



**IACF**

Improving Outcomes  
Creating Value

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**INTERNAL AUDIT PROGRESS REPORT  
GOVERNANCE AND AUDIT COMMITTEE**

**26 January 2023**

## 1. Introduction

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

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

This activity report provides Members of the Governance and Audit Committee and Management with 8 summaries of completed work between September and December 2022.

## 2. Key Messages

- 7 audits have been finalised in the period reported. **Appendix A**
- All audits from the 2021/22 have now been completed. **Appendix B**
- 21 of 26 audits from the original 2022/23 6-month rolling Audit Plan are either in planning, fieldwork or reporting stage. **Appendix C**
- Some potential new audits have been identified as part of the quarterly Rolling Audit Plan review exercise. **Appendix D**
- 38 grants have been certified since 01 April 2022. **Appendix F**

### 3.1 2021/22 Internal Audit Plan

This report provides an update on the work completed between September and December 2022 against the 2021/22 Audit Plan. All of the 2021/22 audits have now been completed. Those audit summaries, not yet reported to Governance and Audit Committee are provided at **Appendix A**. The audit opinion Definitions are provided at **Appendix G**.

### 3.2 - 2022/23 Internal Audit Plan

This report also provides an update on the work completed between September and December 2022 against the original 2022/23 Audit Plan. The audit summaries are provided at **Appendix A**. A summary is provided below on current progress against the original 2022/23 Audit Plan.

Status	Number of Audits	%
Not yet started	3	12
Planning	6	23
Fieldwork	3	12
Ongoing	3	12
Draft report	5	19
Final report	4	15
On hold	2	7
<b>Total</b>	<b>26</b>	

**Appendix D** sets out new potential audits which have been added to the Rolling 2022-23 Audit Plan following a review of the original 2022/23 Audit Plan, alongside the Council's emerging risks and priorities. Coverage will be prioritised with reference to the assurances required to provide an Annual Audit Opinion on the 8 pillars of Corporate Health as referred to in each Annual Internal Audit Report.

### 3.3 - Resources

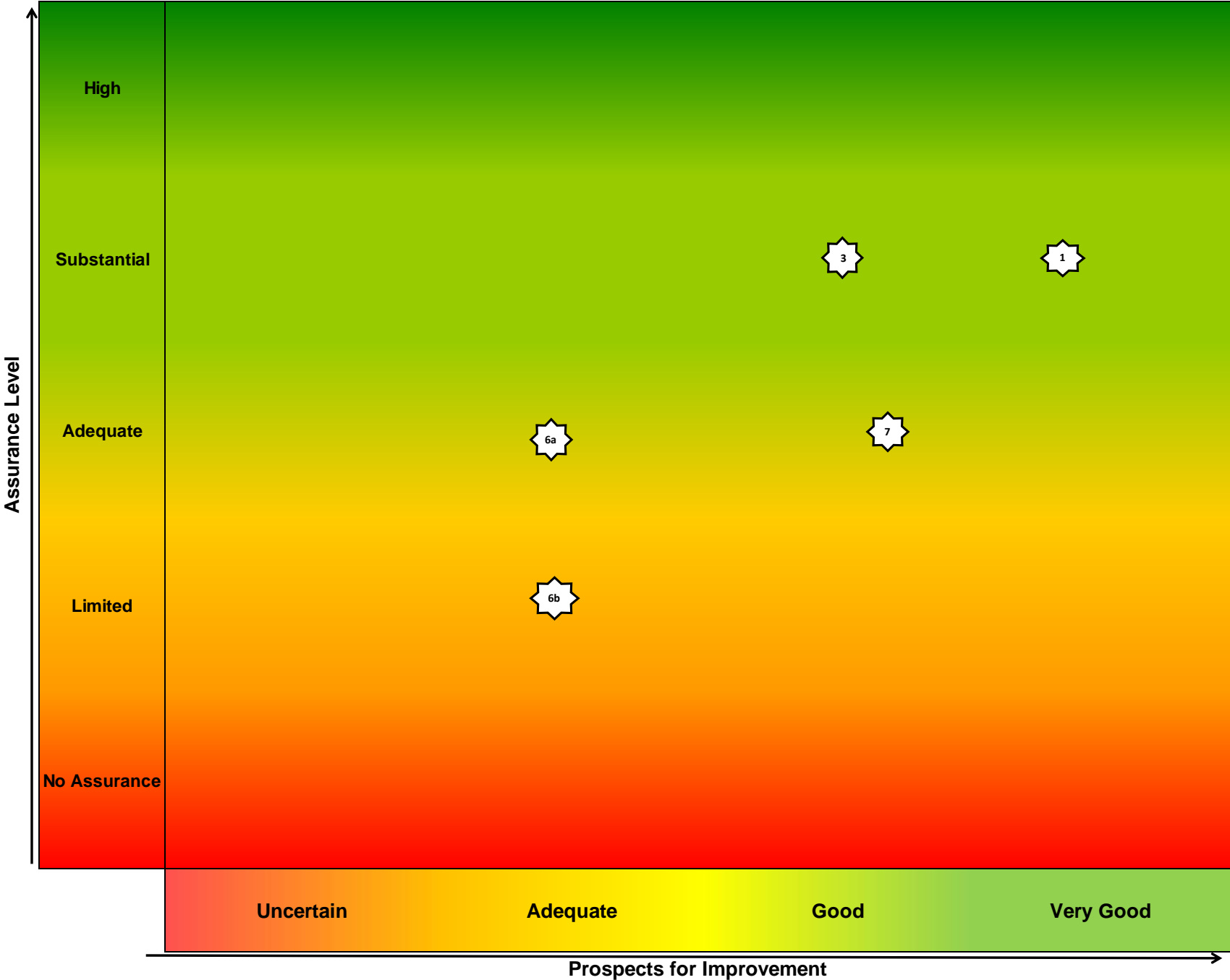
In accordance with the Public Sector Internal Audit Standards, Members need to be apprised of relevant matters relating to the resourcing of the Internal Audit function. The key updates are as follows:

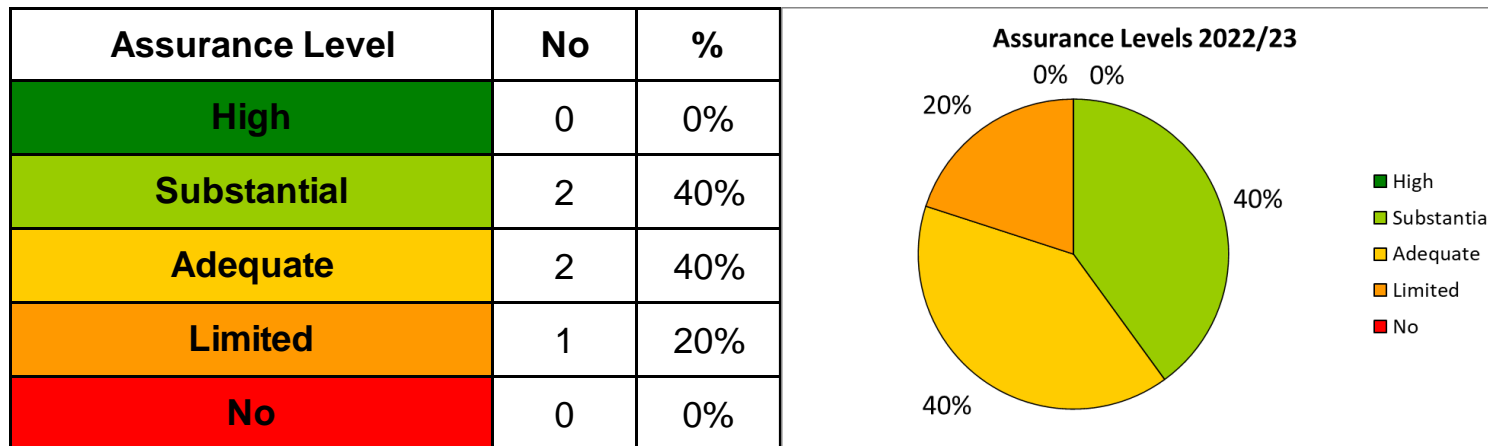
- The recently appointed Principal IT Auditor has now joined the Team
- Permanent recruitment is underway for the vacant Audit Manager
- Consideration is being given to the potential recruiting of more Principal Auditors in the near future
- Additional temporary contract audit resources are currently being recruited to support Audit delivery for the remainder of 2022/23

