INTERNAL AUDIT PROGRESS REPORT

GOVERNANCE AND AUDIT COMMITTEE

23rd July 2026

The engagements included were conducted in conformance with the Global Internal Audit Standards and UK Public Sector Application Note

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 **14** summaries of work undertaken between May 2026 and July 2026.

2. Key Messages

- **14** audit summaries are included from ongoing and finalised work in the period reported. **Appendix A**
- **33** audits from the 2025-26 rolling Audit Plan are have been completed with the remaining priority audits taken for consideration in the 2026-27 Rolling Internal Audit Plan. **Appendix B**
- The Team has to date, audited and certified **15** government grants. There has been no further Grant certification undertaken between May and July 2026. **Appendix C**

Section Navigation

Introduction & Key Messages

Resources

2025-26 Internal Audit Plan

Issue Implementation

Appendix A - Summaries

Appendix B – 2025-26 Internal Audit Plan Status

Appendix C - Grant Certification

Appendix D - Definitions

3. Resources

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

- Interim arrangements for the Head of Internal Audit and the Head of Counter Fraud have been extended to September 2026. It is anticipated that an external recruitment exercise will be undertaken in the coming months.
- A trainee Auditor has been successfully recruited into the team. One contractor with previous experience within the team has been brought into the service temporarily to support delivery of current Audit Plans.
- One Principal Auditor will be leaving the team in September and currently options are being explored.
- Audit Management software development and enhancements to Internal Audit processes are ongoing and gathering momentum.
- Technology available to support the completion of the Rolling Internal Audit Plan is being utilised. This includes data analytics tools such as Power Bi and data-driven assurance (continuous auditing).
- The use of Artificial Intelligence is actively being explored and is already generating efficiencies and enhancing delivery.

Section Navigation
Introduction & Key Messages
Resources
2025-26 Internal Audit Plan
Issue Implementation
Appendix A - Summaries
Appendix B – 2025-26 Internal Audit Plan Status
Appendix C - Grant Certification
Appendix D - Definitions

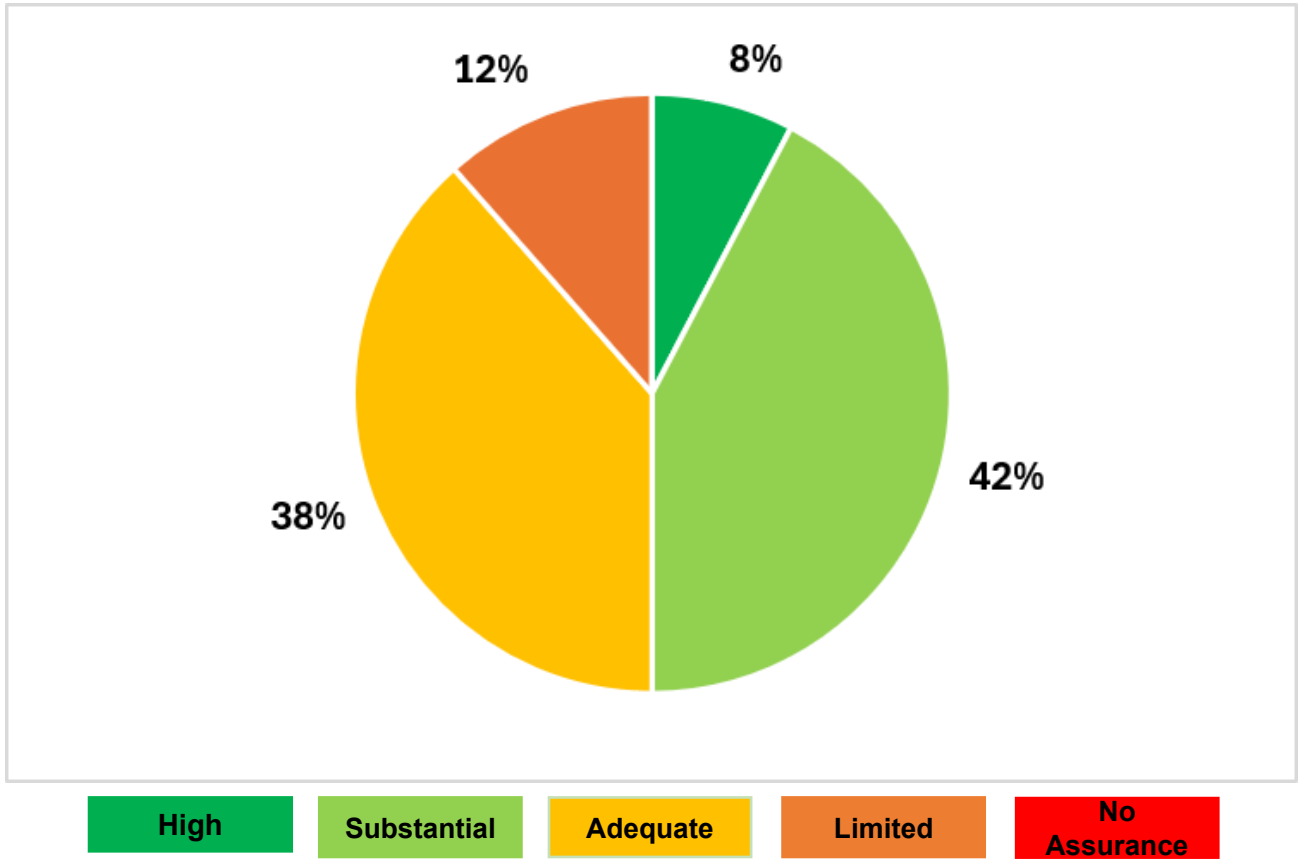
4. 2025-26 Internal Audit Plan

The Rolling Internal Audit Plan commenced slightly later in the year than typically, which in conjunction with the External Quality Assessment has meant the Plan is slightly behind where delivery would be expected. However, there has been an increase in the total number of reviews completed during 2025-26 (33, 61%) compared to 2024-25 (24, 55% of priority audits). as reported to January Governance and Audit Committee. Sufficient coverage of priority audit work has been undertaken to provide the Head of Internal Audit Annual Audit Opinion.

The Internal Audits that have not been completed will be considered as part of the 2026-27 Rolling Internal Audit Plan.

Status	No	%
Not Started	0	0%
In Progress	5	9%
Complete	33	61%
Deferred	15	28%
Removed	1	2%
Total		

2025-26 Audit Assurance Levels and Prospects for Improvement of Audits



Assurance Level	No	%
High	2	8%
Substantial	11	42%
Adequate	10	38%
Limited	3	12%
No	0	0%

Prospects for Improvement	No	%
Very Good	4	18%
Good	14	64%
Adequate	4	18%
Uncertain	0	0%

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 issues; thereby giving the Committee the opportunity to explore the areas further, should it wish to do so. This report also provides an update on the work completed between May 2026 and July 2026, 17 audit summaries are provided at **Appendix A** covering completed work and updates on ongoing embedded assurance activity.

Section Navigation

Introduction & Key Messages

Resources

2025-26 Internal Audit Plan

Issue Implementation

Appendix A - Summaries

Appendix B – 2025-26 Internal Audit Plan Status

Appendix C - Grant Certification

Appendix D - Definitions

Table 1 – Summary of Audits by Committee Meeting

	Governance & Audit Committee – 23rd July 2026			
No	**Audit**		**Opinion**	**Prospects for Improvement**
19	RB11-2026 – Adult Social Care Debt Recovery		**Substantial**	**Good**
21	RB48-2026 – Local Mitigation Fund		**Advisory**	**N/A**
22	RB49-2026 – Data Security and Protection Toolkit		**High**	**Very Good**
23	RB32-2026 - Business Continuity Planning – Post Implementation System Usage (Split opinion)	Functional System	**Substantial**	**Good**
		ASCH	**High**	
		CYPE	**Adequate**	
		GET	**Limited**	
		CED/ DCED	**Adequate**	
24	RB18-2026 - ASCH Provider Failure Risk		**Adequate**	**Good**
25	RB20-2026 - Budget Management		**Adequate**	**Good**
26	RB30-2026 - Essential Living Allowance Follow-up		**Limited**	**Adequate**
27	RB16-2026 - Mosaic Invoice Validation		**Adequate**	**Adequate**
28	RB45-2026 - Oracle Cloud Programme – Communication and Training		**Adequate**	**Adequate**
29	RB44-2026 - Oracle Cloud Programme – Security of Data Migration (***Exempt***)		**Adequate**	**Adequate**
30	RB42-2026 – Commercial & Procurement Oversight Board (CPOB)		**Advisory**	**N/A**
31	RB35-2026 - Restructures		**Substantial**	**Good**
32	RB25-2026 - Process Review of SEND Payments		**Advisory**	**N/A**
33	RB02-2026 - Future Operating Environment – Local Government Reorganisation Implementation		**Substantial**	**Good**

Section Navigation

Introduction & Key Messages

Resources

2025-26 Internal Audit Plan

Issue Implementation

Appendix A - Summaries

Appendix B – 2025-26 Internal Audit Plan Status

Appendix C - Grant Certification

Appendix D - Definitions

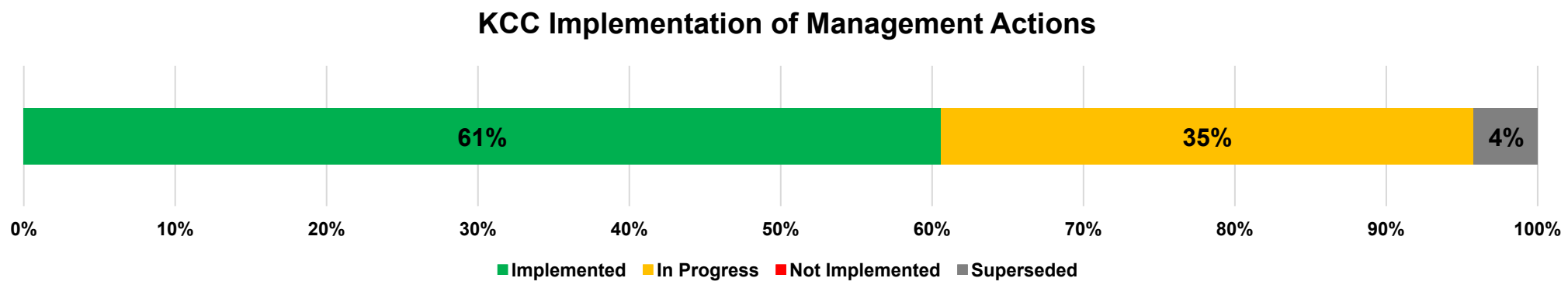
5. Issue Implementation

Details of the current position on the 'Implementation of Agreed Management Actions' is set out at below. This details the implementation status of 71 actions due up till June 2026 categorised by the assurance level assigned to the original report. Though implementation has fallen slightly from the previous period to 61% from 64% there still remains positive implementation compared to those seen in 2024 where implementation dropped to between 22% to 34%. Furthermore, implementation of more longer standing issues (those over 2 years) implementation was at 50%.

