

Audit Review Title	Planned Quarter	Current Status	Audit Opinion	Scope of Audit and Findings
Risk Management	4	Draft Report	TBC	
Safeguarding	3	Complete	Adequate	<p>The overall objective of the audit was to provide management and Members with an opinion as to the adequacy and effectiveness of the Council's arrangements in place to safeguard children and adults at risk from abuse, neglect or exploitation.</p> <p>While some areas for development remain, significant progress has been made since that last Internal Audit Review of Safeguarding undertaken in 2016/17. The Safeguarding policy is kept under regular review and updated as necessary. Staff and elected members have been provided with Safeguarding awareness training and Safeguarding Designated Officers are trained and fully aware of their responsibilities. All safeguarding concerns are recorded on a secure database with access being suitably restricted. In addition, the Safeguarding Task Group meet regularly to discuss Safeguarding across the organisation and to receive updates on serious case reviews which may be applicable. Staff regularly attend Safeguarding meetings with external partners and provide feedback as necessary to Designated Officers. Work has been undertaken to identify posts which require a DBS check with a list of those posts agreed by Management Team.</p> <p>However, while the current Safeguarding Policy includes reference to ensuring necessary checks are done there is no specific policy or guidance on identifying and assessing whether posts require an Enhanced or Standard check and posts that do not qualify for either but could have a Basic level DBS check have not been considered. The Council does not currently have any agreed procedures in place for ensuring that contractors comply with the Council's Safeguarding policy and relevant procedures.</p>
Procurement	2	Complete	Adequate	<p>The overall objective of the audit was to provide management and Members with an assurance as to the adequacy and reliability of the controls in place to manage the risks associated with Procurement.</p> <p>A number of strengths were found including that there are several procurement policies and procedures which provide guidance to staff with an overarching Procurement Strategy which was appropriately approved, although it was noted that policies and procedures are not version controlled with review dates and owners. The Council's Constitution was revised and approved in July 2018 which included a revision to the Contract Procedure Rules. The contracts register published on the Council's website complies with the Local Government Transparency Code 2015, with the exception of omitting a few start/end dates for</p>

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				<p>contracts let in 2016/17. The majority of contracts tested within the £5k to £100k had obtained three quotes in line with the Council's expected procedure and for most of the sample tested justification was given for the rational for choosing the preferred supplier, a ratio of price/quality, 30/70 had been set in the evaluation criteria.</p> <p>However, discussions confirmed that there is no proactive monitoring or consideration given to entering into contracts based on cumulative spend that contract expiry dates are not formally monitored or recorded. There is a monthly process for updating purchase order (PO) spend to the contracts register but limited monitoring of non-PO spend. The responsibility of updating the contracts register has recently changed and monitoring to ensure completion is not yet in place. In addition, testing found examples of suppliers that were omitted from the contracts register which may be due to there being no PO exception list in place.</p>
Information Governance – General Data Protection Regulations	Ongoing	Complete	N/a	Through 2018/19 we have continued to provide ongoing advice in a consultancy capacity with regard to GDPR compliance and this includes attendance at the Information Governance Officer Group. This will continue into 2019/20.
Information Governance – General Data Protection Regulations	4	Draft Report	TBC	
Business Continuity Plan including Emergency Planning	4	Postponed	N/a	This audit has been postponed to 2019/20 in recognition of resource pressure caused by work being undertaken to prepare for Brexit.
Public Safety	2	Draft Report	TBC	
Corporate Governance – Democratic Process and Decision Making	2	Complete	High	The Constitution has been subject to review by a number of different committees prior to being approved by Full Council. It is widely published and therefore readily available to Members, Officers and members of the public. The Constitution contains sufficiently detailed guidance on the decision-making process. Suitably detailed Terms of Reference are in place for all Committees and testing established that all

