

By: Jonathan Idle – Head of Internal Audit
To: Governance and Audit Committee – 22 July 2021
Subject: **INTERNAL AUDIT PLAN 2021/22**
Classification: Unrestricted

Summary: This report details the proposed Internal Audit Plan for 2021/22; the Internal Audit Charter, which underpins the plans and practice of the Internal Audit team and the key performance indicators to be tracked and monitored during 2021/22.

Recommendation: FOR DECISION

Introduction

1. This paper sets out the proposed 2021/22 Internal Audit Plan (Plan), including a breakdown of available resources.
2. This paper also includes the Internal Audit Charter. The Charter is a mandatory requirement of the Public Sector Internal Audit Standards, which should be reviewed and updated periodically. The Charter sets out the purpose, authority and responsibility of Internal Audit.
3. This paper also details the key performance indicators to track and monitor audit plan delivery and service performance during 2021/22.

2021-22 Internal Audit Plan

4. The Public Sector Internal Audit Standards stipulates the need for the development of a Plan. The Plan also provides a mechanism for planning and controlling the Internal Audit service.
5. The Plan for 2021/22 attached at **Appendix A** details all audits and projects to be completed in the year, along the resource projections.
6. The Plan includes 55 projects covering core assurance, core financial assurance, consultancy, risk based and ICT, plus other works including grants, audit management, development of audit management software (Pentana), and a budget for contingency and follow ups. The total planned days for 2021/22 is **1040**.
7. **Appendix B** sets out how the audits listed on the Plan map to KCC's Corporate Risks.
8. In addition to the projects listed on the Plan, we also have **204** days set aside for grant certification work. This gives a total KCC Plan of **1244** days.

9. The outcomes from the 2021/22 Plan will provide the following:
 - Overall opinion and assurance to support the 2021/22 Annual Governance Statement.
 - Assurance against the mitigation of key corporate risks.
 - Assurance over the critical systems of the Council.
 - On-going advice and information to management on risks and controls.
 - Opportunities to provide management with value for money support and advice.

10. The Plan has been developed through a risk-based planning process which has included the following elements:
 - A review of the corporate and divisional risk registers.
 - Discussions with Corporate Directors, Directors and Heads of Service.
 - Conducting a survey with key officers.
 - Attendance at Directorate Management Team meetings.
 - Horizon scanning to identify emerging risks and issues.
 - Undertaking an assessment to determine the required coverage needed for the Head of Internal Audit's annual opinion for 2021/22.
 - A review of the Council's Annual Governance Statement.
 - A review of previous cyclical / core audit work.
 - Identification of audit reviews in need of formal follow up.
 - A review of the audit reviews deferred / removed from the 2020/21 Plan.
 - Consideration of other sources of assurance.

11. To ensure the Plan remains relevant and of most value to the Council, it is vital that the plan remains dynamic and flexible to enable audit resources to be redeployed to respond to emerging risks and changing priorities. Progress against the Internal Audit Plan, including any revisions to the Plan will be reported to the Governance and Audit Committee on a quarterly basis.

12. Excluded from Appendix A are detailed plans for:
 - Internal audit coverage of the KCC's current LATCos, more particularly Commercial Services, Invicta Law, Cantium and The Education People
 - Income generating and shared service work with Tonbridge and Malling Borough Council, Kent and Medway Fire and Rescue Service, Parish Councils, Academies and audits of selected grants.

Resources

13. The audit resources available for 2021/22 is approximately **1,883** days.

The available resources for 2021/22 is less than in previous years. This is due to the following factors:

- Following a recent team restructure, 2021/22 will be a transition year to enable the service to recruit / fill all vacant posts. Recruitment to fill these posts has now commenced. It is anticipated that all vacant posts will be filled by the October 2021.
- A significant amount of Audit Manager and Principal Auditor resource will be needed in 2021/22 to recruit, induct, and train new team members.
- Audit resources to be used to implement the External Quality Assessment action plan.
- An increased training and development budget has been provided for all team members.
- Audit resources have been assigned for the ongoing development of our audit management software (Pentana).
- A large contingency budget has been included within the Plan to enable the service to respond to additional client requests to respond to new and emerging risks and / or new priorities.

The number of audit days set out in the Plan presented in **Appendix A** is **1244** for KCC, plus **765** for external clients. This is a total of **2009** days. It has been agreed with the Corporate Director – Finance (S151) that the shortfall between resources and proposed Plan days will be met through the use of contract auditors and the Plan will remain under continuous review to ensure the planned days remains deliverable in line with available resources.

Internal Audit Charter

14. It is a requirement of the Public Sector Internal Audit Standards (the Standards) that the purpose, authority and responsibility of Internal Audit is formally defined in an internal audit charter and that this be periodically reviewed and presented for approval to senior management and the Board (defined as the Audit Committee in the Local Government Application Note by Cipfa). The Charter has been reviewed and updated to ensure it remains fit for purpose to support delivery of the 2021/22 Plan and is compliant with the Standards; the revised version is attached at **Appendix C**.

