Internal Audit Annual Report and Opinion

15 July 2021

Sevenoaks
DISTRICT COUNCIL

Introduction

1. This report provides the Chief Audit Executive's (CAE) annual opinion on overall systems of risk management, governance and control. The CAE's opinion is one of the key independent means of assurance available to Members in discharging their role of overseeing the internal control processes implemented by officers and ensuring that a sound system of governance of the Council's business is in place. It should also assist Members in their review of the Annual Governance Statement (AGS).

2. The opinion takes into account all audits that have been finalised since the last annual opinion in July 2020. This is largely the outcomes of the 2020/21 Plan agreed by Members in July 2020 but also two pieces of work from 2019/20 that were not finalised until after the last opinion. The opinion also considers the results of follow up work, ad hoc advisory work and our own informal observations of the organisation through, for example, attendance at management meetings.

3. The report also contains the outcomes of our Quality Assurance and Improvement Programme (QAIP), together with the resultant action plan. This action plan will be reported periodically to Audit Committee until the actions are closed. This will enable Members to discharge their responsibility to oversee the quality and effectiveness of Internal Audit.

4. It is integral to the effectiveness of Internal Audit that the function is allowed to perform its work independently, with no constrictions on its remit. Our independence is maintained through functional reporting, including summaries of the work undertaken, to Audit Committee. We meet with individual members of Strategic Management Team to discuss any issues arising from our work where necessary and I also meet periodically with the Chief Executive. We have been given access to all information and systems requested to complete our work in 2020/21 and there are no issues that we have been prevented from reporting.

5. This year, for the first time, the assurance opinion is graded and defined; the scale used and the associated definitions are provided in **Annex H**.

Internal Audit Progress and Activity

6. Members will recall that the agreed 2020/21 Internal Audit Plan was divided into two, with audits on Plan 'A' being the priorities for completion and those on Plan 'B' to be completed in the event of sufficient available resource. At the time of writing this report, all Plan 'A' audits are largely complete, with 20 now finalised and the remaining one (Housing Benefits) at reporting stage for which a provisional opinion has been given (a summary of the audit will be presented to the next Audit Committee). We have also completed one audit from Plan 'B'. Audits from Plan 'B' that have not been completed were considered for inclusion in the 2021/22 Plan as part of the prioritisation process. **Annex A** indicates which of these audits will be undertaken in 2021/22.

7. The table below contains a summary of all audits completed since the last update to Members in March 2021. Definitions of assurance ratings for individual audits are provided in **Annex G**.

Audit	Assurance rating
VAT Management (Making Tax Digital)	Advisory
Tree Maintenance	Advisory
Fleet Management	Substantial Assurance
AGS Internal Audit Overview	Advisory
Communication Strategy	Advisory
Customer Services (Telephones)	Substantial Assurance
Licensing	Substantial Assurance
Recruitment	Substantial Assurance
Housing Benefits	*Substantial (Provisional)*

Internal Audit Outcomes

8. The table in **Annex A** lists all audits that form part of the Annual Opinion. This includes two from the 2019/20 financial year that were not reported as part of last year's annual opinion as they had not then been finalised. Summaries of all of these audits are in **Annex B,** with the ones that have not previously been reported to Audit Committee on pp 12 – 15.

9. Of the 24 audit reviews that are considered as part of this annual opinion, 16 were given a formal assurance rating. Definitions of the assurance ratings that have been applied to these audits are provided in **Annex G.** The chart below shows a breakdown of these audit assurance opinions.

ASSURANCE RATINGS

Limited Substantial Full

Full 0%
Limited 19%
Substantial 81%
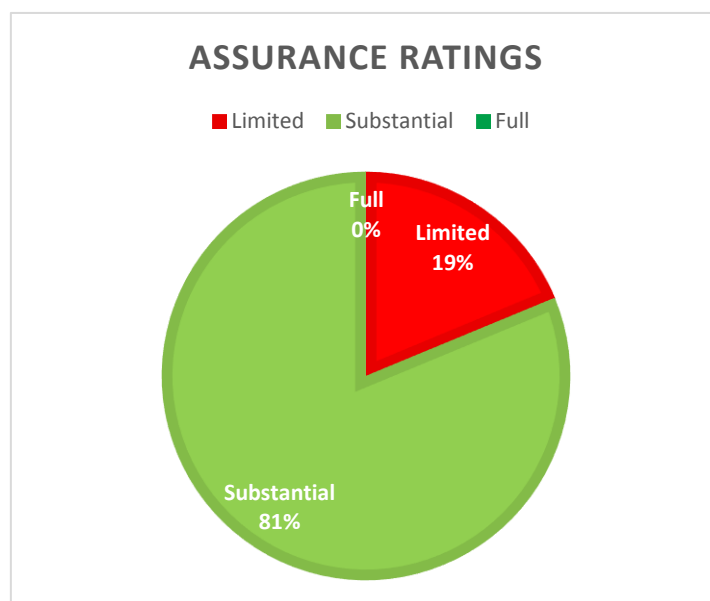
10. Overall, whilst no audits received 'Full' assurance, the majority of audits have received 'Substantial' assurance which indicates that the control framework is generally operating well. In particular, audits which have organisation-wide relevance and therefore are integral to the core control environment, such as Budget Monitoring, HR Policy and Recruitment, all received 'Substantial' Assurance. Importantly, we have not observed deterioration in the control environment as a result of the home / hybrid working arrangements.

11. Further, two audits which are directly relevant to customer outcomes, Covid-19 Response and Recovery and Customer Solutions (Phones) also received 'Substantial' assurance. This is particularly important given the centrality of the concept of the 'Customer' to the Council's strategic objectives.

12. Three audits this year received 'Limited' assurance; two of these are in specific service areas and relevant managers have agreed all recommendations made with appropriate implementation dates. The other was 'Cyber Security', which does have key organisation-wide implications. As noted in the March 2021 report to this Committee, Cyber Security is an inherently high risk area. This is partially due to the shifting landscape of technical capabilities which means that the precise nature and likelihood of individual risk areas is constantly changing. It is also partially due to the potential impact of any risk materialising, which could, in the worst-case scenario, prevent the Council from running normal operations for a long period. The audit raised three high-risk actions; one is almost complete and the other two are due for implementation at the end of June. As a further means of assurance, the Local Government Association is due to undertake a review of the Council's cyber security arrangements in July 2021.

13. Whilst not given a formal assurance rating, the consultancy pieces of work also form part of the overall opinion. In taking these into account, I consider the strengths identified together with any gaps in control or unmitigated risks that the work has highlighted. Consultancy work this year has largely been in relation to areas where new strategies are being developed (Communications Strategy, Tree Maintenance and Private Sector Housing Enforcement). We have also looked at areas of change in the organisation (Contract Management and Health and Safety) and areas where there have been recent changes to best practice / legislation in the external environment (Fighting Fraud and Corruption Locally 2020 and Making Tax Digital). Finally, we reviewed the service managers' self-assessments for the Annual Governance Statement (AGS) and considered alignment with any relevant audit findings.

14. The three draft strategies that we reviewed were largely comprehensive and fit for purpose and we also found that there were suitable arrangements in place to comply with Making Tax Digital requirements. One theme emerging from our review of the strategies was the need to consider evaluation arrangements (how success is to be defined and monitored); this will be important for the organisation to consider over the forthcoming year as several other strategies are in development.

