



# **INTERNAL AUDIT PROGRESS REPORT**

## **GOVERNANCE AND AUDIT COMMITTEE**

### **July 2025**

# 1. Introduction

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

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

This activity report provides Members of the Governance and Audit Committee and Management with 15 summaries of completed/ update for ongoing work between January and June 2025.

# 2. Key Messages

- 14 audits have been finalised in the period reported and 1 progress update is included. **Appendix A**
- 20 audits from the 2024-25 rolling Audit Plan are currently in progress. **Appendix B**
- Implementation rates for agreed management actions has improved from the previous reported figures to 62% from 31% implementation as reported to the Governance and Audit Committee in January 2025. **Appendix C**

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### 3. Resources

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

- A Trainee Auditor has been successfully recruited to the Internal Audit Team.
- A recruitment exercise is currently underway to fill the vacant post for the Audit Manager within the team.
- New Audit Management software has been adopted by the Internal Audit Team which should provide a number enhancements to Internal Audit Processes.
- There is adequate technology available to support the completion of the Rolling Internal Audit Plan including data analytics tools such as PowerBi.

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## 4. 2024-25 Internal Audit Plan

This report also provides an update on the work completed between January and June 2025. The audit summaries are provided at [Appendix A](#). A summary is provided on current progress against the 2024-25 Audit Plan.

Table 1- Rolling Audit Plan Status

Status	Number of Audits	%
Not yet started	0	0
In Progress	20	45
Complete	24	55
On Hold	0	0
Total	44	

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\* RB18-2024 - Loans to Schools and ICT04-2024 – Movers, Joiners and Leavers opinions are not included in 2024-25 assurance opinions as this was included in the Annual 2023-24 Audit Opinion.

Table 2 – Summary of Audits by Committee Meeting

	Governance & Audit Committee – June 2025		
No	Audit	Opinion	Prospects for Improvement
17	ICT03-2025 - Cyber Security Assurance Map (EXEMPT)	Assurance Map	N/A
18	ICT04-2025 – KCC Website Review (EXEMPT)	N/A – Advisory	N/A
19	ICT05-2025 - KCC Incident Response Plan (EXEMPT)	Substantial	Good
20	RB21-2025 - Treasury Management	High	Very Good
21	RB33-2025 – Education – Alternative Provision (Pupil Referral Units)	Adequate	Good
22	RB08-2025 – Key Decision-Making Process	Adequate	Good
23	RB09-2025 - Decisions on Accepting Grant Funding	N/A – Advisory	N/A
24	RB51-2025 – Sundry Debt Recovery – Cancellation of Invoices Follow-up	Follow-up	N/A
25	RB49-2025 – School Themed Review – Safeguarding	Substantial	N/A
26	RB35-2025 – School Capital Programme – Basic Need and High Needs Allocation	Adequate	Very Good
27	RB15-2025 – Public Health Services Transformation	Adequate	Good
28	RB26-2025 – Procurement Follow-up	Follow-up	N/A
29	RB50-2025 - Loans to Schools Follow-up	Follow-up	N/A
30	RB52-2025 – Data Security and Protection Toolkit (DSPT)	High	Good
31	RB55-2025 – Oracle Cloud Programme – Business Readiness	TBC	TBC

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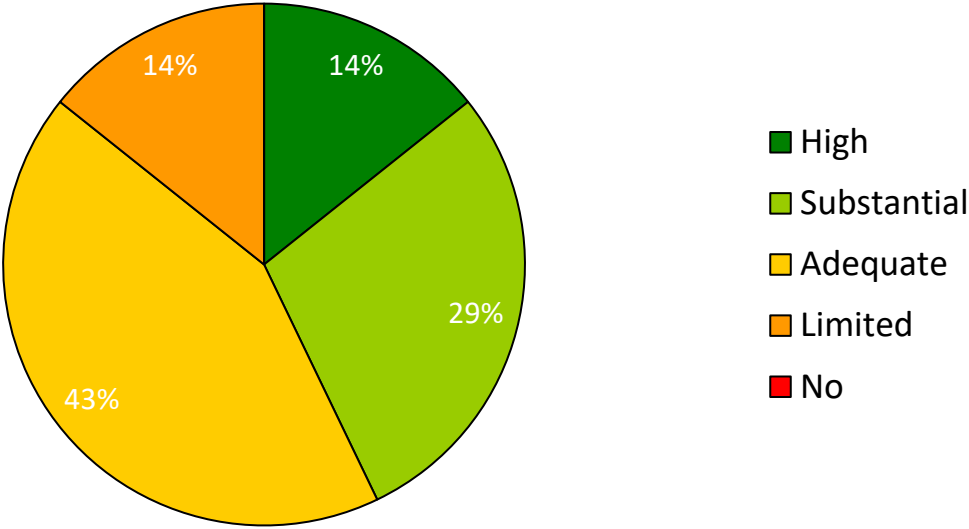
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# 2024-25 Audit Assurance Levels and Prospects for Improvement of Audits

Assurance Levels 2024-25



Assurance Level	No	%
High	2	14%
Substantial	4	29%
Adequate	6	43%
Limited	2	14%
No	0	0%

Prospects for Improvement	No	%
Very Good	3	24%
Good	9	69%
Adequate	1	7%
Uncertain	0	0%

\* RB18-2024 - Loans to Schools and ICT04-2024 – Movers, Joiners and Leavers opinions are not included in 2024-25 assurance opinions as this was included in the Annual 2023-24 Audit Opinion.

\*\* Other audit coverage, such as advisory and embedded assurance, will be incorporated into the Annual Opinion where appropriate.

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## 5. Issue Implementation

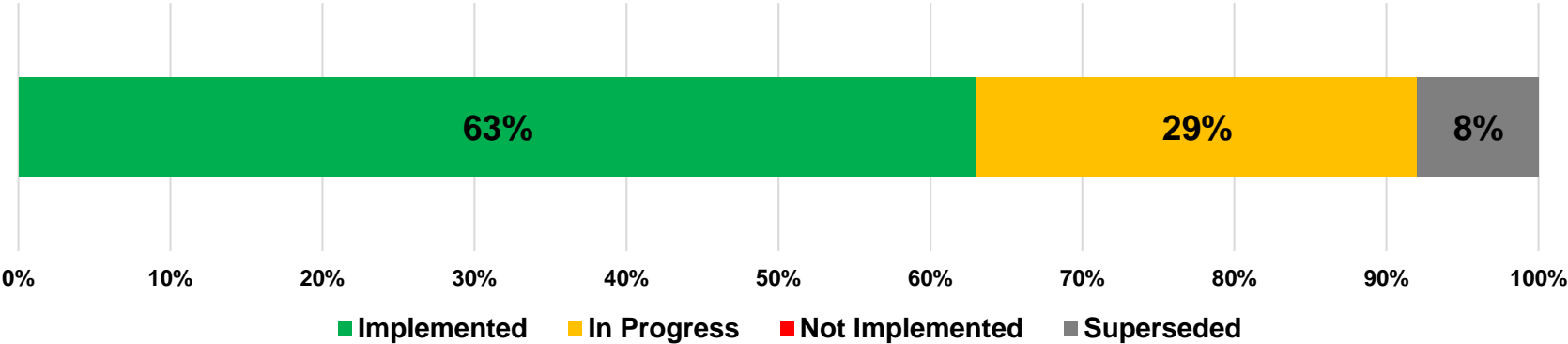
Details of the current position on the ‘Implementation of Agreed Management Actions’ is set out at **Appendix D**. This details the implementation status of 37 actions categorised by the assurance level assigned to the original report. This also includes results of programmed follow-up audits undertaken. There has been an increase on implementation rates since this was last reported to Governance and Audit Committee in January 2025 from 31% to 62%.

The status of implementation agreed actions is summarised below:

### Summary of Issue Implementation

	Total Number due for Implementation		Implemented		In Progress		Not Implemented		Superseded	
	High	Medium	High	Medium	High	Medium	High	Medium	High	Medium
Total	18	19	11	12	6	6	0	0	1	1
Total %			61%	63%	33%	32%	0%	5%	6%	0%