15. Key Performance Indicators

Appendix D sets out the Key Performance Indicators (KPI's) to be tracked and monitored during 2021/22. There are two sets of KPI's detailed; those reportable to key stakeholders and those to be internally monitored for the purpose of tracking team performance and to drive service improvements.

Conclusions

16. The Plan provides sufficient coverage of the Council's current and emerging risks and priorities, with sufficient flexibility to add further reviews onto the plan as needed. With support from contractor auditors and the planned recruitment, there will be sufficient resources to deliver the proposed Plan.

Recommendations

17. Members are asked to:

- Agree the proposed Internal Audit Plan for 2021/22
- Approve the Internal Audit Charter
- Note the Key Performance Indicators for 2021/22

Appendices

Appendix A - Internal Audit Plan and Resourcing

Appendix B - Plan Mapped against Corporate Risk Register

Appendix C - Internal Audit Charter

Appendix D - 2021/22 Key Performance Indicators

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Kent County Council

Internal Audit and Counter Fraud Plan July 2021 – May 2022

1. Core Assurance

To provide assurance on core aspects of internal control authority wide

Ref	Audit Title	Days	Audit Details		
			Assurance / Consultancy	Scope	Lead Officers / Directors
CA01-2022	Annual Governance Statement	10	Assurance	<p>An audit to provide assurance that directorate AGS returns are timely, appropriate, accurate and complete, and issues identified are managed adequately and effectively to meet service and corporate objectives. To be carried out in two phases, one part-way through the year to assess effectiveness of monitoring governance issues within the Directorates and the second review to be completed at year-end to inform the preparation of the AGS.</p> <p>In forming our conclusions, we will take into account the CIPFA / SOLACE Delivering Good Governance in Local Government framework (2016), the associated statutory guidance and any other best practice frameworks</p>	<p>Ben Watts General Counsel / Monitoring Officer</p> <p>David Cockburn Head of Paid Service</p>
CA02-2022	Corporate Governance	40	Assurance	<p>Allowance for Governance audits in 21-22 - audits to be confirmed, but may include:</p> <ul style="list-style-type: none"> - Decision making, recording and delegations - Codes of Conduct (officers and / or Members) - Constitution 	<p>Ben Watts General Counsel / Monitoring Officer</p>

Ref	Audit Title	Days	Audit Details		
			Assurance / Consultancy	Scope	Lead Officers / Directors
CA03-2022	Equalities Act 2010 Duties	10	Assurance	An audit to provide assurance that the Council has appropriate processes in place to ensure it complied with its duties under the Equality Act 2010 (Public Sector Equality Duty) in the provision of services.	David Whittle Director – Strategy, Policy, Relationships & Corporate Assurance David Cockburn Head of Paid Service
CA04-2022	Future of Sessions HQ	15	Assurance	Embedded assurance for the project to set the direct for the future of Sessions House and take this forward to implementation. This is currently at an early stage, with audit assurance to be provided at key points as it progresses.	Karen Frearson Head of Property Strategy Rebecca Spore Director - Infrastructure
CA05-2022	Information Governance Assurance Mapping Update	5	Assurance	To review and update the Information Governance assurance map, which was originally compiled in 2019/20	Ben Watts General Counsel / Monitoring Officer David Whittle Director – Strategy, Policy, Relationships & Corporate Assurance
CA06-2022	Records Management Follow Up	10	Assurance	A follow up audit regarding Records Management, which was a Limited Opinion audit in 2020-21. To assess and report on progress being made with the implementation of agreed actions to address the issues raised in the audit report.	Ben Watts General Counsel / Monitoring Officer

Ref	Audit Title	Days	Audit Details		
			Assurance / Consultancy	Scope	Lead Officers / Directors
CA07-2022	Risk Management	15	Assurance	Audit of Corporate Risk Management arrangements in place within KCC, to include the adequacy and implementation of new risk management framework + training provided to officers.	Mark Scrivener Corporate Risk Manager David Whittle Director – Strategy, Policy, Relationships & Corporate Assurance
CA08-2022	Strategic Commissioning	20	Assurance	To provide assurance that Strategic Commissioning has implemented adequate and effective processes and controls covering: <ul style="list-style-type: none"> • The planning of major procurements / contract re-lets, • Contract registers, • Contract management standards and guidance, and • Communications with and support to all parts of the Council, including promoting a consistent commissioning approach. 	Clare Maynard Strategic Commissioner David Cockburn Head of Paid Service
Total		125			

