

# Kent County Council

Internal Audit

Strategy & Annual Audit Plan April 2012 – March 2013

DRAFT

# Internal Audit Strategy

## Introduction

1. The CiPFA<sup>1</sup> Code of Practice for Internal Audit in Local Government (2006) requires the Head of Audit to produce an audit strategy. The Code defines an Internal Audit Strategy as a:
 

“high-level statement of how the internal audit service will be delivered and developed in accordance with the terms of reference and how it links to the organisational objectives and priorities.”
2. For the purpose of this strategy the Terms of Reference of the Kent Audit service are specified within its Audit Manual and Internal Audit Charter, which have been approved by the Governance and Audit Committee.
3. The Audit Manual sets out the overall objective of Internal Audit as *“supporting service delivery by providing an independent and objective evaluation of our clients’ ability to accomplish their business objectives and manage their risks”*.

## Annual Opinion to support the Annual Governance Statement

4. The Head of Audit will provide the Governance & Audit Committee with an opinion on the overall adequacy and effectiveness of the Council’s risk management, internal Control and governance processes, collectively referred to as “the system of internal control”. The work undertaken will be as shown in the table:

Opinion area	Internal Audit work to support opinion
Governance processes	<p>Annual assessment of Council’s governance arrangements against principles described in the CIPFA/SOLACE Governance Framework (Delivering Good Governance in Local Government, 2007).</p> <p>Bi-annual review of directorates’ governance statements to ensure that issues identified by directorates have appropriate action plans in place and are being implemented.</p>
Risk Management	<p>Annual review of Council’s risk management arrangements, including risk management guidance, risk registers, risk reports and minutes of meetings for key decisions.</p>
Internal Controls	<p>Annual risk-based programme of work undertaken to provide assurance to management and the Council on the operation of the internal control environment. Audits provide recommendations that will, if implemented, further enhance the environment and the operation of the controls in practice. The implementation of these recommendations will also be monitored.</p>

<sup>1</sup> Chartered Institute of Public Finance and Accountancy

5. In addition, Internal Audit's work will be informed by fraud investigations and fraud risk management work. For 2012/13, the audit plan includes a greater emphasis on counter-fraud work following the Council's adoption of a revised Anti Fraud and Corruption Strategy in March 2011, reaffirming its zero tolerance approach to fraud and corruption.
6. 2011/12 was a year of significant change for the Council, including the restructure and centralisation of support services and unprecedented savings requirements due to further reductions to the budget. This level of change, including saving and efficiency requirements, will continue into 2012/2013 and therefore the Internal Audit plan has been developed to take account of these ongoing changes. As well as the work on governance and risk management, we will assess the adequacy of the core aspects of internal control, including the key authority-wide financial systems, IT systems and contract compliance. This work will be supplemented by audits and reviews commissioned in response to priority issues and risks that are identified by senior officers and for which assurance is required. Due to the continuing changes, we have also retained a contingency of our available audit days to be used to provide work in areas which emerge as the year progresses including an advisory role for new and/or developing systems and processes as appropriate.

### ***Addressing Local and National Risks***

7. As set out above, the adequacy and outcomes of the Council's risk management framework will be assessed annually. This work is supplemented by discussions throughout the year with senior officers who identify emerging or urgent issues and risks that will require audit attention. Depending on the timing of when these are identified they are either included in the annual plan, or added during the year.

### ***How the service will be provided***

8. Currently Internal Audit provision is delivered by a mixture of in house provision supplemented by specialist IT audit and general assurance work from an outside provider. A tendering exercise has been undertaken and a contract will be awarded covering IT audit commencing in April 2012. In addition Internal Audit currently provides audit and assurance services to Kent Fire & Rescue and Parish councils. Resources will be reviewed annually to ensure the current mix represents the most efficient and effective way to provide high quality and professional assurance at a time of reduced financial resources.
9. Evidence to support this will continue to be provided from a variety of sources, including internal KPIs, external benchmarking comparisons, quality reviews, satisfaction surveys from clients and feedback from the external auditors.
10. The Internal Audit service will actively seek opportunities for more effective and efficient ways of working with local partners in the public sector, particularly if this avoids duplication and minimises overall costs.
11. Liaison with the County Council's external auditors will continue, to ensure that they can place reliance on the work of Internal Audit meaning that overall assurance work for the Council is delivered as efficiently, effectively and economically as possible.

### ***Resources and skills required***

12. In order to deliver the agreed annual audit plans, the appropriate level of resources will be made available to the audit team, to include the required mix of skills and specialisms. This will include general audit skills in respect of reviews of internal control, risk and governance

arrangements, and appropriate coverage in specialist areas such as computer and contract audit and the investigation of frauds and irregularities. For 2012/13 the internal audit team has a dedicated contract compliance manager who will be responsible for performing detailed compliance reviews of significant contracts.