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				<p>Committees are working in accordance with their Terms of Reference. Similarly, there is an approved scheme of officer delegations in place.</p> <p>Accurate and timely information is provided to members where decisions or recommendations are required. Recommendations made by Advisory Boards and any other Committees are accurately conveyed as part of the decision making and approvals process. This ensures that Cabinet and Full Council are making informed decisions based on items which have already been discussed, reviewed and considered by other Committees.</p> <p>Member attendance at meeting is subject to review by the Monitoring Officer. Testing identified that attendance for the period 01 January 18 to 31 January 19 varied from 96% to 13%. While the majority of Members achieve attendance in excess of 50%, a small number are approaching the point whereby they have not attended a meeting for 6 months. Section 85 of the Local Government Act requires all members to attend a meeting at least every 6 months, or otherwise they will cease to be a Member of the authority. Discussions with the Monitoring Officer established that this requirement could be better communicated to all members as part of the new member induction process.</p>
Tonbridge Castle Customer Services Review	N/a	N/a	N/a	Not required.
Starters and Leavers Payroll and Personnel processes	3	Complete	Substantial (Payroll) Limited (Personnel)	<p>The overall objective of the audit was to provide assurance that robust controls are in place within the Payroll and Personnel function to effectively manage the Starters and Leavers process.</p> <p>All new starters and leavers in our sample had been appropriately authorised and had been promptly processed by Payroll. Paperwork received by Payroll is scrutinised for errors and an example was found where an overpayment had been identified and was promptly resolved by the Payroll Team. Employee's pro-rated first and last pay had been calculated accurately, including any required deductions or payments.</p> <p>However testing to confirm if the required ID and right to work checks had been completed prior to employment identified occasions where either there was no evidence of the required checks being performed and/or dates checks were undertaken were not documented; one case was identified where checks made by an agency had been accepted without further verification when the individual became a permanent member of staff. In addition, testing identified a number of</p>

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				<p>instances where references for new starters did not comply with policy, including one where a verbal reference had been deemed acceptable and one with no references evident on file.</p> <p>There are limited policies and procedures to provide guidance to officers regarding the starter and leaver processes. A review identified that policies are either not up to date or do not reflect current practice and highlighted instances where no documented procedures exist.</p>
IT Disaster Recovery Plan	4	Complete	N/a	<p>A full audit was not undertaken as there has been limited progress with the DRP since our last audit in 2016 which identified that the DRP as whole had not been updated since 2005. Instead we sought to establish a position statement which clarifies progress made.</p> <p>We were informed that elements of the DRP have been updated however a full review has not been undertaken and is due once the Business Continuity Plan (BCP) has been formally approved.</p> <p>Progress to date includes that Tonbridge Castle has been chosen as the disaster recovery location to host the servers and storage. In our opinion this was the only viable option, whilst there are associated costs, it was the lowest risk and provides the best possible solution in the event of a major incident. Security and enabling works to the Castle in preparation of the relocation were completed by the end of September 2018. The equipment to be moved is due for replacement in November 2019 but this has been brought forward and procurement is in progress, however this has added a 10-month delay to the re-location. In the meantime the equipment is still hosted in the Gibson West wing posing a risk that there is insufficient back-up should there be a disaster in the interim. IT have not had sight of any business impact assessments and while these form part of the BCP it would have been beneficial to engage with them as there are many interdependencies.</p> <p>A full audit is being undertaken in 2019/20.</p>
Council Tax Administration	3	Complete	Adequate	<p>The overall objective of the audit was to provide management and Members with an opinion as to the adequacy, effectiveness and reliability of controls in place to manage the risks of operating the Council Tax Administration processes.</p> <p>All account numbers, property references and addresses tested were found to be unique, with liable parties assigned to all current properties. Council Tax Demand Notices were promptly issued and there was comprehensive recording and checking</p>

