

# **Internal Audit & Assurance Plan 2020/21**

## **Ashford Borough Council**



# MID KENT AUDIT

## Introduction

1. Our mission as an Internal Audit service is to enhance and protect organisational value. We achieve this by bringing a systematic and disciplined approach to evaluate and improve effectiveness of risk management, control and governance. We work within statutory rules drawn from the Accounts and Audit Regulations 2015 and the [Public Sector Internal Audit Standards](#) (the “Standards”).
2. In 2015 the Institute of Internal Audit (IIA) assessed us as working in full conformance with the Standards. We have kept full conformance since then, including through the major update to the Standards in 2017. The Chartered Institute of Public Finance and Accounting (CIPFA) won the contract to conduct the External Quality Assessment due in 2020. That work is underway. We will report findings to Members of this Committee at its next meeting in the summer.
3. To protect the independence and objectivity of our service, we work to an [Audit Charter](#). The *Charter* sets out the local context for audit, including granting right of access to systems, records and personnel. At this Council, the Audit Committee approved the Charter in October 2019.
4. The Standards set out demands for compiling and presenting a document to describe planned work for the year ahead. Specifically, our plan must set out:
  - Internal audit’s evaluation of and response to the risks facing the organisation.
  - How we consult with senior management and others.
  - How we have considered whether we have suitable resources to address the risks we identify.
  - How we will effectively use those resources to complete the plan.
5. Our plan includes assurance and other work, such as consultancy engagements. We can accept advisory work where it is the best way to support the Council. The *Audit Charter* sets out how we consider such engagements, including how we safeguard our independence.
6. We must also clarify that our audit plan cannot address all risks across the Council and represents our best use of the resources we have available. In approving the plan, the Committee recognises this limit. To that end, we constantly keep the plan under review to be live to risks issues as they emerge.

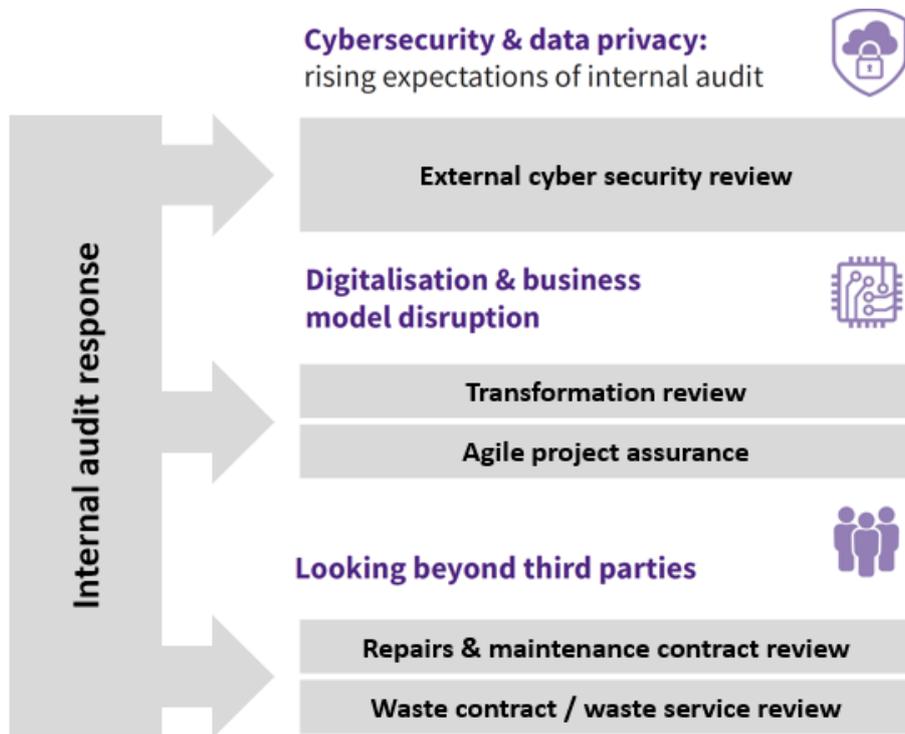
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## Risk Assessments

7. The Standards direct us to begin our audit planning with a risk assessment. This assessment must consider internal and external risks, including those relevant to the sector or global risk issues. Our plan for 2020/21 represents our views now, but we will continue to reflect and consider our response as risks and priorities change across the year. We will report a specific update to Members midway through the year. We may also consult the Committee (or its Chair) on significant changes.

## Global and Sector Risks

8. In considering global and sector risks we draw on various sources. These include updates provided by relevant professional bodies, such as the IIA and CIPFA. We also consult colleagues in local government audit both direct through groups such as London and Kent Audit Groups and through review of other published audit plans in the South East.
9. These sources give us insight into the key issues facing local government and how other audit teams and business leaders are responding to future risk issues. To show our thinking on these wider risks we've highlighted below some of the issues discussed by the IIA in [Risk in Focus 2020:](#)



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## Corporate Risk Review

10. The Council maintains a strategic risk register. These key risk issues cover matters that threaten the Council's overall objectives, either because of their severity or the breadth of impact across several services. This Committee received an annual risk update in [October 2019](#), which included details of each corporate risks and the overall effectiveness of the risk management process.
11. Some of the corporate risk issues identified include **recession, homelessness, housing, and transformation**. In addition to recognising the significant impact that can result from failures relating to **IT security, major projects and legal compliance**. We have therefore considered these risks specifically when undertaking our audit planning assessments.

