

By: Robert Patterson – Head of Internal Audit

To: Governance and Audit Committee – 24th April 2018

Subject: **Internal Audit and Counter Fraud Plan 2018-19**

Classification: Unrestricted

Summary: This report details the proposed Internal Audit and Counter Fraud Plan for 2018-19 as well as the Audit Charter underlying the plans and practice of the KCC audit team.

FOR DECISION

Introduction

1. This report sets out the outline Internal Audit and Counter Fraud Plan for 2018-19 detailing a breakdown of audits and counter fraud work and an analysis of corresponding resources.
2. As a reminder, the Council is required under the Accounts and Audit Regulations 2015 to maintain an adequate and effective system of internal audit. This plan demonstrates the utilisation and coverage of such resources to discharge this responsibility and conforms to Public Service Internal Audit Standards
3. The outline plan is detailed in Appendix 1.
4. The outcomes from the 2018-19 plan will provide:
 - Overall opinion and assurance to support the Annual Governance Statement
 - Assurance against the mitigation of key corporate risks
 - Coverage of critical systems of the Council including finance, contract / commissioning and IT assurance
 - Integrated work around value for money and efficiency opportunities
 - Underpinning counter fraud processes and activity as well as resources focused on reactive work such as special investigations
 - On-going advice and information on controls to management
 - Follow up on the progress on the implementation of previous audit issues

Development of the Internal Audit and Counter Fraud Plan

5. The plan in Appendix 1 has been developed through a risk based planning process that has incorporated the following elements:
 - Discussions with Portfolio Holders, Corporate Directors (including CMT) and key Heads of Service on emerging risks and concerns.

- Drawing on audit cumulative knowledge and experience to provide assurance over areas identified as high priority or high risk. These have been mapped, where appropriate against the corporate risk register together with alternative sources of independent assurance
 - Work to evaluate Corporate Governance which contributes to the Head of Internal Audit's overall assurance on corporate governance arrangements which in turn informs the Annual Governance Statement
 - Work to provide assurance to the Corporate Director of Finance and Procurement that controls are in place and operating effectively for a selection of key financial and contracting/ commissioning systems
 - Management requests for assurance on particular areas of concern.
 - Previous cyclical audit work and the need for formal follow up
 - Pro active fraud work
 - Integrating our work with other assurance providers across the /Council ranging from commissioning to safeguarding.
6. In relation to the planning and delivery of dedicated IT audit projects, we have a separate but integrated plan agreed with BDO, our outsourced provider. With the planned creation of the BSC LATCO during 2018 a proportion of this assurance work will in future be reported to this body.
7. The combination of these elements has been the development of a plan that combines assurance over core systems and governance with key corporate risks. This is demonstrated in Appendix 1.
8. The plan has been divided into 64 Priority 1 and 24 Priority 2 audits. The audit team will have a target to complete 100% of priority 1 and a minimum of 20% of priority 2 audits in the year. The reduced target for Priority 2 audit completion will provide the section with greater flexibility over lower priority audit coverage.
9. In addition to the core assurance work the 'big themes' for 2018/19 will be:
- Independent assurance over developer contributions (this was carried forward from 2017/18 owing to the delay in the setup of new IT system)
 - Reviews of the continuing delivery of planned savings and outcomes from selected transformation and efficiency programmes
 - Reviews of the selected themes around the new commissioning arrangements
 - In tandem with the above, a review of the management of the domiciliary care market
 - Controls surrounding partnership arrangements
 - A wholesale review of direct payments systems with a slant on counter fraud controls
 - Special Educational Needs including home to school transport
 - Quality of adult social care and Children's safeguarding
 - Assurance relating to the delivery of GDPR compliance

- Top level governance review of the new combined Children, Young People and Education Directorate

10. Excluded from Appendix 1 are:

- Internal audit coverage of the KCC's current and future LATCo's, more particularly Commercial Services, GEN2, Invicta Law, BSC and the Education People where we are, or will be, the appointed internal auditor
- Income generating and shared service work with Tonbridge and Malling Borough Council, 'Mytimeactive', Kent Fire and Rescue, Parish Councils and audits of selected grants. We have also gained substantive work in providing GDPR assurance work for an increasing number of academies. As such for 2018/19 it is estimated that nearly a quarter of our resource (and turnover) is now derived from arm's length or independent organisations.
- Detail relating to the thematic audits of establishments
- On-going advice and 'watching briefs' on Council initiatives and selected change programmes

11. Outcomes will be reported quarterly to each meeting of the Governance and Audit Committee underpinned by a suite of key performance measures enshrined in the plan. This includes statutory 'transparency' reporting in relation to counter fraud activity.

Resources

12. Overall we have a total productive audit and counter fraud resource of 3,060 days. After deduction work for arm's length LATCO's and independent organisations there is a remaining resource of 2,134. days dedicated to KCC assurance work. This includes additional counter fraud resource approved by the in March 2018 by the Corporate Management Team (CMT), following increasing fraud referrals.

13. In addition, the planned audit resource will be inevitably reduced further by any unplanned special audit investigations).

14. The approved net base budget for the unit for 2018/19 is £ 778,000 which is a 3.5% reduction on the previous year. This is the spend solely dedicated to KCC work and assurance. This figure does not include the new counter fraud post agreed by CMT in April 2018.

15. Against the net expenditure, should be placed fraud and value for money recoveries and savings.

The Internal Audit Charter

16. Our internal audit charter is the formal document that defines the purpose, authority and responsibility of internal audit and its position within the organisation. It is basically the key terms of reference for the audit function and it is important that it is periodically reviewed and approved by the governance and Audit Committee.
17. With a new Committee effectively created after May last year, now would be timely to undertake such a review. Attached in Appendix 2 is the Audit Charter.

Recommendations

18. Members are asked to:

Agree the proposed Internal Audit and Counter Fraud Annual Plan for 2018-19
and
Approve the Internal Audit Charter

Appendices

Appendix 1 Internal Audit and Counter Fraud Plan 2018-19
Appendix 2 Internal Audit Charter

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APPENDIX 1



Kent County Council

Internal Audit and Counter Fraud Plan

April 2018 - March 2019

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1 Introduction

- 1.1. This report details the planned activities and outcomes of Kent County Council's (KCC) internal audit and counter fraud service for 2018-19 . It also acts as an outline business plan.
- 1.2. In particular it covers:
 - The planned internal audit and counter fraud assurance activities for the year ahead and how they have been determined
 - The resources behind the plan
 - The performance targets for the service

2 Purpose and Charter

- 2.1 The Council is required to maintain an adequate and effective system of internal audit under the Accounts and Audit Regulations 2015 and work to Public Sector Internal Audit Standards (PSIAS). In June 2016 the service was independently re-inspected and judged to be fully compliant with these standards.
- 2.2 Our accompanying charter and mission statement is "to support service delivery by providing an independent and objective evaluation of our clients ability to accomplish their business objectives and manage their risks effectively"
- 2.3 This is particularly important during a period of significant change and sustained demands on Council services.

3 Overall Outcomes

3.1 In planning overall internal audit and counter fraud coverage, there is a focus of assurance activities on:

- Work to support the Council's Annual Governance Statement including an overall year end opinion
- The ability to effectively manage critical risks. In particular audit activities have been mapped against top level corporate risks (see section 5)
- Reviews of critical systems within the Council including finance, HR, contract/ commissioning and IT
- Reviews of current operations examining the use of resources, value for money and supporting improvement
- Embedding counter fraud processes and activity across KCC
- Work to prevent fraud and error
- The progress by management of implementing issues and improvements highlighted by internal audit and counter fraud work

3.2 The outcomes from this blend of work not only gives on-going independent evidence on the proper and secure operation of KCC but are also a fundamental foundation for good governance.

4 Constructing the Plan

4.1 In drawing up the plan of activities for 2018/19 we have utilised:

- An established risk assessed audit register
- Substantive associated assurance mapping, whereby complimentary evidence on internal control and risk management can be utilised
- Wide consultation with key stakeholders including the Leader and Cabinet members and associated Corporate Management Team (CMT) Directors
- Review of current corporate risk registers and inherent risks within change programmes and nationally imposed initiatives
- Predetermined cyclical and risk based coverage of key financial and contracting systems
- Existing audit cumulative knowledge of systems, services and areas of control / fraud risk
- Knowledge and trends from counter fraud activity from 2017/18

- Required follow up work from previous audit and counter fraud work
- Consultation with external audit
- Management requests for audit reviews and consultancy work in areas of particular concern

4.2 The plans incorporate the work of our specialist ICT coverage with our outsourced ICT audit provider, BDO LLP.

4.3 Separate plans have also been developed for coverage of current or emerging arm's length operations owned by KCC such as Commercial Services, GEN2 and Invicta Law. It is envisaged that plans detailing proposed coverage for the BSC and 'Education People' LATCO's will be developed in due course.

5 Plan Summary

5.1 The coverage of the internal audit and counter fraud plan is shown schematically below in Figure 1 and in the more traditional tabular form in Annex 1. Annex 1 details all Priority 1 and 2 work and also includes indicative timing for audits and the outline scope for each review.

