Tonbridge and Malling Borough Council

Internal Audit Annual Report 2024-25

July 2025

1. Purpose and Background

1.1 This Annual Report provides a summary of the work completed by the Internal Audit service during 2024-25.

1.2 Public Sector Internal Audit Standards (PSIAS) require that an annual report on the work of Internal Audit should be prepared and submitted to those charged with governance to support the Council's Annual Governance Statement (AGS), as required by the Accounts and Audit Regulations (England) 2015. This report should include the following:

- An annual opinion on the overall adequacy and effectiveness of the organisation's governance, risk and control framework;
- A summary of the audit work from which the opinion is derived;
- Any issue the Chief Audit Executive judges particularly relevant to the preparation of the Annual Governance Statement;
- A comparison of the work undertaken with the work that was planned and a summary of the performance of the Internal Audit function against its performance measures and criteria;
- A statement on conformance with the PSIAS and the result of the Internal Audit Quality Assurance and Improvement Programme;
- Disclosure of any qualifications to the opinion, together with the reasons for the qualification; and
- Disclosure of any impairments to Internal Audit's independence (in fact or appearance) or restrictions in scope.

1.3 The purpose of this report is to satisfy these requirements and members are requested to note its content and the Annual Internal Audit Opinion provided.

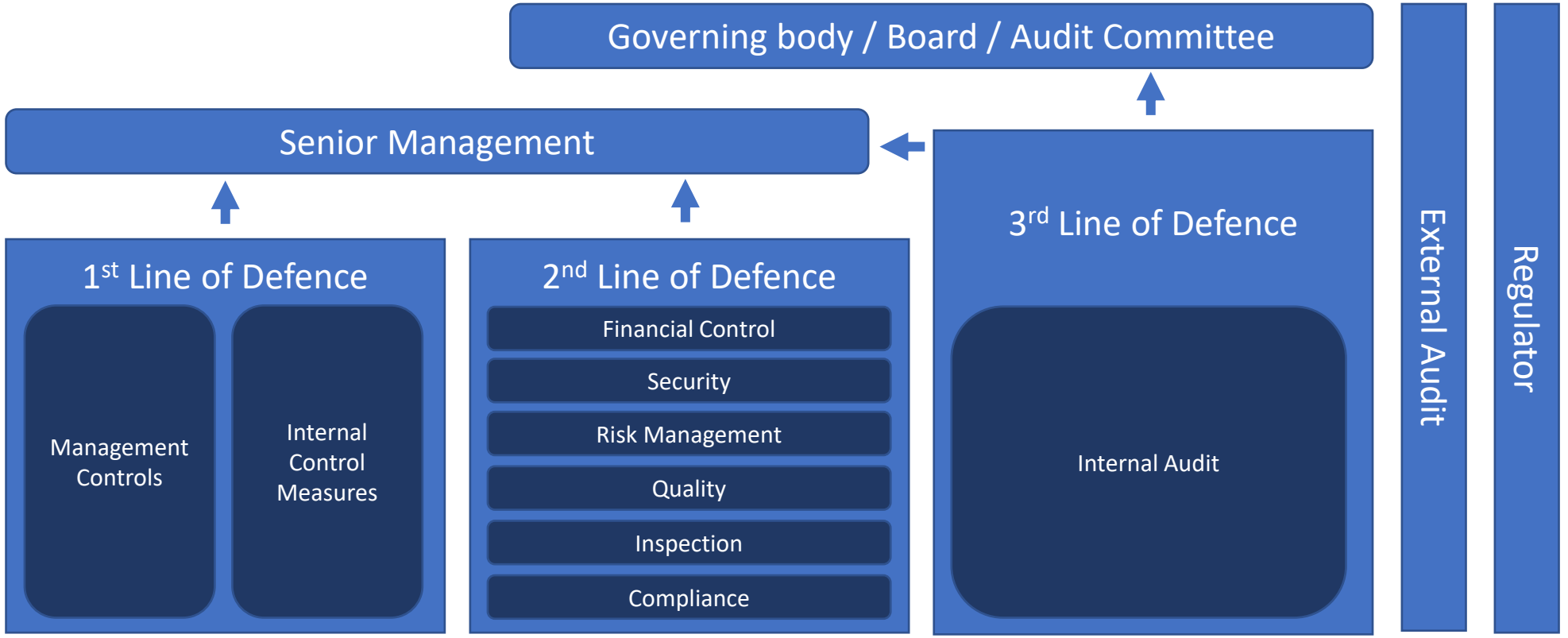
1.4 Additionally, the report highlights key messages and outcomes, issues, patterns, strengths and areas for development in respect of internal control, risk management and governance arising from work undertaken by Internal Audit.

1.5 The Annual Opinion is derived from evaluation of the outcomes of Internal Audit work with specific emphasis upon the following key factors:

- Assurance Opinions from audit assignments;
- Wider knowledge of key risks and operations by the Chief Audit Executive. Including advisory and consultancy work completed
- The level of implementation by management of agreed actions to improve internal control and the management of risk. Including consideration of the timeliness of implementation.
- Referrals and outcomes of Counter Fraud activity.
- Knowledge of other work completed by other inspectorates or assurance providers.

1.6 The position of Internal Audit within an organisation's governance framework is best summarised in the Three Lines of Defence Model:

Figure 1: Three Lines of Defence Model:



2. Annual Opinion

Overall Assurance and Opinion

2.1 Internal Audit concludes that **Substantial** Assurance can be assigned in relation to the Council's corporate governance, risk management and internal control arrangements.

2.2 The opinion on the framework for governance, risk management and control is principally based upon the evaluation of the findings, conclusions and assurances from the work of the Internal Audit function during 2024/25, full details of which are provided in this report. While all audit results are considered, including the outcomes of any consultancy work, any other reliable sources of assurance are identified and, where appropriate, considered when arriving at an overall opinion.

2.3 There has been one audit area assigned a "Limited" assurance opinion in 2024-25 and no systems, functions or processes awarded "No" assurance. The audit reviews awarded Substantial (60%) remains consistent with 2024-25, additionally there has been an audit review awarded High (10%) this year against no High reviews last year. Audits awarded Adequate (20%) assurance is a reduction from 2023-24. There has also been non-assurance work completed during the year and reported to the Audit Committee. The results of these advisory reviews have also been considered in the opinion assessment.

2.4 Whilst it has been identified that the authority has largely established substantial and effective internal controls within the areas subject to Internal Audit review in 2024/25, there are areas where compliance with existing controls should be enhanced or strengthened, or where additional controls should be introduced. Where such findings have been made by Internal Audit, recommendations have been made to management to improve the controls within the systems and processes they operate. There have been 29 recommendations raised for 2024/25 (1 High Risk, 14 Medium Risk and 14 Low Risk) This is fewer recommendations than raised for 2023/24 (35 recommendations raised, 2 High Risk, 17 Medium Risk and 16 Low Risk)

2.5 The opinion also considers the implementation by management of actions to address internal control and risk management issues identified by Internal Audit reports. In 2024-25, Implementation rates decreased to 51% with 49% in progress. This is a reduction from 70% implementation in 2022-23 and 53% implementation in 2023-24. Delays in implementation were partly attributable to officers focusing on the implementation of the Agile system. Actions to improve implementation rates are in development with officers.

2.6 No incidences of material external or internal fraud have been detected.

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2.7 Internal Audit aims to add value and continues to work collaboratively with stakeholders, senior management and the Audit Committee to improve governance and internal control arrangements via identifying improvements such as:

- Being a critical friend and trusted advisor for Council projects. E.g. Agile or other key strategic activity;
- Auditing what matters and revising areas of coverage to reflect new risks;
- Help the Council look back and learn from experiences with clear and targeted reports;
- Highlighting emerging risks that require monitoring and managing;
- Championing effective corporate governance, strong risk management, greater efficiency of operations and effective processes and internal controls;
- Continued coverage of information technology and information governance risks;
- Attendance at various external groups to share best practice and inform horizon scanning of significant risks;
- Delivery of an effective proactive and reactive Counter Fraud service;
- Promoting and delivering on the ethos of talent management and development of members of the service;

2.8 There have been no significant limitations to the scope of Internal Audit work, but it should be noted that the assurance expressed can never be absolute and as such Internal Audit provides assurance based on the work performed.

3. 2024/25 Internal Audit Plan Status

3.1 A summary of the 2024-25 Audit Plan is included below. Internal Audit Summaries issued since April 2025 are include at Appendix 1.