15. The Annual Opinion also takes into account the Council's strategies and objectives. These are as set out in the current Council Plan with five themes (Environment, Economy, Housing, Community Safety and Health) and three underlying principles (Excellence, Innovation, Value for Money). The summary of audits in **Annex A** indicates those which have specific relevance to the five themes; on balance these are mostly rated 'Substantial' or 'Advisory' but with no significant issues raised through the latter. A key additional objective for 2020/21 was also to deliver the pandemic response; our audit of this response confirmed that the Council was successful in its aim to deliver important additional services to vulnerable residents.

16. In total, we raised 104 recommendations during the 2020/21 financial year (including for all advisory pieces of work). Analysis of these recommendations for links across the three underlying principles identified the following:

Principle	Recommendations made
Excellence	35 (1 High)
Value for money	15 (1 High)
Innovation	6 (no High)

17. From the above analysis, the principles of value for money and innovation appear to be the most embedded, with proportionally very few audit recommendations raised. Many more recommendations were made that were linked to the 'Excellence' theme, with nearly one third falling into this category (although only one was 'High' priority). Across the board, these recommendations largely related to:
   - Lack of quality assurance mechanisms within services to identify improvements or errors, and take action as a result
   - Sufficiency of performance management or monitoring arrangements to set outcomes and measure achievement of these outcomes (please also see paragraph 13 relating to evaluation methods)
   - Follow up or actions in response to identified issues or improvements
   - Quality of recording on case files or equivalent.

   In order to fully deliver the "Excellence" principle, Strategic Management Team will need to consider how to further develop a culture where quality assurance is an integral part of operations and ensure that all managers feel empowered to identify, own and address areas for development within service areas. This will need to include recognition that acknowledging areas where improvements are required should be a positive process rather that one of implied criticism.

18. Other themes identified through analysis of recommendations include:
   - Training, skills and guidance – Nearly ten percent of recommendations (across a variety of areas) related to the need to identify existing / missing skills, or provide suitable training and guidance. Clearly, upskilling staff will also contribute towards the achievement of excellence.
   - The customer experience - Approximately ten percent of recommendations also directly related to the customer experience, either to improve the information available to customers or to improve the customer journey through a process. None of these recommendations raised were high priority but the majority were medium priority.
   - Governance - We also raised eight recommendations relating to governance. Largely, these were within the advisory pieces of work. They mainly related to the overarching framework, including roles, responsibilities and accountabilities where operationally, there is involvement across the organisation.

19. In addition to the audits set out in the original Plan as agreed by Audit Committee, we have undertaken additional ad-hoc pieces of work throughout the year. The key pieces of work include:

- Sample testing and review of the first tranche of Business Support Grants, to ensure that these had been paid to bona fide companies and in accordance with the grant conditions.
- Membership of the Council's Core Procurement Group, including input into the development of a new approach and review of Procurement Waivers prior to Chief Officer authorisation.
- Review of the Council's Compliance and Enforcement Grant expenditure (and subsequent assurance to MHCLG) to ensure that the claim was accurate and monies had been spent in accordance with the grant conditions.
- Review of the Council's MHCLG claim for loss of income, to ensure the accuracy and validity of items claimed in accordance with the conditions of the grant.
- Review of the Counter Fraud Strategy, the Whistleblowing Policy and provision of Fraud Awareness as part of International Fraud Awareness Week (November 2020).

There are no high risk issues to bring to Members' attention as a result of this work.

Risk Management

20. The Annual Opinion also considers risk management arrangements within the organisation. The table below provides links between Internal Audit work and the current Strategic Risk Register. This does not mean that all controls have been covered as part of our audit but simply shows Members where they may be able to gain some assurance over the management of risk through our work. Most risks with no coverage will be audited as part of the proposed 2021/22 Internal Audit Plan.

21. Risk Management within the organisation as a whole has increased in momentum since 2019/20, with more regular strategic risk register updates and discussions both with individual risk owners and as a collective at Strategic Management Team. Nonetheless, the risk maturity of the organisation requires further development over the forthcoming financial year. This will include a redesign of the overarching framework, including policy and guidance, and a process for operational / service level risks, which is currently lacking.

Corporate Risk Register	Current Risk Rating	Internal Audit Coverage	Assurance Level
SR01 Finance	Medium	Budgetary Control and Monitoring Fraud Checklist	Substantial Advisory
SR02 Property Investment Strategy	Medium	No coverage	NA
SR03 Asset management & maintenance	Medium	No coverage	NA
SR04 Knowledge, capacity & culture	Medium	HR Policy Compliance (2019/20 audit reported in 2020/21)	Substantial
SR05 Technology	Medium	Cyber Security	Limited
SR06 Information & data management	Medium	Cyber Security	Limited
SR07 Legal compliance, governance & ethics	Low	Members' Expenses & Allowances Contract Management	Substantial Advisory
SR08 Capacity of community partners	Low	No coverage	NA
SR09 Health & Safety (incl. Staff Wellbeing)	Medium	Health and Safety Fleet Management Tree Maintenance	Advisory Substantial Advisory
SR10 Emergency planning & severe weather events	Medium	COVID-19 Response & Recovery	Substantial
SR11 Safeguarding	Low	No coverage	NA
SR12 Covid-19	Medium	COVID-19 Response & Recovery	Substantial
SR13 Temporary Accommodation	Medium	Private Sector Housing Enforcement	Advisory
SR14 Capital Projects	Medium	No coverage	NA

Follow Up

22. The Annual Opinion also takes into account the results of our follow process, for actions raised as a result of Internal Audits. Internal Audit follows up all Critical, High, Medium and Low priority findings as they fall due. **Annex C** shows the results of our follow up process for the financial year 2020/21. At the time of writing, one 'High' priority action was due and partially implemented. Just over half of all actions due in Quarter 4 were implemented; the remainder were deferred. Whilst deferrals were agreed for valid reasons, the original risks do of course remain until implementation is complete. We are working with Senior Management to reduce the numbers of deferrals, including timely reminders to responsible managers from Internal Audit and the introduction of a more stringent process to request deferrals.

Overall Opinion

23. Taking in account the information presented in paragraphs 8-22 and **Annex B** below, my overall opinion for the 2020-21 financial year is that there is "**Reasonable**" assurance over systems of risk management, governance and control. **Annex H** provides the rating scale and the definitions of each rating.

Quality Assurance

24. Audit Committee has an important oversight role in the quality and effectiveness of Internal Audit. Members of the Committee must assure themselves that Internal Audit makes a valuable contribution to the organisation's governance and that stakeholders can place reliance on its conclusions.

25. To facilitate this quality oversight role, Internal Audit has a Quality Assurance and Improvement Programme (QAIP), which includes Key Performance Indicators (KPIs), customer satisfaction questionnaires, annual self-assessments against professional standards and five yearly External Quality Assessments (EQA). Members will be aware that the most recent EQA took place in January 2021 and the full report was subsequently presented to Audit Committee in March 2021. The external assessment was largely in agreement with our own self-assessment and the overall conclusion was that the function is 'Partially Conformant' with professional standards.