5.2 Figure 1 maps more significant activities for 2018/19 against governance processes, key critical financial and non-financial systems as well as assurance towards corporate risks. Figure 2 maps other work against the corporate KCC risks agreed in January 2018.

Figure 1- Integrated Internal Audit and Counter Fraud Plan 2018/19 – Governance and Core Systems

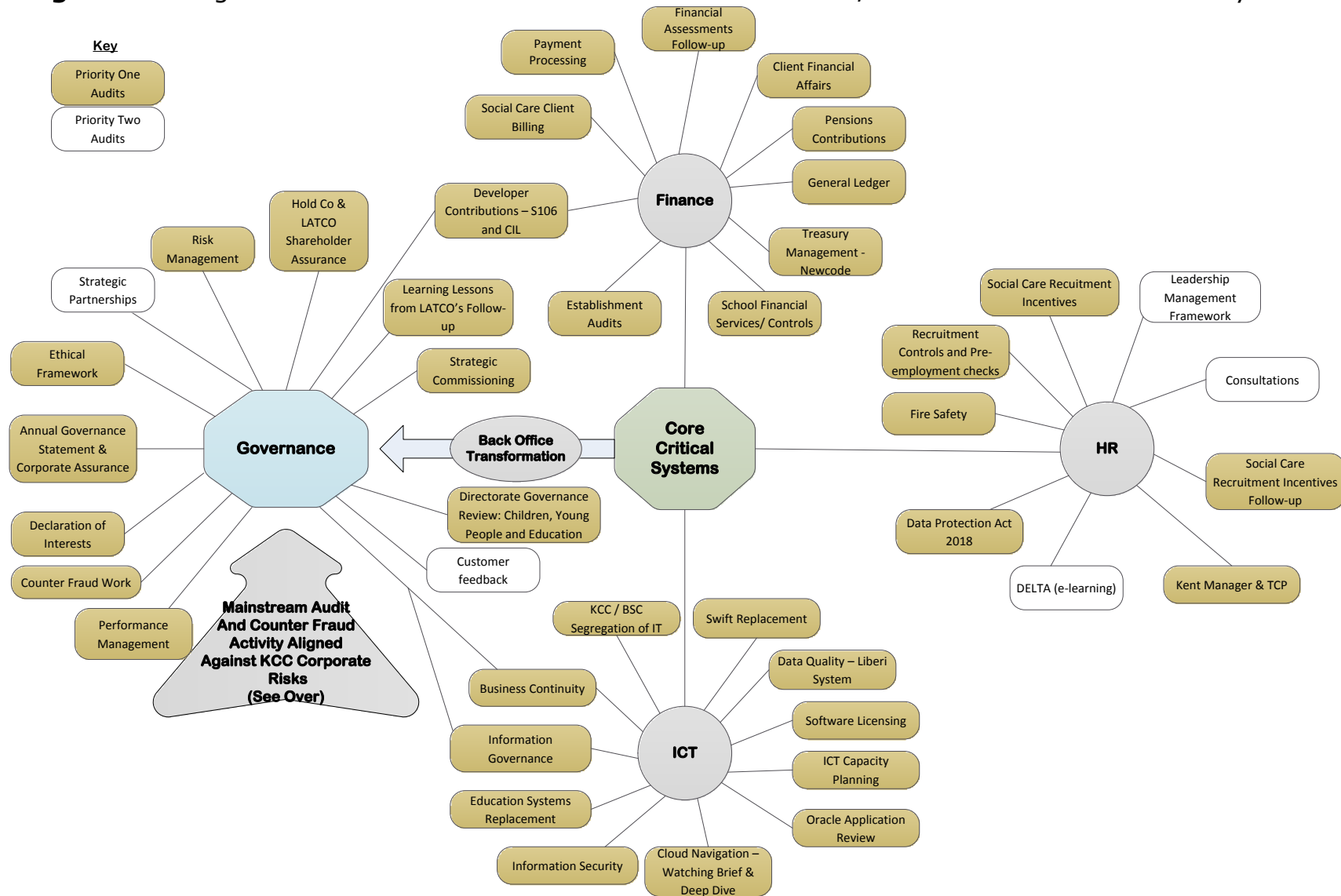
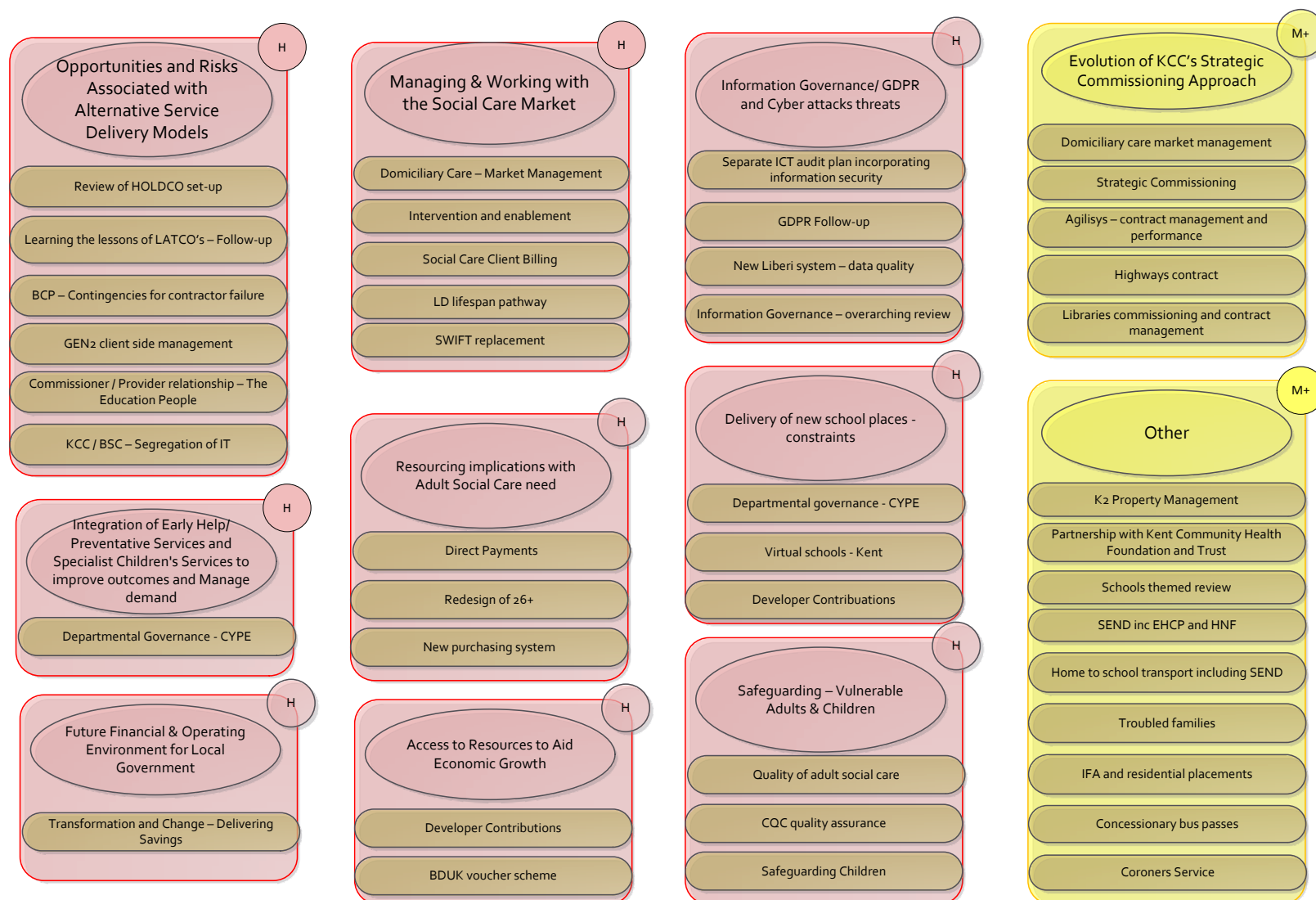


Figure 2 - Internal Audit and Counter Fraud work mapped against current corporate risks (Priority 1 audits only)



- 5.3 In total the plan has been divided into 64 Priority 1 and 24 Priority 2 audits and with an associated target of completing 90% of Priority 1 and a minimum of 20% for priority 2 audits. This allows the audit team greater flexibility over the coverage of lower priority audits as well as a contingency for unplanned work and special investigations.
- 5.4 The plan has been shared with the Section 151 Officer and CMT. There are no areas or activities that we have been prevented from auditing.
- 5.5 The totality of internal audit and counter fraud work builds into the Head of Audit's annual opinion to the Governance and Audit Committee on the overall adequacy and effectiveness of governance and risk management processes and internal controls. This includes the associated "Governance Health Check" system that was developed last year.
- 5.6 The internal audit opinion is a fundamental element of the Council's Annual Governance Statement.

Following Up on Previous Audits, Issues and Recommendations

- 5.7 A number of audits in the plan are formal follow ups of functions previously given limited assurance, (or worse). Clearly the aim of such audits is to provide assurance that weaknesses and failings have been rectified.
- 5.8 In addition we will undertake desk based follow up work on the implementation of issues agreed with management from all audits during selected periods of the year in tandem with a self-assessment process with Directorates.

