

2017-18 Internal Audit Assurance Reviews

Audit Review Title	Planned Quarter	Current Status	Audit Opinion	Scope of Audit and Findings
Payroll	1	Complete	Substantial	<p>The overall objective of the audit was to provide assurance that effective controls are in place to ensure that; salaries, wages, and third parties such as HMRC, Unison, and the Kent Pension Fund are paid correctly and on time. Payments are authorised, reconciled and transferred to the Council's financial management systems.</p> <p>It was found that each stage of the payment run is recorded, with appropriate and accurate checks in place. At the time of the audit the team was experiencing high levels of absence and brought in help from other teams to provide support. The team is now returning to a full complement of staff over forthcoming months through a phased return to work programme. It was noted that the Exchequer Services Manager and the Payroll Officer have both been dedicated and flexible in their approach to covering absence to ensure that the work has been carried out.</p> <p>Separation of duties are in place for the running of reports and reconciliations, however the BACS payment is made by the same officer who processed it, and then the BACS payment is authorised by the Exchequer Services Manager (ESM). As the ESM was also involved in the reconciliation process this is not sufficient segregation of duties.</p> <p>A new user access report has been developed by IT to identify user access and privileges to the payroll system which had previously not been possible. The reports show limited information and are not yet embedded into the control system.</p> <p>There is a redundant stock of payment cheques retained and it would be impractical to use these in bulk without the necessary specialist impact printer which is no longer owned by the Council. Therefore it is prudent to look at alternative contingency payment methods.</p>

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Serious and Organised Crime - Risk to Procurement Activity	1	Complete	Varied across service areas	<p>The objective of the audit was to provide assurance that the Council has an awareness of the potential to be targeted for Serious and Organised Crime, has sufficiently assessed the risks involved, and has adequate controls in place to mitigate against Serious and Organised Crime.</p> <p>Management Team awareness is proportionate to the level of expected risk based on liaison with local police advice through the Community Safety Partnership, Chief Constable and Divisional Commander. There are varying degrees of awareness of how Serious and Organised Crime might affect service areas. The Council has a robust procurement process which is proportionate with the value of the contracts. High value contracts have officer project groups with representatives from key areas which help to ensure that procurement is fair and transparent and the Council protected as far as possible.</p> <p>The Council's Anti-Money Laundering (AML) Policy and guidance have not been reviewed or circulated since 2011 and the fourth generation of AML legislation came into effect in June 2017. Awareness of the policy and guidance is limited. There are mechanisms within kiosks to prevent anyone depositing significant funds. No official AML reports have been submitted and any enquiries have been related to payments from cash-oriented business such as taxi firms and car washing firms.</p> <p>We found gaps in evidence on file of right to work for employees, agency workers and self-employed consultants working for the Council. References were not available for all staff. The Home Office can impose substantial civil penalties if found that the Council had employed officers without a legal right to work in the UK.</p>
Corporate Governance - compliance with	1	Draft Report	TBC	

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new framework and Policy Management				
S106 agreements	1	Draft Report	TBC	
Housing Payments and Grants -Housing Discretionary Payments	2	Draft Report	TBC	
Housing Payments and Grants -Housing Assistance Grants	2	Draft Report	TBC	
Savings and Transformation Strategy	3			
Risk Management	4			
Bribery & Corruption	1	Planning		
Safeguarding	3			
General Data Protection Regulations	Ongoing	Ongoing consultancy work		
Information Governance including data sharing agreements	3			
IR35	1	Planning		

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Licensing	3	Planning		
Help desk	4			
IT Disaster Recovery Plan	4			
Cyber attacks	2	Quality Assurance		
Change in banking arrangements	1	Planning		
Local Plan	3			
Development Management	4			
Building control resilience	3			
Planning enforcement	3	Planning		
Health and Safety	2	In progress		
Air Quality Management	3	Planning		
Business Continuity Plan	4			
Waste Contract Tender	Ongoing	Ongoing consultancy work		

2016-17 Internal Audit Assurance Reviews completed in 2017/18 to August

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Parking	4	Complete	Amber	<p>The objective of the audit was to provide assurance on whether the Parking team is operating efficiently and effectively, and that changes to parking charges, including tariffs, zones and times are considered, reviewed, and approved by Members.</p> <p>The systems used to record actions taken by Civil Enforcement Officers (CEOs) record performance monitoring on an ad-hoc basis and this was found to include most, but not all, expected indicators. Supervision is undertaken, however the nature and frequency is not recorded and therefore it has not been possible to confirm that monitoring is effective. The CEO shift rota was checked and found to be fully compliant with Government Guidelines. It allows for flexibility for absence coverage when fully staffed, however this is compromised when short. Parking Enforcement Guidelines were introduced by the Parking Manager and include clear and concise information for CEOs.</p> <p>General risk assessments covered expected risks; however at the time of testing had not been reviewed since 2013. This was true for the Lone Working Risk Assessment, Working on the Public Highway, Working in Adverse Weather Conditions, and Violence at Work. These have since been reviewed and updated and new versions uploaded to the intranet.</p> <p>Parking fees are currently reviewed every two years. For 2016/17 these were agreed by Cabinet in February 2016 and implemented in May 2016. New enforcement zones are reviewed in service before being sent to Management and subsequently approved by Members. In both cases there is appropriate and adequate consultation with relevant stakeholders including residents.</p>

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Business Rates	2	Complete	Limited	<p>The objective of the audit was to provide assurance that the Authority has adequate and effective controls in place to address the risk of Fraud and Error in Business Rates (NNDR).</p> <p>All but one temporary member of staff had received training in the last three years on legislative changes and there is a comprehensive help section within the operating system to support staff. However there are no written procedures in place to inform staff of data recording and inputting standards, minimum information requirements and inspections.</p> <p>There is currently no strategy in place to review reliefs and exemptions within the business rates system and testing established inconsistencies in the recording of information to support a change in liability and in the application processes for charitable relief and small business rate relief; for example cases of missing application forms and lack of evidence of charity status.</p> <p>It was also noted that not all visits are clearly recorded and two hour safety calls to the office are not always completed; these are requirements of the Lone Working Policy for Revenues and Benefits, although this is out of date. A review of declarations of interests by staff working within Business Rates found that these were out of date; this was addressed during the audit.</p>
Demand Management	2	Superseded	N/a	Superseded by ongoing Customer Services review, now consultancy through meetings with relevant officers to align audit and service findings and advice as appropriate.
Cemeteries Capacity Consultancy	3	Ongoing		C/f to 2017/18 at request of service.