

**GOVERNANCE AND AUDIT COMMITTEE**

**Tuesday, 12th November, 2024**

**2.00 pm**

**Council Chamber, Sessions House, County Hall,  
Maidstone**







## AGENDA

### GOVERNANCE AND AUDIT COMMITTEE

**Tuesday, 12th November, 2024, at 2.00 pm**  
**Council Chamber, Sessions House, County**  
**Hall, Maidstone**

Ask for: **Ruth Emberley**  
Telephone: **03000 410690**

#### **Membership (13)**

Conservative (8)	Conservative (7)	Mrs R Binks (Chairman), Mr T Bond, Mr N J D Chard, Mr P C Cooper, Mr O Richardson, Mr S Webb and Vacancy
	Independent (1)	Mr M Whiting
Labour (1)		Mr A Brady
Liberal Democrat (1):		Mr C Passmore (Vice-Chairman)
Green and Independent (1)		Mr M A J Hood
Independent Members (2)		Ms C Black and Dr D A Horne

#### **UNRESTRICTED ITEMS**

*(During these items the meeting is likely to be open to the public)*

1. Introduction/Webcasting
2. Apologies and Substitutes
3. Declarations of Interest in items on the agenda for this meeting
4. Minutes of the meeting held on 9 October 2024 (Pages 1 - 14)
5. Verbal Update on Committee Business

6. Verbal Update on Corporate Risk Register
7. Annual Governance Statement  
To Follow.
8. Internal Audit Progress Report (Pages 15 - 40)
9. Counter Fraud Progress Report (Pages 41 - 72)
10. Covert Enforcement Techniques (Pages 73 - 92)
11. External Audit Progress Report and Sector Update (Pages 93 - 104)
12. Other items which the Chairman decides are urgent

**Exclusion of the Press and Public**

RESOLVED that under Section 100A of the Local Government Act 1972 the press and public be excluded from the meeting for the following business on the grounds that it involves the likely disclosure of exempt information as defined in paragraphs 1, 2, 3 and 4 of part 1 of Schedule 12A of the Act.

**EXEMPT ITEMS**

13. Internal Audit Progress Report - Exempt Report (Pages 105 - 110)
14. Counter Fraud Progress Report - Exempt Report (Pages 111 - 112)
15. Update from the Commercial and Procurement Oversight Board (Pages 113 - 124)
16. Legal Update  
To Follow.

Benjamin Watts  
General Counsel  
03000 416814

**Wednesday, 16 October 2024**

*Please note that any background documents referred to in the accompanying papers maybe inspected by arrangement with the officer responsible for preparing the relevant report.*

## KENT COUNTY COUNCIL

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### GOVERNANCE AND AUDIT COMMITTEE

MINUTES of a meeting of the Governance and Audit Committee held in the Council Chamber, Sessions House, County Hall, Maidstone on Wednesday, 9 October 2024.

PRESENT: Mrs R Binks (Chairman), Ms C Black, Mr A Brady, Mr T Bond, Mr N J D Chard, Mr P C Cooper, Dr D Horne, Mr M A J Hood, Mrs S Hudson, Mr C Passmore (Vice-Chairman), Mr O Richardson and Mr M Whiting

ALSO PRESENT: Mr D Watkins, Mr H Rayner, Mr D Jeffrey and Mr R C Love, OBE

IN ATTENDANCE: Mrs C Head (Head of Finance Operations), Mr B Watts (General Counsel), Mr J Idle (Head of Internal Audit), Mr M Scrivener (Head of Risk and Delivery Assurance), Mr Paul Dossett, Miss K Reynolds (Governance Advisor), Ms C Maynard (Head of Commercial and Procurement), Ms P Blackburn-Clarke (Delivery Manager - Engagement & Consultation), Mr M Bridger (Commissioning Standards Programme Manager), Ms R Emberley (Democratic Services Officer), Mr J Betts (Interim Corporate Director Finance), Mr R Smith (Corporate Director Adult Social Care and Health), Mr R Ellis (Director of Integrated Commissioning), Mrs S Hammond (Corporate Director Children, Young People and Education), Mrs A Beer (Chief Executive), Ms Hayley Jordan (Principal Auditor), Ms R Rhodes (Commercial Ethics and Sustainability Lead) and Ms C Staite (Grant Thornton)

### UNRESTRICTED ITEMS

#### **227. Apologies and Substitutes**

*(Item 2)*

Apologies for absence had been received from Mr S Webb.

#### **228. Declarations of Interest in items on the agenda for this meeting**

*(Item 3)*

There were no declarations of interest.

#### **229. Minutes of the meeting held on 23 July 2024**

*(Item 4)*

RESOLVED that the minutes of the meeting held on 23 July 2024 were a correct record and that a paper copy be signed by the Chairman.

#### **230. Update on Progress against Internal Audit Recommendations**

*(Item 5)*

1. The Chief Executive Officer provided Members with an update on the Progress against Internal Audit Recommendations. It was confirmed that there were 36 overdue actions in July 2024 and engagement with internal auditors had been good. 9 Actions had been implemented and 1 had been closed with Management accepting risk.
2. In answer to a question from Members, the Cabinet Member for Adult Social Care confirmed that the Adult Social Care (ASC) budget savings for 2024/25 were on track for delivery in specific areas.
3. The General Counsel clarified that a report setting out an end of year picture of implementation of the recommendations would be provided to Members in March 2025 (being the end of the administrative cycle). Members would receive additional updates via Microsoft Teams in the interim.
4. Members raised concerns about progress updates and general clarity of the Management compliance procedure for actions from Internal Audit reports and felt that further information should be provided. It was explained to Members that after each audit review case, an audit action was created and it was the *compliance* of timeliness that was reported to the Committee, not necessarily the action.
5. Members asked questions about the outstanding actions. It was confirmed that the majority of outstanding actions fell within the Chief Executive Department and this was proportionate to the number of audits conducted.
6. Members referred to a previously discussed item of a live dashboard that clearly set out the recommendation, implementation dates and progress and commented that it would be helpful. It was raised by several Members that they wanted this to be created as soon as possible and Microsoft Teams was identified as a convenient method. The General Counsel confirmed that this would be looked into as part of ongoing work to improve the Committee's Teams site.
7. RESOLVED to:
  - a. Note the update on Progress against Internal Audit Recommendations.
  - b. Agree the receipt of compliance updates through reporting via a Microsoft Teams Site.
  - c. Agree the provision of a further update report before the end of the administrative cycle.

**231. Annual Customer Feedback Report 2023/24**  
(Item 6)

1. The Customer Experience and Engagement Manager presented the Annual Customer Feedback Report 2023/24 to Members and highlighted the transportation backlog and Special Education Needs Development (SEND) as specific areas of focus.
2. In response to questions and comments from Members it was said that:

- a) The Ombudsman had changed the way complaints were managed and this had impacted the figures, as evident from Table 18 of the report. The LGSCO will now only investigate if they believe that there is a case to answer or there is likely to be a wider impact.
- b) The high level of SEND complaints investigated by the Ombudsman was not exclusive to Kent, but a national issue.
- c) Members were assured that significant progress had been made over the last 13 months to address the backlog in issuing EHCP within the statutory timescales
- d) The Ombudsman filed in favour of many Applicants when reviewing applications for Educational Health and Care Plans was down to the fact that an answer from the Council had not been supplied within a 20-week timeframe; this was not a reflection of any judgment error. Kent currently was 27% over and above the national average for dealing and issuing Educational Health and Care Plans.
- e) An extra £2 million had been invested in building SEND capacity during this year's budget to deal with the backlog to get back on to sustainable footing.
- f) The Corporate Director for Children, Young People and Education confirmed that during 2024, the complaints backlog in their directorate had reduced from impacting 618 individuals to 213 as additional funding allowed the number to reduced.
- g) The Corporate Director for Adult Social Care confirmed that Adult Social Care Teams remained under resourced locally and Social Workers were dealing with complaints in addition to providing urgent care and attention to vulnerable adults.
- h) The contrast between years 2022 and 2024 shown on page 23 table 8 was due to the insufficient resource issues for Highways and Transportation which resulted in recruitment.
- i) Blue Badges were confirmed to be a significant part of Adult Social Care (ASC) complaint backlog. This was due to a 30% increase in applications for Blue Badges, attributed to a change in the eligibility criteria: hidden disabilities now qualified applicants for a Blue Badge. To address the backlog, two additional hires had been authorised to assess complex applications.
- j) For complaints surrounding ASC, there had been a slight change in the way these had been approached; some stage 1 complaints had been logged as stage 2 complaints as this allowed for any instance where further questions were raised about the original complaint and/or any subsequent complaints, in a more streamlined resolution process.
- k) More feedback and comments from service users had been logged as part of the learning process (even though no response was required). GED (Growth, Economic Development and Communities) started logging more responses from members of the public who used the online household recycling site in to learn from the comments. This accounted for the large spike in figures.

- l) Work had been carried out around staff training, systems and technology, expectation of frontline staff to work on both quality of response and timeliness of response. Effective leadership had worked on the basis that performing a professional job and dealing with complaints are one in the same.
- m) Legal costs for Ombudsman cases were low and the KCC legal team did not often get involved as the Customer Engagement and Experience Manager (and team) dealt with them. The complaints which brought a compensatory element were often due to a civil claims for items such as negligence or a breach of a statutory duty. These were sometimes dealt with by insurers and other times via KCC.
3. RESOLVED to note the contents of the Annual Customer Feedback Report 2023/24.

### **232. Customer Feedback Policy Updates** *(Item 7)*

1. The Customer Experience and Engagement Manager introduced the report which outlined the changes to the Customer Feedback Policy and the key reasons for the Council not adopting the LGSCO's Code for Complaints Handling timescales. The following reasons for this were specified:
- Based on the current performance of the Council not achieving and coupled with the potential future decisions made by the Council, it would not be feasible.
  - In practical terms the LGSO suggested that 15 days was the specified time frame in which stage 1 complaints were to be addressed (this encompassed acknowledge and response) and stage 2 the LGSO allowed 25 days, however KCC policy maintained these would be addressed within 20 days.
  - The Code excluded complaints which the Council currently addressed, being Adult Social Care and Children Act complaints (although these are governed by separate legislation).
  - There will be a change in the way some aspects of complaints are reported to reflect the Ombudsman Code of Complaints, this will be covered in the 2025 Governance and Audit report.
2. In answer to questions and comments raised by Members, it was said that:
- a) Allowance had been given to the self assessment form which provided an opportunity for Councils to state their reasons for noncompliance of the code.
  - b) Noncompliance with the Code is permitted; however, the Ombudsman would likely penalise the Council for noncompliance with its own designed policies.
  - c) For the remainder of this year and the next, the focus was to address complaints within 20 days and then focus on the impact on front line resources. The Ombudsman code of conduct covered SEND cases



which are some of the most complex, hence why it was difficult to resolve them within the specified 20 days.

- d) Going forwards, it was confirmed that the item will feature in the Annual Governance Statement and be monitored as such.
  - e) There had been a lot of change in the SEND Team which made it difficult to address complaints in a shorter period of time. Evidence gathering took time and therefore it was stated that the available resources did not match the Ombudsman's policy.
  - f) In response to a question raised regarding staffing issues, it was confirmed that the Apprenticeship levy still required employment and currently there was not the available resource.
  - g) Front line staff were completing the assessments which meant that the amount of funding and resources required for new hires was currently unknown.
  - h) At a corporate level, the primary focus was on reducing backlog and the long term goal was to 'get back to business' as usual. The next step was to work towards the reduction of time spent on addressing complaints. The self assessment form will return every year and this will be used to monitor the readiness of adopting the Ombudsman Code.
  - i) The Chief Executive Officer confirmed that an overall sense of direction would be provided at a future meeting, which would set out progress and provide Corporate assurance that steps towards compliance are being taken.
3. RESOLVED to note the and comment on the updated policy and Ombudsman's code.
4. RESOLVED to comment and acknowledge the self assessment form (Appendix A).

### **233. Update to Spending the Council's Money**

*(Item 8)*

- 1. The Update to the Spending the Council's Money report was introduced by the Head of Commercial and Procurement Division, with additional input from the Commercial Standards and Improvement Manager.
- 2. In response to questions and comments from Members it was said that:
  - a) There was no specific review date, rather the paper would be regularly looked at to ensure that it remained relevant. To address the difficulties referenced in the paper, all members of the team had completed training and development, which was dependent on level of seniority. Various parts of the council would also be affected by the National Procurement Policy Statement and would be offered training, as well as those responsible for spending the Council's money.

- b) In terms of waivers, a new process was set up which provided an automated request that would not allow them to progress without the approval of the Head of Commercial and Procurement Division, for the sum of up to £1 million. Anything above must be approved by the Section 151 Officer and Monitoring Officer. This included retrospective waivers.
  - c) The acquisition and disposal of property were outside the framework of the Procurement policy, although the same principles applied, a different set of rules was applicable.
  - d) Social value was written into all aspects of the division as well as being one of the team's KPIs (Key Performance Indicator). The Deputy Cabinet Member wanted it recorded that Social Value was built into all contracts in an enforceable way, where appropriate.
  - e) The KCC payment record to suppliers was published on the Kent Website. The Council is required to report on all undisputed invoices annually.
3. RESOLVED that Members will support the changes proposed in sections 2 – 8 and recommend to the County Council that these changes be approved.
  4. RESOLVED that Members agree that the Head of Commercial and Procurement and Section 151 Officer shall update the Committee on any further changes, due to the new National Procurement Policy Statement.

### **234. Progress Update on the Grant Thornton Value For Money Recommendations**

*(Item 9)*

1. The General Council introduced the progress update report on the Grant Thornton value for money recommendations. It was highlighted that a table for items completed would be made available for all Members to see on the task tracker, contained in Microsoft Teams and a report would be contained in the Annual Government Statement.
2. Auditors from Grant Thornton confirmed that they were pleased with the quantum of response to date.
3. The General Council confirmed that the report would be prepared before March 2025.

RESOLVED Members noted the progress update on the Grant Thornton value for money recommendations and agreed that a final report would be provided before the end of the current administrative cycle

### **235. Audit Risk Assessment**

*(Item 10)*

1. The Interim Corporate Director presented the Audit Risk Assessment. It was confirmed that the principle financial risks would be reflected in the Annual Government Statement.

2. In response to questions and comments from Members it was said that:
- a) When the Authority disposes of an asset of the organisation, there were various considerations taken into account, such as value for money and the potential to gain the maximum possible capital receipt. The valuation of the asset is recorded as part of the Governance structure.
  - b) There was an agreement in place with the Department of Education that in return for undertaking a set of actions they will release a set amount of funds, which the Council is currently on track with and so the funds are being released. This agreement is covered in the Cabinet report. If all actions which could be undertaken, were completed, there would still be a likely deficit of around £220 Million by the end of 2027/28. The arrangement with the Department of Education was that the Council would find up to £80 Million of this from reserves or further reductions.
  - c) The Council is not permitted to subsidise SEND funding beyond the grant the department is currently in receipt of, without the express permission of the Secretary of State. This left two options of either making service reductions or reaching an agreement that repayments can be made over a longer period.
  - d) An explanation of high needs deficit was given to all Members by the Interim Corporate Director.
  - e) In relation to ASC, in some areas financial saving had been successful, but not in others and consequently these areas had not met the budget during the current financial year. It had been agreed that the department would contract to bring in a third party to assist with bringing the areas not meeting the budgetary target into line, within the current financial year.
  - f) The Authority was aware of the impact of inflation and the risks of inflammatory increase going forwards. Over 70% of revenue budget was allocated to Adult Social Services and Children Social Services being the statutory services due to inflation of these budget heads.
  - g) Grant Thornton confirmed that they were satisfied with the comprehensive nature of the responses from the Council and recognise some of the challenges reflected in this.
  - h) The position of the Authority's high level deficit for the current financial year was around £49 Million although the fund paid by the Department of Education needed to be subtracted and therefore this was not an accurate figure. A figure of where the deficit was forecast to be at the end of the year would be provided in due course.
  - i) It was explained that there was a specific fraud risk associated with the Libraries, Registration and Archive services as they were more often met with cash payments and so more likely to lend opportunities for fraud.
  - j) A statutory duty in one area could result in a breach of a statutory duty in another area, by way of example: Libraries and the 1964 Libraries Act. A discretionary service can also have a statutory basis.
3. RESOLVED considered and agreed the responses to Grant Thornton.

**236. Financial Management Code of Practice - Compliance Assessment**  
*(Item 11)*

1. The Interim Corporate Director of Finance introduced the Financial Management code of Practice and Compliance Assessment and addressed questions from the Members regarding endorsement.
2. In response to questions and comments from the Members the following was said:
  - a) The GRIP at present was a collection of the recommendations that appeared on the Microsoft Teams site but going forwards but will encompass every action, from every meeting and the progress of such.
  - b) Financial irregularities should be reported to Governance and Audit Committee although it was dependant on the irregularity.
  - c) The current rating of 'green' was an assessment based on what accurate reserves could be available. The Council does not have 5% of general reserves in place at present, but the management team can demonstrate a plan to meet this target. The purpose of the Code was to ensure those plans were in place and being enacted.
3. RESOLVED Members commented and endorsed the assessment of compliance against Financial Management Code for 2024/25

**237. Audit Backstop and Revised Date**  
*(Item 12)*

1. The Head of Financial Operations introduced the Audit Backstop and Revised Date item. The following was stated:
  - a) Backstop dates should not impact Kent County Council.
  - b) It was noted that Authorities had an additional month to prepare draft accounts for 2024/25. Members requested the opportunity to review the accounts before publication on the public website.
  - c) Members requested reassurance around the impact of any national delays on the accounts being completed and signed off. Pension fund arrangements may also be affected by any delays.
  - d) It was noted that the accounts published on the 31 May 2024 were a result of hard work by various officers and teams and this was recognised.
2. RESOLVED Members noted the changes proposed and the general timetable.

**238. External Audit Progress Report and Sector Update**  
*(Item 13)*

1. Mr Paul Dossett presented the update for the External Audit Progress Report and Sector update. The following points were highlighted:

- a) Good progress had been made and Grant Thornton were in the process of reviewing all detailed work and were on schedule to produce a report on the audit during the next few weeks.
  - b) It was anticipated that a full report would be produced in December 2024 and the accounts would be signed off which closed any risks associated with the backstop.
  - c) Teachers' Pension was a legacy provider issue with Kent County Council and the Council were in dialogue with the DFE (Department of Education) about this.
  - d) In relation to the internal audit, the Committee were recommended to review Evaluation of the Health of Internal Audit featured on page 262.
  - e) The implementation of new internal audit standards was the primary focus and would be brought to the Committee's attention over the coming months.
2. RESOLVED Members noted the progress report prepared by Grant Thornton.

**239. Other items which the Chairman decides are urgent**  
*(Item 14)*

There were no other items arising.

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**Governance and Audit Committee Action Tracker**

<b>Meeting Date</b>	<b>Minute No.</b>	<b>Agenda Item/Subject</b>	<b>Action</b>	<b>Responsible Officer/Area</b>	<b>Status</b>
23 July 2024	222.6.a	Internal Audit Annual Report 2023-24	A progress report from management on the implementation of the agreed management actions would be presented at the next meeting.	Ben Watts	This report was considered by Members at the 9 October 2024 meeting of the Governance and Audit Committee.
23 July 2024	223.4	Risk Management Verbal Update	Committee's tracking of the risk relating to the Council's financial position would be considered as part of the agenda setting process.	Mark Scrivener John Betts	This was discussed at the agenda setting meeting for 12 November 2024. It was agreed that further discussions were required to determine what information could be shared and the most appropriate way to share the information to Members.
23 July 2024	225.2.b	External Audit Progress Report and Sector Update	Members would receive an update on the Council's progress towards addressing the recommendations outlined in the previous year's VFM findings.	Ben Watts John Betts	Completed. This report was considered by Members at the 9 October 2024 meeting of the Governance and Audit Committee.
23 July 2024	225.2.c	External Audit Progress Report	The Committee's role in relation to the Council's productivity	Ben Watts Katy Reynolds	This will be reviewed by December 2024.

		and Sector Update	plans would be considered as part of a review of the Committee's Terms of Reference.		
23 July 2024	222.6.b	Internal Audit Annual Report 2023-24	Following a request for clarification regarding contract management (and the Council's governance in relation to wholly owned companies), it was agreed that a paper providing further information would be considered as part of the agenda setting process.	Ben Watts	This has been added to the Governance and Audit Committee agenda for 12 November 2024.
23 July 2024	222.6.c	Internal Audit Annual Report 2023-24	Further clarification regarding the Internal Audit process in relation to advisory and follow-up audits would be provided to the Committee.	Jonathan Idle	Completed: Further information provided to the Governance and Audit Committee via email on 13 August 2024.
9 October 2024	230.7.c	Internal Audit Management Actions Update	It was agreed that a final report be provided before the end of the current administrative cycle (before end of March 2025)	Ben Watts Amanda Beer	This item has been tentatively added to the 20 March 2025 Governance and Audit Committee agenda.
9 October 2024	230.7.b	Internal Audit Management Actions Update	The latest compliance figures will be uploaded to the Teams site before the Governance and Audit Committee meeting on 12 November 2024.	Ben Watts Amanda Beer	



9 October 2024	230.4	Internal Audit Management Actions Update	Training on the audit process and how audits are built will be developed for Committee Members as part of the revised induction programme to be launched in 2025.	Jonathan Idle	
9 October 2024	230.7.b	Internal Audit Management Actions Update	A detailed version of Appendix 1 would be circulated to the Committee via the Teams site ahead of the Governance and Audit Committee on 12 November 2024.	Ben Watts Amanda Beer	
9 October 2024	234	Progress Update on the Grant Thornton Value For Money Recommendations	It was agreed that a final report be provided before the end of the current administrative cycle (before end of March 2025)	Ben Watts John Betts	This item has been tentatively added to the 20 March 2025 Governance and Audit Committee agenda.
9 October 2024	231.2.m	Annual Customer Feedback Report 2023/24	The Committee would be provided with further details regarding the legal costs of complaints for 2023/24	Ben Watts	
9 October 2024	237.1.b	Audit Backstop and Revised Date	Ahead of the Committee's consideration of the accounts, training would be provided to the Committee on how to effectively read the accounts.	John Betts Cath Head	



By: Jonathan Idle – Head of Internal Audit

To: Governance and Audit Committee – 12 November 2024

Subject: **INTERNAL AUDIT PROGRESS REPORT**

Classification: Unrestricted

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**Summary:**

This Progress Report details summaries of completed Audit reports between for the period July 2024 to November 2024.

