

MID KENT AUDIT

Internal Audit & Assurance Progress Report

November 2023

Ashford Borough Council

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Introduction

1. The Institute of Internal Audit gives the mission of internal audit: to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.
2. The mission and its associated [code of ethics](#) and [Standards](#) govern over 200,000 professionals in businesses and organisations around the world. Within UK Local Government, authority for internal audit stems from the [Accounts and Audit Regulations 2015](#). The Regulations state services must follow the [Public Sector Internal Audit Standards](#) – an adapted and more demanding version of the global standards. Those Standards set demands for our reporting.

Audit Charter

3. This Committee approved our *Audit Charter* in September 2021, and it remains in place through this audit year. A revised Audit Charter will be presented to the Audit Committee next year.

Independence of internal audit

4. Mid Kent Audit works as a shared service between Ashford, Maidstone, Swale and Tunbridge Wells Borough Councils. A Shared Service Board including representatives from each council supervises our work based on our collaboration agreement.
5. Within Ashford Borough Council during 2023, we have continued to enjoy complete and unfettered access to officers and records to complete our work. On no occasion have officers or Members sought or gained undue influence over our scope or findings.
6. We have worked with full independence as defined in our Audit Charter and Standard 1100. On no occasion have officers or Members sought or gained undue influence over our scope or findings.

Management response to risk

7. We include the results of our work in the year so far later in this report. In our work we often raise recommendations for management action. During the year so far, management have agreed to act on all recommendations we have raised. We report on progress towards implementation in the section titled *Agreed Actions Follow Up Results*.

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8. There are no risks we have identified in our work that we believe management have unreasonably accepted.

Resource Need

9. We reported in our plan presented to this Committee in March 2023 an assessment on the resources available to the audit partnership for completing work at the Council. That review decided:

MKA has the skills and expertise to deliver the 2023/24 Audit Plan and it is confirmed that planned audit work will enable a Head of Audit opinion for 2023/24 to be delivered in Spring 2024.

10. Since March 2023 we have experienced further change within the audit team:

- The Interim Deputy Head of Audit / Audit Manager left the council in June 2023.
- Two other members of the team, an Auditor and the Risk and Governance officer also left to pursue other opportunities.

11. The departures since March 2023 and those prior to March, gave rise to an opportunity to consider the structure and capacity of the Mid Kent Audit team. Following a restructure to ensure the service is fit to deliver the services required for each of the partners and to fulfil its statutory responsibilities, a number of appointments have been made.

12. Since August 2023 we have recruited two internal auditors and internally promoted three members of the team. We currently have three vacant posts, one of which is being covered through use of external contractors, who are also resourcing the staffing gap we had in place prior to the recent recruitment exercises.

13. Despite all this change we continue to make progress through the Audit Plan although overall delivery of the plan has been impacted.

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Audit Plan Progress: Closing 2022/23

14. In July, there were three audit engagements, approaching completion that did not finish in time for Committee deadlines. The results of these audits will now feed into the Head of Audit Partnership annual assurance opinion for 2023/24.

Audit Review (b/w 2022/23)	Audit status	Assurance rating	Number of Actions by Priority Rating		
			High	Medium	Low
IT Disaster Recovery	Complete	Sound		3	
<i>Leisure Services Contract Management</i>	<i>Work in Progress</i>				
<i>Temporary Accommodation</i>	<i>Work in progress</i>				

Audit Plan Progress: 2023/24

15. The table below shows current and expected progress through the engagements described in the 2022/23 Audit Plan:

Audit Review	Current position
Budgetary Control	Work in progress
General Ledger	Allocated
Building Control	
Social Media	Work in progress
Business Continuity	Allocated
CCTV and Monitoring	Allocated
Safeguarding	Allocated
Complaint Handling	Work in progress
Conservation and Heritage	Work in progress
Elections Management	Audit under review
HR Policy Compliance	
Payroll & HR Systems	Work in progress
ICT Network Controls	Work in progress
Home Improvement Grants	
Lettings	
Members Allowances	Allocated
Subsidiary Company Governance	
Housing Benefits	Allocated
* Council Tax Reduction Scheme	Work in progress
Street Cleaning	To be replaced

* shared service audits, work will include all authorities included in the shared service

16. The Audits that have not been allocated yet will be allocated when resources become available within the team.

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Other work and overall progress

17. The Internal Audit team has provided Grant certification work for Homes England funding projects.
18. The table below also summarises (up to 31st October) current days on audit plan progress.

Plan Area	Plan Days	Actual to 31-Oct-23
Risk Based Audits	300	62
Following up of agreed actions	21	7
Consultancy & Member Support	33	15
Planning	24	4
Counter Fraud & Governance Support	9	1
Total	387	89

19. The significantly lower number of audit days delivered to date is due to the number of vacant posts at the beginning of the year and the natural length of time to get a contractor appointed and delivering audit work. This will balance out towards the end of the year, but there will be an impact on overall plan delivery for 2023/24.

Agreed Actions Follow Up Results

20. Our approach to agreed actions is to follow up each as it falls due in line with the plan agreed with management when we finish our reporting. We report progress on implementation to Corporate Leadership Team each quarter. This includes noting any matters of continuing concern and where we have revisited an assurance rating (typically after addressing key actions).
21. As detailed in the yearend report in July, work on following up of actions was paused at that time due to resourcing constraints. This work has now resumed and has highlighted some outstanding actions from previous years and some changes that have been required to the process for ensuring actions are completed. In total, we summarise in the table below the current position on following up agreed actions:

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	High	Medium	Low	Total
Total actions 2022/23				
Actions agreed	0	14	9	23
Actions cleared	0	8	1	9
Actions not due	0	5	8	13
Outstanding actions 2022/23	0	1	0	1
Outstanding actions 2020/21	0	1	1	2
Total Outstanding actions	0	2	1	3

22. These outstanding actions have been raised with the Management Team who are addressing the concerns we have raised regarding implementation of the outstanding work. An update will be provided to the committee in the yearend report, once the new process has embedded within the organisation.

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Appendix I

IT Disaster Recovery (September 2023)

We are satisfied that the service has appropriate controls in place run by experienced officers to manage the risks related to disaster recovery. Our testing confirmed that council's data is backed up through secure channels and is encrypted. Data is held securely off site and held within the UK. Backups are carried out in accordance with the councils back up schedule. We found that the council had tested that they can restore system and files from backup. However, a full disaster recovery test has not yet been carried out.

We found some areas of improvements that could be made to the disaster recovery planning. The council prioritization list of which systems should be restored first has not been agreed by senior management. In addition to this, the backup strategy including the frequency of back ups has not been agreed by senior management.