



INTERNAL AUDIT PROGRESS REPORT
GOVERNANCE AND AUDIT COMMITTEE
21st July 2020

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 26 summaries of completed work since the previous full Committee in January 2020.
- 1.4 The following areas, usually covered within a Progress Report, are detailed within the Internal Audit Annual Report in a separate agenda item:
 - Analysis of Assurances issued.
 - Plan Status and Delivery.
 - Internal Audit Resources, as required by the Public Sector Internal Audit Standards (PSIAS).
 - Grant certification; and
 - Issue Implementation status.

2. 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 A, for the Committee's information and discussion.

A Cross Directorate

1. Risk Management
2. Savings Plan Delivery
3. Voluntary Sector Contracts

B Strategic and Corporate Services:

1. Infrastructure – Statutory Compliance Follow Up
2. Wireless Network Security (In Exempt Session)
3. Assurance Mapping -ICT – (In Exempt Session)
4. Contact Centre Contract Management (In Exempt Session)
5. Public Health - Sexual Health Spend
6. Information Governance – DPS Toolkit
7. ICT Projects Management – Benefits Realisation
8. LATCo's Client-Side Contract Management (In Exempt Session)
9. Public Health - Clinical Professional Development
10. Payroll

C Children, Young People and Education:

1. Care Leavers
2. SEND Follow Up (In Exempt Session)
3. Youth Justice
4. School Themed Review – Business Continuity Planning
5. Schools Financial Services

D Growth, Environment and Transport:

1. Non-Household Waste Charging (In Exempt Session)
2. Economic Development Grant Schemes (Village Hall and Community Centres)
3. Developer Contributions Follow Up
4. Highways Term Services Commissioning Programme (In Exempt Session)

E Adult Social Care and Health:

1. Customer Care and Complaints Advisory Review
2. Adult Learning Disability Day Services Themed Review
3. ASCH Portfolio Board

3. Additional Reviews Post Covid- 19

- 3.1 As discussed at the Governance and Audit Committee Briefing on May 13th 2020, the Internal Audit service promptly reviewed its coverage in April 2020 to provide a supportive approach to the Council as a consequence of the Covid-19 pandemic. This has involved providing advice and assurance in new key risk areas the Council faces and is managing.
- 3.2 Table 1 provides details of such work, which has either been completed or is in progress and is now incorporated within the Internal Audit Plan for 2020-21, which is detailed in a separate Agenda item. Additionally, Table 1 includes other work commenced for 2020-21, such as the review of the Annual Governance Statement Assurance Statements and work to address emerging risks.
- 3.3 Given the details already contained within this report, summaries of completed work will be submitted to the next Committee meeting.

Table 1 – Post Covid-19- Initial Additional Reviews:

No.	Audit
1	PPE Distribution
2	Supplier Relief – Policy, Procedures and Application
3	Urgent Payments Process
4	Urgent Payments – Specific Issues
5	ASCH Covid Response Plan
6	Asset Control of Laptops and Other IT Equipment
7	Purchase to Pay
8	Review of Covid-19 Expenditure
9	Business Cases for Urgent / Key Decision
10	Project Kara – Embedded Assurance
11	Annual Governance Statement – Assurances Review
12	Payments Project

Appendix A – Summaries of Completed Audit Reviews

A1 - Risk Management																	
Audit Opinion	Substantial																
Prospects for Improvement	Good																
<p>Findings were positive overall in relation to the application of the Risk Management Policy. There was generally a good understanding of each of the core components of risk management (identification, assessment, allocation and monitoring). The support provided by the Corporate Risk & Assurance Team was valued and well received by all Officers interviewed.</p> <p>There was inconsistency, however, in the awareness of risk management training and knowledge of techniques, although both guidance and training are readily available.</p> <p>Key Strengths</p> <ul style="list-style-type: none"> • There was good awareness of the key objectives for each service area and what could affect their achievement of these. • Either separate specific risk registers were in place (project or service specific) or Divisional, Directorate and Corporate risk registers were used by all areas reviewed with one exception. • There was appropriate awareness of when to escalate risks to Senior Officers (e.g. Corporate Directors) and of various forums where risk is discussed, including Divisional Management Teams. • Internal Audit were informed that project risks are documented and monitored within the individual project risk registers. • Where partnerships were in place for our sample of audits, the risks are discussed quarterly. • Most risks are under regular review or utilise Corporate Risk & Assurance to support and discuss risk if required. • Internal Audit were informed that risk/ action owners are allocated based on the skills and expertise required. • Where risks are documented on risk registers, they each have controls/ actions and owners in place which appear reasonable to mitigate/ manage each risk reviewed. 																	
<p>Areas for Development</p> <ul style="list-style-type: none"> • There was some inconsistency in understanding of risk appetite at a Directorate level and as a Council. However, there is guidance available (Knet - Risk Management page) to support officers in understanding and determining appropriate risk appetites. • There are varying degrees of risk management training undertaken and awareness of risk management techniques at Manager/ Head of Service level. Again, guidance regarding risk management is available and there is also an e-learning module available should there be any gaps in knowledge. <p>Prospects for Improvement</p> <p>Our overall opinion of Good for Prospects for Improvement is based on the following factors:</p> <ul style="list-style-type: none"> • There is an extensive array of guidance documentation to support risk management. • The Corporate Risk & Assurance Team support is valued across the Council. • New Risk Manager posts have been put in place which should allow increased support. <p>Summary of Progress</p> <table border="1"> <thead> <tr> <th></th> <th>Number of Issues Raised</th> <th>Management Action Plan Developed</th> <th>Risk Accepted and No Action Proposed</th> </tr> </thead> <tbody> <tr> <td>High Risk</td> <td>0</td> <td></td> <td></td> </tr> <tr> <td>Medium Risk</td> <td>1</td> <td></td> <td></td> </tr> <tr> <td>Low Risk</td> <td>0</td> <td></td> <td></td> </tr> </tbody> </table>			Number of Issues Raised	Management Action Plan Developed	Risk Accepted and No Action Proposed	High Risk	0			Medium Risk	1			Low Risk	0		
	Number of Issues Raised	Management Action Plan Developed	Risk Accepted and No Action Proposed														
High Risk	0																
Medium Risk	1																
Low Risk	0																