13. Where audits require access to specialist expertise and knowledge that is not available within the audit team, advice and input will be sought from the wide range of specialists and experts drawn from within the County Council and from outside sources.
14. In 2012/2103 following the Finance restructure it has been decided to locate a compliance team of 3 FTEs responsible for reviewing financial controls throughout the authority within the internal audit team. The total planned days therefore reflects this transfer and the inclusion of a contract compliance manager within the team.
15. A programme of training will be provided to team members to meet training needs identified through the performance appraisal process and feedback from quality reviews etc. This will ensure that team members are able to deliver a professional service in line with current best practice.
16. For 2012/2013 Kent Commercial Services will use a dedicated internal audit resource to conducts its audits due to the higher level of inherent risk within its operations. This resource will remain professionally accountable to the Head of Audit who will retain the direction of the audit programme. The outcomes of the audits carried out will continue to be reported to the Governance and Audit Committee through the Head of Audit.

### ***Following up the implementation of agreed recommendations***

17. At the end of the fieldwork for each audit, a draft report is produced which will include recommendations (when relevant) where improvements in the design or application of controls are required. A priority rating will be applied to each recommendation - high, medium or low. For high priority recommendations, immediate management action is required and we will follow up all high priority recommendations. For medium priority recommendations we will seek assurance from the accountable manager that the required action has been implemented and may follow up a sample. We will not actively follow up low priority recommendations. Where agreed recommendations with a high priority rating have not been implemented in the agreed timescale, the accountable manager will be required to explain the reason to the Governance and Audit Committee.
18. Each audit is given an assurance - full, substantial, limited or none. We will follow up all audits, usually within six months of the original final report being issued, where limited or no assurance has been given

# 1. Core Assurance

To provide assurance on core aspects of internal control authority wide

Ref.	Audit	Reason for Audit	Days	Audit Details		
				Comments	Audit Owner	Timing
CA012013	Corporate Governance	To support the Annual Governance Statement	25	A review of the Council's Corporate Governance Framework overall with a cyclical detailed assessment of two of the six themes of governance. In 2012/13 this will include providing assurance on the revised governance structure.	<b>Geoff Wild</b> Director of Governance and Law	Quarter 4
CA022013	Annual Governance Statement	To support the Annual Governance statement	20	A review of directorates' mid-year and annual governance statements to ensure that issues are identified, have appropriate action plans in place and are being addressed.	<b>Geoff Wild</b> Director of Governance and Law	Quarter 2/4
CA032013	Schemes of Delegation	To support the Annual Governance Statement .	20	To provide assurance that controls are in place to ensure decisions are made in line with the Council's intended scheme of delegation and ensure that schemes of delegation reflect the Council's new structure. This will include a review to provide assurance that all <u>key</u> tasks previously undertaken are not omitted within the new structure.	<b>Geoff Wild</b> Director of Governance and Law  <b>Andy Wood</b> Corporate Director of Finance and Procurement	Quarter 4
CA042013	Risk Management	To support the Annual Governance Statement.	20	A review of the Council's risk management arrangements.	<b>Michael Hardie</b> Interim Corporate Risk Manager	Quarter 4

Ref.	Audit	Reason for Audit	Days	Audit Details		
				Comments	Audit Owner	Timing
CA052013	Business continuity and resilience planning	To provide assurance that continuity and resilience plans are adequate and effective.	15	A review of plans in place to ensure that they are regularly tested and updated where necessary, and that plans are disseminated to relevant and appropriate staff.	<b>David Cloake</b> Head of Emergency Planning	Quarter 4
CA062013	Performance Management Framework	To support the Annual governance Statement	25	A review of the Council's performance management arrangements to ensure arrangements are fit for purpose. This will include a review of data quality over performance indicators to ensure performance reporting is based on accurate information allowing robust decision making.	<b>Richard Hallett</b> Interim Head of Business Intelligence, Performance and Risk	Quarter 4
CA072013	Information Governance	To provide assurance on compliance with information governance standards including risk of data loss.	20	Cyclical reviews of key areas of information governance will be undertaken including a follow up of 2011/12 Data Protection Act and Freedom of Information Act audits. For 2012/13 this will include a review of IG Toolkit Compliance including assurance as to whether this is the best approach to achieve the objectives of information governance.	<b>Geoff Wild</b> Director of Governance and Law	Quarter 2
CA082013	Data Quality	To support the Annual Governance Statement in relation to information governance	25	Cyclical review of key systems to provide assurance on the completeness, accuracy and timeliness of data.	<b>Authority Wide</b>	Quarter 2
CA092013	Procurement	To provide assurance that the Council has in place an appropriate procurement model to ensure VfM is achieved.	15	A review of the central Strategic Sourcing and Procurement function, including assurance on the development and implementation of planned actions and VfM objectives. This audit will link to the proactive fraud work to be undertaken. In addition the review will provide assurance regarding directorate support after contracts are let.	<b>Henry Swan</b>  Head of Strategic Sourcing and Procurement	Quarter 4