26. The Key Performance Indicators for Quarter 4 (January to March 2021) are provided in **Annex D**. The KPIs illustrate that customer satisfaction is generally high and that responsible managers have accepted audit recommendations. However they also show, in line with the self-assessment and the EQA, that the function needs to improve on delivery within budget, as over-runs are currently impacting the efficiency and the effectiveness of the service.

27. For completeness, a summary of all results of the customer satisfaction questionnaire is attached at **Annex E**. These results are largely positive but do demonstrate that we need to improve our reporting, including ensuring that the client is updated on a regular basis with our findings and any changes to the timeline.

28. The results of the various strands of Quality Assurance activity combine into a single, overarching Quality Improvement Plan which is presented in **Annex F** (as at 4 June 2021). The Plan is divided into different themes encompassing internal audit activity but the fundamental objectives of the Plan are to move us into a position of being 'Generally Conformant' with the standards, improve service efficiency and to ensure that all audit work adds value to the Council. The Plan, including progress updates, will be presented periodically to Audit Committee (minimum six monthly) to enable monitoring and oversight.

Conclusion

29. Our overall conclusion is that there is "Reasonable" assurance over systems of risk management, governance and control. This means that although these systems are generally sound, some areas for improvement were identified which, if not addressed, may put the achievement of some objectives at risk.

30. Our audit reviews this year have included some important risk areas such as Cyber Security and Health and Safety. It is a good outcome that the majority of assurance work was rated 'Substantial', particularly in light of the significant changes and challenges that the organisation has faced over the 2020/21 financial year. Officers have put actions in place for key risks highlighted through the audits, which, at the time of fieldwork, were not sufficiently mitigated. We will follow up and report on these actions to Members until they are closed

31. We would like to thank Officers, Managers and Members for their support and co-operation to enable us to deliver our work and achieve the completion of the core work as set out in the 2020/21 Plan.

Francesca Chivers, CMIIA

Audit Manager (Chief Audit Executive)

Annex A – Internal Audit Outcomes 2020/21

2019/20	Audit Title	Type	Current Status	Assurance Level	
	HR Policy Compliance	Risk-Based	Complete	Substantial	
	Animal Welfare	Risk-Based	Complete	Substantial	
Plan A	**Audit Title**	**Type**	**Current Status**	**Assurance Level**	**Link to Corporate Theme**
1	AGS Internal audit Overview	Consultancy	Complete	Advisory	
2	Cyber Security	Risk Based	Complete	Limited	
3	Covid-19 Response and Recovery	Risk-Based	Complete	Substantial	Community Safety
4	*Domestic Waste & Recycling*	*Risk Based*	*Cancelled*		
5	Contact Centre (Phones)	Risk Based	Complete	Substantial	
6	Housing Benefits	Risk Based	Reporting	*Substantial (Provisional)*	*Housing*
7	Members Expenses & Allowances	Risk Based	Complete	Substantial	
8	Contract Management	Consultancy	Complete	Advisory	
9	Local Land Charges	Risk Based	Complete	Substantial	
10	Recruitment Process	Risk Based	Complete	Substantial	
11	Communication Strategy	Risk Based	Complete	Advisory	
12	Local Air Quality Management	Risk Based	Complete	Limited	Environment
13	Corporate Health and Safety	Consultancy	Complete	Advisory	
14	Licensing Administration & Fees	Risk Based	Complete	Substantial	Economy
15	Housing Allocations Policy	Risk Based	Complete	Limited	Housing
16	Disabled Facilities Grants	Risk Based	Complete	Substantial	Health
17	Tree Maintenance	Risk Based	Complete	Advisory	Environment
18	Planning Enforcement	Risk Based	Complete	Substantial	Environment
19	VAT Management (Making Tax Digital)	Consultancy	Complete	Advisory	
20	Counter Fraud - Assessment against FFCL	Consultancy	Complete	Advisory	
21	Private Sector Housing - Enforcement	Consultancy	Complete	Advisory	Housing
22	Budget Control and Monitoring	Risk Based	Complete	Substantial	

Plan B	Audit Title	Type	Current Status		
23	Bank Reconciliation	Finance	Not completed		
24	Insurance	Finance	Not completed		
25	Emergency Planning	Risk Based	On 2021/22 Plan 'A'		
26	Safety Advisory Group	Risk Based	On 2021/22 Plan 'B'		
27	Car Park – Season Tickets	Risk Based	Not completed		
28	Fleet Management	Risk Based	Complete	Substantial	
29	Freedom of Information	Risk Based	Not completed		
30	KCC Funding Agreement – Fraud & Error	Risk Based	Not completed		
31	Revenues and Benefits Shared Service Performance	Finance	Not completed		
32	Pre-application Planning Advice	Risk Based	Not completed		
33	Community Grants	Risk Based	On 2021/22 Plan 'A'		
34	Shared Services - Value for Money Review	Consultancy	Not completed		
35	Local Strategic Partnership	Consultancy	Not completed		

Annex B - Summaries of Audit Reports issued
VAT Management (Making Tax Digital) – Issued in March 2021 (Advisory)

Making Tax Digital (MTD) requires that all VAT-registered businesses above the VAT threshold (currently £85,000) must submit their VAT returns via software and keep their VAT records digitally. It came into effect on 1 April 2019.

The purpose of our review was to provide a view on whether the Council is complying with Making Tax Digital and to consider whether the controls in place are sufficient to manage the Council's VAT records.

We found that the Council is compliant with Making Tax Digital in regards to retaining digital VAT records, in accordance with HMRC criteria, and submitting returns by set deadlines. We advised that secondary prudence checks should be implemented as a critical part of the process to assist with the identification of any errors.

Tree Maintenance (Draft Strategy 2021-2031) – Issued in April 2021 (Advisory)

We reviewed the proposed Tree Strategy in draft format, including comparison with strategies from other Councils.

We found the draft strategy to provide a logical and systematic approach to tree maintenance and development. In particular, the strategy dovetailed with the Council's environmental objectives and with legal requirements. We did not identify any significant gaps or omissions in the SDC strategy in comparison with similar strategies.

We made some suggestions to further improve the strategy, including reference to Tree Preservation Orders and arrangements for monitoring and review.

Fleet Management – Issued in April 2021 (Substantial Assurance)

Our review found that overall, vehicle maintenance is effectively managed in compliance with DVSA requirements. Enhancements are already in progress regarding current software changes, which should remove the need for paper records and provide a more efficient, electronic recording system. Until this is fully implemented, there are areas regarding data records that need to be addressed, such as access to MOT data. Other general areas requiring improvement are access to financial records and crew/vehicle monitoring.

Testing identified that although a vehicle replacement plan is in place, there is no detailed fleet management strategy covering areas such as procurement and disposal. Best practice would suggest that a strategy would assist with the provision of consistency and a clear vision.

The table below provides a summary of priority rated actions:

Priority Ranking	Number of audit actions	Actions agreed	Risk accepted by management
Critical	0	0	N/A
High	0	0	N/A
Medium	4	4	0
Low	1	1	0
Advisory	0	N/A	N/A
Total	**5**	**5**	**0**

Annual Governance Statement (AGS) – Issued in May 2021 (Advisory)

As part of the process for compiling the AGS, all service managers were asked to complete a self-assessment of the controls in place within their areas. We reviewed these returns to ensure consistency with any internal audit findings throughout the year.