A2 - Savings Plan Delivery

Audit Opinion	Adequate
Prospects for Improvement	Adequate

As set out in the Kent County Council Budget Book 2019-20, a total of £44.9m of savings were planned for 2019/20 across the five directorates. A savings monitoring dashboard (BRAG) has been used to track the status of savings plans and this is reported to the Corporate Management Team (CMT). The last BRAG report which covered period up to September 2019 indicated that the savings plans for KCC were mostly on track with the Budget Book for 2019-20.

In addition to issues being flagged via the BRAG monitoring, any savings that are not being delivered (i.e. Red or Amber savings) and are not being offset by alternatives, are highlighted via budget monitoring reports to Cabinet. Cabinet and CMT decide on actions required to address the overall forecast outturn position for the Authority.

Overall, there are controls in place to ensure that savings plan are recorded, tracked and monitored appropriately, however, there are also some gaps and areas of weakness in controls which relate mainly to budget managers accepting responsibility, the effectiveness of feasibility studies, and oversight from the CMT.

Key Strengths

- Revenue Finance Managers and Finance Business Partners work with Budget Managers from their services and directorates.
- Budget monitoring reports were received by the Cabinet in line with the agreed reporting timetable throughout 2019/20.
- CMT received all BRAG reports promptly, in line with the agreed reporting timetable.

The budget monitoring reports provide appropriate detail about the variances in the budget for each Directorate, with each Directorate is broken down into divisions and any major variances are explained.

- Review of the BRAG update reports from February to September 2019 confirmed that it includes the reasoning behind the classification of savings. The reasoning in the BRAG reports is of adequate detail.
- After September 2019, the narrative in the BRAG update has been linked to the budget monitoring reports for each directorate

Areas for Development

- Feasibility Studies are not being undertaken in establishing the original savings plans at the start of each year.
- BRAG update reports are discontinued in September each year and savings are not overseen to the same level of scrutiny by CMT thereafter.
- Not all budget managers have accepted responsibility for savings.

Prospects for Improvement

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

- Finance management have accepted the issues identified by Internal Audit and developed appropriate action plans to address them for 2020/21.

Summary of Progress

	Number of Issues Raised	Management Action Plan Developed	Risk Accepted and No Action Proposed
High Risk	0	0	0
Medium Risk	3	3	0
Low Risk	0	0	0

A3 - Voluntary Sector Grants, Adult Social Care

Audit Opinion	Substantial
Prospects for Improvement	Good

Progress has been made in working with the voluntary sector to convert existing grants into contracts through an 18-month phased transition plan, with the aim of converting all 48 grants into 11 contracts by June 2021. This timescale has since been extended due to the Covid-19 pandemic, with resources being focussed towards supporting services to Kent residents.

A Project Board has been established to analyse the current provision of (grant funded) community-based services and contracts and oversee the work with providers in re-designing the service requirements and moving towards formal contracts. The Project Board will have additional function of monitoring contract performance against agreed KPIs as grant funding arrangements are converted to contracts and will eventually be fully converted into a Contract Management Board.

Our assurance rating of Substantial is based upon the following strengths and areas for development.

Key Strengths

- The Voluntary and Community Sector (VCS) Policy details the Council's objective to transform activity across service directorates to ensure that services are responsive to needs, delivering the desired outcomes, offering value for money and supporting a diverse market in Kent.
- The grant framework is outlined within the VCS Policy. The Strategy, Policy & Assurance team is drafting a new grant framework to help the Council ensure that it uses grants appropriately.
- The Strategic Delivery Plan 2019-2022 sets out the Council's long-term objectives relating to the voluntary sector which includes review of voluntary and community sector grants across the Council.

- The first phase of the project was planned for completion in Q1 2020-21, although this has been delayed as a result of Covid-19.
- A quarterly report is submitted to the Adult Social Care Cabinet Committee which outlines the operational plan and progress made towards converting grants into contracts.
- A Project Board has been established to analyse the current provision of (grant funded) community-based services and contracts. Terms of reference for Project Board are in place and the Board meets regularly.
- The Project Board will transition to a Contract Management Board to review performance against contracts on a quarterly basis.

Areas for Development

- As contracts are entered into, the role of the Project Board will need to evolve, so that arrangements are put in place to ensure that performance of contracts signed during phases one and two will be monitored until the full Contract Management Board is established at the end of phase three. **See Issue 1**

Prospects for Improvement

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

- Governance arrangements, including the ASC Cabinet Committee and the CMT, are in place to oversee the transformation.

Summary of Progress

	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	0	0	0

B1 - Property Statutory Compliance Follow-Up

Audit Opinion	Substantial
Prospects for Improvement	Very Good

Our follow-up work highlighted that there has been significant progress since our original audit, including completing the management action plans for the 2 high priority issues raised. The one medium issue is still in progress with an anticipated completion date of 30th March 2020. Both the low risk issues have been fully addressed.

