INTERNAL AUDIT PROGRESS REPORT

GOVERNANCE AND AUDIT COMMITTEE

30 November 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 between July and October 2021.

2. Key Messages

- All audits from the 2020/21 audit plan have been completed
- 9 audits have been finalised since the previous progress report, which was reported to Members in July 2021. See **Appendices A & B**
- 33 of 55 audits from the 2021/22 audit plan are either in progress or at reporting stage
- The audit **RB22-2022 – Foster Care – Transition to Shared Lives** has been deferred to 2022/23
- 22 grants / certifications have been certified to date, with a further 4 currently in progress. See **Appendix C**

3. Updates

3.1 Internal Audit Plan

The following report provides an update on the work completed between July and October 2021 against both the 2020/21 and 2021/22 Audit Plans.

Following discussions with the respective officers it has been agreed that audit **RB22-2022 – Foster Care Transition to Shared Lives** will be deferred to 2022/23.

In addition to the planned work completed during this period, Internal Audit has also provided consultancy advice in relation to:

- The Reconnect Programme, in respect of the grant application process and the Holiday Activities and Food Programme.

- The Total Placement Service in relation to the process for authorising placement costs.
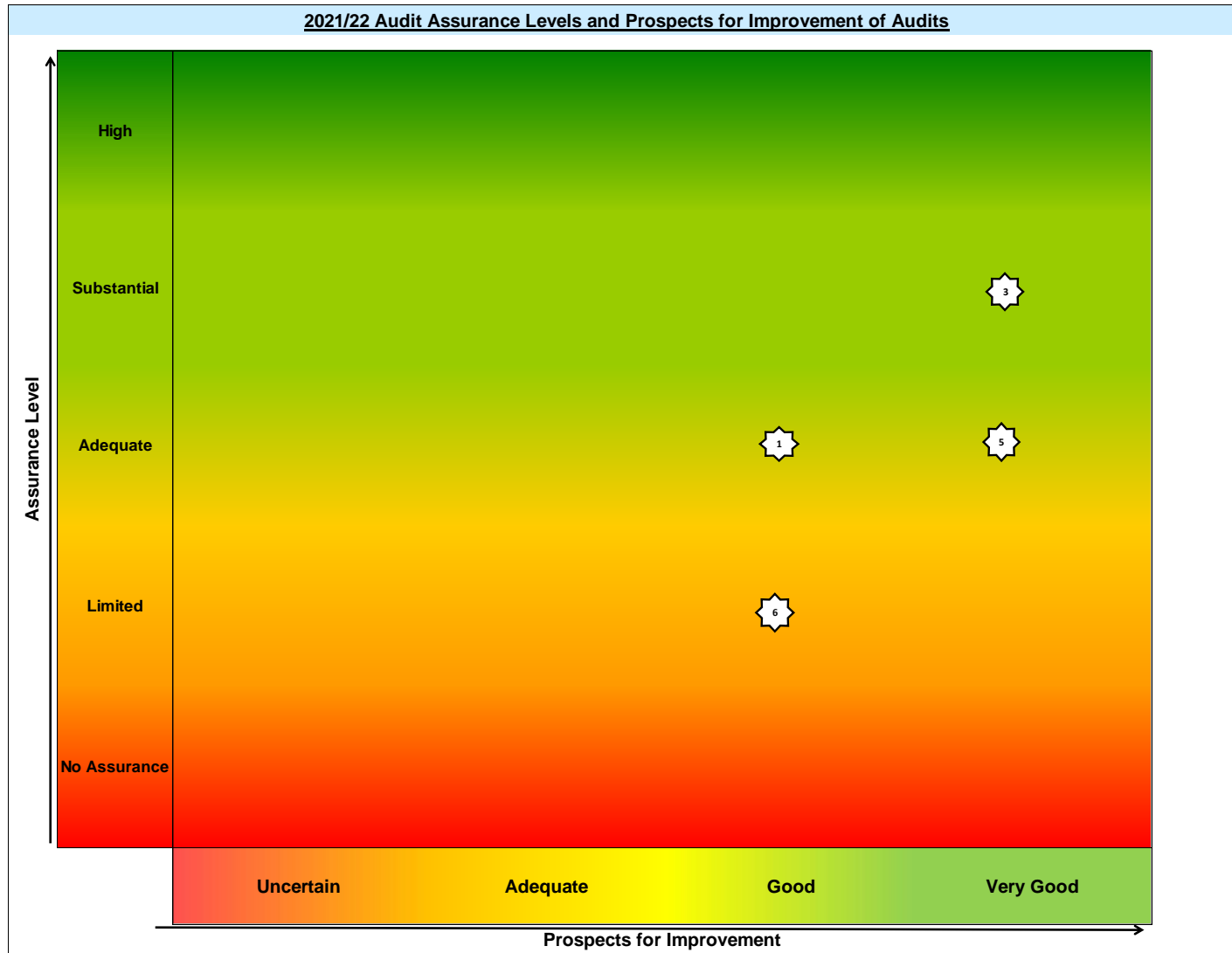
Table 1: <u>Summary of Assurance Levels to Date</u>
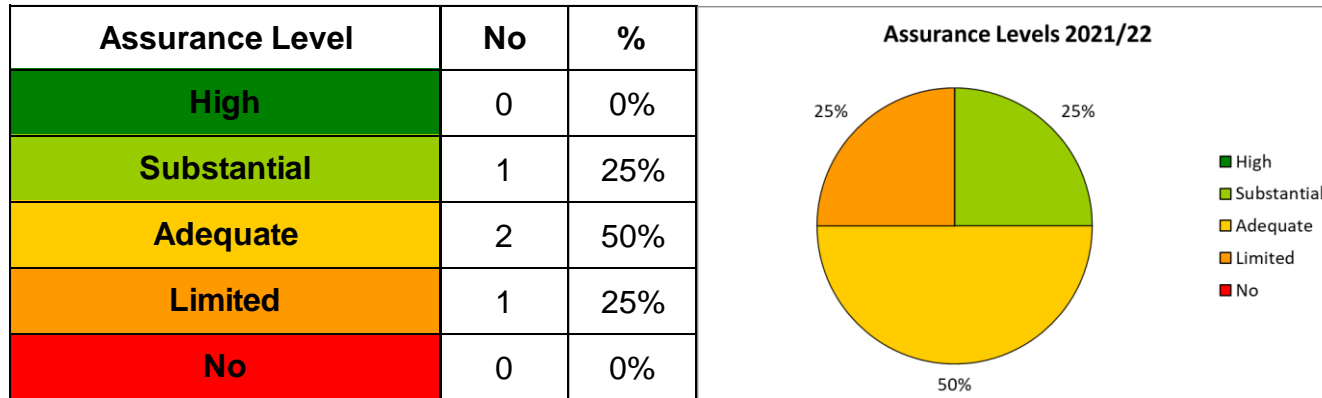
<u>2021/22 Audit Assurance Levels and Prospects for Improvement of Audits</u>