6 Resources

- 6.1 The plan contains a resource of 3,060 productive audit and counter fraud days, inclusive of the ICT audit contract. After deducting LATCO and fee earning work there is approximately 2150 days available for 'core' KCC audit coverage.

- 6.2 The approved net base budget for 2018/19 is £778,000, a 3.5% reduction on the previous year. This is the spend solely dedicated to KCC assurance work. This base will now be adjusted for the additional counter fraud post that has been agreed for the unit. Against this net expenditure should be placed fraud and value for money savings and recoveries.
- 6.3 The section is resourced on a 'hybrid' basis, being a mix of 19 FTE in-house staff, 1 FTE contractor staff and approximately 125 outsourced days provided by BDO for ICT audit work.
- 6.4 Expressed as an overhead, audit and counter fraud costs represent less than 0.1% of total KCC expenditure (after excluding education) and an average coverage of 2.5 days per £ million spend. This compares favourably with past benchmarking with other local authorities.

7 Measuring Internal Audit and Counter Fraud Performance

- 7.1 We have a series of performance targets that we will be measured against, based on the section being staffed at budgeted levels. These performance targets, detailed below, are a mix of input, output and outcome measures and incorporate national transparency indicators relating to counter fraud. The traditional numerical measures are shown in Annex 2
- 7.2 We will report our performance against these KPI's to each Governance and Audit Committee.

8 In Conclusion

- 8.1 Through the 2018/19 plan we aim to produce outcomes that provide timely and independent assurance work not only relating to internal controls but also against the key risks facing KCC and its related improvement and transformational plans. We aim to continue to be a high profile risk and business focused internal audit and counter fraud function continuing to add value in our work and assisting in improving operations across the Council.



Kent County Council

Internal Audit

Annual Audit Plan April 2018 – March 2019

1. Core Assurance

To provide assurance on core aspects of internal control authority wide

Ref.	Audit Title	Days	Priority	Indicative Quarter	Audit Details	
					Outline Scope	Lead Officer(s)
CA01 2019	Annual Governance Statement	15	1	Q4	Annual assurance audit covering the processes and controls in place to produce the council's Annual Governance Statement for 2017/18.	Authority Wide David Cockburn <i>Corporate Director Strategic & Corporate Services</i> Ben Watts <i>General Counsel</i>
CA02 2019	Developer Contributions – S106 and CIL	25	1	Q3	To provide assurance that developer contributions (Section 106 and CIL) are being appropriately identified, collected and utilised across the council. To include an assessment of the use and effectiveness of the new authority-wide system implemented in 2017/18 to manage developer contributions.	Authority Wide David Cockburn <i>Corporate Director Strategic & Corporate Services</i> Barbara Cooper <i>Corporate Director Growth, Environment & Transport</i> Matt Dunkley <i>Corporate Director of Children, Young People and Education</i> Rebecca Spore <i>Director of Infrastructure</i> David Smith <i>Director of Economic Development</i> Keith Abbott <i>Director - Education Planning and Access</i>

Ref.	Audit Title	Days	Priority	Indicative Quarter	Audit Details	
					Outline Scope	Lead Officer(s)
CA03 2019	Ethical Framework	40	1	Q2	A holistic assessment of the ethical culture across the council, drawing information from a number of areas such as decision making, declarations of interest, codes of conduct, equalities and staff wellbeing, etc.	Authority Wide David Cockburn <i>Head of Paid Service</i> Ben Watts <i>General Counsel</i>
CA04 2019	Directorate Governance Review – Children, Young People and Education	50	1	Q3	A review of the effectiveness of governance arrangements in the Children, Young People and Education directorate. This is part on a rolling programme of governance audits across the council, now entering its fourth year.	David Cockburn <i>Head of Paid Service</i> Matt Dunkley <i>Corporate Director of Children, Young People and Education</i>
CA05 2019	Corporate Governance	20	1	Q4	An annual review of corporate governance across the council, drawing information from the audit work completed in the 2018/19 year to provide an overall opinion on key aspects of governance and control. The outcomes of this audit will inform the Head of Internal Audit's annual audit opinion, and feed into the Annual Governance Statement.	Authority Wide David Cockburn <i>Head of Paid Service</i> Ben Watts <i>General Counsel</i> Denise Fitch <i>Democratic Services Manager</i>
CA06 2019	Risk Management	25	1	Q3	Annual audit of Risk Management in the council, including a deep dive into one division/ directorate (area of focus to be determined).	Authority Wide David Cockburn <i>Head of Paid Service</i> David Whittle <i>Director of Strategy, Policy, Relationships and Corporate Assurance</i> Mark Scrivener <i>Corporate Risk Manager</i>

Ref.	Audit Title	Days	Priority	Indicative Quarter	Audit Details	
					Outline Scope	Lead Officer(s)
CA07 2019	Data Protection Act 2018 (incorporating GDPR)	30	1	Q3	An audit of the council's compliance with the new Data Protection Act 2018, which brings into force the requirements of the General Data Protection Regulations. This audit will include a deep dive into the processes in place to manage Freedom of Information (FOI) requests to ensure that they are appropriately responded to within the prescribed time scales.	Authority Wide David Cockburn <i>Head of Paid Service</i> Ben Watts <i>General Counsel</i>
CA08 2019	Business Continuity Planning	20	1	Q3	To provide assurance that Business Continuity plans are adequate and effective to ensure the Council can continue to deliver priority services in the event of disruption. It is proposed that this year's audit will focus on how the council would respond to the failure of a major contractor.	Authority Wide Barbara Cooper <i>Corporate Director Growth, Environment & Transport</i> Katie Stewart <i>Director Environment, Planning and Enforcement</i>
CA09 2019	Data Quality – Liberi system	20	1	Q2	Cyclical audit of data quality processes for key systems to focus on the Liberi system. To include arrangements to ensure the on-going accuracy of sensitive children's data.	Matt Dunkley <i>Corporate Director of Children, Young People and Education</i> Katherine Atkinson <i>Head of Information and Intelligence</i>
CA10 2019	Information Governance	15	1	Q4	An annual audit of the council's self-assessment of compliance with the NHS Information Governance Toolkit. Reaching a satisfactory level of compliance with all aspects of the Toolkit is required to continue to access NHS data.	David Cockburn <i>Head of Paid Service</i> Ben Watts <i>General Counsel</i>

Ref.	Audit Title	Days	Priority	Indicative Quarter	Audit Details	
					Outline Scope	Lead Officer(s)
CA11 2019	Strategic Commissioning	40	1	Q3	<p>A review of the outcomes from the recently introduced Strategic Commissioning team. To include:</p> <ul style="list-style-type: none"> Adequacy and effectiveness of the support provided to services undertaking all forms of commissioning and procurement an assessment of the clarity of roles and responsibilities for delivery of commissioned services and the new tactical procurement team. 	<p>David Cockburn <i>Head of Paid Service</i></p> <p>Vincent Godfrey <i>Strategic Commissioner</i></p>
CA12 2019	Declarations of Interest	10	1	Q1	<p>A data matching exercise comparing Companies House data with KCC payroll, accounts payable and declarations of interest made via Employee Self Service to provide assurance that potential conflicts of interest have been declared and are being appropriately managed.</p>	<p>David Cockburn <i>Head of Paid Service</i></p> <p>Ben Watts <i>General Counsel</i></p>
CA13 2019	Transformation and Change 0-25	25	1	Q4	<p>To provide assurance that transformation and change programmes are delivering sustainable savings and realising planned benefits/outcomes. This audit will involve review of the integration of Early Help and Specialist Children's Services including the new 'Front Door' process.</p>	<p>Matt Dunkley <i>Corporate Director of Children, Young People and Education</i></p> <p>Sarah Hammond <i>Interim Director of Specialist Children's Services</i></p> <p>Stuart Collins <i>Director of Early Help and Preventative Services</i></p>

Ref.	Audit Title	Days	Priority	Indicative Quarter	Audit Details	
					Outline Scope	Lead Officer(s)
CA14 2019	Learning the Lessons from LATCos Follow Up	10	1	Q4	A follow-up audit to assess the effectiveness of management actions taken in response to the issues raised in our 2017/18 audit 'Learning the Lessons of LATCos'.	Authority Wide David Cockburn <i>Head of Paid Service</i> Ben Watts <i>General Counsel</i> Andy Wood <i>Corporate Director of Finance</i> Amanda Beer <i>Corporate Director of Engagement, Organisation Design and Development</i>
CA16 2019	Performance Management	20	2	TBC	An audit of the processes and key controls in place to monitor and report on the council's key performance indicators.	Authority Wide David Cockburn <i>Head of Paid Service</i> Emma Mitchell <i>Director of Strategic Business Development and Intelligence</i> Richard Fitzgerald <i>Business Intelligence Manager</i>
CA17 2019	Hold Co watching brief	12	2	Ongoing	A 'watching brief' over the development of the Hold Co restructuring and revised governance arrangements for the council's trading companies.	David Cockburn <i>Head of Paid Service</i> Ben Watts <i>General Counsel</i>