Figure 2: Audit Plan Status:

Ref	Audit	Status	Assurance	Prospects for Improvement	Committee
TM01-2025	Tonbridge Town Centre Review	Ongoing into 25/26	Advisory	N/A	N/A
TM02-2025	Gibson Building Project	Ongoing into 25/26	Advisory	N/A	N/A
TM03-2025	Volunteer Management - Health and Safety	Complete	Substantial	Good	Jan-25
TM04-2025	Planning applications and fees (Fee payback)	Complete	Substantial	Good	Jul-25
TM06-2025	Housing Allocation Process, Assessment and Review	Complete	Substantial	Adequate	Apr-25
TM07-2025	Treasury Management	Complete	High	Very Good	Jan-25
TM08-2025	Discretionary Housing Payments	Complete	Adequate	Good	Jan-25
TM09-2025	Digital Strategies and Automation	Fieldwork			
TM10-2025	Castle Project	Complete	Advisory	N/A	Apr-25
TM11-2025	Climate Change	Complete	Substantial	Good	Jan-25
TM12-2025	Local Plan	Deferred	N/A	N/A	N/A
TM13-2025	Facilities Management / Building Maintenance	Fieldwork			
TM14-2025	Corporate Governance Principles	Draft Report	Substantial	TBC	Jul-25
TM15-2025	Annual Governance Statement	Draft Report	Adequate	TBC	Jul-25
TM16-2025	Procurement	Draft Report	Substantial	TBC	Jul-25
TM17-2025	Temporary Accommodation	Complete	Limited	Good	Jul-25
TM18-2025	Complaints	Deferred	N/A	N/A	N/A
TM19-2025	Independent Planning Reviewer	Ongoing into 25/26 (Ad hoc as required)	Advisory	N/A	N/A
TM20-2025	Agile Independent Review	Draft Report	Advisory	N/A	Jul-25

3. 2024/25 Internal Audit Assurance Levels (Based on assurance audits at draft report)

Figure 3: Audit Assurance levels

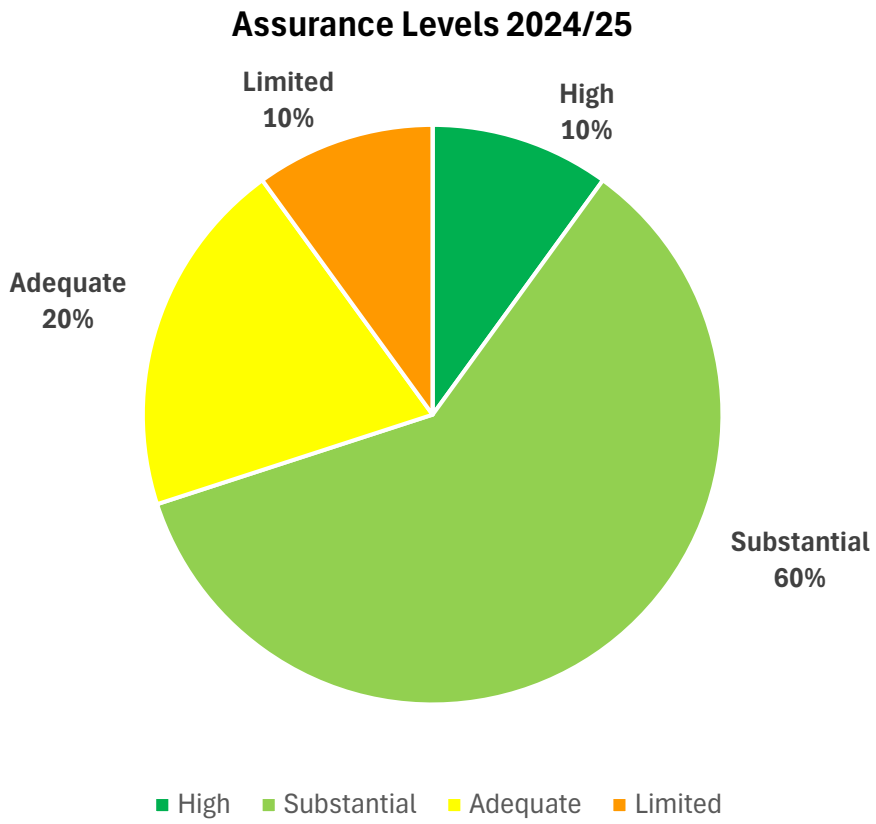


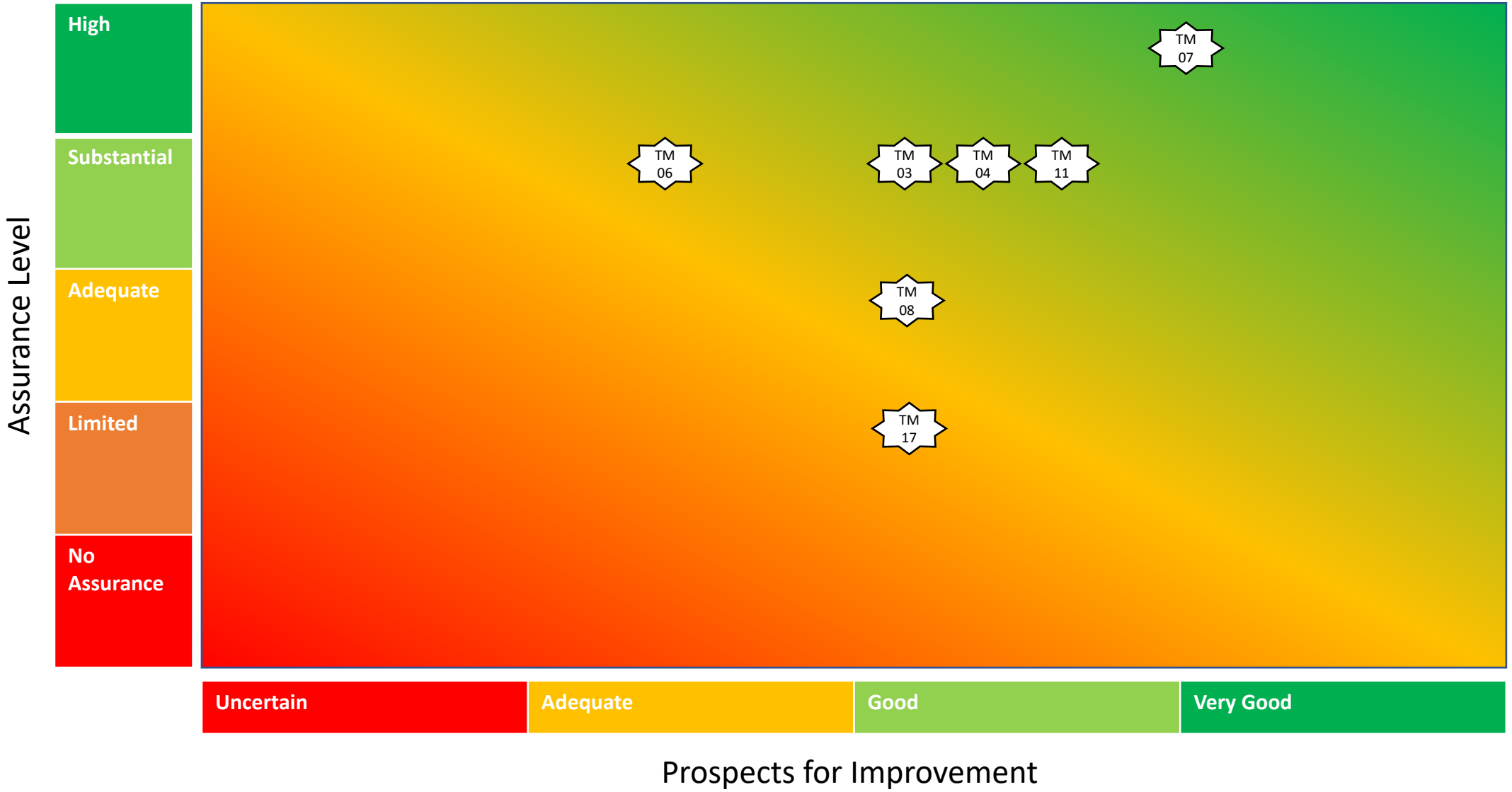
Figure 4: Audit Assurance levels and prospects for improvement

Assurance Level	No	%
High	1	10%
Substantial	6	60%
Adequate	2	20%
Limited	1	10%
No	0	0%

Prospects for Improvement	No	%
Very Good	1	14%
Good	5	71%
Adequate	1	14%
Uncertain	0	0%

3. 2024/25 Internal Audit Assurance Levels (Based on assurance audits at Final report stage)

Figure 5: Audit Assurance levels



4. Implementation of Agreed Actions

4.1 Details of the year end position on the implementation of actions from Internal Audit reports is set out in the below section.