Assurance Level

High

Substantial

Adequate

Limited

No Assurance

3

1   5

6

Uncertain   Adequate   Good   Very Good

Prospects for Improvement

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

	Governance & Audit Committee – 30 November 2021		
	Audit	**Assurance**	**Prospects for Improvement**
1	Schools Themed Review - Cyber Security (**EXEMPT**)	ADEQUATE	GOOD
2	Imprest Accounts Follow-up (**EXEMPT**)	N/A	N/A
3	ACCESS Pool	SUBSTANTIAL	VERY GOOD
4	Strategic Commissioning Follow-up	N/A	N/A
5	Cyber Security - Management of Backups for Applications, Data and active Network Devices (**EXEMPT**)	ADEQUATE	VERY GOOD
6	Records Management	LIMITED	GOOD
7	Information Governance Assurance Map Update	N/A	N/A
8	ASCH Day Care Centre Review (**EXEMPT**)	N/A	N/A
9	Sessions House Data Centre Failure – Lessons Learnt Review (**EXEMPT**)	N/A	N/A

Assurance Level	No	%
High	0	0%
Substantial	1	25%
Adequate	2	50%
Limited	1	25%
No	0	0%

Assurance Levels 2021/22

3.2 Grant Certification Work:

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 certifications is an ongoing commitment of Internal Audit resources which requires adherence to strict timescales for the certification of claims submitted.

In 2021-22, the team has audited and certified Interreg 22 grant claims with a value of €1,737,363 with a further 2 grant claims currently in progress. Additional On The Spot (enhanced re-audit) for two grant projects has been completed with a further 4 On The Spot checks currently in progress.

The Audit team also certify Interreg grant claims for external clients with 4 claims having been certified this year.

