

Agenda Item No: 4
Report To: Audit Committee
Date of Meeting: 16 March 2021
Report Title: Internal Audit & Assurance Plan 2021/22
Report Author & Job Title: Russell Heppleston – Deputy Head of Audit Partnership



Summary: This report sets out the proposed audit and assurance plan for Ashford Borough Council during 2021/22. The plan provides an overview of the range of areas for potential future examination by the Audit Partnership. It is based on the outcomes of detailed risk assessments, consultation and considers the resources and expertise available to the partnership.

Key Decision: NO

Significantly Affected Wards: All

Recommendations:

1. **Approve** the Internal Audit & Assurance Plan for 2021/22 (appendix a)
2. **Note** the view that the Partnership has sufficient resources to deliver the plan and a robust Annual Audit Opinion.
3. **Note** that the plan is compiled independently and without inappropriate influence from management.

Policy Overview: The Public Sector Internal Audit Standards (the “Standards”) require an audit service to produce and publish a risk-based plan, at least annually, for approval by Members. The plan must consider input from senior management and Members.

Financial Implications:	The work programme set out in the plan is produced to be fulfilled within agreed resources for 2021/22 and so makes no new resource requests.	
Legal Implications:	The Council is required by Accounts & Audit Regulations to operate an internal audit service, including agreeing a plan at least annually (as described in appendix a). Therefore, the Council must approve an internal audit plan to maintain regulatory conformance.	
Risk Assessment:	The audit and assurance plan draws on the Council's risk management in considering the areas for audit examination.	
Equalities Impact Assessment:	No direct implications	
Other Material Implications:	N/A	
Exempt from Publication:	N/A	
Background Papers:	The appendix includes reference to the Public Sector Internal Audit Standards (full document at this link). Further background papers, including detailed resource calculations, risk assessments and notes from consultation meetings can be made available on request.	
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Report Title: Internal Audit & Assurance Plan 2021/22

Introduction & Background

1. The Standards set out the requirements of the Chief Audit Executive (the Deputy Head of Audit Partnership fulfils this role for Ashford Borough Council) that must be met when creating the audit plan. Specifically, Standard 2010:

2010 Planning

The chief audit executive must establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation's goals.

Interpretation:

To develop the risk-based plan, the chief audit executive consults with senior management and the board and obtains an understanding of the organisation's strategies, key business objectives, associated risks and risk management processes. The chief audit executive must review and adjust the plan, as necessary, in response to changes in the organisation's business, risks, operations, programmes, systems, and controls.

Public sector requirement

The risk-based plan must take into account the requirement to produce an annual internal audit opinion and the assurance framework. It must incorporate or be linked to a strategic or high-level statement of how the internal audit service will be delivered and developed in accordance with the internal audit charter and how it links to the organisational objectives and priorities.

2. The Audit Committee as part of its terms of reference must retain oversight of internal control, governance, and risk management. As part of this, the Committee must formally consider and approve the audit and assurance plan. The plan (and delivery throughout the year) is a principal source of assurance for the Committee.
3. Standards explicitly support that the plan is flexible and responsive to emerging and changing risks across the year. Therefore, as with previous years, the 2021/22 plan includes audit reviews that are **priority 1** and those that are **priority 2**. Taking this approach achieves flexibility within the plan and ensures that the plan remains relevant throughout the year.
4. The plan is developed in consultation with Managers, Heads of Service and Directors, and this consultation continues throughout the year as the plan is delivered. The plan attached represents the collective views of management and the audit service.

Proposal / Current Position

5. It is proposed that the Committee considers and approves the audit & assurance plan 2021/22 (appendix a). The plan sets out the proposed audit work, comprising assurance rated projects and other work. The Audit Partnership undertakes this work to support assessing the Council's internal control, risk management and corporate governance arrangements.
6. The Audit Partnership is currently working towards delivery of the audit plan for 2020/21, the Committee having approved both the original and revised versions during the year. A new plan is needed for cover 2021/22.

Implications & Risk Assessment

7. The audit plan draws on the Council's risk management in considering the areas for audit examination.

Next Steps in Process

8. The plan becomes effective once approved. Work will commence on the audit plan in June 2021 and will be used to inform the Head of Audit Opinion in the summer of 2022.