4.2 Where an audit review identifies opportunities to introduce additional controls or improve compliance with existing controls, issues are raised and management actions agreed with client management prior to finalising the report. In line with the PSIAS, Internal Audit has arrangements in place to follow up on all actions agreed with management and to report to the Audit Committee on the responses received.

4.3 The status of implementation for the 49 recommendations due during 2024/25 is summarised below. 45% of recommendations have been implemented with a further 6% sufficiently implemented for Internal Audit to agree closure. 49% of recommendations have been observed to be in progress. 27% of recommendations have been discussed with officers and new implementation dates agreed. Further actions to improve implementation rates are in development with officers.

Figure 6: Summary of Action Implementation

	Total Number due for Implementation		Implemented		Partially Implemented and Agreed to close		In Progress		Updated implementation date agreed in January 25 based on progress evidenced.	
	High	**Medium**	**High**	**Medium**	**High**	**Medium**	**High**	**Medium**	**High**	**Medium**
Total	5	44	1	21	1	2	1	10	2	11
		Total %	45%		6%		22%		27%	

5. Conformance with Public Sector Internal Audit Standards (PSIAS)

5.1 The GIAS and CIPFA's UK Application Note (the Standards) are mandatory for all public sector internal audit functions. The Standards require Internal Audit functions to maintain a Quality Assurance and Improvement Programme (QAIP), which should include both internal and external assessments of compliance against the Standards.

5.2 The last external quality assessment (EQA) was completed in February 2021. The EQA concluded that the service 'Generally Conforms' with the Public Sector Internal Audit Standards, which is the highest possible assessment available and was in line with our own internal self-assessment. The outcomes from this EQA were reported to Committee in July 2022 and all actions from the EQA were fully implemented. An EQA will be sought to be undertaken during 2025-26 to align with the 5-year cycle that this is required to be undertaken.

5.3 As previously presented to the Audit Committee, a new set of Global Internal Audit Standards (the Standards) came into effect from January 2025. The Standards are arranged into 5 Domains (with 53 individual standards):

I. Purpose of Internal Auditing
II. Ethics and Professionalism.
III. Governing the Internal Audit Function
IV. Managing the Internal Audit Function
V. Performing Internal Audit Services

5.4 As reported at September 2024 committee, the Internal Audit self-assessment for 2024-25 has been completed and confirmed the Internal Audit function to be broadly generally conformant with the Standards. In this previous report there were 2 standards against which Internal Audit assessed themselves as non-conforming and Internal Audit can now confirm that necessary actions have been completed and these areas of non-conformance have been addressed. There are currently 7 standards against which there is partial conformance, these areas have action plans in place to address ahead of the EQA in 2025-26. These are shown in Table 9.

5.5 It also confirmed that all internal audit work completed during 2024-25 has been conducted in accordance with the applicable standards, our agreed Internal Audit Manual, and Quality and Assurance Improvement Programme as required in Standard 8.3 Quality.

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Figure 7: Conformance with Professional Standards

		Generally Conforms	Partially Conforms	Does Not Conform
	Definition of Internal Auditing			
Reference	Principle 1 – Demonstrate Integrity			
1.1	Honesty and Professional Courage	✓		
1.2	Organisation's Ethical Expectations	✓		
1.3	Legal and Ethical Behaviour	✓		
Reference	Principle 2 – Maintain Objectivity			
2.1	Individual Objectivity	✓		
2.2	Safeguarding Objectivity	✓		
2.3	Disclosing Impairments to Objectivity	✓		
Reference	Principle 3 – Demonstrate Competency			
3.1	Competency	✓		
3.2	Continuous Professional Development	✓		
Reference	Principal 4 – Exercise Due Professional Carte			
4.1	Conformance with the Global Internal Audit Standards		✓	
4.2	Due Professional Care	✓		
4.3	Professional Scepticism	✓		
Reference	Principle 5 – Maintain Confidentiality			
5.1	Use of Information	✓		
5.2	Protection of Information			
Reference	Principal 6 – Authorised by the Board			
6.1	Internal Audit Mandate	✓		
6.2	Internal Audit Charter	✓		
6.3	Board and Senior Management Support	✓		

		Generally Conforms	Partially Conforms	Does Not Conform
Reference	Principle 7 – Positioned Independently			
7.1	Organisational Independence		✓	
7.2	Chief Audit Executive Qualifications	✓		
Reference	Principal 8 – Overseen by the Board			
8.1	Board Interaction	✓		
8.2	Resources	✓		
8.3	Quality	✓		
8.4	External Quality Assessment	✓		
Reference	Principle 9 – Plan strategically			
9.1	Understand Governance, Risk Management and Control Processes	✓		
9.2	Internal Audit Strategy	✓		
9.3	Methodologies		✓	
9.4	Internal Audit Plan	✓		
9.5	Coordination and Resilience		✓	
Reference	Principle 10 – Manage Resources			
10.1	Financial Resource Management	✓		
10.2	Human Resource Management		✓	
10.3	Technological Resources	✓		
Reference	Principle 11 – Communicate Effectively			
11.1	Building Relationships and Communicating with Stakeholders		✓	
11.2	Effective Communication	✓		
11.3	Communicating Results	✓		
11.4	Errors and Omissions	✓		
11.5	Communicating the Acceptance of Risk	✓		

		Generally Conforms	Partially Conforms	Does Not Conform
Reference	Principle 12 – Enhance Quality			
12.1	Internal Quality Assessment	✓		
12.2	Performance Management		✓	
12.3	Oversee and Improve Engagement Performance	✓		
Reference	Principle 13 – Plan Engagements Effectively			
13.1	Engagement Communication	✓		
13.2	Engagement Risk Assessment	✓		
13.3	Engagement Objective and Scope	✓		
13.4	Evaluation Criteria	✓		
13.5	Engagement Resources	✓		
13.6	Work Program	✓		
Reference	Principle 14 – Conduct Engagement Work			
14.1	Gathering Information for Analysis and Evaluation	✓		
12.2	Analysis and Potential Engagement Findings	✓		
14.3	Evaluation of Findings	✓		
14.4	Recommendations and Action Plans	✓		
14.5	Engagement Conclusions	✓		
14.6	Engagement Documentation	✓		
Reference	Principle 15 – Communicate Engagement Results and Monitor Action Plans			
15.1	Final Engagement Communication	✓		
15.2	Confirming the Implementation of Recommendations or Action Plans	✓		

6 Quality Assurance & Improvement Programme (QAIP)

6.1 The GIAS and CIPFA's UK Application Note describe the QAIP as:

> "A QAIP is designed to enable an evaluation of the internal audit activity's conformance with the Definition of Internal Auditing and the Standards and an evaluation of whether internal auditors apply the Code of Ethics. The programme also assesses the efficiency and effectiveness of the internal audit activity and identifies opportunities for improvement."

6.2 As acknowledged by the External Assessor in 2021, Internal Audit have a robust process for undertaking the QAIP, which includes the completion of the following reviews to confirm compliance with GIAS and CIPFA's UK Application Note:

- **Self- Assessment** - completed for each audit engagement, proactive fraud review and complex investigation.
- **Hot Reviews** - complete for each audit investigation and fraud investigation.
- **Cold Reviews-** carried out annually across all clients using a judgemental sample and least one per individual.
- **Internal Assessment** - competed annually against PSIAS.
- **External Assessment** - completed every 5 years for Audit and Counter Fraud.
- **Customer Feedback** - competed for each audit engagement and proactive counter fraud review.

During 2024-25, the following Improvement areas have been addressed:

Improvement Made
Assessment of compliance against new Global Internal Audit Standards and develop action plans to address any areas of non-conformance - completed.
Implement a more effective approach to Cold Reviews – completed.
Integration of new Audit Management software and updating the Audit Manual to align – completed.
Increased utilisation of artificial intelligence in audit planning – completed/ongoing.
Continued to develop wellbeing, support and approaches for the team – completed/ongoing

Improvements identified for 2025-26 include:

Improvement Issue
Implement action plans previously developed to address any areas of non-conformance against new Global Internal Audit Standards.
Continue to review new audit management software for efficiencies in its use including follow-up of management actions
Improved use of data analytics.
Increased utilisation of artificial intelligence in audit planning
Continue to develop wellbeing, support and approaches for the team.