## Audit Risk Review and Consultation

12. Beyond keeping an awareness of Sector and local risk issues, we conduct our own assessment. We consider all possible audit entities across the Council (the "audit universe") on one specific risk:

***What is the risk we offer a mistaken opinion because we don't understand the service?***

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13. As with a typical risk assessment there are two main parts to consider (impact and likelihood). The first: how important is the service to the Council's overall objectives, the controls and how errors might impact our opinion. Here we consider:



**Finance Risk:** The value of funds flowing through the service. High value and high-volume services (such as Council Tax) represent a higher risk than low value services with regular and predictable costs and income.



**Priority Risk:** The strategic importance of the service in delivering Council priorities. For example, housing and leisure will be higher risk owing to the direct link with the Council's objectives.

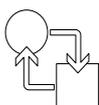


**Support Service Risk:** The extent interdependencies between Council departments. For example, many services rely on effective ICT.

14. The second part is the likelihood we might hold (or gain) a mistaken view of the service. Here we consider:



**Oversight Risk:** Considering where other agencies regulate or inspect the service. For example, Legal Services receive regular inspections from the Law Society to keep Lexcel accreditation and so have relatively low risk.



**Change Risk:** Considering the extent of change the service faces or has recently experienced. This might be voluntary (a restructure, for example) or imposed (like new legislation).



**Audit Knowledge:** What do we know about the service? This considers not just our last formal review, but any other information we have gathered from, for example, following up agreed actions. We also consider the currency of our knowledge, with an aim to conduct a full review in each service at least every five years if possible.



**Fraud Risk:** The susceptibility of the service to fraud loss. High volume services that deal directly with the public and handle cash, for example licensing and parking, are higher risk.

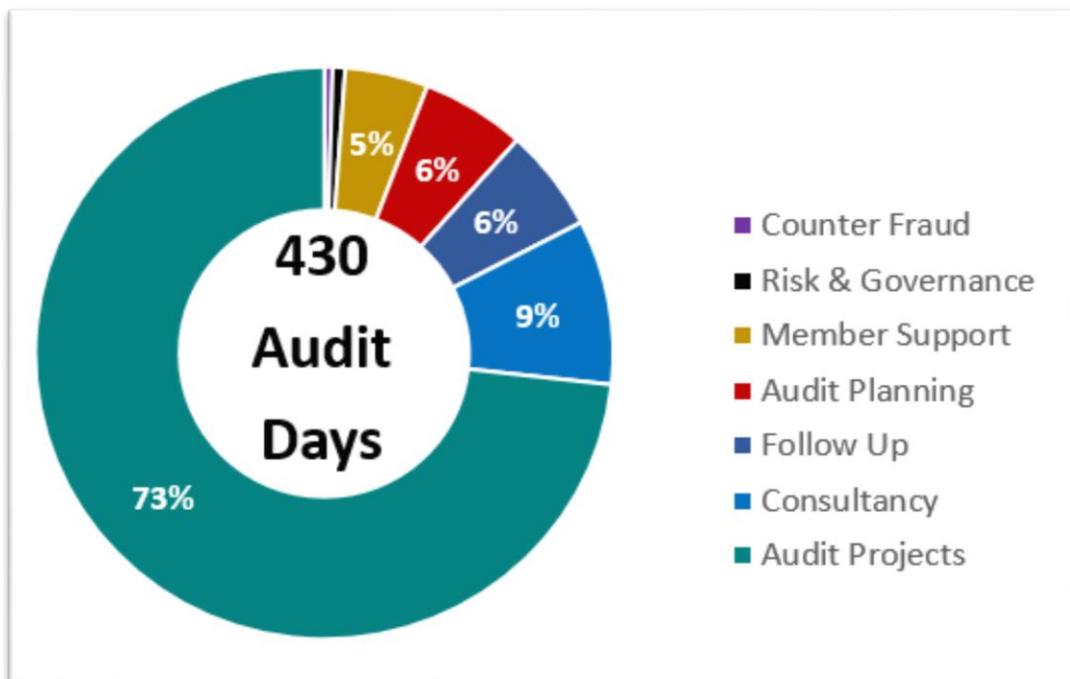
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15. The results of these various risk assessments provide a provisional audit plan. We then take this provisional plan out to consultation. We meet Managers, Heads of Service and Management Team (which includes the Directors and Chief Executive) to get their perspective on our assessment and give us updates on their areas of responsibility.
16. We set out the full audit universe and audit history in Appendix I.