Key Strengths

- Resultant tasks from Statutory Inspections are being monitored to ensure that they are completed in a timely manner. Dip tests are carried out by KCC Infrastructure staff to ensure Gen2 management of statutory compliance is appropriate.
- All Non-Corporate Landlord (Non-CLL) properties have been identified. A matrix has been developed to track statutory compliance inspections and resultant works.
- Gen² procedural notes have been updated and now clearly state the roles and responsibilities of each of the parties involved - KCC, Gen2 and the TFM providers.
- The Fire Safety policy has been reviewed and updated. This policy is included in a 2-year rolling programme of policy reviews.

Areas for Development

- Legal advice regarding Non-CLL properties has been received and analysed to fully understand the implications for KCC. Tenants who are responsible for statutory compliance are being contacted imminently to make clear what their responsibilities are. The process of contacting tenants and collating responses will take a few months to embed.

Prospects for Improvement

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

- KCC Infrastructure continues to have a 'hands on' approach to monitoring property statutory compliance.
- Infrastructure had built positive working relationships with Gen² which includes regular meetings regarding performance.

Summary of Progress

Issue	Priority Level	Conclusion from testing
Non-TFM Properties	High	Implemented
Compliance Certificates – Required Resultant Work	High	Implemented
Tenanted Properties – Requirement to notify KCC of Compliance Checks	Medium	In Progress
Policies and Procedures – Version Control	Low	Implemented
Statutory Compliance – Gen ² Procedural Notes	Low	Implemented

B5 - Public Health Grant – Sexual Health Spend

Audit Opinion	Substantial
Prospects for Improvement	Good

A review of expenditure from the Sexual Health service found that spend is in line with Public Health grant conditions, with appropriate records retained and expenditure appropriately accounted for. There are processes in place to ensure that where costs are unknown, these are budgeted for, monitored and adjusted where necessary.

However, there are some areas for development around the verification of recharges for out of area GUM Clinic costs and reimbursements to GPs and CCGs for Long Acting Reversible Contraception (LARC) procedures and drug costs as eligible to be reimbursed by KCC.

Key Strengths

- Analysis and review of sexual health spend found expenditure incurred between April – December 2019 is eligible and in line with conditions of the grant.
- Payments for core contracted costs are in line with agreed payment schedules.
- Appropriate records are retained including invoices and supporting backing data.
- All payments tested were accurate as per invoices and coded and accounted for accurately in Oracle.
- There are processes in place to ensure that where costs are unknown, these are budgeted for based on best estimates and forecast and monitored appropriately.
- Testing of a sample of out of area GUM clinic recharges found all invoices paid related to Kent residents and were supported by backing data.

Areas for Development

- Where out of area GUM clinic recharges are charged by suppliers at a higher rate than the agreed maximum KCC is willing to pay, as outlined in the South East Cross Charging Policy, these are not consistently passed to the Commissioner for approval to pay or a decision to query with the supplier and have, therefore, been paid at the higher rate.
- Costs for LARC procedures should only be reimbursed to GP surgeries where these are for contraceptive reasons. There is currently no process in place to verify that only contraceptive procedures are claimed for by GP surgeries.
- There are a small number of formulaic errors within the Q1 LARC drug cost reconciliation spreadsheets. This has led to an overpayment to 1 CCG of £1240 and underpayments to 6 other CCGs totalling £738.

Prospects for Improvement

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

- Management have responded positively to the issues raised.
- A review of financial processes within Public Health is currently being undertaken.
- Public Health have good working relationships with the Finance division.

Summary of Management Responses

	Number of Issues Raised	Management Action Plan Developed	Risk Accepted and No Action Proposed
High Risk	0	0	N/A
Medium Risk	3	3	0
Low Risk	0	0	N/A

B6 - Data Security & Protection Toolkit Compliance Review

Audit Opinion	Substantial
Prospects for Improvement	Very Good

There is a clear submission framework which details roles and responsibilities, process, timetable, escalation process, governance arrangements, allocation of assertion owners, process for gathering the evidence and guidance to complete the toolkit. The Council has a good track record of completing previous submissions of the toolkit (previous versions) in a timely manner.

The SIRO, Data Protection Officer (DPO) and Caldicott Guardian all have an oversight role in ensuring that the Council meets the requirements of NHS Digital. The Information Governance Cross Directorate Working Group (IGXDWG) and the Corporate Information Governance Group (CIGG) monitor and report on the progress of the DSP Toolkit submissions. Other oversight activity is via the Corporate Management Team which includes both the DPO and Caldicott guardian.

Key Strengths

- The SIRO and Deputy SIRO are responsible for the submission of the DSP Toolkit 2019/20.
- An approved submission framework which enables the assignment of roles and responsibility (with deadlines) to assertion owners.
- A Pre-submission Quality Assurance review is undertaken by the SIRO and DPST Lead officer of the evidence submitted by the assertion owners.
- The SIRO and Deputy SIRO actively follow up outstanding evidence/information and responses are monitored.
- CIGG and IGXDWG ensure record of actions is maintained and implemented and oversee the DSP Toolkit submission process.
- Senior management oversight via CMT forms part of the framework of governance for the successful submission of the DSP Toolkit.
- The Council has achieved the PSN Code of Connection certification, which provides exemption from the Technical security aspects of the DSPT.

Areas for Development

Testing of a sample of 10 assertions (including three new assertions) found that at the time of the audit there were two assertions which had insufficient or incomplete evidence to support the toolkit requirements. These were:

- Action is taken following Confidentiality and Data Protection monitoring/spot checks to ensure that personal data is not shared or used unlawfully.
- The Council did not meet the required 95% pass target for the mandatory training in Data security and protection.