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				<p>of the annual Billing process. Accounts are credited correctly and promptly where liable parties provide the account number and generally evidence of entitlement to discounts and exemptions was recorded against accounts tested.</p> <p>However, testing established that reduced contingency resource to cover the long-term absence of experienced inspection officer, combined with a highly manual system, limits inspections for new properties. (It is noted that an extension has been granted to a temporary contract aimed at addressing this). Minor separation of duties issues were identified with regards to valuations office reconciliations and there was limited contingency for running reconciliations for non-Direct Debit payments where staff have other priorities. Timely monitoring of some exception reports, the suspense account, and credits on accounts could be enhanced.</p>
Council Tax fraud and error – KCC Funding	2	Complete	N/a	This piece of consultancy work was undertaken on the Call Credit project, which is aimed at increasing the council tax yield. The work was undertaken to act as a self-assessment for the Council prior to the mid-year review scheduled for October 2018 by KCC. A number of recommendations were raised with the business
Benefits – Change of circumstances	3	Complete	Adequate	<p>The overall objective of the audit was to provide assurance that changes in circumstances for Housing Benefit and Council Tax Reduction are managed effectively.</p> <p>Our review established that there is clear communication of the duty to report changes in circumstances and a high number of changes are implemented within target days with supporting evidence and notes generally sufficient. Performance in relation to targets is above national average and it was noted that the SHBE extract may not be reporting correct information leading to under reporting, i.e. performance may be even better than currently reported.</p> <p>However, some areas were identified where enhancements could be made; this included some inconsistency in providing examples of when a change is required as well as differences in the level of contact information provided. A report spreadsheet has been stored on an officer's desktop rather than a shared drive which could limit access for other users in the event of absence. There are no guidance notes for the reports run and the Diary Dated Claims report is not cumulative; records to verify that all claims on the report have been reviewed are not retained. The LOCTA concurrent HB mismatch report was not being run as there was uncertainty about who was responsible for this and the warning flag that has been implemented in its place is reliant on the claim being reviewed and relevant action being taken reactively. Agreement has been reached that these will</p>

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				<p>be investigated, in the first instance, by the Benefits team, however this had not yet started.</p> <p>It was noted that there is a lack of an established, documented training programme however the service felt this did not represent a significant risk therefore no action is planned.</p>
Counter Fraud Function	3	Complete	N/a	<p>This piece of work involved a tri-authority peer review of Fraud functions. TMBC completed a review for Medway/Gravesham with the final report issued in May 2019. Kent County Council undertook the review of TMBC's Fraud function and progress together with detail of the findings have been included at paragraph 1.13 in the main body of this report.</p>
Creditors, including VAT	1	Complete	Creditors – Adequate VAT - High	<p>A number of areas for development were identified for Creditors with recommendations made accordingly. In particular Financial Procedure Rules require Purchase Orders to be raised in advance of goods or services being received from the supplier. Although there are legitimate exceptions, testing identified numerous instances where expenditure incurred on goods and services had no purchase order raised or where the order had been raised after the invoice was received.</p> <p>Review/rationalisation of authorising officers and suppliers on the system is required; we identified instances where staff have authorisation limits in excess of need and a number of officers with ability to authorise had not done so. A large number of suppliers have duplicate accounts and a significant number of suppliers are inactive and need to be removed. It is understood that 'purging' these suppliers has been difficult to date due to how the system works, but an update is being tested with a view to carrying out the purge in the short term. In addition the ability to create or amend new supplier accounts is not limited to staff from Exchequer meaning that a large number of staff from across the authority are able to set up supplier bank details. Exchequer staff do however check the newly set up bank details against the invoice received from the supplier. Further changes to existing suppliers made by staff across the Council generate a report which is checked by Exchequer staff.</p> <p>Review of the payment process identified that, mainly due to the size of the Exchequer team, there is no separation of duties in the process, and no independent checks are undertaken on payment reports before being sent to the bank for processing. All approvals for BACS payment are obtained after the payment has been sent. We did note that there are a number of retrospective compensating</p>

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				<p>controls that would ensure identification of errors after the payment file had been sent and there is the opportunity to recall the file provided it is checked timely.</p> <p>Three duplicate payments were made during the year. One payment has been repaid by the supplier but the other two are outstanding; the amounts are not material. It was established that in all 3 cases, staff outside of Exchequer had used different invoice numbers thereby circumventing inbuilt system controls which allowed the duplicate invoices to be processed.</p> <p>In relation to VAT our review found sound procedures for processing VAT invoices from suppliers and for the recovery of input VAT. Review of procedures for the raising of invoices established that VAT is being correctly applied. Some minor technical issues were identified where staff are on occasion raising invoices as exempt or zero rated when in fact they should be raised as being outside the scope of VAT. No errors were identified with the most recent VAT partial exemption calculation.</p>
Treasury Management	2	Complete	High	<p>The audit established a number of key strengths. The Treasury Management Strategy is subject to regular review and approval by full Council. All investment decisions were undertaken in accordance with the Strategy, were recorded on a suitably detailed cashflow which forms the basis for all investment decisions and were approved by Senior Management prior to being made. Staff responsible for undertaking the treasury management function are well trained, and fully understand the priorities for the Council as being firstly security and liquidity of funds, and then return on investment. Financial Services staff responsible for treasury management receive regular updates from Treasury Management advisors, and only make investment decisions after having considered the most recent information provided by those advisors.</p> <p>It was noted that the Audit Committee are responsible for the review of treasury management activities; only 3 members of the current Committee have been provided with Treasury Management training and that training was received in 2014. However, in light of the May 2019 elections, it would make sense to provide training after any new Committee Members have been appointed. In addition The Council re-appointed its existing Treasury Management advisors in April 2016 for a further term of 5 years, the total cost of the contract being around £40,000. Officers undertook informal market testing and subsequently obtained 3 quotes however further market testing in compliance with Contract Procedure Rules as part of the process for appointing new treasury management advisors is advised when the current contract is near expiry.</p>