**Governance & Audit Committee – 26 January 2023**

1	CS01-2022 CIPFA Financial Management Code – Part 2	SUBSTANTIAL	VERY GOOD
2	RB29-2022 Inland Border Posts / Decision Making and Financial Management	N/A	N/A
3	RB02-2023 Talent Management	SUBSTANTIAL	GOOD
4	RB10-2023 Modern Slavery	N/A	N/A
5	CA02-2023 Assurance Mapping (1) – Simultaneous Response, Recovery & Resilience (EXEMPT)	N/A	N/A
6a	CA01-2023 Annual Governance Statement - PROCESS	ADEQUATE	ADEQUATE
6b	CA01-2023 Annual Governance Statement - RETURNS	LIMITED	ADEQUATE
7	RB11-2023 Data Mapping	ADEQUATE	GOOD

2022/23 Audit Assurance Levels and Prospects for Improvement of Audits





### 3.4 Grant Certification Work:

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

In **2022-23**, the Team has to date audited and certified Interreg 27 grant claims with a value of **€2,810,544**. Additional On the Spot (enhanced re-audit) for 6 grant projects have been completed with a further 4 On the Spot check currently in progress.

The Audit team also provide a service to certify Interreg grant claims for external clients with 4 claims having been certified to date in 2022-23.

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

Details of all certifications for **2022-23** can be seen at **Appendix F**.

### 3.5 Issue Implementation

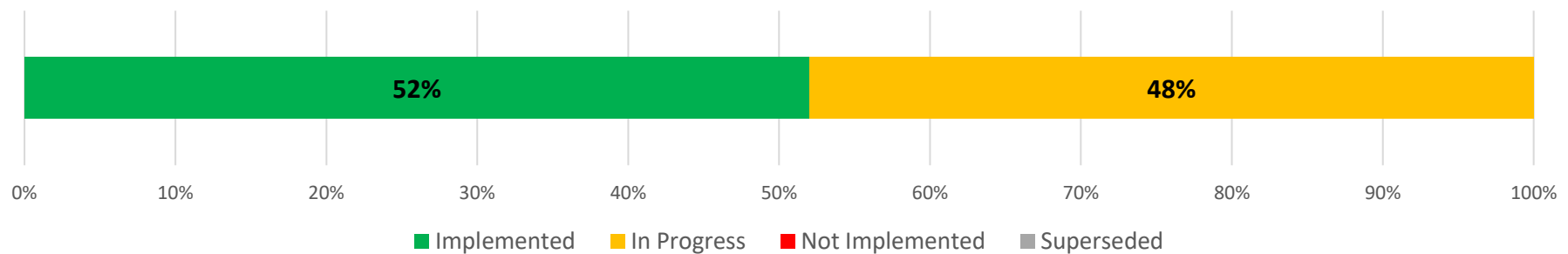
Details of the current position on the 'Implementation of Agreed Management Actions' is set out at **Appendix E**. This details the implementation status of 75 actions categorised by the assurance level assigned to the original report.

The status of implementation agreed actions is summarised below:

#### Summary of Issue Implementation

	Total Number due for Implementation		Implemented		In Progress		Not Implemented		Superseded	
	High	Medium	High	Medium	High	Medium	High	Medium	High	Medium
Total	19	56	10	29	9	27	0	0	0	0
Total %			53%	52%	47%	48%	0%	0%	0%	0%

**Overall Implementation of Agreed Management Actions**



The level of implementation compared between 2021-22 and 2022-23 is set out below:

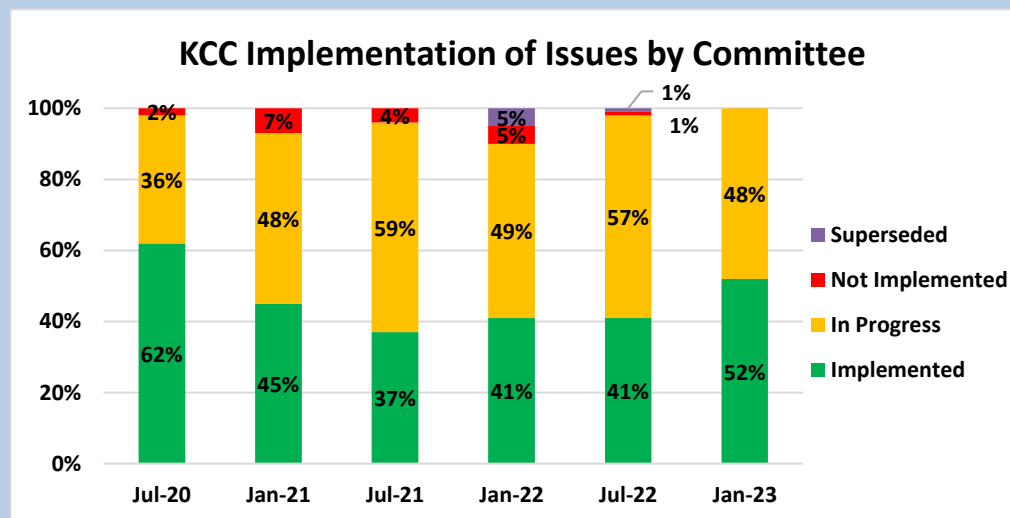
**Summary of Implementation of Issues 2021-2022 to 2022-23**

Indicator	22-23 to date	2021-22	Change
<b>High</b> ranked actions had been implemented	53%	45%	▲
<b>Medium</b> ranked actions had been implemented	52%	39%	▲
<b>High</b> and <b>Medium</b> ranked actions had been implemented	51%	41%	▲
<b>High</b> ranked actions were in progress and not fully implemented	47%	41%	▲
<b>Medium</b> ranked actions were in progress and not fully implemented	48%	59%	▼
<b>High</b> and <b>Medium</b> ranked actions were in progress and not fully implemented	48%	57%	▼

The analysis of the implementation of actions to address internal control and risk management actions following Internal Audit reports, therefore, highlights an increase in implementation indicators compared to 2021-22 but still remain below 2019-20 figures.

It is important that the implementation of agreed actions continues to gain momentum to ensure that full implementation rates increase moving forward. To assist in this matter more regular discussions will be undertaken with Directorates as part of relationship management conversations moving forward.

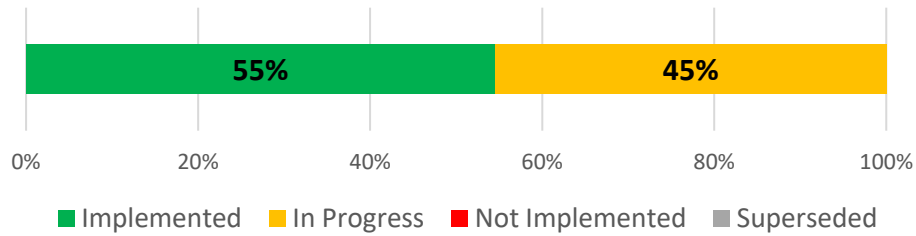
Internal Audit maintain analysis of outstanding recommendations to all Corporate Directorates and Directorate Management Teams and this is utilised in the monitoring and promotion of action implementation which is documented on the following page.



