INTERNAL AUDIT PROGRESS REPORT

GOVERNANCE AND AUDIT COMMITTEE

22 July 2021

1. Introduction

1.1 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.

1.2 Upon completion of an audit, an assurance opinion is given on the soundness 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.

1.3 This activity report provides Members of the Governance and Audit Committee and Management with **9** summaries of completed work since the previous Committee in April 2021.

2. Key Messages

- **12** audits have been finalised since the previous Progress Report, in April 2021. See **Appendix C**
- **44** audits have been completed on the 2020/21 audit plan to-date
- At the time of drafting this report **4** audits had reached draft report stage, with a further **6** audits in progress
- **5** audits have been carried forward to 2021/22
- **4** grants / certifications have been certified since the last progress report, with a further **4** grants currently in progress.
- The restructure of the Internal Audit team has now concluded and recruitment to fill vacant posts has commenced.

3. Updates

3.1 Internal Audit Plan

The Internal Audit Plan must be flexible to ensure that it remains relevant to risks facing the Council throughout the year. The Audit Plan, therefore, needs to be amended to reflect changing risk circumstances and requests from senior management. The following Audit Plan amendments are drawn to the attention of the Committee:
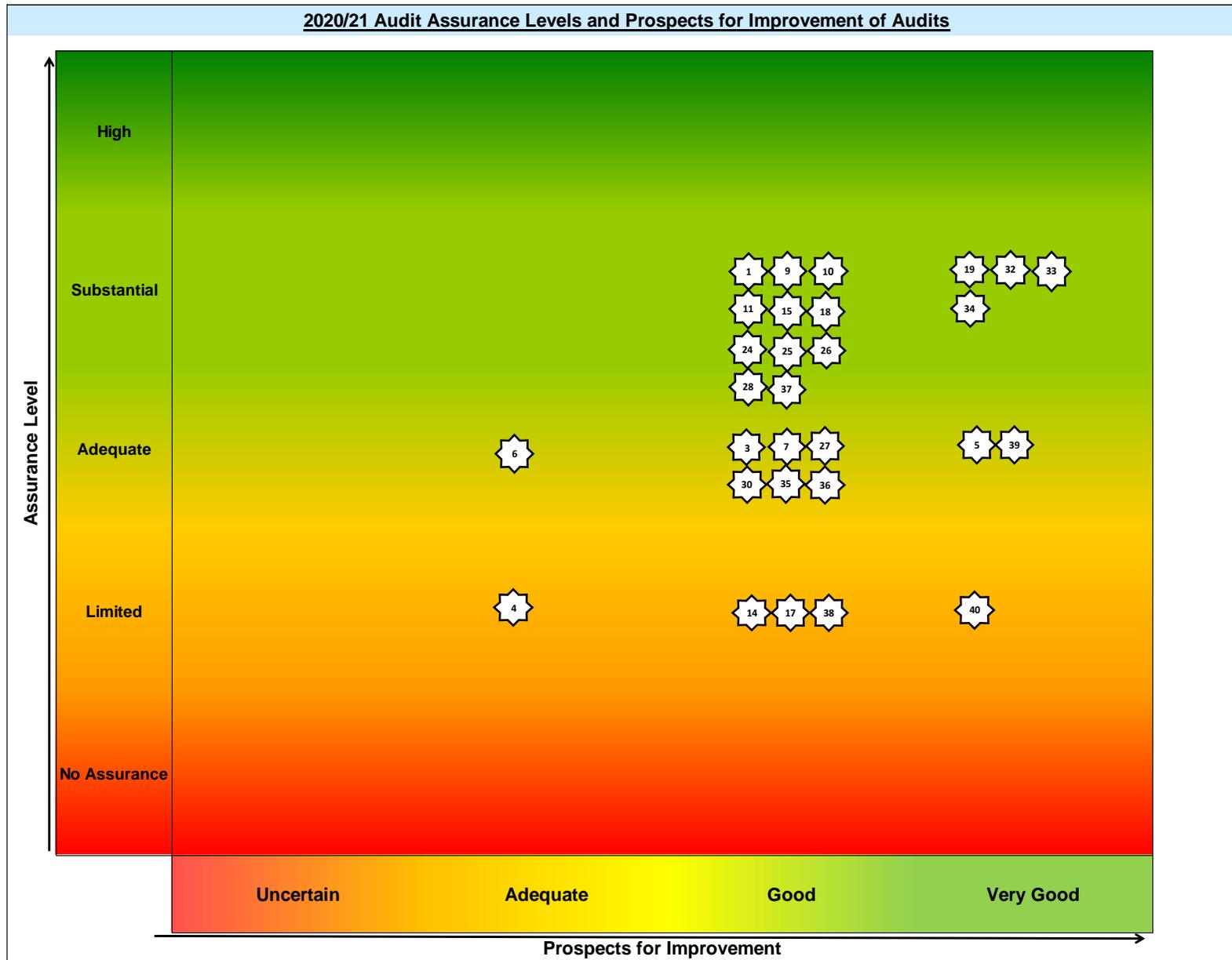
Additional work
- Public Health Grant
- ASCH Day Care Centre Review

A full update on progress against the 2020/21 Audit Plan is provided at **Appendix A** of this report, with a summary of the completed reports shown in **Table 1** below.

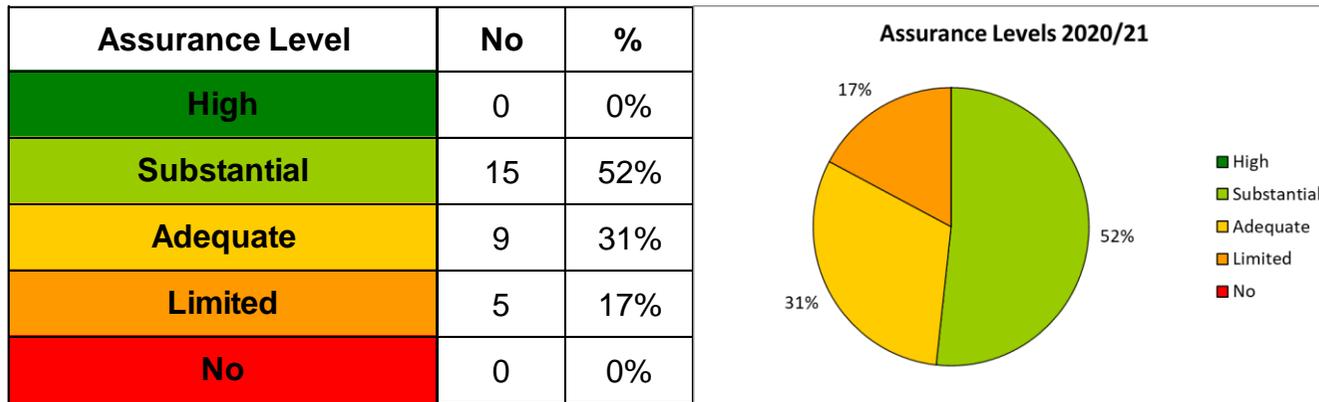### 3.2 Grant Certification Work:

In 2021-22, the team has audited and certified **4** grant claims, with a further **4** grant claims currently in progress. Details of all certifications completed since April 2020 can be seen at **Appendix B**. Internal Audit 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 certification work is an increasing commitment of Internal Audit resources and it is apparent that one aspect of the changed working arrangements has been the increasing challenges of completing such work, which requires adherence to strict timescales for the submission of grant certifications.