6 Quality Assurance & Improvement Programme (QAIP)

6.3 The programme also assesses the efficiency and effectiveness of the Internal Audit activity and identifies opportunities for improvement and learning for the team. The performance of the Internal Audit Team is measured and monitored throughout the year and the year-end position is shown below:

Audit Plan

Audit Plan Completion (based on 14 audits)

85.71% (Target 90%)

2 audits have been deferred (Local Plan and Complaints) 3 audits are ongoing embedded assurance engagements continuing into 2025/26 (Tonbridge Town Centre Review, Gibson Building Project and Independent Planning Reviewer) 12 Audits have either been issued as draft reports or are complete, leaving 2 audits in fieldwork. Digital Strategies and Automation was delayed due to other activity within the service area, Facilities Management/Building Maintenance was also subject to some delays due to officer capacity. Both audits are in late fieldwork stages nearing draft report.

Timeliness of Draft Report

Time from end of fieldwork to Draft Report – % within 10 working days

90% (Target 85%)

This is an improvement of 19% from last year. One audit missed the 10-day target, reaching 29 working days. This was due to Auditor sickness leave. This KPI is measured to ensure that findings/issues are promptly reported. To assist with this, we have implemented a more agile auditing approach in the last 24 months. This involves increased in ongoing communication during the audit and the raising of findings/issues as and when observed. This means the service is aware of findings during the audit process rather than being presented with them in the Draft Report on completion. Management actions may already be agreed and in some cases already implemented by the time of the draft report is issued. The indicator, is therefore, not a true reflection of the timeliness of reporting.

External Quality Assessment

Assessed from the External Quality Assessment in 2021 as 'Generally Compliant'

Internal Self-Assessment

% of Improvement actions completed from quality assessments

100% (5 improvement actions identified for 2024/25)

This KPI is measured to ensure that any areas of non-conformance with the Public Internal Audit Standards are addressed. The outcome has been reported as 100% based on 5 of 5 improvement actions being completed in 2024/25, 2 of these actions are highlighted as achieved for 2024/25 but will also be ongoing into 2025/26.

6 Quality Assurance & Improvement Programme (QAIP)

Training

Average days training received per staff member
7.0 days (Target 5 days)

This is based on staff involved in the completion of the TMBC audit and fraud plan, but excludes all auditors enrolled in the Internal Professional Apprenticeship at Birmingham City University. Due to their study commitments, they have in excess of 40 days during the year and therefore would skew the results of this KPI.

Professional Qualifications

Maintenance of Continual Professional Development for relevant staff
100% (Target 100%)

Based on staff working on the TMBC plan or who may have been called to work on the plan who hold professional accounting/audit qualifications that carry CPD requirements. This includes 2 staff who are Chartered Internal Auditors (CMIIA) 2 staff who are Qualified Auditors (ACCA) and 4 staff who are Certified Internal Auditors.

F. Client Satisfaction

Client Satisfaction surveys at the end of each audit
97% (Target 90%)

Organisation Performance

% Recommendations implemented by original date
51% (Target 80%)

% of open Recommendations overdue
22% (Target 10%)

Time from issue of Draft Report to completion of Management Action Plan (% within 10 working days.
30% (Target 85%)

This is based on responses received or expected to have been received to draft reports issued at the time of report. 3 of 9 draft reports issued to were responded to within expected timeframes. Of the 6 audits that did not receive responses within expected timescales, for one audit the client requested additional time due to the need to co-ordinate responses across multiple areas of responsibility, for another the client has requested a meeting to discuss wording of one of the issues raised, 2 audits received responses very soon after the 10 working days at 11 and 13 days, and for the remaining 2 audits either the auditor or client was on leave and unable to progress in required timescales.

6 Quality Assurance & Improvement Programme (QAIP)

Client Satisfaction

6.4 At the end of each audit review, a client satisfaction questionnaire is sent to the auditee. The cumulative result for these surveys was 97% satisfaction, all audit satisfaction questionnaires showed a result of either “good” or very good”.

6.5 The survey also requested any additional comments, comments received are replicated below:

“A very good and pragmatic approach taken”

“Great communication and a full understanding and appreciation of operational needs. A very pragmatic approach was taken to the Audit and recommendations arising”

“The audit was thorough and covered the areas that were originally agreed”

“Auditor was excellent at explaining what the audit was about, why it was being done, and during the fieldwork, listened to our views, explained her reasoning and we worked well with her.
I see Audit as a critical tool to review the service and take any feedback to improve the service and this was easy with the Auditor leading on this.”

“I found discussions with the auditor were open and useful.”

“The audit was very smooth, with proactive and clear communication from the auditor from the first point of engagement through to the end.”

“The officer undertaking the IA for treasury management, was well versed in what was required from a TM audit. This led to being able to provide the information and signposting, in a timely manner, to the correct individuals for the officer to interview staff involved in the treasury function to understand their roles/experiences within the overall treasury function and the training element of our function. I would like to extend my thanks and appreciation to Auditor for her courteous and professional behaviour in the way she conducted the audit.
It was a very positive experience, and it is good to have confirmation that we are minimising risks and will take on board any suggestions made”

7. Internal Audit and Counter Fraud Resources

7.1 In accordance with professional standards, members of the Committee need to be appraised of relevant matters relating to the resourcing of the Internal Audit function.

7.2 The Internal Audit and Counter Fraud service is delivered by Kent County Council via an Inter Authority Agreement. An Audit Manager and a Counter Fraud Manager lead the delivery of the TMBC Internal Audit and Counter Fraud Plan. During 2024-25, over 14 audit and fraud staff have supported its delivery.

7.3 There has been some staff turnover during the course of the year which is in line with that seen in previous years. The service has conducted successful recruitment exercises in a challenging market and excellent new colleagues have joined or are due to join the team.

- The Internal Audit Team is fully resourced with no current vacancies.
- New Audit Management software has been adopted by the Internal Audit Team which should provide a number enhancements to Internal Audit Processes.
- There was adequate technology available to support the completion of the Rolling Internal Audit Plan including data analytics tools such as PowerBi

7.4 It is also concluded that there have been no limitations to resources which adversely impacted upon the ability to provide an Annual Opinion.

8. Disclosure on Impairment and Statement of Independence

8.1 Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal control and governance processes. (Source: Public Sector Internal Audit Standards and Local Government Application Note).

8.2 Internal Audit is a statutory requirement for local authorities. There are two key pieces of relevant legislation:

- Section 151 of the Local Government Act 1972 requires every local authority makes arrangements for the proper administration of its financial affairs and to ensure that one of the officers has responsibility for the administration of those affairs
- The Accounts and Audit Regulations 2015 (England) states that "A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance"

8.3 Since October 2021, the Internal Audit and Counter Fraud service has been delivered through an Inter Authority Agreement with Kent County Council. Internal Audit independence is achieved by reporting lines which allow for unrestricted access to the Leader of the Council, Chief Executive, Senior Management Boards, which includes the s.151 Officer, and the Chair of the Audit Committee.

8.4 There has been no significant restrictions on the scope of Internal Audit work findings during 2024-25. It is confirmed that the independence of the Internal Audit and its ability to form an evidenced audit opinion has not been adversely affected in 2024-25.

8.5 Summaries of audit work completed have been provided to the Committee throughout the year and there have been no identified areas that have required escalation.

9. Annual Counter Fraud Report

9.1 This section of the report provides details of the Council's activity in preventing and detecting fraud and corruption during the full financial year of 2024/25.

National Fraud Initiative

9.2 The Counter Fraud Team has collated the data specified by the Cabinet Office for the 2022/23 exercise. This includes reviewing the data to ensure it complies with the formats required and uploading in the required timescale.

9.3 The NFI biennial and flexible data matching service is progressing with matches being reviewed by relevant teams. A summary of activity is shown in Annex 2. Work is in progress to review these matches to determine if there is any fraud or error.

Kent Intelligence Network

9.4 The Kent Intelligence Network continues to support Local Authorities in Kent in preventing and detecting fraud. The key focus area for 2024/25 continues to look at fraud and error within Single Person Discounts, Small Business Rate Relief and unrated business and residential premises.

9.5 The full financial year 2024-25 the following results have been achieved:

- Single person discount to NFI matches £75,816 increased council tax liability
- Single person discount reviews from fraud referrals £7,324 increased council tax liability
- Unrated businesses £47,801 increased liability
- Retriever debtor tracing £267,583 for recovery action

9. Annual Counter Fraud Report

Investigating Fraud, Bribery and Corruption

9.7 A summary of cases referred or carried into the current fiscal year can be found in Annex 3

9.8 A total of 166 referrals have been received by the Counter Fraud Team in 2024/25. The most reported fraud type involves DWP derived benefits, such as council tax reduction, housing benefit or universal credit, totalling 100 referrals. The second most reported fraud type is Single Person Discount, of council tax, where a total of 32 referrals have been reported. Further detail is available in Annex 4.