**Recommendation:**

**The Governance and Audit Committee note the Internal Audit Progress Report for the period July 2024 to November 2024.**

**FOR ASSURANCE**

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**1. Introduction**

- 1.1 Public Sector Internal Audit Standards (PSIAS) require that periodic reports on the work of Internal Audit should be prepared and submitted to those charged with governance.
- 1.2 This Progress Report provides the Governance and Audit Committee with an accumulative summary view of the work undertaken by Internal Audit for the period July 2024 to November 2024 together with the resulting conclusions, where appropriate.

**2. Recommendation**

- 2.1 Members are requested to note the Internal Audit Progress Report for the period July 2024 to November 2024.

**3. Background Documents**

Internal Audit Progress Report.

**Jonathan Idle, Head of Internal Audit**

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**INTERNAL AUDIT PROGRESS REPORT  
GOVERNANCE AND AUDIT COMMITTEE  
12 November 2024**

# 1. Introduction

The role of the Internal Audit function is to provide Members and Management with independent assurance that the control, risk and governance framework in place within the Council is effective and supports the Council in the achievement of its objectives. The work of the Internal Audit team should be targeted towards those areas within the Council that are most at risk of impacting on the Council's ability to achieve its objectives.

Upon completion of an audit, an assurance opinion is given on the effectiveness of the controls in place. The results of the entire programme of work are then summarised in an opinion in the Annual Internal Audit Report on the effectiveness of internal control within the organisation.

This activity report provides Members of the Governance and Audit Committee and Management with 9 summaries of completed work between July and November 2024.

## 2. Key Messages

- 4 audits have been finalised in the period reported. **Appendix A**
- 7 audits from the 2024-25 6-month rolling Audit Plan are either in fieldwork, ongoing embedded assurance or reporting stage. **Appendix B**
- 21 audits are in planning. **Appendix B**
- **Payment Card Industry Data Security Standards (PCI DSS)** Follow-up has been deferred as management action timescales for implementation will not be completed within the current audit year.
- The Planned audit for **School Themed Review – Procurement** has been deferred and will potentially now be reviewed in 2025-26 as there has been a delay in the changes in legalisation. The school themed review will now focus on safeguarding.
- There have been 4 additions to the plan which include follow-up work for limited assurance audits (**Loans to Schools Follow-up, Sundry Debt Recovery – Cancellation of Invoices Follow-up** and **Annual Governance Statement Follow-up**) and annual review of **Data Security Protection Toolkit (DSPT)**.
- The Internal Audit service is a finalist for “Excellence in Public Sector Audit” for the Public Finance Awards in November.

## 3. Resources

In accordance with the Public Sector Internal Audit Standards, Members need to be appraised of relevant matters relating to the resourcing of the Internal Audit function. The key updates are as follows:

- Permanent recruitment for the vacant Deputy Audit Manager post has been recruited to successfully.
- Permanent recruitment to Principal Auditor Post has been recruited to successfully.
- Permanent recruitment for 2 Trainee IT Auditors has been undertaken and recruitment checks are currently being undertaken.

## 4. Update on Assessment Against the Global Internal Audit Standards

As presented to the Governance & Audit Committee on 16<sup>th</sup> May 2024, a new set of Global Internal Audit Standards (the Standards) are due to come into effect from January 2025.

The Standards are arranged into 5 Domains (with 53 individual standards):

- I. Purpose of Internal Auditing
- II. Ethics and Professionalism
- III. Governing the Internal Audit Function
- IV. Managing the Internal Audit Function
- V. Performing Internal Audit Services

An assessment has been undertaken to identify areas for improvement or enhancement to the practices of Internal Audit to ensure compliance with the Standards. Actions have been identified against each of the standards where either improvement or enhancement is required. Full compliance against the Standards will be sought during the course of the 2024-25 Rolling Internal Plan and statement of compliance provided within the Annual Report.



## 5. 2024-25 Internal Audit Plan

This report also provides an update on the work completed between April and November 2024. The audit summaries are provided at [Appendix A](#). A summary is provided on current progress against the 2024-25 Audit Plan.

### Plan updates:

- The Planned audit for **Payment Card Industry Data Security Standards (PCI DSS)** Follow-up has been deferred as management action timescales for implementation will not be completed within 2024-25.
- The Planned audit for **School Themed Review – Procurement** has been deferred and will potentially now be reviewed in 2025-26 as there has been a delay in the changes in legalisation. The school themed review will now focus on safeguarding.
- There have been 4 additions to the plan which include follow-up work for limited assurance audits (**Loans to Schools Follow-up**, **Sundry Debt Recovery – Cancellation of Invoices Follow-up** and **Annual Governance Statement Follow-up**) and annual review of **Data Security Protection Toolkit (DSPT)**.

Table 1- Audit Plan Status

Status	Number of Audits	%
Not yet started	34	52
Planning	19	29
Fieldwork	2	3
Ongoing	5	8
Draft Report	2	3
Final Report	1	2
On Hold	0	0
Removed/ Deferred	2	3
Total	65	

### Section Navigation

Introduction & Key Messages

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Global Internal audit Standards Update

2024-25 Internal Audit Plan

Grant Certification

Under the Spotlight

Appendix A - Summaries

Appendix B – 2024-25 Internal Audit Plan Status

Appendix C - Grant Certification

Appendix D - Definitions

\* RB18-2024 - Loans to Schools opinion is not included in 2024-25 assurance opinions as this was included in the Annual 2023-24 Audit Opinion.

## Table 2 – Summary of Audits by Committee Meeting

Governance & Audit Committee – 12 November 2024			
No	Audit	Opinion	Prospects for Improvement
1	RB18-2024 - Loans for Schools (Opinion Reported 2023-24)* <b>EXEMPT</b>	LIMITED	GOOD
2	RB06-2024 – Kent Cards and Direct Payments – Policies and Practice	LIMITED	GOOD
3	RB37-2025 - Facilities Management <b>EXEMPT</b>	ADEQUATE	TBC
4	RB41-2025 - Border Control - EU Entry Exit System Checks (EES)	ADEQUATE	TBC
5	GR01-2025 – Bus Service Operators Grant (BSOG) for KCC	ADVISORY	N/A
6	GR02-2025 – Local Transport Capital Funding (DfT)	ADVISORY	N/A
7	GR06-2025 - Local Transport Capital Funding (integrated funding and maintenance) & Local Transport Capital Funding (Pothole)( DfT)	ADVISORY	N/A
8	SE01-2025 – Sport England	ADVISORY	N/A

\* RB18-2024 - Loans to Schools opinion is not included in 2024-25 assurance opinions as this was included in the Annual 2023-24 Audit Opinion

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Introduction & Key Messages

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Global Internal audit Standards Update

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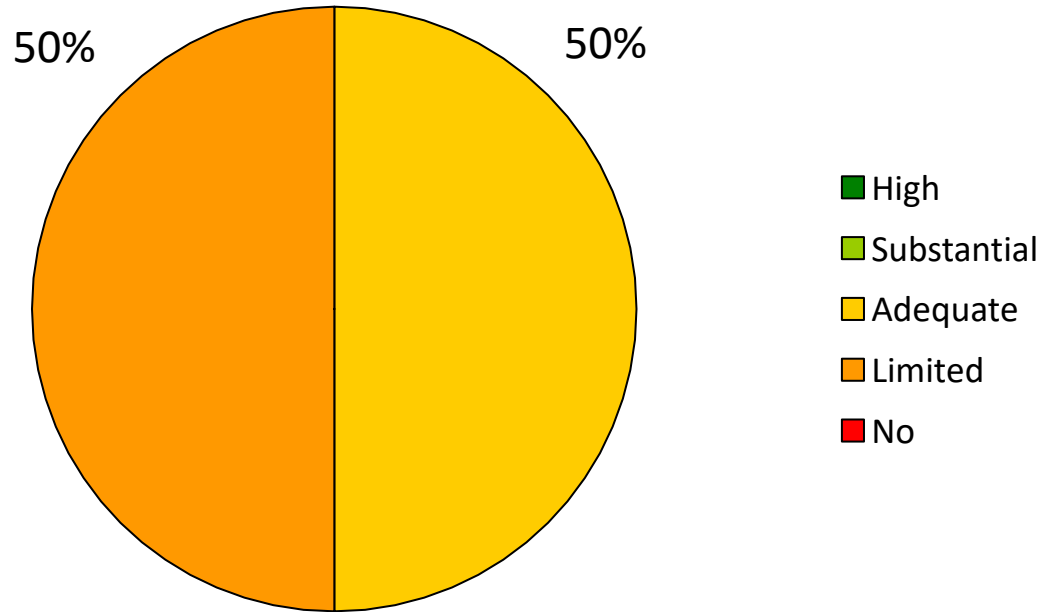
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# 2024-25 Audit Assurance Levels and Prospects for Improvement of Audits

**Assurance Levels 2024-25**



Assurance Level	No	%
High	0	0%
Substantial	0	0%
Adequate	2	50%
Limited	2	50%
No	0	0%

Prospects for Improvement	No	%
Very Good	0	0%
Good	2	100%
Adequate	0	0%
Uncertain	0	0%

\* RB18-2024 - Loans to Schools opinion is not included in 2024-25 assurance opinions as this was included in the Annual 2023-24 Audit Opinion.

## 6. Grant Certification Work

Internal Audit’s work on grant certification provides an essential service for the Council. Although it is not audit opinion work, the Audit team’s schedule of grant certifications is an ongoing commitment of Internal Audit resources which requires adherence to strict timescales for the certification of claims submitted.

In 2024-25, the Team has audited and certified 1 Interreg grant claims with a value of **£900,000**.

Grant work is also completed by the Internal Audit team in respect of validating expenditure of various UK Government Grants awarded for activities such as Public Health, Highways, Environment, Travel Demand Management and Bus Service Operators Grant. In 2024-25, the Team has to date, audited and certified 3 government grants with a value of **£52,300,000**.

Details of all certifications for 2024-25 can be seen at **Appendix A and C**.

## 7. Under the Spotlight!



With each Progress report, Internal Audit turns the spotlight on the audit reviews, providing the Governance and Audit Committee with a summary of the objectives of the review, the key findings, conclusions and recommendations; thereby giving the Committee the opportunity to explore the areas further, should it wish to do so.

In this period, the following report summaries are provided at **Appendix A** for the Committee’s information and discussion. Audit Definitions are provided at **Appendix D**

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(A) Adult Social Care and Health	(B) Children, Young People and Education
A1. RB06-2024 – Direct Payments	B1. RB18-2024 – Loans for Schools (Opinion Reported 2023-24) EXEMPT
(C) Growth, Environment and Transport Cross Directorate	(D) Chief Executive
C1. GR01-2025 – BSOG for KCC C2. Local Transport Capital Funding (DfT) C3. GR06-2025 - Local Transport Capital Funding (integrated funding and maintenance) & Local Transport Capital Funding (Pothole)( DfT) C4. SE01-2025 – Sport England	
(E) Deputy Chief Executive	(F) Cross Directorate
E1. RB37-2025 – Facilities Management EXEMPT	F1. RB41-2025 – Border Control – EU Entry Exit System Checks (EES)

# Appendix A - Summaries

## A1. RB06-2024 – Kent Cards and Direct Payments – Policies and Practices

<b>Audit Opinion</b>	<b>LIMITED</b>
<b>Prospects for Improvement</b>	<b>GOOD</b>

### Scope

1) Internal Audit were requested to undertake a review of Direct Payments. Self-directed support is a way of providing social care support that empowers people who draw on care and support (through coproduction) to have informed choice about how their care and support needs are met. This approach aligns with Kent's shared/ coproduced vision for adult social care in Kent "Making A Difference Everyday" (MADE).

2) The provision of direct payments is a key enabler to roll out self-directed support in Kent.

3) Kent County Council (KCC) provides Adult Social Care and Health (ASCH) Services to adults who draw on care and support in Kent. The Direct Payment and Kent Cards Team are responsible for depositing and monitoring the local council payments to adults with eligible assessed needs and who draw on care and support.

4) The Care Act 2014 places a legal duty of Kent County Council to offer a direct payment to individuals with eligible assessed needs and outcomes (bar some exemptions set out in the Act). It should be noted that the Care Act 2014 does not allow the Council to impose a direct payment on individual who refuses.

5) Through a direct payment, adults who draw on care and support must experience freedom, choice, flexibility, and control on how they organise, buy, and manage their assessed care and support needs. Recipients may choose to employ carers, personal assistants or spend the payments on other uses to meet their eligible assessed needs. The Care Act 2014 requires Kent Council County to ensure processes are not overly bureaucratic, that arrangements are in place to ensure direct payments are accessible to all eligible individuals.

6) Currently 3,314 adults who draw on care and support are in receipt of Direct Payments, 2,387 people receive their payments via Kent Cards and 927 have their Direct Payments deposited into their personal bank account. As part of ongoing transformation plans ASCH has set an ambitious stretch target for new recipients of care and support with a target of 75% receiving a direct payment v's 25% receiving a commissioned home care offer.

### Audit Observation

Engagement from practitioners at fieldwork stage of the audit was limited with only four responses received from fourteen audit fieldwork questionnaires issued (29%). This has impacted on the ability of Internal Audit to make a fully informed assessment of some areas of practice, which may be an area for further coverage.

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# A1. RB06-2024 – Kent Cards and Direct Payments – Policies and Practices

## Key Strengths

- The Policy does align to the statutory requirements of the Care Act set out in S31, S22, and S23.
- The wording of the Policy allows for flexibility such as including provision for amending the direct payment and minor home adaptations to be made through the direct payment.
- Excessive balance reports to track surpluses in Kent Card accounts are updated and issued monthly to management.
- There is evidence on Mosaic that monitoring is being undertaken of the use of Direct Payments.

## Areas for Development

- The Policy is vague or ambiguous in some areas, particularly in relation to the Care Act and description of how short-term breaks in residential care will impact on direct payments. **MEDIUM**
- There is no written timeframe for how long it should take for an amendment to a direct payment to be actioned once the need to do so is identified. **MEDIUM**
- There is no guidance for Officers or Direct Payment Officers on methods for monitoring separate bank accounts. **MEDIUM**
- If a direct payment is assessed as being low risk in terms of inappropriate use by the service user, then only annual reviews are conducted. **MEDIUM**
- To create the report “Unusual Transactions” is very time consuming as there is nothing currently in place to compare the service user’s care plan with their transactions, therefore this is completed manually. **MEDIUM**
- The direct payments team are at workload capacity and there is not sufficient resource to effectively process and monitor any increase in direct payment numbers. **HIGH**
- From review of fieldwork questionnaire responses received, it was identified that there are differences in practitioners understanding of when a Direct Payment should be offered. **MEDIUM**
- Direct payment recipients are not routinely surveyed to ask whether the direct payment system is working for them making it difficult to evidence equitable choice (equality of access, experience, and outcomes for people about the take up and use of direct payments) for service users. **MEDIUM**

- Inconsistencies with service users’ management, or use of direct payments arising from unclear guidance. **HIGH**

## Prospects for Improvement

Our overall opinion of **Good** for Prospects for Improvement is based on the following factors:

- Management have accepted the areas that have been identified for improvement and have provided action plans against each of the issues raised.
- The timescales provided for the completion of the action plans demonstrate that management recognise the risks identified and intend to work towards implementing solutions in a timely manner.
- ASCH leadership have demonstrated through various meetings with Internal Audit that processes are being established within the ASCH directorate to improve tracking and completion of management actions outstanding raised in previous audits.

## Summary of Management Responses

	No. of Issues Raised	Mgt Action Plan Developed	Risk Accepted & No Action Proposed
High Risk	2	2	NA
Medium Risk	7	7	NA
Low Risk	0	NA	NA

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## C1. GR01-2025 – Bus Service Operators Grant (BSOG) for KCC

### Audit Opinion

ADVISORY

### Prospects for Improvement

N/A

Local Authority Bus Subsidy (Revenue) Grant - 2023-2024: No 31/6909  
Financial Year Period 1 April 2023 – 31st March 2024

### Testing and findings

Total spent up to 31st March 2024 = £1,087,788. Total value of tested expenditure was £34,335.75 – 3% of total Revenue grant received.

Total amount forecast / committed	Total amount of sampled transactions	% Coverage	Number of Transactions Reviewed	Audit Findings
£1,087,788	34,335.75	3%	12	All suppliers were tested and fully supported evidence followed grant conditions.

Internal Audit checks completed on transactions were as follows –

- Paid in Oracle in the period.
- Supporting evidence available
- Evidence matches amount paid and description of payment.
- Relates to the grant conditions.

### Conclusion

Having carried out appropriate investigations and checks, Internal Audit confirm the 2023/24 Local Authority Bus Subsidy (Revenue) Grant has been spent in accordance with the grant conditions. Recommendation: The grant declaration to be signed and submitted by Head of Internal Audit and Corporate Director of Growth, Environment and Transport by 17<sup>th</sup> September 2024.



## C2. GR12-2025 – Local Transport Capital Funding (Pothole)( (DfT)

### Audit Opinion

ADVISORY

### Prospects for Improvement

N/A

Local Transport Capital Block Funding (Pothole Fund) Specific Grant Determination 2023-24: No 31/6680  
Financial Year Period 1 April 2023 – 31st March 2024

### Testing and findings

Total spent up to 31st March 2024 = £4,296,000. Total value of tested expenditure was £2,385,205 – 56% of total Revenue grant received.

Total amount forecast / committed	Total amount of sampled transactions	% Coverage	Number of Transactions Reviewed	Audit Findings
£4,296,000	2,385,205	56%	15	All transactions tested were fully supported by evidence and comply with grant conditions

Internal Audit checks completed on transactions were as follows –

- Paid in Oracle in the period.
- Supporting evidence available
- Evidence matches amount paid and description of payment.
- Relates to Highways capital expenditure, and therefore eligible under the grant conditions.

### Conclusion

Having carried out appropriate investigations and checks, Internal Audit confirm that the conditions applied to the Local Transport Capital Funding (Pothole) grant have been complied with. Recommendation: The grant declaration to be signed and submitted by Head of Internal Audit and Corporate Director of Growth, Environment and Transport by 16<sup>th</sup> September 2024.

## C3. GR06-2025 – Local Transport Capital Funding (integrated funding and maintenance) & Local Transport Capital Funding (Pothole)( (DfT)

**Audit Opinion**

**ADVISORY**

**Prospects for Improvement**

**N/A**

Local Transport Capital Block Funding (Integrated Transport and Highway Maintenance) Specific grant determination 2023-24: No 31/6681  
Local Transport Capital Block Funding (Pothole Fund) Specific Grant Determination 2023-24: No 31/6680  
Financial Year Period 1 April 20263 – 31st March 2024

### Testing and findings

Total spent up to 31st March 2024 = £47,026,800. Total value of tested expenditure was £15,875,461 – 34% of total Revenue grant received.

Total amount forecast / Committed	Total amount of sampled transactions	% Coverage	Number of Transactions Reviewed	Audit Findings
47,026,800	15,875,461.10	34%	15	All transactions tested were fully supported by evidence and comply with grant conditions

Internal Audit checks completed on transactions were as follows –

- Paid in Oracle in the period.
- Supporting evidence available
- Evidence matches amount paid and description of payment.
- Relates to Highways capital expenditure, and therefore eligible under the grant conditions.

### Conclusion

Having carried out appropriate investigations and checks, Internal Audit confirm the 2023/24 Transport Capital Funding (Integrated Funding and Maintenance) & Local Transport Capital Funding (Pothole) grant has been spent in accordance with the grant conditions. Recommendation: The grant declaration to be signed and submitted by Head of Internal Audit and Corporate Director of Growth, Environment and Transport by 16<sup>th</sup> September 2024.

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## C4. SE01-2025 – Sport England (Interreg)

### Audit Opinion

ADVISORY

### Prospects for Improvement

N/A

Sports England / APN Funding – Reference number: 2021013264, 2023012387, 2021006147, 2021012903 & 2020021156.  
Financial Year Period 1 April 2023 – 31st March 2024

### Testing and findings

Total spent up to 31st March 2024 = £931,874. Total value of tested expenditure was £744,868 – 80% of total Revenue grant received.

Total amount forecast / committed	Total amount of sampled transactions	% Coverage	Work undertaken	Audit Findings
£931,874	744,868	80	Examined the entries in the Statements of Expenditure. include relevant transactions including payroll and accounts payable which would also include the sports service.	Financial policies and procedures are in line with those of the Host Agency KCC.

Internal Audit checks completed on transactions were as follows –

- Paid in Oracle in the period.
- Supporting evidence available
- Evidence matches amount paid and description of payment.
- Income and expenditure .

### Conclusion

The entries in the Statement of Expenditure are fairly stated and the expenditure incurred from the Sport England Core Services Award and the Active Partnership Funding for 2023/24 is eligible.

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# F1. RB41-2025 - Border Control - EU Entry Exit System Checks (EES) DRAFT

Audit Opinion	ADEQUATE
Prospects for Improvement	TBC

## Scope

Internal Audit were requested to undertake a review of Border Control – EU Entry Exit system Checks. The introduction of EES by the European Union (EU) means that there will be an automated IT system for registering travellers from non-EU countries into the UK each time they cross a border in or out of the EU. Travellers will need to scan their passports at an automated self-service kiosk prior to crossing the border and this will replace the manual stamping of passports process for visitors to the Schengen area who are not EU nationals.

The introduction of the EU Entry Exit System (EES) has been much delayed. It was previously scheduled for implementation in 2022, then May 2023, and is now scheduled to be introduced in November 2024, following a request from France to be delayed until after the Paris Olympics 2024.

The EES issue has been discussed previously at Cabinet, and work is ongoing with Department for Transport (DfT) and the Kent & Medway Resilience Forum (KCC is the lead agency for EES), and a number of Steering Groups to address specific issues such as traffic management, community impact, media & comms, and driver welfare.