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**Internal Audit &
Assurance Plan 2021/22**

Ashford Borough Council



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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, internal 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 spring 2020 the Chartered Institute of Public Finance and Accounting (CIPFA) completed an External Quality Assessment (EQA) considering our compliance with the Standards. As presented to Members in September 2020, CIPFA concluded we perform in Full Conformance with the Standards. This conclusion maintains the outstanding result achieved in our previous EQA in 2015 from the Institute of Internal Audit (IIA). We believe we are the only audit service to have received ‘Fully Conforming’ assessments from both major professional bodies charged with overseeing public sector audit.
3. The Standards set out how we must approach audit planning. The checklist below aims to provide immediate assurance to Members on our compliance with Standards has been achieved for this years Audit and Assurance Plan:

Standard	Requirements	Compliance
2010	A risk-based plan, setting out audit priorities consistent with the goals of the organisation.	
2010 (PS) ¹	Linked to annual opinion requirement and internal audit Charter.	 see paragraph 5
2010.A1	Based on documented risk assessment, updated at least annually, and including input from Senior Management and Members.	 see paragraphs 13 to 17
2010.A2	Reflect expectations of Senior Management, Members, and other stakeholders.	 see paragraphs 9-12
2020	Communicated to Senior Management for review and to Members for approval.	 see paragraph 16
2030	Ensure internal audit resource is appropriate, sufficient, and effectively deployed.	 see paragraphs 18-28
2030 (PS) ¹	Must explain how resource adequacy has been assessed and set out results of any limits.	
2040	Must establish policies and procedures to ensure effective delivery.	 reported separately on the agenda

¹ The public sector variant of the Standards imposes additional obligations beyond the global IIA Standards.

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4. CIPFA's EQA report included some advisory recommendations for us to consider in further developing the audit service. We have been keeping Members up to date on our progress towards implementing these recommendations and provide current progress later in this report.
5. 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. An updated Charter is reported alongside the Audit and Assurance Plan for review and approval.
6. 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.
7. 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 and issues as they emerge.

Risk Assessments

8. 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. This plan for 2021/22 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

9. In considering global and sector risks we draw on various sources. These include updates provided by relevant professional bodies, such as the IIA (in particular their [Risk in Focus 2021](#) publication 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 all other published audit plans.

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10. 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. The illustration below shows our thinking and audit plan response to some of these wider risks and local risk issues:



A Corporate Risk Perspective

11. The Council maintains a corporate 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. These corporate risks along with operational risks that sit above the risk tolerance for the Council are reported to Members throughout the year.
12. Some of the corporate risk issues considered as part of our planning this year include **cyber-threat, port health, commercialisation, data management & housing rent account: voids & arrears management**. In addition, the risk register recognises the uncertainties around overall **financial control** and management, failure of **major projects** and **legal compliance**. We have therefore considered these risks specifically when undertaking our audit planning assessments.

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Audit Risk Review and Consultation

13. 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?

14. As with a typical risk assessment there are two main parts to consider. The first: how important is the service to the Council’s overall objectives and controls and how might errors 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, Business Rates and Key Financial Systems) 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, Planning, Housing & Environment 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 and personnel management (HR).

15. 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.

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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, are higher risk.

16. The results of these various risk assessments provide us with a list of candidate audits which we use a part of the consultation process. We meet Managers, Heads of Service, Directors, and the Chief Executive to get their perspective on our assessment and give us updates on anything specific with regards to each candidate audit. We then present the plan in draft to Management Team for collective discussion and consideration. We would like to take this opportunity to thank these officers for their time and insight in helping to inform our planning.
17. We set out the full audit universe of the Council, including audit history in Appendix II.