- 17 cases closed, where no further action is required.
- 1 case closed; housing application withdrawn.

9.9 This year, 2024-25, 135 referrals have been closed

- 3 closed - error identified and corrected with a recoverable value of £2,284
- 64 referrals sent to DWP
- 13 referrals shared internally
- 43 referrals closed no further action

9.10 A total of 16 cases were carried forward from earlier years, which are at the following status':

- 8 cases closed
- 1 has been referred to DWP
- 4 were closed – no further action
- 2 were closed - benefit amended / withdrawn with a recoverable overpayment of £1187
- 8 cases remain open
- 2 have been opened for investigation
- 6 have open requests to joint work with DWP

Appendix 1 – Internal Audit Summaries

TM04-2025 Planning Applications and Fees (Fee Payback)

Audit Opinion	Substantial
Prospects For Improvement	Good

Key Strengths

Accuracy of Fee structure and calculations

- Compliance with National Regulations: TMBC's fees are consistent with the nationally set fee regulations.
- Transparency and Accessibility: Pre-application fees are up-to-date and published on the council's website, ensuring transparency and accessibility for applicants.
- Comprehensive Fee Structure: The fee structure reflects government guidance.
- Approval and Implementation: The review and approval of fees for this year have been implemented, ensuring that the fees cover the costs of processing applications without generating excess profit.
- Accuracy Verification: TMBC uses the fee calculator on the planning portal to verify that fees are charged lawfully, ensuring compliance with approved fee schedules.
- Cost Recovery: TMBC calculates and ensures that fees collected cover processing costs. This method is practical and aligns with cost recovery principles.

Compliance with payments of fees

- Detailed Documentation: Comprehensive documentation outlines proposed fees and charges for discretionary planning services for 2025/26, including development management, building control, high hedges, s106 monitoring, and Planning Performance Agreements (PPA).
- Audit Checks and Controls: TMBC manages and monitors fee receipting and refunds effectively.
- Benchmarking: TMBC's fees are competitive with other Kent councils.
- Compliance with Legislation: TMBC's use of Agile to illustrate fees and ensure consistency with guidance is a strong compliance measure.
- Differentiation of Fees: TMBC clearly differentiates between government-fixed planning fees and pre-planning fees charged to cover costs. This clarity helps in maintaining transparency and understanding among applicants.

Effectiveness of management

- Automated Fee Transfer System: The system used to transfer fees correctly, reduces the risk of human error and ensuring efficient fee management.
- Regular Monitoring: TMBC regularly monitors fee payments and follows up on overdue payments using Power BI reports and regular communication to officers to ensure timely action and compliance.
- Ongoing Officer Training: TMBC provides ongoing training for officers to ensure they understand relevant laws and regulations.

Monitoring Fee collection process

- Automation and Real-Time Reporting: The APAS system used is automated and provides real-time updates and reports.
- Comprehensive System Functions: APAS supports various functions, including importing applications from the Planning Portal, managing the application process, and facilitating web access to planning applications and the statutory register.
- System Agreement and Accuracy: The comparison of the operating system with the monitoring report for fees return, including payback and planning fees, ensures accuracy. The evidence provided by TMBC, demonstrates that the fees recorded in the APAS system match the monitoring reports.

Appendix 1 – Internal Audit Summaries

TM04-2025 Planning Applications and Fees (Fee Payback)

Areas for development

- None identified

Summary of Management Responses

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

TM14-2025 Corporate Governance Principles

Audit Opinion	Substantial
Prospects For Improvement	TBC

Key Strengths

Clear Responsibility and Committee Oversight
Responsibility for the annual review and maintenance of the Local Code of Corporate Governance is appropriately assigned. The 2024 Code was reviewed and formally approved by the Audit Committee, aligning with CIPFA/SOLACE recommended sign off and approval processes and ensuring both officer and member accountability for governance standards.

Appropriate and Relevant Evidence
The documents and activities referenced as supporting evidence in the Local Code are appropriate and well-matched to the governance statements made. They provide a credible basis for demonstrating compliance.

Behaving with Integrity, Demonstrating Strong Commitment to Ethical Values, and Respecting the Rule of Law
The Code references appropriate and current evidence such as the Code of Conduct and training records, supporting a strong ethical culture and leadership commitment.

Ensuring Openness and Comprehensive Stakeholder Engagement
Consultation frameworks and public reporting mechanisms are in place and operational, with evidence of active engagement and transparency.

Defining Outcomes in Terms of Sustainable Economic, Social, and Environmental Benefits
The Corporate Strategy and Social Value Policy are relevant and up to date, clearly aligned with strategic objectives and community priorities.

Determining the Interventions Necessary to Optimise the Achievement of Intended Outcomes
Service planning and performance frameworks are appropriately cited and used to support evidence-based decision-making.

Developing the Entity's Capacity, Including the Capability of Its Leadership and the Individuals Within It
Workforce strategies, training programmes, and role definitions are current and demonstrate a clear commitment to staff development and leadership support.

Managing Risks and Performance Through Robust Internal Control and Strong Public Financial Management
Risk registers and financial reporting frameworks are embedded and mostly current, with strong oversight, transparency, and committee scrutiny.

Implementing Good Practices in Transparency, Reporting, and Audit to Deliver Effective Accountability
Audit, scrutiny, and reporting mechanisms are well-documented, with public access to decisions and evidence of effective governance oversight.

Strengthening Cyber Security Governance, Data Protection, and Digital Risk Oversight
Responsibilities for cyber security governance, data protection, and digital risk oversight are clearly assigned. The Code mandates quarterly cyber-risk reviews, annual data protection audits, and regular incident reporting to the Audit Committee, embedding continuous improvement into each update.

TM14-2025 Corporate Governance Principles

Areas For Development

Absence of documented procedural guidance for updating the Local Code of Corporate Governance **(LOW)**
There is currently no structured mechanism for tracking and updating the evidence cited in the Local Code **(LOW)**

Summary of Management Responses

	No. of Issues Raised	Mgt Action Plan Developed	Risk Accepted & No Action Proposed
High Risk	0	N/A	N/A
Medium Risk	0	N/A	N/A
Low Risk	2	TBC	TBC

TM15-2025 Annual Governance Statement

Audit Opinion	**Adequate**
Prospects For Improvement	

Key Strengths

- Responsibility for preparing the annual governance statement has been appropriately assigned to one of the Council's statutory officers.
- The annual governance review process is started in a timely manner and the AGS is published by the statutory deadline.
- The annual governance review gets input from statutory officers and Chief Officers.

Areas For Development

- Members (who are part of the Council's assurance framework) do not provide assurance statements to inform the AGS. **(MEDIUM)**
- The revised assurance questionnaire for Chief Officers is too short in scope to provide sufficient information for the AGS. **(MEDIUM)**
- Assurance statements provided by Chief Officers are not validated. **(MEDIUM)**
- The AGS does not include an action plan of current and future areas of governance requiring improvement. **(MEDIUM)**

	No. of Issues Raised	Mgt Action Plan Developed	Risk Accepted & No Action Proposed
High Risk	0	N/A	N/A
Medium Risk	4	TBC	TBC
Low Risk	0	N/A	N/A

TM16-2025 Procurement

Audit Opinion	Substantial
Prospects For Improvement	TBC

Procurement in the public sector is formal process by which organisations enter into a contract to acquire goods, services, and works. The process is governed by a comprehensive legal framework (the Procurement Act 2023) designed to ensure transparency, fairness, and Value for Money (VFM) for taxpayers. Any contract entered into on behalf of the Council (Tonbridge and Malling Borough Council (TMBC)) is expected to comply with the requirements of UK procurement regulations and the Contract Procedure Rules set out in Part 4 of the Council's Constitution. TMBC external audit findings for 2022/23 and 2023/24, identified significant weaknesses within the Council's procurement arrangements. In response, the Council entered into an agreement with the Mid Kent Procurement Partnership service (effective from 1st of May 2024) to provide officers with access to dedicated professional procurement advice and support.

Key Strengths

- Procurement strategy and procedures which set out guidance for officers on how they should conduct procurement activities are in place.
- The procurement strategy and procedures reflect key principles from the LGA's National Procurement Strategy for Local Government.
- The Council appointed suitably experienced and qualified procurement advisors (the Mid Kent Procurement Partnership). Procurement exercises where officers consult the Mid Kent Procurement Partnership service were found to be the most compliant.
- The financial thresholds where officers are required to conduct a competitive purchasing process are clearly defined and being adhered to.
- We found no evidence of artificial splitting of contracts to circumvent contracts procedure rules and procurement regulations.
- In each of the contracts sampled, the chosen supplier was found to be either the cheapest or, where price was not the only criteria, the highest scoring supplier evidencing that the Council obtains best value for money.
- The contracts register is kept up to date and it is published to the general public, maintaining transparency of contracts awarded by the Council.