Prospects for Improvement

- Suitably qualified and experienced SIRO and deputy SIRO in place to assure the quality of evidence submitted by assertion owners.
- The approved submission framework is reviewed annually to incorporate and reflect changes prescribed by NHS Digital.
- The Council managed the DSP Toolkit submission using the Microsoft Teams tool linked to a SharePoint site.
- The Council will have an opportunity to state what actions will be taken to address any incomplete items in an Improvement Plan.
- Beyond the submission of the DSP Toolkit, there is an ongoing process to ensure that the evidence remains current and relevant.

Summary of Management Responses

	Number of Issues Raised	Management Action Completed	Management Action Plan Developed	Risk Accepted and No Action Proposed
High Risk	0	0	0	0
Medium Risk	0	0	0	0
Low Risk	2	1	1	0

B7 - ICT Project Management (Benefit Realisation)

Audit Opinion	Adequate
Prospects for Improvement	Adequate

Although KCC project managers have been appointed for some key strategic projects on an ad hoc basis, this has not been consistent. Project manager roles have been, to date, mainly performed by Cantium staff. A KCC Project and Programme Toolkit has been produced and is supported by Project and Programme Management Minimum Requirements document that reminds users that key requirements should be met.

To date there have not been technical assessments prior to signing-off project proposals created by Cantium - this assessment is key in ensuring compatibility and alignment to ICT strategy for the proposed new system. From the sample of four projects tested – InTune, Mosaic, Cloud Navigator and Upgrade to Windows 10 – it was confirmed there have been no lessons learnt or project closure reports completed.

Key Strengths

- The Project and Programme Toolkit guides users to follow a checklist in relation to identification of key roles (project managers, project sponsor, key stakeholders) and completion of a data privacy impact assessment.
- A supplementary document to the Toolkit guides users to: define costs and benefits at outset, develop and approve the business case, and reminds users to complete a project closure report.
- The Benefits Realisation Plan Guidance advises users to agree and document benefits in relation to financial, non-financial, tangible and non-tangible, and determine tracking measures.
- The Microsoft web form presents the opportunity to efficiently identify all new system requests and should allow a technical assessment to be performed at the initiation phase going forwards

Areas for Development

- Oversight of key ICT projects regarding costs, resources, time and progress is limited, with reliance placed on reporting by Cantium to the Project Board.
- Lessons learnt and closure reports were not available for the projects sample tested during the audit.
- Project briefs are not assessed and signed off by the Council’s technical Enterprise Architect.
- Key officer training for project management has not been delivered to ICT to date.
- The Project Assurance Board terms of reference has not been formally approved and finalised.

Prospects for Improvement

- ICT management have already made progress towards introducing strong governance controls, such as establishing the Project Assurance Board and recruiting a technical Enterprise Architect
- The development of the Microsoft web form will allow for improved efficiency in identifying new systems and this should mitigate against the risk of shadow IT and ensure all new applications are captured at the outset.

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	3	3	0
Low Risk	1	1	0

B9 - Clinical Professional Development – Public Health - DRAFT

Audit Opinion	Adequate
Prospects for Improvement	Good

Overall, there are good controls in place to ensure that the Consultants maintain the high standards required including ensuring achievement of their personal and professional development, good collaboration with groups and sharing of information between consultants and peer groups. However, there are some controls omitted and the implementation of these will strengthen those areas being operated.

Key Strengths

- All the current Consultants are of 'Good Standing' with their relevant professional body.
- The professionalism of the Consultants allows Public Health to maintain their high standards.
- There is a strong collaboration with other Councils, volunteers, private companies, individuals and peer groups that allows the Consultants to receive relevant information, lead and influence the outcome of any public health issues.
- The Public Health Director and Consultants chair some forums and boards (e.g. Association of Directors of Public Health, Suicide Prevention etc.) and therefore provide leadership to the matter in hand.
- The Council allows Consultants the appropriate time and resource to fulfil their CPD/PDP requirements.
- There is good sharing of information and practice between the Consultants in their Consultants and Specialist meetings where they provide an update on their portfolio to each other; this includes presentations such as workforce planning and feedback on courses / conferences they have attended.

Areas for Development

- There is no communications plan in place to highlight the five standards for Consultants as they are expected to know and exercise these. The wider Council is not made aware of the expectation of Consultants.
- No formal line manager feedback for personal performance is given to Consultants.
- There is no monitoring of the standards.
- There are no formal key performance indicators.

Prospects for Improvement

- Re-introducing Public Health Organisation Development will enhance the future workforce planning, and training needs assessment.
- A new terms of reference for this body is being drawn up that prioritises on future skills and behaviours, and workforce development.
- Matrix working by Consultants as some roles overlap can lead to a more effective understanding of the issue and shared results.
- System thinking knowledge will enhance effective workforce planning

NOTE - An implication of Covid-19 is that CPD compliance requirements have been suspended for 2 years. Consequently, it was mutually agreed that a response to the issues raised is not required from Public Health.

Summary of management Actions

	Number of Issues Raised	Management Action Plan Developed	Risk Accepted and No Action Proposed
High Risk	0	NA	NA
Medium Risk	4	See Note above	0
Low Risk	0	NA	NA

B10 - Payroll

Audit Opinion	Substantial
Prospects for Improvement	Good

The audit highlighted many strengths. Arrangements for double checking amendments to payroll is based on individual's experience and appear reasonable. Data analytical checks carried out by Internal Audit found no duplicate employees or payments and there is evidence to support that where payroll errors are identified, the necessary corrections are made promptly.