Ref.	Audit	Reason for Audit	Days	Audit Details		
				Comments	Audit Owner	Timing
CA102013	Business and Financial Planning	To provide assurance that the business planning process is fully embedded and integrated within the performance management framework.	20	A review of the business planning to process to ensure that there are demonstrable links between financial plans, risk registers and business plans and that achievement of objectives including required savings is monitored and reported.	<b>David Whittle</b> Head of Policy and Strategic relationships	Quarter TBC
CA112013	Partnerships	To provide assurance on governance arrangements for a selection of partnerships.	25	To provide assurance on adequacy of processes in a sample of major/significant partnerships to monitor and ensure that KCC objectives are being met.	<b>Authority wide</b>	Quarter 3
CA122013	Managing Absence	To provide assurance that absence is managed in accordance with the Blue Book.	20	A review of the reporting and monitoring of sickness absence to provide assurance that managers take appropriate action to manage the impact of sickness, including evidence of actions taken when trigger points are reached.	<b>Amanda Beer</b>  Corporate Director of HR	Quarter 2
CA132013	Learning and Development	To provide assurance that L&D activity is conducted in accordance with the Blue Book.	15	A compliance review of L&D activity including authorisation of training, and evidence that identified training needs are met.	<b>Amanda Beer</b>  Corporate Director of HR	Quarter 3
CA142013	Leave	To provide assurance that leave is managed in accordance with the Blue Book.	15	A compliance review of leave arrangements including authorisation and monitoring of 'other' leave.	<b>Amanda Beer</b>  Corporate Director of HR	Quarter 2
CA152013	Leaving the organisation	To provide assurance that controls over leavers are adequate and effective.	10	A review of procedures in place to ensure that leavers are notified to appropriate services, all KCC equipment is recovered and any leave deficit/surplus is correctly dealt with.	<b>Amanda Beer</b> Corporate Director of HR	Quarter 1

Ref.	Audit	Reason for Audit	Days	Audit Details		
				Comments	Audit Owner	Timing
CA16 2013	Workforce Planning	To provide assurance that the new restructured organisation is fit for purpose.	20	Cyclical assurance of the key areas in KCC's Organisational Development & People Plan. 2012/13 focus will be on Resourcing and Retention.	<b>Amanda Beer</b> Corporate Director of HR	Quarter 4
	<b>Total days</b>		<b>310</b>			

DRAFT



## 2. Core Financial assurance

To provide assurance on core aspects of financial internal control

Ref.	Audit	Reason for Audit	Days	Audit Details		
				Comments	Audit Owner	Timing
CS01 2013	General Ledger	Key Financial Systems audit	20	A review of controls over general ledger transactions, including journals, virements, suspense accounts and reconciliations.	<b>Andy Wood</b> <i>Corporate Director of Finance &amp; Procurement</i>	Quarter 4
CS02 2013	Accounts Payable	Key Financial Systems audit	15	A review of the accounts payable system including controls over ordering and payments.	<b>Andy Wood</b> <i>Corporate Director of Finance &amp; Procurement</i>	Quarter 4
CS03 2013	Accounts Receivable	Key Financial Systems audit	15	A review of the accounts receivable system including debtor accounts, debt recovery and monitoring of aged debt. In particular the audit will provide assurance in relation to the process for debt recovery in relation to adult social care.	<b>Andy Wood</b> <i>Corporate Director of Finance &amp; Procurement</i>	Quarter 2
CS04 2013	iProcurement	Key Financial Systems audit	15	A review of the i-Proc system including controls over ordering and payments.	<b>Andy Wood</b> <i>Corporate Director of Finance &amp; Procurement</i>	Quarter 4
CS05 2013	Corporate Purchase Cards	Key Financial Systems audit	15	A review to ensure that the requirements in relation to the use of procurement cards are complied with to ensure payments are appropriate and bona fide.	<b>Andy Wood</b> <i>Corporate Director of Finance &amp; Procurement</i>	Quarter 4
CS06 2013	Capital Programme - Planning and Monitoring	Key Financial Systems audit	15	A review to provide assurance on the planning, monitoring and delivery of the Capital Programme. This will include reviewing a sample of three capital projects and will include reviewing the monitoring procedures within Finance and the directorates.	<b>Andy Wood</b> <i>Corporate Director of Finance &amp; Procurement</i>	Quarter 3