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	19	52	6	37	12	13	0	0	1	2
Total %			32%	71%	63%	25%	0%	0%	5%	4%



	Age	Total Number due for Implementation		Implemented		In Progress		Not Implemented		Superseded	
		High	Medium	High	Medium	High	Medium	High	Medium	High	Medium
ASCH	3+ Years	0	0	0	0	0	0	0	0	0	0
	2-3 Years	0	1	0	0	0	1	0	0	0	0
	1-2 Years	4	9	0	7	4	2	0	0	0	0
	Less than 1 Year	4	3	1	1	3	2	0	0	0	0
CYPE	3+ Years	0	0	0	0	0	0	0	0	0	0
	2-3 Years	0	0	0	0	0	0	0	0	0	0
	1-2 Years	3	1	2	0	0	1	0	0	1	0
	Less than 1 Year	0	4	0	4	0	0	0	0	0	0
GET	3+ Years	0	0	0	0	0	0	0	0	0	0
	2-3 Years	1	0	0	0	1	0	0	0	0	0
	1-2 Years	0	3	0	0	0	3	0	0	0	0
	Less than 1 Year	1	5	0	3	1	2	0	0	0	0
CED	3+ Years	0	1	0	1	0	0	0	0	0	0
	2-3 Years	1	0	1	0	0	0	0	0	0	0
	1-2 Years	0	6	0	5	0	0	0	0	0	1
	Less than 1 Year	1	7	1	6	0	0	0	0	0	1
DCED	3+ Years	0	0	0	0	0	0	0	0	0	0
	2-3 Years	0	0	0	0	0	0	0	0	0	0
	1-2 Years	1	2	0	1	1	1	0	0	0	0
	Less than 1 Year	3	7	1	6	2	1	0	0	0	0
CMT	3+ Years	0	0	0	0	0	0	0	0	0	0
	2-3 Years	0	0	0	0	0	0	0	0	0	0
	1-2 Years	0	1	0	1	0	0	0	0	0	0
	Less than 1 Year	0	2	0	2	0	0	0	0	0	0
Total		19	52	6	34	12	16	0	0	1	2

Section Navigation

Introduction & Key Messages

Resources

2025-26 Internal Audit Plan

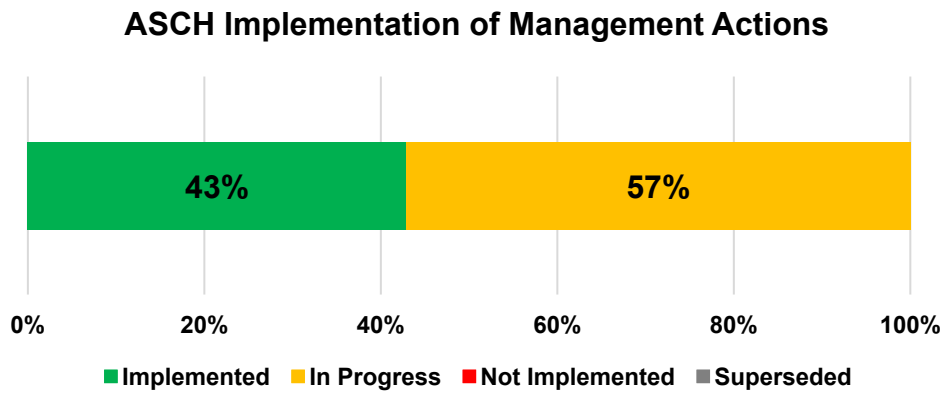
Issue Implementation

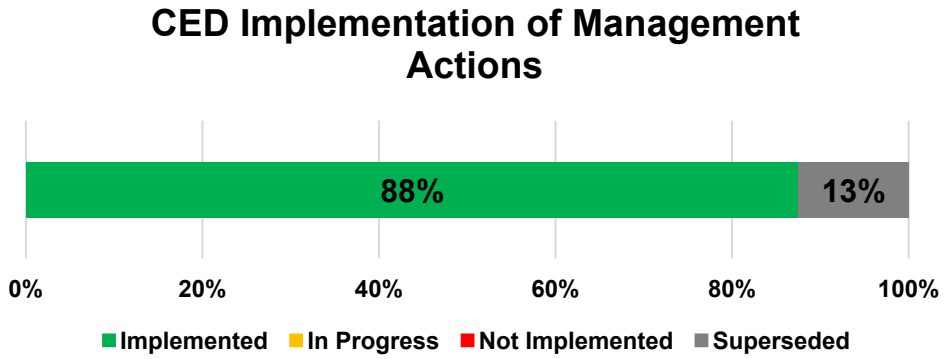
Appendix A - Summaries

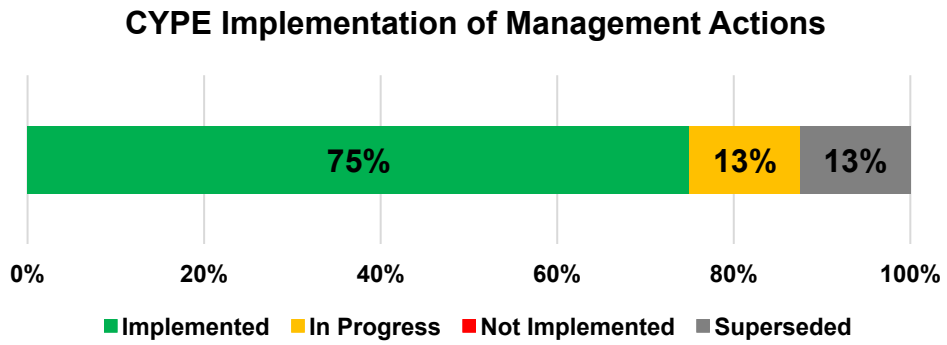
Appendix B – 2025-26 Internal Audit Plan Status