KCC Implementation of Management Actions



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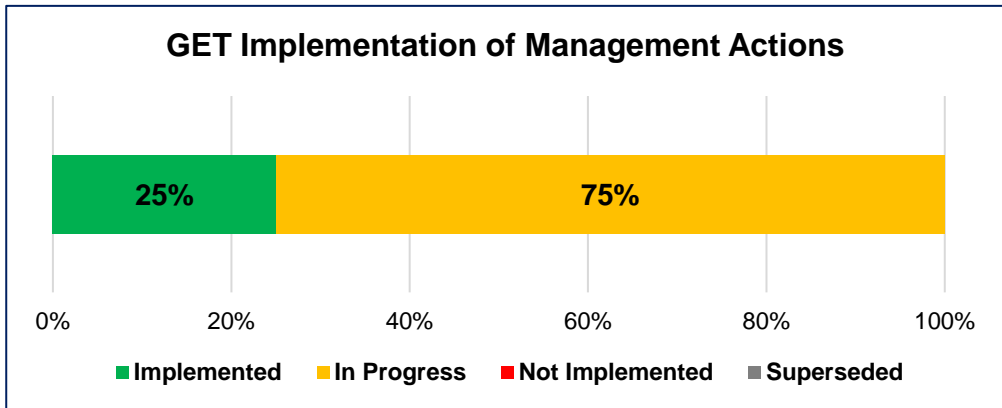
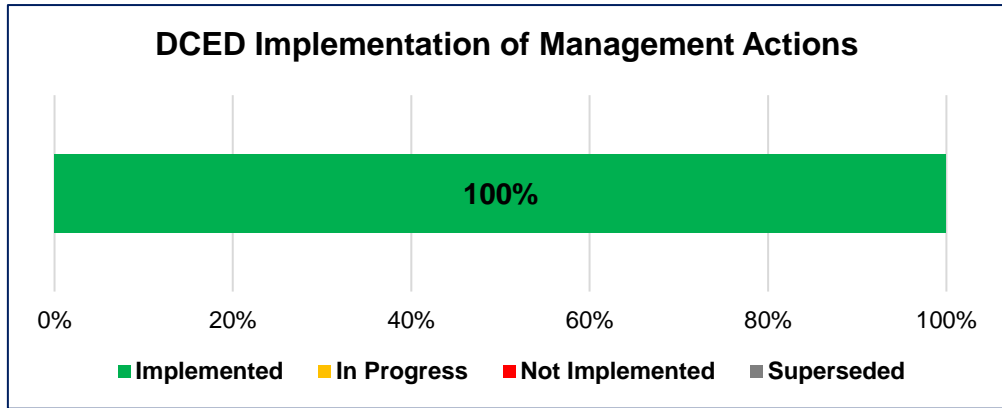
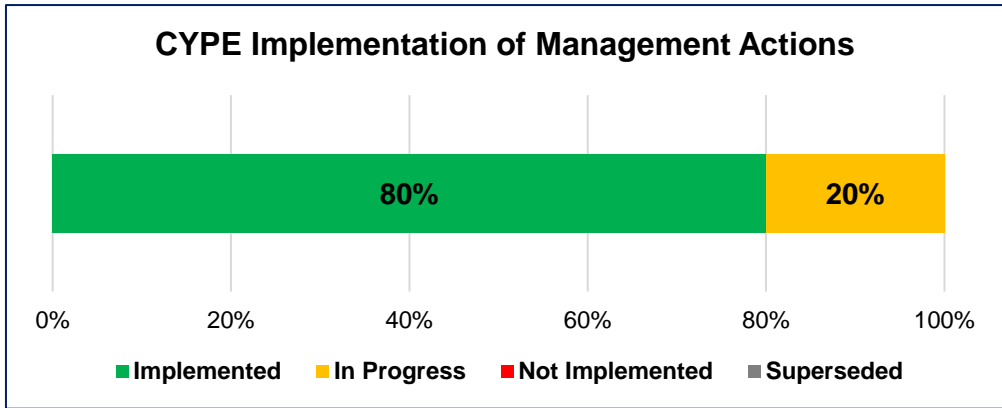
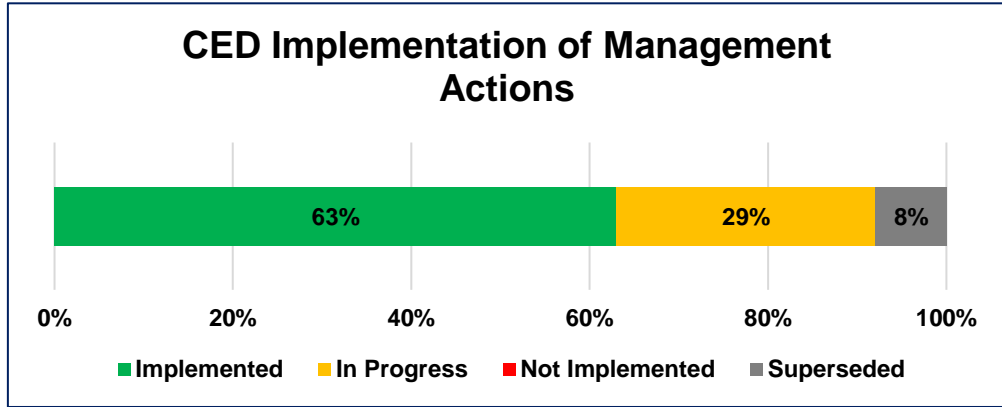
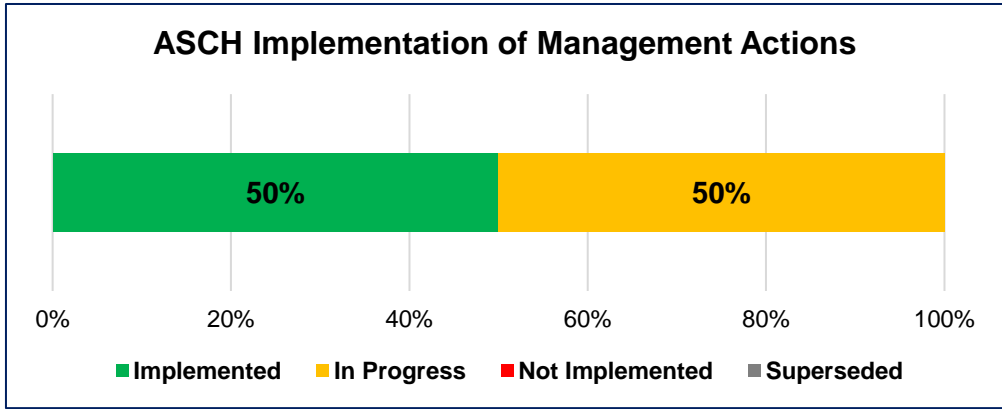
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	Total Number due for Implementation		Implemented		In Progress		Not Implemented		Superseded	
	High	Medium	High	Medium	High	Medium	High	Medium	High	Medium
ASCH	1	1	1	0	0	1	0	0	0	0
CYPE	3	2	2	2	1	0	0	0	0	0
GET	3	1	1	0	2	1	0	0	0	0
CED	11	13	7	8	3	4	0	0	1	1
DCED	0	2	0	2	0	0	0	0	0	0
Total	18	19	11	12	6	6	0	1	1	0
Total %			61%	63%	33%	32%	0%	0%	6%	5%

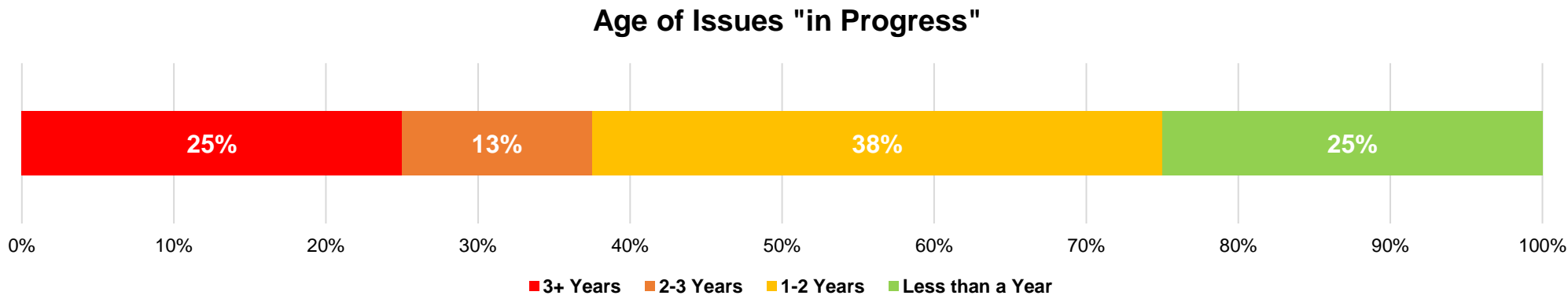
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Progress on issues for the period found that 6 issues remain “in progress”. Of which 1 High and 1 medium priority are longstanding issues which have remained open past their original implementation date and updates and revised implementation dates are detailed below.



3+ Years “In Progress”				
Ref	Audit	Priority	Original Date	Revised Date
CS04-2020	Imprest Accounts Issue 3 - Security	High	30/09/2020	31/03/2026
<b>Update</b> - CYPE/ Finance are liaising with the Counter Fraud Team for advice on the processes/ controls for collection / delivery service required for imprest accounts. An interim process has been put in place in the short term until an adequate provider can be procured.				

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## 6. Grant Certification Work

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

Grant work is completed by the Internal Audit team in respect of validating expenditure of various UK Government Grants awarded for activities such as Public Health, Highways, Environment, Travel Demand Management and Bus Service Operators Grant. In 2024-25, the Team has to date, audited and certified 11 government grants with a value of **£60,166,000**.

Details of all certifications for 2024-25 can be seen at **Appendix D**.

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## 8. 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.

Audit Definitions are provided at **Appendix D**

(A) Adult Social Care and Health	(B) Children, Young People and Education
A1. RB15-2025 – Public Health Services Transformation	B1. RB33-2025 – Education – Alternative Provision (Pupil Referral Units) B2. RB49-2025 – School Themed Review – Safeguarding B3. RB35-2025 – School Capital Programme – Basic Need and High Needs Allocation B4 RB50-2025 - Loans to Schools Follow-up
(C) Growth, Environment and Transport Cross Directorate	(D) Chief Executive
	D1. RB21-2025 – Treasury Management D2. RB51-2025 – Sundry Debt Recovery - Cancellation of Invoices Follow-up D3. RB08-2025 – Key Decision-Making Process D4. RB09-2025 - Decisions on Accepting Grant Funding D5. RB26-2025 – Procurement Follow-up
(E) Deputy Chief Executive	(F) Cross Directorate
E1. ICT03-2025 – Cyber Security Assurance Map <b>EXEMPT</b> E2. ICT04-2025 – KCC Website Review <b>EXEMPT</b> E3. ICT05-2024 – KCC Incident Response Plan <b>EXEMPT</b>	F1. RB52-2025 – Data Security and Protection Toolkit (DSPT) F2. RB55-2025 – Oracle Cloud Programme – Business Readiness

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# Appendix A - Summaries

## A1. RB15-2025 – Public Health Services Transformation

### Audit Opinion

ADEQUATE

### Prospects for Improvement

GOOD

### Introduction

As part of the 2024/25 Internal Audit Plan, it was agreed that Internal Audit would review the Public Health Service Transformation Programme (PHSTP). This was an assurance engagement, focusing on the initiation and start-up of the PHSTP.