Ref.	Audit	Reason for Audit	Days	Audit Details		
				Comments	Audit Owner	Timing
CS07 2013	Revenue Budget Monitoring	Key Financial Systems audit	20	A review of the central finance function's monitoring including assurance on the risk assessment used as a basis for support together with guidance, training and other support provided.	<b>Andy Wood</b> Corporate Director of Finance & Procurement	Quarter 3
CS08 2013	Treasury Management and Pension Investments	Key Financial Systems audit	15	A review of the key financial controls including controls to ensure that investments and borrowing are in accordance with agreed policy and are appropriately authorised and monitored.	<b>Andy Wood</b> Corporate Director of Finance & Procurement	Quarter 4
CS09 2013	Pension Contributions	Key Financial Systems audit	10	A review of key financial controls over pension contributions to provide assurance on the accuracy of contributions in line with defined percentages including a review of key controls e.g. reconciliations undertaken.	<b>Andy Wood</b> Corporate Director of Finance & Procurement	Quarter 4
CS10 2013	Fixed Assets	Key Financial Systems audit	15	A review of key financial controls in relation to the fixed asset register. In particular the review will follow up the 2011/12 audit of Enterprise (KCC's property database).	<b>Andy Wood</b> Corporate Director of Finance & Procurement <b>Rebecca Spore</b> Director of Property	Quarter 4
CS11 2013	Payroll	Key Financial Systems audit	20	A review of key financial controls in the payroll system including controls over starters, leavers, changes and the payrun.	<b>Amanda Beer</b> Corporate Director of HR	Quarter 3
CS12 2013	East Kent Payroll	Key Financial Systems audit	10	A review of key financial controls in the payroll system provided to East Kent clients including controls over starters, leavers, changes and the payrun.	<b>Amanda Beer</b> Corporate Director of Finance	Quarter 3
CS13 2013	Social Care Client Billing	Key Financial Systems audit	15	A review of key financial controls including provision of assurance on the implementation of actions arising from the service review and ERP project.	<b>Michelle Vickery</b> Assessment and Income Manager	Quarter 3
CS14 2013	Foster Care Payments	Key Financial control audit	15	A review of key financial controls in place to ensure the accuracy, appropriateness and completeness of payments made focusing on controls over the payruns undertaken.	<b>Deanna Bradley</b> Principal Officer Payments	Quarter 1

Ref.	Audit	Reason for Audit	Days	Audit Details		
				Comments	Audit Owner	Timing
CS15 2013	Schools Financial Compliance- advisory	Key Financial Control audit	20	Provision of ongoing advice, support and, training to the Schools Financial Compliance team. Particular areas of support will include approach to testing, and controls to reduce the risk of fraud.	<b>Yvonne King</b> <i>Head of Schools Financial Services</i>	Quarter 1-4
CS16 2013	Schools Financial Compliance	Key Financial Control Audit	25	Annual review to ensure the work undertaken by the School Financial Compliance Team is adequate and effective to support the Head of Audit's annual opinion on internal controls.	<b>Yvonne King</b> <i>Head of Schools Financial Services</i>	Quarter 3
CS17 2013	Local budgetary control reviews	Key Financial Control Audit	25	A cross directorate review to provide assurance that the reduction in financial support does not adversely impact on the financial control environment.	<b>Authority Wide</b>	Quarter 3
CS18 2013	Financial Control Audits	Key Financial Control Audit	255*	A risk based rolling programme of establishment reviews to incorporate both financial controls and care standards.  Establishments will include remaining older people homes, respite units and day centres as well as Childrens' Centres.	<b>Andrew Ireland</b> <i>Director Families and Social Care</i>	Quarter 1-4
	<b>Total days</b>		<b>540</b>			