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## Resources

17. Having gained a perspective on the key issues for audit attention in the coming year we then consider the quantity and quality of our resources.
18. The Audit Partnership has 11.6 full time equivalent officers. To calculate the available resources for the year, we take the total available days and subtract various categories of non-working and non-audit time. Our planning estimate for 2020/21 shows **1,810** days across the partnership for the year available for inclusion in audit plans.
19. We then divide the total number of days between the 4 partnership authorities based on the proportions set out in our collaboration agreement. Ashford contributes approximately 23%, which rounds to audit days of **430**.



20. The actual number of days allocated are set out below:

<b>Audit Projects</b>	<b>315 days</b>	<b>Members Support</b>	<b>20 days</b>
<b>Consultancy</b>	<b>40 days</b>	<b>Risk &amp; Governance</b>	<b>3 days</b>
<b>Follow-up</b>	<b>25 days</b>	<b>Counter Fraud</b>	<b>2 days</b>
<b>Audit Planning</b>	<b>25 days</b>		

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21. Audit Standards require us to assess whether the resources available – in both quantity and quality – can fulfil our responsibilities. In that assessment we must consider:
  - Whether we had enough resource to complete our prior year plan.
  - How the size and complexity of the organisation has changed.
  - How the organisation’s risk appetite and profile have changed.
  - How the organisation’s control environment has changed, including how it has responded to our audit findings.
  - Whether there have been significant changes to professional standards.
22. Based on this assessment, we believe we have a sufficient quantity of resources to deliver the 2020/21 audit plan.
23. We must also consider the skills, expertise and experience of our team. We hold a variety of qualifications that help to ensure that we provide a high-quality service. These include CIPFA, Certified and Chartered Internal Auditors, a Chartered Accountant, a Certified Risk Manager and Accredited Counter Fraud Specialists. In addition, we are also supporting 2 apprentices through level 7 audit qualifications (equivalent to full Chartered status). This gives us a wealth of relevant technical expertise to undertake the various specialist areas identified on our audit plan.
24. We also have access to sources of specialist expertise through framework agreements with audit firms, which includes access to subject matter experts. The Council has a specific allocation of contractor days secured through the audit plan to commission specialist work using these agreements. For instance, being used to provide technical ICT assurance on cyber and network security.
25. Based on the above, we believe we also have skills and expertise to deliver the 2020/21 audit plan.

## **Proposed Audit & Assurance Work 2020/21**

26. Members will be familiar with the assurance ratings that we issue upon concluding our work (see Appendix II for the definitions and different levels). However, we recognise circumstances where our work aims principally at supporting work in progress or providing advice where an assurance rating would not be suitable.

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27. This recognition of the wider assurance that we provide means that our audit plan includes the wider advisory and consultancy roles we can provide.

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## Audit & Assurance Plan 2020/21

28. Below we set out our audit engagements for the year ahead, along with an indicative objective for each review. We will agree the detailed objectives with the service as part of planning each review. Based on our risk assessment and consultations with management we have allocated a priority level to each of the audit projects:

**HIGH PRIORITY:** We will aim to deliver 100% of these projects during the year

**MEDIUM PRIORITY:** We aim to deliver more than 50% of these projects during the year

Project Title	Priority Rating	Proposed objective of the review ( <i>"Obtain assurance on the effectiveness of controls seeking to..."</i> )
Network Security (Cyber Security)	High	- protect the Council from the threat from a cyber-attack
Repairs and Maintenance (Contract Review ENGIE)	High	- ensure performance of contractual obligations
Repairs and Maintenance (Gas / Fire Safety Certification)	High	- ensure compliance of legal responsibilities primarily concerned with Health and Safety risks
Property Income	High	- ensure compliance with contractual obligations and processes for the correct and complete accounting of income
Property Acquisitions	High	- ensure due diligence processes to support property acquisition decisions
Development Management	High	- ensure efficient processing of planning applications
Conservation & Heritage	High	- ensure strategy and policy requirements are fulfilled
Legal Services Review	High	- ensure the provision of effective legal services
Performance Management	High	- ensure effective and meaningful arrangements are in place
Leisure Service (Leisure Centre Contract Monitoring)	High	- ensure performance of contractual obligations
Transformation Programme	High	- deliver transformation outcomes

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Project Title	Priority Rating	Proposed objective of the review ("Obtain assurance on the effectiveness of controls seeking to...")
Culture assessment	High	- adherence to the Council's values and behaviour framework
Climate Change	Medium	- deliver the actions and commitments to the Council's climate change programme
Accounts Payable	Medium	- manage the accurate payment of invoices
Accounts Receivable	Medium	- manage the accurate collection of income from sundry debt
Council Tax	Medium	- manage the administration of Council Tax
Rent Accounting (Rent Arrears)	Medium	- ensure the effective management of rent arrears
Repairs and Maintenance Contract (non HRA)	Medium	- ensure performance of contractual obligations
Emergency Planning	Medium	- ensure the effectiveness of the Council's emergency response
Licensing (other)	Medium	- meet legislative requirements
Community Safety Partnerships	Medium	- deliver against the Strategic Assessment
Member Development	Medium	- ensure well trained Members
Workforce Planning	Medium	- identify and meet the Council's medium and long-term workforce needs
Complaints	Medium	- effectively manage complaints including root cause analysis.
Policy Compliance	Medium	- ensure flexible working requests are correctly considered
Payroll	Medium	- ensure accurate and effective payroll process are in place
Website	Medium	- ensure the Council's website is effectively utilised
Equalities	Medium	- meet responsibilities under the Equality Act