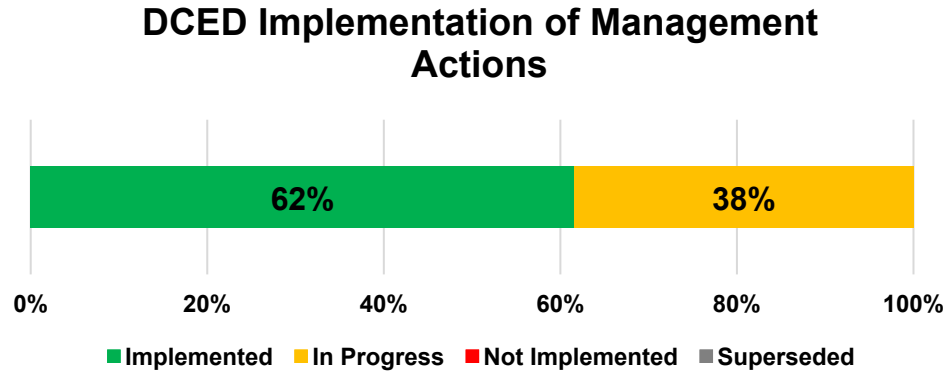
Appendix C - Grant Certification

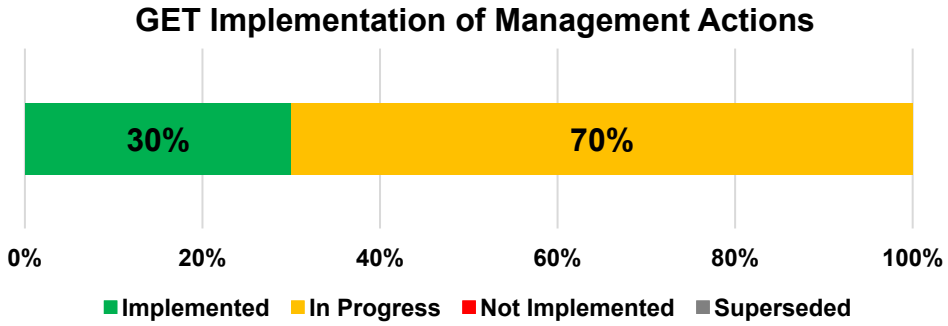
Appendix D - Definitions

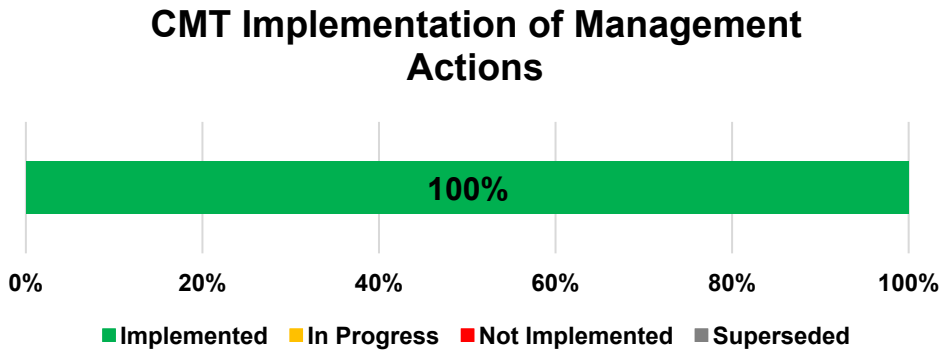






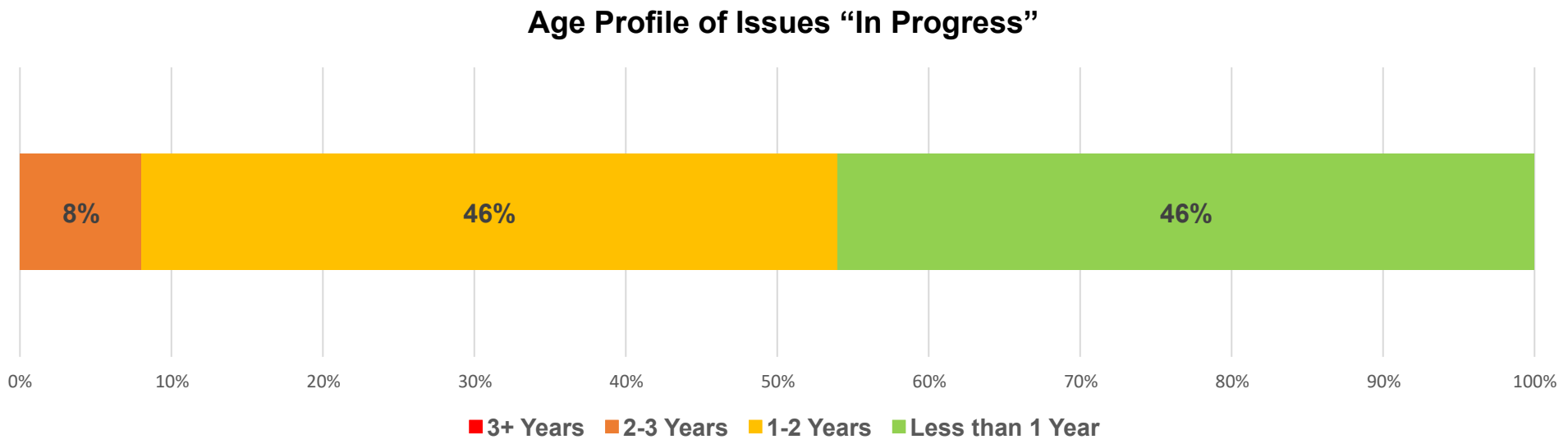






Section Navigation
Introduction & Key Messages
Resources
2025-26 Internal Audit Plan
Issue Implementation
Appendix A - Summaries
Appendix B – 2025-26 Internal Audit Plan Status
Appendix C - Grant Certification
Appendix D - Definitions

Progress on issues for the period found that 24 issues remain “in progress”. Of which the majority of issues have been open for less than 1 year (46%) or between 1 and 2 years (46%). There were only 7% of issues older than 2 years that have remained in progress.



Section Navigation
Introduction & Key Messages
Resources
2025-26 Internal Audit Plan
Issue Implementation
Appendix A - Summaries
Appendix B – 2025-26 Internal Audit Plan Status
Appendix C - Grant Certification
Appendix D - Definitions

Appendix A - Summaries

RB11-2026 – Adult Social Care Debt Recovery

Audit Objective

The focus of this Internal Audit review was on the debt recovery process. Two areas for development have been raised in this report relating to timeliness and information sharing & communicating but due to this being the responsibility of ASCH no issues have been raised.

Audit Opinion	Prospects for Improvement
Substantial	Good

Actions	Number	Agreed	Risk Accepted
High	0	N/A	N/A
Medium	0	N/A	N/A
Low	1	1	0

Key Strengths

Policies and Procedures	✓ The Debt Recovery Policy demonstrates effective governance through clear ownership, version control, and documented review dates, supporting accountability, transparency, and regular oversight to ensure the policy remains current and fit for purpose.
Debt Recovery Process	✓ Appropriate and consistent recovery actions were undertaken for each debt reviewed, demonstrating a proactive approach to debt management and evidencing that reasonable efforts were made to recover balances before write off decisions were considered.
Write-Offs (Authorisation)	✓ All debt write offs reviewed were approved in line with the established authorisation framework. Write offs signed on behalf of the Section 151 Officer were appropriately delegated in accordance with the Scheme of Delegation and no instances were identified where approval thresholds requiring direct Section 151 Officer authorisation were breached.
Monitoring and Reporting	✓ Clear and informative management reports are regularly produced and used to keep senior management informed of the debt recovery position, supporting effective oversight, timely decision making, and accountability.
Monitoring and Reporting (Automation)	✓ The implementation of the new Oracle Cloud system is intended to enable invoices and statements to be generated automatically, reducing manual intervention, improving timeliness and accuracy, and supporting a more efficient and controlled debt recovery process.

Audit Scope and Scope Limitations

Areas Covered
Commissioning
Operations – Short-Term and Long-Term Support
Holistic ASCH Savings Oversight
Operations – Short-Term and Long-Term Support

Scope Limitations	None

Areas For Development

Low	**Issue 1 – Time Taken to Write Off** • In several instances, debts were pursued for extended periods before being written off, despite the low value involved. This indicates that the time and effort expended to reach the write off decision were not always proportionate to the amount outstanding, potentially reducing the efficiency of the debt recovery process and not presenting best value by delaying.
	Timeliness • During fieldwork there were 7 cases of write off's occurring due to the timeliness of the invoicing/actions, however it is proposed that these will be addressed with the new Oracle Cloud system automatically generating invoices. No issue has been raised.
	Information Sharing and Communicating • During fieldwork it was recognised that one of the write-off cases was as a result of information not being shared with the client by the previous department, highlighting that some delays or write offs may occur due to other errors not within the Debt Recovery department. No issue has been raised.

Section Navigation

Introduction & Key Messages

Resources

2025-26 Internal Audit Plan

Issue Implementation

Appendix A - Summaries

Appendix B – 2025-26 Internal Audit Plan Status

Appendix C - Grant Certification

Appendix D - Definitions

RB20-2026 – Budget Management

Audit Objective	
	As part of the 2025-26 Audit Plan, Internal Audit has reviewed the adequacy of budget management arrangements to ensure financial control and accountability are maintained. In forming conclusions, we assessed the budget management processes against the requirements of the Council's Constitution, KCC's Financial Regulations, KCC's financial procedures, Corporate Reserves Requests Guidance, as well as good practice guidance for financial management in local authorities (the CIPFA Financial Management

Audit Opinion	Prospects for Improvement
Adequate	Good

Actions	No	Agreed	Risk Accept
High	1	TBC	TBC
Medium	2	TBC	TBC
Low	1	TBC	TBC

Key Strengths

Directive controls	✓ A range of guidance and support is available to budget managers, including intranet resources and advice from accountants.
Preventative and detective controls	✓ The corporate budget position is subject to regular monitoring and scrutiny and challenge by Senior Management and Members ✓ Utilisation of corporate reserves is subject to Cabinet approval.
Processes and procedures	✓ 22 high-risk/priority savings plan across the Council have been identified and will be subject to greater monthly monitoring and scrutiny by the Strategic Priorities Board (SPB).

Audit Scope and Scope Limitations

Directive controls	
Preventative and detective controls	
Processes and procedures	
Scope Limitations	None

Areas for Development

Medium	**Issue 1 – Budget Manager Training** The Council has developed an eLearning course: 'Budget Manager Basics' for existing budget managers and those looking to move into a budget manager role. However, analysis of 'Budget Manager Basics' training records indicates low uptake of the course among budget managers. Of 474 cost centre managers, only 13 have completed the course. The Chief Accountant's Team has also delivered in-person training to a further 24 budget managers since December 2024. Internal Audit recognise that this training sits alongside a wider range of support available to budget managers.
Low	**Issue 2 – Resource Accountability Statements** The Council's financial regulations require Corporate Directors to ensure that Resource Accountability Statements (RAS) are completed by budget managers. As at the time of our testing in June 2026, 35 out of 68 Heads of Service, 6 out of 23 Directors and none of the 5 Corporate Directors have submitted their RAS.
Medium	**Issue 3 – Aligning Oracle Approval Limits to Scheme of Delegation** The Scheme of Delegation defines four approval levels (£50k, £500k, £1m and unlimited), but we found that the Council's main financial system (Oracle) has been configured with six approval levels. The presence of these additional approval levels in Oracle creates a misalignment between the Council's formally approved governance framework and the system configuration.
High	**Issue 4 – Reserve Utilisation** The Council has set a minimum benchmark of 5% of the net revenue budget to support its financial resilience. The general fund reserves have increased from approximately £39.2m (2.7% of the net revenue budget) in 2024/25 to £66.0m (4.3%) in 2025/26, demonstrating a positive trend. However, reserves remain below the 5% benchmark, and the position is still sensitive to underlying budget pressures, meaning financial resilience cannot yet be considered fully restored.