### 3. Risk / Priority Based

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

Ref.	Audit	Reason for Audit	Days	Audit Details		
				Comments	Audit Owner	Timing
<b>Business Strategy and Support</b>						
RB01 2013	Service Re-design	Requirement for key services to redesign applying "make, buy, sell" concept.	20	To provide annual assurance that service redesign has not detrimentally impacted on controls, performance or service delivery through review of KPIs, complaints, customer satisfaction, SLA Performance, etc. In 2012/13 this will include a review of the impact on customers of Ashford Gateway and service redesign for libraries.	<b>Authority wide</b>	Quarter TBC
RB02 2013	Locality Boards	Introduction of Locality Boards following introduction of Localism Act.	20	To provide assurance on the adequacy and effectiveness of governance arrangements in relation to Locality Boards.	<b>Angela Slaven</b> Director of Service Improvement	Quarter TBC
RB03 2013	Regeneration and Economy	Award of grants from Regional Growth fund to stimulate economy in East Kent. Award of no use empty grants to stimulate use of empty property.	20	Review of key initiatives and grant funding to include governance processes around awards from: <ul style="list-style-type: none"> <li>Regional Growth Fund</li> <li>"No use empty" grants</li> </ul> <p>To provide assurance on governance, decision making and outcomes.</p>	<b>Barbara Cooper</b> Director of Economic and Spatial Development	Quarter TBC
RB04 2013	Property Disposals	Area for development due to changing property market.	25	Key area for development due to the changing property market. The time will initially be utilised to provide ad hoc advice in relation to the development of policies and procedures. In addition there will be a review to subsequently provide assurance on compliance with these policies.	<b>Rebecca Spore</b> Director of Property	Quarter 1 & 4

Ref.	Audit	Reason for Audit	Days	Audit Details		
				Comments	Audit Owner	Timing
RB05 2013	Developer Contributions (s106)	Ongoing risk that developer contributions are not used appropriately.  Transition to community levy.	20	A review to provide assurance that developer contributions are monitored to ensure effective and appropriate utilisation and minimise the risks of missed opportunities. In addition we will aim to establish the impact of and provide assurance on the transition to community levy.	<b>Nigel Smith</b> <i>Head of Development Investment</i>	Quarter 1
<b>Families and Social Care</b>						
RB06 2013	Safeguarding Adults	Recognised as ongoing key risk area.	20	Adults - This process based review will be provided in conjunction with the peer practice based review in order to provide assurance on compliance with adult safeguarding procedures (e.g. closure of cases, independent sector training, completion of key documentary evidence etc).  Children – assurance from external inspections and ongoing detailed reviews from the Member Panel and Safeguarding Panel will be used as a basis for assurance.	<b>Andrew Ireland</b> <i>Corporate Director of Families and Social Care</i>	Quarter 2
RB07 2013	Personal Budgets	Government commitment to use of personal budgets and related financial implications and risks.	15	To provide assurance on the controls in place to ensure Personal Budgets are appropriately administered (in accordance with Council's objectives) and that Direct Payments are awarded in line with agreed eligibility criteria. This review will utilise the Audit Commission's recommendations and Checklist for Councils as a framework for financial management and governance.  This audit will be performed in conjunction with the proactive fraud work to be undertaken.	<b>Anna Tidmarsh/ Penny Southern</b> <i>Directors of Families and Social Care</i>	Quarter TBC
RB08 2013	Strategic Commissioning	New approach to strategic commissioning in FSC.	25	A review to provide assurance on the development and implementation of the key stages of a strategic commissioning cycle.	<b>Mark Lobban</b> <i>Director of Strategic Commissioning</i>	Quarter TBC
RB09	Case File Audit process	Assurance on the	15	To review the robustness of the system in place to self-audit	<b>Andrew Ireland</b>	Quarter 1

Ref.	Audit	Reason for Audit	Days	Audit Details		
				Comments	Audit Owner	Timing
2013		current self-audit process		social care case files and provide assurance that reliance can be placed on this process.	<i>Corporate Director of Families and Social Care</i>	
RB10 2013	Data quality	Recent OFSTED adoption inspection findings and Directorate request	40	Improvement in this area is key to the Council's ability to react to data analysis, take appropriate actions, implement policy (e.g. phase 2 charging policy for adults) and also to manage demand in the future. This review will provide assurance on data quality across all relevant systems and data sources within Families and Social Care	<b>Andrew Ireland</b> <i>Corporate Director of Families and Social Care</i>	Quarter 1-2
RB11 2013	Financial Management	Risk of lapses in financial management as focus on safeguarding dominates activity.	20	To provide assurance on robustness of financial management across Directorate focusing on forecasting activity and comparison to actual expenditure.	<b>Michelle Goldsmith</b> Business Partner	Quarter TBC
RB12 2013	Management of complaints	Risk of lapses in handling of complaints as focus on safeguarding dominates activity.	20	A review to provide assurance that complaints, comments and compliments are recorded and reported appropriately, that concerns are responded to in a timely manner and that root cause analysis and lessons learnt, both positive and negative, are used to improve services measured through demonstrable outcomes	<b>Andrew Ireland</b> <i>Corporate Director of Families and Social Care</i>	Quarter TBC
RB13 2013	Establishment Visits	Risk of non compliance with CQC standards.	Note	Individual establishment level reviews to provide assurance on compliance with CQC Essential Standards and other key quality of care areas. <b>Note</b> : No time is shown at this line as these reviews will be undertaken in conjunction with the Financial Control Audits shown earlier in the Plan.	<b>Andrew Ireland</b> <i>Corporate Director of Families and Social Care</i>	<b>Quarters 1-4</b>