Table 1: Summary of Assurance Levels to Date

2020/21 Audit Assurance Levels and Prospects for Improvement of Audits

Assurance Level (vertical axis): High, Substantial, Adequate, Limited, No Assurance

Prospects for Improvement (horizontal axis): Uncertain, Adequate, Good, Very Good

Substantial / Good: 1, 9, 10, 11, 15, 18, 24, 25, 26, 28, 37
Substantial / Very Good: 19, 32, 33, 34

Adequate / Adequate: 6
Adequate / Good: 3, 7, 27, 30, 35, 36
Adequate / Very Good: 5, 39

Limited / Adequate: 4
Limited / Good: 14, 17, 38
Limited / Very Good: 40

Table 2 – <u>Summary of Audits by Committee Meeting</u>

	Audit	Assurance	Prospects for Improvement
Governance & Audit Committee - October 2020			
1	PPE	Substantial	Good
2	Supplier Relief Payments	N/A	N/A
3	Change for Kent Children	Adequate	Good
4	ICT Asset Control (Covid-19 IMPACT)	Limited	Adequate
5	AGS 2019/20	Adequate	Very Good
Governance & Audit Committee - January 2021			
6	Deprivation of Liberty Safeguards (DoLS)	Adequate	Adequate
7	ASCH Covid-19 Response Plan	Adequate	Good
8	Succession Planning	N/A	N/A
9	Review of Covid-19 Expenditure	Substantial	Good
10	Purchase to Pay (P2P)	Substantial	Good
11	Charging Arrangements	Substantial	Good
12	CYPE Assurance Map – Safeguarding	N/A	N/A
13	Provider Data Protection Themed Report	N/A	N/A
14	Urgent CHAPS Payments	Limited	Good
15	Blue Badge Application Process	Substantial	Good
16	Kent Pension Fund Investment Governance Follow Up	N/A	N/A
17	Adult Social Care Client Billing	Limited	Good
18	ICT Access Controls / User Accounts for DSPT Assurance	Substantial	Good
19	Respite Overpayment Follow Up	Substantial	Very Good
20	Winter Pressures (Management Pressures)	N/A	N/A
21	Operation Fennell (EU Transition)	N/A	N/A
22	ASCH Assurance Map – Safeguarding	N/A	N/A
23	Highways (HTSCP)	N/A	N/A
Governance & Audit Committee - April 2021			
24	Children Missing Education	Substantial	Good
25	Office Cleaning Arrangements	Substantial	Good
26	ICT Firewall – Management of Rulesets	Substantial	Good
27	Information Governance – Remote Working Arrangements	Adequate	Good
28	Information Governance – DSP Toolkit Compliance Review	Substantial	Good
29	Care Act Easement	N/A	N/A
Governance & Audit Committee - July 2021			
30	Provision of Laptops to Service Users	Adequate	Good
31	Gypsy & Traveller Pitch Allocation and Charging	N/A	N/A
32	Adoption	Substantial	Very Good
33	Health and Wellbeing Strategy	Substantial	Very Good
34	Risk Management	Substantial	Very Good
35	AGS Return for 2020/21	Adequate	Good
36	Covid-19 Risk – Procurement and Contracts	Adequate	Good
37	Workforce – Recruitment and Retention of Approved Mental Health Professionals	Substantial	Good
38	Covid-19 Supplier Distress Payments (Part 2)	Limited	Good
39	SFS – School Compliance Regime	Adequate	Very Good
40	Accommodation for Young People and Care Leavers	Limited	Very Good
41	Enterprise Business Capabilities (Oracle)	N/A	N/A

Assurance Level	No	%
High	0	0%
Substantial	15	52%
Adequate	9	31%
Limited	5	17%
No	0	0%

Assurance Levels 2020/21

Pie chart legend: High, Substantial, Adequate, Limited, No

17%, 52%, 31%

3.3 Implementation of Agreed Actions

A full summary / analysis on the Implementation of Agreed Actions has been included within the Internal Audit Annual Report and Opinion for 2020/21.

3.4 External Quality Assessment

The outcome from the recent External Quality Assessment is reported to Committee as a separate agenda item.

3.5 2021/22 Audit Plan

The 2021/22 Audit Plan is reported to Committee as a separate agenda item.

3.6 Internal Audit Resources:

In accordance with the Public Sector Internal Audit Standards, members of the Committee need to be appraised of relevant matters relating to the resourcing of the Internal Audit function.

The Internal Audit team remains under resourced, and this shortfall is currently being supplemented through the use of contract auditors. However, the team restructure process, for which a Business Case was supported and approved by the Corporate Director of Finance (s.151 Officer) and the Corporate Management Team, is now complete and recruitment to fill all vacant posts is now under-way. It is anticipated that the recruitment process will be concluded by October 2021.

4.   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 B**, for the Committee's information and discussion.

(A) Cross Directorate	(B) Adult Social Care and Health
CA01-2022 Annual Governance Statement Returns (2020/21) RB03-2021 Enterprise Business Capabilities (Oracle) RB04-2021 Health and Wellbeing Strategy	RB16-2021 Workforce – Recruitment and Retention of Approved Mental Health Professional (AMHP)
(C) Children, Young People and Education	(D) Strategic and Corporate Services
RB27-2021 Adoption RB30-2021 Provision of Laptops to Service Users CS05-2021 SFS – School Compliance Regime RB23-2021 Accommodation for Young People / Care Leavers	CA04-2021 Risk Management RB10-2021 Covid-19 Risk – Procurement and Contracts CS11-2021 Covid-19 Supplier Distress Payments (Part 2)
E. Growth, Environment and Transport	
RB33-2021 Gypsy and Traveller Service – Pitch Allocation and Charging	

Appendix A – Internal Audit Plan 2020-21 – Status and Assurance Summary

Ref	Audit	Status as at 14/7/2021	Assurance
CA01	Annual Governance Statement Assurance Statement (2019-20)	Final Report	Adequate – GAC Oct 20
CA02	Corporate Governance	Complete	N/A
CA03	Records Management	Draft Report	Management response overdue
CA04	Risk Management	Complete	Substantial – GAC July 21
CA05	Information Governance - DSP Toolkit Annual Audit	Final Report	Substantial – GAC April 21
CA06	Information Governance - Advisory/ Attendance at IG Steering Group.	In Progress	
CA07	Information Governance – Remote working	Final Report	Adequate – GAC April 21
CA08	Strategic Delivery Plan		Removed
CA09	Office Cleaning Arrangements	Final Report	Substantial – GAC April 21
CS01	Imprest Accounts Follow-up	In Progress	
CS02	Social Care Client Billing	Final Report	Limited – GAC Jan 21
CS03	Non-residential care payments through Finestra		Removed
CS04	Respite Overpayment - Follow up	Final Report	Substantial - GAC Jan 21
CS05	Schools Financial Services – School Compliance Regime	Final Report	Adequate – GAC Jul 21
CS06	Capital Planning and Prioritisation		Removed
CS07	Kent Pension Fund Investment Governance - Follow up audit	Final Report	N/A - GAC Jan 21
CS08	ACCESS Pool	Draft Report	Management response overdue
CS09	Payment Project		Removed
CS10	Finance - Urgent Payments Process	Final Report	Limited – GAC Jan 21
CS11	Covid-19 risk - Supplier Distress Payments - Part 1	Final Report	N/A - Management Letter – GAC Oct 20
CS11(a)	Covid-19 risk - Supplier Distress Payments - Part 2	Final Report	Limited – GAC July 21
CS12	Covid-19 expenditure	Final Report	Substantial - GAC Jan 21
RB01	Revised Equality Impact Assessment (EQIA) process		Removed
RB02	Strategic Commissioning Follow-up	Draft Report	
RB03	Enterprise Business Capabilities (Oracle)	Final Report	N/A – GAC July 21
RB04	Health and Wellbeing Strategy	Final Report	Substantial – GAC July 21
RB05	Succession Planning	Final Report	N/A - Management Letter – GAC Jan 21