Section Navigation

Introduction & Key Messages

Resources

2025-26 Internal Audit Plan

Issue Implementation

Appendix A - Summaries

Appendix B – 2025-26 Internal Audit Plan Status

Appendix C - Grant Certification

Appendix D - Definitions

RB48-2026 Local Mitigation Fund (LMF)

Audit Objective

Internal Audit was approached to provide advice regarding the set-up of the administration and management of the Local Mitigation Fund (LMF) which is currently being developed prior to going live / open to the applications.

Audit Opinion	Prospects for Improvement
Advisory	N/A

Actions	No	Agreed	Risk Accept
High	0	N/A	N/A
Medium	0	N/A	N/A
Low	0	N/A	N/A

Outcomes

Application Process	✓ Improved decision-making audit trail ✓ Introduction of templates ✓ Provision of a fraud risk assessment which has been used to update the application process ✓ Robust governance structure.
Loan Terms	✓ Loan template includes all required information ✓ Independent director checks facilitate informed decision-making. ✓ Improved monitoring arrangements
Scrutiny	✓ Robust proposed financial assessment framework. ✓ Comprehensive evaluation criteria is in place to ensure value for money.
Timescales	✓ Milestone framework provides clear linkage between achievement and release of funds. ✓ Overall monitoring sheet set-up
Nutrient Reducing Targets	✓ Nutrient reducing targets are clearly defined, supported and monitored. ✓ Funding is only released by evidence of progress against the outcomes.
House Building Targets	✓ Achievement of house building targets will be monitored and tracked.
Oversight	✓ Provision of a comprehensive assurance map setting out the entire process to facilitate the preparation of procedures. ✓ Inclusion of milestones in the monitoring process. ✓ Project oversight and monitoring to facilitate informed decision making.
Subsidy Control	✓ Monitoring and control of subsidiaries.

Conclusion

Internal Audit will continue to provide advice and guidance on an ongoing basis, as and when required, to assist the service when the scheme is open for applications.

There are no management actions to address due to Internal Audit advice being provided on an ongoing basis with regular agile meetings held to discuss and implement any required changes. Improvements suggested by Internal Audit had all been implemented by the date of this management letter.

Audit Scope and Scope Limitations

Areas Covered	
Application Process	
Loan Terms	
Scrutiny	
Timescales	
Nutrient Reducing Targets	
House Building Targets	
Oversight	
Subsidy Control	
Scope Limitations	None

Section Navigation

Introduction & Key Messages

Resources

2025-26 Internal Audit Plan

Issue Implementation

Appendix A - Summaries

Appendix B – 2025-26 Internal Audit Plan Status

Appendix C - Grant Certification

Appendix D - Definitions

RB02-2026 - Future Operating Environment – Local Government Reorganisation Implementation – Embedded Assurance

Audit Objective	
	Internal Audit will operate in a consultancy capacity, attending programme and reorganisation meetings to observe, challenge, and advise on emerging risks and control considerations. While maintaining independence, Internal Audit will not assume any decision-making responsibilities in relation to programme activities The role of Internal Audit is to provide ongoing advice related to Local Government Reorganisation (LGR) programme. This initial review focussed on the Service Complexity Assessments process

Audit Opinion	Prospects for Improvement
Substantial	Good

Audit Scope and Scope Limitations

Areas Covered	
Service Complexity Assessments	
Scope Limitations	None

Observations

- An initial pilot was undertaken with one service in each Directorate. The pilot services were Deprivation of Liberties Safeguards in ASCH, Countywide School Admissions in CYPE and Trading Standards in GET. The aim of the pilot phase was to test and refine the SCA process and ensure that the lessons learned are reflected in wider Council assessments, Following the pilot phase, phase 1 of the process began, which covers all customer-impacted services – this is all services within ASCH, CYPE and GET and a small number of customer-facing services in CED and DCED. A later phase is planned to cover the remaining corporate support services in CED and DCED, which will require close working with District and Medway colleagues through the joint Kent and Medway LGR programme. This is a positive and pragmatic approach to enable the Council to best prepare for the implications of LGR.
- The SCA process is facilitated by two core documents which are Request for Information document (RFI) and the Service Scorecard.
- Review of the core documents found that these covered the core areas for consideration and would enable an opinion on the challenges and opportunities with disaggregation. Some areas for consideration were identified including statutory deadlines and number and scale of contracts however; these are solely for consideration as these are likely to be picked up in wider implementation and planning work for LGR
- A sample of SCA process templates including RFI and scorecards were reviewed and found that these were finalised to a consistent standard which articulated the challenges and opportunities with disaggregation.
- It was highlighted by Officers that other areas in the county outside of KCC are operating information collection however, Internal Audit were informed that this was not to the same level of analysis being undertaken at KCC. KCC Officers are engaging to receive information on other Councils processes to enable further reflection on the current KCC process. This is a sensible approach which enable there to be a level of consistency across the county.
- Once the SCA process has been concluded the findings will be reported internally with outcomes likely to be reported to Devolution and Local Government Re-organisation Cabinet Committee.

Conclusion

Internal Audit will continue to provide advice and guidance on an ongoing basis, as and when required, to assist KCC with progressing through LGR.

In summary, the process for SCA appears robust and reasonable in design which will assist identification of challenges, risks and opportunities presented from disaggregation of county council services. Some areas on the documentation have been identified for consideration to enhance the SCA processes however, these may be picked up in the wider implementation and planning work for LGR.

There are no management actions to address due to Internal Audit advice being provided on an ongoing basis with regular agile meetings held to discuss and implement any required changes. Further advice and updates on LGR will be provided and reported on an ongoing basis moving forward.

Section Navigation

Introduction & Key Messages

Resources

2025-26 Internal Audit Plan

Issue Implementation

Appendix A - Summaries

Appendix B – 2025-26 Internal Audit Plan Status

Appendix C - Grant Certification

Appendix D - Definitions

RB24-2026 - No PO No Pay – Embedded Assurance

Audit Objective	The Internal Audit and Counter Fraud service has supported Finance and Procurement in a consultancy capacity to develop and monitor this delivery plan. In addition, Internal Audit provided Finance with Institute of Internal Auditors (IIA) guidance on Accounts Payable auditing as well as an overview of key controls, which has been used to inform additional actions ahead of the No PO No Pay audit on the 2026/27 audit plan. Please note: the assigned auditor for the 2026/27 audit will develop their own detailed work programme to ensure independence and objectivity.

Audit Opinion	Prospects for Improvement
Advisory	N/A

Actions	No	Agreed	Risk Accept
High	0	0	0
Medium	1	1	0
Low	1	1	0

Conclusion

Internal Audit has provided timely assurance throughout the programme, with the observations above highlighting both strengths and areas requiring attention.

In summary, the delivery plan provides a constructive foundation for embedding the No PO, No Pay policy, with 31 items captured, demonstrating that Finance and Procurement have begun to translate known implementation items into a structured improvement plan. During the engagement, and at the time of reporting, six of these items have been closed. Although, during fieldwork, Internal Audit identified multiple gaps in the plan, Finance and Procurement consequently addressed these. Officers have also organised 6-weekly meetings to monitor the plan going forward. Due to resourcing constraints in Procurement, the next important step is for management to confirm item prioritisation and resourcing so that available capacity is directed towards the highest-risk items. Finally, with the help of a data-driven dashboard to assist with assurance, management should identify KPIs to track whether the No PO No Pay policy is being implemented as expected.

Audit Scope and Scope Limitations

Areas Covered

Post-Go-Live & Root Cause Analysis	Governance
Tracking Success to Shape Actions	Building Clear, Achievable Actions
Ensuring Adequate Resourcing	Communication & Change Management
Review Exceptions and Defining Clear Exception Criteria	
Scope Limitations	None

Areas for Development

Medium	**Finding 1 – Prioritisation and Resource Allocation have not yet been completed to support delivery** Resource constraints have been recognised as a delivery risk, particularly within Procurement. Additional resource was identified as being unlikely, meaning prioritisation and risk acceptance will be required. While the delivery plan has continued to develop, management has not yet evidenced a formal prioritisation exercise or resource allocation approach to ensure available capacity is focused on the highest-priority activities.
Low	**Finding 2 – Key Performance Indicators (KPIs) are not defined to track success** The delivery plan includes actions to implement several monitoring mechanisms, including repeat offender reporting, monthly PO reject reporting, six-monthly reporting on non-compliance patterns, and the development of a data-driven assurance dashboard. However, defined KPIs or quantified success measures have not yet been agreed to assess whether the No PO No Pay policy is being implemented as expected.

Section Navigation

Introduction & Key Messages

Resources

2025-26 Internal Audit Plan

Issue Implementation

Appendix A - Summaries

Appendix B – 2025-26 Internal Audit Plan Status

Appendix C - Grant Certification

Appendix D - Definitions

RB49-2026 – Data Security and Protection Toolkit

Audit Objective	As part of the 2025/26 Internal Audit Plan, Internal Audit undertook a review of the Council's compliance with the latest version of NHS England's Data Security and Protection Toolkit (DSPT). The aim of the engagement was to provide assurance that the Council is practising good data security and that personal information is handled correctly in line with the Toolkit's assertions.

Audit Opinion	Prospects for Improvement
High	Very Good

Actions	Number	Agreed	Risk Accepted
High	0	0	0
Medium	0	0	0
Low	1	1	0

Key Strengths

- ✓ The Council predominantly demonstrates compliance with each of the mandatory assertions tested and meets the standards set out by 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

Low	**Issue 1 – Volunteer Agreements Do Not Include Full Data Security Requirements** • There is no Council-wide standard template for volunteer agreements covering confidentiality, integrity, and availability of data. Documents at directorate level focus on confidentiality only
Ongoing Improvements	• While the use of unencrypted removable media, such as USB flash drives, is prohibited by policy, there are currently no technical controls to prevent this; for example, computer port control, as suggested by the DSPT. However, the Chief Information Systems Officer is aware of this and has informed Internal Audit that work is ongoing to block unencrypted removable media. This is due to progress in June 2026.