We provided specific feedback on individual returns to the s151 Officer for consideration. We also made some suggestions to further improve the process for future years, including review of the approach and training / guidance for service managers.

Licensing Administration and Fees – Issued June 2021 (Substantial Assurance)

Sevenoaks District Council is the lead partner in a four borough partnership with Tunbridge Wells, Maidstone and Bexley, for the administration and issuing of licensing. This review concentrated on the administration and issuing of Premises Licences for SDC only.

However, the Licensing Manager informed us that a Partnership review is being undertaken to establish the level of service expected from the Administration Hub run by Sevenoaks. This was due to the Licensing Manager finding inconsistencies in approach by Partners. Once this is completed, new procedures will be drawn up and issued.

The Council's website is a good guide to new applicants but could be improved with more details on the award of a licence and the timescales involved.

All applications are recorded on the Uniform database and sample testing confirmed that information required for validating the applications was received and retained on the database and had been checked.

In relation to the annual fees, sample testing highlighted issues over delays in receiving payments. Testing highlighted issues with the administration process of transferring licences as for two relevant files, this had not been completed correctly, which resulted in the failure to raise invoices to collect funds due.

The service also highlighted that there is currently a review of 2019/20 & 2020/21 financial years as it has been found that not all income due has been collected. This is currently being investigated and where necessary invoices are being raised to collect the outstanding sums.

We have raised actions as below:

Priority Ranking	Number of audit actions	Actions agreed	Risk accepted by management
Critical	0	NA	NA
High	0	NA	NA
Medium	3	3	0
Low	2	2	0
Advisory	0	0	0
Total	5	5	0

Communications Strategy (Advisory) – Issued in June 2021

Due to the CoVid-19 pandemic the Communication Strategy is still in draft form as an emergency strategy was brought in for the period. We were asked to review the draft strategy and the evaluation process for the three communication campaigns undertaken for the re-opening of the local High Streets.

We found that the draft strategy was generally sound, covering key areas, and was written clearly and concisely.

We raised some advisory recommendations regarding further areas to consider in the strategy, approval routes and the robustness of evaluation.

Customer Services - Telephones (Substantial Assurance) – Issued in June 2021

The objective of this review was to establish whether the Customer Solutions Team has adequate controls in place to respond to all customer telephone enquiries efficiently, effectively and to the required standard to ensure the customer has a positive interaction with the Council. The team currently handle around 100,000 calls a year and in the 8 month period reviewed had received over 76,000 calls.

Customer Solutions have set out a Customer Services Standard which outlines the experience a customer should receive when contacting the Council by the various routes.

Our testing covering a sample of calls received over an eight month period found that staff were courteous and attempted to solve the customers' questions first time or referred on to the right service. However, it was noted that there are occasions where services are failing to contact the Customer Solutions Team about non availability of staff which causes impact to the team and customers. More communication from services or clear direction from Strategic Management Team (SMT) is required to avoid such situations in the future. The service also needs to remind staff that secondary conversations between Customer Solutions and individual services are recorded and inappropriate comments could cause embarrassment for the Council in the future if the recording is requested.

Overall, customer satisfaction surveys demonstrate good levels of customer satisfaction with the service they receive. However, it should be noted this is based on only 7% of calls actually completing the customer questionnaire and therefore some further motivation both for staff to forward the calls and the public to complete the questionnaire is needed.

The table below provides a summary of actions raised and management responses:

Priority Ranking	Number of audit actions	Actions agreed	Risks accepted by management
Critical	0	NA	NA
High	0	NA	NA
Medium	3	3	0
Low	3	3	0
Advisory	0	NA	NA
Total	**6**	**6**	0

Disabled Facilities Grants (Substantial Assurance) – Issued June 2021

This audit aimed to review the effectiveness of controls over the application and assessment of disabled facilities grants, in accordance with the Housing Grants, Construction and Regeneration Act 1996.

Our review found the process to assess and award Disabled Facilities Grants (DFGs) is generally sound with procedures conforming to regulations. A common theme identified throughout testing was an inconsistency in the information recorded on Uniform and the documentation uploaded to Idox.

We found the service is effective in managing its DFG cases through the various stages of the process, with progress tracked through regular meetings. The in-house supplier list and selection process is appropriate and our testing confirmed grants are accurately calculated and approved. The service may wish to consider the use of a framework agreement moving forward to further strengthen its controls.

The table below provides a summary of actions raised and management responses:

Priority Ranking	Number of audit actions	Actions agreed	Risks accepted by management
Critical	NA	NA	NA
High	NA	NA	NA
Medium	1	1	0
Low	1	1	0
Advisory	NA	NA	NA
Total	**2**	**2**	0

Recruitment (Substantial Assurance) – Issued in June 2021

This review was a short compliance check of key controls including right to work, references, Disclosure and Barring Service and qualifications where relevant.

We found that the vast majority of relevant checks had taken place although in a small number of instances the retention of evidence was inconsistent.

HR Policy Compliance 2019/20 (Substantial Assurance) – Issued in August 2020

This audit review examined the arrangements in place for review, updating and compliance with the following Human Resources policies:

- *Disciplinary Policy*
- *Grievance Policy*
- *Probation Policy*

We were advised that the policies had been prepared by officers from the Human Resources Team who are experienced HR professionals and hold the Chartered Institute of Personnel Development (CIPD) qualification.

The Advisory Conciliation and Arbitration Services (ACAS) provides guidance for preparing grievance and disciplinary policies. Fieldwork confirmed the ACAS guidance had been incorporated into the policies.

There are effective consultation arrangements with Strategic Management Team and staff consultation groups before an HR policy is finalised. We were able to evidence these arrangements for the two most recent policies but not for the Grievance Policy (dated 2015).

Sample testing found that cases had been conducted in compliance with the Disciplinary policy. There was only one relevant grievance; this had been dealt with timely but successfully resolved informally. Therefore we have been unable to test application of the full policy.

Sample testing also identified a few exceptions with the probation policy. In two cases, the first one or two meetings had not taken place (although the final ones had been held) because the line manager had left or was otherwise unavailable and there were no contingency arrangements. We have recommended that contingency should be in place but managers have accepted the risk of not taking action.

The table below shows the recommendations raised, the priority level and whether they have been accepted by management:

Priority Ranking	Number of audit actions	Audit Actions Agreed	Risks accepted by management
Critical	0	NA	NA
High	0	NA	NA
Medium	1	0	1
Low	0	NA	NA
Advisory	1	0	1
Total	**2**	**0**	**2**

Animal Welfare 2019/20 (Substantial Assurance) – Issued in September 2020

In October 2018 the Government introduced a new licensing regime to control the following licensable activities:

- Selling animals as pets

- Providing or arranging for the provision of boarding for cats or dogs
- Hiring out horses
- Breeding dogs
- Keeping or training animals for exhibition

Since October 2019, the Environmental Health Partnership has taken over responsibility for issuing all animal licences. There are currently 70 licenced establishments which require monitoring, inspecting and renewing.

Our review found there is an experienced team consisting of inspectors and support officers who are responsible for Animal Welfare. Officer roles are clearly defined between support and operational.