29. Total days allocated to assurance projects: **315 days**

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30. The table below outlines key workstreams that we intend to undertake as part of the wider risk, governance and counter fraud support for the Council:

Proposed Assurance Non-Project Work 2020/21	75 days
<p><b>Member Support</b></p> <ul style="list-style-type: none"> <li>• Attendance and preparation for Audit Committee and other Members' meetings (including ad-hoc updates and pre-meets).</li> <li>• Developing and presenting Member briefings and providing support and guidance.</li> </ul>	
<p><b>Agreed Actions Follow Up</b></p> <ul style="list-style-type: none"> <li>• Ensuring officers carry out actions as agreed.</li> <li>• Reporting progress towards implementation to officers, management and Members.</li> </ul>	
<p><b>Audit Planning</b></p> <ul style="list-style-type: none"> <li>• Continued horizon scanning and review of audit plan risk assessments to ensure emerging risk issues are identified</li> </ul>	

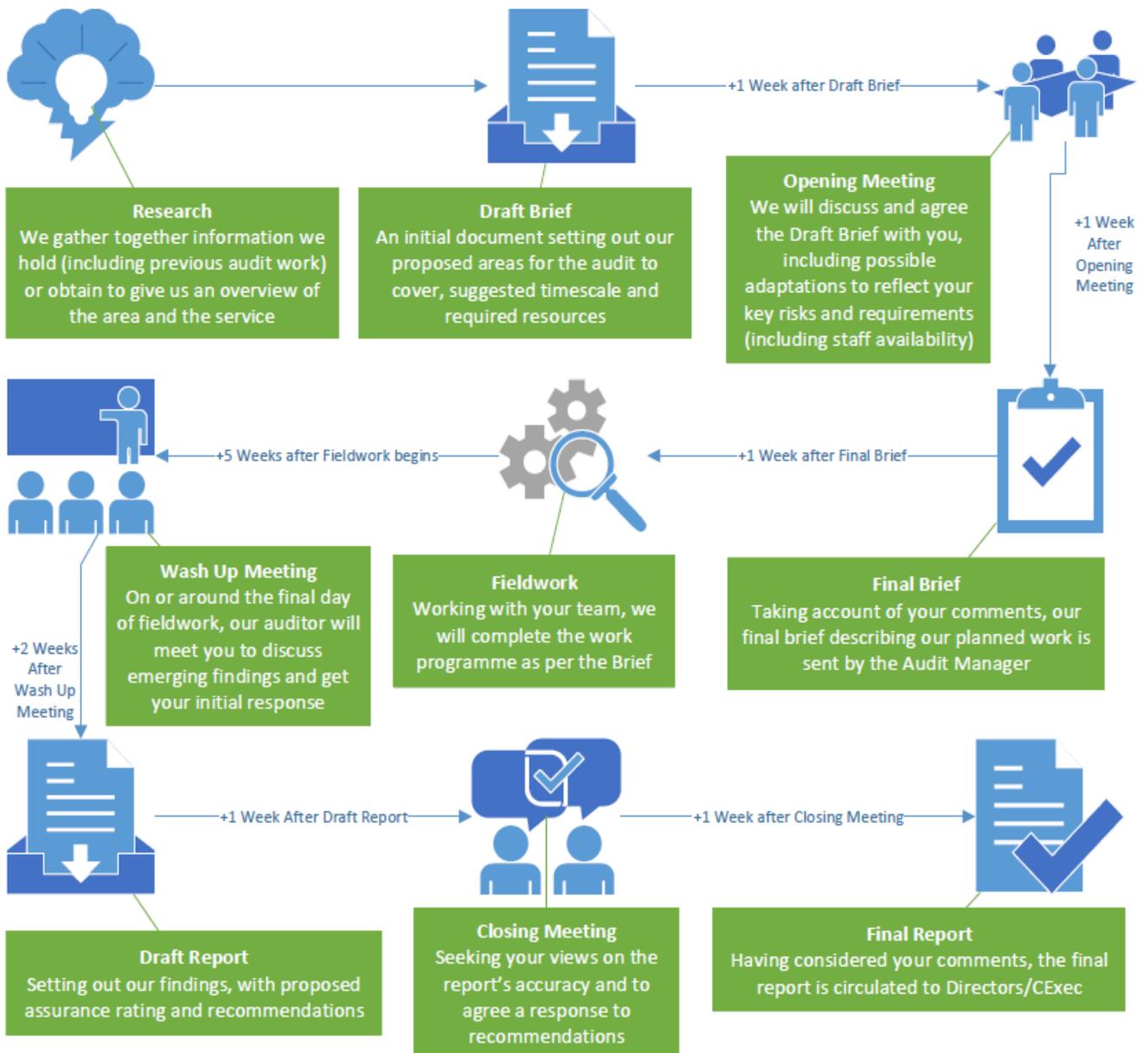
31. In addition to planned work, our plan must have flexibility to provide reactive or ad-hoc support. We have a pool of days available for the Council to draw on in such circumstances (we aim to have around 10% of days as consultancy). Work allocated to these days includes:

Proposed consultancy 2020/21	40 days
<p><b>Consultancy</b></p> <ul style="list-style-type: none"> <li>• Attendance and contribution to officer groups, for project groups, management team and governance support</li> <li>• Providing ad-hoc advice, guidance and support to officers and management</li> <li>• It also covers any investigative work we undertake. We are named in the Council's whistleblowing; data protection and computer use policies as a potential investigator of matters referred to us.</li> <li>• These days will also assist when we are required to expand to audit scopes to cover concerns or interests identified during an audit, effectively allow days to be used as contingency</li> </ul>	

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## Delivering the Audit & Assurance Plan

32. We work in full conformance with the Public Sector Internal Audit Standards. The illustration below shows the process we follow for 'typical' audit engagements.



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## Overseeing Delivery

33. Throughout our work we undertake internal quality assessments and review. This includes specific management sign-off and checks on individual engagements in progress as well as periodic 'cold review' assessments. Through the latter process, we reflect on work completed to identify and take forward any learning to help us improve.
34. We also report progress on delivering the plan to this Committee part-way through the year. Internally, we monitor and report each month on various performance indicators detailing our progress. These updates are reported to the Shared Services Board (with Ben Lockwood – Director of Finance & Economy - as Ashford's representative).

## Quality & Improvement Plan

35. Although in 2015 the IIA assessed us as fully conforming to the Standards, we have continued to challenge and update how we work. Through our internal assessments we have kept our full conformance with the Standards alongside being able to work more efficiently resulting in an increase in productive days by nearly 20% since 2015. This has all been without additional investment and only inflationary budget increases, meaning the 'cost per audit plan day' has fallen by almost 15% in real terms over the past 5 years.
36. We have been using Pentana Audit Management Software for nearly 2 years. As a service we have been paperless for over a decade, but Pentana has enabled us to deliver greater quality, consistency and efficiency in how we work. This is also visible during audit planning as we can manage and organise our risk assessments within a fully automated and flexible database of our entire audit universe.
37. For the year ahead our priority will be to address any matters arising from our EQA. Beyond those objectives our aim is to safeguard and standardise how we assess and improve our service in a full five-year plan looking ahead to our next external assessment in 2025. We will provide further details of this plan to Members alongside the EQA results in July.

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## External Quality Assessment

38. Public Sector Internal Audit Standard 1312 demands we undergo an external assessment at least every five years. The IIA undertook our last assessment, in spring 2015, that reported Mid Kent Audit as fully conforming to the Standards. Members will already be aware that earlier in the year we commissioned CIPFA to conduct the EQA 2020 for the Audit Partnership.
39. That review is taking place across February and March 2020 and we are grateful to those Members who have contributed either by meeting our assessor or completing a survey. We expect the final report in late March and will report to Members alongside an action plan in July.

## Future Developments

40. The Public Sector Internal Audit Standards define the role of the Chief Audit Executive (CAE). CIPFA have provided further information in their [Statement on the Role of the Head of Internal Audit](#). Among other duties the CAE delivers an annual Opinion on the effectiveness of the Council's internal control, risk and governance arrangements. He delivers the Opinion based on the work carried out under the annual audit and assurance plan. Since 2014, Ashford's CAE has been Rich Clarke, the Head of Audit Partnership.
41. From 2020/21 we plan on making some changes to our structure to improve the services we offer across the Partner authorities. One of these changes is to move responsibility for the CAE role at Ashford to the Deputy Head of Audit Partnership; currently Russell Heppleston.
42. We believe this has a number of benefits for Ashford and the wider partnership:
  - Creates a greater degree of protection for the independence and objectivity of the role. Thus, allowing the Head of Audit Partnership to take on more advisory and second line of defence work on request.
  - Enables our audit plan to more effectively respond to the emerging risk issues by having a dedicated CAE for Ashford, while retaining the benefits of the wider shared service.
  - Enables the Partnership to develop wider risk and governance expertise across the other sites and share a greater degree of insight and learning.

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- Supports development of a more comprehensive internal quality assurance and review function by providing an alternative senior leader to review work.
  - Increases resilience within the Partnership by creating a succession step between the Manager and Head of Audit Partnership positions.
43. Standard 1110 demands that the Audit Committee take decisions on appointment and removal of the CAE. Should the Committee approve the appointment, the role would be effective from the 2020/21 audit plan, beginning June 2020.