Audit Scope and Scope Limitations

Mandatory Assertions DSPT	
Scope Limitations	None

Table 1 – Summary of 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.	✓

✓	Compliant	–	Partially Compliant	✗	Not Compliant

Section Navigation

Introduction & Key Messages

Resources

2025-26 Internal Audit Plan

Issue Implementation

Appendix A - Summaries

Appendix B – 2025-26 Internal Audit Plan Status

Appendix C - Grant Certification

Appendix D - Definitions

RB18-2026 – ASCH Provider Failure Risk

Audit Objective	As part of the 2025/2026 Audit Plan, Internal Audit reviewed arrangements for identifying and managing ASCH provider failure risk. In forming conclusions, Internal Audit assessed the management of providers' failure risk relating five contracts.

Audit Opinion	Prospects for Improvement
Adequate	Good

Actions	Number	Agreed	Risk Accepted
High	2	2	0
Medium	4	4	0
Low	0	N/A	N/A

Key Strengths

Clear, consistent, and enforceable directive controls	✓ A quality and assurance framework in place that sets out required monitoring activities that will help to identify providers at risk of failure.
Effective Balance of preventative and detective controls	✓ Commissioners routinely engage with external agencies (i.e. CQC as the regulator, NHS as healthcare commissioners) to share intelligence relating to concerns and providers at risk of failure. ✓ External regulatory (CQC) assurance is used to inform internal assessment of provider failure risk.
Process and Procedures – Administration or insolvency of providers	✓ Vacancy lists and details of suitable alternative local providers are maintained as part of continuity planning in the event that a provider fails or exits the market.

Audit Scope and Scope Limitations

Clear, consistent, and enforceable directive controls
Effective balance of preventative and detective controls
Processes and procedures – administration or insolvency of providers

Scope Limitations	None

Areas for Development

Medium	**Issue 1 – Inconsistent Risk Assessment and Rating** 2 out of 5 contracts in our sample currently maintain a risk matrix to monitor and track providers' risk ratings. Furthermore, there is no clearly defined or consistently applied provider risk assessment or scoring model.
High	**Issue 2 – Lack of Early Warning Provider Financial Risk Indicators** Internal audit found that there is limited use of early warning financial risk indicators. This limits the Council's ability to identify providers that may be at risk of financial pressure before issues escalate into business failure.
High	**Issue 3 – Lack of clarity and compliance with Risk-Based Provider Monitoring** ASCH's Provider Quality Assurance Framework requires commissioners to undertake a range of monitoring activities which are intended to support the early identification of provider failure risk. However, we found that monitoring activity has been limited in practice.
Medium	**Issue 4 – Lack of Oversight of Non-Regulated Providers** Internal Audit found that monitoring arrangements are more established for providers delivering regulated activities.. In contrast, non-regulated providers are subject to comparatively limited monitoring and are not covered by external regulatory assurance.
Medium	**Issue 5 – Establishing Procedures for Provider Failure** While documented procedures exist for managing the closure of care homes, there are no equivalent procedures in place for other providers such as those providing homecare, supported living or community equipment.
Medium	**Issue 6 – Inconsistent Post-Closure Reviews and Learning** While the Council's Strategic Reset Programme team has recently reviewed the closure of two Older People's Residential and Nursing (OPRN) providers, we found that post-closure reviews or reports are not routinely completed when providers close or exit the market.

Section Navigation

Introduction & Key Messages

Resources

2025-26 Internal Audit Plan

Issue Implementation

Appendix A - Summaries

Appendix B – 2025-26 Internal Audit Plan Status

Appendix C - Grant Certification

Appendix D - Definitions

RB32-2026 – Business Continuity Planning Post Implementation System Usage

Audit Objective

This audit focussed on the uptake of the Meridian system across the Council and the extent to which directorates have completed and uploaded their BCPs ahead of important LGR announcements due next month.

Audit Opinion

Functional System	Substantial
ASCH	High
CYPE	Adequate
GET	Limited
CED	Adequate
DCED	Adequate

Prospects For Improvement

Good

Audit Scope and Scope Limitations

System Uptake & Adoption	
User Guides & Training	
Governance & Oversight	
Scope Limitations	None

Actions	Number	Agreed	Risk Accepted
High	1	1	0
Medium	3	3	0
Low	0	N/A	N/A

Key Strengths

System Uptake & Adoption	✓ Full compliance has been achieved by ASCH, with all 20 Business Continuity Plans fully uploaded and approved.
User Guides & Training	✓ BCP guidance is appropriately centralised, accessible, and comprehensive, with both written and video resources available through KNet, demonstrating good practice in knowledge sharing and accessibility. ✓ The BCP training video is accurate, relevant, and supports effective use of the Meridian system, contributing to consistent and correct completion of BCPs across the organisation. ✓ BCP training is available and appropriately structured, with a clear distinction between system-specific guidance (KNet) and general awareness training (Delta), supporting both practical system use and broader organisational understanding.
Governance & Oversight	✓ There is a clear and regular reporting mechanism in place, with management information on BCP uptake produced monthly and reported through the Cross Directorate Resilience Forum to support oversight and accountability. ✓ The Cross Directorate Resilience Forum is used to highlight areas where plan upload percentage is not improving.

Areas for Development

Medium	**Issue 1 – BCP non-compliance within CYPE** At the time of testing the rate of BCPs uploaded and approved to the meridian system is 92%.
High	**Issue 2 – Insufficient BCP completion and approval rates within GET** At the time of testing the rate of BCPs uploaded and approved to the meridian system is 39%.
Medium	**Issue 3 – BCP non-compliance within CED** At the time of testing the rate of BCPs uploaded and approved to the meridian system is 40%.
Medium	**Issue 4 – BCP non-compliance within DCED** At the time of testing the rate of BCPs uploaded and approved to the meridian system is 88%.

Section Navigation

Introduction & Key Messages

Resources

2025-26 Internal Audit Plan

Issue Implementation

Appendix A - Summaries

Appendix B – 2025-26 Internal Audit Plan Status

Appendix C - Grant Certification

Appendix D - Definitions

RB25-2026 – Process Review of SEND Payments

Audit Objective	Internal Audit has undertaken a consultancy review of Special Educational Needs and Disabilities (SEND) Payment Processes as part of the 2025/26 Internal Audit Plan (RB25-2026). The objective of the review was to provide advice to assess the adequacy and effectiveness of controls supporting the processing of SEND payments, including accuracy, authorisation, governance, and risk management.

Audit Opinion	Prospects for Improvement
Advisory	N/A

Actions	No	Agreed	Risk Accepted
High	2	2	N/A
Medium	2	2	N/A
Low	0	0	N/A

Areas for Development

Medium	**Issue 1– Reliance on Manual Processes and Fragmented Data Sources** Testing confirmed that multiple datasets are used to manage and validate payments, requiring manual intervention to ensure consistency and completeness. While controls are operating effectively, the current environment results in a process that is inherently fragile, labour-intensive, and reliant on manual intervention, with significant dependency on staff knowledge and experience.
Medium	**Issue 2 – Limited Automation of Fraud and Duplicate Payment Controls** Controls to detect duplicate or irregular payments are predominantly manual and detective in nature, relying on spreadsheet-based monitoring, reconciliations, and staff-led analytical review. There is limited use of automated system controls, such as duplicate detection tools, exception reporting, or real-time alerts to highlight unusual transactions.

Conclusion

Overall, Internal Audit has observed that controls supporting SEND payment processes are operating effectively in key areas. Provider set-up, payment accuracy, and authorisation arrangements are well established, with testing confirming that payments are supported by appropriate documentation, aligned to approved funding decisions, and subject to review prior to release.

The process also benefits from strong operational oversight, particularly in the management of complex and higher-risk payments, where Finance staff actively identify and investigate potential issues, including duplicate or overlapping funding.

However, SEND payment processes remain highly reliant on manual activity across both standard and ad hoc payments, including the use of spreadsheets and multiple data sources. While controls are operating effectively, this creates a control environment that is labour-intensive, reliant on staff knowledge, and may reduce efficiency and resilience over time.

The complexity of the process and reliance on manual intervention increases pressure on staff and may reduce resilience over time. Internal Audit also observed that workload and capacity pressures continue to affect an already complex operating environment. Continued focus on service resilience, workforce capacity, and process efficiency will be important to ensure the service remains sustainable and responsive to future demand.

Overall, SEND payment processes are operating within an appropriate control framework and are delivering accurate financial outcomes. The issues identified represent opportunities to strengthen resilience, transparency, and efficiency.

Section Navigation

Introduction & Key Messages

Resources

2025-26 Internal Audit Plan

Issue Implementation

Appendix A - Summaries

Appendix B – 2025-26 Internal Audit Plan Status

Appendix C - Grant Certification

Appendix D - Definitions

RB30-2026 – Essential Living Allowance – Follow-up

Audit Objective

As part of the 2025/26 Audit Plan, Internal Audit conducted a follow-up of the Counter Fraud review of Essential Living Allowance (ELA) which was conducted in May 2025. This review identified 4 high risk issues.

The original review focused on ELA in payment across the 18+ Service only. The scope of this review has been extended to cover the Adolescent Team and the Children in Care (CIC) Team for completeness of coverage.