On 24<sup>th</sup> of July 2024, a news article was published whereby Kent Council Leaders urged the Government to act urgently to plan for impact of new border checks. Furthermore, news articles from reputable sites are often making headlines, providing information on passport checks and projected estimated delays.

The Council has a statutory obligation to deliver a range of core public services, and all services across the authority have business continuity plans in place to ensure uninterrupted operation of critical statutory functions, including as a result of any disruption arising from EES checks.

The audit excluded the role of Kent & Medway Resilience Forum (KMRF), as this forum has a wider remit that covers NHS, Fire Services, etc and is outside our control. Disaster recovery will also be excluded from scope.

## Key Strengths

- Key documents such as corporate business continuity plan & business continuity management policy is in place.
- The BCPs selected for testing in the audit were accurate and complete.
- There is a new system being implemented (Meridian) which is a web-based tool designed to automate and alleviate the everyday management of an organisation's Business Continuity Management System and delivers compliance to ISO22301 and FCA Operational Resilience standards.
- There is a KCC EES Tactical Group action log and an EES Strategic Group action log, which is used for the monitoring of tasks.
- There is a reporting flag mechanism (RAG rated) identified in the business continuity plans monitoring, which monitors risk levels for BCPs.
- There have been lessons learned shared from previous incidents/ events, for example the Kent & Medway Resilience Forum lessons learnt have been shared with KCC.

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# F1. RB41-2025 - Border Control - EU Entry Exit System Checks (EES)

## Areas for Development

- Lessons learnt from some Tabletop exercises were provided however, there is no assurance that these have been implemented. **Medium**
  - There is no compulsory training in place for those who need to prepare and complete a BCP. **Medium**
  - Vendors and suppliers did not form part of the testing for EES. **Medium**
  - Business continuity plans provided were not updated for several years. There is the expectation that the service will provide all relevant information when completing the BCP **Medium**
- The current contingency built in for EES is the utilisation of reserves **Medium**

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## Prospects for Improvement

### Summary of Management Responses

	No. of Issues Raised	Mgt Action Plan Developed	Risk Accepted & No Action Proposed
High Risk	0		
Medium Risk	5		
Low Risk	0	NA	NA

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# Appendix B – 2024-25 Rolling Internal Audit Plan Status

Ref	Audit	Status	Assurance	Prospects for Improvement	Committee
CR01-2025	Oracle Cloud Programme	ONGOING			
CR02-2025	Section 117 Aftercare Payments	ONGOING			
CR03-2025	Process review of SEND Payments	NOT STARTED			
CR04-2025	Review of SEND Assurances	NOT STARTED			
CR05-2025	Highways Maintenance Term Contract	ONGOING			
ICT01-2025	Artificial Intelligence	PLANNING			
ICT02-2025	Laptops Follow-up	NOT STARTED			
ICT03-2025	Cyber Security Assurance Map	NOT STARTED			
ICT04-2025	KCC Website Review	PLANNING			
ICT05-2025	KCC Incident Response Plan	PLANNING			
ICT06-2025	Backups	PLANNING			
ICT07-2025	Payment Card Industry Data Security Standards (PCI DSS) Follow-up	DEFERRED			
RB01-2025	Securing Kent's Future - Delivery Plans	NOT STARTED			
RB02-2025	Compliance with Financial Regulations Follow-up	PLANNING			
RB03-2025	Equality, Diversity & Inclusion including Equalities Act Follow-up	NOT STARTED			
RB04-2025	Restructures	NOT STARTED			
RB05-2025	Business Continuity Planning (BCP)	NOT STARTED			
RB06-2025	Effectiveness of Whistleblowing	PLANNING			
RB07-2025	Establishments	NOT STARTED			
RB09-2025	Decisions on Accepting Grant funding	PLANNING			
RB10-2025	Mosaic – Pay Portal	NOT STARTED			

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Ref	Audit	Status	Assurance	Prospects for Improvement	Committee
RB11-2025	Payment to Providers	PLANNING			
RB12-2025	ASCH Referrals and Signposting	NOT STARTED			
RB13-2025	3 <sup>rd</sup> Party Social Care Risks	NOT STARTED			
RB14-2025	Commissioning & Transformation Board	ONGOING			
RB15-2025	Public Health Service Transformation	NOT STARTED			
RB16-2025	Public Health - Budget Forecasting & Expenditure	PLANNING			
RB17-2025	Review of Specific Contract Award Lesson Learnt (EDLA)	PLANNING			
RB18-2025	KCC Governance Improvement Action Plan	NOT STARTED			
RB19-2025	Voluntary Community Sector	NOT STARTED			
RB20-2025	Application of Spending Controls	NOT STARTED			
RB21-2025	Treasury Management	PLANNING			
RB22-2025	Contract Variations / Waiver Process and Approvals	PLANNING			
RB23-2025	Budget Savings including Follow-up	NOT STARTED			
RB24-2025	Standards of Public Life	PLANNING			
RB25-2025	Contract Extensions Follow-up	PLANNING			
RB26-2025	Procurement Follow-up	PLANNING			
RB27-2025	Modern Slavery	NOT STARTED			
RB28-2025	Use of Consultants	PLANNING			
RB29-2025	Contract Novation	PLANNING			
RB30-2025	Risk Management	NOT STARTED			
RB31-2025	KCC Registered Children's Care Homes	NOT STARTED			
RB32-2025	School Themed Review - Procurement	DEFERRED			
RB33-2025	Education - Alternative Provision (Pupil Referral Units)	FIELDWORK			

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Ref	Audit	Status	Assurance	Prospects for Improvement	Committee
RB34-2025	Decision Making (CYPE)	NOT STARTED			
RB35-2025	Capital Programme (Schools)	NOT STARTED			
RB36-2025	Disciplinaries	NOT STARTED			
RB37-2025	Facilities Management	DRAFT REPORT	ADEQUATE	TBC	November GAC
RB38-2025	Unaccompanied Asylum Seeking Children (USAC) Accommodation	NOT STARTED			
RB39-2025	Payroll	NOT STARTED			
RB40-2025	Strategic Reset Programme (SRP)	NOT STARTED			
RB41-2025	Border Control - EU Entry Exit System Checks (EES): - Business continuity - Emergency Planning - Supply Chain Management	DRAFT REPORT	ADEQUATE	TBC	November GAC
RB42-2025	Economic Strategy Delivery	NOT STARTED			
RB43-2025	Waste and Circular Economy	NOT STARTED			
RB44-2025	Income and Sales	NOT STARTED			
RB45-2025	Department for Environment, Food & Rural Affairs (DEFRA) Checking of Goods Changes	NOT STARTED			
RB46-2025	Climate Adaptation	ONGOING			
RB47-2025	Oracle Cloud Programme - Programme Management	FIELDWORK			
RB48-2025	Helping Hands Follow up	PLANNING			
RB49-2025	School Themed Review – Safeguarding	PLANNING			
RB50-2025	Loans to Schools Follow-up	NOT STARTED			
RB51-2025	Sundry Debt Recovery - Cancellation of Invoices Follow-up	NOT STARTED			
RB52-2025	Data Security Protection Toolkit (DSPT)	NOT STARTED			
RB53-2025	Annual Governance Statement Follow-up	NOT STARTED			
RB06-2024	Kent Cards and Direct Payments – Policies and Practice	COMPLETE	LIMITED	TBC	November GAC

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## Appendix C – Grant Certification

Grants	Description	Current Status
Department for Transport	Bus Services Operators Grant (BSOG) – Annual grant to support local bus services (£1.1m)	Complete
Department for Transport	Integrated Transport & Maintenance Block (£47.0m)	Complete
Department for Transport	Local Transport Capital Block Funding -Pothole Fund (£4.3m)	Complete
Sport England	Sport England 23/24 (£0.9m)	Complete

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## Audit Opinion

**High**

Internal control, Governance and the management of risk are at a high standard. The arrangements to secure governance, risk management and internal controls are extremely well designed and applied effectively.

Processes are robust and well-established. There is a sound system of control operating effectively and consistently applied to achieve service/system objectives.

There are examples of best practice. No significant weaknesses have been identified.

**Limited**

Internal Control, Governance and the management of risk are inadequate and result in an unacceptable level of residual risk. Effective controls are not in place to meet all the system/service objectives and/or controls are not being consistently applied.

Certain weaknesses require immediate management attention as there is a high risk that objectives are not achieved.

**Substantial**

Internal Control, Governance and management of risk are sound overall. The arrangements to secure governance, risk management and internal controls are largely suitably designed and applied effectively.

Whilst there is a largely sound system of controls there are few matters requiring attention. These do not have a significant impact on residual risk exposure but need to be addressed within a reasonable timescale.

**No Assurance**

Internal Control, Governance and management of risk is poor. For many risk areas there are significant gaps in the procedures and controls. Due to the absence of effective controls and procedures no reliance can be placed on their operation.

Immediate action is required to address the whole control framework before serious issues are realised in this area with high impact on residual risk exposure until resolved

**Adequate**

Internal control, Governance and management of risk is adequate overall however, there were areas of concern identified where elements of residual risk or weakness with some of the controls may put some of the system objectives at risk.

There are some significant matters that require management attention with moderate impact on residual risk exposure until resolved.

Prospects for Improvement		Issue Risk Ratings	
<b>Very Good</b>	There are strong building blocks in place for future improvement with clear leadership, direction of travel and capacity. External factors, where relevant, support achievement of objectives.	<b>High</b>	There is a gap in the control framework or a failure of existing internal controls that results in a significant risk that service or system objectives will not be achieved.
<b>Good</b>	There are satisfactory building blocks in place for future improvement with reasonable leadership, direction of travel and capacity in place. External factors, where relevant, do not impede achievement of objectives.	<b>Medium</b>	There are weaknesses in internal control arrangements which lead to a moderate risk of non-achievement of service or system objectives.
<b>Adequate</b>	Building blocks for future improvement could be enhanced, with areas for improvement identified in leadership, direction of travel and/or capacity. External factors, where relevant, may not support achievement of objectives	<b>Low</b>	There is scope to improve the quality and/or efficiency of the control framework, although the risk to overall service or system objectives is low.
<b>Uncertain</b>	Building blocks for future improvement are unclear, with concerns identified during the audit around leadership, direction of travel and/or capacity. External factors, where relevant, impede achievement of objectives.		

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# **COUNTER FRAUD PROGRESS REPORT 2024-25**

**01 April 2024 to 30 September 2024**

## Introduction

The roles of the Counter Fraud function are to:

- Receive, track and, where required, investigate financial irregularities (fraud and error) that occur within Kent County Council;
- Provide advice and support to management in mitigating the risk of financial irregularities occurring within their area; and
- Provide awareness and assess the risk of financial irregularities with management and front-line staff.

The Counter Fraud team work alongside Internal Audit as one function to support work in providing an independent assurance that the control, risk and governance framework in place within the Council is effective and supports the Council in the achievement of its objectives.

The Governance and Audit Committee are asked to:

- Note the Counter Fraud progress report for 2024/25 and reported irregularities from April 2024 to 30 September 2024;
- Note the progress of the Counter Fraud Action Plan for 2024/25.
- Agree the areas of Counter Fraud coverage which may need to be reduced.

## Key Messages

- Actual loss: Actual losses amount to £319,873 with the majority subject to full recovery;
- A rise in procurement referrals is showing a greater awareness of this risk within Directorates;
- Kent Intelligence Network (KIN) outcome for 2023/ 24 has identified £1.8m in additional Council Tax and Business Rates for KCC, and has identified £124,395 for the period 01 April 2024 to 30 June 2024;
- The biennial National Fraud Initiative is underway with data uploaded from key systems across KCC, the output from this is expected in December 2024;
- Counter Fraud Plan: Updates on progression against the Counter Fraud Plan can be found within the report and at **Appendix B**.

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# Proactive Work - December 2023 to September 2024

Last Proactive update was January 2024.

## Headline figures

21 - fraud related training sessions delivered.

741 - individuals trained.

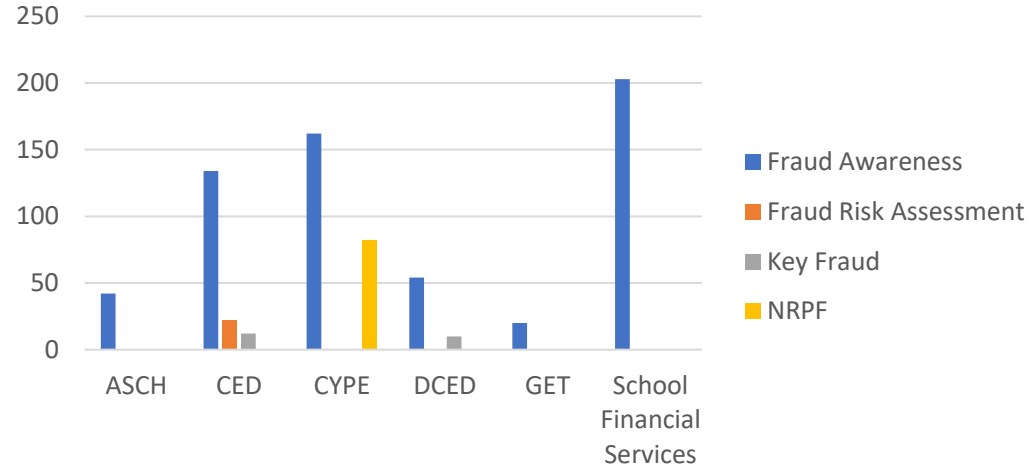
2 - Fraud Risk Assessments carried out.

## Training

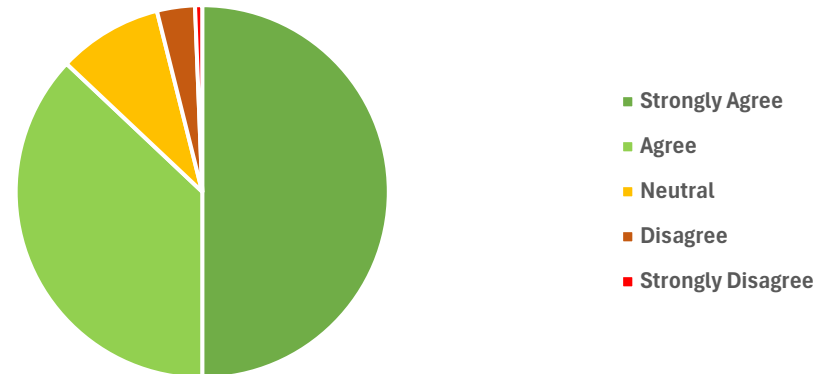
The majority of the proactive training has been around Fraud Awareness, with 615 individuals trained. This covers the three main fraud types of false representation, failure to disclose and abuse of position. The training then looks at the risks these pose to KCC. Bribery and corruption are also covered, including gifts and hospitality. NRPF was the next main topic of training requests received, with 82 Social Workers being trained within CYPE. An understanding of the Cabinet Office's new Fraud Risk Assessment process was given to 22 individuals as was presentations on Key Fraud risks to KCC.

## Presentation Feed Back.

87% of responses either agreed or strongly agreed with the content and presentation. Only a combined total of 4% disagreed or strongly disagreed with the message and delivery of the material. This is a high indication that the content and delivery is pitched correctly.



Response Total %



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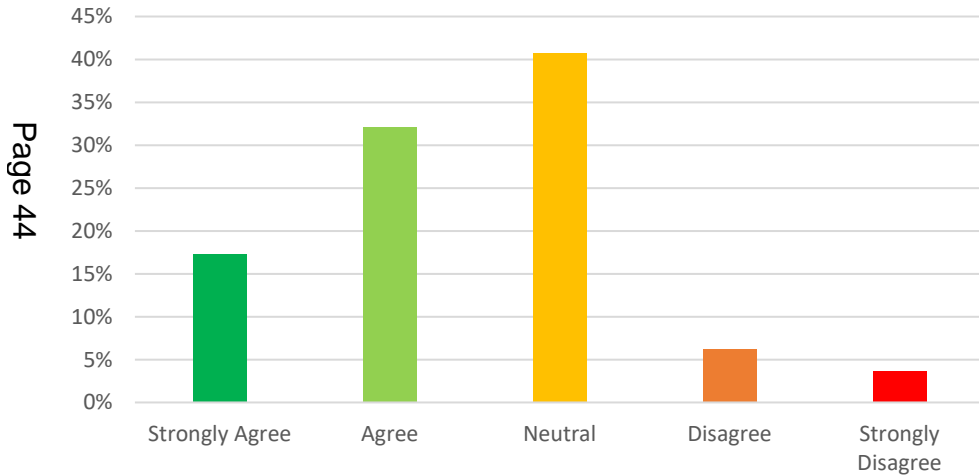
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# Proactive Work - December 2023 to September 2024

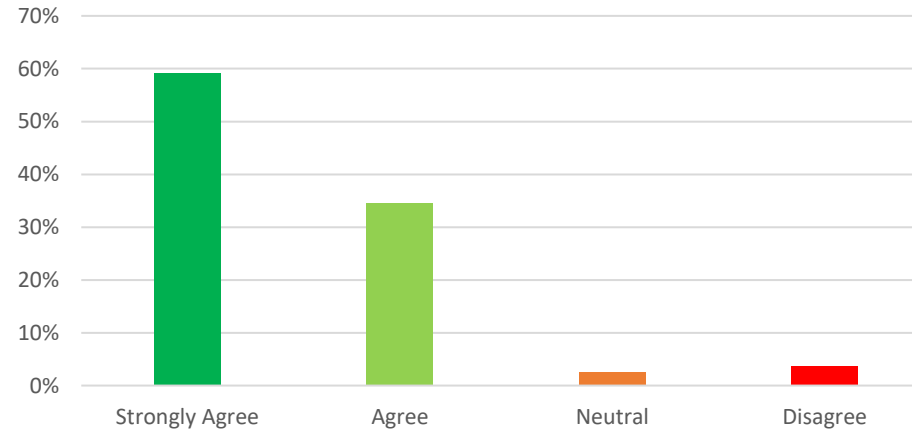
## Presentation Impact.

49% of individuals responding to the feedback stated they would do their job differently with the new Fraud Awareness knowledge, with 94% stating they would recommend the presentation to a colleague.

I will do my job differently %



I would recommend this presentation to colleagues %



## Fraud Risk Assessment.

The Cabinet Office along with the Government Counter Fraud Profession have brought out revised Fraud Risk Assessor Training. A member of the team has carried out two Fraud Risk Assessments (FRA), one with the Gypsy, Romany, Traveller Resident Service in GET and another with the grant team in CYPE. This has led to a total review of the planning, conducting, reporting and follow up of mitigating controls to bring it in line with current Internal Audit standards and risk management. If there was sufficient resources, further FRAs and revisit previous assessments will be undertaken.

Work continues with Governance and Law to embed a requirement for a fraud risk assessment on all key decisions. ICT Risk and Compliance Team have enhanced their process to signpost management to Counter Fraud to complete fraud risk assessment on any new initiatives involving new IT systems.



## Irregularity Referrals - April 2024 to September 2024 Overview

266 irregularity referrals were received from April 2024 to September 2024. This is an increase of 40 referrals (17%) against the same period on previous years referrals (226). An increase in referrals is a good indication of awareness of the need to report irregularities to Internal Audit and Counter Fraud to assess where an investigation is required, ensure risks are assessed and mitigated, identifying lessons to be learnt and financial recovery occurs.

As shown in the subsequent slides and Appendix A, there has been increases in irregularities relating to:

- Procurement – Invoice of services not delivered/ overpayments due to data inputting errors;
- No Recourse to Public Funds (NRPF) – Increase in the number of people claiming support due to destitution and not being able to access public funds;
- Blue Badge misuse – Use of stolen and deceased badges in particular;

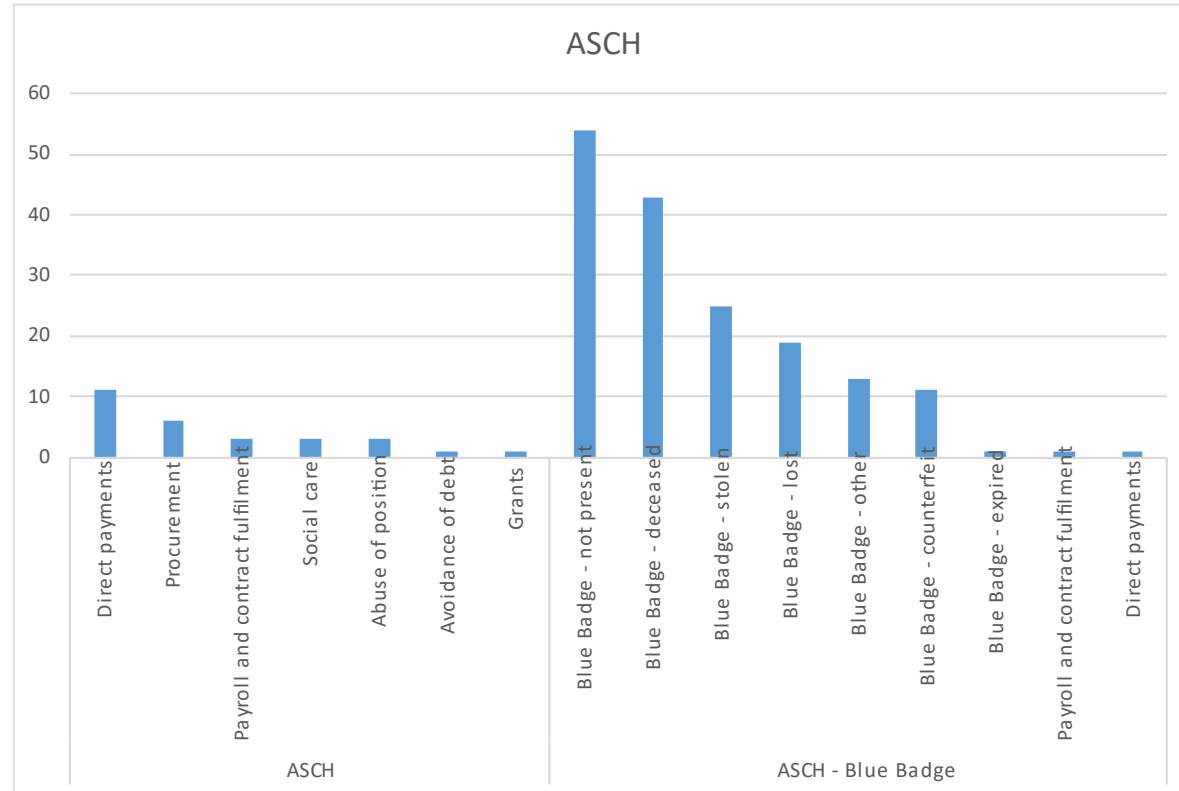
Distribution and characteristics of irregularities reported are shown in [Appendix A](#)

# Irregularity Referrals by Directorate and Fraud Type – Adult Social Care and Health

There has been 30 financial irregularities (excluding blue badges) reported to Internal Audit and Counter Fraud between April 24 and September 24.