Grant work is also completed by the Audit team in respect of validating expenditure of various UK Government Grants awarded for particular activities such as Highways Travel Demand Management and Bus Service Operators Grant.

Details of all certifications can be seen at **Appendix C**.

3.3 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 recent team restructure was finalised in September 2021. The recruitment for all vacant Auditor and Trainee Auditor posts has been completed. All of the newly appointed team members will be in post by mid-November.

Recruitment for the Principal Auditor (IT Specialist) post was unsuccessful due to the specialist nature of the role. Alternative recruitment options are currently being considered.

A number of contract auditors have been resourced to support audit plan delivery, whilst the new team members are inducted / trained.

3.4 External Quality Assessment

Work is underway to address the actions arising from the recent External Quality Assessment. A full update on the External Quality Assessment action plan, will be reported to Members in April 2022.

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 D**, for the Committee's information and discussion.

(A) Cross Directorate	(B) Adult Social Care and Health
CA05-2022 Information Governance Assurance Mapping Update	AD01-2022 ASCH Day Care Centre Review **(EXEMPT)**
(C) Children, Young People and Education	**(D) Strategic and Corporate Services**
RB24-2021 Schools Themed Review - Cyber Security **(EXEMPT)**	CS01-2021 Imprest Accounts Follow-up **(EXEMPT)**
	CS08-2021 Access Pool
	RB02-2021 Strategic Commissioning Follow-up
	IT03-2021 Cyber Security - Management of Backups for Applications, Data and active Network Devices **(EXEMPT)**
	CA03-2021 Records Management
	ICT05-2022 Sessions House Data Centre Failure - Lessons Learnt Review **(EXEMPT)**
E. Growth, Environment and Transport	
None	

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

Ref	Audit	Status as at 9/11/2021	Assurance
CA01	Annual Governance Statement Assurance Statement (2019-20)	Final Report	Adequate – GAC Oct 20
CA02	Corporate Governance	Complete	N/A
CA03	Records Management	Final Report	Limited – GAC Nov 21
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.	Complete	N/A
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	Final Report	N/A GAC Nov 21 **EXEMPT**
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	Final Report	Substantial – GAC Nov 21
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	Final Report	N/A – GAC Nov 21
RB03	Enterprise Business Capabilities (Oracle)	Final Report	N/A – GAC July 21

Ref	Audit	Status as at 9/11/2021	Assurance
RB04	Health and Wellbeing Strategy	Final Report	Substantial – GAC July 21
RB05	Succession Planning	Final Report	N/A - Management Letter – GAC Jan 21
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	Final Report	Adequate – GAC Nov 2021 **EXEMPT**
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	

Ref	Audit	Status as at 9/11/2021	Assurance
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
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	Adequate – GAC Nov 21 **EXEMPT**
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 9/11/2021	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 9/11/2021	Assurance
N/A	Sessions House Data Centre Failure – Lessons Learnt Review	Final Report	N/A GAC Nov 21 **(EXEMPT)**
N/A	Care Act Easement	Final Report	N/A Management Letter – GAC April 21
N/A	Highways Capital Grants	Complete	N/A
CA02	Annual Governance Statement (2020-21)	Final Report	Adequate – GAC July 21
AD01	ASCH Day Care Centre Review	Final Report	N/A - GAC Nov 21 **(EXEMPT)**

Appendix B – 2021/22 Internal Audit Plan Status and Assurance Summary

Ref	Audit	Status as at 9/11/2021	Assurance
CA01	Annual Governance Statement	Not Started	
CA02	Corporate Governance	Planning	
CA03	Equalities Act 2010 Duties	Not Started	
CA04	Future of Sessions HQ	Planning	
CA05	Information Governance Assurance Mapping Update	Final Report	N/A
CA06	Records Management Follow Up	Not Started	
CA07	Risk Management	Not Started	
CA08	Strategic Commissioning	Not Started	
CS01	CIPFA Financial Management Code	Planning	
CS02	General Ledger	Draft Report	
CS03	Imprest Accounts Follow Up	Not Started	
CS04	Payroll	Planning	
CS05	Pension Scheme Admin	Not Started	
CS06	Urgent Payments Follow Up	Not Started	
CR01	Annual Audit Opinion	Not Started	
CR02	Annual Governance Statement	Planning	
CR03	Information Governance Steering Group	Ongoing	
CR04	Provider Invoicing	In Progress	
RB01	Declaration of Interests (Members)	Planning	
RB02	Engagement of Consultants	Planning	
RB03	Enterprise Business Capabilities (Oracle) – Strategic Reset Programme	Ongoing	
RB04	Information Governance – DSP Toolkit	Not Started	
RB05	KCC Estate Review – Strategic Reset Programme	Planning	
RB06	New Grant Funding	Planning	
RB07	People Strategy – Strategic Reset Programme	In Progress	
RB08	Property Infrastructure – Functions and Processes Transferred from Gen2	Planning	
RB09	Public Health – Covid 19 Ring Fenced Grants	Planning	
RB10	Schools Financial Services	Not Started	