We found processes in place to deal with new licence applications, inspections and renewals. Records detailing existing licence holders are managed on Uniform and Idox, and monitored using spreadsheets. However, our testing identified inconsistencies in the storing of applications and supporting documentation.

Inspections are carried out in a timely manner by experienced, qualified officers, with adequate documentation to support applications. However, we identified improvements to enhance existing controls over the monitoring and follow up of improvement notices.

There is a system in place for recording and managing complaints. We noted that a number of concerns have been raised by members of the public (nationally as well as locally) regarding alleged illegal breeding and selling of animals. This is an area where the service takes proactive action to identify establishments operating without a licence, resource permitting.

A summary of the actions raised in the review are set out below:

Priority Ranking	Number of audit actions	Audit Actions Agreed	Risks accepted by management
Critical	0	NA	NA
High	0	NA	NA
Medium	2	2	0
Low	1	1	0
Advisory	0	N/A	N/A
Total	3	3	0

Members' Expenses & Allowances 2020/21 (Substantial Assurance) – Issued in September 2020

Our review found the arrangements in place to process and pay expense claims are robust in design and effective in practice. All expense payments tested were authorised, valid, supported by evidence, and paid timely. We were able to confirm that where claims had been rejected, this was appropriate.

We also found that the process in place to set up Members on the payroll and process their allowances was largely robust. However, analysis and review of the payroll records identified two instances where the special responsibility allowance had not been accurately paid (this has now been rectified) due to changes which had not been processed.

We did not find any significant opportunities for process efficiencies although we did observe that the process is heavily paper based and the service may wish to consider more use of electronic authorisations and records in line with new corporate ways of working.

The table below shows the recommendations raised:

Priority Ranking	Number of audit actions	Audit Actions Agreed	Risks accepted by management
Critical	0	NA	NA
High	0	NA	NA
Medium	1	1	0
Low	0	N/A	N/A
Advisory	2	2	0
Total	**3**	**3**	**0**

Private Sector Housing Enforcement 2020/21 (Consultancy) – Issued in September 2020

We undertook a consultancy piece of work to review the draft Private Sector Housing Enforcement Strategy against both legislation and best practice from other organisations.

We have provided the Service with our detailed analysis and there are no significant risks to bring to Members' attention.

COVID-19 Response & Recovery (Substantial Assurance) – Issued in December 2020

The overarching objective of the audit was to undertake a 'lessons learnt' review of the Council's response to the pandemic. In addition we considered, at a high level, the adequacy of the Council's recovery planning. The findings of this report in relation to the Council's response covered the period March – July 2020 only.

Crucially, the Council achieved its objective of delivering a good service to protect and support vulnerable residents and as a result we have given **Substantial** assurance.

Key Strengths

- Fundamentally, the response delivered its objectives and provided a good service to vulnerable residents.
- Staff involved in the response were committed to delivering outcomes for customers.
- Structures, including those for governance and decision-making, were robust in design.
- Communications and information flows up and down the organisation were good.
- The Council defined its critical services in discussion with stakeholders and review of data shows that service standards were maintained during the period.

Areas for Development

- The remit of the District Emergency Centre was not consistently understood, which hampered its effectiveness.
- Decision-making records sometimes lacked clarity around who had made the decision or the rationale for the decision.

- Staffing elements of the response, in particular, welfare, resilience and suitability of individual personalities for particular roles, need further development.
- The Council's relationship with, and responsibilities towards, the volunteers is not structured or defined.
- Recovery plans do not define specific objectives, actions or critical success factors.

The table below summarises the recommendations raised and management's response to these recommendations.

Priority Ranking	Number of audit actions	Audit Actions Agreed	Risks accepted by management
Critical	0	NA	NA
High	0	NA	NA
Medium	9	9	0
Low	1	1	0
Advisory	0	N/A	N/A
Total	**10**	**10**	**0**

Fraud Checklist- Shared Review (Advisory) – Issued in December 2020

The Fighting Fraud & Corruption Locally 2020 (FFCL) publication is the updated counter fraud and corruption strategy for local government. It provides a blueprint for a coordinated response to fraud and corruption perpetuated against local authorities with the support of those at the top. The FFCL strategies and its tools provide ways for local authorities to develop and enhance their counter fraud response by ensuring that it is comprehensive and effective.

The checklist comprises a total of 52 measures. We have assessed 40 out of 52 checks as either compliant or partially complaint. A full breakdown is given in the table below.

The existing counter fraud arrangements at Sevenoaks District Council are heavily focussed on identification of Council Tax and Business Rates with the Counter Fraud team undertaking this work. The Internal Audit team is also involved with counter fraud by undertaking internal investigations.

The main finding is that a fraud risk assessment for the Council needs to be undertaken to identify all key fraud risks. From this risk assessment, a fraud response plan can be developed to address significant areas of potential fraud commensurate with available resources.

Assessment	FFCL Criteria
Compliant	19
Partially Compliant	21
Not Met	12

Local Land Charges (Substantial Assurance) – Issued in December 2020

Our review found that overall, the Council's local land charge register is being effectively administered but controls can be strengthened further.

We confirmed that the Council is compliant with relevant legislation and that requests are being processed within the Government's target time frame of ten working days. Sample testing also confirmed that all fees due had been received before the response had been sent to the client.

The areas that need to be strengthened include management undertaking periodic quality control checks to ensure a search has been conducted correctly as search requests are received, processed and returned by the same officer. The search results are not checked for accuracy and completeness by management prior to being sent back to the requester.

The accuracy of a local land charges register is dependent on all land charges applicable to a property being linked to the property's unique property reference number (UPRN). We were informed by land charge officers that searches have been delayed on occasions if all land charges relating to a property have not been linked to the UPRN.

We have suggested actions that will strengthen controls in these areas. The table below provides a summary of priority rated actions:

Priority Ranking	Number of audit actions	Audit Actions Agreed	Risks accepted by management
Critical	0	NA	NA
High	0	NA	NA
Medium	3	3	0
Low	4	3 agreed, 1 partial	1 partial
Advisory	0	NA	NA
Total	7	6 agreed, 1 partial	1 partial

Budgetary Control & Monitoring (Substantial Assurance) – Issued in December 2020

Our review found that overall, budget monitoring is being effectively administered and managed but there are aspects which could be improved, especially in mechanisms of support for budget holders. Finance intranet pages and guidance do not reflect the current set up and guidance is up to 8 years old. With the Agresso finance system recently being updated, it was an ideal opportunity to update such documentation. It was noted that the Finance Team are currently reviewing and updating the guidance which should be available on the intranet by the end of March 2021.

There is currently no training for budget holders and although the general feedback from some budget holders was that they have very close working relationships with direct support from the Finance Team, a budget holder should be able to be self-sufficient in regards to monitoring their budget position. It was noted that the training programme is currently being developed by the Finance Team to be introduced by the end of March 2021.

Whilst detailed information is provided on actual spend to enable budget monitoring, the Council does not currently use commitment accounting. This is likely to become more important over the next few years as necessary savings will require tighter monitoring and control.

We have suggested actions that will strengthen controls in these areas.