## Procurement

- Payments totalling £75,739 paid to provider after the person had passed away;
- Five referrals have been received relating to provider invoicing which are currently under review.



## Irregularity Referrals by Directorate and Fraud Type – Adult Social Care and Health - Continued

### Blue badges:

There has been 158 referrals relating to blue badges received from April 2024 to September 2024, which is comparable to the same level of referrals received in the same period for 2023/ 2024. The outcomes of these referrals are:

- 122 Penalty Charge Notices being issued across Kent resulting in an estimated £3,660 of additional parking revenue.
- 50 Warning Letters to reminder users of the appropriate use
- 1 Pending prosecution
- 44 badges removed from being misused

### Direct Payments:

There has been 12 irregularities relating to direct payment misuse referred this year, current actual loss of £1,249, there are five cases under investigation so this figure may increase.

There is a potential loss of £19,000 due to non-payment of client contribution and their Kent card account being frozen.

### Salary Overpayments:

There has been 4 irregularities reported due to salary payments continuing after the person had left KCC, this resulted in actual losses of £6,412.

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# Irregularity Referrals by Directorate and Fraud Type – Children Young People and Education

## No Recourse to Public Funds:

The Counter Fraud Team provide a due diligence check to validate someone's circumstances when applying for funding under the Childrens Act.

There have been 16 referrals for destitution checks from April to September 2024.

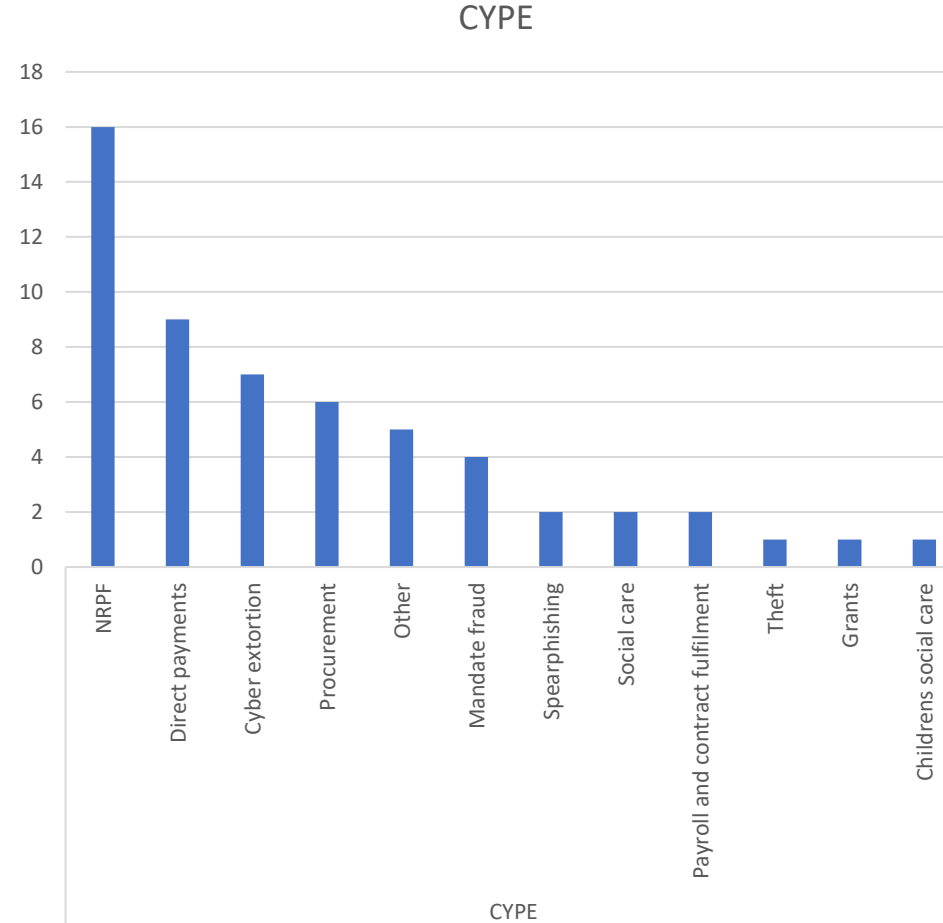
Through these checks, positive assurance can be provided to CYPE that the person is destitute and public funds are being used to support KCC statutory duties.

## Direct Payments:

There have been 9 referrals relating to irregularities in Direct Payments, four cases closed this year relating to referrals received in previous years. Actual loss calculated to date amounts to £26k, all amounts are subject to full recovery action.

## Cyber Fraud/Spear Phishing

Schools continue to be targeted, with 9 referrals relating to requests to make payments. No actual losses have occurred, there is a prevented loss of £35,790 due to the good awareness of these frauds within the reporting schools.



## Irregularity Referrals by Directorate and Fraud Type – Children Young People and Education - Continued

### Procurement

There has been three procurement fraud referrals relating to invoicing for services not being delivered. These are currently under investigation and there has been a **prevented loss of £160k due** to checks completed by Counter Fraud identifying irregularities prior to the invoice being paid. Further work is ongoing on the two other referrals.

### Salary Over/ Under payments:

There has been one reported salary overpayment, with an actual loss of £6,509, which is subject to full recovery.

Salary underpayment has been identified where an employee within CYPE had not received a pay increase for a number of years, which resulted in them receiving a salary below their grade. Engagement with KCC Payroll provider identified they do run an exception report to identify any staff who has not received an increase, with this person included in that report, however could not provide a reason why this was not investigated and appropriate action taken, this resulted in a £8,176 underpayment to the individual. Payroll have advised there are no other cases that have not been resolved.

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# Irregularity Referrals by Directorate and Fraud Type – Growth, Environment and Transport

## Concessionary fares:

Two referrals relating to misuse of people's concessionary bus pass have been reported. The actual loss is difficult to calculate, however the Department for Transport places a potential loss of £113 where fares are misused through the avoidance of paying bus fares.

## Procurement

Two cases of invoicing for services not being delivered have been reported by the Transport team and are currently under investigation.

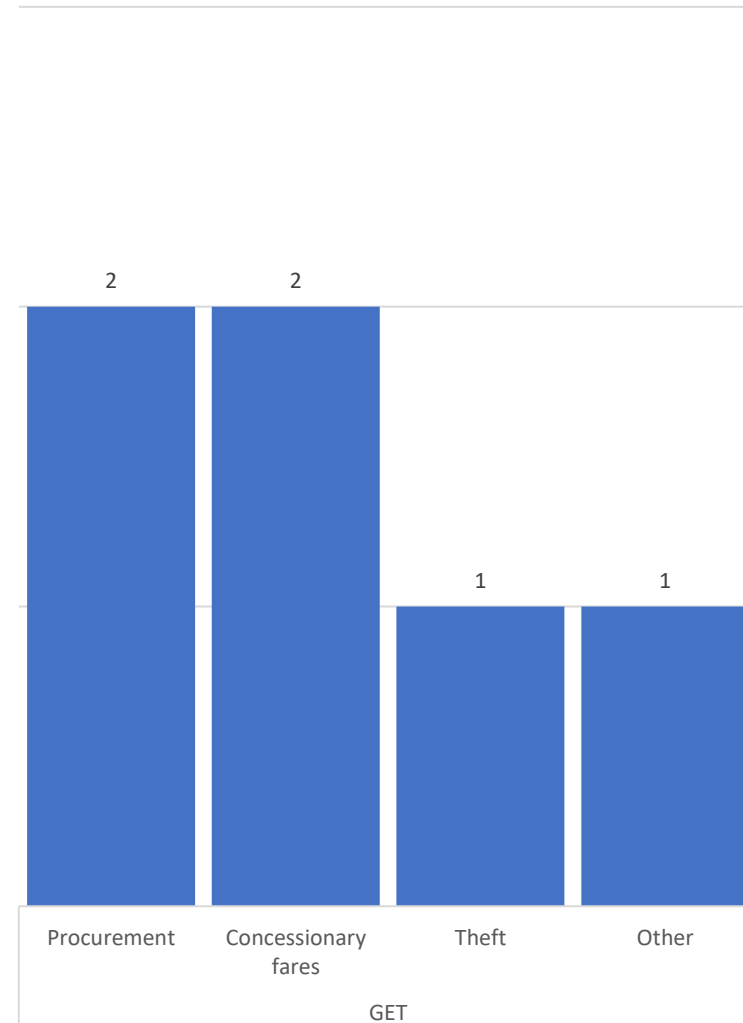
## Blue Badges:

Although the Blue Badge scheme is administered by ASCH, the majority of misuse occurs within on-street parking bays, thus having an impact on the amount District/Borough Councils receive from this income and in turn the amount they could potentially return to KCC.

## Theft:

Libraries and Registration have reported a minor irregularity relating to the theft of £15 from one of their libraries, advise and support has been provided on appropriate controls on safe cash storage and reporting to the police.

Growth, Environmental and Transport



# Irregularity Referrals by Directorate and Fraud Type – Chief Executive/ Deputy Chief Executive Departments

## Grants:

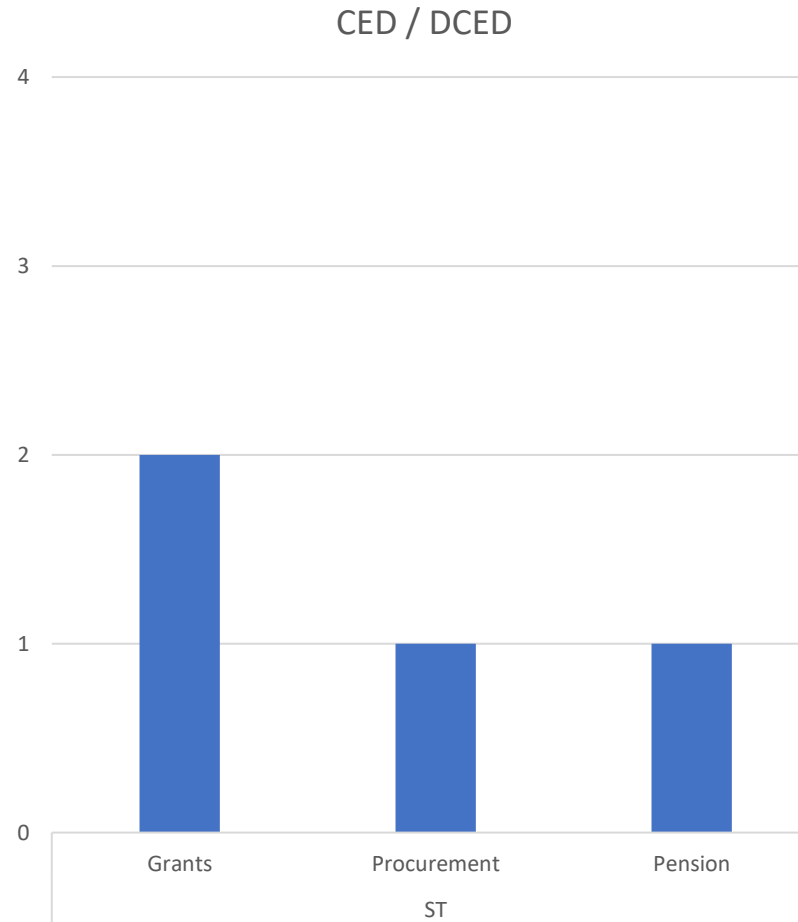
Two referrals have been received in respect to grants, the first within the Household Support Fund which provides support to help with the cost of living, via food and energy vouchers.

It has been identified that a number of forged documents were used to evidence that they were in arrears with their energy supplier. The e-vouchers can be cashed at any paypoint in the country, analysis has not identified a common theme to identify a suspect in this matter, an action fraud referral has been made. This resulted in a loss of £2,100 and a prevented loss of £23,400 following management completing further due diligence checks and suspending applications where forged documents were identified.

The second referral relates to the Home for Ukraine scheme where it has been identified host payments should have ceased. This was identified following checks with the DWP which identified entitlement to Housing Benefit by the guest. This then precludes the host from receiving payments from KCC. This has resulted in a loss of £18k with full reclaim via invoice being progressed.

## Pensions

An irregularity resulting in £9,259 being paid into a wrong account, civil recovery is being progressed.



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# Kent Intelligence Network (KIN) Overview – Outturn for 2023-2024

The KIN continues to provide valuable financial support to KCC, Police, Fire Authority and District Councils and the outcomes for the period 1 April 2023 to 31 March 2024, set out below, show the results and financial returns achieved.

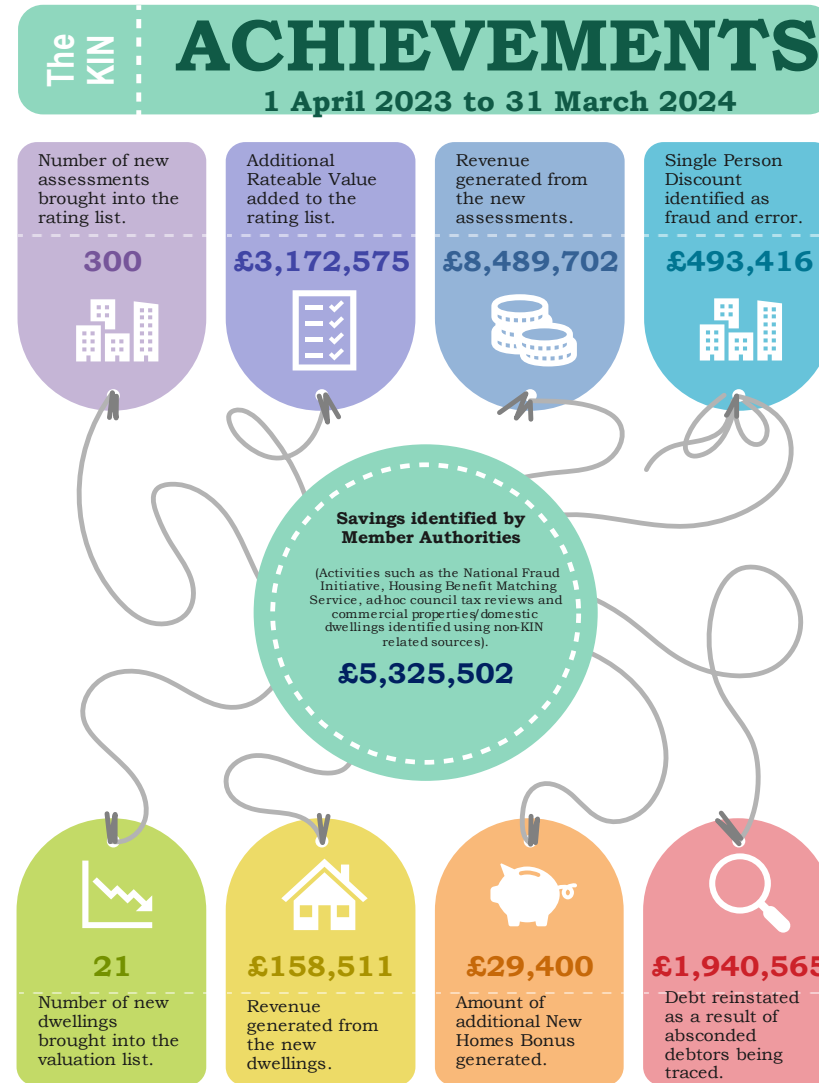
## Business Rates

300 commercial properties, amassing a combined rateable value of £3,172,575, have been identified that were previously missing from the rating list. These properties have now been brought into the list by the Valuation Office Agency and consequently, the businesses occupying these properties are now liable for business rates.

The additional business rates revenue generated from the identification of these missing properties is £8,154,907 (£8,489,702 including Medway), of which broadly 9% (£733,941) comes to KCC, once collected, is a combination of the following:

- The total amount of business rates billed for both the current financial year and previous financial years of £4,009,599 (£4,102,035 including Medway); and
- A ‘future loss prevention’ provision of 3 years of £4,145,308 (£4,387,667 including Medway). This represents the amount of additional income that would have been lost if the respective properties had not been identified by the KIN.

It is also pertinent to highlight that on 31 March, there were 86 cases with the Valuation Agency awaiting assessment/valuation, none of which are included in the figures stated above, and a further 152 cases which are currently under investigation by billing authorities.



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# Kent Intelligence Network (KIN) Overview – Outturn 2023-24 Continued

## Council Tax

The KIN also helped to identify dwellings missing from the valuation list and an additional 21 dwellings have been identified in this financial year.

The additional council tax revenue generated from the identification of these missing properties is £143,075 (£158,511 including Medway), of which broadly 73% (£104,444) comes to KCC, once collected, is a combination of the following:

- The total amount of council tax billed for both the current financial year and previous financial years is £43,921 (£47,140 including Medway); and

A 'future loss prevention' provision of 3 years of £99,154 (£111,371 including Medway). This represents the amount of additional income that would have been lost if the respective dwellings had not been identified by the KIN.

It is also pertinent to highlight that on 31 March, there were 11 cases with the Valuation Agency awaiting assessment/valuation, none of which are included in the figures stated above, and a further 22 cases which are currently under investigation by billing authorities.

Dwellings added to the valuation list also help to generate additional New Homes Bonus (NHB) for both Districts and KCC. It is estimated that the 21 dwellings identified will generate £29,400, of which 20% (£5,880) comes to KCC.

In respect of the £1,940,565 that has been traced from absconded council tax debtors, this will generate additional income for KCC, depending on the amount that is collected. Even if a bad debt provision of 30% is applied to the amount of debt brought back into recovery, KCC would broadly receive 73% of £1,358,395, once collected, and this would amount to £991,628.

Finally, the proactive work being done in respect of identifying erroneous claims for Council Tax Single Person Discounts has resulted in the additional billing of Council Tax amounting to £493,416, of which broadly 73% (£360,193) comes to KCC, once collected.

In total, the financial benefit to KCC from the initiatives and successes detailed above amounts to £2,196,086.

## Kent Intelligence Network (KIN) Overview – Outturn 2023-24 Continued

It is also important to highlight the investment made by KCC to help billing authorities achieve these outcomes. This investment is by way of an annual grant given to the respective billing authorities, the components for which are broken down as follows:

- A grant of £352,646 for the provision of additional resources to help carry out KIN related work, and also to assist with non-KIN related initiatives that help to increase the tax base and rates base.
- A grant of £19,710 towards a product that helps to trace absconded council tax debtors.

Solely in respect of the KIN related work, the financial return for 2023/24 is £1,823,730 (this figure is derived from the total financial benefit to KCC, less the grants given to billing authorities to help achieve the outcomes detailed above). This is equivalent in ratio to a 6:1 return-on-investment (total financial benefit / total grants).

## Kent Intelligence Network (KIN) Overview Continued

Finally, the proactive work being undertaken in respect of identifying erroneous claims for Council Tax Single Person Discounts has resulted in the additional billing of Council Tax amounting to £388,567, of which broadly 73% (£283,653) comes to KCC, once collected.

In total, the financial benefit to KCC from the initiatives and successes detailed above amounts to **£1,820,964**.

It is also important to highlight the investment made by KCC to help billing authorities achieve these outcomes. This investment is by way of an annual grant given to the respective billing authorities, the components for which are broken down as follows:

- A grant of £352,646 for the provision of additional resources to help carry out KIN related work, and also to assist with non-KIN related initiatives that help to increase the tax base and rates base.

A grant of £19,710 towards a product that helps to trace absconded council tax debtors.

Solely in respect of the KIN related work, the return-on-investment to date (April to December) is £1,448,608 (this figure is derived from the total financial benefit to KCC, less the grants given to billing authorities to help achieve the outcomes detailed above).

Finally, the proactive work being done in respect of identifying erroneous claims for Council Tax Single Person Discounts has resulted in the additional billing of Council Tax amounting to £388,567, of which broadly 73% (**£283,653**) comes to KCC, once collected.

# Kent Intelligence Network (KIN) Overview Continued

## Kent Intelligence Network (KIN)

The KIN continues to provide valuable financial support to KCC, Police, Fire Authority and District Councils and the outcomes for the period 1 April 2024 to 30 June 2024, set out below, show the results and financial returns achieved.