The review of services is a normal part of the commissioning cycle. However, the transformation work aims to support opportunities to look across services and consider how KCC can maximise impact through better supporting cross cutting themes, gaps or learning. The PHSTP commenced in July 2023. The intention is for new commissioning arrangements for each service to be in place no later than 1 April 2026, with many starting before this date.

Internal Audit has considered project management best practice, alongside elements of KCC project and programme guidance, in forming conclusions. It is recognised that whilst named a programme, it is essentially a large recommissioning exercise, and it is intended that findings are representative of this.

### Key Strengths

- ✓ The PHSTP aligns to the Council Strategic Statements. This is most clearly laid out at the service level.
- ✓ Approval to progress with the PHSTP was attained from Health Reform and Public Health Cabinet Committee (HRPHCC). Prior to this, the concept was presented at Corporate Management Team.
- ✓ Governance groups and their roles were outlined. a Delivery Group and Steering Group were established. These were approved by HRPHCC.
- ✓ Benefits were defined at a service level and these aligned to the overarching programme aims. Business cases were developed at the service level and detailed the expected benefits.

- ✓ There were no critical success factors defined at the programme level, however carefully considered critical success factors have been developed at service level.
- ✓ A Project Manager, Project Officer and Project Administrator were recruited to aid the delivery of the programme. An agile approach was taken to staffing within the services, and there are examples of being responsive to need and additional resources being sought. Risks, Assumptions, Issues and Dependencies (RAID) logs demonstrate that resourcing risks were considered. As such there is evidence that staff capacity was considered. However, concerns regarding resourcing were raised (see issues).
- ✓ A budget was set for the programme which was monitored and reported into Steering group. Financial risks to the programme's success were considered.
- ✓ The programme has had access to professional procurement advice.
- ✓ There was no specific quality assurance plan at the programme level, however evidence of quality being considered was evident via: quality assurance task and finish group review of proformas; Service model presentations to internal governance groups for comment, and; Peer review by Surrey County Council.
- ✓ Stakeholders were identified at the service level. A review of stakeholder engagement for one service, the Therapeutic Support Service, demonstrated a thorough consideration of stakeholders to be contacted regarding the programme.
- ✓ Progress at project and programme level is reported into Steering Group, DMT, and HRPCC.

### Areas for Development

#### Issue 1 – Programme Planning -

Medium

- Some programme management elements were not completed, which may have impacted on programme delivery.

#### Issue 2 – Risk Register -

Low

- Some details on the RAID log were not kept up to date.

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A1. RB15-2025 – Public Health Services Transformation

Prospects for Improvement

Prospects for improvement is rated as **Good** based on the following factors:

Adequacy of Action Plans	Implementation Record	External Factors
GOOD	GOOD	GOOD

Summary of Management Responses

	No. of Issues Raised	Mgt Action Plan Developed	Risk Accepted & No Action Proposed
High Risk	0	0	NA
Medium Risk	1	1	NA
Low Risk	1	1	NA

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## B1. RB33-2025 – Education – Alternative Provision (Pupil Referral Units)

### Audit Opinion

ADEQUATE

### Prospects for Improvement

GOOD

### Introduction

As part of the 2024/25 Internal Audit Plan, it was agreed that Internal Audit would review the effectiveness of Pupil Referral Unit (PRU) Management Committees to provide oversight and scrutiny.

There are currently five PRUs that are maintained by Kent County Council (KCC). The schools provide education for children who are unable to attend mainstream school for different reasons such as exclusions and sickness.

Each PRU maintained by KCC has a Management Committee that should be in line with their Instrument of Governance to provide oversight and scrutiny in an advisory role. The Management Committee are expected to be involved in most decision making to help ensure effective running of the schools. Management Committees are required to include different member types including a staff member, community members, which may be Headteachers of other local schools, local authority members and a parent member. This form of membership is to help ensure diversity of perspective of the decisions raised within committees.

The Education People (TEP) provide statutory requirements for the PRU, this includes training on subjects such as finance and governance for the Management Committee members.

This training is to help Management Committee members have an understanding of their role within the oversight and scrutiny of the school; there is currently no mandatory training expected of the committee members. Within their services, The Education People (TEP) School Improvement Team perform quality assurance visits to maintained PRUs. The quality assurance toolkit which has been designed by KCC, TEP School Improvement and PRU Headteachers, includes a review of the Management Committees of each school and is used during the TEP visits. This toolkit is also available to PRUs which are non-maintained. KCC and TEP provide advice and support when needed; there are three PRU Heads and Chairs meetings per year which can be used as a forum to raise challenges, and there are also Best Practice meetings between KCC and the PRUs to discuss examples of good practice six times per year.

### Key Strengths

#### Policies and Guidance

- ✓ TEP have a model term of reference that is utilised by all the PRUs covering the remit of Management Committees with clear responsibilities for the Headteacher and Management Committee. The terms of reference are reviewed by the PRUs on a regular basis. Contract with TEP.
- ✓ The Contract between KCC and TEP clearly outlines expectations.
- ✓ The Contract had recently been reviewed by the contract manager.

#### Guidance and Training

- ✓ Training is available to Management Committee members from TEP and there is a timetable of available sessions.
- ✓ TEP maintain an attendance record to document what sessions have been utilised by the PRUs.
- ✓ A survey of 20 Management Committee members including all 5 PRUs found that 17 respondents (85%) were aware of the available routes to TEP and KCC to raise concerns or receive guidance. These routes are also due to be recomunicated in the PRU Service Level Agreement (SLA) to increase the awareness of available routes and contacts.
- ✓ The same survey identified that 100% of respondents felt that their roles and responsibilities within the Management Committee are clear.

#### Meetings

- ✓ All Management Committee meetings for the last 12-24 months for each PRU were reviewed by Internal Audit and exceeded the minimum statutory requirement of 3 meetings per year.
- ✓ A sample of 10 Management Committee meetings covering all PRUs found that the meetings were quorate with each schools current committee members.
- ✓ Standard agenda items for all meetings included conflicts of interest, review of minutes and action plans. Meeting minutes were sufficiently detailed to demonstrate scrutiny and decision making.

#### Quality Assurance

- ✓ TEP have adopted the quality assurance toolkit, reviewing aspects of the PRUs including the Management Committee. TEP is currently in the process of completing all of the first visits for each PRUs and providing feedback on the quality assurance form.
- ✓ Feedback of the quality assurance visit includes a rating and next steps for the PRUs to achieve where necessary.

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B1. RB33-2025 – Education – Alternative Provision (Pupil Referral Units)

Key Strengths Continued

- ✓ KCC also hold 3 PRU meetings between the Headteachers and Chairs for further discussion around any issues or concerns the PRUs have.
- ✓ Six Best Practice meetings are held between KCC and the PRUs on an annual basis to communicate and discuss positive practice examples and challenges.

Areas for Development

Issue 1 - Key Performance Indicators – Pupil Referral Units –

Medium

- Due to a change in Ofsted measurement of PRU performance, there are currently no KPIs to monitor the PRUs.

Issue 2 - Key Performance Indicators – The Education People -

Medium

- There are currently no key performance indicators (KPIs) to assure KCC that TEP are providing the service as laid out in the contract.

Issue 3 - Management Committee Term of Reference –

Low

- One of the 5 PRUs did not have a fully completed terms of reference missing details of individually delegated governors.

Issue 4 - Management Committee Training -

Medium

- Training for Management Committee members is not mandatory, and members are often Headteachers of other local schools. Uptake of the TEP training is low for PRU Management Committee Members, with only members from 2 PRUs attending the Governance conference in 2024.
- The Survey issued to 20 members out of approximately 50 found that only 12 respondents (60%) had accessed the training available from TEP with only one member not finding the training beneficial.
- The survey highlighted that 14 respondents (70%) felt that further training on their role within the Management Committee would be beneficial.

Issue 5 - Management Committee Instrument of Governance -

Medium

- Four of 5 of the PRUs Management Committee members are not in line with their Instrument of Governance which defines how many/the make-up of the Management Committee.

Issue 6 - Best Practice Meeting Documentation -

Low

- The six best practice meetings are currently not documented to record attendance or minutes.

Prospects for Improvement

Prospects for improvement is rated as **Good** based on the following factors:

Adequacy of Action Plans	Implementation Record	External Factors
VERY GOOD	GOOD	GOOD

Summary of Management Responses

	No. of Issues Raised	Mgt Action Plan Developed	Risk Accepted & No Action Proposed
High Risk	0	0	NA
Medium Risk	4	4	NA
Low Risk	2	2	NA

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## B2. RB49-2025 – School Themed Review - Safeguarding

Audit Opinion	SUBSTANTIAL
Prospects for Improvement	N/A

### Introduction

Safeguarding and promoting the welfare of children offers a safe and supporting environment for all in Kent Maintained Schools (KMS). It is the responsibility of everyone, including professionals and those who come into contact with children to play a responsible role in safeguarding children and consider what is in the best interest for the child.

KCC and schools have several statutory obligations to promote the welfare and safeguard children under the following legislations:

- *Education Act 2002*: Directs the Local Authority (LA) to follow guidance given by the secretary of state.
- *Children Act 2004*: Places duties on key agencies in a local area, including KCC to make arrangements to work together with other partners locally to safeguard and promote the welfare of all children in the area.
- *Education and Skills Act 2008*: Places several key responsibilities on LAs to ensure young people are engaged in education or training.
- *Promoting the Health of Looked After Children Statutory Guidance 2015*: Provides a framework for LAs to ensure the health and wellbeing of looked after children. This means that looked after children have access to physical and mental healthcare, which supports their well-being and development.
- *Children and Social Care Act 2017*: This is a significant piece of legislation in the UK that outlines various responsibilities for LAs to improve support for looked-after children and care leavers, promote child welfare, and regulate social workers.
- *Working Together to Safeguarding Children 2023*: Provides a comprehensive framework for LAs and other agencies to work together to protect and promote the welfare of children.