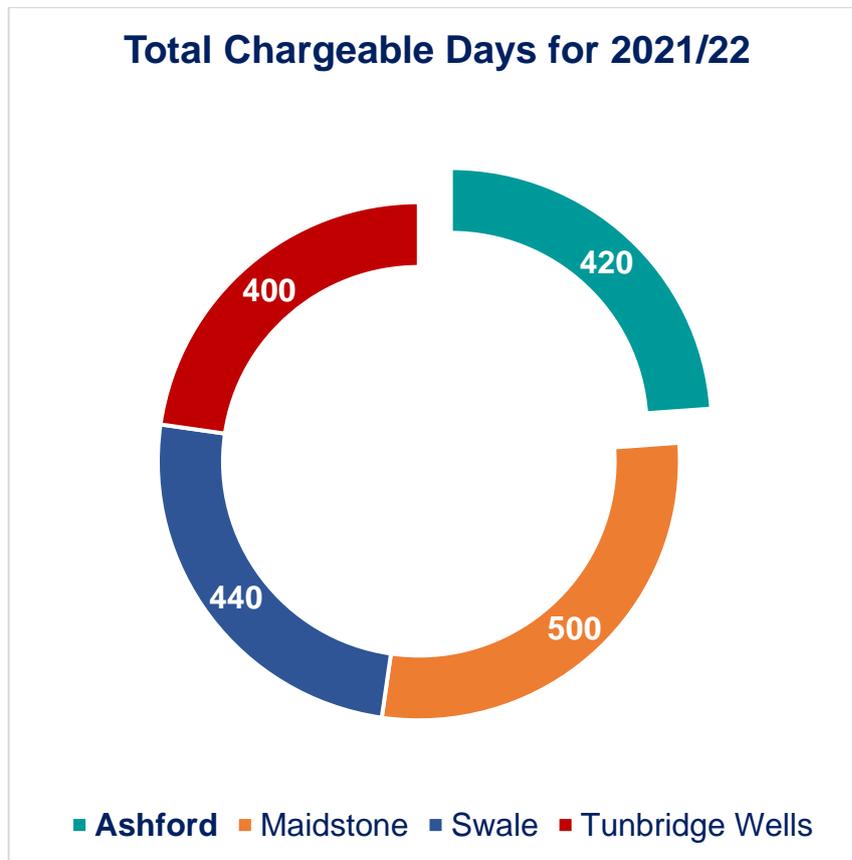
Resources

18. 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.
19. We calculate an overall resource level based on the audit team establishment and a *chargeability* for each grade. *Chargeability* is the proportion of auditors' time we estimate they will spend engaged in work towards fulfilling the plan. This excludes, for example, management time, training, sickness, and general administration. The chargeability assumption varies between grades from 60% (apprentices) up to 80% (for qualified auditors). This calculation produces an available number of days across the partnership of **1,760 days**:

TOTAL NON-CHARGEABLE	735	29%
TOTAL CHARGEABLE	1760	71%
Available days across the Partnership	2494	100%

20. This is slightly less than the 1,810 days expected in 2020/21. Although we do have increased efficiency in the team, we are also currently carrying vacancies. While we can use the money saved to source contract auditor support this will be at a more expensive day rate than an in-house employee. Subject to approval, we hope to fill both vacancies during early-2021.
21. Each authority receives a share in keeping with their contribution to the overall partnership budget. For Ashford (23% contribution) this means the 2021/22 audit plan has **420 days** to assign.

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22. The actual number of days allocated to specific tasks are set out below:

Audit Projects	280 days	Members Support	12 days
Consultancy & Advisory	50 days	Risk & Governance	3 days
Follow-up	25 days	Contingency	20 days
Audit Planning	30 days		

23. Standards require us to assess whether the resources available – in both quantity and quality – can fulfil the assurance needs identified in the plan. In making that assessment we must consider:

- Whether we had enough resource to complete our prior year plan.
- Whether the size and complexity of the Council has changed.
- If the Council’s risk appetite and profile have changed.
- Whether the control environment has changed, including considering how the Council has responded to our audit findings.
- Whether there have been significant changes to professional standards.