Ref.	Audit Title	Days	Priority	Indicative Quarter	Audit Details	
					Outline Scope	Lead Officer(s)
CA18 2019	Strategic Partnerships	15	2	TBC	A review of arrangements to identify and manage the council's strategic partnerships to ensure that they deliver the intended outcomes for service users.	Authority Wide David Cockburn <i>Head of Paid Service</i> David Whittle <i>Director Strategy, Policy, Relationships and Corporate Assurance</i> Ben Watts <i>General Counsel</i>
CA19 2019	Customer Feedback	20	2	TBC	Audit of arrangements to record and respond appropriately to customer feedback in line with the Customer Feedback Policy – with focus on complaints handling and the use of customer feedback to shape service delivery.	Authority Wide Amanda Beer <i>Corporate Director Engagement, Organisation Design & Development</i> Diane Trollope <i>Head of Engagement & Consultation</i>
	Total days	412				

2. Core Financial Assurance

To provide assurance on core aspects of financial internal control

Ref.	Audit Title	Days	Priority	Indicative Quarter	Audit Details	
					Outline Scope	Lead Officer
CS01 2019	Payments Processing	30	1	Q1	An audit to provide assurance over the adequacy and effectiveness of controls over the processing of payments made by the council. To include both Accounts Payable and iProc payments.	<p>Andy Wood <i>Corporate Director of Finance</i></p> <p>Cath Head <i>Head of Finance (Operations)</i></p> <p>Rebecca Spore <i>Director of Infrastructure</i></p> <p>Mark Scott <i>Head of Business Service Centre</i></p>
CS02 2019	Schools Financial Services – school compliance visits	10	1	Q4	<p>Annual audit of the system of school compliance visits to provide assurance over the system of school audit.</p> <p>Note – this service is expected to be part of the Education People LATCo by the time of the audit, but assurance is required for KCC.</p>	<p>Andy Wood <i>Corporate Director of Finance</i></p> <p>Matt Dunkley <i>Corporate Director of Children, Young People and Education</i></p> <p>Keith Abbott <i>Director - Education Planning and Access</i></p> <p>Siobhan Cheeseman <i>Head of Schools Financial Services</i></p>
CS03 2019	Pensions Contributions	15	1	Q2	A review of the key financial controls over pension contributions to provide assurance over the completeness and accuracy of contributions received by the Treasury and Investments team. To cover both KCC and district council contributions to the Kent Fund.	<p>Andy Wood <i>Corporate Director of Finance</i></p> <p>Dave Shipton <i>Head of Finance (Policy, Planning & Strategy)</i></p>

Ref.	Audit Title	Days	Priority	Indicative Quarter	Audit Details	
					Outline Scope	Lead Officer
CS04 2019	Client Financial Affairs	20	1	Q2	An audit of the procedures and controls over the council's management of the financial affairs of service users who are not able to manage their own.	Andy Wood <i>Corporate Director of Finance</i> Cath Head <i>Head of Finance (Operations)</i>
CS05 2019	Social Care Client Billing	30	1	Q2	To provide assurance that the bills raised to individuals for their domestic or residential care are accurate and that appropriate recovery action is taken in instances of non-payment.	Andy Wood <i>Corporate Director of Finance</i> Cath Head <i>Head of Finance (Operations)</i>
CS06 2019	Financial Assessments Follow Up	10	1	Q1	A follow-up audit to assess the adequacy of actions taken to address the issues raised in our 2016/17 audit of Financial Assessments.	Andy Wood <i>Corporate Director of Finance</i> Cath Head <i>Head of Finance (Operations)</i>
CS07 2019	Treasury Management	15	1	Q4	An audit of treasury management controls, to ensure that the council's funds are robustly controlled in line with the Treasury Management Policy and that there is appropriate and timely reporting to Members.	Andy Wood <i>Corporate Director of Finance</i> Dave Shipton <i>Head of Finance (Policy, Planning & Strategy)</i>
CS08 2019	General Ledger	20	2	TBC	A cyclical review of controls over Oracle General Ledger transactions, including journals, feeder systems, suspense accounts, flexfield information and bank reconciliations.	Andy Wood <i>Corporate Director of Finance</i> Cath Head <i>Head of Finance (Operations)</i> Rebecca Spore <i>Director of Infrastructure</i> Mark Scott <i>Head of Business Service Centre</i>
	Total Days	150				

3. Risk / Priority Based

To provide assurance on areas identified as being high priority or exposed to greater risk

Ref.	Audit Title	Days	Priority	Indicative Quarter	Audit Details	
					Outline Scope	Lead Officer(s)
3.1 Strategic and Corporate Services						
RB01 2019	K2 Property Management System	25	1	Q3	An audit of the operation of the K2 Property system following remedial work to update the system configuration and address data inaccuracies. We will also carry out a ‘deep dive’ review of the property income management process to gain assurance that the changes to the K2 system have resulted in improved control in this area.	David Cockburn <i>Head of Paid Service</i> Rebecca Spore <i>Director of Infrastructure</i> Karen Ripley <i>Head of Property</i>
RB02 2019	Property Statutory Compliance	20	1	Q2	A holistic review of the management of property statutory compliance, to provide assurance that the council is appropriately discharging its responsibilities as corporate landlord.	David Cockburn <i>Head of Paid Service</i> Rebecca Spore <i>Director of Infrastructure</i> Karen Ripley <i>Head of Property</i>
RB03 2019	Fire Safety	15	1	Q4	An audit of the management and progress being made with the council's Fire Safety action pan, developed in response to the issues raised by the Grenfell fire in 2017.	David Cockburn <i>Head of Paid Service</i> Amanda Beer <i>Corporate Director Engagement, Organisation Design & Development</i> Flavio Walker <i>Head of Health and Safety</i>

Ref.	Audit Title	Days	Priority	Indicative Quarter	Audit Details	
					Outline Scope	Lead Officer(s)
RB04 2019	Business Service Centre - service delivery during change	15	1	Q2	To provide assurance that the Business Service Centre continues to deliver 'business as usual' core services to the council whilst preparing for and commencing operation as a LATCo.	David Cockburn <i>Head of Paid Service</i> Rebecca Spore <i>Director of Infrastructure</i>
RB05 2019	Client-Side Relationship Management of GEN2	30	1	Q4	An audit of the adequacy and effectiveness of the council's management of the GEN2 relationship, to ensure that services commissioned through GEN2 are delivered to the contracted standards. This will include a review of the arrangements in place to manage the TFM contracts through GEN2.	David Cockburn <i>Head of Paid Service</i> Rebecca Spore <i>Director of Infrastructure</i> Ros Adby <i>Head of Business Partnerships and Relationships</i>
RB06 2019	Recruitment Controls and Pre-employment Checks	20	1	Q1	To provide assurance over recruitment and pre-employment checks carried out for new council staff. This will include an assessment of the adequacy of vetting procedures and checks on employment history, qualifications and identity.	Amanda Beer <i>Corporate Director Engagement, Organisation Design & Development</i> Rebecca Spore <i>Director of Infrastructure</i> Mark Scott <i>Head of Business Service Centre</i> Paul Royel <i>Head of HR and OD</i>
RB07 2019	Key Decision Process	15	1	Q3	An audit of the adequacy and effectiveness of controls over council key decisions, to ensure that they are documented, consulted on where appropriate and taken by those with authority to do so.	David Cockburn <i>Head of Paid Service</i> Ben Watts <i>General Counsel</i>

Ref.	Audit Title	Days	Priority	Indicative Quarter	Audit Details	
					Outline Scope	Lead Officer(s)
RB08 2019	Kent Manager	15	1	Q3	A review of the effectiveness of the revised Kent Manager scheme, introduced in Q1 2018/19.	Amanda Beer <i>Corporate Director Engagement, Organisation Design & Development</i> Julie Cudmore <i>Head of Organisation Development</i>
RB09 2019	Social Care Recruitment Incentives - Follow Up	15	1	Q2	A follow-up audit to establish whether the agreed management actions from our 2016/17 audit of social care recruitment incentives have been implemented to address the issues identified.	Amanda Beer <i>Corporate Director Engagement, Organisation Design & Development</i> Matt Dunkley <i>Corporate Director of Children, Young People and Education</i>
RB10 2019	Agilisys Contract Management	20	1	Q2	An audit of the adequacy and effectiveness of the arrangements to manage the Agilisys contract (providing contact centre and external communications services), including performance management through KPIs and the accuracy of payments made for contracted services.	David Cockburn <i>Head of Paid Service</i> Vincent Godfrey <i>Strategic Commissioner</i>
RB11 2019	Public Health - Partnership with Kent Community Health Foundation Trust	25	1	Q3	The audit will focus on partnership governance, including monitoring and reporting processes, to provide assurance on delivery of required outcomes and benefits realisation through a new delivery model, including efficiencies where relevant.	David Cockburn <i>Head of Paid Service</i> Vincent Godfrey <i>Strategic Commissioner</i> Andy Scott-Clark <i>Director of Public Health</i>
RB12 2019	Consultations	20	2	TBC	To provide assurance that the legislative requirements for consultation with service users and other stakeholders are adhered to and that feedback is appropriately considered.	Amanda Beer <i>Corporate Director Engagement, Organisation Design & Development</i> Diane Trollope <i>Head of Engagement & Consultation</i>