The latest Ofsted inspection, published in July 2022, rated the KCC Children's Services inspection as outstanding. However, some of the areas of improvement included enabling social workers to manage their caseloads and workload effectively. Further, the number of pupils identified as not in full-time education in Kent is higher than the national average.

As part of the 2024/25 Audit Plan, it was agreed that Internal Audit would undertake a review of safeguarding arrangements across a sample of maintained schools. The aim of the audit was to provide assurance that safeguarding arrangements are adequately designed and effectively implemented to safeguard children.

The schools were visited during February 2025

### Opinions of Individual Schools

Opinion	Number of Schools
High	6 (55%)
Substantial	4 (36%)
Adequate	1 (9%)
Limited	0 (0%)
No Assurance	0 (0%)

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## B2. RB49-2025 – School Themed Review - Safeguarding

### **Key Strengths** **Policies & Procedures**

- ✓ School policies include adequate coverage of safeguarding with up-to-date coverage across the school website.
- ✓ Safeguarding is promoted on the school website.
- ✓ Policies are comprehensive, up to date, regularly reviewed and available to all members of staff.

### **Physical Security**

- ✓ There is a secure visitor sign-in system for the premises.
- ✓ There is an adequate system in place to prevent unauthorised access to the school premises.
- ✓ There are adequate systems in place regarding the collection of children.

### **Vetting Process**

- ✓ Comprehensive DBS checks and safer recruitment practices are in place.
- ✓ The single central record is comprehensive, and vetting checks are up to date.
- ✓ DBS checks had been undertaken for all members of staff.
- ✓ Vetting and checking records are up to date and complete.

### **Designated Safeguarding Lead (DSL)**

- ✓ The Designated Safeguarding Lead (DSL) and their deputies have received suitable and up to date training.
- ✓ The school has robust mechanisms in place to manage safeguarding concerns via its safeguarding process with records held securely and access restricted.
- ✓ There are regular opportunities for the dissemination of any new safeguarding information to all staff.
- ✓ A governor has taken the lead responsibility for safeguarding.

### **Online Safety**

- ✓ Effective filtering and monitoring systems are in place for online safety.
- ✓ Appropriate systems are in place to block harmful content without impacting learning.
- ✓ Pupils are taught online safety as part of the wider school curriculum.

### **Managing Allegations**

- ✓ Prompt action is taken on safeguarding concerns with records retained.
- ✓ Staff are aware and understand the allegations process.
- ✓ There is a centralised reporting system for recording concerns, monitoring changes in behaviour, attendance and managing safeguarding concerns.
- ✓ There is a whistleblowing procedure.
- ✓ A referral system is in place for behaviour management, intervention, support, and communication to those involved.
- ✓ Records are held securely and access restricted to authorised staff.
- ✓ There are out of hours arrangements in place should a safeguarding concern be raised.

### **Training & Awareness**

- ✓ Staff induction policy. This is clear and sets expectations regarding behaviour and the safeguarding of children to new starters, volunteers, supply teachers and contracted staff.
- ✓ Safeguarding training is covered every September, and training will be performed online when staff join after September.
- ✓ The governors are aware of their safeguarding responsibilities and their training in relation to safeguarding is up to date.

### **Areas for Development**

- No Issue were raised as part of the themed report

### **Policies & Procedures**

- For two schools, not all policies on the website were up to date. One of the schools had changed the date on the policies but had not updated the content.

### **Physical Security**

- Signing in records for visitors and volunteers indicated that some did not sign out.
- At one of the schools the auditor was not asked for an ID confirmation / check by reception.

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B2. RB49-2025 – School Themed Review - Safeguarding

Areas for improvement continued

Vetting Process

- No High or Medium issues were raised.

Designated Safeguarding Lead (DSL)

- There is no structured rota for DSLs working out of hours and during half-term/holidays.

Managing Allegations

- Although staff are informed about suicide and self-harm behaviour; there is not a quick reference to highlight warning signs.

Online Safety

- No High or Medium issues were raised.

Training & Awareness

- Several governors are not up to date with their statutory training including safer recruitment and safeguarding. There is no evidence of monitoring attendance and participation to ensure governors are current with their training.
- Teachers rely on trust for children to hand over their phones without checking, and there are no structured policies, secure storage, or regular checks in place.

Summary of Management Actions

	No. of Issues Raised	Mgt Actions Implemented	Mgt Actions Outstanding
High Risk	0	0	0
Medium Risk	0	0	0
Low Risk	0	0	0

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B3. RB35-2025 – School Capital Programme – Basic Need and High Needs Allocation

Audit Opinion	ADEQUATE
Prospects for Improvement	VERY GOOD

**Introduction**

As part of the 2024/25 Internal Audit Plan, and as requested by the Corporate Director of Children’s, Young People and Education (CYPE), it was agreed that Internal Audit would review the effectiveness of the governance process in relation to the Basic Need and High Needs Capital Allocation Programmes for Schools.

This audit evaluated the governance framework, funding allocation process, and monitoring and reporting mechanisms. Internal Audit benchmarked these against best practices to ensure compliance with relevant legislation and policies, and to evaluate the effectiveness of risk management strategies.

**Key Strengths**

**Governance Framework**

- ✓ The governance framework is transparent and subject to regular review.
- ✓ Roles and responsibilities are clearly defined.
- ✓ There is good collaboration between CYPE, Infrastructure, Finance, and Health & Safety, evidenced by regular attendance at the Education Asset Board.
- ✓ The Education Asset Board’s structured approach to managing and prioritising capital requests includes periodic feedback, monitoring of projects, regular and detailed updates, and clear documentation of actions and decisions.
- ✓ Projects sampled were compliant with health and safety regulations and met legal standards.
- ✓ Detailed risk registers and action plans are in place, ensuring proactive identification and mitigation of risks, monitored through regular meetings and reviews with project managers, quantity surveyors, and programme managers.
- ✓ Risk registers for specific capital schemes are highly detailed and address overarching risks.

**Funding Allocation Process**

- ✓ The process for the allocation of funds ensures transparency and fairness, adhering to best practices and legal requirements. This process is guided by the Kent Commissioning Plan, which sets the overall framework of need and goes through a formal governance process in Education.
- ✓ Projects are prioritised based on urgency of need, funding availability, strategic importance, and community impact, ensuring effective resource allocation in alignment with the Kent Commissioning Plan.

**Areas for Development**

**Issue 1 - Governance Framework** Low

- Frequency of conflict-of-interest management.

**Issue 2 - Funding Allocation Process** High

- The Corporate Director needs to be provided with increased oversight of the Capital Programme Budget.

**Prospects for Improvement**

Prospects for improvement is rated as **Very Good** based on the following factors:

Adequacy of Action Plans	Implementation Record	External Factors
VERY GOOD	VERY GOOD	VERY GOOD

**Summary of Management Actions**

	No. of Issues Raised	Mgt Actions Implemented	Mgt Actions Outstanding
High Risk	1	1	NA
Medium Risk	0	0	NA
Low Risk	1	1	NA

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## B4. RB50-2025 - Loans to Schools Follow-up

Audit Opinion	FOLLOW-UP
Prospects for Improvement	N/A
<b>Introduction</b> As part of the 2024/25 Audit Plan, Internal Audit conducted a follow-up review of Loan Approval to Schools. The original audit, reported in 2024, identified two high-risk issues and two medium-risk issues, resulting in a ‘Limited Assurance’ rating and a ‘Good’ Prospects for Improvement rating. The final report was issued in September 2024, and the agreed management action date was September 2024.	
Issue	Summary of Original Issue
Issue 1 - Payment holidays	The internal procedure to approve payment holidays, and other deviations to repayment agreements, is undocumented.
Issue 2 - 10% of revenue budget threshold	The governance procedures for approving high value loans or longer repayment periods requires sufficient evidence for justification, however there is no recorded or documented criteria for what constitutes sufficient evidence.
Issue 3 - Affordability checks for additional loans	Two of the loans included within the audit sample were for the same school, whilst it was evidenced that the original loan had been subject to application procedures and affordability checks, testing on the second loan found that records had not been retained regarding the application or affordability checks and therefore it cannot be confirmed that these checks were undertaken.
Issue 4 - Roles and responsibilities	Confirmation that applications have had sign off from the Education Asset Board (if appropriate) is a check box for completion on the Loan Application Form. SFS colleagues were however, unclear in their understanding of the responsibilities of the Education Asset Board or the Assistant Directors of Education (ADE) in the loan approval process.
The aim of this follow-up review was to provide assurance that adequate progress has been made against issues raised in the original audit review.	