Areas for Development

- There is underutilisation of the Mid Kent Procurement Partnership service with about 30% of procurement exercises not going through the procurement service. **(MEDIUM)**
- The Council's procurement advisors are not given the opportunity scrutinise and challenge requests for single tender actions before procurement waivers are approved, which will help to minimise the use of single tender actions. **(MEDIUM)**
- Procurement waiver requests do not currently follow a consistent format. **(LOW)**

Summary of Management Responses

	No. of Issues Raised	Mgt Action Plan Developed	Risk Accepted & No Action Proposed
High Risk	0	N/A	N/A
Medium Risk	2	TBC	TBC
Low Risk	1	TBC	TBC

TM17-2025 Temporary Accommodation

Audit Opinion	Limited
Prospects For Improvement	Good

Key Strengths

- Ensuring that all eligible clients receive Housing Benefit is a key control to ensure that rent payments are received. Policy and processes in place recognise this and sample testing identified that applications were consistently made for clients.

Areas for Development

- TA Policies and procedures are not consistently updated and owned. **(LOW)**
- The process of invoicing for TA has inefficiencies and a single point of failure. **(MEDIUM)**
- For debt arising from current TA clients, there are unclear roles and responsibilities. Procedure notes lack direction for Officers. Housing Officers addressing non-payments lack access to timely and reliable data required to enforce the policy. **(HIGH)**
- Management of debt for clients who are no longer in TA is inconsistent. **(MEDIUM)**
- Reporting to the Housing & Planning Scrutiny Select Committee on the Action Plan's completion was generally accurate, but some of the detail from recommendations from the full report were not always taken into account. **(LOW)**

Summary of Management Responses

	No. of Issues Raised	Mgt Action Plan Developed	Risk Accepted & No Action Proposed
High Risk	1	1	NA
Medium Risk	2	2	NA
Low Risk	2	2	NA

TM10-2025 Castle Project

Audit Opinion	**N/A**
Prospects for Improvement	**N/A**

Background

Tonbridge Castle and grounds is an important strategic asset to Tonbridge and Malling Borough Council (TMBC) The Castle operates as a heritage hub, culture centre and tourist venue. Parts of the Castle are currently leased to other organisations including KCC Gateway which generates revenue for TMBC.

The lease agreement with KCC for the Gateway has formed a significant proportion of the income generated by the Castle (£149,000 in 2023/24), this lease was due to expire in July 2024 with plans for the KCC Gateway to be decommissioned which would leave a vacant area of the Castle and result in a reduction of revenue generated for TMBC. In July 2024, the KCC Gateway lease termination date was extended to 1st April 2025.

A project team was formed in 2022 to evaluate the commercial operation of Tonbridge Castle and grounds, understanding the different types of activities taking place and the associated costs versus the income raised, and to develop and agree proposals for how TMBC could utilise the Castle and grounds to generate sustainable, long term revenue streams for the Council. The aim being to make the site as cost effective as possible and significantly reduce the subsidy provided by the Council.

A General Purposes Committee decision in January 2024 led to a restructure of the Castle events team, events planning and management responsibility subsequently moved from Leisure Services to the Central Services team.

A recently developed Events Strategy recognises the importance of events in contributing to the revenue streams associated with the Castle and the change in management gives the opportunity to review events on the basis of cost being incurred against income received, and allow the cost allocation for specific events to be identified and calculated and charged back to the organisers appropriately.

Current Position

The agreement of an extended period for the KCC Gateway has provided TMBC with additional revenue for Quarters 2 to 4 of 2024/25, however it has also meant that decommissioning has been unable to commence to prepare the currently occupied area for alternative use.

An Operator Audit produced by Brackets in February 2025 summarised that as per previous viability reports “whilst the accommodation would potentially lend itself for Food & Beverage (F&B) uses, TMBC should explore the opportunity of combining the accommodation currently occupied by KCC / Kent Gateway, with weddings currently held in both the Council Chambers and Great Hall,” The report detailed that “Most F&B operators approached had indicated that the accommodation is too small to meet their operational requirements.”

The project is effectively now back at the start of Phase 2 (agreeing the future for the Castle and grounds and planning the future implementation of the agreed plan) TMBC now needs to consider whether to pursue the option of utilising the soon to be vacant space for a food and beverage operation. If TMBC wish to continue to develop this option, whether this is externally contracted or self-managed, there will be considerable work required by the project team and management to understand the cost implications and potential income generation potential before a proposal can be brought to Members for their agreement..

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SCOPE AREA	OBSERVATION	RECOMMENDATION
Governance (Strategy and Decision Making)	A project Steering Group and Officer Service Group (OSG) have both been established since commencement of the project, Terms of Reference have been established for both groups. The Head of Service for Licensing, Customer Service and Community Safety leads the Officer Service Group and also attends the Steering Group meetings to provide updates. Meeting frequency was previously considered by Internal Audit to be appropriate however this has been significantly reduced recently due to changes in project timelines. Initial project documentation had previously been developed, this included a Castle OSG planning document outlining the purposes of the project, scope of the group and project governance mechanisms. Work programmes had previously been agreed and progress dashboards set up to monitor these. There was a process in place to provide updates to members through reports to the Community and Environment Scrutiny Select Committee and Cabinet.	Membership and Terms of reference for the Steering Group and OSG to be reviewed to ensure they remain relevant. Meeting dates to be re-established for both groups with appropriate frequency for project activity. Revisit project work programmes based on current project status and as required ongoing. This process to be reinstated when required to agree updated project proposals.
Benefits Realisation	The purpose of the project had previously been clearly defined as to evaluate the current commercial operation of Tonbridge Castle and grounds, understand the different activities that are currently taking place, and to propose how TMBC utilises the strategic asset of Tonbridge Castle and grounds to generate sustained long term revenue streams. As a result significantly reducing the subsidy provided by the Council.	Revisit original business case and individual revised proposals for the Gateway space and update to ensure that proposals represent value for money and develop plans for delivery once agreed.
Risk and Issue Management	The project manager has demonstrated good understanding of the need to identify, mitigate and monitor risks arising as the project establishes and progresses. SWOT and LoNGPEST analyses were included within the initial Castle OSG Progress Dashboard and Methodology document, demonstrating that weaknesses and threats and external influences affecting the project were being considered. At the time of last review by Internal Audit the weaknesses and threats identified had not been developed into a project risk register. This was planned to be established once full agreement to proceed with the Café option had been achieved. Following receipt of the Operator Audit produced by Brackets in February 2025 the project manager is now reconsidering the options available for future use of the soon to be vacant space in the Castle, demonstrating an awareness of the risk of proceeding further with proposed café option.	Undertake a risk assessment as part of further development of the café options or any other proposals to be considered. Once proposals are agreed ensure that a full project risk register is developed to record risks, controls, and owners.

Project timescales and priorities	Phase 1 was successfully completed in 2022/23 to understand the current revenue and costs of primary and secondary budgets encompassing Tonbridge Castle and Grounds, understand the needs of the community and evaluate the different work streams (Revenue and Costs) Phase 2 of Agreeing future plans for Tonbridge Castle and Grounds and Planning Implementation for Future Plans – working with TMBC officers or chosen partners as identified started to progress as planned during 2023/24, however the extension of the Gateway contract with KCC has meant that any delivery of planned proposals for 2024 has now been delayed into 2025 or beyond. The Operator Audit report from Bracketts has suggested that TMBC need to reconsider whether a managed café is the best option for the site. An analysis of the costs for fitting and managing a café in house versus the potential income that could be generated, needs to be undertaken and then reviewed further by management, and then agreed by Members. It has been established that it could be 2026 before any proposed permanent operation is up and running at the site although there is scope for pop-up type facilities in the interim to support specific events.	Once new proposals have been developed and agreed, review timescales for delivery ensuring that critical activities for delivery are clearly identified, communicated, and understood.
Communication	There has been engagement with identified stakeholders in the form of the public consultation, the results of which have been published. Meeting minutes from Community and Environment Scrutiny Select Committee and Cabinet Committee where decisions were made are published on the TMBC website. It has previously been identified by Internal Audit that there is not currently a Communication Strategy or Plan to cover the lifetime of the Project. Steering Group and OSG have been kept up to date with developments and Internal Audit have established that both of these groups will be expected to reconvene when further decisions have been made regarding the future of the project.	Consider developing a communication plan or strategy to cover the lifetime of the project to ensure that all key stakeholders are kept up to date with timely and relevant information.
Project Resources and Cost Management	At project stages 1 and 2 (Start up and Initiation) A project Manager had been confirmed and Steering Group and OSG set up, Steering group and OSG both had appropriate representation and OSG membership remains flexible to incorporate necessary skills and experience as required depending on project requirements.	Ensure that resource requirements (financial and staffing) are considered appropriately I the development of delivery plans for agreed proposals.

