



INTERNAL AUDIT PROGRESS REPORT
GOVERNANCE AND AUDIT COMMITTEE
3RD October 2019

1. Introduction

- 1.1 The role of the Internal Audit function is to provide Members and Management with independent assurance that the control, risk and governance framework in place within the Council is effective and supports the Council in the achievement of its objectives. The work of the Internal Audit team should be targeted towards those areas within the Council that are most at risk of impacting on the Council's ability to achieve its objectives.
- 1.2 Upon completion of an audit, an assurance opinion is given on the soundness of the controls in place. The results of the entire programme of work are then summarised in an opinion in the Annual Internal Audit Report on the effectiveness of internal control within the organisation.
- 1.3 This activity report provides Members of the Governance and Audit Committee and Management with the status of the work carried out by the Internal Audit team for the period of 1st April 2019 to 9th September 2019.
- 1.4 Additionally, the report provides a revision of the Internal Audit Plan for 2019-20, as well as updates in the following areas:
 - Summaries of completed audit reviews;
 - Internal Audit Resources, as required by the Public Sector Internal Audit Standards (PSIAS);
 - Grant certification; and
 - Issue Implementation status.
- 1.5 The full detail of the Internal Audit work completed or in progress in the period 1st April to 9th September 2019, is provided at Appendix A.

2. Key Messages

- Planned work remains below target in quarter 2, however a substantial amount of work is in progress;
- 16 grants/ certifications with a total value of £644k have been certified to date with a further £47.4m of grants currently being reviewed;
- A review of resources and skill requirements will be undertaken;
- Proposals are made to revise the Internal Audit Plan in line with good practice;
- An analysis of aged outstanding issue implementation, as requested at the July Committee, is provided at Appendix C; and
- A summary of matters arising for 5 of the completed audit assignments has been provided at Appendix D.

3. Updates

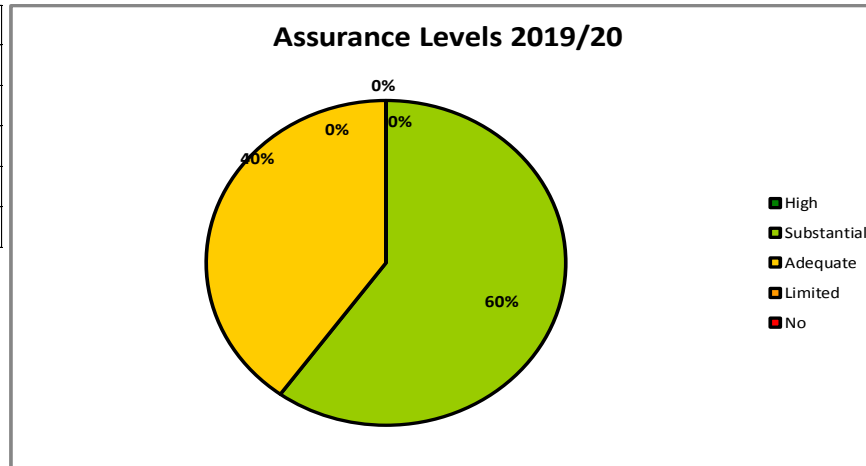
3.1 Internal Audit Plan Status:

Coverage so far, in this second quarter, has concentrated on progressing reviews from the 2019/20 Audit Plan. Although the planned coverage remains below target at this stage of the year with only 7 of the planned reviews at either draft or final reporting stage, a further 33 reviews are either in progress or at planning stage. It is, therefore, anticipated that there will be a significant increased number of reviews at draft/final report stage by the end of the calendar year.