<b>Key Findings from Follow-up</b>  The follow-up work has identified that of the four previous issues being reviewed, all have been implemented				
<b>Summary of Progress Made</b>				
	Original Issues Raised	Implemented	Issues Outstanding	Risk Accepted
High Risk	2	2	0	0
Medium Risk	2	2	0	0
Low Risk	0	0	0	0
<b>Issue Status</b>				
Issue		Risk Rating	Status	
Issue 1 - Payment holidays		Medium	Implemented	
Issue 2 - 10% of revenue budget threshold		High	Implemented	
Issue 3 - Affordability checks for additional loans		High	Implemented	
Issue 4 - Roles and responsibilities		Medium	Implemented	

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Audit Opinion	HIGH
Prospects for Improvement	VERY GOOD

Introduction

Treasury Management (TM) is defined by the Chartered Institute of Public Finance and Accountancy’s (CIPFA) Treasury Management Code of Practice as:

*“The management of the Authority’s borrowings, investments and cash flows, its banking, money market and capital market transactions; the effective control of risks associated with those activities; and the pursuit of optimum performance consistent with those risks”.*

The CIPFA Code of Practice on TM and the CIPFA Prudential Code require local authorities to determine and set the Authority’s TM Strategy, and its Strategy relating to investment activity. Kent County Council (KCC) had an average balance of £536.5m in 2023-24 for Treasury Investments and an average borrowing of £783.8m, so it is important that robust and appropriate processes are in place to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund. Set out below are the key objectives of the Strategy covering the borrowing requirements and investment arrangements:

- The Council’s chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required.
- The Council’s objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults, the liquidity of investments and the risk of receiving unsuitability low investment income.

KCC’s Investment Strategy has been developed with regard to the TM Code and the Guidance.

On the 31<sup>st</sup> March 2024, Kent County Council’s Treasury Investment balance was £451.6m with a turnover in investments of £3,441.6m and a borrowing principal outstanding of £771.9m.

Treasury Management was last audited in March 2019 receiving an “high” assurance audit opinion.

Key Strengths  
Policies & Procedures

- ✓ There are appropriate governance and reporting arrangements in place to enable oversight and scrutiny of Treasury Management activities and performance.
- ✓ There is a comprehensive Treasury Management Strategy with sufficient detail to provide a structure for investment activity. The Strategy and the documented procedures conform to CIPFA guidance. Objectives are clearly set out and the Strategy had been appropriately approved.
- ✓ There are formalised Environmental, Social, and Governance (ESG) considerations in the 2024/25 KCC Treasury Management and Annual Investment Strategy.

Accountability, Responsibility & Oversight

- ✓ There is a comprehensive Treasury Operations Manual which clearly details the roles and responsibilities of personnel involved in the TM function.
- ✓ Staff are qualified for the roles that they undertake and there are suitable arrangements in place to maintain and update skills.
- ✓ There is an induction plan for new starters.
- ✓ Information presented in committee reports is accurate and aligned to the source data.
- ✓ Key risks have been identified and are understood, with appropriate responses in place.
- ✓ There is segregation of duties for the recording and authorisation of transactions.
- ✓ System access is appropriately restricted and controlled, there is a dual authentication process when requesting access for new users.

Leavers

- ✓ All leavers had been removed from the system on a timely basis and their access successfully removed.

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# D1. RB21-2025 – Treasury Management

## Key Strengths continued

### Investment Decisions

- ✓ All investment decisions have been documented and approved in accordance with the Treasury Strategy.
- ✓ All investments reviewed had been appropriately approved and were in line with the Council's Treasury Management Strategy.
- ✓ Clearing House Automated Payment System (CHAPs) payments had been appropriately authorised.
- ✓ All investments tested were within the approved Counter Party limits.
- ✓ Investment returns are monitored and reported, they were accurate and complete.
- ✓ The Treasury Management function is accurately reporting the investment position.
- ✓ Investment updates are consistently performed in accordance with regulatory requirements.
- ✓ Reconciliations were found to be promptly performed and accurate.

### Cash Flow Forecasts

- ✓ Cash flow forecasts are maintained and regularly reviewed.
- ✓ Cash balances and corresponding transaction reports are downloaded and updated on a daily basis.
- ✓ The annual cash flow statement has been accurately documented and reported in compliance with the Treasury Strategy.

### KPIs

- ✓ Treasury Indicators are well-defined and aligned with the Council's strategic objectives.
- ✓ Treasury indicators have been formally approved by the relevant authorities.
- ✓ Performance reports accurately reflect performance against the Treasury indicators and are produced regularly.

### Areas for Development

- None

## Prospects for Improvement

Prospects for improvement is rated as **Very Good** based on the following factors:

Adequacy of Action Plans	Implementation Record	External Factors
VERY GOOD	VERY GOOD	VERY GOOD

## Summary of Management Responses

	No. of Issues Raised	Mgt Action Plan Developed	Risk Accepted & No Action Proposed
High Risk	0	0	NA
Medium Risk	0	0	NA
Low Risk	0	0	NA

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D2. RB51-2025 – Sundry Debt Recovery - Cancellation of Invoices Follow-up

Audit Opinion	FOLLOW-UP
Prospects for Improvement	N/A

Introduction

As part of the 2024/25 Audit Plan, Internal Audit conducted a follow-up review of Debt Recovery (Sundry Debt). This audit, which was initially reported in April 2024, identified 3 issues, and was allocated ‘**Limited assurance**’.

Issue	Summary of Original Issue
Issue 1 - Raising of Accounts Receivable (AR) Invoices	Testing identified a number of invoices were not requested to be raised promptly by the relevant services.
Issue 2 - Cancellation of Accounts Receivable (AR) invoices - Guidance	Guidance regarding the cancellation of invoices needs to be strengthened.
Issue 3 - Cancelled Invoices	There is a vast number of invoices being cancelled, without the monitoring of or sufficient authorisation limits.

The aim of this follow-up review is to provide assurance that adequate progress has been made against issues raised in the original audit review.

Key Findings from Follow-up

The final report for the original audit was circulated in April 2024. All Management Actions had been given an implementation date of August 2024. However, there were delays with the implementation of actions. Internal Audit have therefore reviewed the design of the new controls in place,, but have not been able to provide assurance over their effectiveness. As such, a further follow up will be required.

Revised dates between May 2025 and June 2025 have been provided for the two issues remaining open.

	Original Issues Raised	Implemented	Issues Outstanding	Risk Accepted
High Risk	1	0	1	0
Medium Risk	2	1	1	0
Low Risk	0	0	0	0

Issue Status

Issue	Risk Rating	Status
Issue 1 - Raising of Accounts Receivable (AR) Invoices*	Medium	In Progress
Issue 2 - Cancellation of Accounts Receivable (AR) invoices – Guidance	Medium	Implemented
Issue 3 - Cancelled Invoices*	High	In progress

\* Updates and evidence have been provided following conclusion of the follow-up. Issue 3 has now been determined as implemented and good progress has been made to resolve issue 1 and waiting on the new process to embed prior to confirming implementation. The latest position on these issues is included within Appendix C.

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D4. RB08-2025 – Key Decision-Making Process

Audit Opinion	ADEQUATE
Prospects for Improvement	GOOD

Introduction

Internal Audit have completed a review of the Key Decision making process within the Council. A Key Decision is required when the proposal fulfils at least one of the following:

- Requires savings or expenditure of over £1m;
- Has a significant effect on a significant proportion of the community living or working within two or more electoral divisions;
- Adopts a major new strategy or framework that is not part of the Policy Framework; or
- Involves significant service development, either County-wide or in a particular locality.

As part of Internal Audit testing, a random sample of Key Decisions across all Directorates was selected, and the Report Author or given contact (as named within the report) were asked to provide information. Only 8 of 15 Officers responded, and this has limited the depth of conclusion that Internal Audit can draw from the sample testing.

Interviews with Directorate Governance Officers and a sample of Officers involved with Key Decisions, cited the following controls in place to reduce the likelihood of Key Decisions being missed and/or not identified in a timely manner:

- Directorate Governance Officers within each Directorate;
- Governance Meetings of various levels;
- Project registers and general business planning processes; and
- Training and guidance around Key Decisions.

In all Directorates there are regular meetings between Senior Officers and relevant Executive Members where potential and upcoming decisions are discussed. There is variation in whether these meetings are documented.

Guidance (KNet) states that Officers should contact the relevant Executive Member at the point of a possible Key Decision. From the sample testing completed, 7/8 responded that there had been early involvement of the Executive Member – although evidence was not consistently provided.

Democratic Services have provided several training opportunities for those who are likely to require a knowledge of the Key Decision making process, and Internal Audit fieldwork has received consistently positive feedback about the support and services provided by the Democratic Services Team. Testing identified that those most likely to have involvement in Key Decisions are not consistently up-taking training.

Internal Audit have identified areas in which guidance could be more explicit in the expectations and requirements of Officers around internal assessments required, and monitoring of spend against Key Decisions.

Key Strengths

- Democratic Services have provided training throughout the Council around Governance and Decisions. This included Governance Week in 2023 where there were sessions designed for Officers with different involvement around Key Decisions. Training is interactive and delivered by those with sufficient knowledge. Democratic Services worked alongside Directorate Governance Officers to identify Officers likely to require knowledge/have involvement around Key Decisions, and invitations to Governance week sessions were sent directly to these Officers. Training has also been provided in T200 sessions, at a Budget session in September 2024, and the Democratic Services Manager has provided many sessions to different departments and teams within KCC. Uptake and attendance at training is not consistent amongst those most likely to have involvement in decision making (see areas for development).
- From interviews and discussions with Directorate Governance Officers and Officers involved in Key Decisions around the Council, there was significant positive feedback regarding the service offered by Democratic Services and their knowledge and advice around the Governance process.
- Officers within Directorates reported that their Directorate Governance Officers were a good source of knowledge and support around Key Decisions.
- The Operational Delivery Team and Democratic Services have worked together to produce a Decision-Making App. This is intended to be live in May 2025, and is intended to automate and streamline the decision-making process and associated communications.