Appendix 2 – National Fraud Initiative

NATIONAL FRAUD INITIATIVE 2024/2025 04-Apr-2025

AUTHORITY SUMMARY: Tonbridge & Malling Borough Council

No.	Report Name	Total Recommended	Total All	Status	Processed	In Progress	Frauds	Errors	Savings
2 High	Housing Benefit Claimants to Student Loans, High Quality, Between Bodies		1	Not Opened	0	0	0	0	£0.00
27 High	Housing Benefit Claimants to Housing Benefit Claimants, High Quality, Between Bodies		1	Not Opened	0	0	0	0	£0.00
31 High	Housing Benefit Claimants to Housing Tenants, High Quality, Between Bodies		3	Opened	1	0	0	0	£0.00
47.6 Low	Housing Benefit Claimants to Taxi Drivers, Address Quality, Between Bodies		1	Not Opened	0	0	0	0	£0.00
49.1 High	Housing Benefit Claimants to Benefits Agency Deceased Persons, High Quality, Within Bodies		11	Opened	11	0	0	0	£0.00
78 Info	Payroll to Pensions, High Quality, Between Bodies		1	Not Opened	0	0	0	0	£0.00
80 High	Payroll to Creditors, Same Bank Account, Within Bodies		26	Not Opened	0	0	0	0	£0.00
81 Low	Payroll to Creditors, Address Quality, Within Bodies		1	Not Opened	0	0	0	0	£0.00
91 High	Housing Benefit Claimants to Waiting List, High Quality, Between Bodies		19	Not Opened	0	0	0	0	£0.00
172.3 High	Resident Parking Permit to Benefits Agency Deceased Persons, High Quality, Within Bodies		1	Not Opened	0	0	0	0	£0.00

IMPORTANT : This summary includes matches that occurred in previous years.

NATIONAL FRAUD INITIATIVE 2024/2025 04-Apr-2025

AUTHORITY SUMMARY: Tonbridge & Malling Borough Council

No.	Report Name	Total Recommended	Total All	Status	Processed	In Progress	Frauds	Errors	Savings
240 High	Waiting List to Housing Benefit Claimants, High Quality, Within Bodies		1	Not Opened	0	0	0	0	£0.00
241 High	Waiting List to Housing Benefit Claimants, High Quality, Between Bodies		2	Not Opened	0	0	0	0	£0.00
257 High	Waiting List to Waiting List, High Quality, Between Bodies		2	Not Opened	0	0	0	0	£0.00
261 High	Waiting List to Benefits Agency Deceased Persons, High Quality, Within Bodies		2	Not Opened	0	0	0	0	£0.00
435 High	Council Tax Reduction Scheme to Payroll, High Quality, Within Bodies		2	Not Opened	0	0	0	0	£0.00
436 High	Council Tax Reduction Scheme to Payroll, High Quality, Between Bodies		58	Not Opened	0	0	0	0	£0.00
436.1 High	Council Tax Reduction Scheme to Pensions, High Quality, Between Bodies		64	Not Opened	0	0	0	0	£0.00
440 Low	Council Tax Reduction Scheme to Payroll, Address Quality, Between Bodies		6	Not Opened	0	0	0	0	£0.00
440.1 Low	Council Tax Reduction Scheme to Pensions, Address Quality, Between Bodies		2	Not Opened	0	0	0	0	£0.00
446 High	Council Tax Reduction Scheme to Council Tax Reduction Scheme, High Quality, Between Bodies		3	Not Opened	0	0	0	0	£0.00

IMPORTANT : This summary includes matches that occurred in previous years.

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AUTHORITY SUMMARY: Tonbridge & Malling Borough Council

No.	Report Name	Total Recommended	Total All	Status	Processed	In Progress	Frauds	Errors	Savings
450 High	Council Tax Reduction Scheme to Housing Tenants, High Quality, Between Bodies		1	Not Opened	0	0	0	0	£0.00
456 Medium	Council Tax Reduction Scheme to Right to Buy, Medium Quality, Between Bodies		1	Not Opened	0	0	0	0	£0.00
459.1 High	Council Tax Reduction Scheme to Taxi Drivers, High Quality, Within Bodies		7	Not Opened	0	0	0	0	£0.00
459.2 High	Council Tax Reduction Scheme to Taxi Drivers, High Quality, Between Bodies		3	Not Opened	0	0	0	0	£0.00
459.6 Low	Council Tax Reduction Scheme to Taxi Drivers, Address Quality, Between Bodies		2	Not Opened	0	0	0	0	£0.00
476 High	Council Tax Reduction Scheme to Housing Benefit Claimants, High Quality, Within Bodies		4	Not Opened	0	0	0	0	£0.00
477 High	Council Tax Reduction Scheme to Housing Benefit Claimants, High Quality, Between Bodies		4	Not Opened	0	0	0	0	£0.00
480 High	Housing Benefit Claimants to Council Tax Reduction Scheme, High Quality, Between Bodies		3	Not Opened	0	0	0	0	£0.00
482 High	Council Tax Reduction Scheme to Benefits Agency Deceased Persons, High Quality, Within Bodies		15	Opened	15	0	0	0	£0.00

IMPORTANT : This summary includes matches that occurred in previous years.

NATIONAL FRAUD INITIATIVE 2024/2025 04-Apr-2025

AUTHORITY SUMMARY: Tonbridge & Malling Borough Council

No.	Report Name	Total Recommended	Total All	Status	Processed	In Progress	Frauds	Errors	Savings
483 High	Council Tax Reduction Scheme to HMRC Property Ownership		49	Not Opened	0	0	0	0	£0.00
483.1 High	Council Tax Reduction Scheme to HMRC Earnings and Capital		58	Not Opened	0	0	0	0	£0.00
483.2 High	Council Tax Reduction Scheme to HMRC Household Composition		385	Not Opened	0	0	0	0	£0.00
701 High	Duplicate creditors by creditor name		22	Not Opened	0	0	0	0	£0.00
702 High	Duplicate creditors by address detail		72	Not Opened	0	0	0	0	£0.00
703 High	Duplicate creditors by bank account number		29	Not Opened	0	0	0	0	£0.00
708 High	Duplicate records by invoice amount and creditor reference		300	Not Opened	0	0	0	0	£0.00
709 High	VAT overpaid		8	Not Opened	0	0	0	0	£0.00
711 High	Duplicate records by supplier invoice number and invoice amount but different creditor reference and name		5	Not Opened	0	0	0	0	£0.00
713 High	Duplicate records by postcode, invoice amount but different creditor reference and supplier invoice number and invoice date		1	Not Opened	0	0	0	0	£0.00
750 High	Procurement - Payroll to Companies House (Director), High Quality, Within Bodies		4	Not Opened	0	0	0	0	£0.00

IMPORTANT : This summary includes matches that occurred in previous years.

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NATIONAL FRAUD INITIATIVE 2024/2025 04-Apr-2025

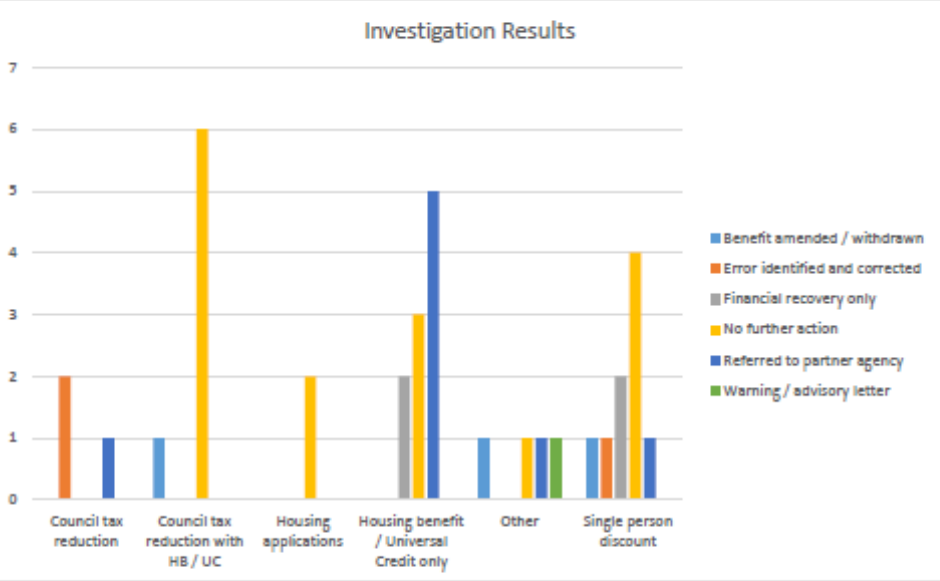
AUTHORITY SUMMARY: Tonbridge & Malling Borough Council