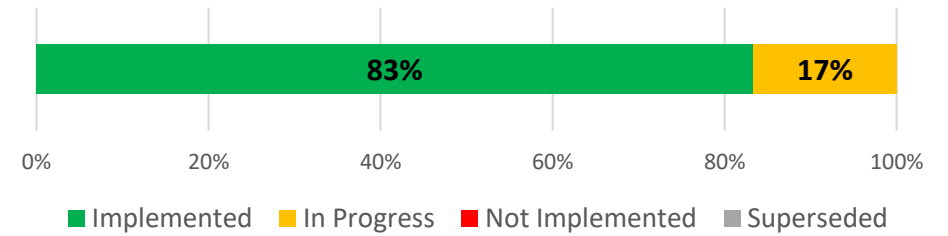


	Total Number due for Implementation		Implemented		In Progress		Not Implemented		Superseded	
	High	Medium	High	Medium	High	Medium	High	Medium	High	Medium
ASCH	4	7	2	4	2	3	0	0	0	0
CYPE	3	3	2	3	1	0	0	0	0	0
GET	3	3	2	3	1	0	0	0	0	0
CED	7	31	4	13	3	18	0	0	0	0
DCED	2	12	0	6	2	6	0	0	0	0
<b>Total</b>	<b>20</b>	<b>59</b>	<b>10</b>	<b>28</b>	<b>9</b>	<b>27</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total %</b>			<b>53%</b>	<b>52%</b>	<b>47%</b>	<b>48%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>

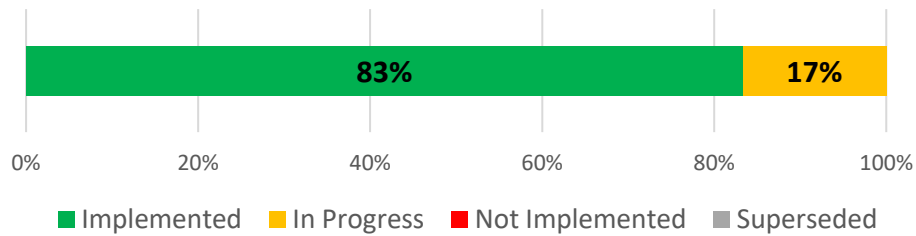
### ASCH Implementation of Agreed Management Actions



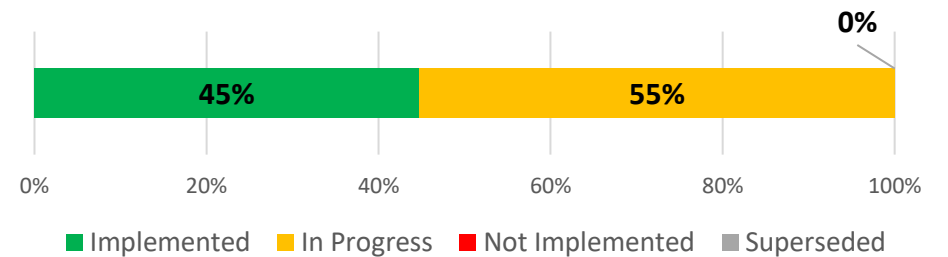
### CYPE Implementation of Agreed Management Actions



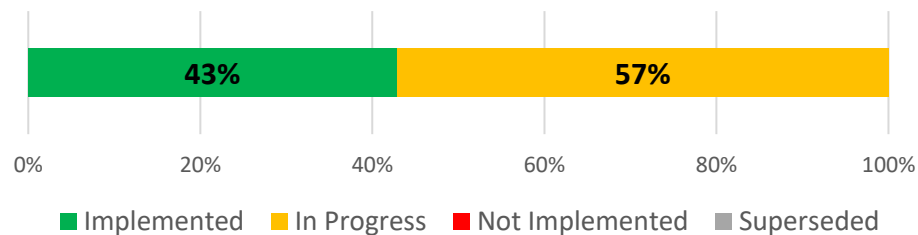
### GET Implementation of Agreed Management Actions



### CED Implementation of Agreed Management Actions

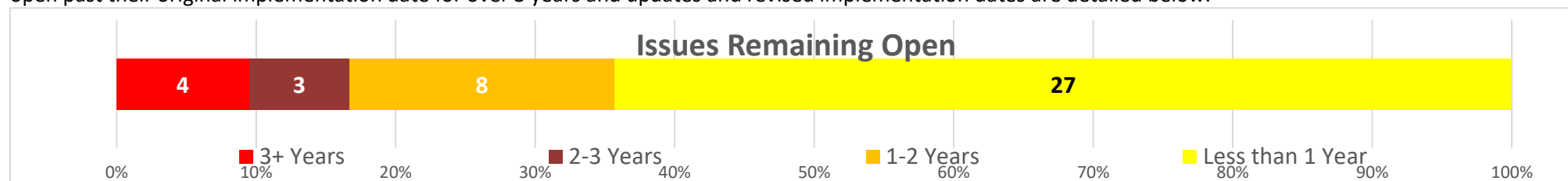


### DCED Implementation of Agreed Management Actions



## Progress on longstanding issues

42 issues remain either in progress or have not been implemented for the period. 4 issues (1 high and 3 medium priority) are longstanding issues which have remained open past their original implementation date for over 3 years and updates and revised implementation dates are detailed below.



Ref	Audit	Priority	Original Date	Revised Date
CA07-2019	Data Protection	Medium	01/09/2019	30/06/2023
<b>Update</b>	The new Data Protection Impact Assessment (DPIA) process has been designed and will be taken to the Information Governance Cross-Directorate working group (IGXDWG) in either December or in the new year. If approved, it will be taken to Corporate Information Governance Group (CIGG) for agreement. The first stage of the training refresh is almost complete with a new GDPR training set to go live imminently			
RB20-2019	Lifespan Pathway Post Implementation	High	30/12/2018	30/04/2023
<b>Update</b>	Completion and recording of assessments and plans have consistently improved since 2018 and are tracked regularly through Power BI reports. Team Managers report on their performance to Service Managers and peers at the 6-weekly joint service meetings. This provides scrutiny and management oversight. % of existing clients with a completed assessment has gone from 9.8% on 31.3.18 to 93.7% on 13.11.22, with a target KPI of 97% so nearly there. % of Service Users with an active plan in place has gone from 68% on 31.3.18 to 95.7% on 13.11.22 with a target KPI of 95%, so this is met. The revised assessment template, including record of Eligible Needs, went live on September 26th 2022. The revised plan is being worked on, but has been delayed as the building of the Safeguarding templates by ICT took precedence. It is planned to go live by April 2023.			
RB01-2018	Members Induction and Training	Medium	31/12/2017	TBC
<b>Update</b>	The Terms of Reference for the G+A Committee are being further updated following a review of the Committee by CIPFA (final report discussed at the meeting of 21 July 2022). One of the recommendations from this report is to develop a training programme for Members, which is ongoing. The Member Development Sub-Committee had its first meeting on 2 November 2022 so this is an area which is still developing.			
CA09-2018	Departmental Governance Review – ASCH	Medium	31/05/2019	TBC
<b>Update</b>	The Terms of Reference for the G+A Committee are being further updated following a review of the Committee by CIPFA (final report discussed at the meeting of 21 July 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 B**, for the Committee's information and discussion.