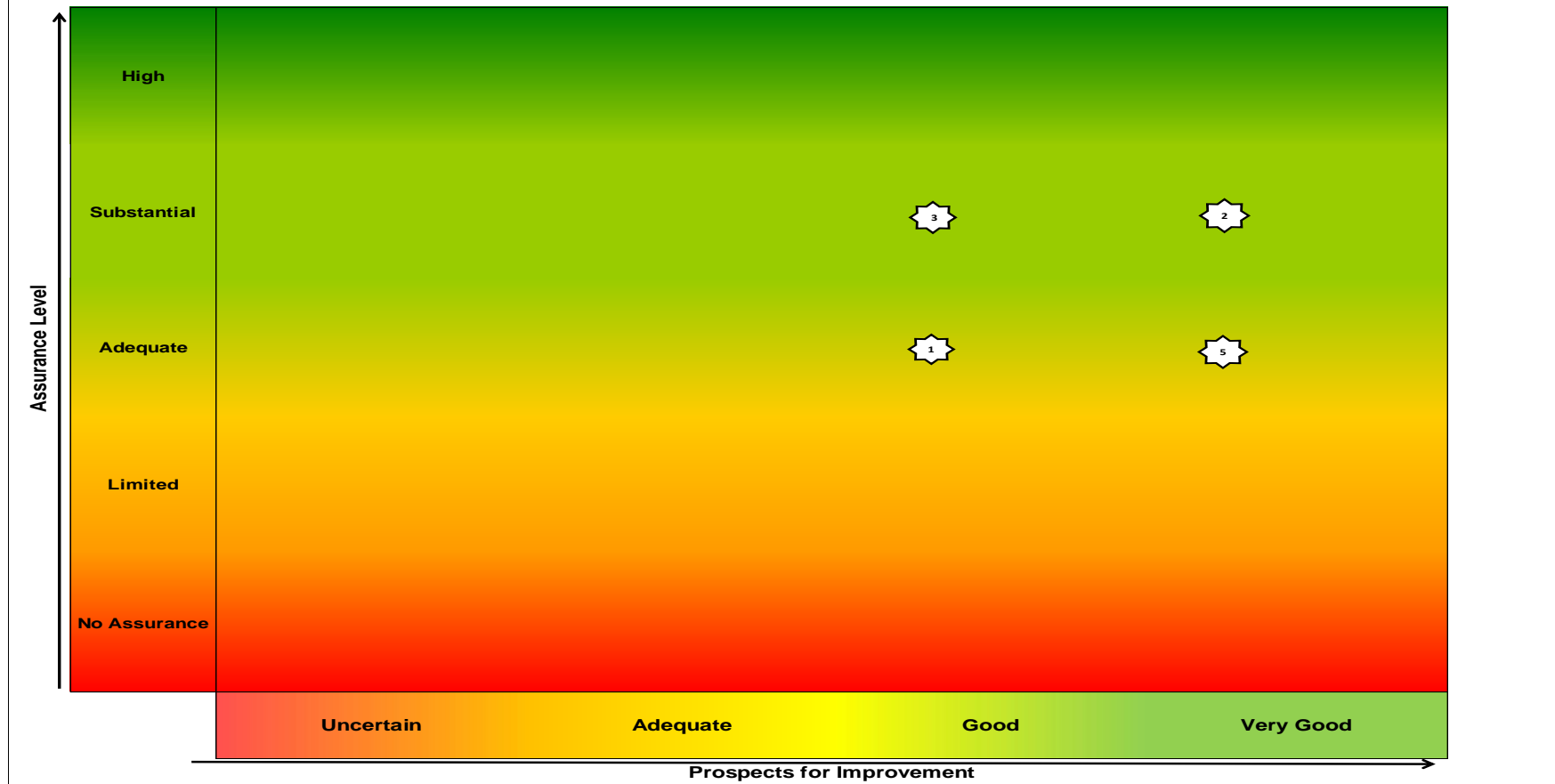
Full details of the status of planned work, for the period of 1st April to 9th September 2019, are provided at Appendix A of this report. A summary of the completed reports is shown in Table 1 below:

Table 1: Summary of Assurance Levels to Date

Assurance Level	No	%
High	0	0%
Substantial	3	60%
Adequate	2	40%
Limited	0	0%
No	0	0%



2019/20 Audit Assurance Levels and Prospects for Improvement of Audits



Audit Opinion October G&A Committee

No	Audit	Assurance	Prospects for Improvement
1	Debt Recovery	Adequate	Good
2	Social Care Recruitment Incentives (18/19)	Substantial	Very Good
3	Home to School Transport (18/19)	Substantial	Good
4	KRT EU Exit Lessons Learnt Exercise	Substantial	N/A
5	HTW Health & Safety	Adequate	Very Good
6			

3.2 Grant Certification Work.

To date, the team has audited and certified 16 grant claims to the value of approximately £644k. Work is progressing on a further 7 significant certifications related to £47.4m of funding. Details of all certifications can be seen at Appendix A.

3.3 Internal Audit Resources:

In accordance with the Public Sector Internal Audit Standards, members of the Committee need to be appraised of relevant matters relating to the resourcing of the Internal Audit function.

The positive expansion in recent years of the provision of Internal Audit and Counter Fraud services to in excess of 20 external clients and bodies has not been accompanied by corresponding resources to deliver the very wide range of assurance and governance matters it engages in and to the expectations of its stakeholders and clients on a continual basis.

Short-term resource shortfalls, related to vacancies, are currently being addressed by a combination of fixed-term, agency and placement recruitments.

The medium-term solution will commence with a review to assess options to address the resource and skills requirements of the section with the objective of ensuring the maintenance of the delivery of quality services for the Council and its external clients.

3.4 Revision of Audit Plan:

The Internal Audit Plan must be flexible to ensure that it remains relevant to risks facing the Council throughout the year. Consequently, the opportunity has been taken to reassess the priority and relevance of items in the Plan.

Table 2 provides details of the proposed Plan amendments which reflect changing circumstances while continuing to ensure an annual opinion can be formed at the end of the year. Rationale for the proposed amendments is set out at Appendix B.

Members will recall that potential areas for audit coverage are also identified as “Level 2” reviews. These audits are essentially the “reserve list” identified via ongoing assessment and consultation with stakeholders. An analysis of which Level 2 reviews will be prioritised is included within Appendix A.