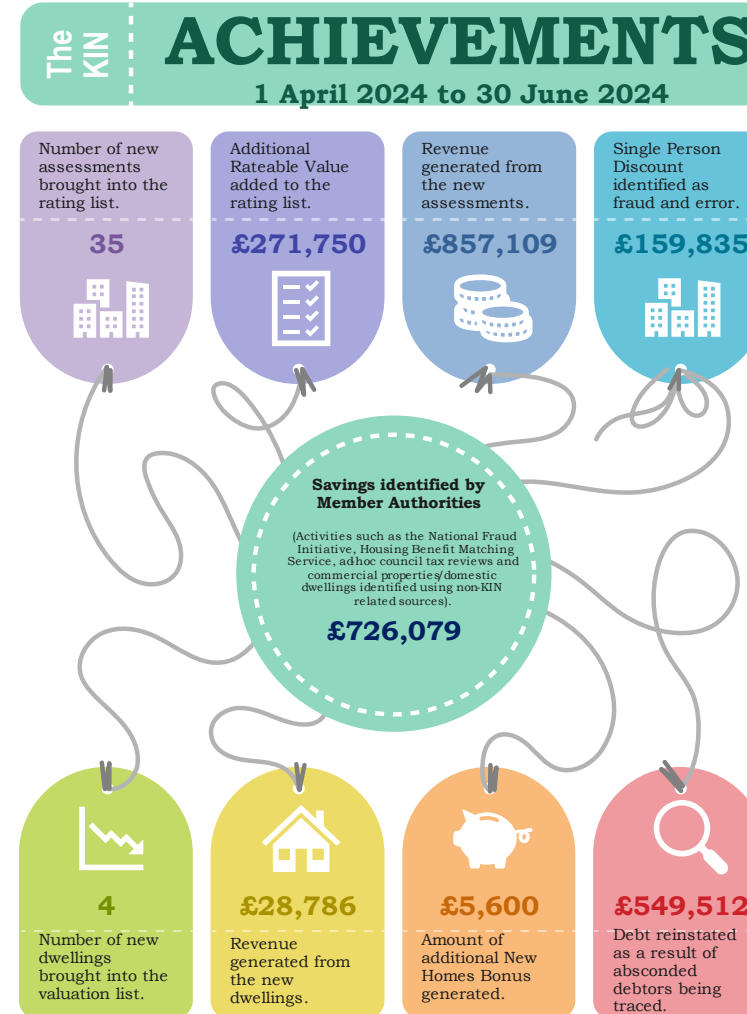
### Business Rates:

35 commercial properties, amassing a combined rateable value of £271,750, have been identified that were previously missing from the rating list. These properties have now been brought into the list by the Valuation Office Agency and consequently, the businesses occupying these properties are now liable for business rates.

The additional business rates revenue generated from the identification of these missing properties is £857,109, of which broadly 9% (£77,139) comes to KCC, once collected, is a combination of the following:

- The total amount of business rates billed for both the current financial year and previous financial years of £475,205; and
- A 'future loss prevention' provision of 3 years of £381,904. This represents the amount of additional income that would have been lost if the respective properties had not been identified by the KIN.

It is also pertinent to highlight that on 30 June, there were 94 cases with the Valuation Agency awaiting assessment/valuation, none of which are included in the figures stated above, and a further 124 cases which are currently under investigation by billing authorities.



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## Kent Intelligence Network (KIN) Overview Continued

### Council Tax:

The KIN also helped to identify dwellings missing from the valuation list and an additional 4 dwellings have been identified in this financial year.

The additional council tax revenue generated from the identification of these missing properties is £28,786, of which broadly 73% (£21,013) comes to KCC, once collected, is a combination of the following:

- The total amount of council tax billed for both the current financial year and previous financial years is £7,998; and
- A 'future loss prevention' provision of 3 years of £20,788. This represents the amount of additional income that would have been lost if the respective dwellings had not been identified by the KIN.

It is also pertinent to highlight that on 30 June, there were 7 cases with the Valuation Agency awaiting assessment/valuation, none of which are included in the figures stated above, and a further 22 cases which are currently under investigation by billing authorities.

Dwellings added to the valuation list also help to generate additional New Homes Bonus (NHB) for both Districts and KCC. It is estimated that the 4 dwellings identified will generate £5,600, of which 20% (£1,120) comes to KCC.

In respect of the £549,512 that has been traced from absconded council tax debtors, this will generate additional income for KCC, depending on the amount that is collected. Even if a bad debt provision of 30% is applied to the amount of debt brought back into recovery, KCC would broadly receive 73% of £384,658, once collected, and this would amount to £280,800.

## Kent Intelligence Network (KIN) Overview Continued

Finally, the proactive work being done in respect of identifying erroneous claims for Council Tax Single Person Discounts has resulted in the additional billing of Council Tax amounting to £159,835, of which broadly 73% (£116,679) comes to KCC, once collected.

In total, the financial benefit to KCC from the initiatives and successes detailed above amounts to £496,751.

It is also important to highlight the investment made by KCC to help billing authorities achieve these outcomes. This investment is by way of an annual grant given to the respective billing authorities, the components for which are broken down as follows:

- A grant of £352,646 for the provision of additional resources to help carry out KIN related work, and also to assist with non-KIN related initiatives that help to increase the tax base and rates base.

- A grant of £19,710 towards a product that helps to trace absconded council tax debtors.

Solely in respect of the KIN related work, the financial return to KCC so far for 2024/25 is £124,395 (this figure is derived from the total financial benefit to KCC, less the grants given to billing authorities to help achieve the outcomes detailed above).

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## Counter Fraud Action Plan 2024/2025

Updates to the 2024/25 Counter Fraud Action Plan are set out in Appendix B.

The balance between pro-active and re-active work continues to be a challenge within resource levels. Resource levels below include staff working within the shared service with Tonbridge and Malling Council ( 0.2 FTE Counter Fraud Manager, 1 FTE Counter Fraud Technician & 0.8 FTE Intelligence Officer).

The Action Plan for 2023/ 24 has been delivered with an increase of awareness being seen through more irregularities being reported, this helps inform areas of risk and where needed inform audits in these areas.

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## Counter Fraud Resources

Position	Current number of employees
Counter Fraud Manager	1
Counter Fraud Specialists	3
Counter Fraud Technician	2
Intelligence Officer	0.8
Intelligence Assistant	1

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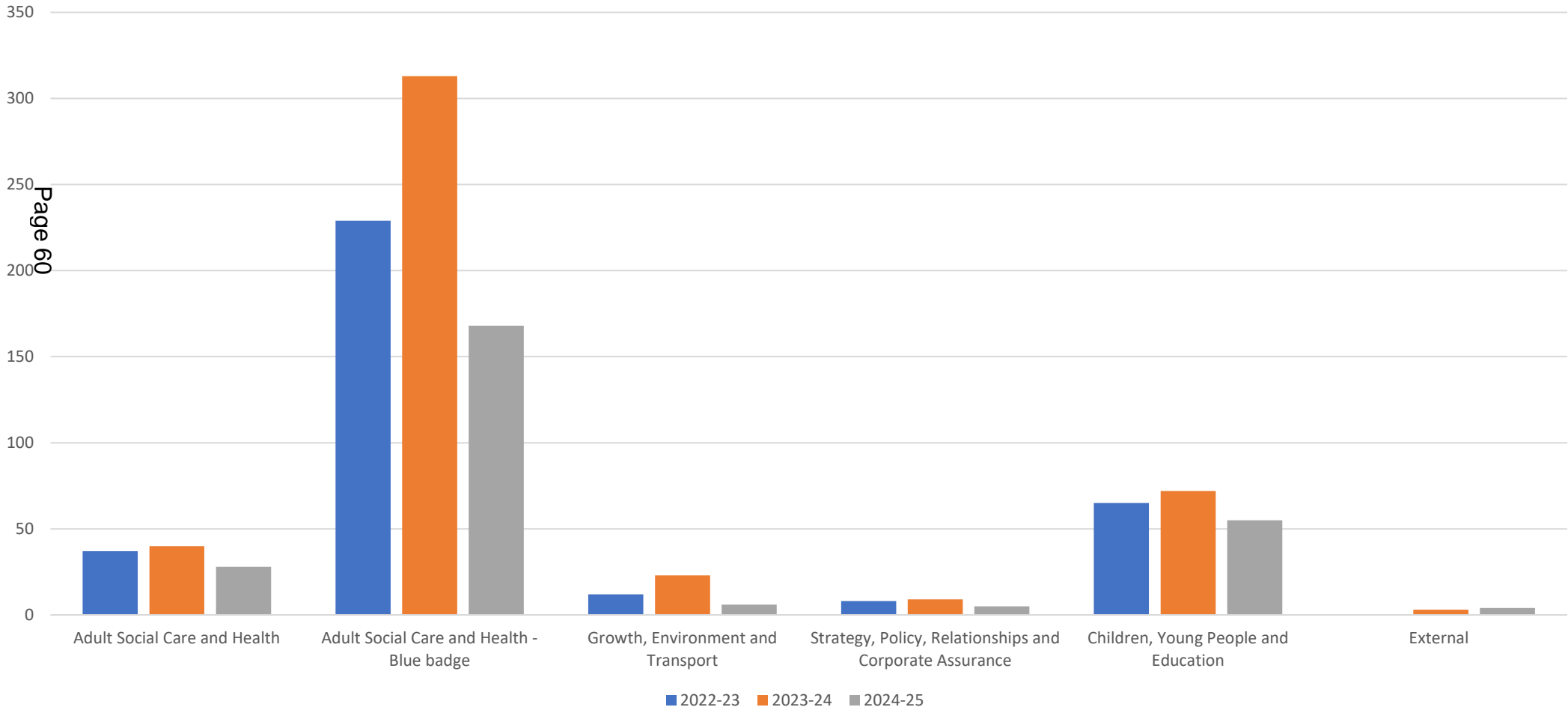
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# Appendix A - Year on Year Comparison – by Directorate

While Blue Badge cases still represent the largest number of referrals the Counter Fraud service receives, there has been increases of referrals in relation to procurement. ASCH and CYPE represent the highest proportion of our caseload.



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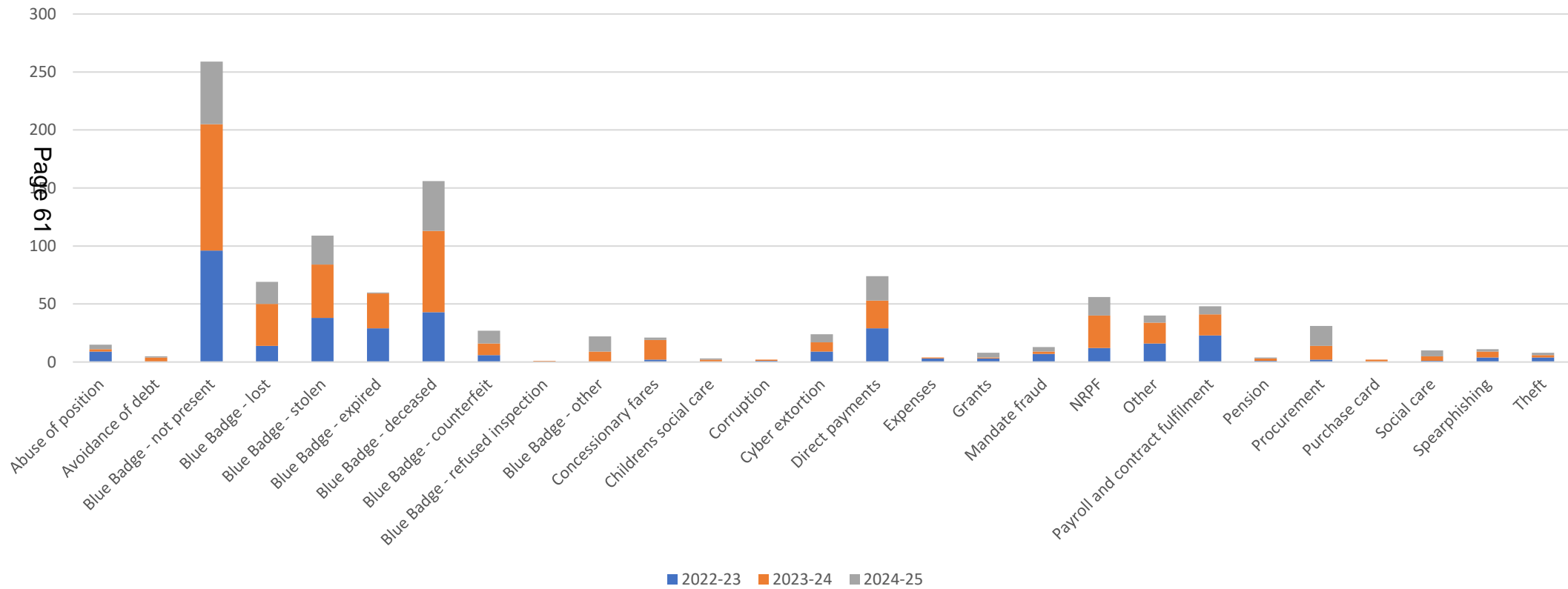
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# Appendix A - Year on Year Comparison – by Fraud Type

This slide demonstrates that Direct Payments have historically been the biggest risk of fraud after blue badges. This year however, the number of procurement related and NRPF referrals received has a greater financial risk to KCC.



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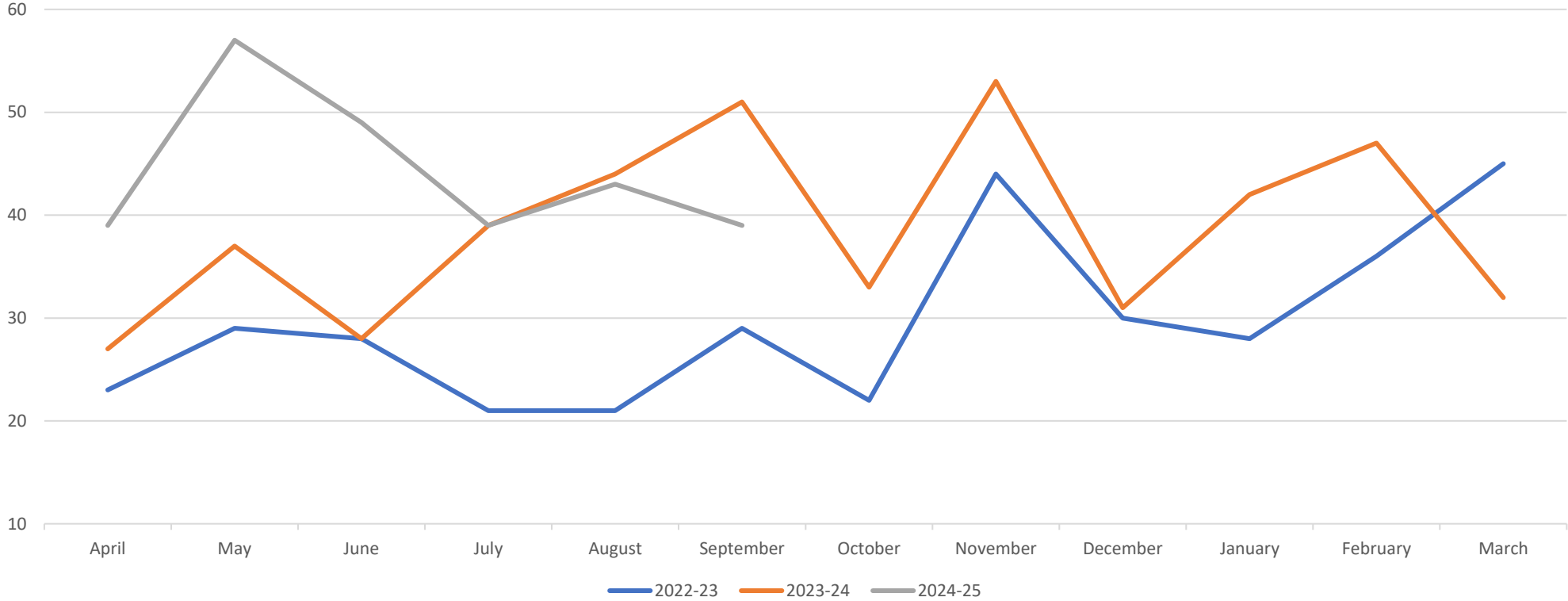
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# Appendix A - Year on year comparison – by Month Received

Referrals from April to September 2024 are averaging over 40 per month.

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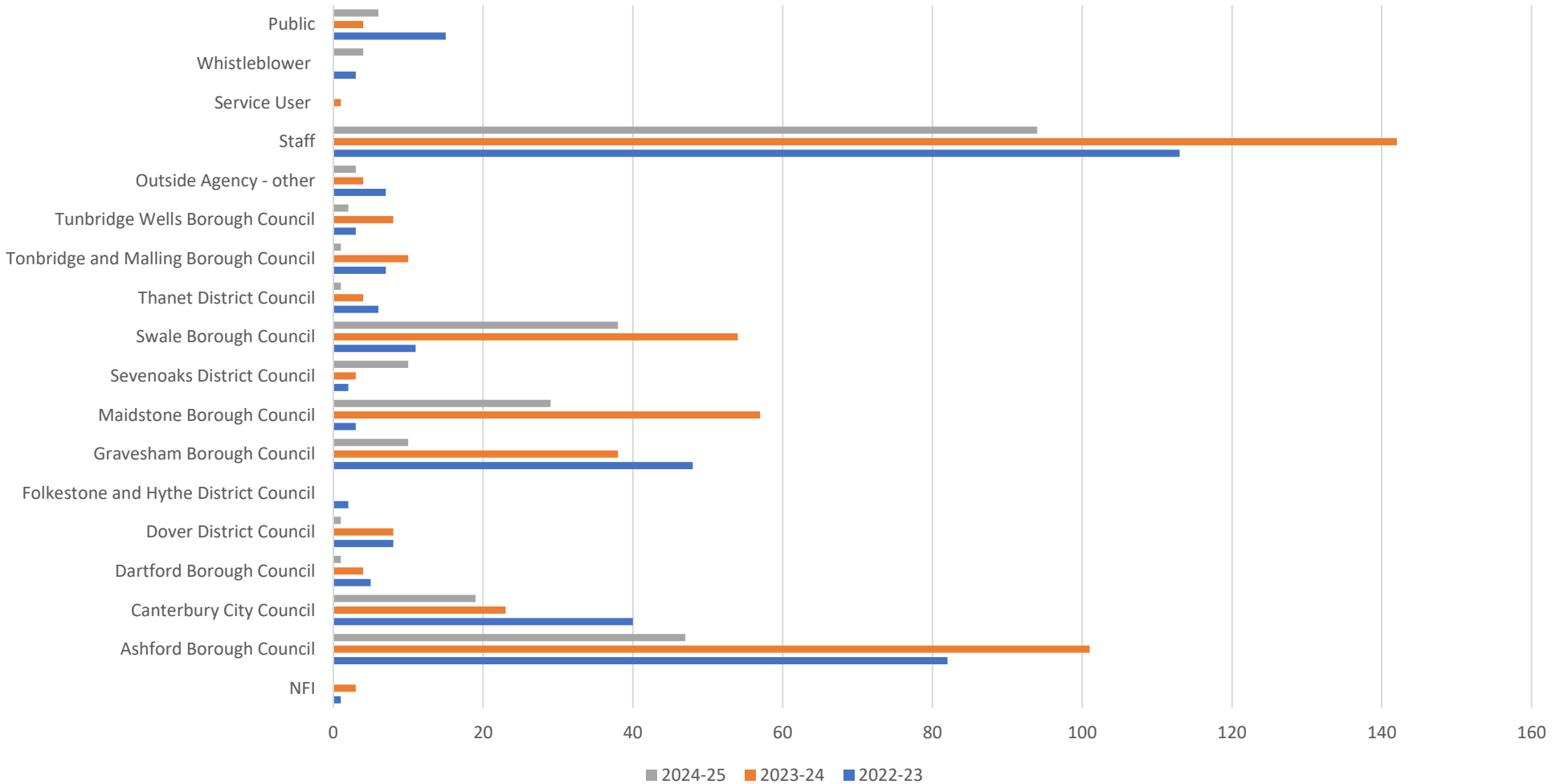
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# Appendix A - Year on Year Comparison – by Source of Referral

Relationship management/ awareness is working as in most cases, the number of referrals received from KCC staff, Districts and Boroughs is increasing.

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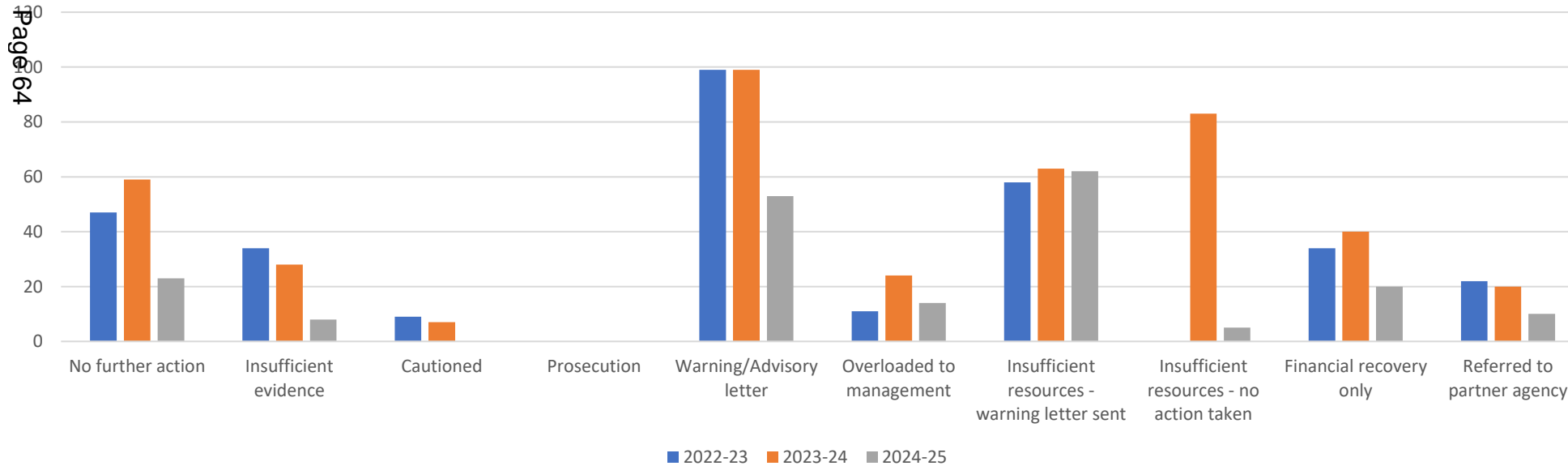
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## Appendix A - Year on year comparison – by outcome

The increase in the number of referrals, in particular blue badge referrals, has resulted in some referrals not being progressed due to work on more complex cases taking priority.



## Blue Badge Referrals – By type and Referring Parking Team

Ashford Borough Council continue to detect more blue badge misuse than other District/ Borough Councils, however we have seen a marked increase of referrals being received from Canterbury, Maidstone and Swale councils.