Audit Definitions are provided at **Appendix G**.

(A) Adult Social Care and Health	(B) Children, Young People and Education
(C) Growth, Environment and Transport Cross Directorate	(D) Chief Executive & Deputy Chief Executive
<b>C1.</b> RB29-2022 Inland Border Posts – Decision Making and Financial Management	<b>D1.</b> CS01-2022 CIPFA Financial Management (FM) Code PART 2 <b>D2.</b> RB10-2023 Modern Slavery
(E) Cross Directorate	
<b>E1.</b> RB02-2023 Talent Management <b>E2.</b> CA01-2023 – Annual Governance Statement <b>E3.</b> RB11-2023 – Data Mapping <b>E4.</b> CA02-2023 - Assurance Map – Simultaneous Response, Recovery & Resilience EXEMPT	

## Appendix A – Audit Summaries

### C1. RB29-2022 Inland Border Posts / Decision Making and Financial Management

Audit Opinion	N/A
Prospects for Improvement	N/A

Inland Border Facilities are Government (UK and devolved) sites where customs and document checks can take place away from port locations. A number of inland border facilities were made operational from 1 January 2021 and additional sites are currently being explored as required. Kent County Council has accepted Section 31 grant funding from the Department for Transport to procure and manage construction of these facilities in the County.

The Council received instructions from the Department for Transport (DfT), HMRC and Department for Environment, Food & Rural Affairs (Defra) on what was required, regarding the construction of the inland border facilities, via their consultants at weekly progress meetings. The Council utilised an existing vendor, to carry out the build of the border facilities. Internal Audit were advised that the contractor did as was requested by the Central Government Departments at the progress meetings held with DfT HMRC and Defra and therefore there was no project methodology followed by KCC for these works.

The original budget for the Sevington project was £35 million, however the total grant funding allocated to date is £150m. Internal Audit were not able to provide assurance on whether the overspend was justified or whether the budget was controlled and approved appropriately as decisions made at weekly progress meetings with the contractor, DfT, HMRC and Defra were not supplied on request from government departments or were not documented.

A Key Decision was made on 14 August 2020 to approve the acceptance of the Section 31 Grant monies award from the Department for Transport to procure and manage works to deliver customs checking and freight holding areas and associated infrastructure. Although there was significant additional spend, the key decision was sufficient to cover this, as long as it was for the original scope of plans from central Government and that funds continued to be supplied by these government departments.

Work by Internal Audit has been completed to confirm funds had been spent in accordance with the conditions of the grant to the value of £93,359,163. The remaining £57m will be reviewed in future grant submissions.

**D1. CS01-2022 CIPFA Financial Management (FM) Code PART 2**

Audit Opinion	<b>Substantial</b>
Prospects for Improvement	<b>Very Good</b>

**Key Strengths**

- In the majority of cases, the information provided in the FM Code self-assessment sufficiently explains how the Council is compliant with the relevant standard with appropriate evidence attached.
- Internal Audit’s sample testing confirmed that the information provided, and the management assertions made in the FM Code self-assessment is accurate and reliable.

**Areas for Development**

- There are some expected practices in the FM Code that have not been included and assessed in the self-assessment – Internal Audit noted that the self-assessment for four of the 17 Principles was incomplete. The self-assessment should also be extended to include further actions to improve current practices and support continuous improvement. **(MEDIUM)**
- Mitigating action(s) have been developed to address one of the key / high risks identified from the financial resilience assessment, however, there remain two key financial resilience risks which are yet to be addressed. **(MEDIUM)**
- The Council has produced a 3-year Medium Term Financial Plan (MTFP) which is reviewed and updated annually. However, the FM Code suggests that a long-term plan will be better, and the FM code makes reference to a decade or more. A formal management action is not proposed on the basis that the CIPFA FM Code is not yet prescriptive about the time period of financial strategies, but the Council should consider developing a longer-term financial plan.

**Prospects for Improvement:**

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

- No major issues were raised as a result of this audit.
- Expanding the scope of the Council’s self-assessment to include a section on areas for improvement will help to ensure that the Council is continuously improving current practices in financial management.

**Summary of Management Responses**

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

## D2. RB10-2023 Modern Slavery

Audit Opinion	N/A
Prospects for Improvement	N/A

Internal Audit recognises that significant work has been undertaken to address known weaknesses following the Serious Organised Crime (SOC) project and to develop more robust processes, including the introduction of a new team.

There are still further actions to be taken to ensure effective mitigation of the SOC risk in the supply chain. It is understood that Strategic Commissioning has robust systems in place to understand the number of suppliers currently managed, supported by an up-to-date contract register and full knowledge of pipelines; however currently, many suppliers were set-up on the system many years ago without the appropriate level of due diligence that would be expected today.

However, it is imperative that intended actions are fully embedded prior to 1<sup>st</sup> April 2023 when powerful new measures are introduced whereby KCC will be required to regularly report on the steps they have taken to prevent modern slavery in their supply chains.

A further review of Modern Slavery will be completed as part of the 2023/24 Audit Plan.

## E1. RB02-2023 Talent Management

Audit Opinion	Substantial
Prospects for Improvement	Good

There is clear evidence that the six elements of the Talent Management loop are being managed and delivered at KCC. Internal Audit found that in addition to established practices and processes there a number of initiatives that are at the development stage and imminent, including: elevator pitch to promote KCC, new training packages for recruiting managers, new workforce planning tool, staff development programme for KR3 to KR8 and flexible deployment of staff.

### Key Strengths

#### Attraction

- The People Strategy 2022 – 2027 is a key central document that is clear, comprehensive and coherent, readily available to staff and members and covers talent attraction and management. The implementation of the strategy is at the early stages with monthly status reports going to the Strategic Reset Programme Board outlining the delivery of the strategy activities.

#### Identification

- The HR & OD Team have been working with a number of different teams to look at the workforce planning priorities.

#### Development

- Talent development is linked to other learning and development initiatives including formal and informal learning interventions as it is an integrated approach to the learning and development offer.

#### Engagement

- The Annual Staff Survey provides a valuable insight into staff experiences and highlights what is working well and the areas for focus in the year ahead.

#### Retention

- A combination of the results from the staff survey, the level of staff turnover and the number of unfilled posts determines if there is a good mix of rewards and benefits and is reviewed on an ongoing basis by management.

#### Deployment

- Management is at the scoping stage of looking at flexible deployment of staff across the organisation.

### Areas for Development

- The composite elements of the talent management loop are evident across KCC. However, work needs to be undertaken to connect the elements under the umbrella of talent management that will help to ensure that it is universally understood and engenders high levels of engagement. **MEDIUM**
- Management recognise that the talent management performance and potential assessment tool needs to be revisited, with the workforce planning tool being the foundation. **MEDIUM**
- The latest 2022 – 2027 People Strategy is not on the KCC website and as such is not available to attract external talent. **LOW**
- The manager is encouraged to have a conversation with their member of staff about the application of the learning and then complete the manager evaluation. The return rate of the manager evaluation is low at circa 20%. **LOW**.

### Prospects for Improvement

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

- As described above, in addition to established practices and processes there a number of initiatives that are at the development stage and imminent.
- The six elements of the talent management loop are in place and need to be connected and brought under one umbrella.

### Summary of Management Responses

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



**E2. CA01-2023 Annual Governance Statement (AGS)**

Audit Opinion	AGS Process	<b>Adequate</b>
	AGS Returns	<b>Limited</b>
Prospects for Improvement		<b>Adequate</b>

Internal Audit’s overall Audit Opinion of Limited is based on identifying inaccuracies in the majority assurance statements in the draft AGS that were reviewed.