Ref	Audit	Status as at 9/11/2021	Assurance
RB11	Strategic Reset Programme – Programme Governance	In Progress	
RB12	Contract Management (ASCH)	Planning	
RB13	Data Protection (ASCH)	Draft Report	
RB14	Individual Contracts with Care Providers (ASCH)	Not Started	
RB15	Making a Difference Every Day (MADE) Assurance Board	Ongoing	
RB16	Provider Failure (Assurance Mapping)	Planning	
RB17	Safeguarding Assurance Map (ASCH)	Planning	
RB18	Supervision of Social Workers	Not Started	
RB19	Accommodation for Young People / Care Leavers Follow Up	Planning	
RB20	Business Continuity Planning (CYPE)	Not Started	
RB21	Change for Kent Children – Strategic Reset Programme	Ongoing	
RB22	Foster Care – Transition to Shared Lives	Deferred to 2022/23	
RB23	Information Governance (CYPE)	Not Started	
RB24	Safeguarding Assurance Map Update (CYPE)	Planning	
RB25	School Themed Review – Corporate Credit Cards	Planning	
RB26	SEN Assurance Mapping	Not Started	
RB27	Traveller Service – Site Allocation and Pitch Fee Collections	Planning	
RB28	Highways Term Maintenance Contract	Ongoing	
RB29	Inland Border Posts / Decision Making and Financial Management	Planning	
RB30	Kent and Medway Business Fund	Not Started	
RB31	Kent and Medway Energy and Low Emissions Strategy	Not Started	
RB32	New Local Infrastructure Projects Across Kent (SELEP)	Planning	
ICT01	Cyber Security Assurance Map Update	Not Started	
ICT02	Information Technology Risk Management	Not Started	
ICT03	IT Cloud Strategy, Security and Data Migration	Draft Report	
ICT04	IT Data Security Audit for DSP Toolkit	Not Started	
ICT05	Prevention of ICT Data Centre Outages Follow Up	Draft Report	

Appendix C - Grant Certifications completed since 1/4/2021:

Grant	Description	Status as at 5/11/2021
EU Interreg - Aspire	A holistic approach to lowering obesity and unemployment rates in identified communities where the two issues are linked.	2 Claims Completed
EU Interreg - BEGIN	An approach to climate resilience for cities that mimics nature's potential to deal with flooding.	1 Claim completed and On The Spot in progress
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.	1 Claim completed and On The Spot in progress
EU Interreg – Blueprint	Upskill 18 social enterprises to train 2000 disadvantaged individuals with the skills they require to secure new jobs linked to circular economy growth (increased recycling, reverse logistics and secondary markets)	1 Claim in progress
EU Interreg – BoostforHealth Capitalisation	Supporting Kent based life sciences companies with internationalisation and in particular market entry in mainland Europe.	
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 and 1 On The Spot completed
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)	1 Claim in progress
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
EU Interreg – Cool Towns	Spatial adaptation for heat resilience in small and medium sized cities to minimise the heat related effects of climate change.	
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.	
EU Interreg - Empower Care	To create resilient communities and reduce individual frailty and loneliness, addressing issues facing the care of our aging population	1 Claim completed
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.	1 Claim completed
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.	1 Claim completed
EU Interreg – Green Pilgrimage	Protecting natural & cultural heritage whilst developing jobs & growth along pilgrim routes by developing low impact tourism, digitalisation, pilgrim accommodation & strengthening local traditions.	
EU Interreg - H20	Overcoming barriers to integrated water and ecosystem management in lowland areas adapting to climate change.	1 Claim in completed