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IT – New Strategy	TBC	Postponed	N/a	The new IT Strategy was agreed in May 2018, as such we believe there would be limited value in undertaking an audit at this stage, the audit will now be undertaken in Q1 of 2019/20 to allow progress in implementation.
Local Plan	4	Postponed	N/a	The Plan has now been to consultation and will be submitted to the Secretary of State for approval, as such there is limited value that audit can add at this stage. The Local Plan audit has been replaced by an audit of the Discretionary Disabled Facilities Grant.
Development Management	3	Complete	High	<p>The overall objective of the audit was to provide management and Members with an opinion as to the adequacy, effectiveness and reliability of the controls in place to manage the risks of operating the Development Management function.</p> <p>Overall we found that the benefits of the restructures within the Planning Department as a whole are being realised through more efficient working practices and increased resilience. Planning applications are processed in accordance with National Planning Policy and not before the correct fee has been received. Good procedures are in place for the identification and notification of consultees for planning applications and personal data is redacted appropriately on responses from consultees. Performance data is accurately reported both internally and externally.</p> <p>A minor area for potential improvement was noted in that excessive officer time is spent printing or copying documents which are already available to be viewed electronically and there is a general reliance on paper files when the same information is held electronically.</p>
Prevention of Homelessness Act	4	Complete	Adequate	<p>The overall objective of the audit was to provide assurance as to the adequacy and effectiveness of the controls in place to ensure that the Council is complying with the recently introduced Homelessness Reduction Act 2017.</p> <p>Overall procedures are broadly in line with the Housing Reduction Act 2017 and all staff working with homeless applicants are aware of the Act and the duties placed upon the Council to ensure compliance. The Council has an approved Homelessness strategy, although this had not been published at the commencement of the audit. There is a Homelessness Forum to monitor delivery</p>

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				<p>of the strategy which had met once at time of reporting. Access to advice and assistance is available at all times during normal office hours with arrangements in place for 24-hour emergency cover. Although invoices in respect of temporary accommodation charges are independently checked before being approved for payment a large number of invoices are written off which may be due to rent statements not being provided to tenants.</p> <p>Testing identified that Personal Housing Plans are not consistently being kept up to date and that valid Landlord Gas Safety certificates are not in place for all properties being used as temporary accommodation. There are a number of wasted Homelessness appointments caused by the lack of a tri-age system for all homeless enquiries. This can lead to delays in being able to offer initial appointments to people who are potentially (or at risk of being) homeless.</p>
Contaminated Land	3	Complete	Adequate	<p>The overall objective of the audit was to provide assurance that adequate controls exist to manage risks in relation to contaminated land. There is an approved Contaminated Land Strategy which has been subject to regular review. The Strategy was found to detail the approach the Council takes to identify, assess, record and remediate land across the Borough in accordance with the Environmental Protection Act 1990.</p> <p>A suitably detailed electronic register was found to be in place to record all potentially contaminated land across the Borough. However, testing established that over 300 from 667 sites listed on the database had not been given a prioritisation score resulting in the risk that a site requiring a more detailed land inspection may go undetected. Consequently, the Council is unable to determine the level of risk at each site. We did however establish that robust procedures are in place to undertake monitoring and recording of contaminated gas readings from boreholes at the three sites across the Borough. The application of those procedures for borehole monitoring identified potential concerns at the Joco Pit site in early 2018. Local residents were kept suitably informed on the position as new information became available. There is a risk however that lessons learnt will not be captured and shared for future reference.</p> <p>Testing identified that not all contaminated land conditions requested by the Contaminated Land Officer are being added to planning decision notices. We were informed that there are valid reasons why the conditions requested had not been added although this was not documented with no evidence that discussions had taken place to arrive at a mutually agreeable outcome. In recognition the</p>