Key Strengths

- No duplicate and/ or 'ghost' employees were identified in the KCC payroll.
- A process for detecting duplicate bank accounts is in place.
- No duplicate payments were identified by Internal Audit.
- The process for confirming a new employee is genuine is adequate in design.
- Sample testing found that each employee had been entered onto Oracle accurately following appropriate authorisation.
- Testing of new starters found that none had been paid before commencement of employment.
- Arrangements for actioning amendments to pay such as sickness and maternity to the payroll are adequately controlled.
- There are adequate arrangements in place to ensure that any changes in legislative requirements are reflected in the payroll production.
- There is an appropriate checking regime for data input and changes.
- Internal Audit identified several potential discrepancies with maternity pay however, on investigation it was confirmed that these had been identified and corrected where necessary. The maternity pay process has been improved following a recent payment error.
- There is an adequate suite of exception reporting in place as part of the monthly payroll production.

Areas for Development

- Data analytics carried out by Internal Audit found several instances where employees had continued to be paid after leaving KCC. In all cases, this was caused by late notification of the leaving date by their line manager.
- Review of exception reporting carried out as part of monthly pay runs found that there was incomplete evidence held to demonstrate that the checks had been undertaken and how any anomalies had been addressed.
- The exception reporting in place could be further enhanced by identifying wider themes/ trends and be used to inform improvements.

Prospects for Improvement

- Evidence demonstrates that where errors are identified resolutions are identified and corrections made as appropriate.
- Positive engagement of Cantium staff throughout the audit.

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	2	2	0
Low Risk	0	0	0

C1 - Care Leavers

Audit Opinion	Adequate
Prospects for Improvement	Good

There are many examples of care leavers achieving positive outcomes and KCC has demonstrated that they are proactive in engaging with care leavers. The main areas for improvement relate to care leavers' ability to secure suitable accommodation and improving care leavers' awareness of entitlements including access to the Rent Guarantor Scheme.

Key Strengths

- The service provided Internal Audit with several examples of care leavers who had achieved positive outcomes despite having obstacles/challenges to overcome.
- The service is proactive in engaging with care leavers - e.g. sports day events, picnics, various trips and Christmas events.
- Internal Audit observed a drop-in event where the supportive relationship between the care leavers and the Personal Advisors (PAs) was apparent.
- The achievement of individual care leavers is celebrated by the peer champion training programme and Care Leavers Week.
- The introduction of Specialists to the service has been beneficial in terms of support for both the care leaver and PAs.
- Sample testing identified that all care leavers had been allocated a PA
- In most cases sampled, an up to date Pathway Plan was held which included a safeguarding assessment, promotion of independence and feedback from the care leaver.
- Home visits and 'in touch' records had been completed where expected.
- Case supervision had been performed within or shortly after 91 days.
- An annual care leaver survey is commissioned to determine satisfaction levels and to highlight issues which could inform service improvement.

Areas for Development

- Internal Audit were unable to locate the Pathway Plans for 2 of the 65 care leavers reviewed.
- Securing suitable accommodation is a real challenge for the care leavers; not all have been successful in this respect.
- The number of care leavers returning to the service is unclear as data has not been entered consistently.
- The 2019 care leaver survey identified that satisfaction with Pathway Plans was mixed and the levels of awareness of schemes and entitlements was variable.
- The Medium-Term Financial Planning process did not include the full cost of the take up of the (Care Leaver) Offer by care leavers. At the time of the audit the Service were forecasting an overspend of £1.5m.
- During the last 6-months there have been 11 new employees. The checklist from each new starter was requested but only 3 were received.

Prospects for Improvement

- Future funding for some specialist roles and floating support, such as benefits, custody and mental health has recently been secured.
- KCC are developing a specialised NVQ level 4 qualification for PAs.
- The provision of shared accommodation is being reviewed.
- An action plan will be developed by the management team to combine actions from the 2019 Care Leaver Survey and the Internal Audit review.

Summary of Management Actions

	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	0
Low Risk	1	4	0

C3 – Youth Justice

SUMMARY OF POSITION STATEMENT						SCOPE SUMMARY
	Standard 1 Out of Court Disposals	Standard 2 At Court	Standard 3 in the Community	Standard 4 in Secure Settings	Standard 5 on Transition	<p>The Youth Justice Team were compiling a self-assessment against Youth Justice Board five standards which was due to be submitted to the Youth Justice Board (YJB) at the end of April 2020.</p> <p>The aim of the audit was to review the strategic (not the operational) self-assessment and work alongside the service to provide assurance on the robustness of this process and the conclusions drawn. Internal Audit reviewed the self-assessment rating, narrative and evidence provided for standards 1 to 3 and the narrative for 4 and 5. In addition to this summary, to add value, detailed commentary on the self-assessment was provided to service managers.</p>
Self-Assessment	Good	Good	Good	*Not assessed	*Not assessed	
Internal Audit Assessment	Insufficient evidence **	Insufficient evidence**	Insufficient evidence **	N/A	N/A	
<p>*At the time of our review, the narrative for Standards 4 and 5 had been produced but not self-assessed.</p> <p>** The purpose of this agreed proactive review was to support the service prior to the submission against the standards and consequently the assessment was fully anticipated.</p>						
KEY FINDINGS						CONCLUSION
<ul style="list-style-type: none"> The Service demonstrated accountability and transparency of areas where they are performing well and those that require improvement. Examples of local strategies for partnership working, joint decision making and quality assurance were provided. The case audit process was observed to be working well but outcomes had not fed through into the self assessment. There was limited reference to the oversight provided by the Board including reporting arrangements and assurance mechanisms. <p>Much of the evidence provided outlined the systems in place (for example through process documents and templates) but did not demonstrate or evaluate the effectiveness of these processes.</p>						<p>Internal Audit reviewed the evidence and the narrative to support the self-assessment for standards 1-3 and concluded that currently the evidence provided in its current form is not sufficiently in depth to demonstrate the effectiveness of the systems in place.</p> <p>Internal Audit provided an analysis of additional evidence required to substantiate the self-assessment.</p>

