staff to confirm that ICT Security policies have been read.</p>
Disabled Facilities Grants	<p>Opinion: Amber</p> <p>Two actions agreed: One high and one low priority.</p> <p>Actions relate to regular reconciliation checks to ensure that data held in the Uniform System matches the records held on spreadsheets for monitoring purposes, and the draft DFG policy being finalised and going through correct governance processes to be formally adopted and made available for public inspection.</p>	<p>One action due, one implemented.</p>
Visitor Parking Vouchers	<p>Opinion: Amber</p> <p>Three medium priority actions agreed.</p> <p>Actions relate to stock control and reconciliation of the vouchers sold and income received.</p>	<p>Three actions due, two implemented.</p> <p>One medium priority outstanding relating to vouchers being held in a secure environment.</p>
Section 17 - No Recourse to Public Funds	<p>Opinion: Amber</p> <p>Four actions agreed: One high and three medium priority.</p> <p>Actions relate to the new policy, 'Financial Assistance Section 17 (s17) Children Act 1989', being disseminated to all relevant staff as soon as possible to ensure they are aware of it; the agreement to make s17 NRPF payments being entered onto Mosaic by a senior officer to ensure that an audit trail is maintained; the Financial Assistance Section 17 (s17) Children Act 1989 Policy being updated to include that the Finance Panel is used to monitor the S17 spend and to promote best practices; and, the service working with Finance to review GL coding / budget monitoring arrangements in respect of s17 NRPF payments.</p>	<p>Four actions due, three implemented.</p> <p>One medium priority outstanding relating to the Financial Assistance Section 17 (s17) Children Act 1989 Policy being updated to include that the Finance Panel is used to monitor the S17 spend and to promote best practices.</p>
Childrens independent	<p>Opinion: Amber</p> <p>One medium priority action agreed.</p>	<p>One action due, one implemented.</p>

safeguarding & review service	Action relates to ensuring that data processing documents are in place relating to GDPR. Note: Action implemented before report finalised.	
Medway Norse – waste & recycling contract	Opinion: Amber Three actions agreed: One high , two medium and one low priority. Actions relate to arrangements being made for the Medway Norse Waste Management Contract to be finalised and signed as soon as possible; arrangements being made to ensure that the council receives the Medway Norse Service Delivery Plan as detailed in the contract; arrangements being made to develop a template for monthly contract meetings to ensure all of the points in the contract are discussed; and review of the arrangements for the regular monitoring and reporting against KPIs and PMs to measure service delivery.	No actions due before 30 November 2021.
Parking enforcement	Opinion: Green One high priority action agreed. Action relates to publishing annual parking reports in line with the Local Government Transparency Code.	No actions due before 30 November 2021.
Information requests	Opinion: Amber Five actions agreed: One high , two medium and two low priority. Actions relate to reviewing information available relating to information requests on the council's website; training / refresher training being provided to request handlers; request handlers being reminded of elements of the agreed process; and, more detailed reporting on outstanding responses to information requests.	Two actions due, two implemented.
Client financial affairs	Opinion: Amber Five actions agreed: Two high , two medium and one low priority. Actions relate to completion of an OPG document stating the duties that have been delegated by the current Corporate Appointee/Deputy; CFA policies and procedures being reviewed and updated; review and recording of mandatory training for CFA staff; review of clients with funds exceeding thresholds for claiming benefits; and, the securities list being dated to reflect the last time it was amended.	Two actions due, one implemented. One high priority outstanding relating to completion of an OPG document stating the duties that have been delegated by the current Corporate Appointee/Deputy.

Actions outstanding more than six months after scheduled implementation date

Directorate	Audit title	Action	Priority	Planned implementation date	Management update
BSD	Whistleblowing	All whistleblowing officers, line managers and supervisors should be trained in how to manage whistleblowing concerns.	High	30 June 2020	No update received.

Directorate	Audit title	Action	Priority	Planned implementation date	Management update
BSD	Whistleblowing	Use of an online form for reporting concerns should be investigated.	Medium	31 January 2021	No update received.
BSD	Whistleblowing	A whistleblowing concern and monitoring form, or similar, should be made available to ensure that all relevant details and timescales are recorded.	Medium	31 January 2021	No update received.
BSD	Whistleblowing	There should be a centrally accessed system/area where cases can be recorded, but with permissions set that only allow officers access to their cases. The Chief Legal Officer should have access to all case details to ensure that information is not lost should officers leave or be absent.	Medium	31 January 2021	No update received.
BSD	Whistleblowing	A mechanism should be put in place for whistleblowing concerns that are raised with line managers to be included in reports if they are considered to be whistleblowing.	Medium	31 January 2021	No update received.
C&A	Adoption & Fostering Allowances & Expenses	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	High	31 March 2021	Given the work that was being done on a new fee structure we were perhaps too ambitious in the original dates proposed. When the audit was done, the proposed implementation for the new fees was July but was subsequently delayed to September, hence our timetable was also put back. There were also more changes to Mosaic than originally anticipated which has used more time. As a result of the changes we have been working on new forms and procedures to match the new fee structure. These have involved more time and staff than was originally expected. A revised

Directorate	Audit title	Action	Priority	Planned implementation date	Management update
					implementation date of 31 March 2022 is therefore requested.
RCE	Tree Service	The process for placing Tree Preservation Orders should be clearly defined and should include a sign off by the relevant Planning Manager, or above, to ensure segregation of duties and ensure transparency.	High	30 April 2021	No update received.
C&A	Adoption & Fostering Allowances & Expenses	Procedure notes relating to adoption and fostering allowances and expenses should be created and issued to all staff and a record maintained to confirm who has received them.	High	31 May 2021	Given the work that was being done on a new fee structure we were perhaps too ambitious in the original dates proposed. When the audit was done, the proposed implementation for the new fees was July but was subsequently delayed to September, hence our timetable was also put back. There were also more changes to Mosaic than originally anticipated which has used more time. As a result of the changes we have been working on new forms and procedures to match the new fee structure. These have involved more time and staff than was originally expected. A revised implementation date of 31 March 2022 is therefore requested.
C&A	Adoption & Fostering Allowances & Expenses	Records should be maintained of all policies issued to staff along with acknowledgement that they have been read and understood.	High	31 May 2021	Given the work that was being done on a new fee structure we were perhaps too ambitious in the original dates proposed. When the audit was done, the proposed implementation for the new fees was July but was subsequently delayed to September, hence our timetable was also put back. There were also more changes to Mosaic than originally anticipated

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Definitions of audit opinions & Action Priorities

Opinion	Definition
Green – Risk management operates effectively, and objectives are being met	Expected controls are in place and effective to ensure risks are well managed and the service objectives are being met. Any errors found are minor or the occurrence of errors is considered to be isolated. Actions 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 actions 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. Actions have been made to introduce new controls, improve compliance with existing controls or improve the efficiency of operations.

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