Ref	Audit	Status as at 14/7/2021	Assurance
RB06	Data Analytics Development – Payroll	'Payroll' Carried Forward 2021/22	
RB07	Future of Sessions HQ (Project)	Carried Forward to 2021/22	
RB08	Property Infrastructure - Functions and Processes Transferred to KCC from Gen2	Removed	
RB09	Covid-19 risk - Asset Control of Laptops and Other Equipment	Final Report	Limited – GAC Oct 20
RB10	Covid-19 risk - Procurement and Contracts	Final Report	Adequate – GAC Jul 21
RB11	Adults Safeguarding - Assurance Map	Final Report	N/A - Management Letter – GAC Jan 21
RB12	Shaping the Market	Removed	
RB13	Quality Assurance Framework	Removed	
RB14	Partnership Working – NHS	Removed	
RB15	Mosaic - Post Implementation	Removed	
RB16	Workforce – Recruitment & Retention of Staff	Final Report	Substantial – GAC July 21
RB17	Capital Investment in Good Day Program	Removed	
RB18	ASCH Covid-19 Response Plan	Final Report	Adequate – GAC Jan 21
RB19	Covid-19 risk - PPE Distribution and Stock Control	Final Report	Substantial - GAC Oct 20
RB20	Project KARA - ASCH Digital Assistive Technology Project Board	Complete	N/A
RB21	Charging Arrangements	Final Report	Substantial - GAC Jan 21
RB22	ASCH Contingency	Complete	N/A
RB23	Accommodation for Young People/ Care Leavers	Final Report	Limited – GAC July 21
RB24	Schools Themed Review (Cyber Security)	In Progress	
RB25	Children Missing Education	Final Report	Substantial – GAC April 21
RB26	Delivery of Statutory Services – Contract Management - TEP	Removed	
RB27	Adoption	Final Report	Substantial – GAC July 21
RB28	Change for Kent Children	In Progress	
RB29	CYPE Assurance Map - Safeguarding	Final Report	N/A - Management Letter – GAC Jan 21
RB30	Provision of Laptops to service users	Final Report	Adequate – GAC July 21
RB31	Establishments Themed Review	Removed	
RB32	Resilience and Emergency Planning Service	Removed	
RB33	Gypsy and Traveller Service - Pitch Allocation and Charging	Complete	N/A Management Letter – GAC July 21
RB34	Kent Scientific Service	Removed	

Ref	Audit	Status as at 14/7/2021	Assurance
RB35	Operation Fennel (EU Transition)	Final Report	N/A - Management Letter – GAC Jan 21
RB36	KCC support to Kent businesses - e.g., Kent and Medway Business Fund	Carried Forward to 2021/22	
RB37	Blue Badge Applications Process	Final Report	Substantial - GAC Jan 21
RB38	Highways Term Services Commissioning Project (HTSCP)	Final Report	N/A - Management Letter – GAC Jan 21
ICT01	IT Cloud Strategy, Security and Data Migration	In Progress	
ICT02	IT Access Controls/ User Accounts – for DSP Toolkit	Final Report	Substantial - GAC Jan 21
ICT03	Cyber Security - Management of Backups for Applications, Data and active Network Devices.	Final Report	Summary to be reported at October 21 GAC
ICT04	Cyber Security - Management of Firewall rulesets / Anti-virus and Anti-Malware Software	Final Report	Substantial – GAC April 21
N/A	Strategic Reset Programme – Programme Governance	Carried Forward to 2021/22	
N/A	Strategic Reset Programme – Projects	Carried Forward to 2021/22	

Work Carried Forward From 2019-20:

Ref	Audit	Status as at 14/7/2021	Assurance
1	Strategic Commissioning (Purchase to Pay Process)	Final Report	Substantial - GAC Jan 21
2	Deprivation of Liberties - Progress with Addressing Backlog	Final Report	Adequate - GAC Jan 21
3	ASCH – Winter Pressures	Final Report	Management Letter – GAC Jan 21
4	Change for Kent Children	Final Report	Adequate – GAC Oct 20

Additions:

Ref	Audit	Status as at 14/7/2021	Assurance
	Sessions House Data Centre Incident	In Progress	
	Care Act Easement	Final Report	N/A Management Letter – GAC April 21
	Highways Capital Grants	Complete	N/A
CA02-2022	Annual Governance Statement (2020-21)	Final Report	Adequate – GAC July 21

Appendix B - Grant Certifications completed since 1/4/2020:

No.	Grant	Description	Status as at 14/7/2021
1	EU Interreg - Aspire	A holistic approach to lowering obesity and unemployment rates in identified communities where the two issues are linked.	1 Claim completed
2	EU Interreg - BEGIN	An approach to climate resilience for cities that mimics nature's potential to deal with flooding.	
3	EU Interreg - BHC21	To contribute to the development of more efficient and effective vocational training services for low-skilled people and develop a generic 21st century training model to reduce unemployment rates amongst low-skilled people.	
4	EU Interreg – Blueprint	Upskill 18 social enterprises to training 2000 disadvantaged individuals with the skills they require to secure new jobs linked to circular economy growth (increased recycling, reverse logistics and secondary markets)	
5	EU Interreg – BoostforHealth Capitalisation	Supporting Kent based life sciences companies with internationalisation and in particular market entry in mainland Europe.	
6	EU Interreg – C5A	Aims to deliver a whole system approach to water and flood risk management in response to current and future risks from climate change.	1 Claim completed
7	EU Interreg – C-CARE	To deliver a range of activities linked to Covid-19 response including: -　　A technology resilience voucher scheme for businesses (ED) -　　A green recovery voucher scheme for businesses (Environment Team) -　　A Covid-secure trading standards training module (Public Protection)	
8	EU Interreg – Connected Communities	To develop co-ordinated and integrated services for older people that help make communities more resilient and take early action to prevent or delay the need for long term care.	1 Claim completed
9	EU Interreg – Cool Towns	Spatial adaptation for heat resilience in small and medium sized cities to minimise the heat related effects of climate change.	
10	EU Interreg – DWELL	Empowerment programme enabling patients with type 2 diabetes to access tailored support giving them mechanisms to control their condition and improve their wellbeing.	
11	EU Interreg - Empower Care	To create resilient communities and reduce individual frailty and loneliness, addressing issues facing the care of our aging population	Claim in progress
12	EU Interreg - Ensure	Making use of the community peer to peer support, which will allow societies to become proactive in addressing circumstances which create vulnerability across Kent.	Claim in progress
13	EU Interreg - Experience	To provide the tools and infrastructure to capitalise on the emerging trend for personalised and local tourism experiences which provide reasons to visit at any time of the year.	
14	EU Interreg – Green Pilgrimage	Protecting natural & cultural heritage whilst developing jobs & growth along pilgrim routes by developing low impact tourism, digitilisation, pilgrim accommodation & strengthening local traditions.	