C4 - Schools Themed review – Business Continuity Planning

(This review was undertaken pre Covid-19)

Audit Opinion	Limited
Prospects for Improvement	Good

Internal Audit established that the School Emergency Management Business Continuity Plan (SEMBCP) guidance provides a basis for assisting schools in developing plans to manage emergencies and business continuity incidents however, further enhancements should be made including testing, training, prioritisation and identification of interdependencies between functions. These were found to be notable gaps within each of the school Business Continuity arrangements reviewed. Most schools reviewed also had a lack of assurance whether their information backups had been tested.

Areas for Development

- In all except one school, training had not been undertaken by key personnel however, schools had not been directed to undertake this as a requirement in SEMBCP guidance.
- For all schools, no testing of the SEMBCP had been undertaken and again this is not detailed as a requirement by the guidance documentation provided to schools.
- Guidance for 'Grab Bags' could be enhanced including consideration of their use at multiple sites and safeguarding their contents.
- Guidance provided to schools requires enhancement as they do not provide details for considering prioritisation or interdependencies between critical functions. Testing found that none of the schools visited had considered this.
- Most schools had not received assurance from their IT provider that backups have been completed successfully and were unable to confirm whether the backups being undertaken were being tested.
- There were some administrative enhancements identified for the SEMBCP which included consideration of how future changes may impact the schools plans and inclusion of stakeholder contact details.

Key Strengths

- Guidance and templates are available on Kent Education Learning Skills Information (KELSI) which provide a basis to enable schools to develop a SEMBCP.
- All schools had a SEMBCP in place which is based on KELSI guidance and tailored to the school.
- In most schools, the SEMBCP is available in both electronic and hard copy with all members of the SEMT having access to the plan.
- Adequate arrangements are in place regarding plan administration and governance including regular review of the plan and version control.
- All schools had at least one grab bag. Most schools check the contents of their grab bags frequently.
- Most schools have identified critical functions within the SEMBCP which align with the needs of the school.
- For all schools, roles and responsibilities are documented within the SEMBCP and SEMT appear aware of their role if the plan is activated.
- For all schools, evacuation and school closure processes are documented and appear reasonable.

Prospects for Improvement

- All issues were accepted, and reasonable management actions had been put in place to address the actions.
- The current guidance available provides a good basis to document SEMBCP.

Summary of Progress

	Number of Issues Raised	Management Action Plan Developed	Risk Accepted and No Action Proposed
High Risk	2	2	0
Medium Risk	1	1	0
Low Risk	0	0	0

C5 – Schools Financial Services

Audit Opinion	Substantial
Prospects for Improvement	Very Good

Internal Audit have established that appropriate controls are in place to ensure that every school is visited at least every four years for a compliance audit. Compliance visits follow a consistent approach with a standard workbook used to ensure that adequate testing is carried out at each school, the workbook is reviewed with appropriate frequency to ensure that it remains aligned to the Schools Financial Value Standards. Audit testing confirmed that completed workbooks and reports are subject to moderation by an appropriately qualified and experience member of staff prior to issue of draft reports.

Key Strengths

- Adequate controls are in place to ensure that each school is visited at least once every four years.
- 100 compliance visits were undertaken in 2019/2020 in line with the statutory requirement in the Service Specification Document between The Education People and Kent County Council.
- A tracker is used to record and monitor progress with the planned visits.
- School visits are booked at least 20 days in advance and schools are provided with comprehensive information ahead of the visit detailing the information and documents that will be required.
- Annual and ad hoc reviews of the workbook are undertaken to ensure that it remains up to date and fit for purpose.
- Sample testing confirmed that the standard workbook was fully completed for schools visited in 2019/20, and findings discussed at the end of the visit.
- For all schools in our sample, moderation had been undertaken by appropriately experienced staff.
- Standard reports are automatically generated from the workbook and include appropriate issues and recommendations. Draft reports are issued within 10 days of the visit to the school.

Areas for Development

- There is no formal process to escalate when schools do not (or are considered unlikely to) implement recommendations raised in the compliance reports.
- A small number of areas were identified where record keeping was incomplete or could be improved. These included:
 - recording the date of workbook reviews and any changes made to the workbook (to reflect changes in Schools Financial Value Standards).

Prospects for Improvement

- Management action plans have been agreed for both issues raised.
- Action plans are partially complete for one issue.
- Actions for remaining issues are scheduled for completion by 31st August 2020.

Summary of Progress

	Number of Issues Raised	Management Action Plan Developed	Risk Accepted and No Action Proposed
High Risk	N/A	N/A	N/A
Medium Risk	2	TBC	TBC
Low Risk	N/A	N/A	N/A

D2 - Economic Development Grants Audit

Audit Opinion	Adequate
Prospects for Improvement	Good

Overall, there are controls in place to ensure that village grants are awarded and monitored appropriately. However, there are also some gaps and areas of weakness in controls which relate mainly to the ongoing monitoring of projects funded by the grants, and the evaluation process.

In 2019/20, nine Economic Development Grants were approved to fund Village Hall projects within Kent; one of which was yet to be claimed by the grantee at the time of the audit.