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)	1 Claim in completed
EU Interreg - Inn2Power	Supporting Kent based companies in the offshore wind sector with internationalisation & market entry in mainland Europe	1 Claim completed
EU Interreg - PATH2	Enabling women, families and healthcare professionals to prevent, diagnose and successfully manage mild and moderate perinatal mental health issues.	1 Claim completed and On The Spot in progress
EU Interreg - Prowater	Contributing to climate adaptation by restoring the water storage of the landscape via ecosystem-based adaptation measures.	1 Claim completed
EU Interreg - SCAPE	Developing landscape-led design solutions for water management that make costal landscapes better adapted and more resilient to climate change.	1 Claim completed and On The Spot in progress
EU Interreg - SHIFT	Engaging with people over 45 years of age to develop a tailored sexual health and wellbeing model.	1 Claim completed
EU Interreg - SIE	Evaluating and improving business support services for SMEs specifically related to exporting and internationalisation.	
EU Interreg – STAR2Cs	Overcoming the implementation gap faced by local government adapting to climate change.	1 Claim Completed
EU Interreg – Step by Step	Seeking to increase the impact of the internationally evidenced men's sheds programme in particular employment & health outcomes.	1 Claim completed and 1 On The Spot completed
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).	1 Claim completed
EU Interreg - Triple A	Supporting homeowners to adopt different low-carbon technologies in their homes.	
EU Interreg - Triple C	Implementing a set of cost-effective actions to reduce flooding and erosion.	1 Claim completed
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.	1 Claim completed
EU Interreg - USAC		1 Claim completed
Department of Health and Social Care	Public Health Test and Trace grant	In progress – deferred to 2022
Department for Transport	Highways Travel Demand Management Grant	In Progress
Department for Transport	Bus Service Operators Grant	In Progress
Department for Transport	Additional School and College Transport Grant	In Progress

Appendix D – Summaries of Completed Audit Reviews

A1. CA05-2022 – Information Governance Assurance Map - Update

Audit Opinion	N/A
Prospects for Improvement	N/A

Introduction

It was agreed that Internal Audit would undertake an assurance mapping exercise against the Council's significant risks, with this map focussed on Information Governance.

Assessment Method

Assessment was undertaken through interviews with key officers, and relevant documentation. The assessment should be undertaken on a regular basis to ensure that current position is captured.

Findings

An assurance map was provided for Corporate Information Governance Group and highlighted areas where assurance gaps exist and where future work should be directed. Below are the future key potential scope areas for Information Governance:

- Policies & Procedures
- Record of Processing Activity (ROPA)
- Information Management
- Legacy Systems
- Legacy Information

Information Governance Assurance Map — Kent County Council

1st Line	2nd Line	3rd Line
Policies & Procedures	Compliance	3rd Parties
Training	Quality	Partners
Mgmt. Info	Internal Groups	Regulators
Self Access Process	Risk Mgmt.	Internal Audit
		External Audit
		Other

Legend
- Assurance Available
- Some Assurance Available
- No Assurance Available
- Not Required

Theme	Line of Defence	Assessment	RAG
Policies & Procedures	1st Line	A vast array of Policies and Procedures are in place to support Information Governance, however, is this too vast for the end user. Information Governance (Remote Working) Audit found that policies required enhancement to support colleagues working in a remote working environment.	
Record of Processing Activity (ROPA)	1st Line	This had been identified in the recent Data Protection Deep Dive audit undertaken in CYPE during 19/20. This action taken forward by Information Governance Cross Directorate Working Group (IGXDWG) however, further documentation is required	
Records Management	1st Line/ 2nd Line	Records Management audit undertaken as part of 20/21 Audit plan with Limited Assurance Assigned. To be followed up as part of the 21/22 Audit Plan.	
Technical Risk Assessments	2nd Line	No Audit Coverage undertaken by the Infrastructure Compliance and Risk Team	
Information Management	1st Line	Information Asset Registers (IAR) are currently being reviewed across the Council by Information Governance Leads in conjunction with the Records Manager. As part of this work Information Asset Owners (IAO) may require review as current arrangements current owners may not be best placed within the organisation.	
Legacy Systems	1st Line/ 2nd Line	There are potentially systems in place within KCC which would be classed as 'legacy systems' and thereby may no longer be supported by their developers leading to potential vulnerabilities.	
Legacy Information	1st Line/ 2nd Line	Information retained within systems/ electronically may not be retained in line with timeframes of KCC Retention Schedules and Data Protection Act 2018. Systems information would only be cleansed from legacy systems if the IAO directs KCC's ICT provider to do so.	
Anonymisation & Pseudonymisation	1st Line	Covered in Data Protection 18/19 and therefore sufficient assurance available.	
DPIA	1st Line/ 2nd Line	Covered in Data Protection 18/19 and Data Protection Deep Dive 19/20 and therefore sufficient assurance available	
Privacy Notices	1st Line	Covered in Data Protection 18/19 and Data Protection Deep Dive 19/20 and therefore sufficient assurance available. Privacy Notices are reviewed as part of IGXDWG and Information Governance Leads.	

