

Appendix A Summary of Concluded Financial Irregularities

Ref	Internal or External	Allegation	Outcome
848	External	It was alleged that a private provider of Early Years Education was failing to adhere to the Early Years Provider Agreement and had been charging top up fees to parents.	<ul style="list-style-type: none"> • An audit of Early Years was undertaken which resulted in a 'Substantial' assurance opinion. • The majority of providers were complying with requirements in KCC's Provider Agreement. • There were some examples of non-compliance, but this was mainly due to a lack of understanding rather than fraud. In relation to the specific allegation, new staff are in place and have rectified previous inconsistencies in charges.
886	Internal	It was alleged that inappropriate payments from a Kent school were made to family and friends of the school's staff and governors.	<ul style="list-style-type: none"> • We identified a number of small payments that when aggregated contravened the school's finance policy because three quotes should have been sought. • However goods and services of appropriate value had been delivered and there was therefore no evidence of fraud. In addition the finance policy was stricter than would be considered necessary and the relevant staff are no longer in post.
898	External	A safeguarding alert was raised following the review of a client's Direct Payment. There were concerns about the amount of care being provided and the charges that had been levied.	<ul style="list-style-type: none"> • A lack of care records prevented detailed analysis. As a result Internal Audit was unable to substantiate or refute the allegations. • Care Managers are working with the provider to ensure that going forward appropriate level of care is being provided, charged and sufficient records are maintained.
910	External	Internal Audit was asked to review the circumstances that led to an overpayment of financial support for two children who were living abroad with their father and grandparents.	<ul style="list-style-type: none"> • In our view the overpayment occurred as a result of errors by KCC, as well as the family who failed to notify KCC that their circumstances had changed. • Social Care are reviewing their cases to ensure that similar arrangements are reviewed and amended where necessary.

			<ul style="list-style-type: none"> We are in dialogue with the Directorate to understand how this is to be treated going forward. Further audit work is planned in 2014/15 to review Foster Care, Adoption and Section 17 payments.
928	External	A whistle-blower raised a safeguarding alert with the Directorate which included allegations of wide spread misuse of purchase cards in a KCC school.	<ul style="list-style-type: none"> The subsequent investigation established that the school's finance policies were breached and a member of school staff had fraudulently used the purchase card for their own purposes (£1,123). The member of staff was prosecuted by Kent police and following a guilty plea was sentenced in the local Magistrates Court.
934	Internal	Internal Audit were alerted to some potentially illogical payments that had been made to a number of third parties.	<ul style="list-style-type: none"> The subsequent review identified a number of inaccuracies in the payments and £66,000 has been recovered. A further £12,500 is currently being pursued.
936	Internal	It was alleged that the School Business Manager of a Kent school had failed to record letting income and may have intercepted some of the funds collected.	<ul style="list-style-type: none"> The School Business Manager admitted he failed to adhere to the school's policies. As a result the school is likely to have lost income but we could not accurately determine the level of loss due to the incomplete records. The School Business Manager resigned prior to a disciplinary hearing. We were unable to pursue a criminal prosecution or refer to the police due to a lack of evidence.
941	External	The Finance Manager of a Kent school was made aware by their bank that a fraudulent cheque payable from the school's account had been presented for payment. The value of the cheque was £9,855.47.	<ul style="list-style-type: none"> There was no loss to the school. The bank is investigating and the Post Office Investigation Department (POID) has been alerted. No further action is required by Internal Audit.
943	External	It was brought to Internal Audit's attention that the daughter of a Blue Badge holder was regularly using the Blue Badge to park whilst commuting to work.	<ul style="list-style-type: none"> A Penalty Charge Notice was issued by the appropriate district council which was later paid without appeal. As a result of the badge holder's disability Internal Audit telephoned the badge holder to confirm the badge was still in her possession and reminded her of her responsibilities as a Blue Badge holder.
946	External	A Kent school was alerted by their bank to a number of	<ul style="list-style-type: none"> To date four cheques have been presented with a total

		<p>duplicate cheques that had been presented for payment. The fraudulent cheques appear to have been copied from a genuine cheque that had been intercepted and altered.</p>	<p>value of £12,000.</p> <ul style="list-style-type: none"> • There has been no loss to the school. The bank's fraud team are investigating. The POID have been alerted. No further action is required by Internal Audit.
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