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				Development Control Manager has already acted to ensure that the Contaminated Land officer is consulted where it is anticipated that a condition originally requested is varied or not included in the final planning application decision notice.
Contract Management	4	In progress	TBC	
Waste Contract Re-let	Ongoing	Complete	N/a	We provided ongoing advice in a consultancy capacity up to contract award including attendance at the tender opening. Work will continue into 2019/20.
Parking Methods of Payment	N/a	N/a	N/a	Not required.
Follow-up DHP	4	Draft Report	TBC	
Follow-up NNDR	3	In progress	TBC	
Discretionary Disabled Facilities Grants	N/a	Complete	Limited	<p>This audit was undertaken at the request of the Section 151 Officer in her statutory capacity following identification of an overspend on the Discretionary Disabled Facilities Budget with the objective of establishing root causes. The overall budget set for Disabled Facility Grants (DFGs) for 2018/19 was £800k with the split being £775k for mandatory grants and £25K for Discretionary payments.</p> <p>The overall root cause initially appears to be a fundamental misunderstanding; the service's understanding was that the budget allocation for Discretionary payments was flexible and could be managed in conjunction with the mandatory element. Although this was the case, any movement in budgets should have been managed through a virement process; this indicates a lack of knowledge or awareness of financial procedures possibly due to lack of training. An email notification from Finance of a projected overspend was sent in September. There has now been a halt to the discretionary payments and 3-month delay on processing mandatory payments. Notwithstanding this both DFG budgets are forecast to overspend; with commitments the total forecast position in the Capital Plan at the end of October was an overspend of £406k. At the time this meant that there was no future funding available for the ongoing Occupational Therapist, Housing and Health Coordinator and Handy Person pilot schemes. This has been rectified for 2018/19 by increased funding from central government.</p>

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				<p>A number of issues were identified including that the Discretionary Housing Assistance Policy in place sets the financial limit for discretionary payments made as top-ups to mandatory grants as £30,000. This exceeds the total annual budget set for discretionary payments. It was noted that all of the Discretionary DFGs reviewed were awarded in line with the conditions set out in this policy. Demand for discretionary grants has increased. There were 10 grants paid in 2017/18 and 36 in 2018/19 this appears to be due to an increase in top-up cases, both in numbers and value. Of the cases reviewed at least 50% of high value top up cases were identified as Housing Association properties. This indicates that Clarion no longer contributing toward adaptation to their properties and promotion of the Local Housing Authority's responsibilities for funding housing adaptations may be a factor.</p> <p>A review of reports from the Uniform system identified several gaps in information, which would make it difficult to manage the DFG budgets effectively. Including that reports do not differentiate between mandatory or discretionary DFGs or between DFGs and other Housing Assistance payments. There is no single report to show approved grants (committed spend) where payment is still outstanding. Discussion with officers established that regular monitoring and forecasting of activity and budget has not been taking place in part due to Uniform reporting being difficult and time consuming and there is reliance on the capital monitoring sheets sent by Finance. There has been a new reporting system implemented and work is ongoing with IT development to develop a new suite of reports.</p> <p>The lack of available monitoring, especially the lack of monitoring with regard to commitments, prevented the potential budget pressures being identified even earlier than above. We established that the high number/value of grants approved in 2017/18 led to a substantial commitment carried forward into this year and therefore the pressure already existed at budget set-up.</p> <p>Reconciliation of DFG payments occurs between Housing and Finance at year end. A review of Discretionary cases on the uniform system found that 3 (totalling £4,047) out of the 13 payments reviewed were not discretionary payments. These had been miscoded due to manual input errors and the report development stated above is also planned to automate the process for raising payment from finance. Review of Discretionary payments on Uniform also identified a number of grants where relevant referral documents had not been uploaded onto the system.</p>