**Key Strengths**

- Significant progress has been made over the last few iterations of the AGS to refine and enhance the processes which produce the AGS.
- Engagement with Senior Management and Managers at T200 group to understand the governance issues across the Council.

**Areas for Development**

- Tighten controls that help to ensure that Corporate Directors consult and engage relevant staff when developing their assurance statements to improve the accuracy and completeness of the AGS return. **MEDIUM**
- Improve the scope of the AGS questionnaire to include more questions that are relevant to the principles of the Council's Code of Corporate Governance **LOW**
- Some assurance statements provided were found to be inaccurate and /or incomplete **HIGH**

**Prospects for Improvement**

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

- Continued input and engagement from Internal Audit on AGS process.
- The AGS process has continued to evolve positively and seeking to engage Officers at multiple levels within the organisation.
- The Annual Governance Statement is heavily reliant on the Monitoring Officer and additionally there have been a number of significant governance issues through the current period.

Summary of Management Responses

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

**E3. RB11-2023 Data Mapping**

Audit Opinion	<b>Adequate</b>
Prospects for Improvement	<b>Good</b>

As part of the 2022/23 Audit Plan, it was agreed for Internal Audit to undertake a review of data mapping within KCC.

Data Mapping is the exercise to identify what and where personal data is held within an organisation which the Information Commissioner Office may request to view. Therefore, it is important that these are complete and remain up to date.

In forming conclusions, the Data Protection Act (DPA) 2018 and best practice frameworks were taken into account

Internal Audit surveyed each of the Information Governance (IG) Leads across the Council to draw themes from Data Mapping Processes across the Council. 17 out of 18 completed the survey in which Internal Audit drew conclusions.

### Key Strengths

- 76% of Information Governance (IG) Leads indicated and provided evidence that a Data Map was in place for their area.
- Adult Social Care & Health (ASCH), Children’s, Young People and Education (CYPE) and Infrastructure had up to date data maps in place.
- 4 Data Maps used the ICO data mapping template. It was indicated to Internal Audit that the Information Governance Cross Directorate Working Group chairperson had recommended the use of this template.
- Of the Data Protection Impact Assessments (DPIAs) reviewed, 23/30 were included within the Data Maps as indicated by IG leads

### Areas for Development

- There is no guidance on KNET regarding the creation or maintenance of Data Maps. **MEDIUM**
- Only 1/17 respondents responsible for data mapping indicated that data mapping is explicitly referenced within their job description. This is also not documented in the Information Governance Framework which includes roles and responsibilities for IG **MEDIUM**
- 4/17 respondents indicated their department did not have a Data Map in place. In addition, Internal Audit were not able to confirm for a small number of areas across the Council whether these were in place.
- The formatting of Data Maps is not consistent, 6 formats over 10 data maps were identified. **LOW**
- 6 of the 13 indicated they felt that their Data Maps were not updated promptly. See **MEDIUM**
- There was 1 instance duplication of processing activities within the commissioning and ASCH data maps. **MEDIUM**
- The 7 DPIAs that have not been included within the Data maps were missing on the Highways, Transportation and Waste (HTW) Data Map which was indicated that this was as IG Lead reviews the Data Mapping annually. **MEDIUM**

### Prospects for Improvement

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

- Information Governance working groups are embedded within the Council to address relevant issues.

### Summary of Management Responses

Risk Rating	No. of Issues Raised	Action Plan Developed	Risk Accepted and No Action Proposed
High	0	0	0
Medium	3	3	0
Low	1	1	0

## Appendix B – 2021/22 Internal Audit Plan Status

Ref	Audit	Status	Assurance
CA01-2022	Annual Governance Statement	Final Report	Adequate – GAC July 2021
CA02-2022	Corporate Governance	Complete	N/A
CA03-2022	Equalities Act 2010 Duties	Final Report	Limited – GAC September 2022
CA04-2022	Future of Sessions HQ	Deferred to 2022/23	
CA05-2022	Information Governance Assurance Mapping Update	Final Report	N/A – GAC November 2021
CA06-2022	Records Management Follow Up	Deferred to 2022/23	
CA07-2022	Risk Management	Final Report	N/A – GAC April 2022
CA08-2022	Strategic Commissioning	Deferred to 2022/23	
CS01-2022	CIPFA Financial Management Code (Part 1)	Final Report	N/A – GAC April 2022
CS01-2022	CIPFA Financial Management Code (Part 2)	Final Report	Substantial – GAC January 2023
CS02-2022	General Ledger	Final Report	Substantial – GAC January 2022
CS03-2022	Imprest Accounts Follow Up	Deferred to 2022/23	
CS04-2022	Payroll	Final Report	Substantial – GAC July 2022
CS05-2022	Pension Scheme Admin	Deferred to 2022/23	
CS06-2022	Urgent Payments Follow Up	Final Report	N/A – GAC January 2022
CR01-2022	Annual Audit Opinion	Complete	N/A
CR02-2022	Annual Governance Statement	Complete	N/A
CR03-2022	Information Governance Steering Group	Ongoing	N/A
CR04-2022	Provider Invoicing	Final Report	Limited - GAC January 2022
RB01-2022	Declaration of Interests (Members)	Final Report	Adequate – GAC April 2022
RB02-2022	Engagement of Consultants	Deferred to 2022/23	
RB03-2022	Enterprise Business Capabilities (Oracle) – Strategic Reset Programme	Final Report	N/A – July 2022
RB04-2022	Information Governance – DSP Toolkit	Final Report	Substantial – GAC April 2022
RB05-2022	KCC Estate Review – Strategic Reset Programme	Final Report	N/A – GAC September 2022
RB06-2022	New Grant Funding	Final Report	Substantial – GAC April 2022
RB07-2022	People Strategy – Strategic Reset Programme	Final Report	N/A – GAC April 2022

Ref	Audit	Status	Assurance
RB08-2022	Property Infrastructure – Functions and Processes Transferred from Gen2	Final Report	Limited – GAC April 2022
RB09-2022	Public Health – Covid 19 Ring Fenced Grants	Final Report	High – July 2022
RB10-2022	Schools Financial Services	Deferred to 2022/23	
RB11-2022	Strategic Reset Programme – Programme Governance	Final Report	Adequate – GAC April 2022
RB12-2022	Contract Management (ASCH)	Final Report	Adequate – GAC July 2022
RB13-2022	Data Protection (ASCH)	Final Report	Adequate – GAC January 2022
RB14-2022	Individual Contracts with Care Providers (ASCH)	Deferred to 2022/23	
RB15-2022	Making a Difference Every Day (MADE) Assurance Board	Final Report	N/A – GAC September 2022
RB16-2022	Provider Failure (Assurance Mapping)	Deferred to 2022/23	
RB17-2022	Safeguarding Assurance Map (ASCH)	Deferred to 2022/23	
RB18-2022	Supervision of Social Workers	Final Report	Limited – GAC July 2022
RB19-2022	Accommodation for Young People / Care Leavers Follow Up	Final Report	N/A – GAC July 2022
RB20-2022	Business Continuity Planning (CYPE)	Final Report	High - GAC July 2022
RB21-2022	Change for Kent Children – Strategic Reset Programme	Final Report	N/A – GAC September 2022
RB22-2022	Foster Care – Transition to Shared Lives	Deferred to 2022/23	
RB23-2022	Information Governance (CYPE)	Final Report	Substantial – GAC July 2022
RB24-2022	Safeguarding Assurance Map Update (CYPE)	Deferred to 2022/23	
RB25-2022	School Themed Review – Corporate Credit Cards	Final Report	Adequate – GAC September 2022
RB26-2022	SEN Assurance Mapping	Deferred to 2022/23	
RB27-2022	Traveller Service – Site Allocation and Pitch Fee Collections	Final Report	No Assurance - GAC April 2022
RB28-2022	Highways Term Maintenance Contract	Final Report	N/A – GAC September 2022
RB29-2022	Inland Border Posts / Decision Making and Financial Management	Final Report	N/A – GAC January 2023
RB30-2022	Kent and Medway Business Fund	Final Report	Adequate – GAC September 2022
RB31-2022	Kent and Medway Energy and Low Emissions Strategy	Deferred to 2022/23	
RB32-2022	New Local Infrastructure Projects Across Kent (SELEP)	Final Report	Substantial – GAC July 2022
ICT01-2022	Cyber Security Assurance Map Update	Final Report	N/A GAC April 2022
ICT02-2022	Information Technology Risk Management	Deferred to 2022/23	
ICT03-2022	IT Cloud Strategy, Security and Data Migration	Final Report	Adequate - GAC April 2022
ICT04-2022	IT Data Security Audit for DSP Toolkit (EXEMPT)	Final Report	Adequate – GAC September 2022
ICT05-2022	Prevention of ICT Data Centre Outages Follow Up	Final Report	N/A GAC November 2021
DP1-2022	Provider Data Protection	Final Report	Limited GAC July 2022