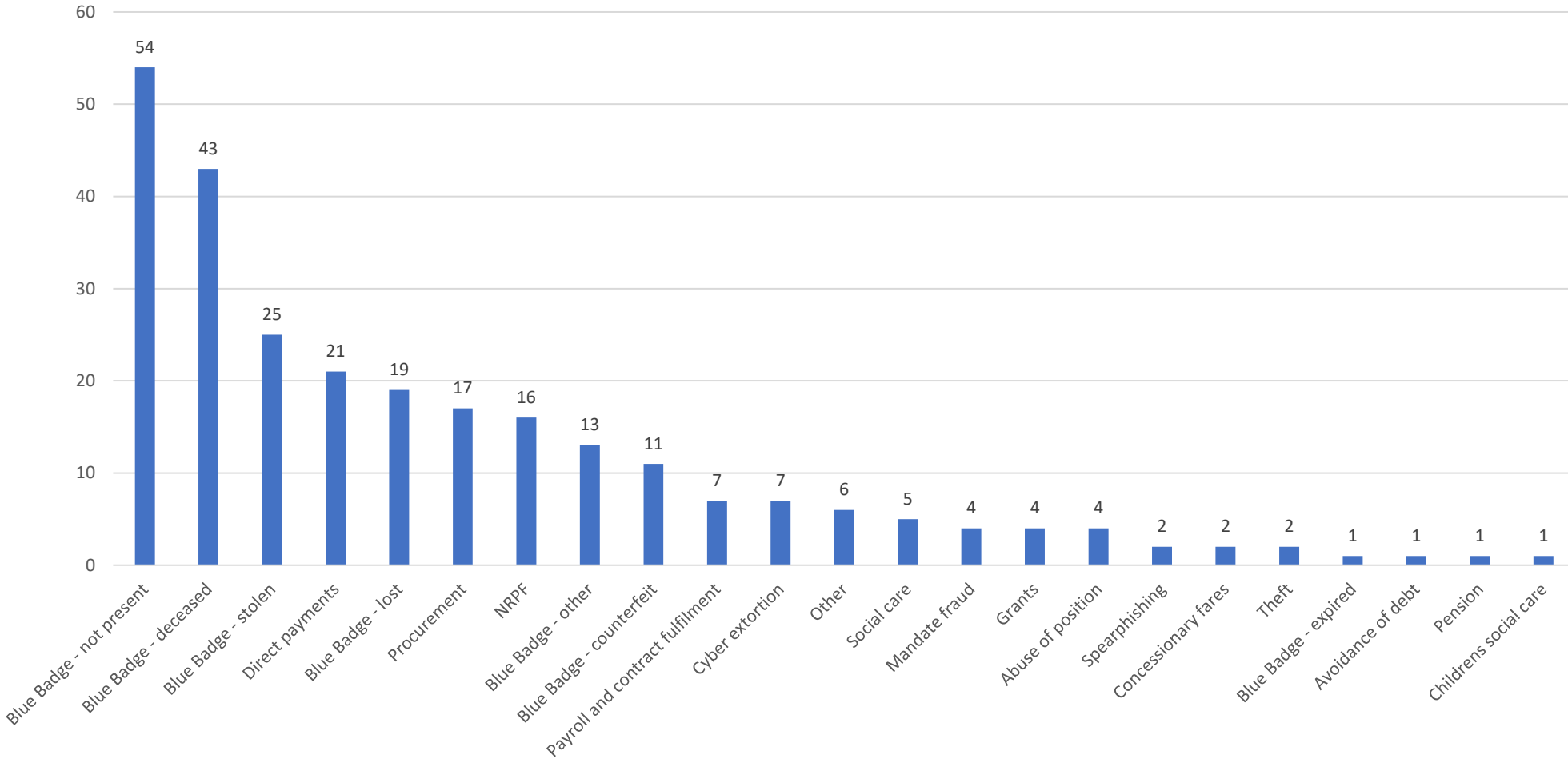
The Counter Fraud Team are also receiving more referrals relating to counterfeit badges being used, these include KCC issued badges as well as counterfeit badges from other issuing authorities.

Blue Badge misuse type	Number of referral
Blue Badge – counterfeit	11
Blue Badge - deceased	43
Blue Badge - expired	1
Blue Badge - lost	19
Blue Badge - not present	54
Blue Badge - other	13
Blue Badge - stolen	25
Grand Total	166

Parkign Enforcemnt area	Number of referrals
Ashford Borough Council	47
Canterbury City Council	19
Dartford Borough Council	1
Dover District Council	1
Gravesham Borough Council	10
Maidstone Borough Council	29
Sevenoaks District Council	10
Swale Borough Council	37
Thanet District Council	1
Tonbridge and Malling Borough Council	1
Tunbridge Wells Borough Council	2
Total	158

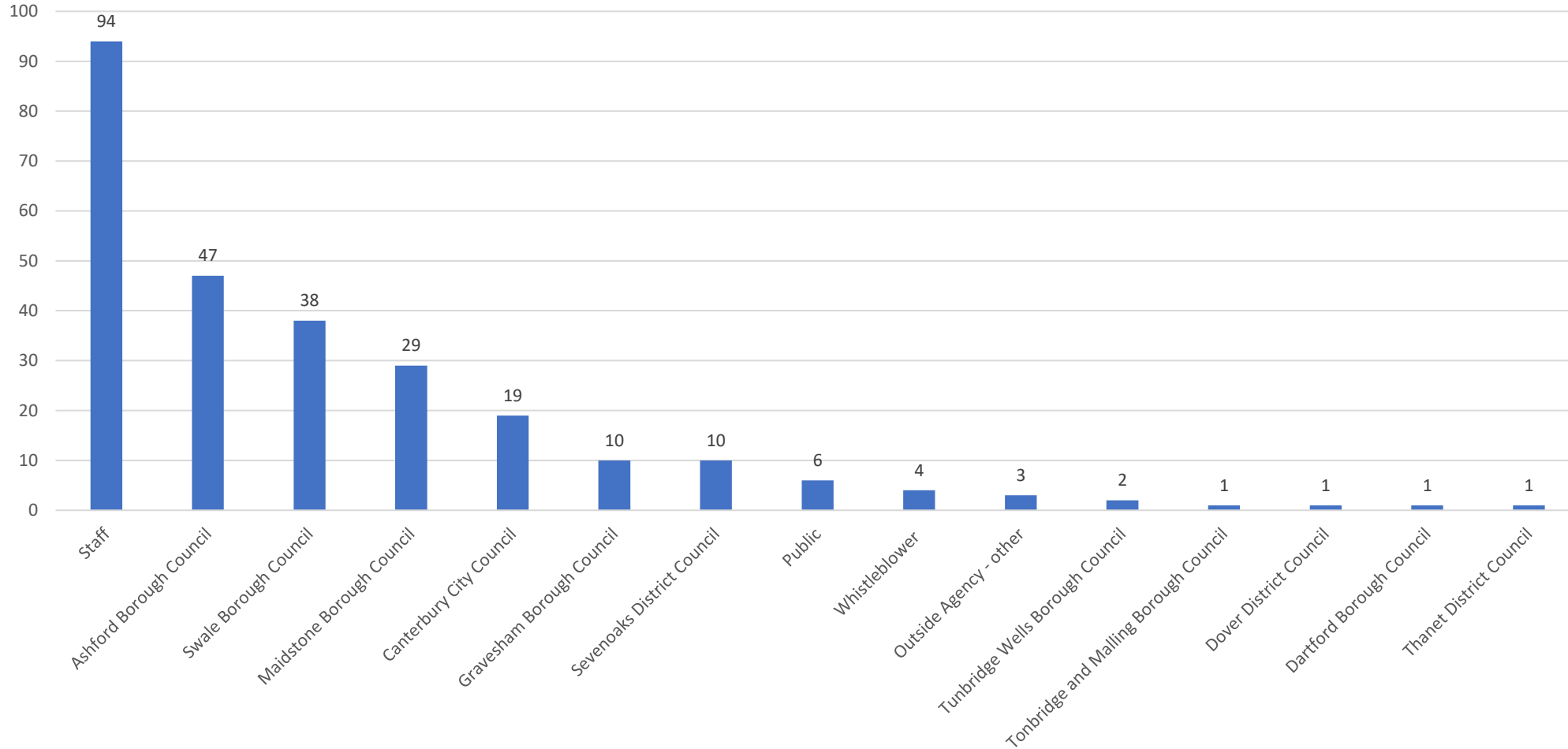
# Appendix A: Fraud and Irregularity Referrals April 2024 to September 2024

Referrals by Fraud Type



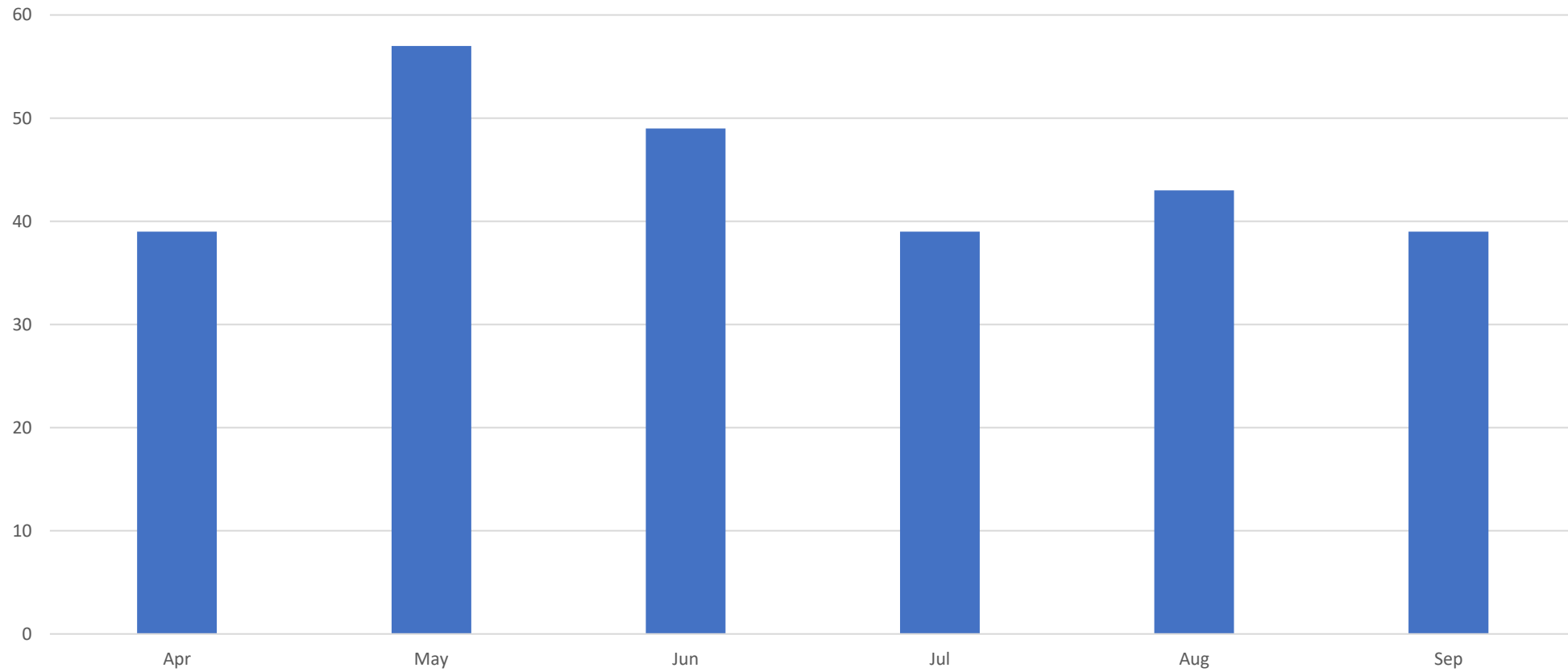
# Appendix A: Fraud and Irregularity Referrals April 2023 to March 2024

### Referrals by Source



# Appendix A: Fraud and Irregularity Referrals April 2024 to September 2024

Referrals by Month





# Appendix B: Fraud Action Plan 2024/25

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Pillar	Activity	Detail	Update
<b>Govern - Having robust arrangements and executive support to ensure anti-fraud, bribery and corruption measures are embedded throughout the organisation.</b>	Counter Fraud Update, Audit Committee	A quarterly Counter Fraud update will be provided to Corporate Management Team and the Audit Committee to demonstrate the activities undertaken by the Counter Fraud Team against the plan to prevent and detect Fraud, Bribery and Corruption.	<p>In progress – Progress report for 2024/25 being reported to CMT and November G&amp;A.</p> <p>In addition, fraud and error awareness presentation to Cabinet completed.</p>
	<b>Acknowledge - An organisation must acknowledge and understand fraud risks and demonstrate progress by having the right support and appropriate resource to tackle fraud.</b>	Fighting Fraud and Corruption Locally Checklist	The Counter Fraud Team to undertake an assessment of the authority against the Fight Fraud and Corruption Locally Checklist.
	Fraud Risk Assessments	The Counter Fraud Team to undertake an assessment of current risk registers across the Council to identify if fraud risks have been identified and controls are in place to mitigate the risk. Including risks associated to the Economic Crime and Corporate Transparency Act (failure to prevent fraud). To work with Governance and Law to embed fraud risk assessments within the Key Decision process.	<p>In Progress – see proactive slide. One fraud risks assessment in fieldwork following the identification of fraud.</p> <p>Engagement with Governance and Law to include the need for fraud risk assessment in key decision process.</p>
	Relationship Management	Strengthening the anti-fraud culture within the organisation requires Counter Fraud to continue with relationship management meetings to report on emerging and current fraud risks identified through investigations.	In progress – Meetings held with senior officers. Attendance at the task and finish group for supporting living to challenge and support management.
	Whistleblowing Hotline and log	The Counter Fraud Team manage the Councils Central Whistleblowing Log and the Whistleblowing helpline.	In progress

## Appendix B: Fraud Action Plan 2024/25

Pillar	Activity	Detail	Update
Prevent - Fraud can be prevented and detected by making better use of information and technology, enhancing fraud controls and processes and developing a more effective anti-fraud culture	Fraud Awareness	Deliver fraud awareness training to teams to ensure that sessions delivered to officers on a risk- based approach. The training will seek to raise awareness about new emerging fraud risks and current risks, continue to strengthen the anti-fraud culture (including failure to prevent fraud) and deliver messages about the standards expected of staff and the reporting of fraud and financial irregularities.	In progress see proactive slides for update.
	Internal Audit	The Counter Fraud Team will review draft engagement plans to ensure any issues identified through investigations or relationship management meetings help inform the scope of any audits.	In progress – Draft engagement plans review by CFM and/ or ACFS to provide advice to IA.
	International Fraud Awareness Week Campaign	To deliver an internal campaign to officers during International Fraud Awareness week.	In progress – Communication plan in place with internal communications supporting the delivery of key messages.
	National Fraud Initiative	The Counter Fraud Team will lead on the NFI exercise that matches electronic data within and between public and private sector bodies to prevent and detect fraud. Resources will be allocated and based on specific expertise and knowledge – this means matches can be dealt with promptly. A nominated person from each of the data sets will be identified and liaised with through the project to ensure matches are cleared.	In progress – Data specification and project timetable shared with services, data received and uploaded to the NFI. Expecting output from data match mid-December.  Engagement with services next step to inform approach to investigate and clear matches.
	Kent Intelligence Network	The Counter Fraud Team will support the Kent Intelligence Network on activities that benefit KCC and the wider Kent Residents/.	In progress – See update on KIN

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# Appendix B: Fraud Action Plan 2024/25

Pillar	Activity	Detail	Update
<b>Pursue</b> Prioritising fraud recovery and use of civil sanctions. Developing capability and capacity to punish offenders. Collaborating across geographical and sectoral boundaries. Learning lessons and closing the gaps	Investigations	The Counter Fraud Team will apply a risk-based approach to investigating all instances of actual, attempted and suspected fraud and financial irregularities. The Counter Fraud Team will ensure; <ul style="list-style-type: none"> <li>that any investigation is carried out in accordance with Council policy and procedures, key investigation legislation and best practice</li> <li>the Council’s disciplinary procedures will be used where the outcome of an investigation indicates improper behaviour by a Council employee</li> <li>Appropriate sanctions are applied.</li> </ul>	In progress – outcomes and referral rates reported in main report.
	Partnership Working	To maintain and develop working with key partner agencies in the prevention and detection of fraud such as the Kent Intelligence Network, Local Authorities, Kent Police as well as internal teams within KCC.	In progress – SE County Council Fraud Hub engagement, London Fraud Investigation Group engagement, Kent Fraud Panel engagement.

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**To:** Governance & Audit Committee

**From:** Clair Bell, Cabinet Member, Community and Regulatory Services  
Simon Jones, Corporate Director, Growth, Environment & Transport

**Date:** 12 November 2024

**Subject:** Report on use of covert investigative techniques surveillance, covert human intelligence source and telecommunications data requests carried out by KCC between 1 April 2023 – 31 March 2024

**Classification:** Unrestricted

## **FOR ASSURANCE**

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**Summary** This report outlines work undertaken by KCC Officers on surveillance, the use of covert human intelligence sources (CHIS) and access to telecommunications data governed by the Regulation of Investigatory Powers Act 2000 (RIPA) and Investigatory Powers Act (IPA) during the 2023/24 business year.

**Recommendations** Members are asked to note for assurance the use of covert investigative techniques during the period and endorse the policy in relation to the use of covert investigative techniques.

---

### **1. Background**

- 1.1 The document sets out the extent of Kent County Council's use of covert surveillance, covert human intelligence sources and access to telecommunications data. The County Council wishes to be as open and transparent as possible, to keep Members and senior officers informed and to assure the public these powers are used only in a lawful, necessary and proportionate manner.
- 1.2 To achieve transparency and in accordance with the Codes of Practice, an annual report outlining the work carried out is submitted by the Senior Responsible Officer (SRO) to an appropriate Committee. The last report was submitted and approved by the Governance and Audit Committee on 25<sup>th</sup> October 2023.

### **2 What this report covers**

- 2.1 Covert Surveillance – Surveillance which is intended to be carried out without the person knowing and in such a way that it is likely that private information may be obtained about a person (not necessarily the person under surveillance). Local authorities are only permitted to carry out certain types of covert surveillance and, for example, cannot carry out surveillance within or into private homes or vehicles (or similar “bugging” activity).

- 2.2 Covert Human Intelligence Source (CHIS) – the most common form is an officer developing a relationship with an individual without disclosing that it is being done on behalf of the County Council for the purpose of an investigation. In most cases this would be an officer acting as a potential customer and talking to a trader about the goods / services being offered for sale. Alternatively, a theoretical and rare occurrence would be the use of an ‘informant’ working on behalf of an officer of the Council. In such cases, due to the potential increased risks, KCC has agreed a memorandum of understanding with Kent Police.
- 2.3 Access to communications data – Local authorities can have access to data held by telecommunications providers. Most commonly this will be the details of the person or business who is the registered subscriber to a telephone number or social media account. Local authorities are not able to access the content of communications and so cannot “bug” telephones or read text messages.
- 2.4 In each of the above scenarios an officer is required to obtain authorisation before undertaking the activity. This decision is logged in detail, with the authorising officer considering the lawfulness, necessity and proportionality of the activity proposed and then completing an authorisation document.

After authorisation has been granted (if it is), in relation to surveillance and CHIS, the officer applies for judicial approval and attends a Magistrates’ Court to secure this.

For surveillance and CHIS the approval document is then held on a central file. There is one central file for KCC, held on behalf of the Corporate Director, Growth, Environment and Transport, which is available for inspection by the Investigatory Powers Commissioner (IPC). For telecommunications authorisations KCC uses the services of the National Anti-Fraud Network (NAFN) to manage applications and keep our records. Authorisation for communications data requests is not carried out by KCC managers but, by law, is undertaken by the Office for Communications Data Authorisations. KCC managers are required only to confirm that officers are seeking authorisation in the course of their duties. Any inspection of this type of approval carried out by IPC is conducted at the offices of NAFN.

### **3 Covert authorisations carried out between 1 April 2023 – 31 March 2024**

Total number of authorisations granted for 2023/24 (figure for 2022/23 in brackets):

Surveillance – 0 (0)

Covert human intelligence source (CHIS) – 0 (0)

Access to telecommunications data – 8 (4)

#### **4. Purposes for which covert techniques used**

One of the telecommunications data requests was in relation to an investigation into the importation of illicit vape devices. The application did not reveal anything of evidential value. The consignment of devices were destroyed.

Another request was in relation to an investigation into a motor vehicle mileage fraud. This case is before the Crown Court but has been delayed many times. It is currently scheduled for trial in June 2025.

Two requests were in relation to an investigation into fraud linked a vehicle repair business. This matter has just been put before the courts. Trial dates are unknown as yet.

A request related to an investigation into a rogue building business. There are multiple victims in this investigation who have suffered significant impacts. This matter has just been put before the courts. Trial dates are unknown as yet.

A request was in relation to an investigation into fraud linked a solar energy business. This matter is undergoing legal review prior to a decision as to the most appropriate course of action to be followed is made.

Two requests were in relation to an investigation into fraud linked a doorstep calling building business. This matter is undergoing legal review prior to a decision as to the most appropriate course of action to be followed is made.

#### **5. Update on cases highlighted in last year's report**

Two cases in last year's report, one in relation to a motor trade fraud and one into a fraud linked to environmental claims, were described as being before the courts. These cases are still before the courts. There are significant backlogs of cases in the Crown Courts in Kent which are impacting on the delivery of justice in relation to these prosecutions.

#### **6. Reportable errors**

These are errors which are required, by law, to be reported to the oversight commissioners for either surveillance or communications data requests. The errors can include those made by KCC or those made by third parties including communications data providers.

There were no reportable errors during the reported period.

#### **7. KCC Policy**

The statutory codes of practice which cover public authority use of covert investigative techniques require that the elected members of a local authority should review the authority's use of these techniques and set policy at least once per year.

Appendix 2 to this report is KCC's policy.

No Changes have been made to this policy this year.

Some minor updates have been made to the forms used to apply for authority to use these techniques. These changes were solely for the purpose of amending the links to the IPC codes of practice, which have themselves been updated.

## **8. Recommendations**

Members are asked to note for assurance the use of covert investigative techniques during the period and endorse the policy in relation to the use of covert investigative techniques.