Audit Opinion	Prospects for Improvement
Limited	Adequate

New Issues			
Actions	Number	Agreed	Risk Accepted
High	3	3	0
Medium	4	4	0
Low	0	N/A	N/A

Key Findings

Improvements have been made during 2025/26 which include the following:

Overall Strengths

- ✓ Policy and Guidance has been updated to include process maps.
- ✓ The Local Offer includes the responsibility for the young adult to let the Council know of any situational changes.
- ✓ ELA cards and receipts are held securely in a separate safe.
- ✓ A receipt is required to be signed by the young adult on collection of an ELA card.
- ✓ The card agreement includes a statement which outlines the young adult's responsibility to notify the Council of any changes in their situation.
- ✓ In the majority of cases the card agreement had been signed by the young adult as confirmation of receipt and acceptance of the terms.
- ✓ Where an overpayment has occurred recovery letters are routinely sent out to young adults to facilitate recovery.

18+ Team Strengths

- ✓ Internal Audit was informed that team training sessions have been carried out in the team meetings, and the policy and process has been included in staff induction.
- ✓ Managers conduct a monthly review of entitlement which is documented on a spreadsheet to highlight any differences or changes to cases on the system.

CIC and Adolescent Teams Strengths

- ✓ No strengths identified

Scope Limitations

This review solely focussed on the implementation of the agreed management action plans reported in the original review. All audit opinion judgements are based on the review progress of management actions and does not include any wider service areas.

Risk Rating	Original Issues Raised	Implemented	Outstanding	Risk Accepted
High	4	0	4	0
Medium	0	0	0	0
Low	0	0	0	0

Issue	Risk Rating	Status
Issue 1 – Policy	High	Partially Implemented
Issue 2 – Procedure	High	In Progress
Issue 3 – Review/ Reconciliation of Entitlement	High	In Progress
Issue 4 – Historic ELA Payments to Young Persons	High	In Progress

Section Navigation

Introduction & Key Messages

Resources

2025-26 Internal Audit Plan

Issue Implementation

Appendix A - Summaries

Appendix B – 2025-26 Internal Audit Plan Status

Appendix C - Grant Certification

Appendix D - Definitions

RB30-2026 – Essential Living Allowance – Follow-up

Audit Observations

Audit Observations

During this audit a number of concerns were raised and investigations are ongoing:

- The ICS Payments & Compliance Officer following the receipt of the audit sample of 30 young people conducted their own internal review and raised numerous queries on the cases selected due to concerns over accuracy and lack of evidence to substantiate that the correct rate of ELA was in payment.
- There is an alleged misuse of e-vouchers.
- Failure to consistently evidence that ELA cards had been consistently received by the young person.
- Internal Audit was informed that allegedly a semi-independent accommodation provider had invoiced for reimbursement of payments not made.

Therefore, it is proposed that a full audit review be carried out in 2027-28 looking into the areas highlighted in this audit report.

Conclusion

The opportunity to share best practice and lessons learnt following the original review conducted by Counter Fraud has not been utilised. The themes identified in the original review have also been identified within wider services which utilise ELA payments. Some progress has been made in each of the 4 areas reviewed.

The review also identified several other issues new issues.

Newly Identified Issues	
High	**Issue 1 – Liberi – Missing Documentation** Internal Audit found that many documents that would be expected to be stored on Liberi were originally missing.
High	**Issue 2 – Inconsistent Monitoring** The Internal Audit review found that there was inconsistency in the monitoring arrangement across teams. As a result, errors and overpayments are not routinely identified and rectified on a timely basis
High	**Issue 3 – Missing Person (MISPER)** A missing person (MISPER) was included in April monitoring spreadsheet, however there was no update on the situation in the June spreadsheet and then the individual was not included on the July monitoring from within the service. It is unclear on the outcomes of the MISPER.
Medium	**Issue 4 - 18 Year Olds – Monitoring** Internal Audit would expect monitoring of individuals turning 18 to only receive the two weeks ELA payments to cover until Universal Credit is in place however, there was no evidence to support that this monitoring is in place.
Medium	**Issue 5 - Overpayment Identification Tracking** Internal Audit established a request of an investigation into an overpayment in April spreadsheet however, the outcomes of the investigation are not included the in June or July spreadsheet and the individual is now no longer included on the spreadsheet. Internal Audit would expect that the outcomes of the investigation be recorded rather than just removed from the spreadsheet.
Medium	**Issue 6 - Card Request Updates** There is an inconsistency in the records pertaining to ELA cards ordered. The monitoring spreadsheets show a mention of cards being ordered in April however, there is no evidence available to support whether the cards have been received.
Medium	**Issue 7 - Unclear Universal Credit Status** From a sample of case notes that were reviewed by Internal Audit it was found that some case notes were unclear on the UC status, or any progress updates beyond the status

Section Navigation

Introduction & Key Messages

Resources

2025-26 Internal Audit Plan

Issue Implementation

Appendix A - Summaries

Appendix B – 2025-26 Internal Audit Plan Status

Appendix C - Grant Certification

Appendix D - Definitions

RB42-2026 – Commercial & Procurement Oversight Board (CPOB)

Audit Objective

Since January 2025, Internal Audit and Counter Fraud have attended the CPOB in an advisory capacity. Previously, in July 2025, Internal Audit issued a management letter which highlighted multiple strengths of the CPOB in providing effective strategic oversight and robust assurance across KCC's procurement portfolio. This included clear evidence of structured governance, regular monitoring of procurement activity, and proactive engagement with key stakeholders to support informed decision-making.

Audit Opinion	Prospects for Improvement
Advisory	N/A

Actions	No	Agreed	Risk Accepted
High	0	N/A	N/A
Medium	0	N/A	N/A
Low	0	N/A	N/A

Conclusion

The Commercial and Procurement Oversight Board (CPOB) continues to operate within a strong governance framework, supported by senior representation from key Council functions. It provides effective strategic oversight of procurement activity, ensuring alignment with corporate priorities and compliance with relevant regulations and internal rules.

The Board demonstrates a commitment to continuous improvement through high-quality, timely reporting, active engagement and challenge from members, and a clear focus on risk management. Established arrangements, including action tracking and regular reporting to senior committees, provide assurance that procurement activity is appropriately scrutinised and delivering value for money.

Internal Audit Key Observations

- The CPOB benefits from a broad and senior membership, drawing representation from the Commercial and Procurement Division (CPD) alongside key corporate functions such as Finance and Governance & Law, ensuring a well-rounded perspective in discussions and decision-making.
- Leadership arrangements are clearly defined, with the Board chaired by the Head of CPD and supported by a core membership and additional subject matter experts who attend as required.
- The Board operates within a clear governance framework, supported by a well-defined Terms of Reference, and provides strategic oversight of procurement activity across the Council, ensuring alignment with corporate priorities and objectives.
- The Standards and Improvement Team play an integral role in supporting the effective operation of CPOB, including coordination, administration, and facilitation of meetings.
- A structured approach to forward planning is in place, with oversight of the Council's Procurement Pipeline supported by a rolling 12-month programme of activity.
- The Board promotes effective, transparent, and accountable procurement activity, with a strong focus on achieving value for money. It provides constructive challenge and advice on key risks and issues to support robust and informed decision-making.
- Compliance remains a key focus, with the Board considering adherence to public procurement regulations and the Council's internal rules.
- The Board plays an important role in embedding legislative updates and procurement rule changes, while promoting continuous improvement across procurement practices.
- There is ongoing improvement in the quality, clarity, and timeliness of information presented to the Board. Reports are well-structured and circulated in advance, supporting effective scrutiny and enabling timely consideration of emerging issues.
- Fraud risk management remains a key consideration, with a clear expectation that fraud risk assessments are undertaken as part of individual procurement processes.
- There is a continued focus on capturing and applying lessons learned to strengthen future procurement activity.
- Internal Audit input is incorporated where appropriate, including feedback on individual procurement exercises.
- Regular reporting arrangements are in place, with six-monthly updates provided to the Governance & Audit Committee, Corporate Management Team (CMT), and Corporate Board, supporting organisational oversight.
- An effective action tracking mechanism is in place, enabling clear monitoring of agreed actions, ownership, and progress, and supporting accountability and timely follow-up.

Section Navigation

Introduction & Key Messages

Resources

2025-26 Internal Audit Plan

Issue Implementation

Appendix A - Summaries

Appendix B – 2025-26 Internal Audit Plan Status

Appendix C - Grant Certification

Appendix D - Definitions

RB35-2026 - Restructures

Audit Objective	As part of the 2025/2026 Audit Plan, Internal Audit reviewed the adequacy and effectiveness of controls in place to ensure organisational restructures comply with Council policy and employment law, and align with Council objectives.

Audit Opinion	Prospects for Improvement
Substantial	Good

Actions	Number	Agreed	Risk Accepted
High	0	N/A	N/A
Medium	2	2	0
Low	2	2	0

Key Strengths

Governance, approvals, metrics and financial impact	✓ Approved business cases are in place, enabling the Council, in the event of a tribunal or challenge, to demonstrate that restructuring decisions are transparent, strategically aligned, and evidence-based.
Leadership, capacity and accountability	✓ Restructure proposals are subject to Senior Management challenge, scrutiny, and approval before implementation.
Legal compliance and communication	✓ There was timely and adequate communication to staff and Trade Unions to inform them a restructure will be happening. ✓ The staff consultations in our sample met the definition of "genuine and meaningful" as set out in ACAS statutory guidance. ✓ Equality Impact Assessments are carried out before and/or during restructure decisions, as required by the Public Sector Equality Duty.
Redundancy decision-making	✓ The redundancy processes reviewed were found to be fair and transparent, as required under employment law. ✓ Those affected are offered mental health and wellbeing support during the restructure or redundancy process. ✓ Those selected for redundancy were given adequate notice in line with statutory notice period.
Transition to Business-as-Usual, Post-implementation review, guidance and corporate learning	✓ There are appropriate guidance and support from HR to advise departments during a restructure to help ensure compliance with employment law.