Table 2: Proposed Audit Plan Changes

Ref	Assignment	Addition	Deletion	Amendment
CA03	Dept Governance		√	
CA08	Business Planning		√	
RB01 / 02	Leadership and Management Strategy / Kent Manager			√
RB03	Customer Feedback			√
RB07	Finance (Pensions) – Kent Scheme Admin		√	
RB19	Property Disposals / Property Board			√
RB20	KMPT Transformation		√	
RB21	Complaints Process and Outcomes			√
RB22	Home Care -Post New Contract			√
RB23	Mosaic & Finestra – Post Implementation Review			√
RB24	Front Door including Service User experience		√	
RB25	DoLS – Progress with addressing backlog			√
RB32	Change for Kent Children			√
RB36	Safeguarding Children			√
RB42	Gypsy and Traveller Service		√	

RB44	Highways Term Maintenance Contract Re-Let			√
RB45	Non-domestic Waste charging			√
	Pension Fund Investment	√		
	Review of Overpayments	√		
	Assurance Mapping - IT	√		
	Assurance Mapping – ASCH	√		
	Assurance Mapping – Information Governance	√		
	ASCH Transformation	√		
	Contract Management Group	√		

3.5 Issue Implementation

At the previous Committee meeting, there was a request for specific analysis in respect of those issues raised by Internal Audit which had not been implemented for a significant period of time. Therefore, analysis in this paper concentrates upon the “aged profile” of outstanding actions with the full analysis of outstanding issues to be reported, as planned, at the January Committee.

There were previously 19 issues raised by Internal Audit with actions outstanding in excess of 1 year. Such outstanding issues were specifically raised by Internal Audit at each of the recent Directorate Management Team meetings. This has led to the updating of the position based upon supporting documentation to evidence implementation with 9 issues now not being fully implemented. Details are set out at Appendix C.

4. Under the Spotlight!



With each activity report, Internal Audit turns the spotlight on the audit reviews, providing the Governance and Audit Committee with a summary of the objectives of the review, the key findings, conclusions and recommendations; thereby giving the Committee the opportunity to explore the areas further, should it wish to do so.

In this period, the following report summaries are provided at Appendix D, for the Committee's information and discussion.

A Strategic and Corporate Services:

1. Debt Recovery and Write Off

B Children, Young People and Education:

1. Social Care Recruitment and Retention Initiatives Follow Up

C Children, Young People and Education / Growth, Environment and Transport:

1. Home to School Transport

D Growth, Environment and Transport:

1. Highways, Transport and Waste – Health and Safety
2. Kent Resilience Team – EU Exit Lessons Learnt Exercise

Appendix A – Internal Audit Plan 2019-20 – Status and Assurance Summary

A. Priority 1 Audits:

Ref	Audit	Status as at 09.09.19	Assurance
CA01	Annual Governance Statement 2018-19	Final Report	Adequate (18-19) -GAC July 19
CA02	Corporate Governance	To Commence	
CA03	Department Governance	Proposed Deletion	
CA04	Risk Management	To Commence	
CA05	Information Governance – DPS Toolkit	To Commence	
CA06	Data Protection – Deep Dive	In Progress	
CA07	Data Protection and GDPR – Advisory	In Progress / Ongoing	
CA08	Business Planning	Proposed c/fwd to 20/21	
CA09	Strategic Commissioning	To Commence	
CA10	Improving Outcomes and Achievement of Savings	Planning	
CA11	LATCos- Client-Side Contract management, governance and impact of HoldCo	To Commence	
CA12	HoldCo	In Progress	
CS01	Social Care Client Billing	To Commence	
CS02	Debt Recovery and Write-Off	Final Report	Adequate – GAC Oct 19
CS03	Family Placement Payments	In Progress	
CS04	Imprest Accounts	Planning	
CS05	Schools Financial Services	To Commence	
RB01/2	Leadership and Management Strategy/ Kent Manager	To Commence	
RB03	Customer Feedback	Planning	
RB04	Agyllis Contract Management	To Commence	
RB05	Strategic Commissioning – I-Procurement	To Commence	
RB06	Strategic Commissioning – Indirect -Procurement	To Commence	
RB07	Finance Pensions – Kent Scheme Admin	Proposed Deletion	
RB08	Public Health – Delivery of Statutory Services	To Commence	
RB09	Infrastructure – Statutory Compliance Follow Up	To Commence	
RB10	Infrastructure – Property Consultants	Planning	
RB11	Finance External Funding – LOCASE 2 Grant	To Commence	
RB20	KMPT Transformation	Planning - Proposed Plan Amendment	