Key Strengths

- There is comprehensive guidance on Voluntary and Community Sector Grants available on the Council's intranet.
- Eligibility criteria is clearly stated, and there is a detailed application form in place which enables the panel to make well informed decisions for awarding grants.
- The Assessment Sheet document is used as a checklist to record the eligibility checks carried out and make a recommendation to the Cabinet Member.
- All grant instalments claimed for in our sample of grants were found to be appropriate and legitimate, in terms of the project work being carried out.

Areas for Development

- Evaluation reports are not being received by grantees; therefore, the impact of individual projects is not being evaluated by KCC.
- Internal Audit found various issues relating to eligibility checks of applicants, value for money and the appropriate recording of grant approvals.
- The overall grant scheme for Village Halls and Community Centres are not adequately monitored and evaluated to inform strategic decisions.
- In cases where grant funding was not claimed by grantees, this was not monitored or followed up to establish whether the grant funding was still required.

Prospects for Improvement

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

- The Director of Economic Development is keen to assess the impact of transforming grant giving into contract awarding. This will enable the control framework to be tightened, in particular regarding the oversight and monitoring of funding

Summary of Progress

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

D3 – Developer Contributions Follow Up

SUMMARY OF IMPLEMENTATION OF RECOMMENDATIONS				SCOPE SUMMARY								
<table border="1"> <thead> <tr> <th>Total Issues</th> <th>Implemented</th> <th>In Progress</th> <th>Not Implemented</th> </tr> </thead> <tbody> <tr> <td>4</td> <td>0 (%)</td> <td>4 (100%)</td> <td>0(0%)</td> </tr> </tbody> </table>				Total Issues	Implemented	In Progress	Not Implemented	4	0 (%)	4 (100%)	0(0%)	<p>To test whether the four issues identified in the original audit report for Developer Contributions Community Infrastructure Levy (CIL) undertaken in August 2019, have been implemented.</p> <ul style="list-style-type: none"> • Issue 1 - Procedures for optimising developer contributions through the Community Infrastructure Levy (Medium) • Issue 2 – Agreement between KCC and CIL Charging Authorities (High) • Issue 3 – Capturing lessons from CIL engagement (Medium) • Issue 4 – Consulting services about future infrastructure needs (Medium)
Total Issues	Implemented	In Progress	Not Implemented									
4	0 (%)	4 (100%)	0(0%)									
KEY FINDINGS FROM FOLLOW UP				RECOMMENDATIONS STATUS								
<p>Key Findings:</p> <p>Although all actions remain open, there is evidence to demonstrate that progress has been made in addressing the issues identified in the previous audit of Developer Contributions (CIL) undertaken in 2018/19.</p> <p>It is acknowledged that formalising arrangements with Charging Authorities is complex and that there are ongoing challenges as KCC cannot compel Charging Authorities to sign up to any formal agreement.</p>				<p>Implemented</p> <ul style="list-style-type: none"> ✓ None. <p>In Progress:</p> <ul style="list-style-type: none"> • Procedures for optimising developer contributions through the Community Infrastructure Levy. • Agreement between KCC and CIL Charging Authorities. • Capturing lessons from CIL engagement. • Consulting services about future infrastructure needs. 								

E1 - Customer Care and Complaints Advisory Review – Adult Social Care

Introduction

In April 2019, the ASCH Customer Experience Team was created; the Customer Care and Complaints Team is part of the Customer Experience Team. The aim of this advisory audit was to assist the new team set up the required processes and procedures to ensure best practice is shared and lessons learned disseminated. This review considered the effectiveness and efficiency of processes and whether there is the right balance in terms of obtaining positive and negative messages when receiving customer feedback.

Audit fieldwork was conducted in September and October 2019 and sample testing covered the period July to September 2019. Consequently, the findings reflect the position at that time. Since completion of fieldwork, the team have advised that they have made several improvements which are reflected in the Progress Made section of this report.

Key Strengths

Feedback Forums

- A whole Council review of Customer Feedback has been carried out which has identified areas for improvement.
- The Kent Adult Social Care 'Have Your Say' comments, complaints and compliments information guide are held on the Kent.gov.uk website.
- The team assisted in the production of national regional good practice guidance in handling complaints.
- The ASCH Customer Care Team is proactive in supporting staff to provide quality personalised responses to complaints.

Logging of Customer Feedback

- An objective of the team includes the provision of feedback to the wider organisation with an analysis of themes and trends.
- The Customer Care Team reports to existing forums and will report to the revised management forums.

Acceptance of Complaints

- The team is proactive in chasing responses from service departments whilst at the same time being open to putting things right.
- In most cases, a good level of supporting documentation was held, and the response provided was of a high standard; it was personalised and addressed all aspects of the complaint.
- A front sheet/complaints plan had been consistently completed for each complaint providing a summary of the complaint.

Lessons Learned & Dissemination of Best Practice

- The team is providing training sessions for managers and investigators on the complaints process, investigating complaints.
- For the sample of LGO cases reviewed, lessons learned had been identified and documented.
- Feedback sessions are being held with each service area management team meetings.

Areas for Development

Feedback Forums

- Further encouragement and publicising of the methods for providing customer feedback.

Logging of Customer Feedback

- There were often long delays between the receipt of a compliment, logging and forwarding to the service.
- It is unclear what steps are taken within the service to celebrate the compliments and share best practice.
- The Customer Care and Complaints Team was not acknowledging receipt of compliments.

Acceptance of Complaints

- Due to the recent pressures to reduce the backlog of complaints, customers were not being routinely telephoned to discuss their complaint.
- At the time of the audit, the personalised acknowledgement had only been issued within 3-days of receipt in 34% of cases reviewed.
- For the sample of complaints reviewed by Internal Audit, the personalised formal response had only been provided within 20 days for 20% of cases.
- The team regularly has to chase service departments for responses to complaints which makes achieving the deadlines difficult.