Priority Ranking	Number of audit actions	Actions agreed	Risk accepted by management
Critical	0	NA	NA
High	0	NA	NA
Medium	2	2	0
Low	2	1	1
Advisory	0	NA	NA
Total	**4**	**3**	**1**

Planning Enforcement (Substantial Assurance) – Issued in January 2021

Our review found that overall the Council's planning enforcement team is providing a good service but needs to address failings in the management, administration and quality assurance of cases to ensure an effective service is continued.

Sample testing identified that lawful decisions are being made on breaches as the level of complaints and appeals is low. The majority of cases are being dealt with in accordance with targets set by the Council, however there is evidence that the management reviews and administration of the Uniform system could be improved.

The table below provides a summary of priority rated actions:

Priority Ranking	Number of audit actions	Actions agreed	Risk accepted by management
Critical	0	0	NA
High	0	0	NA
Medium	3	3	0
Low	2	2	0
Advisory	0	0	NA
Total	**5**	**5**	**0**

Cyber Security (Limited Assurance) – Issued in February 2021

We conclude based on our audit work that the controls in place to manage and mitigate risks associated with Cyber Security provide 'Limited' assurance.

Our review noted that:

- Personal firewalls are enabled on laptops;
- A formal user access control process is used to approve access permissions.
- Remote access to the network via Pulse Secure virtual private network (VPN) requires the use of multi factor authentication;
- Access to potentially malicious websites is blocked; and,
- The F-Secure malware prevention software is updated hourly and is configured to scan files and webpages as they are opened in real-time.

However, we noted that:

- Inbound and outbound external communications are controlled by a firewall provided as part of the Kent Partnership Service Network (KPSN). However, many of the firewall rules appear redundant and two permit network traffic vulnerable to some types of malware;
- Formal change management controls are not in operation for changes to firewall rules, many of which are not documented;
- The firmware to the firewall is out of date;
- Procedures, processes and tools are not in operation to control the secure configuration of laptops and servers. For laptops, unnecessary software/utilities are not disabled or controlled.
- Passwords do not adhere to best practice as they are 7 characters long. Administrator passwords expire every 90 days, rather than the 60 day maximum recommended by the National Cyber Security Centre;
- Accounts granted administration rights to Activity Directory include:
  - 12 that appear to be used for day to day activities such as internet/email – i.e. the same account is used by a user for administration as is used for standard day to day activities;
  - 7 accounts with these rights belong to staff outside of the infrastructure team whose access may compromise segregation of duties;
  - 20 accounts that no longer need these rights, and;
  - We also noted that the Barracuda web filter does not prevent access to the internet to these users.
- Whilst a penetration test was last performed in January 2019, the retest due early 2020 was deferred as a result of Covid19 and has yet to take place.
- Despite ransomware being a risk experienced in several other local authorities, we note that no training upon information security risks takes place and there has been no testing of staff susceptibility to phishing or social engineering attacks; and
- Although SDC has a policy of installing F-Secure malware prevention on all laptops, F-Secure is not configured to detect new devices added to the network that have yet to be protected.

A summary of the actions raised in the review are set out below:

Priority Ranking	Number of audit actions	Actions agreed	Risk accepted by management
Critical	0	NA	NA
High	3	3	0
Medium	7	6	1
Low	0	NA	NA
Advisory	0	NA	NA
Total	10	9	1

Health and Safety Checklist (Advisory) – Issued in February 2021

The HSE publishes a self-assessment checklist for organisations to evaluate health and safety (H&S) arrangements in place. We used this checklist to undertake a health-check style review, by evaluating available policies and procedures, establishing processes, undertaking testing and conducting interviews with a small sample of officers.

Overall the Council fully or partially complies with most aspects of the HSE checklist (65 of 70). A suite of health and safety policies and procedures provides the foundations to underpin the arrangements and practices in place and to ensure health and safety related matters are taken seriously. There are however some areas to address and opportunities to improve.

The Health and Safety Group needs more of a purpose and direction to ensure its effectiveness which could be gained through the development of an improvement plan. It should provide more of an oversight role to ensure health and safety processes and procedures are embedded across the authority. It is also vital to promote engagement across the whole workforce.

The outcomes of the assessment are summarised below:

Assessment	HSE Criteria
Fully Met	28
Compliant – could be improved	24
Partially compliant	13
Not met	5
TOTAL	70

Contract Management (Advisory) – Issued in February 2021

This review was an advisory piece of work which followed on from our advisory review of Procurement in 2019/20. The Council is currently updating its procurement framework using external expertise; we made some recommendations for contract management that will feed into this piece of work to ensure that controls are robust throughout the whole commissioning lifecycle.

Housing Allocations Policy (Limited Assurance) – Issued in March 2021

The Policy provides the framework by which applicants are prioritised for housing and there was evidence that the policy is regularly reviewed. We found that the shortlisting process was working accurately and that there is also a process in place to manage autobids.

However, our testing showed that the policy is inconsistently applied in practice as some cases had been processed without the necessary evidence to support the application.

Testing throughout the audit found that a quality assurance programme would benefit the service offered as, for example, there were several cases noted where communication with the customer had not been added to the customer file, where actions had not been followed up or where evidence was missing.

We would like to acknowledge that throughout the audit, the service worked swiftly to resolve any issues with individual accounts that we highlighted. However, it will be important that the service undertakes some root cause analysis to understand and address the reasons for these exceptions, to prevent recurrences.

A summary of the actions raised in the review are set out below:

Priority Ranking	Number of audit actions	Actions agreed	Risk accepted by management
Critical	0	NA	NA
High	1	1	0
Medium	3	3	0
Low	2	2	0
Advisory	1	1	0
Total	**7**	**7**	**0**

Local Air Quality Management (Limited Assurance) – Issued March 2021

The day to day responsibilities for the monitoring and reporting of air quality activity have been assigned to the Scientific Officer (SO) who has detailed knowledge and expertise in the subject matter. The Council also benefits from being a member of the London Air Quality Network. This provides guidance and notifications of developments relating to air quality.

The audit did however highlight some significant areas for development. A key concern is that the Council has not yet approved its revised local air quality action plan. It has been over a year since the air quality consultants Bureau Veritas were appointed to review and update the existing plan. It is a legal requirement specified by the Environmental Act 1995 that local authorities have an approved, up to date air quality action plan in place. Unfortunately delays have been created as a result of the Covid-19 pandemic impacting upon the consultant's ability to undertake the modelling necessary to verify existing AQMAs and a decision for the Action Planning Process to undergo member scrutiny and participation.

In our view, existing air quality performance indicators contain technical data, which is difficult to understand for non-specialists and no supporting explanation is provided. Although the Assistant Environmental Health Manager (Environmental Protection) stated they provided useful information for him he did agree the indicators reported on the Pentana system need to be reviewed.

We also identified that contract management arrangements between the Council and external suppliers of services could be enhanced, as agreements had not been signed, there were some minor errors within the agreements and there was a lack of clarity around how the Council received assurance that services were being delivered to an acceptable standard.