RB21	Complaints Process and Outcomes	In Progress	
RB22	Home Care – Post New Contract	To Commence	
RB23	Mosaic & Finestra -P.I.R.	To Commence	
RB24	Front Door including Service User Experience	Planning - Proposed Plan Amendment	
RB25	DoLs – Progress with Addressing Backlog	To Commence	
RB31	SEND Follow Up	To Commence	
RB32	Change for Kent Children	To Commence	
RB33	Youth Justice	Planning	
RB34	Foster Care	In Progress	
RB35	Care Leavers	Planning	
RB36	Safeguarding Children	Planning	
RB37	School Themed Review	Planning	
RB40	Business Continuity Planning - Incident Management	To Commence	
RB41	Carbon Reduction Commitment Annual return for KCC	Planning	
RB42	Gypsy and Service Traveller	Proposed c/fwd to 20/21	
RB43	Health and Safety Deep Dive	Final Report	Adequate – GAC Oct 19
RB44	Highways Term Maintenance Contract Re-let	In Progress	
RB45	Non-Domestic Waste Charging	To Commence	
RB46	Developer Contributions (CIL) Follow Up	To Commence	
RB47	Kent Resilience Team – EU Exit Lessons Learnt Exercise	Final Memorandum	Substantial – GAC Oct 19
RB48	Companies in which KCC has a Substantial Interest /investment	Planning	
ICT01	Access Controls to Personal Data	To Commence	
ICT02	Wireless Network Security and Capacity	To Commence	
ICT03	Software Licensing	Planning	
ICT04	ICT Change – Business Realisation	To Commence	
ICT05	Members ICT	In Progress	
CF01	Fraud Awareness /Detection and Prevention	In Progress / Ongoing	
CF02	National Fraud Initiative	In Progress / Ongoing	
CF03	Kent Intelligence Network (KIN)	In Progress / Ongoing	
CF04	Independent Review of Fraud Service	Completed	
CF05	Proactive Fraud Exercise	In Progress	
CF06	Investigations	In Progress / Ongoing	

B. Work Carried Forward From 2018-19:

Ref	Audit	Status as at 09.09.19	Assurance
1	Home Care	Draft Report	
2	Social Care Recruitment and retention Initiatives Follow Up	Final Report	Substantial – GAC Oct 19
3	Home to School Transport	Final Report	Substantial – GAC Oct 19

C. Plan Additions:

Ref	Audit	Status as at 09.09.19	Assurance
1	Pension Fund Investment	In Progress	
2	Review of Overpayments	In Progress	
3	Assurance Mapping – IT	Proposed Addition	
4	Assurance Mapping - ASCH	Proposed Addition	
5	Assurance Mapping – Information Governance	Proposed Addition	
6	ASCH Transformation	Planning	
7	Contract Management Group	Proposed Addition	
8	Property Board	Planning	

D Priority 2 Audits:

Ref	Audit	Status as at 09.09.19	Assurance
CA13	Records Management		
CA14	Informal Governance Processes		
CA15	Policy and Legislative Change		
CA16	Performance Management Themed Report		
CS06	Payroll Processing -LATCO Reliance CBS – LATCO Reliance – CBS	To Prioritise – Planning	
CS07	Non-Residential care payments through Finestra		
CS08	Cashiers – LATCO Reliance – CBS		
RB12	Health and Wellbeing Strategy		
RB13	Public Health – Clinical Professional Development	To Prioritise	
RB14	Public Health – Suicide Prevention Plans		
RB15	Public Health – Breast Feeding Support		
RB16	Public Health – Family Drug and Alcohol Court		
RB17	TFM Variable Spend		
RB18	Asbestos Management		
RB19	Property Disposals / Holding Decisions (with changed emphasis)	To Prioritise – Planning	
RB26	Quality of Adult Social Care	To Prioritise – In Progress	
RB27	Sensory and Autism Service Redesign		
RB28	Voluntary Sector Contracts	To Prioritise	
RB29	Safeguarding / Case File Audit		
RB30	Self-Neglect		
RB38	Adoption		
RB39	Troubled Families	To Prioritise	
RB49	Pre-Planning Advice		
RB50	Libraries – Finance Procedures in Libraries		
RB51	Joint Transportation Boards		
RB52	Speed Awareness		
RB53	Highways Code of Practice		
RB54	Young Persons Travel Pass		
RB55	Kent and Medway Business Fund		
RB56	Economic Development – Grant Schemes	To Prioritise	

Notes:

1. Priority 2 Audits are essentially the “reserve list”, which are kept under review for inclusion in delivery of the Audit Plan.
2. A current KPI for the service is to complete 20% of Priority 2 Audits

E Grant Certifications:

No.	Grant	Status as at 09.09.19
1	DWELL - Empowerment programme enabling patients with type 2 diabetes to access tailored support giving them mechanisms to control their condition and improve their wellbeing.	Completed
2	Step by Step - Seeking to increase the impact of the internationally evidenced men's sheds programme in particular employment & health outcomes.	Completed
3	TICC - Implementing an integrated community team at a pilot site to work with the principles of Buurtzorg (A Dutch home-care model known for innovative use of independent nursing teams in delivering relatively low-cost care).	Completed
4	PACE - Providing help to unemployed parents into work by improving access to childcare relatively low-cost care.	Completed
5	EU Interreg BEGIN - An approach to climate resilience for cities that mimics nature's potential to deal with flooding.	Completed
6	EU Interreg FRAMES - Assess the impact of and build resilience to flooding and climate change across the health and social care sector in Kent.	Completed
7	EU Interreg Inn2Power - Supporting Kent based companies in the offshore wind sector with internationalisation & market entry in mainland Europe.	Completed
8	EU Interreg ICAREs - Developing a cross border innovation cluster to create the necessary conditions for innovation in the field of remote sensing & advanced data communication & processing	Completed
9	EU Interreg Green Pilgrimage - Protecting natural & cultural heritage whilst developing jobs & growth along pilgrim routes by developing low impact tourism, digitalisation, pilgrim accommodation & strengthening local traditions.	In Progress
10	EU Interreg ISE -Protecting natural & cultural heritage whilst developing jobs & growth along pilgrim routes by developing low impact tourism, digitalisation, pilgrim accommodation & strengthening local traditions.	Completed
11	EU Interreg PASSAGE - Examining how KCC can make the transition to a low carbon society and low-carbon economy.	Completed
12	EU Interreg PROWATER - Contributing to climate adaptation by restoring the water storage of the landscape via ecosystem-based adaptation measures.	Completed
13	EU Interreg SCAPE - Developing landscape-led design solutions for water management that make costal landscapes better adapted and more resilient to climate change.	Completed
14	EU Interreg SIE - Evaluating and improving business support services for SMEs specifically related to exporting and internationalisation	Completed
15	EU Interreg Triple A - Supporting homeowners to adopt different low-carbon technologies in their homes.	Completed
16	EU Interreg Triple C - Implementing a set of cost-effective actions to reduce flooding and erosion.	Completed
17	Department for Transport - Capital Funding Grants – Integrated Transport Block	In Progress
18	Department for Transport - Capital Funding Grants – Highways Maintenance Block Needs Element	In Progress
19	Department for Transport - Capital Funding Grants - Highways Maintenance Block Incentive Element	In Progress
20	Department for Transport - Capital Funding Grants – Pothole Action	In Progress
21	Department for Transport - Capital Funding Grants – Connecting Europe Facility	In Progress
22	Department for Transport - Local Authority Bus Subsidy Ring-Fenced Revenue grant	Planning
23	Innovation and Networks Executive Agency - Connecting Europe Facility - Transport Sector. InterCor grant.	Completed

Appendix B – Internal Audit – Rationale for Proposed Changes to Audit Plan

A. Additions:

Audit	Rationale
Pension Fund Investment	Key Risk Area – IA commissioned to undertake review.
Review of Overpayments	Emerging Risk Area relating to significant overpayments to suppliers.
Assurance Mapping - IT	Value added Audit in assessing the assurances from 1 st and 2 nd line of defence and other external assurance providers, preventing duplication of assurance, provision of assurance as a tool for management and to assist in audit planning.
Assurance Mapping – ASCH	Value added Audit in assessing the assurances from 1 st and 2 nd line of defence and other external assurance providers, preventing duplication of assurance, provision of assurance as a tool for management and to assist in audit planning.
Assurance Mapping – Information Governance	Value added Audit in assessing the assurances from 1 st and 2 nd line of defence and other external assurance providers, preventing duplication of assurance, provision of assurance as a tool for management and to assist in audit planning.
ASCH Transformation	To provide an embedded assurance approach to a major Council transformation programme, which incorporates coverage of 2 audits within the Original Audit Plan.
Contract Management Group	Attendance to both advise the review of contracts and to assess whether assurances can be drawn from the reviews undertaken.
Property Disposals / Property Board (was Level 2 Audit)	Emerging risk area where assurances required relating to Property Board identified from consultation - increase in resource.

B. Deletions:

Audit	Rationale
Department Governance	Value from the audit would not be commensurate to the planned resource as per the experience of similar previous reviews.
Business Planning	Greater value if review undertaken in Q1 2020/21.
Finance (Pensions) Kent Scheme Admin	Pensions Coverage redirected to Pensions Fund Investment Review.
KMPT Transformation	Coverage will be included within the ASCH Transformation review.
Front Door including Service User Experience	Coverage will be included within the ASCH Transformation review.
Gypsy and Traveller Service	May be more appropriate for 2020/21.

Appendix C – Aged Profile of Outstanding Implementation of Issues

A: Current Position:

Directorate	Total Issues		3+ Years		2-3 Years		1-2 Years		Less than 1 Year	
	High	Medium	High	Medium	High	Medium	High	Medium	High	Medium
ASCH	3	4	0	0	0	0	0	0	3	4
ST	5	7	1	0	1	0	1	1	2	6
GET	5	11	0	0	2	0	0	0	3	11
CYPE	5	30	0	1	0	1	0	1	5	27
Total	18	52	1	1	3	1	1	2	13	48
Total %	-	-	6%	2%	16%	2%	6%	4%	72%	92%

3+ Years						
Engagement Reference	Engagement Name	Title	Risk Rating	Original Agreed Date	Revised Date	Directorate
RB22-2016	Quality Assurance Framework - Safeguarding Children / Online Case file audit process / Missing Children	Issue 3 - Case Audit recording on Liberi	Medium	31/12/2015	30/11/2018	CYPE
ICT07-2015	PCI DSS	Issue 1 - Business Areas Processing Card Transactions	High	31/12/2015	31/03/2020	ST