Lessons Learned & Dissemination of Best Practice

- Ten complaints had been upheld or partially upheld. Whilst an apology had been consistently provided, lessons learned were not being consistently logged, and where they had been logged, confirmation of action taken had not been requested.
- Recurrent themes of adverse issues do not currently feed into risk registers.
- At the time of audit fieldwork, 130 tasks were outstanding to chase up whether lessons have been learned and best practice shared.

Processes & Procedures

- iCasework incorporates an automated workflow system rather than manual e.g. letters and reminders. However, this is not used to its full capacity, as a more person-centred response is preferred, and as a result some of the processes could be more streamlined and efficient.
- Although the Outlook team inbox is triaged for safeguarding and urgent cases, there is no further prioritisation.
- With the workload pressures on the team at the time of the audit, the achievement of deadlines overshadowed the focus on lessons learned.

Progress Made

Since the audit was undertaken the Team have reported significant progress in several areas (Internal Audit have not had the opportunity to verify).

E2 – Adult Learning Disability Day Services – Themed Review

Audit Opinion	Substantial
Prospects for Improvement	Good

The Council runs 17 Learning Disability Day Centres, of which three were visited for an Establishment Audit in the year. The resulting audit opinions were:

Establishment	Assurance Level (See Appendix A for definitions)
Milton Hague Community Centre	Substantial
Maidstone House Community Centre	Substantial
The Bridge Community Centre	Substantial
Overall Opinion	Substantial

Across the three Centres that were audited, 21 recommendations were raised, with 9 Medium and 12 Low priority.

Areas for Development

- A theme surrounding evidence retained for Medication Assessment Reviews.
- For 2/3 Centres, training records were not maintained, and gaps were found in some mandatory and essential training.
- For 2/3 Centres, enhancements were identified to maintaining accurate asset registers.
- The requirement to complete an annual declaration of interests.

Key Strengths

- Building Security at all establishments is well managed to safeguard users.
- Expenditure approval was in line with KCC's scheme of delegation.
- At 2/3 Centres, fire tests and drills are occurring on a frequent basis with any actions identified through drills recorded and acted upon.
- DBS checks for staff are up to date.
- Personnel, financial and client files are stored securely and all storage cupboards and filing cabinets are locked when not in use.
- An appropriate system in place to record and authorise staffing time.
- All complaints reviewed had been resolved appropriately and in a timely manner.
- Each Centre was clutter free and visibly clean (for health and safety purposes).
- Clear evidence that expenditure is for the benefit of service users.
- Staff aware of data protection requirements, with all 3 Centres visited having secure and appropriate arrangements to retain financial, personnel and client records.

Prospects for Improvement

- Team Coordinators at the establishments visited have responded positively to the issues raised in their individual audit reports and have either implemented actions immediately or developed appropriate action plans to address them.
- Similar issues re-occur within our establishment audits each year which does not reflect well on wider organisational learning.

E3 – Adult Social Care and Health Portfolio Board

Introduction

As part of the 2019/20 Internal Audit Plan, it was agreed that Internal Audit would undertake a review of transformation projects within Adult Social Care and Health Directorate (ASCH). Through discussions with ASCH, it was agreed that Internal Audit should sit on the Portfolio Board which provides oversight for all Directorate projects and provide challenge and assurance on the adequacy and effectiveness of programme governance and risk management.

The objective of the audit was to undertake a watching brief and provide audit input at key milestones of the project using an embedded assurance model. Embedded assurance involves Internal Audit providing an independent view on programme activities, covering a range of key objectives. The key difference in the audit approach is that the assurance is provided throughout the programme lifecycle. It is essentially a critical friend role and Internal Audits involvement in projects from the outset aims to provide on-going assurance that the right controls and processes are in place, are operating effectively and furthermore that there is appropriate reporting of the intended project benefits.

Findings

A formal assurance opinion was not provided but a Management Letter highlighted the following issues and advice provided by Internal Audit:

- The Portfolio Board has been established to govern all change activity related to ASCH. The Terms of Reference for the Board were reviewed, and Internal Audit raised with the Board several concerns regarding the governance and roles and responsibilities of the group, specifically:
 - Decision Making – The need to provide clarity over where decisions making lies, including the acceptance of business cases, what decisions sit with the board and which need to be approved through Council Governance routes.
 - Performance reporting and monitoring of resources – Detail about the frequency of performance reporting and detail of its content. The requirement for monitoring of resources to be included in this reporting, to ensure the delivery of the programme/projects.
 - Risk – To include more detailed responsibilities of the Board, to ensure identification and assessment of portfolio risks and issues
 - Membership – The high number of attendees, that may affect the ability of the board to achieve its objectives.
- Internal Audit have reviewed several business cases to date including reviews of Direct Payments, Safeguarding, Guru Nanak and Milan day services, Enablement, Assessment and Review and Late Payments. Although points raised are specific to each project, a common theme is regarding the substantiation of figures used in the analysis of activity and cost savings and whether these have been confirmed by relevant information analysts / accountants and whether calculations include costs of implementing change and new processes, as this impacts on the decision making of the Board.
- Timeliness of reporting to the Board was highlighted. Assessment reports for each project were lengthy and often were only published to attendees 2 days prior to Board meetings. In addition, concerns were raised to the expansive content of the portfolios remit regarding the number of projects. Meeting agendas contained significant numbers of projects to review, and make decisions on, which inhibits the ability of the Board to effectively scrutinise and challenge the detail of presentations/reports and increasing the likelihood of projects going wrong from the start by not having achievable objectives.