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## Appendix I: Audit Universe

The “Audit Universe” is our running record of all services at the Council we might examine. The list below shows Ashford specific entities on our current audit universe, followed by a record of audit audit history:

Service Area	Auditable Areas
ABC Accounting	Budget Setting Budgetary Control Creditors (Accounts Payable) Debtors (Accounts Receivable) General Ledger Treasury Management Insurance
ABC Building Control	Building Control Income Building Control
ABC Cemeteries	Cemeteries & Crematoria
ABC Communications	Marketing Internal Communications Public Consultations Social Media Website
ABC Community Safety & Resilience	Business Continuity Emergency Planning Health & Safety Safety Partnerships CCTV & Monitoring
ABC Counter Fraud & Investigations	Counter Fraud
ABC Cultural Services	Safeguarding Leisure Services Parks Community Support
ABC Customer Services	Complaint Handling Customer Services
ABC Developer Contributions	Section 106 Income
ABC Economic Development	Economic Development
ABC Elections	Electoral Registration Elections Management

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Service Area	Auditable Areas
ABC Development Management	Pre-Application Planning Conservation & Heritage Planning Enforcement Planning Administration Land Charges Development Management
ABC Environmental Enforcement	Environmental Enforcement
ABC Environmental Health	Environmental Health
ABC Grounds Maintenance	Grounds Maintenance
ABC Homelessness	Homelessness
ABC Housing Finance	Debtors (Accounts Receivable) Treasury Management
ABC Human Resources	Payroll & Expenses Absence Management Policy Compliance Recruitment Staff Performance Management Training & Development Workforce Planning
ABC Human Resources	Payroll & Expenses Absence Management Policy Compliance Recruitment Staff Performance Management Training & Development Workforce Planning
ABC IT Service	Information Technology
ABC Landlord Services	Voids Right To Buy Repairs & Maintenance Lettings Home Improvement Grants Rent Deposit Scheme Leaseholders
ABC Legal & Democratic Services	Legal Services Members' Allowances Member Development
ABC Licensing	Taxi Licensing Licensing

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Service Area	Auditable Areas
ABC Parking	Parking
ABC Policy	Information Management Performance Management Project Management Risk Management Corporate Governance Equalities Climate Emergency Response
ABC Policy	Information Management Performance Management Project Management Risk Management Corporate Governance Equalities Climate Emergency Response
ABC Policy	Information Management Performance Management Project Management Risk Management Corporate Governance Equalities Climate Emergency Response
ABC Procurement & Projects	Procurement & Commissioning Subsidiary Company Governance
ABC Property Management	Debtors (Accounts Receivable) Repairs & Maintenance Property Income Property Acquisition & Disposal
ABC Revenues & Benefits	Housing Benefit Council Tax Reduction Scheme Discretionary Housing Payments Business Rates Council Tax
ABC Spatial & Strategic Planning	Strategic Planning Conservation & Heritage
ABC Tourism & Heritage	Tourism Support
ABC Waste & Recycling	Waste Collection Recycling

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## Appendix I: Audit History

Service Area	Audit Project	Audit Year	Audit Rating
ABC Cemeteries	ABC02(14/15) - Cemetery	2014/15	Sound
ABC Cultural Services	ABC10(14/15) - Project Office	2014/15	Sound
ABC Housing Finance	ABC09(14/15) - Housing Rents	2014/15	Sound
ABC Human Resources	ABC05(14/15) - Members' & Officers' Declarations of Interest	2014/15	Sound
ABC IT Service	ABC18(14/15) - GIS	2014/15	Strong
ABC IT Service	ABC01(14/15) - ICT – Disaster Recovery	2014/15	Weak
ABC Landlord Services	ABC06(14/15) - Housing Maintenance	2014/15	Strong
ABC Legal & Democratic Services	ABC05(14/15) - Members' & Officers' Declarations of Interest	2014/15	Sound
ABC Licensing	ABC03(14/15) - Licensing	2014/15	Strong
ABC Revenues & Benefits	ABC20(14/15) - Council Tax (Systems)	2014/15	Strong
ABC Revenues & Benefits	ABC08(14/15) - Housing Benefits (Systems audit)	2014/15	Strong
ABC Revenues & Benefits	ABC11(14/15) - Business Rates (Systems audit)	2014/15	Strong
ABC Accounting	ABC/CF01(15/16) - Feeder Systems	2015/16	Strong
ABC Accounting	ABC/CF03(15/16) - Income Systems	2015/16	Sound
ABC Cultural Services	ABC/CG05(15/16) - Safeguarding	2015/16	Weak
ABC Homelessness	ABC/SR12 (15/16) - Homelessness	2015/16	Strong
ABC Human Resources	ABC/SR09(15/16) - Training & Development	2015/16	Strong
ABC IT Service	ABC/SR03(15/16) - ICT Service Desk	2015/16	Sound
ABC Legal & Democratic Services	ABC/SR07(15/16) - Member Training & Induction	2015/16	Sound