Ref.	Audit	Reason for Audit	Days	Audit Details		
				Comments	Audit Owner	Timing
<b>Public Health</b>						
RB14 2013	Public Health responsibilities	Transfer of Public Health responsibilities to KCC over two years.	20	To provide assurance on a cyclical basis in relation to achievement of key public health outcomes.  In 2012/13 this will focus on smoking cessation. In particular the audit will focus on data quality issues.	<b>Meradin Peachey</b>  <i>Director of Public Health</i>	Quarter 1 / 2
<b>Education &amp; Learning Services</b>						
RB15 2013	Special Education Needs	Directorate request	20	To provide assurance regarding resource allocation for SEN. This may include assurance over the SEN referral and assessment process. Work will be scoped following internal Directorate review currently underway.	<b>Patrick Leeson</b>  <i>Director of Education, Learning and Skills</i>	Quarter 1
RB16 2013	Kent Connexions	Directorate request	<b>Note</b>	To provide assurance on data quality used to support the assessment of performance under the contract. <b>Note:</b> The days for this audit have been included within the contract compliance section of the plan as this work will be conducted in conjunction with an overall contract management review.	<b>Sue Dunn</b>  <i>Education, Learning and Skills</i>	Quarter 1
<b>Customer and Communities</b>						
RB17 2013	Consultation	Recent judicial reviews against other Councils have found that consultation on decisions taken was not adequate.	15	Given the need to take bold decisions in light of financial pressures and the right to challenge under the Localism Act this review will provide assurance on the adequacy of stakeholder consultation processes.	<b>Matt Burrows</b>  <i>Director of Communications and Engagement</i>	Quarter 1

Ref.	Audit	Reason for Audit	Days	Audit Details		
				Comments	Audit Owner	Timing
RB18 2013	Complaints, Comments and Compliments	Recent centralisation of the complaints function.	15	A review to provide assurance that complaints, comments and compliments are recorded and reported appropriately, that concerns are responded to in a timely manner and that root cause analysis and lessons learnt, both positive and negative, are used to improve services measured through demonstrable outcomes	<b>Des Crilley</b> <i>Director of Community and Culture Services</i>	Quarter 3
RB19 2013	Communication Strategy	Request from Directorate	15	Following the 2011/12 review of Communications this review will provide assurance on progress to implement the revised communications strategy.	<b>Matt Burrows</b> <i>Director of Communities and Engagement</i>	Quarter 3
<b>Enterprise and Environment</b>						
RB20 2013	Commercial Services	KCS are recruiting a dedicated IA function during early 2012/13.	20	Advice and support to agree transition arrangements and provide assurance in the interim	<b>David Jackson</b> <i>Interim Director of Commercial Services</i>	Quarter 1
	<b>Total – Risk Based /Priority Audits</b>		<b>365</b>			



## 4. ICT audit

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

Ref.	Audit	Days	Audit Details		
			Comments	Audit Owner	Timing
	Indicative reviews shown below:	<b>200</b>	The ICT Audit Plan will be finalised and agreed on completion of a comprehensive risk based analysis by the successful contractor.	<b>Peter Bole</b> <i>Director of ICT</i>	Quarters to be confirmed
	Application Reviews		Indicative areas are shown on the left with days allocated on a cyclical/risk basis over a three year period.		
	Post implementation review (e.g. ICS/Oracle/ERP)				
	Telecommunications				
	Network Controls				
	Infrastructure & operating platform reviews				
	Infrastructure, server, desktop hardware/software support				
	IT Infrastructure Library – IT Service Management				
	Information Security (including website)				
	Website publishing controls and content management				
	Internet and Email/Anti virus controls				
	Software licensing				
	Contingency	<b>75</b>			
	<b>Total days</b>	<b>275</b>			

# 5. Contract compliance

To provide assurance that successful outcomes and value for money is achieved from contracts