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## D4. RB08-2025 – Key Decision Making Process

### Areas for Development

#### Issue 1 - Uptake of relevant training around Key Decisions.

Medium

- Internal Audit selected a random sample of Senior Officers (Head of Service and above). By reviewing attendance records, it was identified that 3 of the 28 had attended 1 or more sessions during Governance Week, and a further 2 had attended the T200 session around Decision Making. Of the 4 Directorate Governance Officers, 3 had attended the relevant T200 forum and/or at least one of the Governance Week training sessions.
- As not all training has had attendance tracked, it is not possible to be sure whether training around Key Decisions is being attended by those in senior or relevant positions. However, inference from this Internal Audit fieldwork implies that this is not always the case.

#### Issue 2 - Assessments required for Key Decisions

Medium

- Democratic Services have advised Internal Audit that the intended practice for all Key Decisions is that every decision has to be reviewed by the Finance Business Partner as part of agreeing the 'financial implications' section for the FED and other decision documentation, and that Officers should seek advice from legal at an early stage as to what legal advice or support is required for progressing the decision so that relevant specialist legal advice can be commissioned if required.
- In reviewing relevant sections of KNet and The Operating Standards, Internal Audit found that the wording provided is not explicitly clear that the Finance Business Partner and Legal Services must be sought for every Key Decision. There are also slight variations between the KNet page, FED Entry Template and Operating Standards as to what specific considerations are required. This may cause ambiguity for Officers looking to follow guidance.

#### Issue 3 - Monitoring of expenditure taken against a Key Decision

Medium

- For Key Decisions taken where the reason (or one of the reasons) provided is expenditure over £1million, expenditure should be monitored so that if the agreed expenditure per the Key Decision is breached, Officers can request a further decision be taken such that more money can be delegated.
- Whilst Officers who responded to sample testing advised that they do track expenditure of Key Decisions, insufficient responses and evidence was provided for Internal Audit to provide assurance as to whether this is happening. Methods cited to track this spend included collaborative planning, project boards and Capital Schemes.

#### Prospects for Improvement

Prospects for improvement is rated as TBC based on the following factors:

Adequacy of Action Plans	Implementation Record	External Factors
GOOD	ADEQUATE	GOOD

#### Summary of Management Responses

	No. of Issues Raised	Mgt Action Plan Developed	Risk Accepted & No Action Proposed
High Risk	0	0	NA
Medium Risk	3	3	NA
Low Risk	0	0	NA

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Audit Opinion	N/A – ADVISORY
Prospects for Improvement	N/A

Introduction

In recognition that the receipt of grants supports KCC’s financial position and the provision of multiple services, it was acknowledged that grants frequently have associated stringent terms and conditions and create a resourcing burden in terms of the bid process and their subsequent management. On the 11<sup>th</sup> June 2024, a paper seeking the approval of the Corporate Management Team (CMT) recommended the introduction of a new review and approval process for grant bids. Approval has since been provided. The following recommendations were made:

- The adoption of a central electronic approval system for the review and approval of grant bids totalling and in excess of £100,000 by the Chief Executive, Section 151 Officer, and relevant Corporate Director.
- Approvals being subject to review by the Monitoring Officer when proposed grant applications relate to an existing or planned future key decision.
- Corporate Directors will give assurance that they will be accountable for the approval of bids, developed and submitted by their directorates totalling less than £100,000.
- Compliance with the Financial Regulations as a future scheduled and focussed CMT agenda item.
- The regular downloads of grant applications received, approved, and rejected are provided to the Section 151 Officer for the purpose of the budget strategy and the submission of KCC’s accounts.
- Internal Audit being commissioned by the Chief Executive to undertake a review of compliance with the existing Grants Register, as part of the annual review process, reporting initially to the Chief Executive then the wider Corporate Management Team.

The aim of the audit was to provide advice that the proposed processes and procedures for the approval of grant bids which were designed and introduced by the Chief Executive’s Office are robust.

No audit opinion will be provided. It is planned that Internal Audit will undertake a review of the compliance with the new process.

This review covered the Fraud Risk Assessment performed in November 2024 by the Counter Fraud Team on the Multiply Programme which delivered maths training to adults aged 19 years and over without a level 2 qualification in maths. This review identified several concerns relating to the invoicing of providers.

As a result, a number of recommendations for improvement were made which have been followed up as part of this review.

Key Strengths

Electronic Approval System

- ✓ In November 2024, Internal Audit and Counter Fraud were approached to provide some advice on the content of the MS electronic form seeking approval of the application for external grant funding over £100,000. All recommended information has been included.
- ✓ All relevant information is required to be submitted to ensure that the grant bid aligns with the Council’s priorities, budget strategy and risk management.
- ✓ A dedicated email box has been set-up.
- ✓ The requirement of the Financial Regulations has been incorporated into the electronic approval system.
- ✓ The form requires approval by the Chief Executive, the Corporate Director of Finance and the relevant Corporate Director (triple-lock approval).
- ✓ Approval is required prior to applying for funding.
- ✓ Financial implications e.g. match funding are built into the budget strategy.
- ✓ A central grants register has been set-up.
- ✓ A template has been provided for directorate grant registers.

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D5. RB09-2025 - Decisions on Accepting Grant Funding

Key Strengths Continued

Policies & Procedures

- ✓ The Corporate Grant procedure was updated to reflect the new process in October 2024.
- ✓ Guidance has been made available on KNet for staff.
- ✓ Approval procedures are in line with the Financial Regulations.
- ✓ It is planned that the Corporate Management Team (CMT) will receive regular reports on the grant applications received.
- ✓ A central record of all accepted and rejected applications will be kept.

Staff Training

- ✓ Staff awareness and training on the new external grants process has been comprehensively rolled out.

Fraud Risk Assessments

- ✓ The Approval Form requires a fraud risk assessment to be performed.
- ✓ Advice and support on the performance of a Fraud Risk assessment is offered by the Counter Fraud Team via inclusion of their email address on the Approval Form.
- ✓ Due diligence checks are part of the Fraud Risk Assessment.

Lessons Learnt From Past Mistakes

- ✓ All recommendations raised by Counter Fraud have been fully implemented by Community Learning & Skills.

Areas for Development

Issue 1 - Electronic Approval System

Medium

- Any grants below the £100,000 threshold are required to be recorded centrally and proportionately by individual directorates.

Summary of Management Responses

	No. of Issues Raised	Mgt Action Plan Developed	Risk Accepted & No Action Proposed
High Risk	0	0	NA
Medium Risk	1	1	NA
Low Risk	0	0	NA

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D8. RB26-2025 – Procurement Follow-up

Audit Opinion	FOLLOW-UP
Prospects for Improvement	N/A

**Introduction**  
As part of the 2024/25 Audit Plan, Internal Audit conducted a follow-up review of Procurement. The original audit, reported in 2023, identified two high-risk issue and two medium-risk issues, resulting in a ‘Limited assurance’ rating and ‘Good’ prospects for improvement rating. The final report was issued in August 2023 and the agreed management action dates were March 2024.

Issue	Summary of Original Issue
Issue 1 - Completeness and Accuracy of Contract Management System (CMS)	Assurance could not be provided that all contracts are being added or that records being input are accurate.
Issue 2 - Retention of Procurement Documentation in a Central Location	Sample testing identified that, for some procurements, not all documents had been retained and stored consistently in one central location.
Issue 3 - Use of Key Performance Indicators	There were no monitored central KPI's in relation to adherence to procurement procedures, the recording of contracts or storage of associated documents.
Issue 4 - Monitoring of Spend Versus Contracts	Oracle system does not have capacity to record contract numbers or values, subsequently automated tracking of spend against contracts as PO's are raised and invoices processed is not possible.

The aim of this follow-up review was to provide assurance that adequate progress has been made against issues raised in the original audit review.

of these additional management actions will be tracked by Internal Audit.

**Key Findings from Follow-up**

The follow-up work has identified that of the four previous issues being reviewed, two have been implemented. Though two issues remain open, significant progress has been made to address.

As part of this follow-up review, additional management actions have been agreed. The implementation

	Original Issues Raised	Implemented	Issues Outstanding	Risk Accepted
High Risk	2	1	1	0
Medium Risk	2	1	1	0
Low Risk	0	0	0	0

Issue Status

Issue	Risk Rating	Status
Issue 1 - Completeness and Accuracy of Contract Management System (CMS)	Medium	In Progress
Issue 2 - Retention of Procurement Documentation in a Central Location	Medium	Implemented
Issue 3 - Use of Key Performance Indicators	High	Implemented
Issue 4 - Monitoring of Spend Versus Contracts	High	In progress

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F1. RB52-2025 – Data Security and Protection Toolkit (DSPT)

Audit Opinion	HIGH
Prospects for Improvement	GOOD

**Introduction**  
As part of this year’s submission for NHS England’s Digital Security and Protection Toolkit (DSPT), Internal Audit has independently assessed the data security and protection control environments of Kent County Council. Following NHS England’s mandatory scope for Category 3 organisations, which includes local authorities, Internal Audit assessed the Council’s control environments against 10 assertions.

- Key Strengths**
- The Council demonstrates compliance with each of the mandatory assertions tested, and meets the standards as set out by the DSPT. **See Table 1.**
  - The Council’s self-assessment process is robust, with good management, regular meetings, and a SharePoint list to gather all evidence in one place.