No.	Grant	Description	Status as at 14/7/2021
15	EU Interreg - H20	Overcoming barriers to integrated water and ecosystem management in lowland areas adapting to climate change.	
16	EU Interreg – IMPULSE2	Support innovation in order to address the economic and societal issues facing the FCE. This project aims to support 100 Life Sciences & nutrition SMEs & production sites from the FCE area to help them to become more innovative, to connect to companies and business opportunities in other countries and to overcome the barriers that they face with innovation and internationalisation. The long term benefits for SMEs will be increased knowledge, innovation capacity, international contacts and export sales potential.area (MP)	
17	EU Interreg - Inn2Power	Supporting Kent based companies in the offshore wind sector with internationalisation & market entry in mainland Europe	1 Claim completed
18	EU Interreg - PATH2	Enabling women, families and healthcare professionals to prevent, diagnose and successfully manage mild and moderate perinatal mental health issues.	
19	EU Interreg - Prowater	Contributing to climate adaptation by restoring the water storage of the landscape via ecosystem-based adaptation measures.	
20	EU Interreg - SCAPE	Developing landscape-led design solutions for water management that make costal landscapes better adapted and more resilient to climate change.	
21	EU Interreg - SHIFT	Engaging with people over 45 years of age to develop a tailored sexual health and wellbeing model.	
22	EU Interreg - SIE	Evaluating and improving business support services for SMEs specifically related to exporting and internationalisation.	
23	EU Interreg – STAR2Cs	Overcoming the implementation gap faced by local government adapting to climate change.	
24	EU Interreg – Step by Step	Seeking to increase the impact of the internationally evidenced men's sheds programme in particular employment & health outcomes.	On the Spot in progress
25	EU Interreg - TICC	Implementing an integrated community team at a pilot site to work with the principles of Buurtzorg (A Dutch home-care model known for innovative use of independent nursing teams in delivering relatively low-cost care).	
26	EU Interreg - Triple A	Supporting homeowners to adopt different low-carbon technologies in their homes.	
27	EU Interreg - Triple C	Implementing a set of cost-effective actions to reduce flooding and erosion.	
28	EU Interreg - Upcycle your waste	The programme will run over three years and aims to support SMEs in reducing their running costs by handling and transforming their waste into new resources for the community.	
29	EU Interreg - USAC		
30	Department of Health and Social Care	Public Health Test and Trace grant	In progress

Appendix C – Summaries of Completed Audit Reviews

A1 – CA01-2022 – AGS Returns for 2020/21

Audit Opinion	**Adequate**
Prospects for Improvement	**Good**

As part of the 2021/22 Audit Plan, Internal Audit has undertaken a review of the associated controls in place to manage the Council's AGS returns.

The aim of the audit is to provide assurance that directorate returns are timely, appropriate, accurate and complete, and issues identified are managed adequately and effectively to meet service and corporate objectives.

In forming our conclusions, the CIPFA/ SOLACE Delivering Good Governance in Local Government Framework (2016), the associated statutory guidance and any other best practice frameworks has been taken into account.

Key Strengths
- All required AGS returns had been submitted and there is evidence that they have been discussed at DMT prior to submission to agree its accuracy where a return has been submitted on behalf of a Directorate as a whole.
- Each Staff Officer from each Directorate was able to coordinate evidence to support progress against each issue sampled.
- There is evidence available to support that each required respondent has agreed the return provided.
- There are reasonable safeguards in place to ensure that the AGS remains current at the point of publication.
- There is an action plan in place as part of the AGS.
- Mechanism in place to receive assurance for LATCO/ Holdco governance arrangements.

Areas for Development
- There are a significant number of issues raised from 2017/18, 2018/19 and 2019/20 which remain unresolved. A small number of issues reviewed that were still in progress for 2019/20 had sufficient rationale for closure however, had not updated the central database. **Progress of actions can be found in appendix A**.
- New governance issues/ challenges had not been fully highlighted within returns as intended however, this was later mitigated by a workshop at CMT to reconsider any issues or challenges from within each area.
- Each Directorate should consider enhancing their DMT/ CMT logs so that discussion undertaken throughout the year with relevance to the AGS process are 'flagged' for consideration for inclusion in each return when required.
- The AGS does not state KCC's compliance with the Financial Management Code.
- CMT decision logs have been utilised to develop the AGS. The majority of those that sit on CMT are required to make a AGS return with the exception of Director – Strategy, Policy, Relationships and Corporate Assurance. It is noted they have been in attendance for specific items throughout the year however, it should be considered whether they attend more frequently.

Summary of Management Responses

	No. of Issues Raised	Mgt Action Plan Developed	Risk Accepted and No Action Proposed
High Risk	0	0	0
Med Risk	2	2	0
Low Risk	0	0	0

A2 – RB03-2021 – Enterprise Business Capabilities (Oracle)

Background:

As part of the Council's Strategic Reset Programme (SRP), the Council is looking to review, commission and deliver 18 core business capabilities (including systems, processes and data implications) to support central services such as payroll, finance and procurement. The Council currently uses Oracle 12.1.3. This initiative is known as 'Enterprise Business Capability' (EBC). The intended outcome of this programme is to build a more stable platform; to improve and optimise operations and realise savings and efficiencies. The EBC Board is in place to oversee this project.

Conclusion:

The EBC programme is being effectively managed with sound governance arrangements in place, as set and directed by the Strategic Reset Programme Board. The Board has completed a significant amount of work to-date, with some decisions already made. The transfer of Oracle's application support to Rimini Street has been successfully completed and the migration of Oracle's platform from on-premise to the cloud is progressing as planned. The recent appointment of a Programme Manager will be critical to the continuing success, particularly as the programme continues to progress with the Functional Assessment Reports and moves into the options appraisal stage. Some potential areas for improvement identified to further enhance the programme management / governance arrangements have been raised with the Board for consideration, including managing potential conflicts of interests with discussions and decision making.

A3 – RB04-2021 – Health & Wellbeing Strategy

Audit Opinion	**Substantial**
Prospects for Improvement	**Very Good**

The Workplace Health & Wellbeing Strategy 2020-2023 is one component of the People Strategy which is aligned to deliver the outcomes of the County's strategic plan. The Strategy has been developed to outline KCC's approach to mitigating the causes of promoting and supporting health & wellbeing in the workplace, which sits alongside the General Statement on Health, Safety and Welfare at Work.