Ref.	Audit Title	Days	Priority	Indicative Quarter	Audit Details	
					Outline Scope	Lead Officer(s)
RB13 2019	Leadership Management Framework	15	2	TBC	A review of the impact and outcomes from the newly developed Leadership Management Framework.	<p>Amanda Beer <i>Corporate Director Engagement, Organisation Design & Development</i></p> <p>Paul Royel <i>Head of HR and OD</i></p> <p>Julie Cudmore <i>Head of Organisation Development</i></p>
RB14 2019	DELTA System (e-Learning)	15	2	TBC	An audit of the take-up of e-learning through the DELTA system and an assessment of the adequacy of actions taken to encourage staff participation, particularly for mandatory training and essential courses for those in particular roles (such as safeguarding for those in customer facing roles).	<p>Amanda Beer <i>Corporate Director Engagement, Organisation Design & Development</i></p> <p>Julie Cudmore <i>Head of Organisation Development</i></p>
RB15 2019	Succession Planning	15	2	TBC	<p>An audit of the adequacy of succession planning for key roles across the council. To include</p> <ul style="list-style-type: none"> • identification of key roles • identification of 'successors' and • actions taken to develop staff for specific key roles 	<p>Amanda Beer <i>Corporate Director Engagement, Organisation Design & Development</i></p> <p>Paul Royel <i>Head of HR and OD</i></p>
RB16 2019	TCP Revised Approach	20	2	TBC	A review of the impact and outcomes from the revised TCP process aimed at delivering a new approach to managing and supporting performance through good conversations that are regular, broad ranging and seek feedback on what managers could do better. Given the recent implementation and to allow review of a full circuit, this audit may be undertaken in quarter one of 2019/20.	<p>Amanda Beer <i>Corporate Director Engagement, Organisation Design & Development</i></p> <p>Paul Royel <i>Head of HR and OD</i></p> <p>Julie Cudmore <i>Head of Organisation Development</i></p>

Ref.	Audit Title	Days	Priority	Indicative Quarter	Audit Details	
					Outline Scope	Lead Officer(s)
RB17 2019	Public Health - Clinical Professional Development	20	2	TBC	To provide assurance on compliance with and impact of the new requirements stated in the recent publication by the Local Government Association - The Standards for employers of public health teams in England. The purpose of the Standards is to enable employers to provide a well-led and supportive professional environment both enabling public health professionals to maintain their professionalism and to achieve and sustain high quality public health outcomes for local populations.	David Cockburn <i>Head of Paid Service</i> Vincent Godfrey <i>Strategic Commissioner</i> Andy Scott-Clark <i>Head of Public Health</i>
RB18 2019	Infrastructure commissioning and contract management	20	2	TBC	A review of the arrangements in place to manage commissioned services within Infrastructure, including the management of key contracts.	David Cockburn <i>Head of Paid Service</i> Rebecca Spore <i>Director of Infrastructure</i>

Ref.	Audit Title	Days	Priority	Indicative Quarter	Audit Details	
					Outline Scope	Lead Officer(s)
3.2 Adult Social Care and Health						
RB19 2019	Home Care	25	1	Q2	The scope of this review will be determined to ensure alignment to the contract re-let and is likely to include market engagement and development, impact of recruitment difficulties, performance monitoring, accuracy of charging and provision of safe services. Following work undertaken in 2017/18 on one provider the risk of call clipping will be considered more broadly.	Penny Southern <i>Interim Corporate Director of Adult Social Care and Health</i> Anne Tidmarsh <i>Director of OPPD</i>
RB20 2019	LD Lifespan Pathway Post Implementation	25	1	Q2	Following consultancy work undertaken pre-implementation of the integrated Learning Disability Lifespan Pathway, this audit will provide assurance on delivery of safe services, improved outcomes arising from the removal of the need to transition from children to adults' services and delivery of efficiencies where relevant.	Penny Southern <i>Interim Corporate Director of Adult Social Care and Health</i>
RB21 2019	Intervention and Enablement	30	1	Q3	Demand Management is considered to be a key risk and is rated red on the corporate risk register. Several controls have been proposed to mitigate this risk focussing on early intervention and enablement, including community initiatives, the Kent Enablement at Home Service and Community Equipment. This audit will provide assurance on the effectiveness of those controls to manage risks in relation to increased demand through both greater numbers entering the care service and the complexity of needs. Given the latter the audit will include assurance on the service's response to the need for staff with the right skills to meet those needs.	Penny Southern <i>Interim Corporate Director of Adult Social Care and Health</i> Anne Tidmarsh <i>Director of OPPD</i>

Ref.	Audit Title	Days	Priority	Indicative Quarter	Audit Details	
					Outline Scope	Lead Officer(s)
RB22 2019	Quality of Adult Social Care	25	1	Q4	To provide assurance that adequate processes exist by means of a quality assurance framework to monitor and develop, through lessons learnt, quality in care and quality of practice aiming to ensure delivery of safe, quality, person centred care to all adult service users in Kent.	Penny Southern <i>Interim Corporate Director of Adult Social Care and Health</i> Anne Tidmarsh <i>Director of OPPD</i>
RB23 2019	Integration of Enablement and Intermediate Care (NHS)	12	1	Ongoing	A consultancy review to provide advice and support on the integration of social care enablement services and NHS intermediate care. As with the LD pathway above it is intended that a post-implementation review will be undertaken for assurance purposes, this is likely to be in 2019/20.	Penny Southern <i>Interim Corporate Director of Adult Social Care and Health</i> Anne Tidmarsh <i>Director of OPPD</i>
RB24 2019	Purchasing Finance Process	12	1	Q2	A consultancy review to provide advice and support on the development of new authorisation processes for the procurement of care packages.	Penny Southern <i>Interim Corporate Director of Adult Social Care and Health</i> Anne Tidmarsh <i>Director of OPPD</i>
RB25 2019	CQC / Quality Assurance	12	1	Q1	A consultancy review to provide advice and support to the development of pre-inspection processes through development of a self-assessment framework and assisting on review of supporting evidence, to allow gap analysis and identify areas for development before the CQC inspection regime that is anticipated is implemented.	Penny Southern <i>Interim Corporate Director of Adult Social Care and Health</i> Michael Thomas-Sam <i>Head of Strategy and Business Support, Adult Social Care</i>
RB26 2019	Transformation / Modernising Adult Social Care Services	25	1	Q3	To provide assurance on the development of a new core business model designed to modernise services and the achievement of savings over a two-year period.	Penny Southern <i>Interim Corporate Director of Adult Social Care and Health</i>

Ref.	Audit Title	Days	Priority	Indicative Quarter	Audit Details	
					Outline Scope	Lead Officer(s)
RB27 2019	Direct Payments – Adults	40	1	Q2	To provide assurance that risks in relation to the award, administration and monitoring of Direct Payments to adults are adequately managed. This will include risks in relation to financial abuse.	Penny Southern <i>Interim Corporate Director of Adult Social Care and Health</i>
RB28 2019	Swift Replacement	15	1	Ongoing	A watching brief through attendance at working groups and review of key documentation to provide advice and support to the implementation of the Mosaic system, the replacement to Swift. The review will include assurance where relevant at key stages and supplements the IT audit at xxx	Penny Southern <i>Interim Corporate Director of Adult Social Care and Health</i>
RB29 2019	Redesign of 26+	12	2	TBC	A consultancy review to provide advice and support on the redevelopment of 26+ services in adult learning disability and mental health services. As with the LD pathway above it is intended that a post-implementation review will be undertaken for assurance purposes, this is likely to be in 2019/20.	Penny Southern <i>Interim Corporate Director of Adult Social Care and Health</i>
RB30 2019	KCC / KMPT Consultancy on review of S75	12	2	TBC	Consultancy work to provide advice and support on the review of the existing Section 75 agreement with the Kent and Medway Partnership Trust. As with the LD pathway above it is intended that a post-implementation review will be undertaken for assurance purposes, this is likely to be in 2019/20.	Penny Southern <i>Interim Corporate Director of Adult Social Care and Health</i>

Ref.	Audit Title	Days	Priority	Indicative Quarter	Audit Details	
					Outline Scope	Lead Officer(s)
3.3 Children, Young People and Education						
RB31 2019	Special Educational Needs and Disability Incl. Education, Health and Care Plans & Higher Needs Funding	30	1	Q2	To provide assurance that EHC Plans are in place for all relevant children and young people in line with statutory deadlines and that these are subject to adequate processes for both assessment of need and monitoring of provision with financial contributions defined and paid timely. In addition, recognising budget pressures in relation to Higher Needs Funding, the review will provide assurance on the application and monitoring process to ensure awards are appropriate and utilised as intended.	<div>Matt Dunkley <i>Corporate Director of Children, Young People and Education</i></div> <div>Keith Abbott <i>Director of Education, Planning and Access</i></div>
RB32 2019	Education Psychology	20	1	Q2	To provide assurance that appropriate actions are being taken to manage risks in relation to provision of the service given national difficulties in relation to recruitment and retention of qualified staff and increasing demand.	<div>Matt Dunkley <i>Corporate Director of Children, Young People and Education</i></div> <div>Keith Abbott <i>Director of Education, Planning and Access</i></div>
RB33 2019	Schools Themed Review	50	1	Q3	Cyclical review of a key risk area to provide assurance and supplement the work of Schools Financial Services compliance visits. The focus for 2018/19 is proposed to be either Information Governance, due to the new requirements of the General Data Protection Regulations, or Safeguarding as an ongoing key risk area. The scope will be confirmed with the Directorate before visits commence.	<div>Matt Dunkley <i>Corporate Director of Children, Young People and Education</i></div> <div>Keith Abbott <i>Director of Education, Planning and Access</i></div>