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Service Area	Audit Project	Audit Year	Audit Rating
ABC Parking	ABC/SR01(15/16) - Parking Enforcement	2015/16	Strong
ABC Policy	ABC/CG02(15/16) - Corporate Projects Review	2015/16	N/A
ABC Policy	ABC/CG03(15/16) - Data Protection	2015/16	Weak
ABC Procurement & Projects	ABC/CF04(15/16) - Procurement	2015/16	Sound
ABC Tourism & Heritage	ABC/SR06(15/16) - Tourism	2015/16	N/A
ABC Accounting	ABC-CF01(16-17) - Accounts Payable	2016/17	Sound
ABC Accounting	ABC-CF02(16-17) - Bank Reconciliations	2016/17	Sound
ABC Accounting	ABC-CF03(16-17) - Budgetary Control	2016/17	Sound
ABC Accounting	ABC-CF06(16-17) - General Ledger Journals	2016/17	Sound
ABC Communications	ABC-OR04(16-17) - Social Media Access Controls	2016/17	Sound
ABC Community Safety & Resilience	ABC-OR03(16-17) - Business Continuity Planning	2016/17	Weak
ABC Counter Fraud & Investigations	ABC-CG03(16-17) - Counter Fraud Risk Assessment	2016/17	N/A
ABC Cultural Services	ABC-OR02(16-17) - Create Festival	2016/17	Sound
ABC Customer Services	ABC-OR05(16-17) - Customer Services	2016/17	Sound
ABC Elections	ABC-OR13(16-17) - Elections & Registrations	2016/17	Strong
ABC Human Resources	ABC-CF07(16-17) - Payroll	2016/17	Strong
ABC Human Resources	ABC-OR01(16-17) - Appraisal System	2016/17	Strong
ABC Human Resources	ABC-OR10(16-17) - HR Policy Compliance	2016/17	Strong
ABC IT Service	ABC-CG04(16-17) - ICT Network Controls	2016/17	Sound
ABC IT Service	ABC-OR11(16-17) - IT Development	2016/17	Sound
ABC Landlord Services	ABC-OR08(16-17) - Housing Maintenance	2016/17	N/A

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Service Area	Audit Project	Audit Year	Audit Rating
ABC Legal & Democratic Services	ABC-CG05(16-17) - Members' Allowances	2016/17	Sound
ABC Policy	ABC-OR07(16-17) - Public Sector Equality Duty	2016/17	Sound
ABC Procurement & Projects	ABC-CG01(16-17) - Arm's Length Companies	2016/17	Sound
ABC Property Management	ABC-OR12(16-17) - Property Management	2016/17	Weak
ABC Revenues & Benefits	ABC-CF04(16-17) - Business Rates	2016/17	Strong
ABC Revenues & Benefits	ABC-CF05(16-17) - Council Tax Billing	2016/17	Strong
ABC Waste & Recycling	ABC-OR14(16-17) - Street Cleansing	2016/17	Sound
ABC Accounting	ABC-OR09(17-18) - Insurance	2017/18	Sound
ABC Accounting	ABC-CF05(17-18) - Accounts Receivable: Recovery & Write-Offs	2017/18	Strong
ABC Accounting	ABC-CF04(17-18) - Treasury Management	2017/18	Sound
ABC Building Control	ABC-OR02(17-18) - Building Control	2017/18	Sound
ABC Community Safety & Resilience	ABC-OR03(17-18) - Monitoring Centre	2017/18	Sound
ABC Cultural Services	ABC-OR12(17-18) - Single Grants Gateway	2017/18	Sound
ABC Development Management	ABC-OR05(17-18) - Planning Enforcement	2017/18	Sound
ABC Grounds Maintenance	ABC-OR07(17-18) - Aspire Grounds Maintenance	2017/18	Strong
ABC Housing Finance	ABC-CF03(17-18) - Rent Accounting	2017/18	Strong
ABC Human Resources	ABC-CF02(17-18) - Payroll	2017/18	Strong
ABC Human Resources	ABC-OR10(17-18) - Recruitment	2017/18	Strong
ABC IT Service	ABC-CG02(17-18) - IT Disaster Recovery	2017/18	Sound
ABC Landlord Services	ABC-OR14(17-18) - Electrical Direct Service Organisation	2017/18	Sound
ABC Landlord Services	ABC-OR08(17-18) - Home Assistance Grants	2017/18	Strong