Audit Scope and Scope Limitations

Areas Covered
Governance, approvals, metrics and financial impact
Leadership, capacity and accountability
Legal compliance and communication
Redundancy decision-making
Transition to Business-as-Usual, Post-implementation review, guidance and corporate learning

Scope Limitations	None

Areas for Development

Medium	**Issue 1 – Business Case Template** Restructure business case template could be improved to help services clearly show that they have considered alternative options, identified key risks to service delivery, and explained how they will measure and track the benefits of the restructure.
Medium	**Issue 2 – Early Identification of Resource and Capacity** Only half of the business cases in our sample include a high-level project plan outlining key stages such as consultation, the assessment and selection process, notice periods and exit management, and transition to the new structure. However, none clearly identify the staff or resources required to lead or deliver the restructure.
Low	**Issue 3 – Managing Organisational Change Training** The Council has developed an eLearning course for staff leading or managing organisational change, such as restructures ("Managing Others Through Change – Bitesize Learning"). However, our sample testing indicates that uptake of this training is low, as none of the designated restructure managers in our sample had completed the course.
Low	**Issue 4 – Post Project Review/ Customer Feedback** HR advisors involved in restructures are not consistently requesting feedback.

Section Navigation

Introduction & Key Messages

Resources

2025-26 Internal Audit Plan

Issue Implementation

Appendix A - Summaries

Appendix B – 2025-26 Internal Audit Plan Status

Appendix C - Grant Certification

Appendix D - Definitions

RB16-2026 – MOSAIC Invoice Validation

Audit Objective

The purpose of this audit was to provide early assurance over the processes and procedures of the work carried out by the Adults Invoice Validation Team.

Audit Opinion	Prospects for Improvement
Adequate	Adequate

Actions	Number	Agreed	Risk Accepted
High	1	TBC	TBC
Medium	2	TBC	TBC
Low	3	TBC	TBC

Key Strengths

MOSAIC Data Accuracy	✓ There is a clear, structured process supported by detailed guidance of MOSAIC data extraction and requirements to complete the AIVT audit process. ✓ A comprehensive data quality log is in place produced by the AIVT identifying root issues of data quality errors. ✓ There has been proactive escalation through a draft report to be presented to senior management that includes clear identification of financial, legal, and equality impacts and well-defined recommendations to address systemic data issues.
Care Provider Evidence Eligibility	✓ The AIVT are working to improve the level of detail set out in the provider contract for record of care delivered. ✓ Within the audit process it includes discussion with key senior management as well as an escalation step that may be required for breach of contract from care providers.
Calculation Accuracy of Identified Overpayments	✓ A calculation methodology is held by AIVT with recent progress in documenting the reclaim methodology and step-by-step process including use of structured Excel tools to support consistent calculation. ✓ There has been a responsive approach to learning, with updates made following identified errors and resolve complex scenarios. Utilising the calculation model, no issues in the recalculation supporting the AIVT audit outcome for a completed care provider review. ✓ There is a defined review process involving Counter Fraud to validate evidence before reclaims are attempted.
Monitoring and Follow up	✓ Detailed reporting has been produced for 5 care provider reviews including calculations, summaries, and proportionate recommendations. ✓ There has been a demonstrated financial impact, with £32,789.66 in secured reclaims to date. ✓ There is a formal approval process in place for reclaim amounts.

Audit Scope and Scope Limitations

MOSAIC Data Accuracy
Care Provider Evidence Eligibility
Calculation Accuracy of Identified Overpayments
Monitoring and Follow up

Scope Limitations	None

Areas for Development

Medium	**Issue 1 – Investigation Period** Testing is limited to four-week periods, reducing the ability to maximise savings, where care providers utilise digital care records there may be opportunity to expand the sample selection utilising Artificial Intelligence
Medium	**Issue 2 – Insufficient Contracted Record Keeping Expectations** Maintaining a record of delivered care is set out in the provider contract template however this lacks detail of the expectations of care provider records.
Low	**Issue 3 – No Formal Approval of Methodologies** Methodologies for the calculation process and AIVT step by step process are not yet formally reviewed or approved internally.
High	**Issue 4 – No Validation of Calculation Methods** There is a lack of specialised and independent validation (e.g. Finance/Accounts) on the calculation methods used, increasing risk of incorrect calculations.
Low	**Issue 5 – Absence of Formal Lessons Learned Process** There is no formal "lessons learned" log to capture and embed improvements from past issues that have been resolved by the AIVT.
Low	**Issue 6 – No Reclaimed Fund Tracking** There is currently a lack of visibility over whether raised invoices have been paid, and funds received meaning the Variation Tracker does not currently capture end-to-end recovery status.

Section Navigation

Introduction & Key Messages

Resources

2025-26 Internal Audit Plan

Issue Implementation

Appendix A - Summaries

Appendix B – 2025-26 Internal Audit Plan Status

Appendix C - Grant Certification

Appendix D - Definitions

RB45-2026 – Oracle Cloud Programme – Communication & Training

Audit Objective

The purpose of this audit was to provide assurance over communication and training arrangements in place for the Oracle Cloud Programme.

Audit Opinion	Prospects for Improvement
Adequate	Adequate

Actions	Number	Agreed	Risk Accepted
High	2	2	0
Medium	2	2	0
Low	0	N/A	N/A

Key Strengths

Communications Engagement and Training	• Communications and training plans are substantially complete and ready to be finalised once Go-Live milestones are confirmed, with preparatory activities progressed in advance where possible. • Learning Support Developers have used the delay period productively to enhance Phase 1 training content and strengthen capability across OGL development, administration and project management. • Feedback from Phase 1 and ongoing stakeholder engagement has been used to inform Phase 2 communication, engagement and training preparations.
Training Plans	• A comprehensive Training Plan and Training Needs Analysis are in place, covering user needs, experience levels, scope, learning approaches, dependencies, constraints, risks, performance gaps and lessons learned. • Training governance arrangements include user access planning, defined approval and sign-off processes, RACI responsibilities, resource requirements and transition to BAU considerations. • Draft success measures have been identified to support monitoring of training effectiveness, including learner feedback, observation, system usage, adoption metrics, OGL analytics, error reduction and support demand indicators.
Training Resource	• Dedicated Learning Support Developer resources have been assigned to support training development, delivery and user readiness activities. • Learning Support Developers are currently providing interim administration of the OGL platform and support for development of training content. • Training content development and administration are managed internally, reducing reliance on external providers.

Audit Scope and Scope Limitations

Areas Covered	
Communications, Engagement and Training	Governance and Monitoring of Risks and Issues
Training Plans	Training Resource
Communication and Engagement	Communication and Engagement Plans
Scope Limitations	None

Areas for Development

Medium	**Issue 1 – OCP Programme – Dependency Logging** Programme dependencies were not adequately logged in the OCP Risk Assumptions, Issues and Dependencies (RAID) log; which could mean that not enough information is available to Senior Managers at decision making points.
High	**Issue 2 – Administration and Maintenance of the OGL System and Updating of Training Material Post Go-Live** Extensions to Learning Support Developer contracts and formalisation of a plan for BAU were not yet in place to ensure skills are retained and the management of the OGL system together with the creation and updating of the training content continues after Go-Live.
High	**Issue 3 – Compressed Timescales due to UAT Defect Resolution Over-Running** UAT had somewhat paused awaiting input from the Oracle leading Partner, to provide investigation and possible resolution to address the defects found, in liaison with the Programme Team. The progressing of defect resolution was ongoing and the announcement of the Go-Live date had been delayed. This meant there were risks which could impact on the trainers being able to create accurate content on OGL, and communications and engagement staff providing effective key messages

Section Navigation

Introduction & Key Messages

Resources

2025-26 Internal Audit Plan

Issue Implementation

Appendix A - Summaries

Appendix B – 2025-26 Internal Audit Plan Status

Appendix C - Grant Certification

Appendix D - Definitions

RB45-2026 – Oracle Cloud Programme – Communication & Training

Key Strengths

Communication & Engagement Resource	• A dedicated Communications & Engagement Officer has been assigned to the Programme to support communication, engagement and readiness activities. • Ongoing engagement has taken place with subject matter experts, managers, stakeholders and users through established programme forums, including the Business Readiness Group. • Communication objectives, key messages, stakeholder groups, audience requirements and engagement activities have been defined to support user adoption and organisational readiness, including consideration of high-impact stakeholders.
Communication & Engagement Plans	• The Communication & Engagement Plan has been developed using Institute of Internal Communication's (IoIC) guidance and includes detailed activity planning, risk management, programme dependencies and strategies to respond to changing Go-Live timelines. • Stakeholder influence, impact, expectations and readiness requirements have been assessed using stakeholder mapping and risk-rating to support targeted communications and engagement activities. • Defined communication channels, engagement routes, leadership actions, RACI responsibilities and ongoing plan maintenance support delivery and adaptation to organisational change.
Governance and Monitoring of Risks and Issues	• OCP Board and SRP Board arrangements provide oversight of programme progress, risks, issues and user readiness, with risks and issues regularly reported for decision-making. • Governance arrangements support ongoing review of programme risks, issues, user readiness and lessons learned throughout the Programme lifecycle. • A Go/No-Go framework has been established, incorporating directorate readiness approvals, training and communication preparedness, tested OGL content, support model readiness, communication sign-off and Day 1 support arrangements.

Areas for Development

Medium	**Issue 4 – Success Criteria – User Readiness** The Training Plan, Scope and related documents had not yet been approved / signed off. Qualitive and quantitative success criteria had been built into the Communications & Engagement plan, and success criteria and measures were also listed in the Training plan. In some cases the measures listed in the Plans required quantifying, and the Plans updating.