Ref.	Audit Title	Days	Priority	Indicative Quarter	Audit Details	
					Outline Scope	Lead Officer(s)
RB34 2019	Home to School Transport incl. SEND	25	1	Q3	<p>An audit of the processes and key controls over Home to School Transport arrangements, including:</p> <ul style="list-style-type: none"> • assessment of transport needs • actions taken to fulfil these needs • Safeguarding of children and young people using the service • management of Home to School Transport contracts • communication between the various council teams to ensure that service is delivered seamlessly 	<p>Matt Dunkley <i>Corporate Director of Children, Young People and Education</i></p> <p>Barbara Cooper <i>Corporate Director Growth, Environment & Transport</i></p> <p>Keith Abbott <i>Director Education Planning & Access</i></p> <p>Roger Wilkin <i>Director of Highways, Transportation & Waste</i></p>
CA13 2019	0-25 Transformation	25	1	Q4	See CA13 2019 above, included here for line of sight.	<p>Matt Dunkley <i>Corporate Director of Children, Young People and Education</i></p>
RB35 2019	Commissioner / Provider relationship – The Education People	20	1	Q4	To provide assurance that KCC as Commissioner have adequate governance and monitoring processes in place to ensure we are receiving an appropriate level of service and that The Education People are delivering to the required standard.	<p>Matt Dunkley <i>Corporate Director of Children, Young People and Education</i></p> <p>Keith Abbott <i>Director of Education, Planning and Access</i></p> <p>Vincent Godfrey <i>Strategic Commissioner</i></p>
RB36 2019	Safeguarding Children	25	1	Q2	To provide assurance on the adequacy and effectiveness of quality assurance processes, including case file review, to ensure key safeguarding risks are managed and lessons are learnt.	<p>Matt Dunkley <i>Corporate Director of Children, Young People and Education</i></p> <p>Sarah Hammond <i>Interim Director of Specialist Children's Services</i></p>

Ref.	Audit Title	Days	Priority	Indicative Quarter	Audit Details	
					Outline Scope	Lead Officer(s)
RB37 2019	Residence Arrangements – IFA and Residential Placements	25	1	Q3	To provide assurance that adequate and effective processes are in place to manage risks in relation to placements with IFAs and residential establishments including that placements are appropriate, safe and that value for money is obtained.	Matt Dunkley <i>Corporate Director of Children, Young People and Education</i> Sarah Hammond <i>Interim Director of Specialist Children's Services</i>
RB38 2019	Troubled Families	10	1	Q3	A high-level review of the Troubled Families process to provide assurance that families are appropriately identified with relevant actions taken to improve lives and outcomes for those families. This is dependent upon the results of KCC's application to be a pilot authority receiving upfront funding rather than Payment by Results (PbR).	Matt Dunkley <i>Corporate Director of Children, Young People and Education</i> Stuart Collins <i>Director of Early Help and Preventative Services</i>
RB39 2019	Troubled families Returns	30	2	TBC	Time to allow review of returns to support claims of families that have been turned around and secure PbR if required.	Matt Dunkley <i>Corporate Director of Children, Young People and Education</i> Stuart Collins <i>Director of Early Help and Preventative Services</i>
RB40 2019	Youth Justice / Adolescent Services	20	2	TBC	To provide assurance that adequate processes exist to ensure compliance with statutory requirements in relation to Youth Justice and that Adolescent Services achieve required outcomes and provide value for money where services are outsourced. The scope will be further refined dependent on the outcome of the current integration of Early Help and Preventative Services and Specialist Children's Services.	Matt Dunkley <i>Corporate Director of Children, Young People and Education</i> Stuart Collins <i>Director of Early Help and Preventative Services</i>

Ref.	Audit Title	Days	Priority	Indicative Quarter	Audit Details	
					Outline Scope	Lead Officer(s)
RB41 2019	Foster Care	20	2	TBC	To replace the audit deferred from 2017/18 following the positive OFSTED outcome. The audit will provide assurance on recruitment of foster carers to minimise the need for placement through Independent Fostering Agencies at a greater cost than in-house provision, particularly where complex needs require Foster Carers with appropriate skills to take on more challenging placements.	<p>Matt Dunkley <i>Corporate Director of Children, Young People and Education</i></p> <p>Sarah Hammond <i>Interim Director of Specialist Children's Services</i></p>
RB42 2019	Virtual Schools Kent	15	2	TBC	To provide assurance that that appropriate actions are taken to mitigate the risk of poor educational performance in Looked After Children.	<p>Matt Dunkley <i>Corporate Director of Children, Young People and Education</i></p> <p>Sarah Hammond <i>Interim Director of Specialist Children's Services</i></p>
RB43 2019	Adoption	20	2	TBC	To provide assurance on the new model of deliver through the proposed Regional Adoption Agency, including delivery of anticipated benefits.	<p>Matt Dunkley <i>Corporate Director of Children, Young People and Education</i></p> <p>Sarah Hammond <i>Interim Director of Specialist Children's Services</i></p>
RB44 2019	Care Leavers	20	2	TBC	To provide assurance on new requirements defined in the Children and Social Work Act 2017. Given that this legislation is relatively new, the audit may be undertaken in quarter one of 2019/20.	<p>Matt Dunkley <i>Corporate Director of Children, Young People and Education</i></p> <p>Sarah Hammond <i>Interim Director of Specialist Children's Services</i></p>

Ref.	Audit Title	Days	Priority	Indicative Quarter	Audit Details	
					Outline Scope	Lead Officer(s)
3.4 Growth, Environment and Transport						
RB45 2019	Concessionary Bus Passes	15	1	Q2	To ensure that the processes and controls for issuing of new and replacement concessionary bus passes are adequate and effective.	Barbara Cooper <i>Corporate Director Growth, Environment & Transport</i> Roger Wilkin <i>Director of Highways, Transportation & Waste</i>
RB46 2019	Coroners Service – Financial Controls	15	1	Q1	A review to provide assurance over the robustness of the key financial controls in the Coroners service.	Barbara Cooper <i>Corporate Director Growth, Environment & Transport</i> Katie Stewart <i>Director Environment, Planning and Enforcement</i> Andy Wood <i>Corporate Director of Finance</i>
RB47 2019	BDUK Watching Brief	6	1	Ongoing	Ongoing audit engagement in the management of the contract with BT for BDUK, including assurance over the controls in place to ensure that the major payments made are accurate.	Barbara Cooper <i>Corporate Director Growth, Environment & Transport</i> David Smith <i>Director Economic Development</i> Andy Wood <i>Corporate Director of Finance</i>
RB48 2019	BDUK Voucher Scheme	15	1	Q2	An assessment of the controls in place over the new BDUK voucher scheme, to ensure that funds are appropriately managed and that the scheme delivers broadband connectivity to Kent residents who meet the set criteria.	Barbara Cooper <i>Corporate Director Growth, Environment & Transport</i> David Smith <i>Director Economic Development</i>

Ref.	Audit Title	Days	Priority	Indicative Quarter	Audit Details	
					Outline Scope	Lead Officer(s)
RB49 2019	Libraries Contract Management	15	1	Q3	An audit of contract management within the Libraries service, with focus on the controls in place to ensure that all contracts are identified, contracted services are managed in line with agreed performance indicators, payments made under the contracts are accurate and that services are re-commissioned in a timely manner as contracts come to an end.	Barbara Cooper <i>Corporate Director Growth, Environment & Transport</i> James Pearson <i>Head of Libraries</i>
RB50 2019	Carbon Reduction Commitment (CRC) Annual Return	6	2	TBC	To provide assurance that the annual CRC return is completed accurately and that the payments made for CO2 emissions by the council are correct.	Barbara Cooper <i>Corporate Director Growth, Environment & Transport</i> Katie Stewart <i>Director Environment, Planning and Enforcement</i>
RB51 2019	Highways Contract – Amey	20	2	TBC	An audit of contract management for the Amey Highways Maintenance contract. To provide assurance that controls are in place to ensure that the service is delivered in line with the contract and that the payments made for contracted services are accurate and timely.	Barbara Cooper <i>Corporate Director Growth, Environment & Transport</i> Roger Wilkin <i>Director of Highways, Transportation & Waste</i>
RB52 2019	Open Plus System	12	2	TBC	A review of the operation of the Open Plus system for unmanned libraries, including the assessment of the pilot libraries and the lessons learned from this exercise.	Barbara Cooper <i>Corporate Director Growth, Environment & Transport</i> James Pearson <i>Head of Libraries</i>
	Total Days all Risk Based	1,019				

4. ICT Audit

To provide assurance that risks in relation to ICT are being managed appropriately