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Service Area	Audit Project	Audit Year	Audit Rating
ABC Landlord Services	ABC-OR01(17-18) - ABC Lettings	2017/18	Sound
ABC Parking	ABC-OR11(17-18) - Residents' Parking	2017/18	Sound
ABC Policy	ABC-CG03(17-18) - Project Management	2017/18	Sound
ABC Policy	ABC-CG01(17-18) - Freedom Of Information	2017/18	Sound
ABC Revenues & Benefits	ABC-CF01(17-18) - Housing Benefit Payments	2017/18	Strong
ABC Accounting	A19-AR01 - Budget Setting	2018/19	Strong
ABC Community Safety & Resilience	A19-AR07 - Health & Safety	2018/19	Sound
ABC Cultural Services	A19-AR17 - Safeguarding	2018/19	Sound
ABC Customer Services	A19-AR02 - Complaints	2018/19	Sound
ABC Development Management	A19-AR13 - Pre-Application Planning	2018/19	Sound
ABC Environmental Enforcement	A19-AR10 - Litter Enforcement	2018/19	Sound
ABC Environmental Health	A19-AR05 - Food Safety	2018/19	Sound
ABC Grounds Maintenance	A19-CON01 - Allotments	2018/19	N/A
ABC Landlord Services	A19-AR09 - Leaseholder Charges	2018/19	Strong
ABC Landlord Services	A19-AR15 - Right To Buy	2018/19	Strong
ABC Parking	A19-AR11 - Parking Income	2018/19	Sound
ABC Policy	X19-AR04 - General Data Protection Regulations	2018/19	N/A
ABC Property Management	A19-AR06 - Garage Management	2018/19	Sound
ABC Revenues & Benefits	A19-AR03 - Council Tax Reduction Scheme	2018/19	Sound
ABC Accounting	X20-CON02 - Financial Resilience Index	2019/20	N/A
ABC Cemeteries	A20-AR01 - Cemeteries	2019/20	Sound

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Service Area	Audit Project	Audit Year	Audit Rating
ABC Human Resources	A20-AR11 - Absence Management	2019/20	Sound
ABC IT Service	A20-AR03 - IT Asset Management	2019/20	Sound
ABC Licensing	A20-AR14 - Taxi Licensing	2019/20	Strong
ABC Parking	A20-AR07 - Car Parking Enforcement	2019/20	Strong
ABC Policy	A20-AR08 - Risk Management	2019/20	Sound
ABC Revenues & Benefits	A20-AR09 - Business Rates	2019/20	Strong
ABC Revenues & Benefits	A20-AR10 - Discretionary Housing Payments	2019/20	Strong

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## Appendix II: Assurance Ratings

### Assurance Ratings 2020/21 (unchanged since 2014/15)

Full Definition	Short Description
<p><b>Strong</b> – Controls within the service are well designed and operating as intended, exposing the service to no uncontrolled risk. There will also often be elements of good practice or value for money efficiencies which may be instructive to other authorities. Reports with this rating will have few, if any, recommendations and those will generally be priority 4.</p>	<p>Service/system is performing well</p>
<p><b>Sound</b> – Controls within the service are generally well designed and operated but there are some opportunities for improvement, particularly with regard to efficiency or to address less significant uncontrolled operational risks. Reports with this rating will have some priority 3 and 4 recommendations, and occasionally priority 2 recommendations where they do not speak to core elements of the service.</p>	<p>Service/system is operating effectively</p>
<p><b>Weak</b> – Controls within the service have deficiencies in their design and/or operation that leave it exposed to uncontrolled operational risk and/or failure to achieve key service aims. Reports with this rating will have mainly priority 2 and 3 recommendations which will often describe weaknesses with core elements of the service.</p>	<p>Service/system requires support to consistently operate effectively</p>
<p><b>Poor</b> – Controls within the service are deficient to the extent that the service is exposed to actual failure or significant risk and these failures and risks are likely to affect the Council as a whole. Reports with this rating will have priority 1 and/or a range of priority 2 recommendations which, taken together, will or are preventing from achieving its core objectives.</p>	<p>Service/system is not operating effectively</p>

# MID KENT AUDIT

## Recommendation Ratings 2019/20 (unchanged since 2014/15)

**Priority 1 (Critical)** – To address a finding which affects (negatively) the risk rating assigned to a Council strategic risk or seriously impairs its ability to achieve a key priority. Priority 1 recommendations are likely to require immediate remedial action. Priority 1 recommendations also describe actions the authority **must** take without delay.

**Priority 2 (High)** – To address a finding which impacts a strategic risk or key priority, which makes achievement of the Council's aims more challenging but not necessarily cause severe impediment. This would also normally be the priority assigned to recommendations that address a finding that the Council is in (actual or potential) breach of a legal responsibility, unless the consequences of non-compliance are severe. Priority 2 recommendations are likely to require remedial action at the next available opportunity, or as soon as is practical. Priority 2 recommendations also describe actions the authority **must** take.

**Priority 3 (Medium)** – To address a finding where the Council is in (actual or potential) breach of its own policy or a less prominent legal responsibility but does not impact directly on a strategic risk or key priority. There will often be mitigating controls that, at least to some extent, limit impact. Priority 3 recommendations are likely to require remedial action within six months to a year. Priority 3 recommendations describe actions the authority **should** take.

**Priority 4 (Low)** – To address a finding where the Council is in (actual or potential) breach of its own policy but no legal responsibility and where there is trivial, if any, impact on strategic risks or key priorities. There will usually be mitigating controls to limit impact. Priority 4 recommendations are likely to require remedial action within the year. Priority 4 recommendations generally describe actions the authority **could** take.

**Advisory** – We will include in the report notes drawn from our experience across the partner authorities where the service has opportunities to improve. These will be included for the service to consider and not be subject to formal follow up process.