D2 – CS08-2021 – Access Pool

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

Internal Audit concluded that there are strong governance arrangements to monitor and manage pooled investments in line with the Kent Pension Fund Investment Strategy, and effective performance monitoring and reporting mechanisms are in place. The expected benefits and savings from participation in the Access Pool are being realised and effectively reported to stakeholders. Income is being distributed in a timely manner and in line with the agreed arrangements, and effective risk management arrangements are well embedded.

Several key strengths have been identified below. No significant weaknesses were identified.

Two low risk issues have been identified in relation to scoring on the Fund Risk Register and Superannuation Fund Committee risk appetite training. It is recognised that these issues do overlap with a previous internal audit review on Pension Fund Investment Governance, which was issued in December 2019. The issues from this previous review are still under follow up review.

Key Strengths
- The governance arrangements for pooled investments are adequate and in line with the Kent Business Fund Investment Strategy, and appropriate delegations of authority are in place.
- Governance and exit arrangements are appropriately accounted for in contract documents.
- Value for money has been considered prior to investing in ACCESS Pool, and there is a controlled implementation and review method for launching pooled funds to ensure these investments are the best course of action for the Fund.
- Meetings of the ACCESS Joint Committee and Officer Working Group took place as required throughout 2020, with appropriate Council representation.
- There are appropriate information sharing mechanisms between ACCESS Pool and the Fund's representatives, which were applied in practice.
- Appropriate performance monitoring information is submitted and reviewed by the members of the ACCESS Joint Committee and S151 Group.

- The designated ACCESS Support Unit Technical Leads and Contract Manager compile performance reports for the Joint Committee as required.
- Details of savings realised from pooled arrangements are reported to the Superannuation Fund Committee.
- Internal Audit is satisfied that the savings projections for the year were reasonable and appropriate and accurately reported in the Fund's 2019 and 2020 Annual Reports.
  The Fund's net fee savings during 2019/2020 were £1.596m, with a cumulative net saving of £4.024m since the beginning of the pooling project, as reported in their 2020 Annual Report.
- There are controls in place for the management of the Fund's risks.
- Sensible arrangements are in place to govern the distribution of the Fund's income from pooled investments.

Areas for Development
- Scoring within the Fund's Risk Register could be improved.
- Risk appetite training for Superannuation Fund Committee members is not yet captured in the Fund's Training & Development Plan for 2021/22.

Prospects for Improvement
Our overall opinion of **Very Good** for Prospects for Improvement is based on the following factors:
- Internal Audit is satisfied that the management actions provided address our findings in full.

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	0	N/A	N/A
Low Risk	2	2	0

D3 – RB02-2021 – Strategic Commissioning – Follow Up

Audit Opinion	**N/A**
Prospects for Improvement	**N/A**

Scope Summary

- The audit included a review of relevant documentation and interviews with the Interim Strategic Commissioner, Senior Commissioners and other officers.
- In order to provide assurance, Internal Audit reviewed the implementation and effectiveness of all management plans for the 5 Issues with a "Medium" risk rating in the report, CA11-2019 – Strategic Commissioning Overview.

Key Findings

- The Commissioning Framework, which includes Commissioning Standards, is still in draft and not yet complete. The absence of Standards is a weakness in itself and contributes to continuation of the issues raised in the original report, CA11-2019 – Strategic Commissioning Overview.
- There is insufficient evidence of a standard approach to strategic commissioning, in particular analysing and evaluation of benefits of low-value and in-house services and following up on those evaluations. Progress, however, has been made.
- There is insufficient evidence of a consistent approach to documenting outcomes from analysis or of a clear and universal understanding of commissioning across the Council, although progress has been made.

- There is insufficient evidence of consistency across the Council regarding how roles and responsibilities of commissioning are assigned.
- The issue of transformation of the Strategic Commissioning Division into a corporate support function is not widely understood.
- Procurement risk is now included in the Risk Register.