Wellbeing is a key element of the Employment offer to the existing and future workforce and forms part of the employment contract. There has been an increased focus on staff wellbeing support over the last 2 years and changes in staff working arrangements (in particular increased remote working) as a result of Covid-19 have also increased management attention on wellbeing issues.

Key Strengths
- The Corporate Health and Wellbeing Strategy Group provides effective strategic leadership to implement the underpinning Action Plan.
- Updates on initiatives are provided on a regular basis to the Corporate Health and Wellbeing Strategy Group which detail activities undertaken during the period and next steps, which again enable effective leadership of the Strategy.
- The Annual Plan's core initiatives meet the strategic priorities set out in the Health and Wellbeing Strategy.
- The Corporate Health and Wellbeing Strategy Group have had regular, documented discussions about the support given during the Covid-19 pandemic.
- A number of initiatives have been put in place to support staff welling during the Covid-19 pandemic.

- There are metrics in place covering staff sickness and absence and plans to further develop these through a sickness dashboard within PowerBI which will enable greater understanding of themes and trends.
- The Corporate Health and Wellbeing Strategy Group meet on a quarterly basis to monitor progress against the Annual Plan, as set out in the Strategy.

Areas for Development
- The timings and task progress of planned initiatives have not been fully updated in the Annual Plan and Reset plan in line with current status for a small number of initiatives. It is important that these continue to reflect actual targets and progress to enable continued effective oversight.

Prospects for Improvement
- Very Good

Summary of Management Responses

	No. of Issues Raised	Mgt Action Plan Developed	Risk Accepted and No Action Proposed
High Risk	0	0	0
Med Risk	0	0	0
Low Risk	1	1	0

B1 – RB16-2021 Workforce – Recruitment and Retention of Approved Mental Health Professionals (AMHPs)

Audit Opinion	**Substantial**
Prospects for Improvement	**Good**

This audit reviewed the adequacy and effectiveness of the controls in place for managing Workforce - Recruitment and Retention of Staff, with a specific focus on the critical role of Approved Mental Health Professionals (AMHP).

Key Strengths
- The risks relating to the recruitment and retention of AMHP staff and the potential impact on the continuity of statutory services are recognised on the corporate and operational risk register and these risks and mitigating controls are being effectively managed / monitored
- Work is currently underway to prepare a Strategic Workforce Plan. This is currently in the data analysis and action forming stage.
- Effective recruitment and retention initiatives are in place to attract and retain AMHP staff, and there is an embedded culture of reflection and learning when retention initiatives for individual leavers are not successful
- A comprehensive training offer is in place by way of a retention incentive and to ensure ongoing training and development
- There is good understanding of the dedicated AMHP workforce demographic to enable succession planning for future retirements

Areas for Development
- There is not currently a, recruitment and retention strategy or recruitment and selection policy in place for ASCH / AMHP staff. Issue 1
- There is no mechanism in place to collect, analyse or report AMHP recruitment, retention, or leavers data to enable trends and emerging issues to be identified. Issue 2

Prospects for Improvement
Our overall opinion of **Good** for Prospects for Improvement is based on the following factors:
- A Strategic Workforce Plan is currently being developed.
- The service is working proactively to address dedicated AMHP vacancies. Subject to a business case being approved all vacancies should be filled by 31 October 2021.

Summary of Management Responses

	No. of Issues Raised	Mgt Action Plan Developed	Risk Accepted and No Action Proposed
High Risk	0	0	N/A
Med Risk	2	2	N/A
Low Risk	0	0	N/A

C1 – RB27-2021 – Adoption

Audit Opinion	**Substantial**
Prospects for Improvement	**Very Good**

Key Strengths

- During the establishment of the Regional Adoption Agency (RAA), there was regular reporting of progress to KCC members.
- There was a long lead time between initial discussions and go live of the RAA, providing opportunities for the RAA to be created in a considered manner.
- Key requirements of each Council were considered, with the originally proposed Local Authority hosted model replaced by a Partnership Model.
- A clear project plan was followed to support the creation of the RAA, including workstreams for the completion of specific tasks, such as finance and HR.
- A Partnership Agreement is in place between the three Local Authorities, which includes terms, amongst others, for finance, delegated authorities, data confidentiality, and variation and termination of the arrangements.
- A Statement of Purpose for the RAA is in place, which defines the role and structure of the RAA.
- The RAA aligns to the requirements of the 2015 Department for Education (DfE) paper on Regionalising Adoption.
- Discussions and decisions made relating to the RAA are clearly evidenced through agendas, minutes and reports.
- Interviews with key staff from Medway and Bexley highlighted their support of the governance arrangements in place for the RAA.
- There is a clear structure in place for reporting and discussing key issues, via the RAA Partnership Board.
- The Partnership Board has a Terms of Reference in place to define its purpose and membership.
- Performance statistics are produced and reported to the Partnership Board.
- The adoption process is clearly defined and aligned to statutory requirements.

- The vast majority of roles within the staff structure are filled.
- A staff confidentiality agreement is in place, to assist with the security of data being viewed across the RAA.
- At the time of testing, a Quality Assurance Committee was in the process of being implemented for the RAA.
- Statistics are compiled and sent to the Adoption and Special Guardianship Leadership Board, as per their requirements.
- Budgets are regularly scrutinised by the Head of Adoption Service and the Partnership Board.
- The grant funding available from the DfE has been used to support the creation of the RAA.

Areas for Development

- There is not currently an RAA risk register in place.
- RAA specific training and guidance are yet to be produced.

Prospects for Improvement

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

- Throughout the course of this review, staff have displayed high levels of transparency and openness in relation to the areas for development and a commitment towards implementing any necessary actions to further enhance the governance arrangements of the RAA.

Summary of Management Responses

	No. of Issues Raised	Mgt Action Plan Developed	Risk Accepted and No Action Proposed
High Risk	0	0	0
Med Risk	0	0	0
Low Risk	2	2	0

C2 – RB30-2021 – Provision of Laptops to Service Users

Audit Opinion	**Adequate**
Prospects for Improvement	**Good**

The Council was required to respond urgently to [Department for Education's Technology Support Scheme](#), which was instigated in response to Covid-19 and the home-schooling arrangements. This scheme was implemented during significant service and resource pressures, with limited guidance or stipulations provided by the DfE. At the two key stages for ordering of forecast and provision of laptops, DfE provided a week to undertake tasks as shown below:

- 24 April 2020: KCC notified of the scheme and forecasts numbers to be provided within a week;
- 26 May 2020: KCC notified that orders could be placed;
- 27 May 2020: KCC notified that laptop orders were dispatched;
- 3 June 2020: Laptops received by KCC with insurance, building provision and logistics in place.

During this process, DfE consulted LA's including Kent recognising provision to councils was not the most direct route to children. Kent agreed with this feedback. Subsequent provision by the DFE went directly to schools. The Council has already reflected on the scheme's delivery and has agreed that in the event of a similar scheme arising in the future, schools will be required to order, distribute and manage devices directly to ensure more efficient and effective management of the scheme and to remove the Council's involvement in the process.