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24. I am, in general, satisfied that we can deliver a robust Head of Audit opinion in Spring 2022. However, a note of caution. Each year the audit universe is expanding, most notably, the addition of the Port Health service later in 2021 will be the single largest addition we have ever had to account for. As the Council explores new ventures, our audit plan must capture and respond to any new risks and ensure that any gaps in assurance are covered in future audit plans. It is therefore vital for us to ensure that this gap does not get too big.
25. In 2021/22 we will focus on how we can provide assurance in more efficient ways. This is not just something that we are facing in isolation but is a developing discussion within the profession. Some of the ways we will examine include:
 - Assurance mapping (possible self-assessment tools)
 - Efficiencies in our audit approach
 - Smaller and more focused audits
 - Cross-cutting / group audits
26. We provide more information on these approaches in our **Quality and Improvement Programme (QAIP)** reported separately alongside this report.
27. We must also consider the skills, expertise, and experience of our team. Every member of the audit management team is holding either a Chartered Auditor or Accountancy qualification that would allow them serve as a Head of Audit. In the wider team, every auditor holds at least a Certified Auditor qualification. Our two apprentices are continuing to progress towards achieving Certified qualifications and have both enjoyed exam success over the last year. We also have specialist qualifications in both risk management and counter fraud within the service. This gives us a wealth of relevant technical expertise to undertake the various specialist areas identified on our audit and assurance plan.
28. In addition to our in-house skills and expertise we also have access to sources of specialist expertise through framework agreements with audit firms, which includes access to subject matter experts.
29. Based on the above, we believe we have the necessary resources, skills and expertise to deliver the 2021/22 audit and assurance plan.

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Audit & Assurance Work 2020/21

30. Members will be familiar with the assurance ratings that we issue upon concluding our work (see Appendix III 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.
31. This recognition of the wider assurance that we provide means that our audit plan includes space for the Council to engage us for wider advisory and consultancy work throughout the year.

Risk Based Audit: 280 Days

32. Below we set out our audit engagements for the year ahead, along with an indicative scope and focus for the review. Based on our risk assessment and consultations with management we have allocated a **priority level** to each of the audit projects:

PRIORITY 1: These are the engagements we believe we must undertake to support a robust opinion at year end. We will typically only remove a Priority 1 engagement consulting with management and the Chairman of the Audit Committee. We aim to deliver all **12** of these projects during the year

PRIORITY 2: These are engagements that earn a place in our plan, but where completion could wait for a future year if needed. We aim to deliver **7** of these projects during the year

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33. We will agree the detailed risks, controls, and tests, along with timings the appropriate audit sponsor once we have Member approval of the plan:

Project Title	Priority	Proposed objective / area of focus
Leisure Services (Contract Monitoring)	Priority 1	<ul style="list-style-type: none"> To review management of the Freedom Leisure contract following completion of the refurbishment and reopening of the leisure centre.
Economic Regeneration: Broadband	Priority 1	<ul style="list-style-type: none"> To review the arrangements for ensuring delivery of the broadband project in support of economic regeneration and recovery.
Section 106 Income	Priority 1	<ul style="list-style-type: none"> To review the controls for ensuring effective processing and receipt of section 106 income.
Licensing (alcohol / premise)	Priority 1	<ul style="list-style-type: none"> To review how the Council ensures compliance with the Licensing Act (alcohol and premise).
Housing Rent Account: Voids	Priority 1	<ul style="list-style-type: none"> To review the processes for managing voids.
IT Security: Phishing ¹	Priority 1	<ul style="list-style-type: none"> To seek assurance on the effectiveness of anti-phishing awareness, training, and monitoring. To seek assurance on compliance with procedure for dealing with phishing emails once received by end users (both user compliance and IT team response).
Apprenticeships ¹	Priority 1	<ul style="list-style-type: none"> To review how the Council accounts for and spends the apprenticeship levy and the benefits generated through the Apprenticeship programme
Commercialisation	Priority 1	<ul style="list-style-type: none"> To review compliance with the Councils' commercial framework and toolkit.
Ashford Port Health (Financial controls)	Priority 1	<ul style="list-style-type: none"> To seek assurance on the financial controls for the processing and receipt of fees and charges.
Recovery Plan	Priority 1	<ul style="list-style-type: none"> To review the arrangements in place for monitoring and measuring the delivery and outcomes of the Recovery Plan.

¹ Cross-authority review: This project will also be conducted at some / all of the other Partnership sites