2. Core Financial Assurance

To provide assurance on core aspects of financial internal control

Ref	Audit Title	Days	Audit Details		
			Assurance / Consultancy	Scope	Lead Officers / Directors
CS01-2022	CIPFA Financial Management Code	20	Assurance	<p>Compliance review against the Code</p> <p>Potential scope to include:</p> <ul style="list-style-type: none"> - Responsibilities of CMT - Governance and Financial Management - Medium to Long-Term Financial Management - The Annual Budget - Stakeholder Engagement - Performance Monitoring - External Financial Reporting 	Zena Cooke Corporate Director – Finance (S151)
CS02-2022	General Ledger	10	Assurance	To provide assurance that key general ledger controls are operating adequately. To include Journal controls (to provide specific assurance to the external audit), bank reconciliations and other controls to be determined.	Zena Cooke Corporate Director – Finance (S151)
CS03-2022	Imprest Accounts Follow Up	10	Assurance	A follow up on the implementation of agreed actions following the 'No Assurance' Imprest Accounts audit in 2019-20.	Zena Cooke Corporate Director – Finance (S151) Cath Head Head of Finance (Operations)

Ref	Audit Title	Days	Audit Details		
			Assurance / Consultancy	Scope	Lead Officers / Directors
CS04-2022	Payroll	15	Assurance	To provide assurance that key controls within the KCC Payroll process are operating effectively and that there is effective contract monitoring of those elements undertaken by Cantium Business Solutions. Testing to include leaver payments.	Amanda Beer Corporate Director – People & Communications
CS05-2022	Pension Scheme Admin	20	Assurance	An audit of the processes and controls in place within the Kent Pension Scheme to ensure accuracy and timeliness of processing. To cover new joiners, transfers in / out, deferred members' and retirement processing.	Alison Mings Treasury and Investments Manager Zena Cooke Corporate Director – Finance (S151)
CS06-2022	Urgent Payments Follow Up	5	Assurance	A follow up audit regarding Urgent Payments, which was a limited opinion audit in 2020-21. To assess and report on progress being made with the implementation of agreed actions to address the issues raised in the audit report.	Zena Cooke Corporate Director – Finance (S151)
Total		80			

3. Consultancy

Ref	Project Title	Days	Audit Details	
			Scope	Lead Officers / Directors
CR01-2022	Annual Audit Opinion	10	A review bringing together audit and other relevant outcomes / sources of assurance across KCC to form a view of corporate governance, risk management and control for the annual audit opinion.	<p>Jon Idle Head of Internal Audit & Counter Fraud</p> <p>Zena Cooke Corporate Director of Finance (S151)</p>
CR02-2022	Annual Governance Statement	10	An audit to provide assurance that directorate AGS returns are timely, appropriate, accurate and complete, and issues identified are managed adequately and effectively to meet service and corporate objectives. To be carried out in two phases, one part-way through the year to assess effectiveness of monitoring governance issues within the Directorates and the second review to be completed at year-end to inform the preparation of the AGS. In forming our conclusions, we will take into account the CIPFA / SOLACE Delivering Good Governance in Local Government framework (2016), the associated statutory guidance and any other best practice frameworks.	<p>Ben Watts General Counsel / Monitoring Officer</p> <p>David Cockburn Head of Paid Service</p>

	Project Title Ref	Days	Audit Details	
			Scope	Lead Officers / Directors
CR03- 2022	Information Governance Steering Group	10	Watching brief undertaken through Audit attendance at operational and strategic level Information Governance groups.	Ben Watts General Counsel / Monitoring Officer
CR04- 2022	Provider Invoicing	10	To review the process for receiving, reconciling and paying provider finances to determine whether there are adequate and effective controls in place to prevent duplicate payments and to ensure provider invoices are paid correctly and in a timely manner.	Mark Sage Corporate Accountant Zena Cooke Corporate Director – Finance (S151)
Total		40		

4. Risk / Priority Based

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

Ref	Audit Title	Days	Audit Details		
			Assurance / Consultancy	Scope	Lead Officers / Directors
4.1 Strategic and Corporate Services					
RB01-2022	Declaration of Interests (Members)	10	Assurance	To review the adequacy and effectiveness of controls over Member Declarations of Interests, in compliance with the Member Code.	Ben Watts General Counsel / Monitoring Officer
RB02-2022	Engagement of Consultants	15	Assurance	An audit of the Council's engagement of consultants to bring in additional expertise and skills on a short / medium term basis. To include controls over procurement decisions and the selection of consultants, financial commitment within authority limits, management of performance and termination of contracts.	Amanda Beer Corporate Director – People & Communications Paul Royel Head of HR
RB03-2022	Enterprise Business Capabilities (Oracle) – Strategic Reset Programme	10	Assurance	Embedded assurance on the Council's Enterprise Business Capabilities (Oracle) project, including attendance at the EBC Project Board meetings	Elizabeth Sanderson Strategic Business Adviser (Corporate) Vincent Godfrey EBC Senior Responsible Officer Amanda Beer Corporate Director – People & Communications