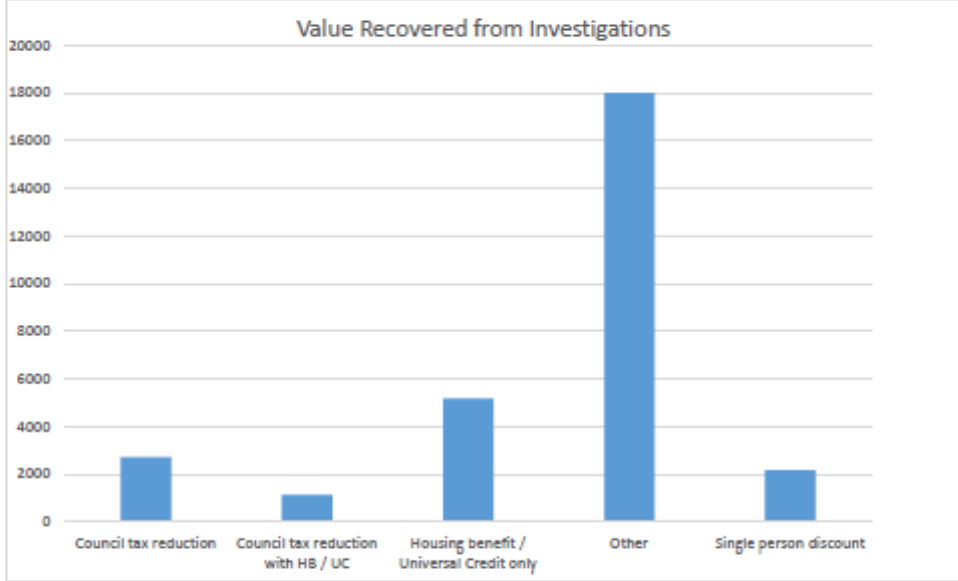
No.	Report Name	Total Recommended	Total All	Status	Processed	In Progress	Frauds	Errors	Savings
9999 Info	Individuals who appear on more than one of the standard reports		8	Not Opened	0	0	0	0	£0.00
TOTAL			1188		27	0	0	0	0.00

IMPORTANT : This summary includes matches that occurred in previous years.

Appendix 3 – Counter Fraud Referrals

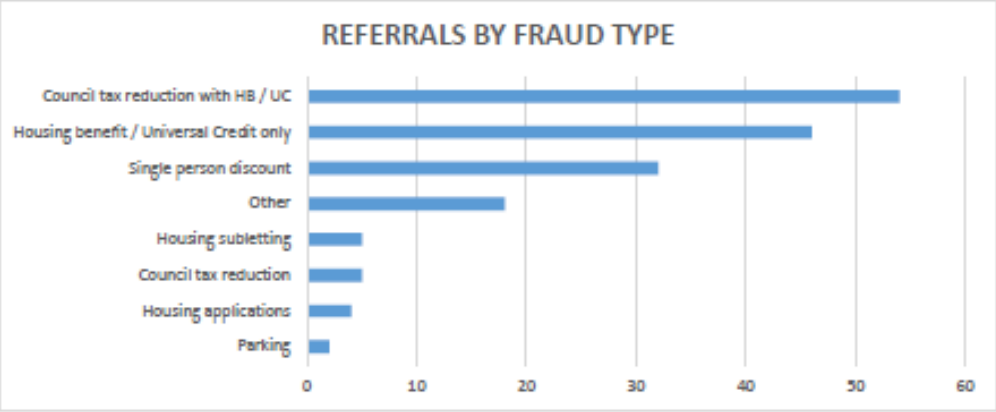
Total Number of Referrals	Open Referrals	Closed Referrals	Referrals under Investigation	Referrals awaiting sifting	% referrals Closed
182	39	143	31	0	79%

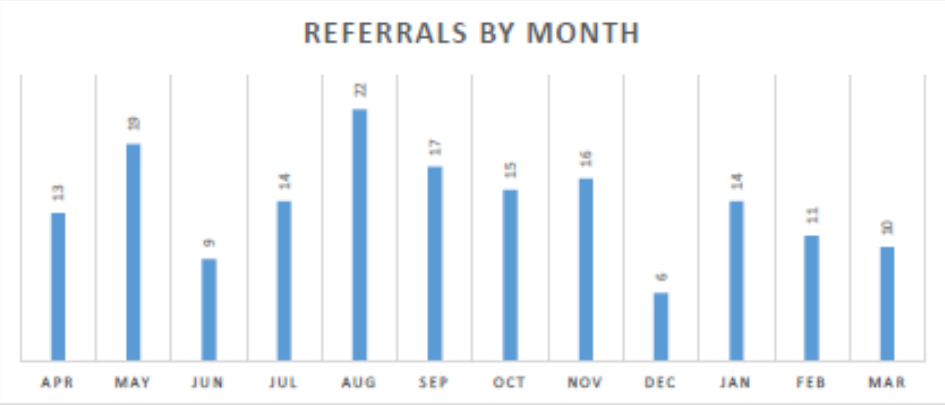


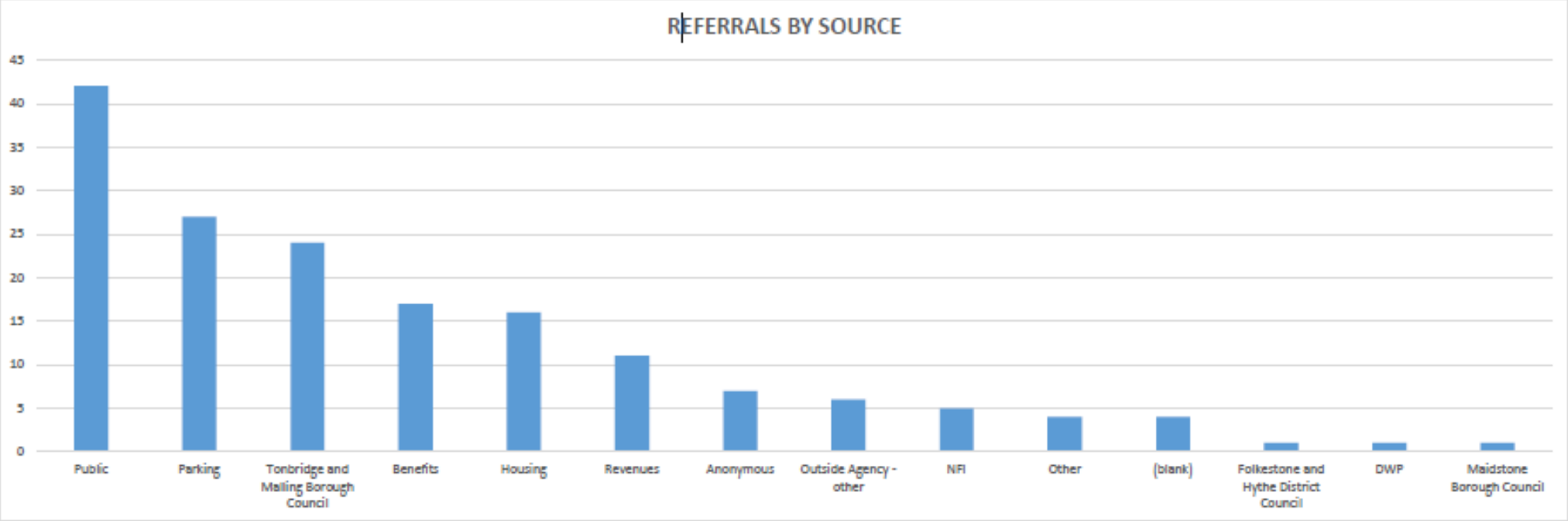


Investigations completed within 3 months	11
Investigations completed within 3 to 6 months	8
Investigations completed over 6 months	3
All cases closed within 6 months	134
Percentage cases closed within 6 months	94%
All cases closed over 6 months	9
Percentage of referrals sifted within 10 working days	46%

Appendix 3 – Counter Fraud Referrals







Appendix 4 - 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.**
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.**
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.**
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.**
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**

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.**