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Project Title	Priority	Proposed objective / area of focus
Development Management	Priority 1	<ul style="list-style-type: none"> To review how major and minor planning applications are allocated and managed.
Payroll & Expenses	Priority 1	<ul style="list-style-type: none"> To review processes which ensure accurate and effective payroll processes are in place. Focus will be on new starters or general expense claims.
Website	Priority 2	<ul style="list-style-type: none"> To review the controls in place to effectively utilise the website. Specific focus on 'accessibility'.
Safety Partnerships	Priority 2	<ul style="list-style-type: none"> To seek assurance on delivery against the Strategic Assessment and related measures
Environmental Protection	Priority 2	<ul style="list-style-type: none"> To review the Council's arrangements for handling noise and pest complaints.
Housing Rent Account (Rent Arrears)	Priority 2	<ul style="list-style-type: none"> To review the effective management of rent arrears
Member Development	Priority 2	<ul style="list-style-type: none"> To review the effectiveness of training and development provided to Members including news ways of remote / virtual working.
Procurement & Commissioning	Priority 2	<ul style="list-style-type: none"> To review the Council's procurement processes and compliance with key guidelines.
Creditors (Accounts Payable)	Priority 2	<ul style="list-style-type: none"> To review the controls in place to ensure the accurate payment of invoices.
Transformation Programme	Priority 2	<ul style="list-style-type: none"> To review the effectiveness of the Council's transformation work programme.
Talent Management ¹	Priority 2	<ul style="list-style-type: none"> To seek assurance on compliance with process used by the Council to identify high performing staff. To seek assurance on compliance with and effectiveness of policy to manage such staff once identified.

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Other assurance related work: 70 days

34. The table below outlines key workstreams that we intend to undertake as part of the broader assurance and support we provide:

Member Support

- Attendance and preparation for Audit Committee and other Members' meetings (including ad-hoc updates and pre-meets).
- Developing and presenting Member briefings and providing support and guidance.

Agreed Actions Follow Up

- Ensuring officers carry out actions as agreed.
- Reporting progress towards implementation to officers, management, and Members.

Audit Planning

- Continued horizon scanning and review of audit plan risk assessments to ensure emerging risk issues are identified

Consultancy & Contingency: 70 days

35. In addition to the risk-based audit plan and other assurance work, our plan remains flexible to provide reactive / ad-hoc advisory or consultancy support. The events over the last year have shown just how quickly the risk profile for the Council can change, and how disruptive global and local events can be. Throughout the last year we have continued to support the Council's activities and have been able to respond positively to requests for our expert advice and support.
36. To recognise the continued uncertainties as we move towards recovery from the pandemic, we have built a small contingency into the 21/22 plan to more sensibly manage events that may impede delivery of the plan. If these days are not needed as we progress through the recovery plan, they can easily be drawn into the assurance plan to deliver other priority 2 projects.
37. We have also increased the pool of days kept available for consultancy and advisory work, and our planning has already highlighted specific consultancy work that we have factored into the plan:

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Consultancy work

- Workplace Culture review: Values & behaviours
- Green Recovery: Sustainability review
- Covid-19 Related Business Grants (MHCLG)
- Planning Enforcement – Action plan review & update
- Sharing of insights through Mid Kent Audit risk research
- Assurance Mapping