Priority Ranking	Number of audit actions	Actions agreed	Risk accepted by management
Critical	0	0	0
High	1	1	0
Medium	6	6	0
Low	0	0	0
Advisory	0	0	0
Total	**7**	**7**	0

Annex C - Audit Actions

The table below shows all actions due in the 2020/21 financial year, and progress against implementation:

Project	Service Manager	Report Issue Date & Rating	Agreed actions in Final Report	Actions due 2020/21	Not yet due	Closed during 2020/21	Deferrals in Q4	Total actions complete to date	Total actions outstanding to date
Environmental Health (Food Safety) 2018/19	Annie Sargent	December 2018 **Substantial Assurance**	3	1 (M)	0	1 (M)	0	3	0
Post GDPR Review 2018/19	Martin Goodman	June 2019 **Substantial Assurance**	6	1 (M)	0	1(M)	0	6	0
Business Continuity Planning 2018/19	Alex Dawson	August 2019 **Substantial Assurance**	3	1 (M)	0	1 (M)	0	3	0
Corporate Complaints 2019/20	Amy Wilton	January 2020 **Full Assurance**	1	1 (L)	0	1 (L)	0	1	0
Members' Expenses & Allowances 2020/21	Martin Goodman	September 2020 **Substantial Assurance**	1	1 (M)	0	1 (M)	0	1	0
Animal Welfare (shared review) 2019/20	Annie Sargent	September 2020 **Substantial Assurance**	3	0	1 (M), 1 (L)	0	0	1	2
COVID-19 Response & Recovery 2020/21	Richard Morris	December 2020 **Substantial Assurance**	10	4 (M)	5 (M), 1(L)	3 (M)	1 (M)	3	7
Local Land Charges 2020/21	Fraser McGregor	December 2020 **Substantial Assurance**	6.5	3 (M), 3.5 (L)	0	2.5 (L)	3 (M), 1 (L)	2.5	4
Budgetary Control & Monitoring 2020/21	Alan Mitchell	December 2020 **Substantial Assurance**	3	2 (M), 1 (L)	0	1 (M), 1(L)	1 (M)	2	1
Planning Enforcement 2020/21	Evelyn Gilder	January 2021 **Substantial Assurance**	5	0	3 (M), 2(L)	0	0	0	5
Cyber Security 2020/21	Darren Lepper	February 2021 **Limited Assurance**	9	1 (H), 2 (M)	2 (H), 4 (M)	2 (M)	1 (H)	2	7
Housing Allocations Policy 2020/21	Rav Kensrey	March 2021 **Limited Assurance**	6	0	1 (H), 3 (M), 2 (L)	0	0	0	6

Project	Service Manager	Report Issue Date & Rating	Agreed actions in Final Report	Actions due 2020/21	Not yet due	Closed during 2020/21	Deferrals in Q4	Total actions complete to date	Total actions outstanding to date
Local Air Quality Management 2020/21	Nick Chapman	March 2021 **Limited Assurance**	7	0	1(H), 6 (M)	0	0	0	7
		TOTAL	**63.5**	**21.5**	**32**	**14.5**	**7**	**24.5**	**39**

Annex D – Key Performance Indicators for Q4 Progress (January – March)

Finance: Associated performance indicators	March 2021
F1: Projects Completed within budgeted days Indicator measures any variance between the days agreed on the final brief vs. the actual time coded on Teammate TEC	0/3 0%
F2: Chargeable days (time) Indicator measures the actual chargeable activities against the assumptions made in the audit plan	Average 73%
F3: PSIAS conformance Indicator measures effectiveness of the Quality Assurance & Improvement Programme (QIAP) to ensure compliance with professional Standards.	Partially Conformant
Client satisfaction: Associated performance indicators	**March 2021**
C1: Overall client satisfaction with the audit experience Indicator measures overall satisfaction levels, taking into account the audit approach, conduct, findings and competence of the auditor	5/5 100%
C2: Respondents agreement with the audit actions Indicator measures Client agreement to the audit findings and resulting actions from our audit work	13/13 100%

Internal processes: Associated performance indicators	Q4 (Jan – Mar)
I1: Time taken between issue of the DRAFT and FINAL Audit Brief Indicator measures the effectiveness of our project planning and time taken to prepare the work programme	6.17 days (average)
I2: Time taken between the issue of the FEEDBACK and DRAFT report Indicator measures the currency of our audit finding and effective engagement between Auditors and Clients	12.5 days (average)
I3: Time taken between issue of the DRAFT report and FINAL report Indicator measures the effectiveness of our process to finalise audit reports and issue the report in a timely manner	14 days (average)
Learning & Development: Associated performance indicators	**Q4 (Jan – Mar)**
L1: Audit actions fully implemented within agreed timescales – Indicator measures the successful implementation of audit actions and the effectiveness of our follow-up process	DBC 2/21 100% SDC 5/5 1 100%
L2: Training & development days Indicator measures our investment and time spent on training and development against the assumptions made in the audit plan	41.11 Days (of 58 days)

Annex E – Customer Satisfaction Questionnaires

1 - Did you feel involved in the planning and scoping of the audit?

Not at all	Not really	No opinion	Yes	Definitely	Number of Responses	Positive Responses
0	0	0	4	15	19	19

2 - Did you feel that the audit covered the right areas?

Not at all	Not really	No opinion	Yes	Definitely	Number of Responses	Positive Responses
0	0	0	4	15	19	19

3 - We kept you informed and updated throughout the audit

Yes	Could have been better	No	No opinion	Number of Responses	Positive Responses
17	1	1	0	19	17

4 - We were sensitive to your availability and workload

Yes	Could have been better	No	No opinion	Number of Responses	Positive Responses
17	0	1	1	19	17

5- Did we demonstrate sufficient knowledge of the audit area (service area)?

Yes	No	Number of Responses	Positive Responses
18	1	19	18

6 - Did we conduct the audit in a professional and courteous manner?

Yes	No	Number of Responses	Positive Responses
18	0	19	19

7 - Our audit report was.... (select those that reflect your views)

Professional	Clear / easy to read	Factually accurate	Informative / useful	Succinct	Engaging	Contemporary	Other
16	16	15	14	7	5	2	0

8- Do you believe the agreed actions will make a difference?

N/A - no actions were raised	Absolutely, I believe they will	Yes, I think so	I'm not really sure	No	Number of Responses	Positive Responses
0	6	10	2	1	19	16

9 - How would you rate your overall audit experience?

I'd rather not say / no opinion	Never again please!	It was OK *	Positive & Helpful	Excellent	Number of Responses	Positive Responses
0	0	2	8	9	19	18

*Counted as 0.5 each as neither positive or negative

Annex F – Quality Action Plan

Theme	Action	Target Date	Status Update
Reporting	Review the assurance levels for individual reports.	To be introduced for financial year 2021/22	Complete
Reporting	Review the assurance levels for the Annual Opinion.	Graded opinion to be provided for 2020/21.	In progress and on track - graded opinion to be provided for 2020/21 reports.
Reporting	Review report format to ensure that it is fit for purpose but "lean" – only containing elements that add value to the customer. Include guidance notes.	To be introduced for financial year 2021/22.	Complete but continue to monitor - Report format has been reviewed, including guidance notes, and rolled out to team in March 2021 team meeting. If report timeliness and initial quality does not improve following additional training, may need to consider amending further by streamlining again and removing detailed findings section - this will require stakeholder consultation.
Reporting	Deliver report writing training in team meeting session.	Jul-21	On track to be delivered in July.
Reporting	Deliver root cause analysis training in team meeting session.	Aug-21	On track to be delivered in August.
Reporting	Review the Annual Opinion report template and contents to ensure that IA reports to committee are more strategic and focused on outcomes / key themes and issues.	Jul-21	In progress and on track - will be complete for Audit Board/ Audit Committee.
Co ordination of Assurance	Develop assurance maps for both organisations a) Discuss other forms of assurance as part of 2021/22 Audit Planning b) Add assurance maps to both Plans for 2021/22	Complete by March 2022.	In progress - discussed with managers as part of annual planning meetings. On IA Plans for 2021/22.