Ref	Audit Title	Days	Audit Details		
			Assurance / Consultancy	Scope	Lead Officers / Directors
RB04-2022	Information Governance – DSP Toolkit	10	Assurance	An annual audit of the council's self-assessment of compliance with the NHS Data Protection and Security Toolkit. Reaching a satisfactory level of compliance with all aspects of the Toolkit is required for continued access to NHS data for ASCH and Public Health.	David Whittle Director – Strategy, Policy, Relationships & Corporate Assurance
RB05-2022	KCC Estate Review – Strategic Reset Programme	15	Assurance	Embedded assurance in the KCC estate review - to provide on-going assurance, for example over project management, governance, decision making, risk identification and benefits realisation.	Karen Frearson Head of Property Strategy Rebecca Spore Director - Infrastructure
RB06-2022	New Grant Funding	10	Assurance	To provide assurance that new grant monies received is identified and related decision making is appropriately made and recorded in-line with the Constitution / Delegated Authorities and that spend on these grants is monitored and reported. This review will be in addition to some other deep dives into grant spend elsewhere on the Audit Plan.	Zena Cooke Corporate Director – Finance (S151)

Ref	Audit Title	Days	Audit Details		
			Assurance / Consultancy	Scope	Lead Officers / Directors
RB07-2022	People Strategy – Strategic Reset Programme	15	Assurance	Embedded assurance on the People Strategy stream of the Strategic Reset Programme. To provide consultancy / advice / challenge throughout the project and assurance at key stages of the project.	Amanda Beer Corporate Director – People & Communications
RB08-2022	Property Infrastructure – Functions and Processes Transferred from Gen2	15	Assurance	An audit of the key functions transferred from GEN2 to KCC, with particular focus on performance monitoring and reporting of service delivery to ensure there is appropriate oversight and governance arrangements.	Karen Frearson Head of Property Strategy Rebecca Spore Director - Infrastructure
RB09-2022	Public Health – Covid-19 Ring Fenced Grants	20	Assurance	An audit of the governance arrangements in place and adequacy of controls to ensure that spend of newly received grants is appropriately controlled, in line with grant conditions and within delegated authority limits. The main grants concerned are: - Containment Outbreak Management Fund (COMF) - Test and Trace Grant - Asymptomatic Testing Grant - Clinically Extremely Vulnerable Grant	Clare Maynard Strategic Commissioner

Ref.	Audit Title	Days	Audit Details		
			Assurance / Consultancy	Scope	Lead Officers / Directors
RB10-2022	Schools Financial Services	5	Assurance	Annual audit of the system of school compliance visits to provide assurance over the adequacy of the system of schools' audit. This work will support the S151 Officer's certification of the Schools Financial Value Standard.	Zena Cooke Corporate Director – Finance (S151)
RB11-2022	Strategic Reset Programme – Programme Governance	15	Assurance	To review the governance arrangements over the Strategic Governance Programme	Elizabeth Sanderson Strategic Business Adviser (Corporate) Amanda Beer Corporate Director – People & Communications Ben Watts General Counsel / Monitoring Officer
Total		140			

4. Risk / Priority Based

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

Ref	Audit Title	Days	Audit Details		
			Assurance / Consultancy	Scope	Lead Officers / Directors
4.2 Adult Social Care and Health					
RB12-2022	Contract Management (ASCH)	20	Assurance	To review the adequacy and effectiveness of controls over the contract management arrangements over the following contracts: <ul style="list-style-type: none"> - Kent Enablement at Home - Shared Housing (Ready Homes) - Older Peoples Nursing & Residential Care Contract - Kent Employment Services 	Richard Smith Corporate Director – Adult Social Care and Health Wayne Gough
RB13-2022	Data Protection (ASCH)	20	Assurance	Compliance with GDPR and KCC's policies & procedures: <ul style="list-style-type: none"> - New ways of working / remote working - Increased data sharing with external agencies To review and evaluate the process for preparing and signing off Data Protection Impact Assessments (DPIA)	Richard Smith Corporate Director – Adult Social Care and Health Ben Watts General Counsel / Monitoring Officer
RB14-2022	Individual Contracts with Care Providers (ASCH)	10	Assurance	To review the adequacy and effectiveness of controls over individual contracts with care providers, including: <ul style="list-style-type: none"> - Setting up new contracts, including due diligence checks - Amendments to existing contracts - Payments to care providers - Ongoing monitoring of care providers - Termination of contracts. 	Richard Smith Corporate Director – Adult Social Care and Health Clare Maynard Strategic Commissioning