- Areas for Development**
- None

**Prospects for Improvement**  
Prospects for improvement is rated as **Good** based on the following factors:

Adequacy of Action Plans	Implementation Record	External Factors
N/A	GOOD	GOOD

Summary of Management Responses

	No. of Issues Raised	Mgt Action Plan Developed	Risk Accepted & No Action Proposed
High Risk	0	0	NA
Medium Risk	0	0	NA
Low Risk	0	0	NA

Table 1 – Mandatory Assertions

Ref	Assertion	Rating
1.1	The organisation has a framework in place to support Lawfulness, Fairness and Transparency.	✓
2.2	Staff contracts set out responsibilities for data security.	✓
3.1	Staff have appropriate understanding of information governance and cyber security, with an effective range of approaches taken to training and awareness	✓
3.2	Your organisation engages proactively and widely to improve information governance and cyber security, and has an open and just culture for information incidents.	✓
4.5	You ensure your passwords are suitable for the information you are protecting.	✓
5.1	Process reviews are held at least once per year where data security is put at risk following data security incidents.	✓
6.2	All user devices are subject to anti-virus protections while email services benefit from spam filtering and protection deployed at the corporate gateway.	✓
7.1	Organisations have a defined, planned and communicated response to Data security incidents that impact sensitive information or key operational services	✓
9.5	You securely configure the network and information systems that support the delivery of essential services.	✓
10.2	Basic due diligence has been undertaken against each supplier that handles personal information.	✓

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## F2. RB47-2025 - Oracle Cloud Programme – Business Readiness

### Introduction

The aim of the Oracle Cloud Programme (OCP) is to replace the Council's current Oracle E-Business Suite (EBS) Solution, which is a critical system that has been in use for more than 20 years.

Internal Audit have been undertaking a review of the Oracle Cloud Programme Business Readiness to provide assurance that suitable controls are in place, so the business is ready for phase 1 OCP 'go live' in August 2025.

In line with our agile audit approach to provide timely assurance Internal Audit have provided 2 interim updates to management in May and June, the key observations are summarised below:

### Internal Audit's Observations:

### Communication and Engagement:

- The "Adopting Oracle, Adapting KCC" message is being consistently shared via meetings and KNet, K-mail and emails to staff.

### Business Readiness Group (BRG):

- The OCP BRG's purpose is to drive business readiness for the OCP by bringing together key service representatives from across KCC to make decisions, share information, and to ensure the organisation is prepared for go-live.
- The BRG includes around 80 users and membership selection was based on input from Subject Matter Experts, structure charts, and DMT meetings.
- Whilst BRG representation appears representative, data analysis of transactions is required to ensure representation is proportional to the services impacted.

### Change Impact Assessments (CIAs) and Process Adaptation:

- The adaption of critical business processes is essential for business readiness and the go live decision therefore the audit trail for evidencing, monitoring and reporting progress needs to be robust.
- CIAs are used to evaluate the extent to which existing KCC process need to be adapted to adopt Oracle and support is offered to services about 'how' to amend their business processes.

- It is imperative that suitable Action Plans are put in place promptly, so services have time to adapt their processes and train their own staff, so they can run these processes effectively upon go live.
- Once action plans are implemented, they will be signed off by Team Leaders and DMT to provide the OCP board with assurance for the Go-No Go decision.

### Key Controls:

- A Core Financial Controls audit will be considered for inclusion in the 2025/26 Audit Plan to test control effectiveness of amended processes.

### User Acceptance Testing (UAT):

- Ongoing tracking of UAT completion and is progressing well and slight delays have been absorbed into the planned contingency.
- Efficient use of time includes RAG rating issues and re-testing until problems are fixed.
- Support has been provided to testers and some defects are training needs. Some testers found scripts unclear, but improvements are planned for cycle 2.
- Team leads are helpfully translating technical jargon and providing feedback between the testers and the technical team.

### Training:

- A draft training plan for iProc users is in place and identifying essential users for pre-go live training is a priority.
- Trainers meet daily with the Transformation Manager and use UAT feedback to inform their training plans.
- It is understood that training will be delivered via face-to-face sessions, Delta, and videos.
- Oracle Guided Learning provides step by step guidance within the software.

### Go-No Go Criteria:

- The OCP Board is agreeing criteria, prioritising critical service readiness.
- The criteria and methods for measuring, monitoring and reporting need to be agreed swiftly, so progress towards achievement can be tracked.
- The go-no go decision is scheduled in good time ahead of the go live date.

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## F2. RB47-2025 - Oracle Cloud Programme – Business Readiness

### Cutover and Blackout Period:

- A contingency has been built into the cutover and blackout period.
- KNet communications outline key dates, impacts, and preparation steps.
- There has been engagement with teams and directorate resilience forums regarding updating Business Continuity Plans (BCPs) to bring forward or postpone payments.
- BCPs must be robust. Whilst it is the responsibility of individual teams to ensure they have their own up to date BCPs, it is important that the OCP Programme Management in addition to providing support, get assurance that robust plans are in place.
- Suppliers and customers should be contacted ahead of time, so they are aware of the impacts.
- Any manual work arounds being put in place during the black out period need to be closely scrutinised to ensure that spending controls are robust, Director-level authorisation is recommended for any high-risk spending.

### Go Live Support:

- A team of 'floor walkers' to support users will be in the office at go live and remote support will be also be available.
- A 'hyper care package' is being put together to provide support and trouble shooting of technical issues following go live. This package should be taken to the OCP Board for their awareness and agreement.

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# Appendix B – 2024-25 Rolling Internal Audit Plan Status

Ref	Audit	Status	Assurance	Prospects for Improvement	Committee
CR01-2025	Oracle Cloud Programme	ONGOING			
CR02-2025	Section 117 Aftercare Payments	ONGOING			
CR03-2025	Process review of SEND Payments	REMOVED			
CR04-2025	Review of SEND Assurances	PLANNING			
CR05-2025	Highways Maintenance Term Contract	ONGOING	ADVISORY	N/A	January GAC
ICT01-2025	Artificial Intelligence	COMPLETE	SUBSTANTIAL	VERY GOOD	January GAC
ICT02-2025	Laptops Follow-up	DEFERRED			
ICT03-2025	Cyber Security Assurance Map	COMPLETE	ASSURANCE MAP	N/A	July GAC
ICT04-2025	KCC Website Review	COMPLETE	ADVISORY	N/A	July GAC
ICT05-2025	KCC Incident Response Plan	COMPLETE	SUBSTANTIAL	GOOD	July GAC
ICT06-2025	Backups	DEFERRED			
ICT07-2025	Payment Card Industry Data Security Standards (PCI DSS) Follow-up	DEFERRED			
ICT08-2025	Legacy Systems	DEFERRED			
RB01-2025	Securing Kent's Future - Delivery Plans	FIELDWORK			
RB02-2025	Compliance with Financial Regulations Follow-up	COMPLETE	FOLLOW-UP	N/A	January GAC
RB03-2025	Equality, Diversity & Inclusion including Equalities Act Follow-up	DRAFT REPORT			
RB04-2025	Restructures	DEFERRED			
RB05-2025	Business Continuity Planning (BCP)	DEFERRED			
RB06-2025	Effectiveness of Whistleblowing	COMPLETE	SUBSTANTIAL	GOOD	January GAC
RB07-2025	Establishments	DEFERRED			
RB08-2025	Key Decision-Making Process	COMPLETE	ADEQUATE	TBC	July GAC
RB09-2025	Decisions on Accepting Grant funding	COMPLETE	ADVISORY	N/A	July GAC
RB10-2025	Mosaic – Pay Portal	DEFERRED			

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Ref	Audit	Status	Assurance	Prospects for Improvement	Committee
RB11-2025	Payment to Providers	DEFERRED			
RB12-2025	ASCH Referrals and Signposting	DEFERRED			
RB13-2025	3 <sup>rd</sup> Party Social Care Risks	DEFERRED			
RB14-2025	Commissioning & Transformation Board	ONGOING			
RB15-2025	Public Health Service Transformation	COMPLETE	ADEQUATE	GOOD	July GAC
RB16-2025	Public Health - Budget Forecasting & Expenditure	DEFERRED			
RB17-2025	Review of Specific Contract Award Lesson Learnt (EDLA)	COMPLETE	ADVISORY	N/A	January GAC
RB18-2025	KCC Governance Improvement Action Plan	PLANNING			
RB19-2025	Voluntary Community Sector	DEFERRED			
RB20-2025	Application of Spending Controls	PLANNING			
RB21-2025	Treasury Management	COMPLETE	HIGH	VERY GOOD	July GAC
RB22-2025	Contract Variations / Waiver Process and Approvals	FIELDWORK			
RB23-2025	Budget Savings including Follow-up	PLANNING			
RB24-2025	Standards of Public Life	DEFERRED			
RB25-2025	Contract Extensions Follow-up	FIELDWORK			
RB26-2025	Procurement Follow-up	COMPLETE	FOLLOW-UP	N/A	July GAC
RB27-2025	Modern Slavery	FIELDWORK			
RB28-2025	Use of Consultants	FIELDWORK			
RB29-2025	Contract Novation	FIELDWORK			
RB30-2025	Risk Management	FIELDWORK			
RB31-2025	KCC Registered Children's Care Homes	PLANNING			
RB32-2025	School Themed Review - Procurement	DEFERRED			
RB33-2025	Education - Alternative Provision (Pupil Referral Units)	COMPLETE	ADEQUATE	GOOD	July GAC