Key Strengths
- The Director - Integrated Children's Services was appointed overall lead for the scheme, with decision making authority assigned to CYPE's DMT.
- The operational delivery of the scheme was assigned to specified CYPE officers, with support from Infrastructure and the storage and distribution of the devices was split across 4 Hubs located across Kent.
- The insurance premium for Sessions House was increased temporarily to reflect the Council's increased liability whilst the devices were in storage.
- Officers from both CYPE and Infrastructure worked promptly to respond to the scheme to ensure laptops and routers were promptly distributed to all young people and schools.

Areas for Development
- Limited / incomplete asset inventory records were held centrally and by the Hubs which meant some devices could not be accounted for retrospectively. It was therefore not possible to confirm the devices had been allocated in accordance with the scheme's criteria. A total of 70 devices were not logged.
- Decisions made in relation to the implementation of the scheme were not recorded in a formal decision log.
- The Council has not yet formalised what will happen to those devices lent to young people once the DfE funding has been withdrawn.
- User agreements were completed by the young people but have not yet been collated centrally for retention due to current office working restrictions.

Prospects for Improvement
Our overall opinion of **Good** for Prospects for Improvement is based on the fact that the Directorate has already completed a lesson's learned exercise on the implementation and management of the scheme and have identified in the event a similar scheme is introduced again in the future, the Council will not be directly involved in the scheme and schools will be encouraged / supported to liaise directly with the DfE. The Directorate has also started to address the issues raised during the audit.

Summary of Management Responses

	No. of Issues Raised	Mgt Action Plan Developed	Risk Accepted and No Action Proposed
High Risk	1	0	0
Med Risk	2	0	0
Low Risk	1	0	0

C3 – CS05-2021 – Schools Financial Services – School Compliance Regime

Audit Opinion	Adequate
Prospects for Improvement	Very Good

Internal Audit have established that the statutory returns and closedown activities undertaken by the Returns and Compliance Team during 2020/21 have been managed effectively. Monitoring logs are used for each activity and were found to be sufficiently detailed with sample testing confirming that the logs are completed accurately and kept up to date. Documents supplied by schools are subject to a consistent review process using standard templates designed to ensure that all necessary checks for each activity have been completed. Feedback has been provided to schools in a standard consistent format.

However, it should be noted that Covid-19 restrictions prevented the planned on-site school compliance visits being undertaken. Schools Financial Services collaborated with KCC stakeholders and agreed an alternative approach to undertaking compliance review activity with schools during 2020/21. Whilst this was a reasonable step to take and provides some additional information about school controls (through review of financial policy and procedure documentation for approx. 1/3 of schools), the work undertaken cannot cover the breadth or depth of the normal on-site Compliance inspections. As a result, the Compliance and Returns team are unable to provide assurance regarding the effectiveness of, and adherence to, key controls within individual schools for 2020/21.

Internal Audit are satisfied that the totality of activities undertaken by the Returns and Compliance Team (Statutory returns and alternative compliance visit approach) are sufficient to provide the required assurance to support the section 151 officer certification of the Schools Financial Value Standard.

The normal compliance regime is planned to resume from September 2021 (18 months after it was suspended) but the delay has resulted in a number of schools exceeding the agreed 4-year compliance visit cycle. Based on the proposed visit programme it is expected to take until April 2024 before all schools are back to receiving a visit within the agreed 4-year interval.

Key Strengths

- Review of the activities undertaken in relation to the 3-Year Plan, 6 Month Monitoring, Half Year and 9 Month reviews, and Closedown found that:
    - Robust controls are in place to monitor that all schools have submitted required statutory returns information.
    - The tracking logs used to monitor statutory returns activities are kept up to date and provide a view of schools which have or have not submitted their information and the progress made with processing and providing feedback.
    - Returns submitted by schools are subject to a consistent review process using a standard workbook designed to ensure that all key aspects of the documents returned have been checked.
    - Feedback is provided to schools in a standard format.
- Additional sample testing was completed in relation to 3-Year Plan, 9 Month Review and Closedown activities which confirmed that the standard workbooks had been fully completed during 2020/21 and that feedback or outturn reports had been generated and sent to schools.
- The alternative approach to undertaking compliance work with schools was agreed between SFS and KCC.
- Approximately 1/3rd of schools voluntarily submitted their documents for review and received observations.
- Established processes were replicated to ensure that returns for the alternative compliance work could be monitored and tracked through to completion. A consistent review was undertaken of all documents submitted using standard workbooks.
- An action plan has been developed to ensure that on recommencement of the normal compliance visit regime, that schools with the longest period elapsed since their previous compliance visit are visited as a priority.
- Whilst normal compliance work has not been undertaken, the opportunity has been used to fully review and update the existing testing workbook template to ensure that relevant areas will be covered for testing on resumption of visits.

Areas for Development

- The impact of not having undertaken normal compliance visits for 18 months (based on current resourcing and visit scheduling) is that it will take until April 2024 to bring all schools back within the agreed 4-year cycle for compliance visits.
- The alternative approach to compliance visits used during 2020/21 was the only realistic option available to the team and whilst seen as a beneficial exercise has not enabled the team to verify that key controls are being adhered to and are operating effectively in schools. No issue raised – due to Covid-19 pandemic and outside the control of the team.

Prospects for Improvement

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

- A detailed plan has been developed to reinstate compliance visits from September 2021 with priority given to those schools which are already over-due a visit.
- SFS have acknowledged the risks associated with the expected timescales to bring all schools back within the agreed 4-year cycle for compliance visits.

Summary of Management Responses

	No. of Issues Raised	Mgt Action Plan Developed	Risk Accepted and No Action Proposed
High Risk	0	N/A	N/A
Med Risk	1	1	0
Low Risk	0	N/A	N/A

C4 – RB23-2021 Accommodation for Young People / Care Leavers

Audit Opinion	**Limited**
Prospects for Improvement	**Very Good**

Rationale

Senior management, Commissioning, and the 18+ Service have been proactive in addressing the known challenges and issues facing the provision of Accommodation for young adults who are Care Leavers. This includes the following:

- Introduction of the Shared Accommodation script which sets out the expectations for the Young Adult strengthening the Occupational Agreement in Shared Accommodation.
- The Housing Benefit process chart which covers both the Children in Care (CiC) teams and the 18+ service to maximise claims. Ongoing discussions with the providers to ensure any benefits received are reimbursed to KCC or deducted from the weekly payment made.
- Introduction of Personal Housing Plans (PHPs).
- The introduction of monthly district high-cost meetings and the improved monitoring of income and expenditure. The internal panel looks at existing caseloads and the district managers look at those rising 18+ cases.

There is a clear culture within the 18+ Service of wanting to improve the provision for young adults to ensure that they are supported to achieve the outcomes towards independence. The service recognises that cultural and structural changes are required to help address this so that the CiC Service are able to plan ahead and do not leave the step down to the point of transition. There needs to be some clear transition agreements with Adult services so there is a 'one council approach' to young adults in need of specialist accommodation. This should include agreed referral points and joint assessment and shared resources.

There needs to be joint work between Children's and Adult Commissioning to develop a clear support matrix that sets outcome focused goals for the services users and provider. A one-stop shop, where adult and children's commissioning can work together within an applied framework needs to be introduced, following clarity on responsibility from the Regulators, CQC and Ofsted, which is being actively sought.