Ref	Audit Title	Days	Audit Details		
			Assurance / Consultancy	Scope	Lead Officers / Directors
RB15-2022	Making a Difference Every Day (MADE) Assurance Board – Strategic Reset Programme	20	Assurance	Embedded Assurance: Attendance at MADE Assurance Board meetings To provide advice / support as needed in relation to the following: - Safeguarding - Development of the Quality Assurance Framework	Richard Smith Corporate Director – Adult Social Care and Health Carl Griffiths ASCH Recovery Lead and Senior Responsible Officer
RB16-2022	Provider Failure (Assurance Mapping)	20	Assurance	To complete an assurance mapping exercise to identify the first, second and third lines of assurance over Provider Failure.	Richard Smith Corporate Director – Adult Social Care and Health Julie Davidson Principal Social Worker
RB17-2022	Safeguarding Assurance Map (ASCH)	5	Assurance	To review and update the Safeguarding assurance map, which was originally compiled in 2020/21	Richard Smith Corporate Director – Adult Social Care and Health
RB18-2022	Supervision of Social Workers	20	Assurance	Compliance with Social Care England & ASCH policies including: - Maintenance of CPD records - Quality of supervision meetings and bringing CPD into practice - Reporting of supervision outcomes to CMT.	Richard Smith Corporate Director – Adult Social Care and Health Julie Davidson Principal Social Worker
Total		115			

Ref	Audit Title	Days	Audit Details		
			Assurance / Consultancy	Scope	Lead Officers / Directors
4.3 Children, Young People and Education					
RB19-2022	Accommodation for Young People / Care Leavers Follow Up	5	Assurance	Follow up to Limited audit review issued in 2020/21.	Sarah Hammond Director – Integrated Children’s Services (Social Work Lead)
RB20-2022	Business Continuity Planning (CYPE)	15	Assurance	To evaluate the adequacy and effectiveness of CYPE's business continuity planning arrangements.	Matt Dunkley Corporate Director – Children, Young People and Education
RB21-2022	Change for Kent Children – Strategic Reset Programme	10	Assurance	Embedded Assurance Review for Attendance at the Change for Kent Children Board Advice and support on the 'Front Door' project / service	Matt Dunkley Corporate Director – Children, Young People and Education Graham Genoni Director – Change for Kent Children Programme
RB22-2022	Foster Care – Transition to Shared Lives	15	Assurance	To establish whether Foster Care (transition to shared lives) cases are processed in accordance with relevant legislation, policies and guidance.	Sarah Hammond Director – Integrated Stuart Collins Director Integrated Services

Ref	Audit Title	Days	Audit Details		
			Assurance / Consultancy	Scope	Lead Officers / Directors
RB23-2022	Information Governance (CYPE)	15	Assurance	To assess the adequacy and effectiveness of the following areas: - Information Governance / GDPR Training and Awareness - Management of personal and sensitive data - Management and reporting of data breaches.	Matt Dunkley Corporate Director – Children, Young People and Education Katherine Atkinson Assistant Director – Management Information & Intelligence
RB24-2022	Safeguarding Assurance Map (CYPE) Update	5	Assurance	To review and update the Safeguarding CYPE assurance map, which was originally compiled in 2020/21	Matt Dunkley Corporate Director – Children, Young People and Education
RB25-2022	School Themed Review – Corporate Credit Cards	30	Assurance	To complete a themed review across a sample of 20 (maintained) schools to determine whether the use of school (corporate) credit cards is in accordance with finance policies and procedures and fraud / theft risks are adequately mitigated.	Christine McInnes Director - Education
RB26-2022	SEN Assurance Mapping	20	Assurance	To identify all internal and external assurance received over SEND Prepare an assurance map covering 1st, 2nd and 3rd lines of assurance and identify any potential gaps / risks which may benefit from future internal audit review.	Mark Walker Director – Special Educational Needs & Disabilities
Total		115			

Ref	Audit Title	Days	Audit Details		
			Assurance / Consultancy	Scope	Lead Officers / Directors
4.4 Growth, Environment and Transport					
RB27-2022	Traveller Service – Site Allocation and Pitch Fee Collections	15	Assurance	To provide assurance that the newly implemented Traveller pitch management systems are operating as designed.	Simon Jones Corporate Director – Growth, Environment & Transport (Interim) Stephanie Holt-Castle Director – Growth & Communities
RB28-2022	Highways Term Maintenance Contract	15	Assurance	Embedded assurance engagement with the Highways Term Services Commissioning Project. As well as advice and challenge to the project, this will include the production of assurance reports at key project stages.	Simon Jones Corporate Director – Growth, Environment & Transport (Interim)
RB29-2022	Inland Border Posts / Decision Making and Financial Management	15	Assurance	Review to provide assurance on the governance arrangements and key decisions on grants received, and the Financial Management of the provision of border facilities at Sevington and White Cliffs.	Simon Jones Corporate Director – Growth, Environment & Transport (Interim) Stephanie Holt-Castle Director – Growth & Communities
RB30-2022	Kent and Medway Business Fund	15	Assurance	To provide assurance over the procedures for assessment of applications to the Kent and Medway Business fund and the payment (and repayment) of grants and loans.	David Smith Economic Development