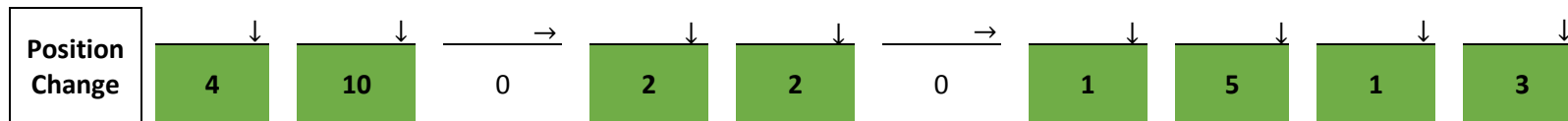
2-3 Years						
Engagement Reference	Engagement Name	Title	Risk Rating	Original Agreed Date	Revised Date	Directorate
RB33-2017	Standards & Schools Improvement Team	Issue 1 - Core Visits	Medium	30/06/2017	09/10/2019	CYPE
RB45-2017	National Driver Offender Retraining Scheme – Phase 2	Issue 1 - Trainer Recruitment and Retention	High	30/06/2017	01/04/2020	GET
RB45-2017	National Driver Offender Retraining Scheme – Phase 2	Issue 2 - Forecasting and Procurement	High	31/07/2017	01/04/2020	GET
RB17-2017	Carers Assessments	Issue 2 - Delegation & Authority	High	31/03/2017	30/09/2019	ST

1-2 Years						
Engagement Reference	Engagement Name	Title	Risk Rating	Original Agreed Date	Revised Date	Directorate
RB38-2018	Children Centres Themed Review Follow-up	Issue 4 - Assets	Medium	31/03/2018		CYPE
RB01-2018	Members Induction and Training	Issue 2 - Mandatory Training	Medium	31/12/2017		ST

RB07-2018	Health & Safety	Issue 2 - Health & Safety Training in Schools	High	31/05/2018	31/01/2019	ST
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B: Comparison to Previous Position:

Directorate	Total Issues		3+ Years		2-3 Years		1-2 Years		Less than 1 Year	
	High	Medium	High	Medium	High	Medium	High	Medium	High	Medium
ASCH	3	4	0	0	0	0	0	0	3	4
ST	7	12	1	2	2	0	2	4	2	6
GET	7	16	0	0	3	0	0	2	4	14
CYPE	5	30	0	1	0	1	0	1	5	27
Total	22	62	1	3	5	1	2	7	14	51
Total %	-	-	4%	5%	23%	2%	9%	11%	64%	82%



Appendix D – Summaries of Completed Audit Reviews

Debt Recovery (Sundry Debtors)	
Audit Opinion	Adequate
Prospects for Improvement	Good
<p>Cantium Business Solutions (CBS) have reviewed and updated the sundry debt recovery process with the aim of reducing the potential for error and increasing the speed with which the process can be carried out. The required timescales for chasing debts are not defined within the debt recovery policy or procedures, instead CBS performance is measured based on the levels of debt outstanding. At certain stages of the debt recovery process, cases need to be referred to directorates (such as to agree to start legal action or where debts are disputed) and this can cause significant delays, as the oldest debt referred to directorates is dated 2010.</p> <p>Key Strengths</p> <ul style="list-style-type: none"> • CBS have developed a sundry debt dashboard and is used to monitor the debt position. • CBS have a detailed process manual which is available to all relevant staff. • Prior to April 2019 debtors were not always contacted on a timely basis in line with the Debt Management Policy, however since April 2019 debt recovery with CBS moved from a portfolio management system to a team management approach and this has already resulted in some improved performance regarding the first steps of the recovery process. • There is an escalation process in place. • Reports of outstanding debt can easily be extracted from the systems used. • In line with the KCC Debt Management Policy, it was confirmed that no invoices have been raised for debts under £20 (except for statutory debt). • The process for dealing with disputed debt is defined within the debt management policy and there is a process in place to monitor these. <ul style="list-style-type: none"> • position. • There are two performance indicators that the CBS Debt Recovery Team are assessed against and it was evident that these are being met. <p>Areas for Development</p> <ul style="list-style-type: none"> • The Debt Management Policy has not been reviewed since 2015 and does not currently align with Financial Regulations. • No instances of interest or other penalties being applied were identified. • The number of invoices currently being referred to the directorate or budget holder is high, and this often results in delays in further action being taken while a response is awaited. In addition, the distinction between 'disputed' debts and those 'referred to the directorate' is not clear. • The Debt Management Policy states that 'A Governance and Audit Report will be produced by the provider on a six-monthly basis, reporting on the most recent debt position for the Council' - however this was last reported in January 2018. • Social Care debt is recovered by KCC finance staff, except for direct payments debt which is the responsibility of the CBS debt recovery team. As a result, there are restrictions as to the actions that CBS can carry out. <p>Prospects for Improvement</p> <p>Our overall opinion of Good Prospects for Improvement is based on the following factors:</p> <ul style="list-style-type: none"> • Management are aware of the historic debts and continue to improve processes to reduce this outstanding debt. • Management agree with the issues that have been raised and set management action plans to address these. 	