Section Navigation

Introduction & Key Messages

Resources

2025-26 Internal Audit Plan

Issue Implementation

Appendix A - Summaries

Appendix B – 2025-26 Internal Audit Plan Status

Appendix C - Grant Certification

Appendix D - Definitions

Appendix B – 2025-26 Rolling Internal Audit Plan Status

No	Ref	Audit	Status	Assurance	Prospects for Improvement	Governance & Audit Committee
	RB01-2026	Fulfilling Best Value Statutory Duty	Fieldwork			
33	RB02-2026	Future Operating Environment – Local Government Reorganisation Implementation	Ongoing	Embedded Assurance	N/A	July 2026
	RB03-2026	New Contact Centre Contract	Deferred			
	RB04-2026	Ongoing Review of Identified Actions	Ongoing	Follow-up	N/A	January 2026
10	RB05-2026	Oracle Cloud Programme - Embedded Assurance	Ongoing	Embedded Assurance	N/A	January 2026
1	RB06-2026	Oracle Cloud Programme - Programme Management – Follow up	Final Report	Follow-up	N/A	September 2025
	RB07-2026	Payment Card Industry Data Security Standards (PCI DSS) Follow up	Deferred			
	RB08-2026	Annual Governance Statement – Directorate Action Plans	Deferred			
	RB09-2026	Contract Management & Monitoring	Deferred			
13	RB10-2026	ASCH Saving Delivery Plan Governance	Final Report	Limited	Good	May 2026
19	RB11-2026	Adult Social Care Debt Recovery	Final Report	Substantial	Good	July 2026
	RB12-2026	Commissioning and Transformation – Embedded Assurance	Ongoing			
18	RB13-2026	Direct Payments including Follow up	Final Report	Follow-up	N/A	May 2026
8	RB14-2026	Information Governance - ASCH	Final Report	Substantial	Good	January 2026
	RB15-2026	ASCH Future Planning of Contracts	Deferred			
27	RB16-2026	MOSAIC Invoice Validation	Draft Report	Adequate	Adequate	July 2026
	RB17-2026	Safeguarding – Protecting Adults at Risk	Deferred			
24	RB18-2026	ASCH Provider Failure Risk	Final Report	Adequate	Good	July 2026
	RB19-2026	Public Substance Misuse Health Campaigns	Deferred			
25	RB20-2026	Budget Management	Draft Report	Adequate	Good	July 2026
	RB21-2026	Post-Implementation Review of Commissioning	Deferred			
15	RB22-2026	Personal Data - Invicta Law (combined with GCSG)	Final Report	Substantial	Good	May 2026

Section Navigation

Introduction & Key Messages

Resources

2025-26 Internal Audit Plan

Issue Implementation

Appendix A - Summaries

Appendix B – 2025-26 Internal Audit Plan Status

Appendix C - Grant Certification

Appendix D - Definitions

No	Ref	Audit		Status	Assurance	Prospects for Improvement	Governance & Audit Committee
	RB23-2026	Core Financial Controls		Deferred			
20	RB24-2026	No Purchase Order No Pay		Final Report	Embedded Assurance	N/A	May & July 2026
32	RB25-2026	Process review of SEND Payments		Draft Report	Advisory	N/A	July 2026
	RB26-2026	Recommissioning of TEP - Transition of Early years service back to KCC		Removed			
	RB27-2026	CYPE Assurance Map		Fieldwork			
	RB28-2026	Education Health Care Plan (EHCP) Outcomes		Deferred			
	RB29-2026	All Pay (Replacement of Kent Card) - Card Payments		Deferred			
26	RB30-2026	Essential Living Allowances - Follow-up		Final Report	Limited	Adequate	
17	RB31-2026	Elective Home Education		Final Report	High	Very Good	May 2026
23	RB32-2026	Business Continuity Planning – Post Implementation System Usage	Functional System	Final Report	Substantial	Good	July 2026
			ASCH		High		
			CYPE		Adequate		
			GET		Limited		
			CED		Adequate		
			DCED		Adequate		
3	RB33-2026	Health and Safety		Final Report	Substantial	Very Good	January 2026
	RB34-2026	Managers - People Management Responsibilities (Objective Setting and Performance Management)		Deferred			
31	RB35-2026	Restructures		Final Report	Substantial	Good	July 2026
6	RB36-2026	Property Disposals		Final Report	Substantial	Good	January 2026
	RB37-2026	Economic Strategy		Deferred			
16	RB38-2026	Emissions Trading Scheme – Financial Modelling & Assumptions		Final Report	Adequate	Good	May 2026
2	RB39-2026	Helping Hands Follow up		Final Report	Follow-up	N/A	September 2025
11	RB40-2026	Highways Term Maintenance Contract – Embedded Assurance		Final Report	Embedded Assurance	N/A	January 2026
7	RB41-2026	Utility Works on Kent Network – Process and Alignment of Utility Works		Final Report	Adequate	Good	January 2026

Section Navigation

Introduction & Key Messages

Resources

2025-26 Internal Audit Plan

Issue Implementation

Appendix A - Summaries

Appendix B – 2025-26 Internal Audit Plan Status

Appendix C - Grant Certification

Appendix D - Definitions

No	Ref	Audit	Status	Assurance	Prospects for Improvement	Governance & Audit Committee
30	RB42-2026	Commercial & Procurement Oversight Board (CPOB)	Final Report	Advisory	N/A	July 2026
5	ICT01-2026	Backups	Final Report	Substantial	Good	January 2026
	ICT02-2026	Legacy IT Works	Deferred			
	ICT03-2026	Cyber Security Topical Requirements	Fieldwork			
14	ICT04-2026	Laptops – Asset Management	Final Report	Substantial	Good	May 2026
	RB43-2026	Oracle Cloud Programme – Resources	Not Started			
29	RB44-2026	Oracle Cloud Programme – Security of Data Migration	Final Report	Adequate	Adequate	July 2026
28	RB45-2026	Oracle Cloud Programme – Communication & Training	Final Report	Adequate	Adequate	July 2026
	RB46-2026	Oracle Cloud Programme - Readiness for the New Payroll System	Deferred			
	RB47-2026	Oracle Cloud Programme – Lessons Learned Review	Draft Report	Advisory	N/A	
21	RB48-2026	Local Mitigation Fund (LMF)	Final Report	Advisory	N/A	July 2026
22	RB49-2026	Data Security and Protection Toolkit (DSPT)	Final Report	High	Very Good	July 2026
12	RB56-2025	Public Health Service Transformation Programme	Final Report	Embedded Assurance	N/A	January 2026
4	RB31-2025	Unaccompanied Asylum-Seeking Children (UASC) Reception Centres and Registered Children's Homes	Final Report	Substantial	Very Good	January 2026

Section Navigation

Introduction & Key Messages

Resources

2025-26 Internal Audit Plan

Issue Implementation

Appendix A - Summaries

Appendix B – 2025-26 Internal Audit Plan Status

Appendix C - Grant Certification

Appendix D - Definitions

Appendix C – Grant Certification

Government Department	Description	Amount	Current Status
Department of Transport	Bus Service Operators Grant (BSOG) – Annual grant to support local bus services (reported Previously)	£1,100,000	Complete
Department of Transport	Integrated Transport & Maintenance Block (Reported Previously)	£47,000,000	Complete
Department of Transport	Local Transport Block Funding – Pothole Fund (Previously Reported)	£4,300,000	Complete
Department of Transport	Bus Service Operator Grant for Walmer in Dover	£2,000,000	Complete
Department for Culture, Media & Sport	Sport England 2023-24	£900,000	Complete
Department for Health	Supplementary substance Misuse Treatment & Recovery (SSMTRG) 2024-25 (mid year & end of year review)	£2,200,000	Complete
Department for Health	SSMTR – Housing Support Fund 2024-25 (mid year & end of year review)	£809,000	Complete
Department for Health	Inpatient Detoxification Treatment (IPD) 2024-25 (mid year & end of year review)	£814,000	Complete
Department for Health	Individual Placement Support (IPS) 2024-25 (mid year & end of year review)	£257,000	Complete
Department for Health	Rough Sleeping Drug & Alcohol Treatment 2024-25 (mid year & end of year review)	£586,000	Complete
Department for Culture, Media & Sport	Sport England	£832,002	Complete
Department for Transport	Bus Services Improvement Grant (BSIP) 2023-24	£18,985,735	Complete
Department for Transport	Bus Services Improvement Grant (BSIP) 2024-25	£18,985,735	Complete
Department for Health	OHID Substance Misuse Grant (DATRIG & IPD)	£3,701,746	Complete
Department for Health	Individual Placement Support (IPS) 2025-26	£198,960	Complete
Total		**£118,007,178**	

Section Navigation

Introduction & Key Messages

Resources

2025-26 Internal Audit Plan

Issue Implementation

Appendix A - Summaries

Appendix B – 2025-26 Internal Audit Plan Status

Appendix C - Grant Certification

Appendix D - Definitions

Appendix D - Definitions

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.		

Section Navigation

Introduction & Key Messages

Resources

2025-26 Internal Audit Plan

Issue Implementation

Appendix A - Summaries

Appendix B – 2025-26 Internal Audit Plan Status

Appendix C - Grant Certification

Appendix D - Definitions

Prospects for Improvement	
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.
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.
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
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.

Issue Risk Ratings	
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.
Medium	There are weaknesses in internal control arrangements which lead to a moderate risk of non-achievement of service or system 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.

Section Navigation

Introduction & Key Messages

Resources

2025-26 Internal Audit Plan

Issue Implementation

Appendix A - Summaries

Appendix B – 2025-26 Internal Audit Plan Status

Appendix C - Grant Certification

Appendix D - Definitions