Theme	Action	Target Date	Status Update
Co ordination of Assurance	Develop relationships with EA 1) Set up regular liaison meetings (every 4 months?)	For 2021/22 financial year with new EA personnel.	Not yet commenced. FC to progress by end June.
Planning	Develop more risk-based method for 2021/22 periodic planning.	For 2021/22 financial year	2021/22 IA Plan was better developed and more relevant, however further refinements needed for 2022/23. Review again November 2021.
Planning	Maintain under review the approach to periodic planning - annually or quarterly / six monthly.	Review again for 2022/23	Review and re consider for 2022/23.
Planning	Develop Audit Strategy for the partnership.	Sep-21	Not yet commenced beyond initial outline - behind target.
Planning	Undertake Culture / Ethics / IT Governance Audits.	March 2022 (for completion of 2021/22 audits)	IT Governance audits on both Plans for 2021/22. Culture on DBC audit plan, Ethical Governance on SDC Audit Plan. Audits not yet commenced - due Qs 3 and 4.
Planning	Develop mechanism and allocate responsibilities to team members to keep knowledge of key parts of the sector up to date, share updates with team as a whole.	Oct-21	Focus at present is on core audit work, not yet discussed with the team.
Data Analysis	Provide Excel training to the team	Dec-20	Complete - basic data analysis provided over 2 sessions. Need to review further options once skills matrix complete.
Data Analysis	Arrange demonstration of data analysis software	Dec-20	Complete
Data Analysis	Add data analysis to team objectives	Dec-20	Complete
Data Analysis	Add to planning checklist to enforce that it is considered as part of every audit and that non-use is justified - done	Dec-20	Complete
Data Analysis	'Continual' assurance using analysis of data will be trialled as part of the 2021/22 Plans.	Complete by March 2022	Audits on Plans, individual audits not yet commenced.

Theme	Action	Target Date	Status Update
Data Analysis	Draft data analysis strategy will be prepared by September 2021 (including identification of potential costs) and shared with the s151 officers for agreement of any additional funds required, specifically for training or software	Sep-21	Not yet commenced - difficult at present due to staff changes and as other audit skills need to be fully developed first.
Performance Management	Review suite of KPIs to ensure they measure what we need to know and want to improve	Needs to be in place for 2021/22	Complete
Performance Management	Review calculation of CSQ measure	Needs to be in place for 2021/22	Complete
Performance Management	Quality of work including specific standards, competencies, deliverables and performance measures to be set out in a new suite of objectives for the auditors	Dec-20	Complete
Quality and timeliness of audit work (also links to Performance Management above)	All team members to undertake skills gap analysis against the IIA competency framework.	May-21	In progress - behind target. Staff to be reminded in team meeting 9 June, new deadline of end June set.
Quality and timeliness of audit work (also links to Performance Management above)	Training plan for 2021/22 to be developed (reliant on completion of the above action)	Jul-21	Not yet commenced - requires action above to be completed.
Quality and timeliness of audit work (also links to Performance Management above)	Develop a Customer Charter that sets out clear expectations for audit staff and clients. Include expectation that customers will be given 2 weeks to comment on draft report.	To be in place for April 2021	Complete, ongoing need to remind staff of the commitments in the Charter and to ensure they are communicating with clients.
Quality and timeliness of audit work (also links to	All staff to continue to complete self assessments at the end of individual audits to identify actions for improvement going forwards.	For 2020/21 audits onwards	In progress and ongoing.

Theme	Action	Target Date	Status Update
Performance Management above)			
Quality and timeliness of audit work (also links to Performance Management above)	Training on project planning audits to be delivered as part of team meeting	May-21	Complete - delivered over two sessions - April and May 2021.
Quality and timeliness of audit work (also links to Performance Management above)	Weekly 121s and action plans.	November 2020 onwards	In progress and ongoing.
Quality and timeliness of audit work (also links to Performance Management above)	Identical audits across both sites to be allocated to same team member. Some 'task based' teams will be deployed for bigger audits in 2021/22 - Ethical Governance and Culture, will use agile techniques such as daily catch ups and specific task based timings. 'Site based' approach will be considered where practical.	Complete by March 2022	In progress. Audit allocations are complete and where possible, identical audits have been allocated to same staff member. Small teams allocated to Ethical Governance and Culture, FC to lead and adopt task-based, agile approach. 'Site' approach to be considered as relevant when staff return to office.
Quality and timeliness of audit work (also links to Performance Management above)	Review and update the Audit Manual.	Sep-21	Not yet commenced.
IA Charters	Review Audit Charters for both organisations.	Audit Committee / Board March 2022	Complete
Data Retention	Review and update the information asset register / data retention schedule.	May-21	Complete

Theme	Action	Target Date	Status Update
Remote Working	Complete Lessons Learned review of the past year as part of team meeting session.	Apr-21	Partially complete in May 2021, session to be finished 9 June 2021.
Follow Ups	Review the follow up process and consider whether quarterly would be more efficient than monthly.	Apr-21	Reviewed as a team but due to KPI and other reporting, decided to remain 'as is' at the moment, but training to be provided to the team May 2021 and auditors asked to be more 'smart' with implementation dates - eg try to have the same date for multiple recommendations where possible. Review again in October 2021.

Annex G - Definitions of Assurance ratings – Individual Audits:

OPINION	DEFINITIONS
Full Assurance (no High or Medium priority actions)	A sound framework of control is in place that meets Council or service objectives. All expected controls tested are in place and are operating effectively. A review with this level of assurance will generally have no actions, or very few **LOW** priority actions. Agreed actions will be followed up as they fall due.
Substantial Assurance (no High priority actions)	There is generally a sound framework of control in place that meets Council or service objectives. However, there are isolated weaknesses in design of controls, or inconsistent application of controls, which puts the achievement of a limited number of objectives at risk. A review of this level of assurance may raise a number of **MEDIUM** priority actions. Agreed actions will be followed up as they fall due.
Limited Assurance	There are weaknesses within the framework of control or evidence of non-compliance with Council procedures or good practice, which puts the achievement of the Council's or service objectives in many of the areas reviewed at risk. A review with this level of assurance will raise one or more **HIGH** priority actions. Actions with a high priority should be acted on as soon as practical and will be followed up as soon as they fall due.
No Assurance	Key controls are absent from the framework of control. There are fundamental weaknesses identified with both the design and operation of the system under review. As a result, it is unlikely that Council or service objectives will be achieved. A review of this level may include a number of **HIGH** or **CRITICAL** priority actions. Actions of a critical level will be reported as soon as they are identified and escalated to the relevant Senior Manager. Actions to address the findings will be followed up as soon as they fall due.

Annex H - Definitions of Assurance ratings – Overall Opinion:

OPINION	DEFINITIONS
Substantial Assurance	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable Assurance	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited Assurance	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No Assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.