- The level of debt written off is low. Debts are only written off once all reasonable recovery actions have been exhausted with the appropriate authorisation in accordance with the Financial Regulations.
- The invoice cancellation process is well controlled and there is evidence that invoices are not being cancelled as an alternative to writing off bad debts.
- Detailed monthly reports are produced showing the Council's sundry debt

Summary of Management Responses

	Number of issues raised	Management Action Plan developed	Risk accepted and no action proposed
High Risk	1	1	0
Medium Risk	4	4	0
Low Risk	0	0	0

Social Care Recruitment & Retention Incentives

Audit Opinion	Substantial
Prospects for Improvement	Very Good

From Internal Audit's testing the review confirmed that policies and procedures are, with one exception, up to date and are all available on KNet. The content and clarity of guidance for managers has improved, regarding pro rata payments, since the previous audit. However, there were instances where eligibility criteria, set out in the guidance, had not been adhered to. Internal Audit could not locate evidence confirming either that these policies and procedures have been properly communicated or that they are understood by staff and authorising managers.

There has been a significant improvement in the chasing and recovery of outstanding monies owed since the previous audit was completed in 2016. There are now processes in place to recover any overpayments from staff who have had a Golden Hello payment and have left or been overpaid.

Management have undertaken an interim review of the incentive scheme in 2018. The analysis undertaken, and the ongoing dialogue in the directorate, demonstrates that there are sound informed decision-making processes on the incentives to be offered.

Key Strengths

- All the Policies and Procedures are up to date with one exception.
- All the Car Market Premium Payments we tested met the eligibility criteria and were appropriately authorised.
- All the service-related market Premiums we tested met the eligibility criteria and were appropriately authorised.
- There are now processes in place to identify and recover overpayments of incentives, including Golden Hello Payments for staff who have left.
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- There has been a comprehensive review carried out on the impact of recruitment and retention incentives, which has informed the current offer.

Areas for Development

- There are instances where management guidance has not been followed and payments have been authorised for staff that do not meet eligibility criteria.
- The payment values in the Golden Hello Guidance need to align with the Golden Hello Market Premium Summary.
- Although there is effective identification of Golden Hello repayments, there are weaknesses in follow-up after the initial request for payment.

Prospects for Improvement

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

- There has been significant improvement since the audit undertaken in 2016
- Management have responded positively to the issues raised in this report and developed appropriate action plans to address them
- Issues Identified have been promptly addressed

Summary of Management Responses

	Number of issues raised	Management Action Plan developed	Risk accepted and no action proposed
High Risk	0	0	0
Medium Risk	0	0	0
Low Risk	2	2	0

KCC Home to School Transport

Audit Opinion	Substantial
Prospects for Improvement	Good

The services recognise the significant cost of providing home to school transport. Evidence exists both within the application process and through effective contracting with operators that achievement of value for money is a consistent consideration. Legal requirements are clearly understood and the Council's policy regarding compliance with legislation is comprehensively explained within the Home to School Transport guide which is made fully available to parents.

The safety of Children and Young Learners is a fundamental aspect of the contract with operators and inspections are undertaken of both vehicles and staff (including Passenger Assistants (PAs)) to evidence this.

There is recognition of the increasing cost of the service particularly with regard to the increases in SEN requirements and the complications that arise with regard to satisfying the 'nearest appropriate school' criteria and identifying sufficient numbers of appropriate operators; the complications of which increase further where notice of new or additional needs is only available at short notice.

Key Strengths

- The applications process is robust and complies with statutory guidance contained in the Education Act 1996 and Schedule 35B of the Act which was inserted by Part 6 of the Education and Inspections Act 2006.
- KCC criteria is clearly established and published in a Home to School Transport guide which parents are strongly recommended to read.
- Established processes for managing eligibility and appeals and reviewing, reporting and monitoring of the delivery of services are consistently followed.
- There is good sharing of information between the various teams

Areas for Development

- The audit identified instances where photographs of pupils and young learners are being retained on systems beyond the time for which they are needed. Similarly, photographs are kept on file for PAs who are no longer working.
- Inspections are undertaken both when reacting to complaints and incidents as well as on a proactive basis, although it was noted that proactive inspections are not clearly planned in advance.
- It is a contractual requirement for drivers and escorts to have DBS clearance in place and ID badges are only issued once this has been satisfactorily completed. Inspection teams check badges as part of their inspection routine, and failure to wear badges is a common cause of penalties issued to contractors.
- One instance was noted where a member of staff was unaware of how to use the specialist equipment needed to assist a young person with their travel.
- Some minor errors in record keeping were identified.

Prospects for Improvement

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

- The underlying processes for administration of the Home to School Transport provision are strong; staff have a good understanding of the Councils policy and its application.
- There is a commitment to develop and enhance systems to enable information sharing, primary use being made of Synergy and Routewise software which it is hoped will lead to further opportunities to deliver value for money in transport provision as parties establish best practice.
- The process of agreeing the audit issues was protracted, but adequate

responsible for home to school transport, and it is recognised that additions and changes particularly regarding SEN requirements can happen at short notice.