Ref	Audit Title	Days	Audit Details		
			Assurance / Consultancy	Scope	Lead Officers / Directors
RB31-2022	Kent and Medway Energy and Low Emissions Strategy	15	Assurance	To provide assurance over the implementation of Kent and Medway Energy and Low Emissions Strategy by KCC. To include consideration of whether responsibilities are clearly defined, there are clear targets and outcomes which align to strategic objectives and progress is monitored and reported.	Stephanie Holt-Castle Director – Growth & Communities
RB32-2022	New Local Infrastructure Projects Across Kent (SELEP)	20	Assurance	A corporate wide review to provide assurance on project management and governance arrangements for projects funded via SELEP. The main source of funds is the Local Growth Fund and Getting Building Fund. To include: - SELEP SLA - SELEP project funding and expenditure audit requirement.	David Smith Economic Development
Total		95			

5. ICT Audit

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

Ref	Audit Title	Days	Audit Details		
			Assurance / Consultancy	Scope	Lead Officers / Directors
ICT01-2022	Cyber Security Assurance Map Update	5	Assurance	To review and update the Cyber Security assurance map, which was originally compiled in 2020/21	Rebecca Spore Director – Infrastructure
ICT02-2022	Information Technology Risk Management	15	Assurance	To provide assurance that IT risks are identified, and appropriate mitigating actions are developed and managed. To include risk to KCC wide network, key systems and projects.	Dave Lindsay Interim Head of Technology Commissioning & Strategy Rebecca Spore Director – Infrastructure
ICT03-2022	IT Cloud Strategy, Security and Data Migration	25	Assurance	A review of ICT Cloud security and data migration as the council moves towards increased use of cloud-based storage and systems. To include areas such as: <ul style="list-style-type: none"> • Cloud strategy, business case and plans in place • Contract initiation and management for cloud storage • Data centre migration arrangements and security • Procedure for verifying security controls within hosted environments. • Encryption for data at rest and data in transit, and interface security between physical network and cloud 	Dave Lindsay Interim Head of Technology Commissioning & Strategy Rebecca Spore Director – Infrastructure

Ref	Audit Title	Days	Audit Details		
			Assurance / Consultancy	Scope	Lead Officers / Directors
ICT04-2022	IT Data Security Audit for DSP Toolkit	15	Assurance	A deep dive into one area, as 20-21 covered general controls across ASH. CYPE and Public Health	Rebecca Spore Director – Infrastructure Dave Lindsay Interim Head of Technology Commissioning & Strategy
ICT05-2022	Prevention of ICT Data Centre Outages Follow Up	10	Assurance	A review of the progress against agreed actions arising from the Lessons Learned report for the Sessions House Data Centre outage in February 2021.	Rebecca Spore Director – Infrastructure
Total		70			

5. Summary

Kent County Council	Planned Days
KCC Core Assurance	125
KCC Core Financial Assurance	80
KCC Risk Based Audits	465
KCC IT Audit Plan	70
KCC Consultancy	40
KCC Follow Ups	40
KCC Liaison, advice and information / support for emerging risks and service developments	50
KCC Grant certifications	204
KCC Contingency for audit of emerging risks	150
Pentana Development	20
TOTAL FOR KCC	1244
Commercial Activities and other external provision	
- Kent HoldCo Ltd and LATCos (Commercial Services, Cantium Business Solutions, Invicta Law and The Education People)	350
- Tonbridge and Malling District Council – Management of Audit and Counter Fraud Service	130
- Kent and Medway Fire & Rescue Authority	95
- GDPR Compliance reviews	88
- Parishes	41
- Academies	25
- Other (Charity accounts & Grant claims other certifications for external organisations)	36
TOTAL FOR EXTERNAL ORGANISATIONS	765
TOTAL DAYS	2009