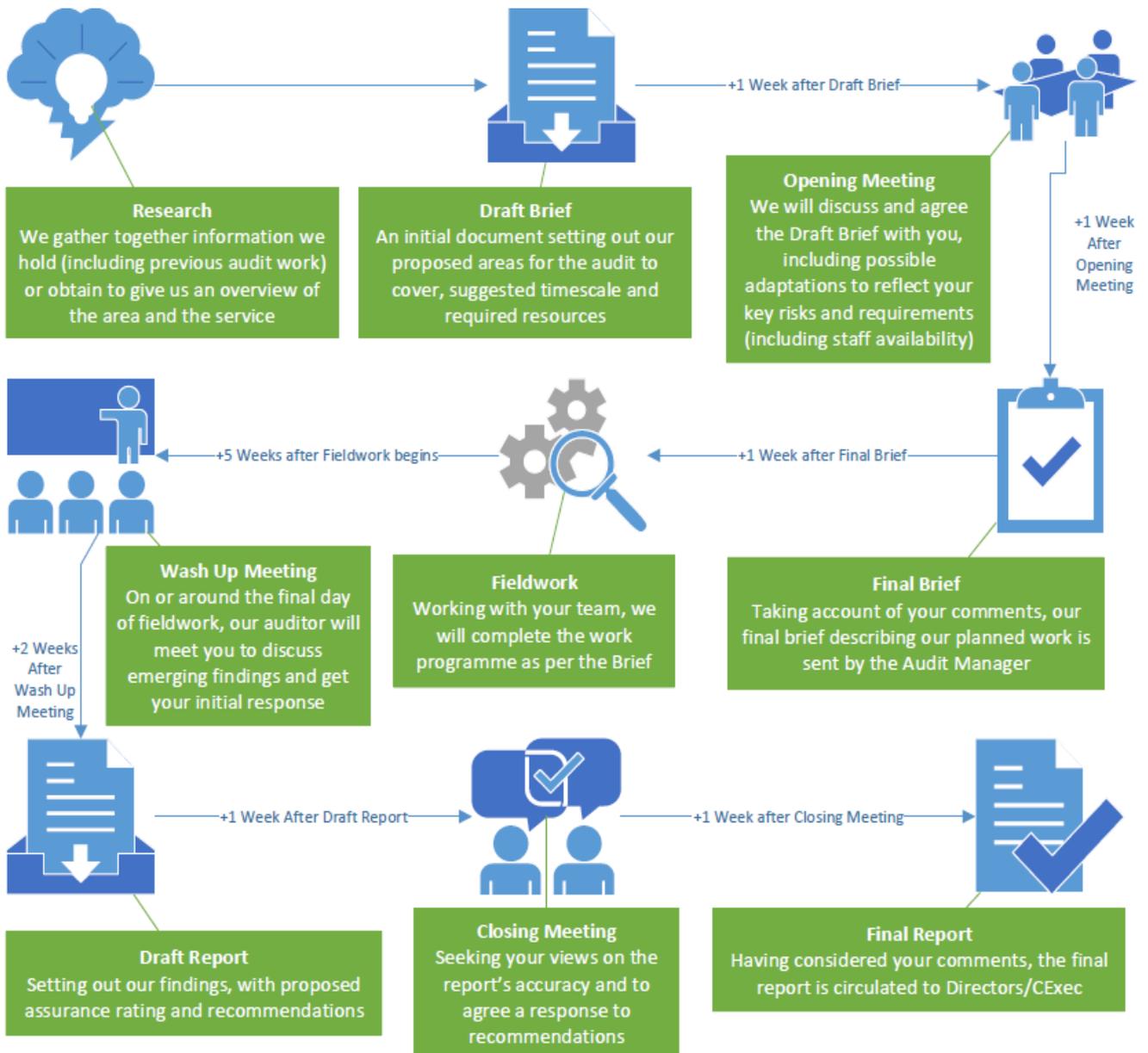
Advisory

- Attending and contributing to office and management meetings
- Supporting project teams / groups with regards to risk, control, and governance
- Membership of the Officer Steering Group for the Port Health service
- Membership of the Commercialisation Hub group
- Providing ad-hoc advice, guidance and support to officers, management and Members where requested

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Delivering the Audit & Assurance Plan

38. We work in full conformance with the Public Sector Internal Audit Standards and relevant Codes of Ethics. The illustration below shows the process we follow for 'typical' audit engagements:



39. Throughout our work we undertake internal quality assessments and review. This includes specific management sign-off and checks on individual engagements. We reflect on work completed to identify and take forward any learning to help us improve. Further details of our quality improvement programme are reported alongside this report and our Internal Audit Charter.

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External Quality Assessment

40. In September we presented the outcomes of our External Quality Assessment, achieving a second successive **fully conforming** conclusion. The Assessment included a few recommendations for us to consider. The table below summarises our progress:

Recommendation	Current Position
Statement limiting distribution and use of audit reports and clarifying conformance to IPPF	We have included a statement (wording agreed with CIPFA) on our standard 20/21 reporting template. Complete
Enhance declaration of interest forms for audit staff	We have expanded our compliance and declaration process, including a new online form. All staff in the service completed a fresh declaration in early 2021. Complete
Expand use of data analytics	We have opened up discussions with some suppliers and neighbouring audit services on possible areas for expansion. In progress
Provide greater comparative insight for clients	We have identified joint audits for 21/22 and will look to publish cross-partnership reports on selected topics. In progress
Renew internal audit collaboration agreement that expired in 2019	We have re-started discussions among partners to clarify expectations of any new agreement. In progress

Next Steps

41. We will begin planning the delivery of this plan as soon as it receives Member approval. We expect to begin fieldwork on the earliest 2021/22 engagements in late May/early June and start reporting outcomes in July or August.
42. We will continue to report progress throughout the year to Members. These updates will summarise work completed up to that date, along with any significant findings and actions. We will also periodically update Members on the progress of our Quality Assurance and Improvement Programme. We can report significant findings to Members outside of these scheduled reports, including seeking to meet privately with Members if needed.
43. We aim to complete the plan in late Spring 2022 to inform the annual Head of Internal Audit Opinion.