## Appendix C – 2022/23 (Original) Internal Audit Plan Status

Ref	Audit	Status	Assurance
CA01-2023	Annual Governance Statement - Process - Returns	Final Report	Process – Adequate Returns - Limited GAC January 2023
CA02-2023	Assurance Mapping - Simultaneous Response, Recovery & Resilience	Final Report	N/A - GAC January 2023 (EXEMPT)
CA03-2023	Informal Governance	On Hold	
CA04-2023	Decision Making	Not Started	
CA05-2023	Health & Safety	Planning	
CA06-2023	Information Governance	Fieldwork	
CA07-2023	Procurement	Fieldwork	
CR01-2023	Inflation	On Hold	
CR02-2023	Operating Standards	Planning	
CS01-2023	Budget Savings	Draft Report	
CS02-2023	Imprest Accounts	Fieldwork	
CS03-2023	Purchase Cards	Planning	
RB11-2023	Data Mapping	Final Report	Adequate – GAC January 2023
AD01-2023	SEND Transport	Final Report	N/A GAC September 2022
RB02-2023	Talent Management	Final Report	Substantial – GAC January 2023
RB03-2023	Individual Contracts with Care Providers	Planning	
RB04-2023	Making a Difference Every Day (MADE)	Ongoing	
RB05-2023	Change for Kent Children	Ongoing	
RB06-2023	Recruitment and Retention of Social Workers (CYPE)	Draft Report	
RB07-2023	Climate Change	Planning	
RB08-2023	Highways Term Contract	Ongoing	
RB09-2023	Estate Management / Maintenance	Planning	
RB10-2023	Modern Slavery	Final Report	N/A – GAC January 2023
ICT01-2023	Cyber Security Patch Management	Not Started	
ICT02-2023	Data Centre Outage Lessons Learned Review	Not Started	
ICT03-2023	Information Technology Risk Management	Draft Report	

## Appendix D – Potential Audit Coverage for Rolling 2022/23 Audit Plan

Ref	Audit	Status
CA08-2023	Assurance Mapping – Fraud and Error	Fieldwork
CR03-2023	Adult Social Care Reform – Preparedness for CQC Inspection	Fieldwork
CR04-2023	Enterprise Business Capabilities (Oracle)	Draft Management Letter
TBC	Data Security and Protection Toolkit (DSPT)	Planning
Risk Management		Contract Extensions
LATCO Governance Arrangements		Records Management (Follow Up)
Pension Scheme Admin		Workforce Planning (ASCH)
Social Care Debt Recovery		Property / Asset Disposals
Public Health		The Education People – Planned changes to SLA
Provider Failure / Capacity (ASCH)		United Kingdom Resettlement Scheme
Provider Invoicing (Follow Up)		Public Health Grants – Drugs & Alcohol
Engagement of Consultants		Unregulated Care Placements (CYPE)
Data Quality – Lifespan Pathway Liquidlogic Adult System – Risk of Overpayments		Management of Border Checks (Post 1 July) 2022)
Compliance with Financial Regulations (ASCH & GET)		Gypsy Traveller Service (Follow Up)
Return of Cantium Services to Finance		Disaster Recovery
Estates Change Programme (Sessions House)		Payment Card Industry Data Security Standards (PCI DSS)
School Placements to Independent / Specialist Schools (CYPE)		IT Project Management

<b>8 Pillars of Corporate Health</b>	
<b>Corporate Governance</b>	<b>Risk Management</b>
The Education People – Planned changes to SLA United Kingdom Resettlement Scheme LATCO Governance Arrangements Management of Border Checks (Post 1 July 2022)	Risk Management Disaster Recovery
<b>Financial Control / VFM</b>	<b>Change Management / Programme/ Projects</b>
Gypsy Traveller Service (Follow Up) Data Quality – Lifespan Pathway Liquidlogic Adult System – Risk of Overpayments Compliance with Financial Regulations (ASCH & GET) School Placements to Independent / Specialist Schools (CYPE) Unregulated Care Placements (CYPE) Management of Border Checks (Post 1 July 2022) Pension Scheme Admin Social Care Debt Recovery Provider Invoicing (Follow Up)	Return of Cantium Services to Finance IT Project Management
<b>Commissioning, Procurement &amp; Partnerships</b>	<b>Information Technology and Information Security</b>
Public Health Provider Failure / Capacity (ASCH) Engagement of Consultants Contract Extensions Public Health Grants – Drugs & Alcohol	Records Management (Follow Up) Payment Card Industry Data Security Standards (PCI DSS)
<b>Asset Management</b>	<b>Counter Fraud</b>
Workforce Planning (ASCH) Estates Change Programme (Sessions House) Property / Asset Disposals	

## Appendix E – Implementation of Agreed Management Actions

3+ Years						
Engagement Reference	Engagement Name	Audit Opinion	Title	Risk Rating	Directorate	Status
CS01-2019	Payment Processing	Adequate	Issue 2 - Retrospective Purchase Orders	Medium	Chief Executive Departments	Implemented
CS01-2019	Payment Processing	Adequate	Issue 3 - Authorisation of manual invoices	Medium	Chief Executive Departments	Implemented
CS01-2019	Payment Processing	Adequate	Issue 5 - Vacation Rule in iProc	Medium	Chief Executive Departments	Implemented
RB01-2018	Members Induction and Training	Adequate	Issue 2 - Mandatory Training	Medium	Chief Executive Departments	In Progress
RB20-2019	LD Lifespan Pathway Post Implementation	Adequate	Issue 1 - Pathway Plans and Assessments	High	Children's Young People & Education	In Progress
CA07-2019	Data Protection	Adequate	Issue 2 - Data Protection Impact Assessments - Project & Programme Management and Commissioning	Medium	Chief Executive Departments	In Progress
RB02-2019	Property - Statutory Compliance	Limited	Issue 3 - Tenanted Properties – Requirement to notify KCC of Compliance Checks	Medium	Deputy Chief Executive Departments	Implemented
CA09-2018	Departmental Governance Review – Adult Social Care and Health	Adequate	Issue 6 - Committee Terms of Reference	Medium	Chief Executive Departments	In Progress
2 - 3 Years						
Engagement Reference	Engagement Name	Audit Opinion	Title	Risk Rating	Directorate	Status
CA11-2019	Strategic Commissioning Overview	Adequate	Issue 3 - Relationships between the SC Division and directorates	Medium	Chief Executive Departments	Implemented
CA06-2020	Data Protection Deep Dive	Adequate	Issue 1 - Record of Processing Activity (ROPA)	High	Chief Executive Departments	In Progress
CA06-2020	Data Protection Deep Dive	Adequate	Issue 2 - Data Breaches	Medium	Chief Executive Departments	In Progress