Management Action Status

Implemented

- One of the 5 management actions with a "Medium" risk rating has been fully implemented.

In Progress

- Management actions for 3 out of the 5 issues with a "Medium" risk rating are in the process of being implemented.

Not Implemented

- One of the 5 issues with a "Medium" risk rating has not been implemented.

Summary of Implementation of Management Actions

Total Issues	Implemented	In Progress	Not Implemented	Superseded
5	1	3	1	0

D5 – CA03-2021 – Records Management

Audit Opinion	Limited
Prospects for Improvement	Good

The audit opinion of Limited is based on Internal Audit's findings from a review of the current processes, interviews with key members of staff and a staff survey. Overall, it is concluded that sufficient guidance, training and bespoke advice is available.

However, there are a number of important areas where processes and organisational awareness, understanding and compliance require improvement.

Key Strengths

- Relevant policies and procedures, including the Data Protection Policy, Records Management Policy, and the Information Management Manual (IMM) were assessed and confirmed to be comprehensive, up-to-date and the latest versions are available to officers. The IMM is under review with an action plan that documents the required outcomes.
- Policies and procedures clearly outline corporate and service responsibilities and arrangements for record classification, storage, security, transmission and disposal.
- An organisational Information Asset Register (IAR) is in place and includes the main category requirements. However, there are important issues to be addressed, which are explained below (see Issue 4 below).
- A staff survey conducted as part of the audit identified that there is a high level of awareness (90%) that the overall responsibility for records management sits with all staff within the organisation.
- A Data Retention Schedule is in place and is consistent with the Information Asset Register. The use of a unique identifier in the IAR and Retention Schedule ensure that when a change is made to the database for one record, there is an automatic update to the other. However, there are important issues to be addressed, which are explained below.
- The contract for external archiving and retrieval of historic records is managed through a set of key performance indicators, for which there has been a high rate of compliance since the contract began in 2017.
- There is a clear process for paper record destruction and disposal by the Records Management Service.
- The Records Manager has a high level of expertise and is a subject matter expert, who is able to identify strategic actions required and is available to advise on all information governance queries.
- There is a governance structure in place for the management of records, via a Cross Directorate and a Corporate Information Governance Group.

Areas for Development

- An e-learning training module for Records Management is available to all staff; however, completion is not mandatory and is not monitored. The staff survey conducted as part of the audit identified a low level of completion, and a low level of awareness of the main components of the control framework.
- There is reduced assurance that the Information Asset Register is fully up to date due to restructures across the organisation, which may have resulted in unforeseen gaps.
- A programme of information audits (and the necessary level of resource to deliver it) is required, to conduct a full Information Asset Register review and give assurance that all assets are known, recorded and subject to appropriate controls and oversight.
- Processes to ensure the Data Retention Schedule remains up to date are reliant on the Records Manager being advised either a) of a new record type usually via a query from a service, or b) via the information audit process. There is reduced assurance that the Data Retention Schedule is fully up to date.
- The Data Retention Schedule is not sufficiently detailed to identify when specific records are due for retention or disposal review. The process is manual, and responsibility sits with services, although in practice, some do not have suitable processes or environments to identify when records have reached their retention deadline.
- There are three current cases of records required for a statutory request having gone missing and audit trails of their transmission have not been maintained. Furthermore, there is no clearly communicated policy on the specific process that staff should follow if a historic file requested via a statutory process cannot be located by the Records Management Service.
- ICT controls to be introduced with the implementation of SharePoint will vastly improve the Authority's ability to classify and manage electronic records but will require significant input and support from the Records Manager to issue guidance and provide training. The realisation of security benefits will also rely heavily on compliance by services.
- The substantial increase in storage capacity for electronic records that will come with SharePoint must be accompanied by organisation-wide training and guidance, to drive good file management behaviours and avoid the potential for relaxation of disciplines.

Prospects for Improvement

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

- The Records Manager has a clear and complete understanding of where organisational process gaps and weaknesses exist. However, aside from her attendance at the Cross Directorate Information Governance Group where she will report concerns, she has no line management route for implementing the required improvements to Records Management Service processes, limited authority to drive other cross-authority changes and also insufficient capacity.

Summary of Management Responses

	No. of Issues Raised	Mgt Action Plan Developed	Risk Accepted and No Action Proposed
High Risk	3	3	N/A
Med Risk	4	4	N/A
Low Risk	0	0	N/A