Audit Plan Mapped Against Corporate Risk Register

Risk	Audits
CRR0001 Safeguarding – protecting vulnerable children (HIGH)	Accommodation for Young People Follow Up Foster Care – Transition to Shared Lives Safeguarding Assurance Mapping Update
CRR0002 Safeguarding – protecting vulnerable adults (HIGH)	Supervision of Social Workers & Other Staff Safeguarding Assurance Mapping Update
CRR0003 Securing resources to aid economic growth and enabling infrastructure (HIGH)	New Local Infrastructure Projects (SELEP)
CRR0004 Simultaneous Emergency Response and Resilience (HIGH)	Business Continuity Planning (CYPE)
CRR0005 Development of Integrated Care System and Integrated Care Programmes (MEDIUM)	MADE Assurance Board
CRR0006 Resourcing implications arising from increasing complex adult social care demand (HIGH)	Supervision of Social Workers & Other Staff
CRR0007 Resourcing implications arising from children’s services demand (HIGH)	Change for Kent Children
CRR0009 Future financial and operating environment for local government (HIGH)	CIPFA Financial Management Code General Ledger
CRR0010 Suitable accommodation and funding for Unaccompanied Asylum-seeking children (UASC) (HIGH)	
CRR0014 Cyber-attack threats + implications (HIGH)	Information Technology Risk Management IT Cloud Strategy, Security and Data Migration IT Data Security for DSP Toolkit Prevent of ICT Data Centre Outages Cyber Security Assurance Map Update
CRR0015 Managing and working with the social care market (HIGH)	Provider Failure Provider Invoicing Individual Contracts with Care Providers Contract Management (ASCH)
CRR0016 Delivery of new school places (HIGH)	
CRR0039 Information Governance (HIGH)	Data Protection (ASCH) Information Governance (CYPE) Information Governance - DSP Toolkit Information Governance Steering Group IT Cloud Strategy, Security and Data Migration Records Management Follow Up Information Governance Assurance Mapping Update Equalities Act 2020 Duties
CRR0042 Post-transition UK / EU border systems, infrastructure, and regulatory arrangements (HIGH)	Inland Border Posts
CRR0044 High Needs Funding shortfall (HIGH)	

Risk	Audits
CRR0045 Maintaining effective governance and decision making (MEDIUM)	Declaration of Interests (Members) New Grant Funding Corporate Governance Engagement of Consultants Property Infrastructure – Functions and Processes Transferred from Gen2 Public Health – Covid-19 Grants Risk Management Strategic Commissioning Strategic Reset Programme Governance MADE Assurance Board Change for Kent Children Highways Term Maintenance Contract Annual Governance Statement Kent and Medway Energy and Low Emissions Strategy
CRR0047 Adequacy of support for children with Special Educational Needs and Disabilities (SEND) (HIGH)	SEND Assurance Mapping
CRR0048 Maintenance and modernisation of the KCC estate (HIGH)	Future of Sessions HQ KCC Estate Review – Strategic Reset
CRR0049 Fraud and Error (HIGH)	School Themed Review – Corporate Credit Cards Imprest Accounts Follow Up Payroll Urgent Payments Follow Up Schools Financial Services Fraud and Error Pension Scheme Admin Gypsy and Traveller Service
CRR0050 CBRNE incidents, communicable diseases, and incidents with a public health implication (HIGH)	
CRR0051 Maintaining or improving workforce health, wellbeing and productivity throughout Coronavirus response and recovery (HIGH)	People Strategy – Strategic Reset Programme

KENT COUNTY COUNCIL

Internal Audit Charter

INTRODUCTION

This Internal Audit Charter formally defines the purpose, authority and responsibility of the Internal Audit service within Kent County Council. It is consistent with the mandatory requirements of the Public Sector Internal Audit Standards (PSIAS) and the supporting Local Authority Guidance Note (LGAN) produced by the Chartered Institute of Public Finance and Accountancy (and the Chartered Institute of Internal Auditors (IIA). The Charter will be reviewed at least annually to ensure it is up-to-date and reflects the PSIAS).

PURPOSE

The definition of Internal Audit is a mandatory part of the PSIAS and is as follows:

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

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

AUTHORITY

The requirement for the Council to 'maintain an adequate and effective system of internal audit of its accounting record and its systems of internal control' is contained in the Accounts and Audit Regulations 2015. This supplements the requirements of Section 151 of the Local Government Act 1972 for the Council to make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has responsibility for the administration of those affairs. The council has delegated this responsibility to the Corporate Director of Finance.

STATUS OF INTERNAL AUDIT WITHIN THE ORGANISATION

The Head of Internal Audit and Counter Fraud (Head of IA&CF) reports directly to the Corporate Director of Finance and quarterly to the Governance and Audit Committee; meeting regularly with the Chair on a one-to-one basis. The Head of A&CF will also report to senior management and Members when necessary, including statutory officers, Head of Paid Service, Monitoring Officer, and the Leader of the Council.

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

The Head of IA&CF has direct access to the Chair of the Governance and Audit Committee and has the opportunity to meet with the Governance and Audit Committee in private.

The Chair of the Governance and Audit Committee will be involved in the appointment and termination of the Head of IA&CF.

RESPONSIBILITY

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

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

PROFESSIONAL STANDARDS

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

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

Compliance, by all those involved in the delivery of Internal Audit services with the Code of Ethics laid down in the PSIAS enhances the environment of trust between Internal Audit and senior management. Fundamentally, the following ethical standards are observed:

- Integrity – performing work with honesty, diligence and responsibility;
- Objectivity – making a balanced assessment of relevant circumstances not unduly influenced by personal interests or by others in forming judgements;
- Confidentiality – respecting the value and ownership of information obtained and not disclosing without appropriate authority, unless there is a legal or professional obligation to do so;
- Competence and Due Professional Care – applying the knowledge, skills and experience needed in the performance of work.