AD01-2020	Pension Fund Investment	Limited	Issue 7 - Procedures governing Investment Decision Making	High	Chief Executive Departments	Implemented
AD01-2020	Pension Fund Investment	Limited	Issue 1 - A comprehensive understanding of the Committee's duties, its Investment Strategy and its Decision-Making Procedures	Medium	Chief Executive Departments	Implemented
AD01-2020	Pension Fund Investment	Limited	Issue 15 - Assurance that the remit of the Local Pension Board complies with Scheme Regulations and The Pensions Regulator's Code of Practice	High	Chief Executive Departments	Implemented
AD01-2020	Pension Fund Investment	Limited	Issue 10 - Improving the Reporting, Tracking and Mitigation of Risks	High	Chief Executive Departments	Implemented
AD01-2020	Pension Fund Investment	Limited	Issue 6 - Mapping out Roles and Responsibilities	Medium	Chief Executive Departments	Implemented
AD01-2020	Pension Fund Investment	Limited	Issue 14 - Passing on Lessons that Key Officers have learned	Medium	Chief Executive Departments	Implemented
ICT05-2020	Members ICT	Adequate	Issue 1 - ICT Support for Members	Medium	Chief Executive Departments	In Progress
<b>1 - 2 Years</b>						
Engagement Reference	Engagement Name	Audit Opinion	Title	Risk Rating	Directorate	Status
RB45-2020	Non-domestic Waste Charging	Adequate	Issue 4 - Reconciliation of iPad downloads and Worldpay Data	High	Growth, Environment & Transport	In Progress
RB05-2020	Purchase to Pay (P2P)	Substantial	Issue 1 - Purchases progressed without a Purchase Order	Medium	Chief Executive Departments	Implemented
CA01-2021	Annual Governance Statement	Adequate	Issue 3 - Making AGS a Living Process	Medium	Chief Executive Departments	In Progress
CA01-2021	Annual Governance Statement	Adequate	Issue 1 - Progress Against 2017/18 & 2018/19 Issues	Medium	Chief Executive Departments	In Progress
CA01-2021	Annual Governance Statement	Adequate	Issue 4 - Learnt Lessons from the 2019/20 AGS Process	Medium	Chief Executive Departments	In Progress
RB21-2021	Charging Arrangements	Substantial	Issue 1 - Incorrectly Charged Service users	Medium	Chief Executive Departments	Implemented
CA07-2021	Information Governance - Remote Working	Adequate	Issue 1 - Policies & Procedures	Medium	Chief Executive Departments	In Progress

CA07-2021	Information Governance - Remote Working	Adequate	Issue 3 - Data Protection Training	Medium	Chief Executive Departments	In Progress
RB23-2021	Accommodation for Young People/Care Leavers	Limited	Issue 3 - Housing Costs (Housing Benefit)	High	Children's Young People & Education	In Progress
CA01-2022	Annual Governance Statement	Adequate	Issue 1 - CMT/ DMT Action Logs	Medium	Chief Executive Departments	Implemented
CA01-2022	Annual Governance Statement	Adequate	Issue 2 - Confirmation of Compliance with CIPFA Code of Financial Management	Medium	Chief Executive Departments	In Progress
<b>Less than 1 Year</b>						
Engagement Reference	Engagement Name	Audit Opinion	Title	Risk Rating	Directorate	Status
7492	Schools Admission Appeal Charges - Investigation	Advisory	Issue 4 - Debt	High	Children's Young People & Education	Implemented
7692	LoCASE Grant Investigation	Advisory	Issue 1 - Declaration of Interests	High	Growth, Environment & Transport	Implemented
7692	LoCASE Grant Investigation	Advisory	Issue 2 - Staff awareness of Fraud, Bribery and Corruption	High	Growth, Environment & Transport	Implemented
AD01-2022	Laineys Farm Complaint	Advisory	Issue 2 - Policies and Procedures	High	Adult Social Care & Health	Implemented
AD01-2022	Laineys Farm Complaint	Advisory	Issue 3 - Due Diligence	High	Adult Social Care & Health	In Progress
AD02-2022	Searchlight - Data Breaches	Adequate	Issue 2 - Communication and Awareness to Staff	Medium	Chief Executive Departments	Implemented
CA07-2021	Information Governance - Remote Working	Adequate	Issue 2 - Staff Awareness	Medium	Chief Executive Departments	In Progress
CA07-2021	Information Governance - Remote Working	Adequate	Issue 4 - Risk Assessment	Medium	Chief Executive Departments	In Progress
CA07-2021	Information Governance - Remote Working	Adequate	Issue 5 - Corporate VPN Software Updates	Medium	Chief Executive Departments	Implemented
CS02-2022	General Ledger	Substantial	Issue 2 - Miscoding of Asylum Seeking Young People Accommodation Costs	Medium	Chief Executive Departments	In Progress
ICT03-2021	Cyber Security - Management of Backups for Applications, Data and active Network Devices.	Adequate	Issue 2 - Business Continuity Plan (BCP) Recovery Time Objectives (RTO)	High	Deputy Chief Executive Departments	In Progress

ICT03-2022	IT Cloud Strategy, Security and Data migration	Adequate	Issue 2 - Resources	High	Deputy Chief Executive Departments	In Progress
ICT03-2022	IT Cloud Strategy, Security and Data migration	Adequate	Issue 3 - Programme / Project Management Systems	Medium	Deputy Chief Executive Departments	In Progress
ICT03-2022	IT Cloud Strategy, Security and Data migration	Adequate	Issue 4 - Programme and Project Status Reporting	Medium	Deputy Chief Executive Departments	In Progress
ICT04-2022	IT Data Security Audit for DSP Toolkit	Adequate	Issue 1 - Software Asset Register	Medium	Deputy Chief Executive Departments	In Progress
ICT04-2022	IT Data Security Audit for DSP Toolkit	Adequate	Issue 2 - Movers and Leavers	Medium	Deputy Chief Executive Departments	In Progress
ICT04-2022	IT Data Security Audit for DSP Toolkit	Adequate	Issue 3 - Patching Compliance	Medium	Deputy Chief Executive Departments	In Progress
ICT04-2022	IT Data Security Audit for DSP Toolkit	Adequate	Issue 4 - Backups	Medium	Deputy Chief Executive Departments	In Progress
RB01-2022	Declaration of Interests - Members	Adequate	Issue 1 - Register of Interests	High	Chief Executive Departments	In Progress
RB01-2022	Declaration of Interests - Members	Adequate	Issue 2 - Centralised Register of Members Interests	High	Chief Executive Departments	In Progress
RB01-2022	Declaration of Interests - Members	Adequate	Issue 3 - Key Decisions	Medium	Chief Executive Departments	In Progress
RB06-2022	New Grant Funding	Substantial	Issue 1 - Fraud Risk Assessments	Medium	Chief Executive Departments	In Progress
RB11-2022	Programme Governance - Strategic Reset Programme	Adequate	Issue 01 - Reporting Programme and Project Alignment against the SRP's Ambitions	Medium	Deputy Chief Executive Departments	Implemented
RB11-2022	Programme Governance - Strategic Reset Programme	Adequate	Issue 03 - Means of Adjusting and Justifying the Strategic Reset Programme	Medium	Deputy Chief Executive Departments	Implemented
RB11-2022	Programme Governance - Strategic Reset Programme	Adequate	Issue 07 - Capacity of the SRP Programme Team	Medium	Deputy Chief Executive Departments	Implemented