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# Kent County Council

## Policy in relation to the use of covert investigative techniques

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## 1. Introduction

This policy document is based on the requirements of the Regulation of Investigatory Powers Act 2000 (RIPA) as amended, The Protection of Freedoms Act 2012, The Investigatory Powers Act 2016 and the Home Office's Codes of Practice for Directed Surveillance, Covert Human Intelligence Sources (CHIS) and Acquisition and Disclosure of Communications data.

Links to the above documents can be found at:

<http://www.legislation.gov.uk/ukpga/2000/23/contents>

<http://www.legislation.gov.uk/ukpga/2012/9/contents>

<http://www.legislation.gov.uk/ukpga/2016/25/contents>

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/742041/201800802\\_CSPI\\_code.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/742041/201800802_CSPI_code.pdf)

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- 1.1 Surveillance plays a necessary part in modern life and law enforcement. It is used not just in the targeting of criminals, but also as a means of preventing crime and disorder. The Regulation of Investigatory Powers Act 2000 (RIPA) introduced a system of authorisation and monitoring of activities, to ensure that the rights of the individual were not unnecessarily compromised, in the pursuance of regulatory compliance. The Protection of Freedoms Act and Investigatory Powers Act have refined the system introduced by RIPA.
- 1.2 Within the County Council, Trading Standards Officers may need to covertly observe and then visit a shop, business premises, website, social media page or to follow a vehicle or individual as part of their enforcement functions. During a visit or a test purchase situation it may be necessary to covertly video record a transaction, as it takes place. Environmental crime enforcement staff may also need to observe or record at places where illegal tipping or other similar crimes take place and access communications data when investigating such crimes. Similarly, KCC's Internal Audit fraud investigators may need to carry out covert surveillance or acquire communications data when they are investigating a crime which they intend to prosecute using the criminal law. They need to use covert surveillance techniques as part of their official duties.
- 1.3 Only those officers designated as "authorising officers" from the specified units or services are permitted to authorise the use of techniques referred to in RIPA. Trading Standards may use Covert Directed Surveillance, Covert Human Intelligence Sources and acquisition of communications data. Environmental Crime enforcement team may use Covert Directed Surveillance and acquisition of

communications data. Internal Audit fraud investigators may use Covert Directed Surveillance and acquisition of communications data.

- 1.4 Covert Directed Surveillance is undertaken in relation to a specific investigation or operation, where the person or persons subject to the surveillance are unaware that it is, or may be, taking place. The activity is also likely to result in obtaining private information about a person, whether or not it is specifically for the purpose of the investigation.
- 1.5 Investigations may also require the use of Covert Human Intelligence Sources (CHIS). These may be under-cover officers, agents or informants. Such sources may be used by the County Council to obtain and pass on information about another person, without their knowledge, as a result of establishing or making use of an existing relationship. This clearly has implications as regards the invasion of a person's privacy and is an activity which the legislation regulates. A CHIS (other than our own staff) would be used only rarely and in exceptional circumstances.
- 1.6 The Investigatory Powers Act (IPA) also requires a control and authorisation procedure to be in place in respect to the acquisition of telecommunications data. The County Council needs to comply with these requirements when obtaining, for example, telephone or internet subscriber, billing and account information.
- 1.7 In addition, the IPA put in place the Investigatory Powers Commissioner whose duties include inspection those public bodies undertaking covert surveillance and the acquisition of communications data and introduced an Investigatory Powers tribunal to examine complaints that human rights may have been infringed.

## **2. Policy Statement**

- 2.1 Kent County Council will not undertake any activity defined within RIPA or the IPA without prior authorisation in the legally prescribed form.
- 2.2 The Corporate Director of Growth, Environment and Transport has been appointed as the overall Senior Responsible Officer (SRO) with responsibility for the use of covert techniques and, as such, has been given authority to appoint Authorising Officers for the purposes of RIPA (for surveillance and CHIS activities), a Senior Responsible Officer and "Made Aware" Officers for the purposes of the IPA (for access to communications data). The Corporate Director is a member of the corporate leadership team currently called Corporate Management Team.
- 2.3 The Authorising Officer will not authorise the use of surveillance techniques or CHIS unless the authorisation can be shown to be necessary for the purpose of preventing or detecting crime or of preventing disorder.
- 2.4 In addition, the Authorising Officer must believe that the surveillance or use of CHIS is lawful, necessary and proportionate to what it seeks to achieve. In making this judgment, the officer will consider whether the information can be obtained using other methods and whether efforts have been made to reduce the impact of the surveillance or intrusion on other people, who are not the subject of the operation.

- 2.5 Applications for authorisation of surveillance or the use of a CHIS will be made in writing on the appropriate form (see Annexes 1 or 2 for example forms).
- 2.6 Intrusive surveillance operations are defined as activities using covert surveillance techniques on residential premises or in any private vehicle, which involves the use of a surveillance device or an individual in such a vehicle or on such premises. Kent County Council officers are NOT legally entitled to authorise or undertake these types of operations. Operations must not be carried out where legal consultations take place at the places of business of legal advisors or similar places such as courts, Police stations, prisons or other places of detention.
- 2.7 Public bodies are permitted to record telephone conversations, where one party consents to the recording being made and an appropriate authorisation has been granted. On occasions, officers do need to record telephone conversations, to secure evidence.
- 2.8 It is the policy of this authority to be open and transparent in the way that it works and delivers its services. To that end, a well-publicised KCC Complaints procedure is in place and information on how to make a complaint will be provided on request being made to the Corporate Director or Authorising Officer.

### **3. Internet and social media investigations**

- 3.1 On-line communication has grown and developed significantly over recent years. The use of this type of communication in the commission of crime is a recognised aspect of routine investigations.
- 3.2 Observing an individual's lifestyle as shown in their social media pages or securing subscriber details for e-mail addresses is covered by the same considerations as off-line activity.
- 3.3 Staff using the internet for investigative purposes must not, under any circumstances, use their personal equipment or their personal social media or other accounts.
- 3.4 KCC will provide equipment not linked to its servers for this purpose and will maintain a number of "legends" (false on-line personalities) for use in investigations. A register of all such legends will be maintained by the Trading Standards Service.
- 3.5 Under no circumstances will a legend include personal details of any person known to be a real person, including their photograph, or a name known to be linked to the subject of the covert technique.
- 3.6 A log will be maintained by the Trading Standards Service of the use of each legend. The log will include details of the user, time, date and enforcement purpose for which the legend is used. The log will be updated each time a legend is used.

- 3.7 It is unlikely that single viewing of open source data will amount to obtaining private information and it is therefore unlikely that an authorisation will be required. If in doubt, the investigating officer should consult a RIPA Authorising Manager.
- 3.8 Where data has restricted access (e.g. where access is restricted to “friends” on a social networking site), an application for CHIS and, if appropriate, directed surveillance should be made before any attempt to circumvent those access controls is made.

#### **4. Obtaining Authorisation**

- 4.1 The Corporate Director will designate by name one or more Directors, Heads of Service, Service Managers or equivalent to fulfil the role of Authorising Officer (for the purposes of Surveillance and CHIS authorisation), Senior Responsible Officer and “Made Aware” Officer (for the purposes of access to communications data). The Corporate Director will cause to be maintained a register of the names of such officers.
- 4.2 Where a CHIS is a juvenile or a vulnerable person, or there is the likelihood that the information acquired by covert surveillance will be Confidential Information (see Glossary), then the authorisation must be from the Head of Paid Service or, in his absence, a Corporate Director nominated by the Head of Paid Service to deputise for him. In the event of such circumstances, the KCC General Counsel will also be informed.
- 4.3 Authorisations from the Authorising Officer for directed surveillance or to use a CHIS shall be obtained using the appropriate application form (see annexes 1 and 2 for example forms). Also see Section 12 in relation to CHIS.
- 4.4 Applications for access to communications data shall be made using the system provided by the National Anti-Fraud Network.
- 4.5 Guidance for completing and processing the application forms is attached (annexes 3 or 4). Guidance for use of the NAFN portal is published and updated on that website.
- 4.6 If authorisation is granted by the Authorising Officer, the applicant, or a suitably experienced officer nominated by the applicant, will make the necessary arrangements to secure judicial approval of the authorisation in compliance with the requirements of the Protection of Freedoms Act 2012. This requires the applicant, or their nominee, to attend a Magistrates’ Court and seek an approval order.

#### **5. Duration of authorisations**

- 5.1 All records shall be kept for at least 3 years.
- 5.2 A written authorisation (unless renewed) will cease to have effect at the end of the following periods from when it took effect:
- a) Directed Surveillance - 3 months
  - b) Conduct and use of CHIS - 12 months

## **6. Reviews**

- 6.1 Regular review of authorisations shall be undertaken by the relevant Authorising Officer to assess the need for the surveillance or CHIS to continue. The results of the review shall be recorded on the central record of authorisations (see annexes 1 or 2 for review forms). Where surveillance or CHIS activity provides access to Confidential Information or involves collateral intrusion, particular attention shall be given to the review for the need for surveillance or activity in such circumstances.
- 6.2 In each case, the Authorising Officer shall determine how often a review is to take place, and this should be as frequently as is considered necessary and practicable.

## **7. Renewals**

- 7.1 If, at any time, an authorisation ceases to have effect and the Authorising Officer considers it necessary for the authorisation to continue for the purposes for which it was given, s/he may renew it, in writing, for a further period of:
- three months – directed surveillance
  - twelve months – use of a CHIS
  - (see annexes 1 or 2 for examples of renewal forms)
- 7.2 A renewal takes effect at the time at which the authorisation would have ceased to have effect but for the renewal. An application for renewal should not be made until shortly before the authorisation period is drawing to an end. Any person who would be entitled to grant a new authorisation can renew an authorisation. Authorisations may be renewed more than once provided they continue to meet the criteria for authorisation.

## **8. Cancellations**

- 8.1 The Authorising Officer who granted or last renewed the authorisation must cancel it if s/he is satisfied that the Directed Surveillance or the use or conduct of the CHIS no longer meets the criteria for which it was authorised (see annexes 1 or 2 for examples of cancellation forms). When the Authorising Officer is no longer available, this duty will fall on the person who has taken over the role of Authorising Officer or the person who is acting as Authorising Officer.
- 8.2 As soon as the decision is taken that Directed Surveillance should be discontinued or the use or conduct of the CHIS no longer meets the criteria for which it was authorised, the instruction must be given to those involved to stop all surveillance of the subject or use of the CHIS. The authorisation does not 'expire' when the activity has been carried out or is deemed no longer necessary. It must be either cancelled or renewed. The date and time when such an instruction was given should be recorded in the central register of authorisations and the notification of cancellation where relevant.

## **9. Central Register and Oversight by Corporate Director**

- 9.1 A copy of any authorisation, any renewal or cancellation (together with any supporting information relevant to such authorisation or cancellation) shall be forwarded to the Corporate Director or a person nominated by them within 5

working days of the date of the application, authorisation, notice, renewal or cancellation.

9.2 The Corporate Director shall:

- (a) ensure that a register of the documents referred to in paragraph 9.1 above is kept;
- (b) monitor the quality of the documents and information forwarded;
- (c) monitor the integrity of the process in place within the Council for the management of CHIS;
- (d) monitor compliance with Part II of RIPA and with the Codes;
- (e) oversee the reporting of errors to the relevant Oversight Commissioner and the identification of both the cause(s) of errors and the implementation of processes to minimise repetition of errors;
- (f) engage with the IPC inspectors when they conduct their inspections, where applicable; and
- (g) where necessary, oversee the implementation of post-inspection action plans approved by the relevant Oversight Commissioner.

**10. Training**

- 10.1 The Authorising Officers shall be provided with training to ensure awareness of the legislative framework.

**11. Planned and Directed Use of KCC CCTV Systems**

- 11.1 KCC's CCTV systems shall not be used for Directed Surveillance, without the Corporate Director or other senior legal officer confirming to the relevant operational staff that a valid authorisation is in place.

**12. Special Arrangements**

- 12.1 The use of a CHIS can present significant risk to the security and welfare of the person. Each authorisation will have a specific documented risk assessment and the CHIS (and all members of any support team) will be briefed on the details of the assessment. Kent County Council has a Memorandum of Understanding with Kent Police for circumstances where the CHIS is not an employee or other agent working for or on behalf of the authority. In other circumstances such as a member of public, "whistle-blower" or informant then Kent Police will handle the operation of the CHIS. Kent Police will ensure the compliance with the Regulations, codes of practice and all other risks such as the security and welfare of the CHIS (and associated persons). Any necessary and relevant information will be provided following best practise as to not risk identifying CHIS unless this is appropriate and approved by Kent Police. In such cases, Kent Police are responsible for all records and monitoring processes.

**13. Oversight**

- 13.1 The Corporate Director shall ensure that this policy is reviewed on an annual basis by presenting a report of activity to the Governance and Audit Committee (or similar Committee). There shall also be brief details of all activity under this policy provided to the Corporate Director and shared with the appropriate Cabinet

Member at such intervals between the annual reports as the Corporate Director sees fit.

- 13.2 Every two years the KCC General Counsel will review the policy, and also contact the Corporate Directors responsible for all other units and services within Kent County Council to inform them of any changes or alterations. The communication will also seek to highlight the details of the restrictions imposed by RIPA, the IPA and Human Rights legislation. Should any unit or service (other than those permitted by this policy) consider that any actions it may have taken (or are considering taking) might infringe this policy, they must be raised with the KCC General Counsel as soon as practicable.



## Glossary

**"Confidential information"** consists of matters subject to legal privilege, confidential personal information, or confidential journalistic material.

**"Directed Surveillance"** is defined in section 26 (2) of RIPA as surveillance which is covert, but not intrusive (i.e. takes place on residential premises or in any private vehicle), and undertaken:

- (a) for the purpose of specific investigation or specific operation;
- (b) in such a manner is likely to result in the obtaining of private information about a person (whether or not one specifically identified for the purposes of the investigation or operation); and
- (c) otherwise than by way of an immediate response to events or circumstances the nature of which is such that it would not be reasonably practicable for an authorisation under Part II of RIPA to be sought for the carrying out of the surveillance.

**"A person is a Covert Human Intelligence Source"** if:

- he establishes or maintains a personal or other relationship with a person for the covert purpose of facilitating the doing of anything within paragraph (b) or (c);
- he covertly uses such a relationship to obtain information or to provide access to any information to another person; or
- he covertly discloses information obtained by the use of such a relationship, or as a consequence of the existence of such a relationship.

**"Communications data"**, in relation to a telecommunications operator, telecommunications service or telecommunication system, means entity data or events data—

(a) which is (or is to be or is capable of being) held or obtained by, or on behalf of, a telecommunications operator and—

(i) is about an entity to which a telecommunications service is provided and relates to the provision of the service,

(ii) is comprised in, included as part of, attached to or logically associated with a communication (whether by the sender or otherwise) for the purposes of a telecommunication system by means of which the communication is being or may be transmitted, or

(iii) does not fall within sub-paragraph (i) or (ii) but does relate to the use of a telecommunications service or a telecommunication system,

(b) which is available directly from a telecommunication system and falls within sub-paragraph (ii) of paragraph (a), or

(c) which—

(i) is (or is to be or is capable of being) held or obtained by, or on behalf of, a telecommunications operator,

(ii) is about the architecture of a telecommunication system, and

(iii) is not about a specific person,

but does not include any content of a communication or anything which, in the absence of subsection (6)(b), would be content of a communication.

## **Annex 1 – Surveillance forms**

Application for Authorisation to Carry Out Directed Surveillance

Review of Directed Surveillance Authorisation

Cancellation of a Directed Surveillance Authorisation

Application of Renewal of a Directed Surveillance Authorisation

(Forms available at <http://www.homeoffice.gov.uk/counter-terrorism/regulation-investigatory-powers/ripa-forms/> )

## **Annex 2 – Covert Human Intelligence forms**

Application for Authorisation of the Use or Conduct of a Covert Human Intelligence Source

Review of a Covert Human Intelligence Source Authorisation

Cancellation of an Authorisation for the use of or Conduct of a Covert Human Intelligence Source

Application for renewal of a Covert Human Intelligence Source Authorisation

(Forms available at <http://www.homeoffice.gov.uk/counter-terrorism/regulation-investigatory-powers/ripa-forms/> )

## **Annex 3 - Guidance on completing surveillance forms**

### **Details of Applicant**

Details of requesting officer's work address and contact details should be entered.

### **Details of Application**

**1. Give rank or position of authorising officer in accordance with the Regulation of Investigatory Powers (Directed Surveillance and Covert Human Intelligence Sources) Order 2003; No. 3171**

Fill in details of Authorising Officer (see paras 3.1 and 3.2 of Policy)

**2. Purpose of the specific operation or investigation**

Outline what the operation is about and what is hoped to be achieved by the investigation. Indicate whether other methods have already been used to obtain this information. Give sufficient details so that the Authorising Officer has enough information to give the Authority e.g. "Surveillance at Oakwood House and Mr. X".

**3. Describe in detail the surveillance operation to be authorised and expected duration, including any premises, vehicles or equipment (e.g. camera, binoculars, recorder) that may be used**

Give as much detail as possible of the action to be taken including which other officers may be employed in the surveillance and their roles. If appropriate append any investigation plan to the application and a map of the location at which the surveillance is to be carried out.

**4. The identities, where known, of those to be subject of the directed surveillance**

**5. Explain the information that it is desired to obtain as a result of the directed surveillance**

This information should only be obtained if it furthers the investigation or informs any future actions

**6. Identify on which grounds the directed surveillance is necessary under section 28(3) of RIPA**

The ONLY grounds for carrying out Directed Surveillance activity is for the purpose of preventing or detecting crime or of preventing disorder.

This can be used in the context of local authority prosecutions, or where an employee is suspected of committing a criminal offence e.g. fraud.

**7. Explain why this directed surveillance is necessary on the grounds you have identified (code chapter 3)**

Outline what other methods may have been attempted in an effort to obtain the information and why it is now necessary to use surveillance.

**8. Supply details of any potential collateral intrusion and why the intrusion is unavoidable (code chapter 3) Describe precautions you will take to minimise collateral intrusion**

Who else will be affected by the surveillance, what steps have been done to avoid this, and why it is unavoidable?

**9. Explain why the directed surveillance is proportionate to what it seeks to achieve. How intrusive might it be on the subject of surveillance or on others? And why is this intrusion outweighed by the need for surveillance in operational terms or can the evidence be obtained by any other means? [Code chapter 3]**

If the Directed Surveillance is necessary, is it proportionate to what is sought to be achieved by carrying it out? This involves balancing the intrusiveness of the activity on the target and others who may be affected by it against the need for the activity in operational terms. Reasons should be given why what is sought justifies the potential intrusion on the individual's personal life and his privacy. The activity will not be proportionate if it is excessive in the circumstances of the case or if the information which is sought could reasonably be obtained by other less intrusive means.

**10. Confidential information (Code chapter 4)**

Will information of a confidential nature be obtained (i.e. communications subject to legal privilege, or communications involving confidential personal information and confidential journalistic material) if so the appropriate level of authorisation must be obtained (see para 3.2 of the Policy).

**12. Authorising Officer's Statement**

**13. Authorising Officer's comments**

Must be completed outlining why it is proportionate and why he/she is satisfied that it is necessary.

## **Annex 4 - Guidance on completing Covert Human Intelligence forms**

### **Details of Application**

#### **1. Authority Required**

Fill in details of Authorising Officer (see paras 4.1 and 4.2 of the Policy)

Where a vulnerable individual or juvenile source is to be used, the authorisation **MUST** be given by the Head of Paid Service or, in their absence, the Corporate Director deputising for them.

#### **2. Describe the purpose of the specific operation or investigation**

Sufficient details so that the Authorising Officer has enough information to give Authority. Outline what the operation is about and the other methods used already to obtain this information.

#### **3. Describe in detail the purpose for which the source will be tasked or used**

Give as much detail as possible as to what the use of the source is intended to achieve.

#### **4. Describe in detail the proposed covert conduct of the source or how the source is to be used**

Describe in detail the role of the source and the circumstances in which the source will be used

#### **5. Identify on which grounds the conduct or the use of the source is necessary under Section 29(3) of RIPA**

The **ONLY** grounds for carrying out Directed Surveillance activity is for the purpose of preventing or detecting crime or of preventing disorder

#### **6. Explain why this conduct or use of the source is necessary on the grounds you have identified (Code chapter 3)**

Outline what other methods may have been attempted in an effort to obtain the information and why it is now necessary to use surveillance for the investigation.

#### **7. Supply details of any potential collateral intrusion and why the intrusion is unavoidable (Code chapter 3)**

Who else will be affected, what steps have been done to avoid this, and why it is unavoidable?

#### **8. Are there any particular sensitivities in the local community where the source is to be used? Are similar activities being undertaken by other public authorities that could impact on the deployment of the source? (see Code chapter 3)**

Ensure that other authorities such as the police or other council departments are not conducting a parallel investigation or other activity which might be disrupted.

**9. Provide an assessment of the risk to the source in carrying out the proposed conduct (see Code chapter 6)**

A risk assessment will have to be carried out to establish the risks to that particular source, taking into account their strengths and weaknesses. The person who has day to day responsibility for the source and their security (the 'Handler') and the person responsible for general oversight of the use made of the source (the 'Controller') should be involved in the risk assessment.

**10. Explain why this conduct or use of the source is proportionate to what it seeks to achieve. How intrusive might it be on the subject(s) of surveillance or on others? How is this intrusion outweighed by the need for a source in operational terms, and could the evidence be obtained by any other means? [Code chapter 3]**

If the use of a Covert Human Intelligence Source is necessary, is it proportionate to what is sought to be achieved by carrying it out? This involves balancing the intrusiveness of the activity on the target and others who may be affected by it against the need for the activity in operational terms. Reasons should be given why what is sought justifies the potential intrusion on the individual's personal life and his privacy. The activity will not be proportionate if it is excessive in the circumstances of the case or if the information which is sought could reasonably be obtained by other less intrusive means.

**11. Confidential information (Code chapter 4). Indicate the likelihood of acquiring any confidential information**

Will information of a confidential nature be obtained (i.e. communications subject to legal privilege, or communications involving confidential personal information and confidential journalistic material) if so the appropriate level of authorisation must be obtained (see para 3.2 of the Policy).

**13. Authorising Officer's comments**

Must be completed outlining why it is proportionate and why he/she is satisfied that it is necessary to use the source and that a proper risk assessment has been carried out.