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RB34-2025	Decision Making (CYPE)	DEFERRED			
RB35-2025	Capital Programme (Schools)	COMPLETE	ADEQUATE	VERY GOOD	July GAC
RB36-2025	Disciplinaries	FIELDWORK			
RB37-2025	Facilities Management	COMPLETE	ADEQUATE	GOOD	November GAC
RB38-2025	Unaccompanied Asylum Seeking Children (USAC) Accommodation	DEFERRED			
RB39-2025	Payroll	PLANNING			
RB40-2025	Strategic Reset Programme (SRP)	DEFERRED			
RB41-2025	Border Control - EU Entry Exit System Checks (EES): - Business continuity - Emergency Planning - Supply Chain Management	COMPLETE	ADEQUATE	GOOD	November/ January GAC
RB42-2025	Economic Strategy Delivery	DEFERRED			
RB43-2025	Waste and Circular Economy	DEFERRED			
RB44-2025	Income and Sales	DEFERRED			
RB45-2025	Department for Environment, Food & Rural Affairs (DEFRA) Checking of Goods Changes	DEFERRED			
RB46-2025	Climate Adaptation	COMPLETE	ADVISORY	N/A	January GAC
RB47-2025	Oracle Cloud Programme - Programme Management	COMPLETE	LIMITED	ADEQUATE	January GAC
RB48-2025	Helping Hands Follow up	DEFERRED			
RB49-2025	School Themed Review – Safeguarding	COMPLETE	SUBSTANTIAL	N/A	July GAC
RB50-2025	Loans to Schools Follow-up	COMPLETE	FOLLOW UP	N/A	July GAC
RB51-2025	Sundry Debt Recovery - Cancellation of Invoices Follow-up	COMPLETE	FOLLOW UP	N/A	July GAC
RB52-2025	Data Security Protection Toolkit (DSPT)	COMPLETE	HIGH	GOOD	July GAC
RB53-2025	Annual Governance Statement Follow-up	PLANNING			
RB54-2025	Commercial & Procurement Oversight Board (CPOB)	FIELDWORK			

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Ref	Audit	Status	Assurance	Prospects for Improvement	Committee
RB55-2025	Oracle Cloud Program – Business Readiness	FIELDWORK			
RB06-2024	Kent Cards and Direct Payments – Policies and Practice	COMPLETE	LIMITED	GOOD	November GAC

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# Appendix C – Implementation of Agreed Management Actions

3+ Years

Engagement Reference	Engagement Name	Audit Opinion	Title	Risk Rating	Directorate	Status
CA03-2021	Records Management	Limited	Issue 3 - The Data Retention Schedule requires a full review	Medium	CED	Superseded
CA03-2021	Records Management	Limited	Issue 4 - Services may retain paper records beyond their statutory timescale	Medium	CED	In Progress
CA03-2021	Records Management	Limited	Issue 6 - There is no documented plan for record cleansing prior to transferring to SharePoint	High	CED	Superseded
CR04-2020	Provider Invoicing	Limited	Issue 5 - Financial Health Checks	High	ASCH	Implemented
CS04-2020	Imprest Accounts	No Assurance	Issue 3 - Security	High	CED	In Progress
CA01-2023	Annual Governance Statement	Limited	Issue 3 - Accuracy and Completeness of AGS Returns	High	CED	Implemented

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2-3 Years						
Engagement Reference	Engagement Name	Audit Opinion	Title	Risk Rating	Directorate	Status
CA03-2021	Records Management	Limited	Issue 2 - The Information Asset Register is overdue for review	High	CED	In Progress
CA03-2022	Equalities Act 2010 Duties	Limited	Issue 2 - Publication of EqlAs	High	CED	Implemented
CA03-2022	Equalities Act 2010 Duties	Limited	Issue 1 - Content of EqlA	High	CED	Implemented
RB01-2022	Declarations of Interests Members	Adequate	Issue 1 - Register of Interests	High	CED	Implemented
RB01-2022	Declarations of Interests Members	Adequate	Issue 2 - Centralised Register of Members Interests	High	CED	Implemented
RB01-2022	Declarations of Interests Members	Adequate	Issue 3 - Key Decisions	Medium	CED	Implemented

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1-2 Years						
Engagement Reference	Engagement Name	Audit Opinion	Title	Risk Rating	Directorate	Status
N/A	East Kent opportunities	Investigation	Issue 3 - Governance and Audit Committee Reporting	High	GET	Implemented
RB01-2023	Data Mapping	Adequate	Issue 3 - Data Mapping incomplete across the Council	Medium	CED	Implemented
RB07-2023	Climate Change	Limited	Issue 5 - Lack of Net Zero 2030 Programme Risk and Issues Register	Medium	GET	In Progress
RB07-2023	Climate Change	Limited	Issue 2 - Net Zero 2030 Governance	High	GET	In Progress
RB16-2023	Data Quality LAS System Risk of Overpayments	Limited	Issue 3 - Lack of control for ending services and lack of verification of actual hours	High	CYPE	In Progress
RB17-2023	Compliance with Financial Regulations	Limited	Issue 3 - Financial Regulations Training	Medium	CED	Implemented

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Less Than a Year						
Engagement Reference	Engagement Name	Audit Opinion	Title	Risk Rating	Directorate	Status
ICT03-2024	Supply Chain Cyber Security	Adequate	Issue 3 - Third Party Website Security	Medium	CED	Implemented
ICT03-2024	Supply Chain Cyber Security	Adequate	Issue 1 - Supplier Cyber Security Risk Assessment	Medium	CED	In Progress
RB07-2023	Climate Change	Limited	Issue 1 - Cost, Spend and Insufficient Funding	High	GET	In Progress
RB16-2024	Freedom of Information	Adequate	Issue 4 - Website Enhancements	Medium	CED	Implemented
RB17-2023	Compliance with Financial Regulations	Limited	Issue 4 - Single Source Justification, Direct Awards and Contract Extensions – Sample Testing	Medium	CED	Implemented
RB07-2024	Public Health Assurance Map	Assurance Map	Issue 2 - Training	Medium	ASCH	
RB09-2025	Decisions on Accepting Grant funding	Advisory	Issue 1 - Directorate Grant Registers <£100,000	Medium	CED	Implemented

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Programmed Follow-ups						
Engagement Reference	Engagement Name	Audit Opinion	Title	Risk Rating	Directorate	Status
RB18-2024	Loans to Schools	Limited	Issue 1 – Payment Holidays	Medium	CYPE	Implemented
RB18-2024	Loans to Schools	Limited	Issue 2 – 10% of Revenue Budget Threshold	High	CYPE	Implemented
RB18-2024	Loans to Schools	Limited	Issue 3 – Affordability Checks for Additional Loans	High	CYPE	Implemented
RB18-2024	Loans to Schools	Limited	Issue 4 – Roles and Responsibilities	Medium	CYPE	Implemented
RB30-2024	Sundry Debt Recovery – Cancellation of Invoices	Limited	Issue 1 – Rasiing of Accounts Receivable (AR) Invoices	Medium	CED	In Progress
RB30-2024	Sundry Debt Recovery – Cancellation of Invoices	Limited	Issue 2 – Cancellation of Accounts Receivable (AR) Invoices – Guidance	Medium	CED	Implemented
RB30-2024	Sundry Debt Recovery – Cancellation of Invoices	Limited	Issue 3 – Cancelled Invoices	High	CED	Implemented
CA07-2023	Procurement	Limited	Issue 1 - Completeness and Accuracy of Contract Management System (CMS)	Medium	CED	In Progress
CA07-2023	Procurement	Limited	Issue 2 - Retention of Procurement Documentation in a Central Location	Medium	CED	Implemented
CA07-2023	Procurement	Limited	Issue 3 - Use of Key Performance Indicators	High	CED	Implemented
CA07-2023	Procurement	Limited	Issue 4 - Monitoring of Spend Verus Contracts	High	CED	In Progress

\* For **RB30-2024 - Sundry Debt Recovery – Cancellation of Invoices**, updates and evidence have been provided following conclusion of the follow-up. Issue 3 has now been determined as implemented and good progress has been made to resolve issue 1 and waiting on the new process to embed prior to confirming implementation. Updated position has been reflected in the table above.

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Grant Type	Description	Amount	Current Status
Department for Transport	Bus Service Operators Grant (BSOG) - Annual grant to support local bus services (reported previously)	£1,100,000	Complete
Department for Transport	Integrated Transport & Maintenance Block (reported previously)	£47,000,000	Complete
Department for Transport	Local Transport Block Funding - Pothole Fund (reported previously)	£4,300,000	Complete
Department for Transport	Bus Service Operator Grant for Walmer in Dover	£2,000,000	Complete
Sport England	Sport England 23-24	£900,000	Complete
Department of Health	Supplementary Substance Misuse Treatment & Recovery (SSMTRG) 24-25 (mid-year & end of year review)	£2,200,000	Complete
Department of Health	SSMTR - Housing Support Fund 24-25 (mid-year & end of year review)	£809,000	Complete
Department for Health	Inpatient Detoxification Treatment (IPD) 24-25 (mid-year and end of year review)	£814,000	Complete
Department of Health	Individual Placement Support (IPS) 24-25 (mid-year and end of year review)	£257,000	Complete
Department of Health	Rough Sleeping Drug & Alcohol Treatment 24-25(mid-year and end of year review)	£586,000	Complete
Department for Transport	Core Growth Hub - Midyear review	£200,000	Complete
Total		£60,166,000	

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### Audit Opinion

#### High

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

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

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

#### Limited

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

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

#### Substantial

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

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

#### No Assurance

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

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

#### Adequate

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

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

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Prospects for Improvement		Issue Risk Ratings	
Very Good	There are strong building blocks in place for future improvement with clear leadership, direction of travel and capacity. External factors, where relevant, support achievement of objectives.	High	There is a gap in the control framework or a failure of existing internal controls that results in a significant risk that service or system objectives will not be achieved.
Good	There are satisfactory building blocks in place for future improvement with reasonable leadership, direction of travel and capacity in place. External factors, where relevant, do not impede achievement of objectives.	Medium	There are weaknesses in internal control arrangements which lead to a moderate risk of non-achievement of service or system objectives.
Adequate	Building blocks for future improvement could be enhanced, with areas for improvement identified in leadership, direction of travel and/or capacity. External factors, where relevant, may not support achievement of objectives	Low	There is scope to improve the quality and/or efficiency of the control framework, although the risk to overall service or system objectives is low.
Uncertain	Building blocks for future improvement are unclear, with concerns identified during the audit around leadership, direction of travel and/or capacity. External factors, where relevant, impede achievement of objectives.		

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