Ref.	Audit Title	Days	Priority	Indicative Quarter	Audit Details	
					Outline Scope	Corporate Director & Lead Officer
ICT01 2019	Oracle Application Review	15	1	Q1	To provide assurance that the processing and security controls within the Oracle application are robust.	<p>David Cockburn <i>Head of Paid Service</i></p> <p>Rebecca Spore <i>Director of Infrastructure</i></p> <p>Michael Lloyd <i>Head of Technology Strategy & Commissioning</i></p>
ICT02 2019	Cloud Navigation – Project Milestone Deep Dive	20	1	Q3	At key milestones for the Cloud Navigation programme or for a specific project within the programme, a pre-implementation audit will be performed to provide assurance as to the work that has been completed. This will focus on Phase 2 of the Programme.	<p>David Cockburn <i>Head of Paid Service</i></p> <p>Rebecca Spore <i>Director of Infrastructure</i></p> <p>Michael Lloyd <i>Head of Technology Strategy & Commissioning</i></p>
ICT03 2019	Cloud Navigation – Audit Watching Brief	5	1	Ongoing	Internal audit will engage with the Programme Board and attend where necessary to provide ongoing support and assurance.	<p>David Cockburn <i>Head of Paid Service</i></p> <p>Rebecca Spore <i>Director of Infrastructure</i></p> <p>Michael Lloyd <i>Head of Technology Strategy & Commissioning</i></p>

Ref.	Audit Title	Days	Priority	Indicative Quarter	Audit Details	
					Outline Scope	Corporate Director & Lead Officer
ICT04 2019	Education Systems Replacement	20	1	Q3	A post-implementation review of the project to replace the Council's education systems, with an emphasis on the controls over migration of data from the existing systems.	<p>David Cockburn <i>Head of Paid Service</i></p> <p>Matt Dunkley <i>Corporate Director of Children, Young People and Education</i></p> <p>Rebecca Spore <i>Director of Infrastructure</i></p> <p>Michael Lloyd <i>Head of Technology Strategy & Commissioning</i></p>
ICT05 2019	Software Licensing	15	1	Q4	This audit will review the arrangements that are in place for managing the Council's compliance with its software licensing obligations.	<p>David Cockburn <i>Head of Paid Service</i></p> <p>Rebecca Spore <i>Director of Infrastructure</i></p> <p>Michael Lloyd <i>Head of Technology Strategy & Commissioning</i></p>
ICT06 2019	Swift Replacement	20	1	Q3	To provide assurance that there are appropriate arrangements in place for the deployment of the replacement for the Swift application.	<p>David Cockburn <i>Head of Paid Service</i></p> <p>Penny Southern <i>Interim Corporate Director of Adult Social Care and Health</i></p> <p>Rebecca Spore <i>Director of Infrastructure</i></p> <p>Michael Lloyd <i>Head of Technology Strategy & Commissioning</i></p>

Ref.	Audit Title	Days	Priority	Indicative Quarter	Audit Details	
					Outline Scope	Corporate Director & Lead Officer
ICT07 2019	KCC / BSC Segregation of IT	15	1	Q3	To assess the extent to which appropriate actions have been taken to segregate the Council from the BSC following the creation of a separate trading body.	<p>David Cockburn <i>Head of Paid Service</i></p> <p>Rebecca Spore <i>Director of Infrastructure</i></p> <p>Michael Lloyd <i>Head of Technology Strategy & Commissioning</i></p>
ICT08 2019	Information Security	20	1	Q2	To determine whether appropriate actions have been taken to secure the Council's IT network from a cyber-attack.	<p>David Cockburn <i>Head of Paid Service</i></p> <p>Rebecca Spore <i>Director of Infrastructure</i></p> <p>Michael Lloyd <i>Head of Technology Strategy & Commissioning</i></p>
ICT09 2019	ICT Capacity Planning	10	1	Q2	To assess the arrangements in place for capacity management and planning across the IT network.	<p>David Cockburn <i>Head of Paid Service</i></p> <p>Rebecca Spore <i>Director of Infrastructure</i></p> <p>Michael Lloyd <i>Head of Technology Strategy & Commissioning</i></p>
	Total Days	140				

5. Work to Prevent and Pursue Fraud and Corruption

To provide assurance that fraud risks are being adequately and effectively managed

Ref.	Audit	Days	Priority	Indicative Qtr	Outline Scope	Audit Details
						Corporate Director & Lead officer
Anti-fraud work – to raise awareness						
CF01 2019	Fraud awareness	30	1	Ongoing	A programme of fraud awareness training based on an authority wide training needs analysis targeting groups in high risk areas first e.g., schools, procurement and social care. To raise the level of fraud awareness and create a zero tolerance culture towards fraud and corruption.	Authority Wide Andy Wood Corporate Director of Finance
Fraud prevention work – to remove weaknesses that could be exploited						
CF02 2019	National Fraud Initiative (NFI)	20	1	Ongoing	Investigation of NFI alerts and matches to assess areas of potential fraud risk and where appropriate make recommendations to remove weaknesses that could be exploited in order to commit fraud.	Authority Wide Andy Wood Corporate Director of Finance
CF03 2019	Kent Intelligence Network (KIN) (incl. grants and multiple applicants?)	15	1	Ongoing	Using data from across Kent partners to identify and assess areas of potential fraud risk in order to make recommendations to remove weaknesses that could be exploited in order to commit fraud.	Authority Wide Andy Wood Corporate Director of Finance
CF04 2019	Independent review of Fraud Service	15	1	Q2/3	An independent external assessment of the fraud function to provide an opinion on adequacy of processes.	Authority Wide Andy Wood Corporate Director of Finance

6. Summary

Audit	Priority 1 Days	Priority 2 Days
KCC Core Assurance	345	67
KCC Core Financial Assurance	130	20
KCC Risk Based Audits	707	312
KCC IT audit plan	140	0
KCC Proactive and Reactive Counter fraud work	430	0
KCC Follow up of audits with no/limited assurance and recommendations with high/medium priority rating	40	0
KCC Liaison, advice and information and support for system/service development	50	0
Commercial Activities and other external provision		
- Establishments	38	32
- Commercial Services	175	25
- Gen2 Property	70	0
- Invicta Law	70	0
- Education People – new LATCo	40	0
- Business Service Centre – new LATCo	70	0
- Parishes	40	30
- Kent and Medway Fire & Rescue Authority	100	0
- Tonbridge and Malling District Council – Management of audit and fraud	120	0
- Grant claims other Certifications	80	0
- Schools and Academies	50	0
- My Time Active	33	0
- Other	16	0
Total Days	2744	486

N.B. The table above shows priority 2 audits, due to resource pressures we will aim to deliver approximately 20% of these audits

Annex 2 – Numerical Key Performance Measures for Internal Audit & Counter Fraud 2018/19

INPUTS	Fraud	Audit
Total number of employees undertaking investigations	Annual declaration	Annual declaration
Total number of professionally accredited	Annual declaration	Annual declaration
Amount spent on investigation and prosecution of fraud	Annual declaration of actual and budget	Annual declaration of actual and budget
OUTPUTS		
90% of priority 1 audits completed 20% of priority 2 audits completed		Cumulative Monthly FDiv MT and progress reporting to G&AC
60% of audit draft reports to be issued within date on the Engagement Plan		Monthly – IA management team, FDivMT and cumulative G&AC
Time from start of fieldwork (SoF) to draft report to be no more than 40 days		Monthly – IA management team
Draft report to final within 30 days		Monthly- IA management team
Advice to working parties , groups etc	Cumulative declaration through G&AC reporting	Cumulative declaration through G&AC reporting
No of fraud cases investigated	Cumulative declaration through G&AC reporting	
No of irregularity cases investigated	Cumulative declaration through G&AC reporting	
OUTCOMES		
% of high priority/risk issues a) Agreed b) Implemented by client		Monthly – FDiv MT and Cumulative declaration through G&AC reporting
% of all other issues a) Agreed b) Implemented by client		Monthly FDiv MT and Cumulative declaration through G&AC reporting
Client satisfaction to be 90% or more	Monthly - FDivMT and cumulative declaration through G&AC reporting	Monthly - FDiv MT and cumulative declaration through G&AC reporting
Value for money / efficiency savings identified	Cumulative declaration through G&AC reporting	Cumulative declaration through G&AC reporting
Total No of occasions on which (a) fraud and (b) irregularity was identified	Cumulative declaration through G&AC reporting	
Total monetary value of (a) and (b) detected	Cumulative declaration through G&AC reporting	
Total monetary value of (a) and (b) recovered	Cumulative declaration through G&AC reporting	

Appendix 2

KENT COUNTY COUNCIL

Internal Audit Charter

INTRODUCTION

This charter formally defines the purpose, authority and responsibility of Internal Audit within Kent County Council. The Charter will be reviewed at least annually to ensure it is up-to-date and reflects the Public Sector Internal Audit Standards (PSIAS).

PURPOSE

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. Its mission is to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.

Kent County Council's Internal Audit mission statement is, 'To support service delivery by providing an independent and objective evaluation of our clients' ability to accomplish their business objectives and manage their risks effectively'.