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

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

INDEPENDENCE AND OBJECTIVITY

Internal Audit will be sufficiently independent of the activities it audits to enable auditors to perform their duties in a manner that facilitates impartial and effective professional judgements and recommendations. This will include ensuring that where an audit is undertaken of an area where the Head of IA&CF has operational responsibility, appropriate measures are put in place to avoid compromising independence. In the case of the Counter Fraud Service this will be achieved through a tri-authority peer review; the most recent peer review was completed in May 2021.

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

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

Internal Audit will also report to the Governance and Audit Committee, progress on the directorates' implementation of actions agreed in relation to issues raised by Internal Audit.

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

Should the independence or objectivity of the Internal Audit service be impaired in fact or appearance, the Head of IA&CF will disclose details of the impairment to the Corporate Director of Finance and /or the Chair of the Governance and Audit Committee depending upon the nature of the impairment.

When requested to undertake any additional roles or responsibilities outside of Internal Auditing, the Head of IA&CF must highlight to the Governance and Audit Committee any potential or perceived impairment to independence and objectivity having regard to the principles contained within the Code of Ethics. The Governance and Audit Committee must approve and periodically review any safeguards put in place to limit impairments to independence and objectivity.

SCOPE & NATURE OF INTERNAL AUDIT

Internal Audit activity will be undertaken to provide assurance to senior management (Corporate Directors / Corporate Management Team) and the Governance and Audit Committee (referred to as 'Board' in the PSIAS) as to the adequacy and effectiveness of the Councils' systems for corporate governance, risk management and internal control. This effectively means that Internal Audit has independent oversight of all of the Council's operations, resources, services and processes and includes:

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

- Reviewing awareness of risk and its control and providing advice to management on risk

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

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

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

Where the Head of IA&CF considers that the scope of audit work is being restricted, the Corporate Director of Finance and the Governance and Audit Committee will be advised.

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

The Head of IA&CF will provide an annual audit opinion as to the adequacy of the Council's governance arrangements, internal controls and risk management processes. This will be used to support the Annual Governance Statement.

FRAUD AND IRREGULARITY

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

RIGHT OF ACCESS

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

INTERNAL AUDIT RESOURCES

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

REVIEW OF THE EFFECTIVENESS OF THE SYSTEM OF INTERNAL AUDIT

In accordance with the Accounts and Audit Regulations, there is a requirement for an annual review of the effectiveness of the system of internal control. This is also part of the wider annual review of the effectiveness of the system of internal control. The Head of IA&CF will carry out an annual review of the Internal Audit function, in accordance with the Quality Assurance and Improvement Programme outlined below and will report the results to the Governance and Audit Committee to enable it to consider the findings of the review. In addition, the Head of IA&CF will arrange for an independent review to be carried out, at least every five years which will be reported to the Governance and Audit Committee; this was last undertaken in March 2021. The Head of IA&CF will review the Charter annually and attach a revised document to the annual Plan.

PROVISION OF ASSURANCE TO THIRD PARTIES

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

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

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

QUALITY ASSURANCE AND IMPROVEMENT PROGRAMME

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

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

VERSION CONTROL

Document Owner: Jonathan Idle, Head of Internal Audit and Counter Fraud.

Version	Reviewed	Reviewer	Approver
Original			
2	February 2015	Head of Internal Audit	Governance and Audit Committee
3	April 2016	Head of Internal Audit	Governance and Audit Committee
4	March 2019	Strategic Audit Manager	Governance and Audit Committee
5	July 2020	Head of Internal Audit	Governance and Audit Committee
6	July 2021	Head of Internal Audit	Governance and Audit Committee

2021/22 Internal Audit Key Performance Indicators

Reportable	
KCC KPI	Target
% completion of audits within the Annual Internal Audit Plan to at least drafts stage, subject to agreed revision by the Governance and Audit Committee	90%
% Positive Client feedback	90%
Annual Management Perception Survey - % positive responses in respect of perceived benefits and value of Internal Audit service	80%
% of High and Medium issues agreed	90%

Management Information	
KCC KPI	Target
Draft Reports to be issued by the date specified in the Engagement Plan	90%
Elapsed time from start of audit fieldwork to issue of Draft Report within 40 working days.	80%
Elapsed time from issue of Draft Report to Final Report within 30 working days.	90%
Final Report to be issued within 5 days of agreement by auditee	90%
Client Satisfaction Questionnaires to be completed and returned within 10 working days of Final Report	-
Average cost per audit	-
Delivery of audit within budgeted days	90%
Productive time (Time associated directly with audit/ projects)	80%