Young people are not being consistently held accountable for the pay-over of Housing Benefit to the housing provider and there are no consequences of not doing so (e.g., risk of eviction). As a result, a significant amount of income is not being collected by KCC which is subsequently liable for the whole housing cost.

Monitoring of the quality of the accommodation and the provision of support by accommodation providers is inconsistent, based on whether there is a formal contract in place to allow formal monitoring. The Shared and Young People Supported Accommodation Floating Support contracts are contract managed with KPIs and audits. Properties are quality assured by the Provider each month with the day-to-day responsibility is with the Service. For Semi-Independent Accommodation where the services are spot purchased, providers go through a Quality Assessment process led by Commissioning with the Service completing six-weekly Purposeful Visits for those under 18. Providers are contracted to provider weekly / monthly placements reports for the Service. It is not possible to do the same for over 18's as MII do not have the ability to provide data on where 18+ care leavers are placed at any one time. The Unregulated and Crisis Placement Compliance Guidance provides relevant details on quality, roles etc whilst this is predominantly aimed at children it is applicable to those over 18. There are the Inadequate, Safeguarding and Care Concerns policies that assist in the monitoring of the quality of provision. In addition, the housing element of Universal Credit and housing costs paid to Young People directly that is then not passed onto the provider and subsequently on to KCC as KCC are unable to receive the benefit directly, leading to a significant loss to the Council.

Prospects for Improvement

- A robust High-Cost Placement Panel process is in place which includes representatives from relevant services such as the Total Placement Service (TPS), Commissioning, key staff from the 18+ Service, the Accommodation Manager, and the Housing Benefits Adviser.
- For the period November 2020 to February 2021 the number of young adults in semi-independent placements has reduced from 100 to 45 representing a total of £204,825 high-cost panel savings (stepping down arrangements). (See Appendix A).
- Monthly tracking of in-year spend on care leaver placements is performed. Each month a report is prepared and sent to the joint heads of service for review. This review process was introduced in May 2020 with the first report produced for June 2020.
- Placements reviewed were found to be authorised, with a robust matching process in place, the agreed costs had been correctly paid to the provider and payment had been made on a timely basis. There was consistent segregation of duties between the offer of the placement and the authorisation of the placement.

Areas for Development

- A number of areas of improvement and opportunities to share good practice were identified regarding the management of high-cost placements.
- Where additional support hours are included as part of the placement these are not being consistently monitored and reviewed. The Service is required to monitor whether the additional resource is required and inform TPS / TPS Business of any changes. All requests for additional resources requested by SI providers cannot be progressed without the Service's agreement. A new process has been developed and Service Managers are contacted by TPS Business where the additional support is coming to an end. This commenced in March with varying success, however, is being reviewed.

- KCC are not consistently receiving the housing cost element of Universal Credit - young people are not being held accountable for the payment of housing costs and this is not being consistently monitored by Personal Advisors. In addition, KCC are missing out on significant amounts of Housing Benefit income from Young People in Shared Accommodation due to the fact that the young people are not claiming housing costs, or not passing them on and to a lesser extent, Semi-independent accommodation.
- Responsibility and monitoring of individual placement costs is performed at a Head of Service and Assistant Director level. Team Managers do not receive monitoring information to enable them to have an oversight and accountability of the costs incurred for service provision across their teams. Operational managers need to be empowered and given the tools to manage care packages that they have the responsibility for and the oversight of.
- Power BI has been rolled out across the service to facilitate improved tracking of placements and provision of activity information, but placement costs are not part of Collaborative Planning reporting.

Summary of Management Responses

	Number of issues raised	Management Action Plan developed	Risk accepted and no action proposed
High Risk	3	3	0
Medium Risk	2	2	0
Low Risk	0	N/A	N/A

D1 – CA04-2021 – Risk Management

Audit Opinion	**Substantial**
Prospects for Improvement	**Very Good**

As part of the 2020/21 Audit Plan, it was agreed that Internal Audit would undertake a review of risk management in the Council to provide an opinion on the adequacy and robustness of risk management at 'grass roots' level. The approach taken was to assess risk management in a number of the planned audits in the 2020/21 Audit Plan and identify themes in an overall report at the end of the year.

In forming our conclusions, we took into account the Accounts and Audit Regulations 2015 and KCC's Risk Management Policy.

The audit findings were taken from work carried out across the Directorates split as follows:

ASCH	CYPE	GET	ST
8%	17%	17%	58%

Key Strengths
- A variety of techniques are used to identify risks such as formal Risk Assessments and regular discussion around risks at service and/or team level.
- Separate specific risk registers were in place (project or service specific) or Divisional, Directorate and Corporate risk registers were used by all areas reviewed, with one exception.
- There was a good awareness of what the key service objectives were and what could affect their achievement.
- There was appropriate awareness of when to escalate risks to Senior Officers (e.g. Corporate Directors) and of the various forums where risk is discussed, including DivMTs.
- The majority of risks are under regular review, with some services utilising Corporate Assurance to support them in undertaking this.

- The risk appetite in the areas reviewed was generally well understood and was defined by policy and/ or through communication from Senior Officers.
- Where risks are formally documented in risk registers, they each have controls/ actions and owners in place which appear reasonable to mitigate/ manage each risk reviewed.

Areas for Development
- The Risk Management Training offer was highlighted as an area for improvement however, Internal Audit are aware that this is currently being reviewed as part of the RM Toolkit and training offer. This is an outstanding action from last year's Risk Management themed audit and therefore it has not been raised as an Issue in this report.

Follow-Up

The agreed actions from one issue raised in last year's Risk Management Themed Report were followed up to determine whether they have been implemented.

Issue 1 - Awareness of Risk Management Tools
Actions are in progress, including development of the Risk Management Toolkit and training offer.

Summary of Management Responses

	No. of Issues Raised	Mgt Action Plan Developed	Risk Accepted and No Action Proposed
High Risk	0	0	0
Med Risk	0	0	0
Low Risk	0	0	0

D2 – RB10-2021 – Covid-19 Risk – Procurement and Contracts

Audit Opinion	**Adequate**
Prospects for Improvement	**Good**

While the Council identified and responded to the disruption caused by the Covid-19 Pandemic quickly and decisively to support compliant procurement in this period, Internal Audit identified some key areas in which the procurement control framework could be enhanced.

The Urgent Procurement Guidance issued following Public Procurement Note 01/20 was clear and well communicated, but as much of the procurement activity in the Council is devolved to services there may be procurements undertaken without appropriate engagement and advice from Strategic Commissioning. Although no deviations from public procurement regulations were identified during the audit, Internal Audit was unable to confirm that all the procurements completed under the Public Procurement Note 01/20 were fully in compliance with the revised procurement guidance.

Key Strengths
- Urgent Procurement Guidance was introduced to assist officers in complying with the Cabinet Public Procurement Note. The Guidance did not necessitate any changes to the regular Scheme of Delegation.
- The Strategic Commissioners were all appraised of the Public Procurement Note 01/20 and the Urgent Procurement Guidance when Internal Audit spoke to them.
- Efforts are being made to centralise and unify the Council's Procurement Function; in the meantime, much of the procurement activity is currently devolved into the Services themselves.
- The Strategic Commissioner reports directly to the Head of Paid Service. This means there is a robust line of communication between the strategic and operational organisational structure layers.