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Acknowledgements

44. We depend on the cooperation and support of Officers, Managers and Management Team to formulate the audit and assurance plan. Time is needed to build an accurate and comprehensive understanding of individual departments and the services they deliver. This year, it has been even more challenging, as like many, the Council has been responding to increasingly difficult pressures and demands brought on through the public health emergency. However, despite this, we continue to receive good levels of support and engagement and are given access to the resources we need to compile the plan.
45. We would like to take this opportunity to thank Officers for their time, contributions, and openness during the audit planning process.

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Appendix I: Audit Universe

The “Audit Universe” is our running record of all processes at the Council we might examine. The list below shows the engagement risk assessed as part of the 2021/22 audit planning process, 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 Commercialisation	Commercialisation
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 Community Partnerships (Covid-19)
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 Talent Management Apprenticeships Wellbeing of staff (Covid-19) Remote Working (Covid-19)
ABC IT Service	Information Technology Cyber Security Phishing Policy Compliance Disaster Recovery
ABC Landlord Services	Voids Right To Buy Repairs & Maintenance Lettings Home Improvement Grants Tenancy Support Scheme Leaseholders Gas Safety & Fire Risk Management
ABC Legal & Democratic Services	Legal Services Members' Allowances Member Development Declarations of Interest
ABC Licensing	Taxi Licensing Licensing
ABC Parking	Parking Enforcement Pay & Display Income Residents Parking

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Service Area	Auditable Areas
ABC Policy	Information Management Performance Management Project Management Risk Management Corporate Governance Equalities Climate Emergency Response Recovery Plan
ABC Port Health	<i>Audit universe to be defined and added in 2022/23</i>
ABC Procurement & Projects	Procurement & Commissioning Subsidiary Company Governance
ABC Property Management	Repairs & Maintenance Property Income Property Acquisition & Disposal
ABC Revenues & Benefits	Housing Benefit Council Tax Reduction Scheme Discretionary Housing Payments Business Rates Council Tax Universal Credit
ABC Spatial & Strategic Planning	Strategic Planning Conservation & Heritage
ABC Tourism & Heritage	Tourism Support
ABC Waste & Recycling	Waste Collection Recycling Street Cleansing

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Appendix I: Audit History 2014/15 to 2020/21

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
ABC Parking	ABC/SR01(15/16) - Parking Enforcement	2015/16	Strong

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Service Area	Audit Project	Audit Year	Audit Rating
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
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

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Service Area	Audit Project	Audit Year	Audit Rating
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
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

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Service Area	Audit Project	Audit Year	Audit Rating
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
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

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Service Area	Audit Project	Audit Year	Audit Rating
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
ABC Landlord Services	A21-AR04 – Gas Safety & Fire Risk Management	2020/21	Sound
ABC Cultural Services	A21-AR02 – Covid-19 Community Support	2020/21	Strong
ABC Property Management	A21-AR06 – Property Acquisitions	2020/21	In progress
ABC Legal Services	A21-AR08 – Legal Services	2020/21	In progress
ABC Revenues & Benefits	A21-AR14 – Council Tax: Recovery & Write Offs	2020/21	In progress
ABC Finance	A21-AR18 – Accounts Receivable	2020/21	In progress
ABC Planning	A21-AR02 – Planning Administration	2020/21	In progress
ABC Human Resources	A21-AR13 – Remote Working	2020/21	In progress
ABC Human Resources	A21-AR16 – Wellbeing of Staff	2020/21	In progress
ABC IT Service	A21-AR03 – ICT Cyber Security	2020/21	In progress
ABC Landlord Services	A21-AR01 – Repairs & Maintenance	2020/21	In progress
ABC Policy	A21-AR09 – Performance Management	2020/21	Planned
ABC Property Management	A21-AR05 – Commercial Property Income	2020/21	Planned

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Appendix II: Assurance Ratings

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

Full Definition	Short Description
<p>Strong – 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>Sound – 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>Weak – 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>Poor – 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>

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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.