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From: Katy Reynolds, Governance Advisor

To: Governance and Audit Committee, 12 November 2024

Subject: External Audit Progress Report and Sector Update for Kent County Council and Kent Pension Fund

Status: Unrestricted

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Summary: The External Audit Progress Report and Sector Update presents the Governance and Audit Committee with a report on Grant Thornton's progress in delivering their responsibilities as Kent County Council's External Auditors and as the Kent Pension Fund's External Auditors. The paper also includes a series of sector updates in respect of emerging issues relevant to the sector which the Committee may wish to consider.

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## 1) Introduction

- a) External Audit is a key assurance mechanism. A local authority's audited accounts allow the Ministry for Housing, Communities and Local Government (MHCLG), in its role as the steward of the local government accountability framework, to be assured that the authority has been acting with regularity, propriety and value for money in the use of its resources.

## 2) Governance and Audit Committee's Responsibility

- a) In accordance with CIPFA's Position Statement 2022, the Committee is responsible for considering the opinion and recommendations of External Audit and their implications for governance, risk management or control, and for monitoring management action in response to the issues raised by external audit.
- b) Members are reminded that the purpose of this Committee, in accordance with its [Terms of Reference](#), is to provide independent and high-level focus on the adequacy of governance, risk, finance, and control arrangements.
- c) Towards this purpose, its role is to:
  - i. ensure there is sufficient assurance over governance risk and control and provide reports to full Council on the effectiveness and adequacy of these arrangements;
  - ii. have oversight of both internal and external audit together with the financial and governance reports, helping to ensure that there are adequate arrangements in place for both internal challenge and public accountability, and
  - iii. through i and ii above, give greater confidence to all those charged with governance for Kent County Council that its arrangements are effective and reporting to full Council or other Committees as necessary where the Committee has concerns that these arrangements are not effective.

### **3) Recommendation**

The Governance and Audit Committee is asked to consider and comment on the External Audit Progress Report and Sector Update for assurance.

### **4) Appendices**

Appendix: Grant Thornton's Audit Progress Report and Sector Update

### **5) Background Documents**

None.

### **6) Contact Details**

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03000 422252

# Kent County Council and Kent Pension Fund

## Audit progress report

November 2024

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The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and, in particular, we cannot be held responsible to you for reporting all the risks which may affect the Council or all weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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# Introduction

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## Your key Grant Thornton team members are:

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9

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This paper provides the Governance and Audit Committee with a report on progress in delivering our responsibilities as your external auditors.

The paper also includes a series of sector updates in respect of these emerging issues which the Committee may wish to consider.

Members of the Governance and Audit Committee can find further useful material on our website, where we have a section dedicated to our work in the public sector. Here you can download copies of our publications:

<https://www.grantthornton.co.uk/industries/public-sector/local-government/>

If you would like further information on any items in this briefing or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either Paul or Lucy.

# Kent County Council – audit progress

## Financial statements audit

As reported to the Governance and Audit Committee in October 2024, our audit work is substantially complete in execution but is still subject to our internal review processes.

Key outstanding areas of work remain on the Annual Governance Statement, which we are yet to receive, and on the group accounts, where we are waiting on responses from KCC’s subsidiary company auditors.

Our audit work is now well progressed, and we set out below our progress against the significant audit risks identified at the planning stage of the audit. No new additional significant risks have been identified since the issue of our audit plan.

Risk	Progress update
Management override of controls	<ul style="list-style-type: none"> <li>As planned, we have performed audit testing on a sample of journal entries, based on risk criteria set for the Council. Our journal entry testing has identified no issues.</li> <li>Audit work to assess estimates and critical judgements in the accounts is complete, with no issues arising.</li> </ul>
Valuation of land and buildings	<ul style="list-style-type: none"> <li>As planned, we have performed work to understand management’s processes for the obtaining of valuations and entering them in the financial records.</li> <li>We have communicated with the Council’s valuer (Wilks, Head and Eve) to understand assumptions used in the valuations and engaged with an auditor’s expert valuer (Gerald Eve) to confirm the appropriateness of assumptions used.</li> <li>Audit work is substantially complete, subject to internal review processes, with no issues arising to date.</li> </ul>
Valuation of defined benefit pension scheme	<ul style="list-style-type: none"> <li>As planned, we have assessed the work of the actuary (Barnett Waddingham) and the assumptions used to obtain a value of the Council’s share of the Kent Pension Fund at 31 March 2024. Our work is substantially complete.</li> <li>We await assurances from the auditor of the Kent Pension Fund on the controls in place over membership, contributions and benefits data and fund asset valuations</li> <li>A national issue has recently arisen with the application of IFRIC14 on pension fund liabilities. Work undertaken has determined that the national issue does not impact on Kent County Council.</li> </ul>

# Kent County Council – audit progress

## Other areas of work

Risk	Progress update
Employee benefit expenditure	<ul style="list-style-type: none"> <li>As planned, we have performed substantive testing on payroll data to give assurance over the number of full time equivalents in post at the Council to enable us to perform substantive analytical procedures.</li> <li>Substantive analytical procedures have been performed on the staff costs, with no significant variances arising.</li> </ul>
Income testing, including completeness of income	<ul style="list-style-type: none"> <li>As planned, we have substantively sample tested all financially material income streams, with no significant issues arising.</li> <li>We have performed completeness of income testing, to ensure income has been recorded in the correct accounting period, with no significant issues arising.</li> </ul>
Expenditure testing, including completeness of expenditure	<ul style="list-style-type: none"> <li>As planned, we have substantively sample tested all financially material expenditure streams, with no significant issues arising.</li> <li>We have performed completeness of expenditure testing, to ensure income has been recorded in the correct accounting period, with no significant issues arising.</li> </ul>
Group accounts	<ul style="list-style-type: none"> <li>We have communicated with the external auditors of the Council's wholly owned company, Global Commercial Services Group Ltd as we intend to place reliance on their work. We await final confirmation from the auditors of their audit findings to complete our group audit work</li> </ul>
Annual Governance Statement	<ul style="list-style-type: none"> <li>We have not yet been given an Annual Governance Statement to audit, this work remains outstanding.</li> </ul>

We have identified no further audit adjustments since our prior progress report. We have agreed a number of disclosure changes to the financial statements that will be fully set out in our Audit Findings Report at a subsequent Governance and Audit Committee.

## Value for Money

Our Value for Money work is underway, and we intend to issue our Auditor's Annual Report (AAR) with our Audit Findings report in December 2024. The AAR will include detailed follow up of prior year recommendations from both the 2022/23 AAR and the Governance Review.

# Kent Pension Fund - audit progress

## Financial statements audit – progress and outstanding items

Our work is nearing completion and based on work completed to date, there are no matters of which we are aware that would require modification of our audit opinion. See below for details of areas of the audit still in progress or where we are waiting on information from management. We are confident that the residual procedures in the first two boxes below will be completed by the Governance and Audit Committee on the 12 December. Procedures in the last box can only be completed once the accounts have been approved on the 12 December.

### Matters outstanding with management or other stakeholders:

- 2 queries outstanding on Profit and Loss and changes in values of investments

### Audit areas in progress where there are no outstanding issues with management:

- Closure of financial reporting queries raised on the draft financial statements
- ITGC work on the Pension fund System
- Review of PPA disclosure

### Audit procedures which necessarily take place within the concluding stages of the audit:

- Completion of procedures regarding subsequent events
- Senior engagement team quality review
- Responding to IAS 19 request letters
- Receipt of management representation letter
- Review of the final set of financial statements

**Subject to the receipt of the outstanding items and satisfactory completion of the procedures set out on this page, we anticipate issuing an unqualified opinion on the pension fund financial statements and an unqualified consistency opinion for the Annual Report following the Governance and Audit Committee on 12 December.**



# Kent Pension Fund - audit progress

## Financial statements audit – key findings

At present there is one non-trivial adjustment that has resulted in an adjustment to the Pension Fund's reported financial position impacting the Net Asset Statement by circa £10m. This was an adjustment identified by management after the draft accounts were produced. We have then audited the revised position as part of our work. The difference arose because management were provided with more up to date information regarding the valuation of some of their investments by investment managers. This type of timing difference is typical and not a cause for concern.

We have also identified a significant adjustment related to the reclassification of investments from Level 2 to Level 3, totalling £727m for the current year and £781m for the prior year. This adjustment has resulted in a Prior Period Adjustment (PPA), which management has already reflected in the updated accounts. We are currently performing our audit procedures on the PPA balance and its disclosure. It is important to emphasise that the misstatement does not impact total net assets. The misstatement only relates to the disclosure of those investments and how they are classified in the notes to the accounts between Level 2 and Level 3 investments.

**Other than the above two issues, there are no other findings which we wish to bring to the attention of the Governance and Audit Committee at this stage. Our detailed Audit Findings Report on the 2023-24 financial statements will be on the agenda of the Governance and Audit Committee in December.**

# Audit deliverables

Below are some of the audit deliverables planned for 2023-24.

2023-24 Deliverables	Planned date*	Status
<p><b>Audit Plan</b></p> <p>We are required to issue a detailed audit plan to the Governance and Audit Committee setting out our proposed approach in order to give an opinion on the Council's 2023-24 financial statements.</p>	September 2024	Complete
<p><b>Audit Findings Report</b></p> <p>The Council's Audit Findings Report will be reported to the Governance and Audit Committee.</p>	December 2024	Not yet due
<p><b>Audit Findings Report</b></p> <p>The Pension Fund's Audit Findings Report will be reported to the Governance and Audit Committee.</p>	December 2024	Not yet due
<p><b>Auditor's Report</b></p> <p>This includes the opinion on your financial statements for the Council and the Pension Fund</p>	December 2024	Not yet due
<p><b>Auditor's Annual Report</b></p> <p>This report communicates the key outputs of the audit, including our commentary on the Council's Value for Money arrangements.</p>	December 2024	Not yet due

# Audit deliverables – grants

2023-24 Audit-related deliverables	Planned date	Status
<p>Teachers' Pensions - Certification 2023-24</p> <p>Agreed upon procedures relating to the Teachers' Pensions end of year certificate</p>	TBC	Not started
<p>Teachers' Pensions - Certification 2020/21 - Certification 2021/22 - Certification 2022/23</p>	TBC	In progress
<p>The Council and Grant Thornton are in discussion with Teachers Pensions' regarding non-submission of these returns as due to the change in administration provider for schools from Capita to HR Connect significant difficulties have been faced in obtaining supporting information.</p>		



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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Agenda Item 15

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# Commercial and Procurement Oversight Board

## Terms of Reference

**Version No:** 7  
**Updated By:** Michael Bridger, Commercial and Procurement Standards Manager  
**Date:** 4 November 2024

### 1. Role and Purpose

The Commercial and Procurement Oversight Board (CPOB) will provide direction and oversight across KCC's procurement activity, ensuring that activity is undertaken effectively, efficiently, and in a compliant, fair, and transparent manner in line with public procurement regulations and the mandatory rules and procedures in Spending the Council's Money. This will result in Goods, Services, and Works being secured that represent value for money for the Council and Kent residents.

### 2. Membership

Membership of the CPOB will be comprised of senior Officers from the Commercial and Procurement Division (CPD) and key functions across the Council, including Finance and Governance and Law. The CPOB will be chaired by the Head of Commercial and Procurement and will include a core membership plus optional members depending on the items under consideration.

#### **Core Members**

- Chair – Head of Commercial and Procurement
- Corporate Director for Finance (or nominated representative)
- General Counsel (or nominated representative)
- Strategic Commercial and Procurement Leads
- Commercial and Procurement Standards Manager
- Commercial and Procurement Policy and Governance Lead

#### ***For each meeting, depending on the item, additional invitees would be:***

- Commercial Managers
- Director of Adults & Integrated Commissioning
- Heads of Commissioning (for Adults, Children's, or Integrated Commissioning)
- Service Directors
- Heads of Service

### 3. Functions and Responsibilities

- The CPOB will provide strategic oversight of the Council's procurement activity in order to ensure alignment with the Council's overall direction, priorities, and objectives.
- The CPOB will review KCC's Procurement Pipeline. This will inform future planning and resource allocation and a 12-month forward plan of projects for review by the CPOB will be developed.
- For procurement projects that are reviewed by the CPOB, the group will seek to ensure that activity is effectively and efficiently undertaken or planned to maximise value for money.
- The group will seek to ensure that there has been and will be transparency and accountability in the procurement process, with objective decision-making and fair, open, and compliant processes
- The group will provide advice and guidance on major risks and issues facing projects reviewed

- When reviewing procurement projects, the group will have consideration of whether public procurement regulations and Spending the Council's Money have been followed.
- The CPOB will champion continuous improvement in procurement practice across KCC.

#### **4. Standard Eligibility Criteria for CPOB Attendance**

- The CPOB will act as a gateway for reviewing procurement projects, specifically the Commercial Strategy and Procurement Plan, prior to Officers going out to tender.
- Specifically, the CPOB will act as a gateway for those procurement projects that it is determined will result in a 'Gold'-tiered contract, or a 'Silver' tiered contract over £1m in value, following an assessment of project value, risk, and complexity.
- For the avoidance of doubt, where KCC is procuring collaboratively with another organisation (e.g., another LA or an NHS partner) but is not the organisation leading the procurement, there is still the expectation that Officers will attend the CPOB if the projects meet the above criteria. CPOB may agree that the proposal as to the project approach to be adopted can be provided virtually, so Officers should confirm with the CPOB administrators in advance.
- All projects subject to the Provider Selection Regime (PSR) legislation governing the procurement of healthcare services in England, will be subject to CPOB attendance by the relevant Officer, **regardless of value**. This recognises the risk associated with new Direct Award procedures permitted under the Act and will be reviewed in April 2025, and ensures that there will be sufficient scrutiny of Direct Award decisions in relation to PSR to minimise the risk of challenge.
- For other projects that fall under the remit of a consolidated programme of funding or activity, Officers will need to attend for **each project** that fulfils the above criteria; it will not be sufficient for projects to be "grouped" together and they must be considered separately.
- Projects funded through grant awards are subject to the same criteria as those with other funding arrangements; but Officers must adhere to the correct governance processes regarding grant receipt and administration separately. As part of the CPOB submission, Officers will be required to demonstrate that any procurement activity is cost neutral in relation to the grant.

#### **5. Timing for Review and Exceptions to Standard Eligibility Criteria**

- Approval to proceed should be received from the CPOB prior to going out to tender in line with the mandatory rules and procedures in Spending the Council's Money.
- A 12-month forward plan will be developed and agreed by the group. However, it is the responsibility of Officers whose projects meet the above criteria to ensure they are scheduled to attend the CPOB at a time sufficiently prior to their intended procurement start date.
- The CPOB may determine that other projects not meeting the above criteria must also attend in which case the onus is on the CPOB to make Officers aware of their request.
- In cases of urgency, the Head of Commercial and Procurement can approve the Commercial Strategy and Procurement Plan, without it coming to the CPOB, in consultation with the Section 151 Officer and Monitoring Officer, with a report subsequently provided to the CPOB.
- Where there are 'material changes' following the tender process, Officers should visit the CPOB with a summary of the changes and proposed Award Report before making the contract award in line with Spending the Council's Money and the Council's Scheme of Delegation.
- 'Material changes' can be determined by the senior Officers from the CPD alongside Legal and Finance.

#### **6. Governance and Reporting**

- The CPOB will be part of the Council's established Informal Governance Arrangements.
- Officers should attend the CPOB prior to seeking any formal governance to proceed to tendering.

- Half yearly reports will be delivered to the Corporate Management Team, Corporate Board, and Governance and Audit Committee, covering the lessons learned and recognised best practice, outcomes from meetings, advice provided and recommendations made, and lessons learned.

## **7. Meetings Frequency and Format**

- The CPOB will meet every month for 1½ hours. The frequency and duration of meetings, and the number of procurement projects reviewed at each may vary dependent on business need.
- Strategic Commercial and Procurement Leads will be invited to attend and to present, alongside the relevant Head of Commissioning or Head of Service in the Directorate that they support.
- The presentation should summarise their Commercial Strategy and Procurement Plan, providing clear recommendations to the CPOB with a view to gaining approval to proceed to tender.
- Officers may also raise questions, issues, or concerns that they seek further CPOB direction on.
- The CPOB will consider the presentation with a view to fulfilling its functions and responsibilities and checklists outlined in Sections 3 and 8, deciding whether the project can proceed to tender.
- For any visit required to the CPOB prior to contract award, the presentation should focus on a summary of the 'material changes', the implications for KCC, and the proposed Award Report.
- Recommendations by the CPOB will be communicated to attendees after the meeting, along with a summary of key discussion points and any additional advice from the group.

## **8. Administration**

- The Commercial and Procurement Standards and Improvement Team will administer and coordinate the meeting of the CPOB, being on hand to advise attendees beforehand, and ensuring that advice and recommendations from the group are communicated thereafter.

## **9. Potential Areas of Examination for the CPOB**

As a part of reviewing the Commercial Strategy and Procurement Plan prior to Officers proceeding to seek formal governance to proceed to tendering, the CPOB may examine the following:

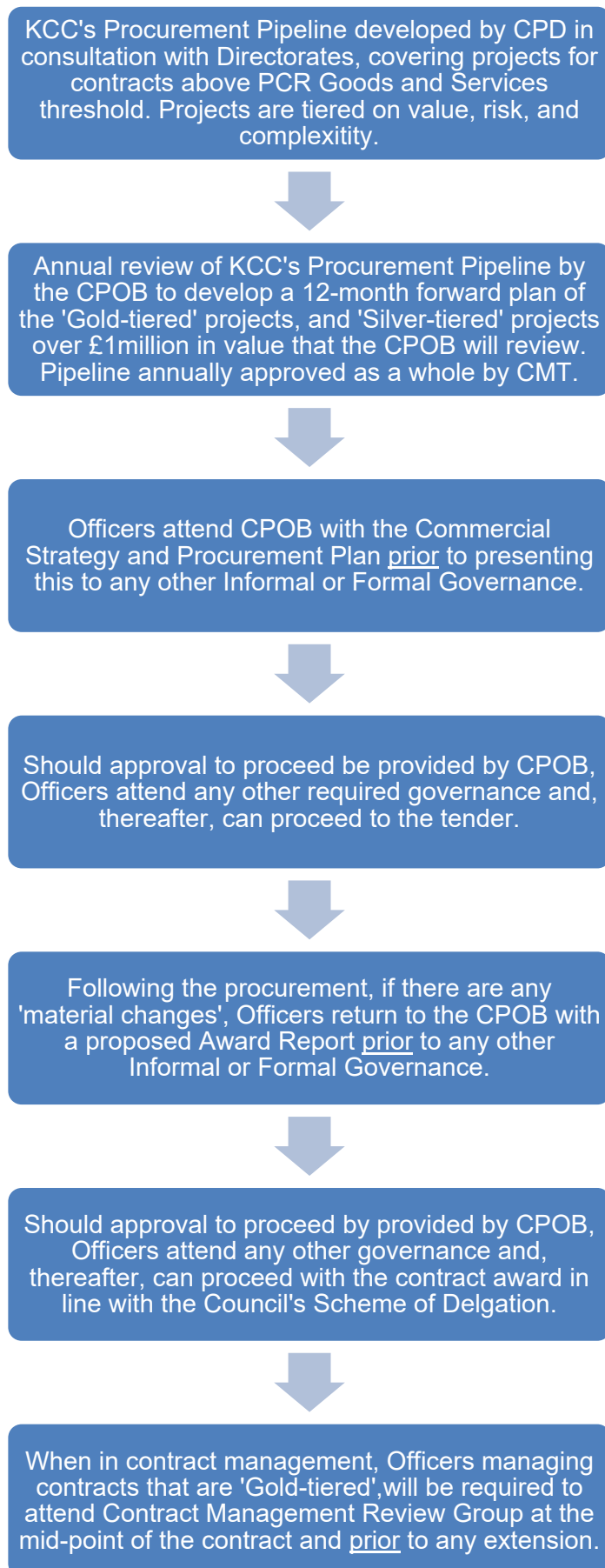
- The intended outcomes and benefits of the project.
- The project's potential to succeed and whether this has been considered in the wider context of the Council's overall strategic objectives and priorities.
- Whether there has been an assessment of the supply market, KCC's position in relation to it, fair market rates, and the consideration of findings from any market engagement undertaken.
- Whether consideration has been given to whether the project could be joined up with other projects, either internally (i.e., consolidation) or externally (i.e., collaboration).
- The specification of requirements is an accurate reflection of the business needs and is neither over- nor under-specified, which could result in additional costs now or in the future.
- Whether consideration has been given to the type of contract to be used, any deviation from the Council's standard terms and conditions, contract length, and extension options.
- Whether consideration has been given to the allocation of risk between the Council and any selected suppliers and the appropriate payment and incentive mechanisms.
- Where there has been an assessment of the most appropriate procurement route, which has been proposed alongside a clear and realistic timetable for running the competition.
- The required budget is in place and alternative funding options have been considered.
- It has been considered whether and how 'best value' could be achieved with the appropriate consideration of any potential negotiation/savings opportunities considering KCC's leverage.
- Social value considerations have been made.

- Procurement regulations, policy and procedures, and best practice is followed and recognised.
- Necessary transparency publications have been considered.
- There are suitable arrangements in place for identifying, recording, managing and mitigating risks both in the procurement stage and the contract mobilisation and management stage.
- There is confidence that key stakeholders have been appropriately engaged with the project, including Officer and Member decision makers, Legal, Finance, Insurance, LGPS, and ICT.
- CPD has the support it requires from Directorate stakeholders and vice-versa.
- An EQIA and DPIA has been undertaken.

As a part of reviewing any 'material changes', the CPOB may examine the following:

- The original projected outcomes and benefits can still be achieved.
- Implications of the changes do not place undue financial, legal, commercial or reputational risk on KCC and, where necessary, there are plans to monitor any risks arising from the changes
- 'Best value' can still be achieved
- Lessons for future projects will be identified and recorded.
- There is confidence that the changes and their implications will be appropriately communicated to key stakeholders, including senior Officer and Member decision makers.

## 10. Process Flow Chart



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