AUTHORITY

The requirement for the Council to 'maintain an adequate and effective system of internal audit of its accounting record and its systems of internal control' is contained in the Accounts and Audit Regulations 2011. This supplements the requirements of Section 151 of the Local Government Act 1972 for the Council to make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has responsibility for the administration of those affairs. The council has delegated this responsibility to the Corporate Director of Finance and Procurement.

STATUS OF INTERNAL AUDIT WITHIN THE ORGANISATION

The Head of Internal Audit reports directly to the Corporate Director of Finance and Procurement and quarterly to the Governance and Audit Committee. The Head of Internal Audit also regularly meets with the Chair of the Governance and Audit Committee. The Head of Internal Audit will also report to senior management and Members when necessary, including statutory officers, Head of Paid Service, Monitoring Officer and the Leader of the Council.

The Governance and Audit Committee are responsible for ensuring Internal Audit are independent of the activities it audits, is effective, has sufficient experience and expertise and the scope of the work to be carried out is appropriate. The Governance and Audit Committee approve the Charter every year within the Annual Audit report.

As a senior manager (KR16 or above) the appointment and termination of the Head of Internal Audit is covered by the Personnel Management Rules (Appendix 2 Part 6 of the Council's constitution).

RESPONSIBILITY

It is the responsibility of management to establish and maintain systems of corporate governance, risk management and internal control to provide assurance that the Council's objectives are being achieved and to minimise the risk of fraud or irregularity.

Internal Audit will contribute to the corporate governance process by providing an assurance on the effectiveness of these systems of risk management and internal control, making practical recommendations for enhancements where considered necessary. Management has responsibility to implement audit recommendations, address issues raised, or accept the risks resulting from not taking action. However, Internal Audit will consider taking matters to higher levels of management or to the Governance and Audit Committee, if it is felt that the risk should not (or need not) be borne, or management fails to implement agreed actions.

PROFESSIONAL STANDARDS

The Council's Internal Audit activity will conform to standards and guidance contained in the Public Sector Internal Audit Standards. The PSIAS encompasses the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework which include:

- the Definition of Internal Auditing;
- the Core Principles;
- the Code of Ethics; and
- the International Standards for the Professional Practice of Internal Auditing.

Additional requirements and interpretations for the UK public sector have been incorporated.

The Council's Internal Audit activity will also have regard to the Committee on Standards in Public Life, and to the Seven Principles of Public Life.

INDEPENDENCE AND OBJECTIVITY

Internal Audit will be sufficiently independent of the activities it audits to enable auditors to perform their duties in a manner that facilitates impartial and effective professional judgements and recommendations.

The Head of Internal Audit will have free and unrestricted access and freedom to report in his/her own name to the Corporate Director of Finance and Procurement, Head of Paid Service and Chairman of the Governance and Audit Committee.

In addition, Internal Audit will be responsible for determining its priorities based on an evaluation of risk. Auditable areas which are deemed to represent the most significant controls that are operating in order that KCC delivers its business objectives are identified from directorates', annual operating plans, consultation with managers and Internal Audit's experience of the directorates. These are used to determine the strategic and annual audit plans. The audit plan will be flexible enough to accommodate the needs of senior management and Members depending on the relative significance of emerging risks. The Governance and Audit Committee will approve the plan and at each of its meetings will receive reports summarising significant findings of audit work undertaken.

Internal Audit will also report to the Governance and Audit Committee, at each of its meetings, progress on the directorates' implementation of recommendations made by Internal Audit.

Objectivity will be preserved by ensuring that all members of staff are free from any conflicts of interest and do not undertake any duties that they could later be called upon to audit, including where members of staff have been involved in, for example working groups, consultancy etc. Internal Auditors will also refrain from assessing specific operations for which they were previously responsible, within the previous year.

SCOPE & NATURE OF INTERNAL AUDIT

Internal Audit activity will be undertaken to provide assurance to senior management (Corporate Directors) and the Governance and Audit Committee (referred to as 'Board' in the PSIAS) as to the adequacy and effectiveness of the Councils' systems for corporate governance, risk management and internal control. It will include:

- Reviewing the soundness, adequacy and application of financial and other management controls;
- Reviewing the extent of compliance with, relevance and financial impact on strategic and operational goals of established policies, plans and procedures;
- Reviewing the extent to which the organisation's assets and interests are accounted for and safeguarded from losses arising from:
 - Fraud and other offences
 - Waste, extravagance and inefficient administration, poor value for money and other causes;
- Reviewing the suitability and reliability of financial and other management data developed within the organisation;
- Reviewing awareness of risk and its control and providing advice to management on risk mitigation and

internal control in financial or operational areas where new systems are being developed or where improvements are sought in the efficiency of existing systems;

- Promote and raise awareness of fraud and corruption;
- Investigating allegations of fraud and corruption;
- Providing advice (consultancy) to Directorates for a variety of issues, such as project assurance, controls advisory requests, areas of concern and lessons learnt reviews.

Internal Audit's activities extend to all remote establishments, subsidiary companies and trading activities.

Internal Audit is not relieved of its responsibilities in areas of the Council's business that are subject to review by others but will assess the extent to which it can rely upon the work of others and co-ordinate its audit planning with the plans of such review agencies.

The Head of Internal Audit will provide an annual audit opinion as to the adequacy of the Council's internal controls and risk management processes. This will be used to support the Annual Governance Statement.

FRAUD AND IRREGULARITY

Internal Audit does not have to investigate all cases of potential frauds and irregularities; however they must all be reported to the Head of Internal Audit or the Counter Fraud Manager who will determine if an investigation needs to take place. Internal Audit will report to the Governance and Audit Committee at the conclusion of each investigation, a summary of the fraud/irregularity, control weaknesses and the outcome. If a significant fraud or irregularity is identified this will be brought to the attention of the Chairman of the Governance and Audit Committee at the time of the investigation.

RIGHT OF ACCESS

To fulfil its objectives, Internal Audit will be granted unrestricted access to all staff, Members records (documentary and electronic), assets and premises, deemed necessary in the course of its duties. Internal Audit will ensure that all information received as part of their work is treated confidentially at all times.

INTERNAL AUDIT RESOURCES

An internal audit plan is developed annually which takes into account the work that is needed to enable the Head of Internal Audit to provide an assurance on the control environment and governance across the Council. To ensure that there are adequate Internal Audit resources available to deliver the plan, an assessment is made to determine the number of staff days available; and to identify the knowledge and experience of staff to ensure that Internal Audit has the right skills mix to deliver the plan. The Head of Internal Audit will use a combination of in-house, partner or third parties to deliver aspects of the plan to the best expertise and value for money. When engaging a partner the Head of Internal Audit will ensure the partner has the appropriate knowledge and experience to deliver the engagement, applies the quality assurance standards of the section and has access to all information and explanation required to undertake the engagement (coordinated through Internal Audit managers).

REVIEW OF THE EFFECTIVENESS OF THE SYSTEM OF INTERNAL AUDIT

In accordance with the Accounts and Audit Regulations (2006), there is a requirement for an annual review of the effectiveness of the system of internal audit. This is also part of the wider annual review of the effectiveness of the system of internal control. The Head of Internal Audit will carry out an annual review of the Internal Audit function, in accordance with the Quality Assurance and Improvement Programme outlined below, and will report the results to the Governance and Audit Committee to enable it to consider the findings of the review. In addition, the Head of Internal Audit will arrange for an independent review to be carried out, at least every five years which will be reported to the Governance and Audit Committee. The Head of Internal Audit will review the Charter annually and attach a revised document to the annual internal audit report.

PROVISION OF ASSURANCE TO THIRD PARTIES

The Council's Internal Audit section is sometimes requested to undertake Internal Audit and assurance activity for third parties, such as Kent Fire and parishes. These include internal audit services, grant certification and financial account sign-off.

The same principles detailed in this Charter will be applied to these engagements.

In performing consulting engagements, internal auditors must ensure that the scope of the engagement is sufficient to address the agreed-upon objectives. If internal auditors develop reservations about the scope during the engagement, these reservations must be discussed with the client to determine whether to continue with the engagement. Internal auditors will address controls consistent with the engagement's objectives and be alert to significant control issues.

1 QUALITY ASSURANCE AND IMPROVEMENT PROGRAMME

The Head of Internal Audit will maintain a Quality Assurance and Improvement Programme (QAIP) that covers all aspects of the internal audit activity. The programme will include an evaluation of the internal audit activity's conformance with the Definition of Internal Auditing and the International Standards and an evaluation of whether internal auditors apply the Code of Ethics. The programme also assesses the efficiency and effectiveness of the internal audit activity and identifies opportunities for improvement.

The Head of Internal Audit will communicate to the Corporate Director of Finance and Procurement and the Governance and Audit Committee on the internal audit activity's QAIP, including results of ongoing internal assessments and external assessments conducted at least every five years.

Signed by:

Head of Internal Audit:

Chairman of the Governance and Audit Committee

VERSION CONTROL

Document Owner: Robert Patterson, Head of Internal Audit.

Version	Reviewed/Due for Review	Reviewer	Approver	Date approved
Original				
2	23 February 15	Head of Internal Audit	Governance and Audit Committee	
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