Ref.	Audit	Reason for Audit	Days	Audit Details		
				Comments	Audit Owner	Timing
CC01 2013	Kent Public Service Network	High profile service working with partners across Kent. KCC acting as hub for the contract and roll out across public sector partners.	20	Review of £43m 5 year contract. Review will include contract management and partnering arrangements.	<b>Terry Hazelwood</b> <i>Business Strategy &amp; Support</i>	Quarter 3
CC02 2013	Ashford Gateway plus	Flagship service involving partnership with Ashford District Council to build a gateway building which is fully operational.	20	Post build review of £7.5m contract including: <ul style="list-style-type: none"> <li>• procurement</li> <li>• ongoing contract management</li> </ul> Aim to learn lessons from this project to inform future similar projects.	<b>Lesley Spencer &amp; Jane Kendall</b> <i>Customer &amp; Communities</i>	Quarter 3
CC03 2104	Supporting People	Size of budget and complexity involved with many small providers of services.	20	A contract management review focusing on performance management arrangements of suppliers of services.	<b>Lesley Andrews</b> <i>Customer &amp; Communities</i>	Quarter 4
CC04 2013	Longfield Academy	New £27m school build under the Partnership for School – Academy programme.	20	Post build review of contract management arrangements. Aim to learn lessons from this project to inform future similar projects.	<b>Karen Millar</b> <i>Business Strategy &amp; support</i>	Quarter 4
CC05 2013	Professional and Highway Consultancy contract (including tree management)	Open book contract approaching closure with new tender to go out in summer. Lessons learnt will aid this tender process.	30	Review of approx. £10m per annum contract. Will include review of: <ul style="list-style-type: none"> <li>• how targets are set and managed to ensure no overpayments</li> <li>• personnel, contractor and supplier records</li> <li>• overheads and expenses recharged</li> <li>• contractor productivity</li> </ul>	<b>David Beaver</b> <i>Enterprise &amp; Environment</i>	Quarter 1

Ref.	Audit	Reason for Audit	Days	Audit Details		
				Comments	Audit Owner	Timing
CC06 2013	<b>Network Management Term Maintenance</b>	Contract commenced in September 2011 following previous problematic open book contract. Early review of the contract will facilitate improvements to be made early in the contract's life.	20	Contract management review of £60m per annum contract  In particular the review will ensure that lessons learnt from previous contract have been implemented.	<b>David Beaver</b> Enterprise & Environment	Quarter 4
CC07 2013	<b>East Kent waste partnership</b>	Joint contract between contractor and Dover DC, Shepway DC and KCC which commenced in January 2011. Risk that insufficient income is generated through recyclets and volumes of waste and streams are not monitored and that not possible to	20	Contract management review of £71m contract for 10 years. Contract for KCC involves waste processing and transfer for four East Kent Waste Collection authorities.  The review will be performed in conjunction with the East Kent Audit partnership.	<b>Caroline Arnold</b> <i>Enterprise &amp; Environment</i>	Quarter 2
CC08 2013	<b>Biffa Household Waste Recycling Centre</b>	Biffa manage three contracts two of which were originally with another contractor before takeover. Contract expires in August 2013. Therefore lessons learnt from this contract will facilitate the future re-tender process.	20	Review of £14m contract (approx. £4.1m per annum). Review will include: <ul style="list-style-type: none"> <li>• Procurement</li> <li>• Contract management</li> <li>• Value for money</li> </ul>	<b>Caroline Arnold</b> <i>Enterprise and Environment</i>	Quarter 2
CC09 2013	<b>Paper and card</b>	Risk that KCC budget holders do not use KCS despite mandate resulting in increased costs for the Council.	20	Review of £10m per annum contract including: <ul style="list-style-type: none"> <li>• Contract management</li> <li>• Mandated use</li> </ul>	<b>Ian Day/Jacque Smith</b>  <i>Enterprise and Environment</i>	Quarter 3

Ref.	Audit	Reason for Audit	Days	Audit Details		
				Comments	Audit Owner	Timing
CC10 2013	Kent Connexions	Concerns raised by Directorate about achievement of outcomes from this contract.	20	Review of £37m contract including: <ul style="list-style-type: none"> <li>contract management</li> <li>contract variations to terms</li> <li>data quality to support outputs/outcomes &amp; resulting payments</li> </ul>	Sue Dunn <i>Education &amp; Learning</i>	Quarter 1
CC11 2013	Leaving care service	Contract expires in September 2012 but may be extended. Lessons learnt from this audit will facilitate the future re-tender process	20	Catch 22 provide this service for young people leaving care providing advice, support, and practical assistance.  Contract management review of £7m contract focusing on key deliverables and resulting outcomes and actual spend vs expected.	Michelle Hall <i>Families and Social Care</i>	Quarter 4
	<b>Total Days</b>		<b>230</b>			

DRAFT

# 6. Work to Prevent and Pursue Fraud and Corruption

To provide assurance that fraud risks are being adequately and effectively managed