RB11-2022	Programme Governance - Strategic Reset Programme	Adequate	Issue 08 - Tracking and Monitoring of the Programme's Progress	Medium	Deputy Chief Executive Departments	Implemented
RB11-2022	Programme Governance - Strategic Reset Programme	Adequate	Issue 09 - Programme-wide Risk Management Approach	Medium	Deputy Chief Executive Departments	Implemented
RB12-2022	Contract Management (ASCH)	Adequate	Issue 1 - Formal Contract Management of Key Non-Contract Providers	Medium	Chief Executive Departments	Implemented
RB12-2022	Contract Management (ASCH)	Adequate	Issue 2 - Key Performance Indicators	Medium	Chief Executive Departments	In Progress
RB12-2022	Contract Management (ASCH)	Adequate	Issue 3 - Adhering to Sanctions	High	Chief Executive Departments	Implemented
RB12-2022	Contract Management (ASCH)	Adequate	Issue 5 - Reporting High Risk Provider Issues to Senior Management	Medium	Chief Executive Departments	In Progress
RB12-2022	Contract Management (ASCH)	Adequate	Issue 6 - Resolving Known System Issues with Mosaic Provider Portal	Medium	Adult Social Care & Health	In Progress
RB13-2022	Data Protection (ASCH)	Adequate	Issue 1 - Improving Uptake of Mandatory Data Protection Training	Medium	Adult Social Care & Health	In Progress
RB13-2022	Data Protection (ASCH)	Adequate	Issue 2 - Completing Data Protection Impact Assessments	Medium	Adult Social Care & Health	Implemented
RB13-2022	Data Protection (ASCH)	Adequate	Issue 3 - Internal Escalation of a Data Breach	Medium	Adult Social Care & Health	Implemented
RB13-2022	Data Protection (ASCH)	Adequate	Issue 4 - Investigating Data Breaches	Medium	Adult Social Care & Health	Implemented
RB13-2022	Data Protection (ASCH)	Adequate	Issue 6 - Timeliness in Responding to Subject Access Requests	Medium	Adult Social Care & Health	Implemented
RB16-2021	Workforce – Recruitment & Retention of AMHPs	Substantial	Issue 2 - Gathering, monitoring, analysing and reporting of AMHP recruitment and retention data	Medium	Adult Social Care & Health	In Progress
RB24-2021	School Themed Review	Adequate	Issue 1 - Training	Medium	Children's Young People & Education	Implemented
RB24-2021	School Themed Review	Adequate	Issue 2 - Risk Management	Medium	Children's Young People & Education	Implemented
RB24-2021	School Themed Review	Adequate	Issue 3 - Reporting of Cyber Security	Medium	Children's Young People & Education	Implemented

RB32-2022	New Local Infrastructure Projects Across Kent (SELEP)	Substantial	Issue 1 - Fraud risk assessment	Medium	Growth, Environment & Transport	Implemented
RB32-2022	New Local Infrastructure Projects Across Kent (SELEP)	Substantial	issue 2 - Financial Reporting to SELEP	Medium	Growth, Environment & Transport	Implemented
RB32-2022	New Local Infrastructure Projects Across Kent (SELEP)	Substantial	Issue 3 - Other reporting issues	Medium	Growth, Environment & Transport	Implemented

## Appendix F – Grant Certifications (2022/23)

Grant	Description	Current Status
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 - 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	1 claim completed
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)	2 claims completed and 1 On The Spot
EU Interreg – BoostforHealth	Supporting Kent based life sciences companies with internationalisation and in particular market entry in mainland Europe.	1 claim completed
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
EU Interreg – C-CARE	To deliver a range of activities linked to Covid-19 response including: <ul style="list-style-type: none"> <li>- A technology resilience voucher scheme for businesses (ED)</li> <li>- A green recovery voucher scheme for businesses (Environment Team)</li> </ul>	2 claims completed
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 and 1 On The Spot
EU Interreg – Cool Towns	Spatial adaptation for heat resilience in small and medium sized cities to minimise the heat related effects of climate change.	1 claim completed
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.	1 claim completed
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 and 1 On The Spot
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 and 1 On The Spot
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.	2 claims completed
EU Interreg - H20	Overcoming barriers to integrated water and ecosystem management in lowland areas adapting to climate change.	1 claim 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	1 claim 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
EU Interreg - Prowater	Contributing to climate adaptation by restoring the water storage of the landscape via ecosystem-based adaptation measures.	1 claim completed and 1 On The Spot
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.	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
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	
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		2 claims completed
Department for Health	Public Health Universal Drug Treatment Grant 21/22 (£701k)	Complete
Department for Health	Contain Outbreak Management Fund (COMF) (£54.4m)	Complete
Department for Education	Local Transport Authority COVID-19 Bus Services Support Grant (CBSSG) and Local Transport Authority COVID-19 Bus Services Support Restart Grant (CBSSG Restart) (£6.2m total)	Complete
Department for Transport	Ashford Sevington IBF (Formerly MOJO) site funding - Tranche 8 (£8.6m)	Complete
Department for Transport	Dover Inland Border Facility	In Progress
Sport England	Sport England 21/22	Complete
Department for Levelling Up. Housing & Communities	Community Renewal Fund (CRF) (£6.7 million)	In Progress

Office for Health Improvement & Disparities	SSMTRG - Supplementary Substance Misuse Treatment and Recovery 2022-23 (1.1 million)	In Progress
Office for Health Improvement & Disparities	IPD Grant - Local Government Act 2003: Section 31 Local Authority Grant for Inpatient Detoxification treatment 2022-23 (£167K)	In Progress
Office for Health Improvement & Disparities	SSMTR - Housing Support Fund (£597K)	In Progress
Office for Health Improvement & Disparities	OHID- Healthy Weight Grant - Supporting underserved groups or building capacity within Tier 2 Healthy Weight Services (£757K)	In Progress
Office for Health Improvement & Disparities	RSDATG - Rough Sleeper Drug and Alcohol Treatment Grant 22-23 (£416K)	In Progress



## Appendix G – Definitions

### AUDIT OPINION

#### High

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

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

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

#### Limited

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

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

#### Substantial

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

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

#### No Assurance

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

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

#### Adequate

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

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

## PROSPECTS FOR IMPROVEMENT

### Very Good

There are strong building blocks in place for future improvement with clear leadership, direction of travel and capacity. External factors, where relevant, support achievement of objectives.

### Good

There are satisfactory building blocks in place for future improvement with reasonable leadership, direction of travel and capacity in place. External factors, where relevant, do not impede achievement of objectives.

### Adequate

Building blocks for future improvement could be enhanced, with areas for improvement identified in leadership, direction of travel and/or capacity. External factors, where relevant, may not support achievement of objectives

### Uncertain

Building blocks for future improvement are unclear, with concerns identified during the audit around leadership, direction of travel and/or capacity. External factors, where relevant, impede achievement of objectives.

## ISSUE RISK RATINGS

### High

There is a gap in the control framework or a failure of existing internal controls that results in a significant risk that service or system objectives will not be achieved.

### Medium

There are weaknesses in internal control arrangements which lead to a moderate risk of non-achievement of service or system objectives.

### Low

There is scope to improve the quality and/or efficiency of the control framework, although the risk to overall service or system objectives is low.