Areas for Development
- It is possible that procurements are being undertaken by the Directorates without appropriate oversight and advice from the Strategic Commissioning Team.
- The Strategic Commissioners' individual records of procurements undertaken are inconsistent.
- It was not possible to verify whether all procured contracts over £25k have been published on the Kent Business Portal in line with the Public Procurement Policy.

Prospects for Improvement
Internal Audit considers that there are **Good** Prospects for Improvement, due to the following factors:
- Internal Audit observed a positive direction of travel in the Strategic Commissioning Team, who are actively working to improve the effectiveness of their service.
- The Public Procurement Note 01/20 is no longer in effect, so the risks previously presented by it have been significantly reduced.
- The corrective actions required to control the risks identified can feasibly be implemented within a reasonable timeframe.

Summary of Management Responses

	No. of Issues Raised	Mgt Action Plan Developed	Risk Accepted and No Action Proposed
High Risk	0	0	NA
Med Risk	2	2	NA
Low Risk	1	1	NA

D3 – CS11-2021 - Covid-19 Supplier Distress Payments (Part 2)

Audit Opinion	**Limited**
Prospects for Improvement	**Good**

The Council responded rapidly to the challenges faced as result of the Covid-19 pandemic, balancing strategic decisions regarding risk appetite and controls to safeguard the public purse, with the measures required to provide stability and certainty to suppliers and continuity of services. Strategic Commissioning and Finance worked closely with service leads and budget holders, taking swift action to provide financial support to suppliers reflecting Cabinet Office guidelines. In the initial absence of clear guidance and processes for these payments, officers across the Council considered their suppliers' circumstances and interpreted the PPN in order to support key suppliers, mitigate the risks to the Council of supplier failure, and maintain service delivery.

With the Cabinet Office guidance having expired on 31st October 2020, there are no plans to provide further financial support and therefore the on-going risks to the Council are now limited.

A review of a sample of payments made has shown that the approach to making supplier distress payments varied on a case by case basis and full records to support the rationale for the decisions taken have not been retained in all cases.

Internal Audit's overall Audit Opinion of Limited is based on the following strengths and areas for development:

Key Strengths

- Steps were also taken to ensure that validated invoices were paid immediately on receipt wherever possible, and ensured any outstanding payments were processed promptly.
- Strategic Commissioning and Finance worked closely with service leads and budget holders, taking swift action to provide financial support to suppliers.
- Individual officers within both Finance and Strategic Commissioning took the initiative in developing guidance and processes for these payments.
- the Finance and Strategic Commissioning teams were available to provide advice to those making payments under the PPN. Detailed guidance and procedures for contract managers and budget holders was subsequently produced (after most payments had been made).
- The Counter Fraud team was engaged to provide advice on the risk of fraud and due diligence requirements for the guidance, although this was after the majority of payments had been made. This established that the risk of fraud is low because there were no 'criteria' set on what would entitle a supplier to a payment. However the risk of suppliers receiving supplier relief payments in error when they were receiving support from other government funding schemes however is high (see Areas for Development below).
- Strategic Commissioning and Finance have established a detailed central record of all supplier relief payments, following engagement with service leads and budget holders.

Areas for Development

- As a result of the need for swift action to prevent supplier failure and maintain service delivery, implementation of supplier distress payments reflected individual interpretations of Cabinet Office PPN guidelines. There were limited due diligence and financial checks undertaken, with no clear criteria of entitlement being established, and the audit trail maintained to support payments made is not fully complete in all cases. See Issue 1

Prospects for Improvement

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

- The audit findings from the initial review were received positively and action has already been taken to address the findings identified.
- There are no plans for KCC to provide further financial support to its suppliers. However, should it become necessary for the Council to provide further financial support in order to protect critical service delivery, it is proposed that a similar approach is followed to that undertaken previously.

Summary of Management Responses

	No. of Issues Raised	Mgt Action Plan Developed	Risk Accepted and No Action Proposed
High Risk	1	1	NA
Med Risk	2	2	NA
Low Risk	1	1	NA

E1 – RB33-2021 - Gypsy & Traveller Pitch Allocation and Charging – Management Letter

Audit Opinion	N/A
Prospects for Improvement	N/A

It was agreed that Internal Audit would undertake a review of the allocation of pitches at the Gypsy & Traveller sites and the arrangements for charging and collecting income for these pitches.

The aim of the audit was to provide assurance that the decision and approval processes followed for allocating the new pitches were sound and in accordance with agreed Policy and procedures to manage the Council's exposure to potential litigation claims. In addition, coverage was to include the processes surrounding the billing and collection of rents from the pitches.

However, once fieldwork had commenced it became apparent that new processes are still to be fully established, with a new case management system going live on 1st June 2021. This initial Audit Memorandum does not provide a formal assurance opinion, but highlights issues identified by Internal Audit to date to aid the management team in implementing appropriate actions. Internal Audit's initial findings are set out below:

- The current GTS Policy is dated 2012. Despite a consultation taking place in 2017 to review this policy, this was deferred, and the Policy was never updated. In addition, it was identified that there is no documented procedural guidance for the processes undertaken by the Gypsy & Traveller Service.
- The current allocation process is outdated. For instance, Housing Authorities (HAs) have moved away from waiting lists and now operate banding schemes to ensure accommodation needs are assessed in a fair and transparent manner.
- Supporting evidence for historic applications is not retained and therefore it not possible to ascertain if appropriate checks had been carried out.
- The records held of current tenants, their pitches and rental fees were disorganised and not fully up to date.
- The level of pitch rental debt as of May 2021 is over £350k with approx. 70% (£210k) being over 6 months old, much of which dates back several years. This indicates the debt recovery / write-off process is ineffective.

Recommendations

- The GTS Policy should be reviewed and updated to ensure that it is fit for purpose.
- Once the new Case Management system has been embedded, procedural guidance should be developed for staff to follow.
- All documentation such as application forms, rental agreements should be reviewed by the Counter Fraud Team.
- Support should be obtained from the Counter Fraud team to provide fraud awareness training for GTS staff, including how to identify fraudulent documentation.
- Discussions with the Housing Authorities on how they band applicants should be progressed further to ensure that the allocation process is fair and aligns with the GTS.
- Data now entered onto the new Case Management system must be accurate and kept up to date. This should include consideration of on-going data cleansing or the use of exception reports to identify data anomalies for investigation.
- Ensure that there is sufficient evidence and records held to support the decision-making process that has been carried out when assessing applications and allocating pitches.
- All tenant's accounts should be reviewed, and effective processes put into place to recover outstanding debt. Where debt is considered to be unrecoverable it should be written off, with authorisation in line with the Council's financial delegation matrix.

Conclusion

Internal Audit recognises that significant work has been undertaken by the GTS to address known weaknesses and to develop more robust processes, including the introduction of a new Case Management system. However, it is imperative that the Case Management system holds accurate up to information, processes are developed which must ensure that there are records to support the decisions made by the GTS and that the level of outstanding debt is reduced significantly.