Ref.	Audit	Reason for Audit	Days	Audit Details		
				Comments	Audit Owner	Timing
<b>Anti fraud work – to raise awareness</b>						
<b>CF01 2013</b>	<b>Fraud awareness training</b>	To raise the level of fraud awareness and create a zero tolerance culture towards fraud and corruption (therefore deterring fraud before it is committed and encouraging staff to report their concerns).	50	A programme of fraud awareness training based on an authority wide training needs analysis targeting groups in high risk areas first eg, schools, procurement and social care.  This will include an e-learning fraud awareness module (10 days), bespoke fraud awareness presentations (30 days), and a multi-media awareness campaign (10 days). The outcome of this work will be measured through fraud awareness surveys.	Authority wide	Quarters 1-4
<b>Fraud prevention work – to remove weaknesses that could be exploited</b>						
<b>CF02 2013</b>	<b>Grants</b>	The NFA indicate that fraud across grant spending ranges from 1%-3.5%. Fraud risks within grant spending depend on various factors such as the type of grant recipient, the purpose of the grant, the nature of the scheme and the scale of the award.	25	This work will initially focus on high priority areas such as the Regional Growth Fund but also include a sample of other grants awarded by KCC.	<b>David Cockburn/ Andy Wood</b> Corporate Directors of Business Strategy and Support/ Finance and Procurement	Quarter 2
<b>CF03 2013</b>	<b>Personalised Budgets.</b>	KCC is increasing its use of personal budgets to manage and deliver care; the direct access to funds afforded by direct payments is likely to be more attractive to potential fraudsters.	15	This work will include a review of controls in place to prevent fraud including false claims for care; fraud by the person managing the personal budget for the client and fraud by the organisation providing care for the client.	<b>Andrew Ireland</b>  <i>Corporate Director of Families and Social Care</i>	Quarter TBC

Ref.	Audit	Reason for Audit	Days	Audit Details		
				Comments	Audit Owner	Timing
<b>CF04 2013</b>	<b>Blue Badge</b>	Government data indicates that misuse of this scheme results in parking revenue losses from 4-70% depending on the location of use, with an average of 20% of all blue badges in circulation being misused in some way. The financial losses are unlikely to affect KCC directly; however, as administrators of the scheme, the reputational impact could be significant.	15	This work will review the application and renewal processes ensuring the risk of fraud is minimised. We will also support the district councils in undertaking enforcement days to highlight misuse and create a deterrent affect. These exercises will be part of a multi-agency approach and involve KCC, District Councils, The Police, DWP and any other interested parties.	<b>Amanda Honey</b> <i>Corporate Director of Customer and Communities</i>	Quarter 4
<b>CF05 2013</b>	<b>Procurement</b>	Procurement fraud is any fraud relating to the purchasing of goods and services; it covers the entire procure-to-pay lifecycle. Potential fraud risks include cartel activity; use of inferior goods or services; false/inflated or duplicate invoices, bribery and overstated performance figures.	15	The work will involve a review of the key policies and procedures that are closely linked to the prevention of procurement fraud, bribery, corruption; recruitment fraud and fraud by abuse of position.	<b>Henry Swan</b> Head of strategic sourcing and Procurement	Quarter 3

Ref.	Audit	Reason for Audit	Days	Audit Details		
				Comments	Audit Owner	Timing
<b>Detection work – to detect fraud in high risk areas or systems that may be vulnerable</b>						
CF06 2013	Grants	To detect fraud in high risk areas or systems that may be vulnerable	15	Using data analytics and sample testing review a significant sample of grant applications and supporting evidence.	Authority wide	Quarter 2
CF07 2013	Blue Badge		20	Undertake 'Enforcement days' working with Districts and the Police to prosecute and deter blue badge abuse.	N/A	Quarter 1-4
	Declarations of Interests.		15	Review a significant sample of declarations of interest from both staff and Members and compare against external databases such as Companies House.	Andy Wood Corporate Director of Finance & Procurement	Quarter 3
	Expenses		15	Review a significant sample of expense claims (authority wide). We will seek to rely on controls in place within the authority.	Andy Wood Corporate Director of Finance & Procurement	Quarter 4
<b>Investigation, sanction and redress.</b>						
	Authority wide Investigations	To ensure allegations of fraud are properly investigated and appropriate sanctions applied.	200	Investigate suspected fraud in a timely, professional, and cost effective manner ensuring that all appropriate sanctions are applied and any losses are recovered.	Authority wide	As required
	Total Days		385			

# 7. Summary

Audit	2012/2013
	Days
Core Assurance	310
Core Financial Assurance	540
IT audit plan	275
Risk/Priority Based	365
Proactive and Reactive Counter fraud work	385
Contract compliance reviews	230
Follow up of audits with no/limited assurance and recommendations with high priority rating	100
Liaison, advice and information and support for system/service development	185
Potential emerging issues (contingency)	200
Parishes	40
KFRA	95
Grant claims	150
<b>Total Days</b>	<b>2875</b>