- The use of Personal Transport budgets (which have largely replaced Cash Allowances) continues to provide solutions which are of benefit to parents.
- Options are offered to parents whose children are not eligible for free transport. These include the Young Person’s Travel Pass and the Kent 16+ Travel Card, which are discretionary passes subsidised by the Council and which many children use to access their school.
- Effective option planning and route management can be demonstrated and evidenced.
- The Appeals policy appears robust. Appeals are considered in the first instance by the Transport Eligibility Team based on additional information provided by parents. The original decision is upheld in about 95% of cases; the remaining can then lodge an appeal with Members via the Regulation Committee Appeal Panel.

action planes have been developed. Two Low Risk issues are not agreed.

Summary of Management Responses

	Number of issues raised	Management Action Plan developed	Risk accepted and no action proposed
High Risk	0	0	0
Medium Risk	1	1	0
Low Risk	4	2	2

Highways, Transport & Waste Health & Safety

Audit Opinion	Adequate
Prospects for Improvement	Very Good

Overall, it was evident that a good culture of H&S is embedded within HTW, together with an adequate framework for managing H&S related risks, although some improvements are required to strengthen the effectiveness of the practices in place.

Key Strengths

- The HTW Divisional Management Team (DMT) have adequate arrangements in place to monitor the health, safety and wellbeing arrangements of staff, and the H&S arrangements of supply chains.
- H&S is a standing agenda item for all team meetings and management meetings, in addition to the dedicated H&S meetings. The HTW Director also holds informal bi-monthly performance review meetings on a rotational basis which cover H&S.
- The GET H&S Forum has recently been re-established following the change in divisional Director and a term of reference is being drafted.
- A dedicated HTW H&S Board meets quarterly with a standing agenda, and acts as the main conduit for managing staff H&S issues, escalating upwards to the DMT as necessary. This Board is chaired by a member of the DMT.
- Overall, the Training Coordinator has provided the tools for enabling managers to define the specific training required for their respective teams, over and above the minimum requirements agreed for the HTW division.
- From a review of the Council's risk system, JCAD, HTW has recorded H&S risks relevant to some of their services, with appropriate controls noted.
- Risk Profiles are the corporate tool for enabling management of H&S risk. All officers interviewed as part of this audit advised that a Risk Profile had been completed, although not all were made available for review.
- HTW follow the corporate processes for raising accident/ incident reports and have recently started to report near misses due to the nature of the work undertaken.

Areas for Development

- Training matrices should be in place for all HTW staff to document training needs, training completion and renewal, as well as providing management with a means of overseeing the position. Internal Audit found inconsistency across the Division, with some matrices absent or incomplete.
- Currently there is no entry on either the Directorate or Divisional risk registers to record the risk of stress related issues for staff.
- A small number of additional risk management exceptions were also identified, including an absence of overseeing progress of actions resulting from completing H&S Risk Profiles.
- The HTW H&S Board are operating with an out of date terms of reference and no actions log to formally track progress of actions raised.
- Some procedural H&S guidance was found to be missing, out-of-date or requiring review.

Prospects for Improvement

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

- H&S is embedded within the culture of the HTW division.
- The HTW Director is a good advocate of H&S and has been receptive to the audit and resulting issues. In addition, the Director had very recently commissioned a H&S maturity assessment with the Corporate H&S Team, and Internal Audit were informed the results aligned to the audit findings.

Summary of Management Responses

	Number of issues raised	Management Action Plan developed	Risk accepted and no action proposed
High Risk	0	n/a	n/a
Medium Risk	4	4	n/a
Low Risk	0	n/a	n/a

EU Exit Lessons Learnt Exercise

Audit Opinion

Substantial

A review of documentation and discussions with the Kent Resilience Forum (KRF) Brexit Co-ordinator confirmed that the 32 Recommendations agreed are an adequate reflection of the Lessons Learnt exercise, and that sufficient progress is being made to address the issues raised.

Findings

- The KRF used Survey Monkey to ask a standard set of questions to each relevant group of staff involved in the coordinated effort of managing a no-deal EU Exit in Kent. Of the 243 people that received the Survey, 85 responded.
- The results of the Survey were captured and discussed at an off-site all-day briefing session and the output was a list of 32 Recommendations. Internal Audit performed a completeness check and confirmed that the Recommendations captured all areas identified from the Lessons Learnt exercise.
- A tracking spreadsheet is used by the KRF Brexit Co-ordinator to track progress of the Recommendations, and Internal Audit confirmed that the tracking sheet is complete. However, Internal Audit did identify some improvements that would aid better oversight.
- Discussions with the KRF Brexit Co-ordinator, receipt of the updated Operational Fennel Plan and review of evidence for a sample of actions has confirmed that all Recommendations raised from the Lessons Learnt exercise are being appropriately actioned.
- The KRF Brexit Co-ordinator provides regular updates to key staff throughout the impacted groups across Kent in addition to KCC e.g. Kent Police, Kent Fire & Rescue Service. These updates provide a summary of actions/ events completed in the reporting period. However, these updates do not provide an update regarding overall progress on the Recommendations.

Summary of Management Responses

	Number of issues raised	Management Action Plan developed	Risk accepted and no action proposed
High Risk	0	n/a	n/a
Medium Risk	0	n/a	n/a
Low Risk	2	2	n/a