

Internal Audit & Assurance Plan 2020/21

Swale Borough Council



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Introduction

1. Our mission as an Internal Audit service is to enhance and protect organisational value. We achieve this by bringing a systematic and disciplined approach to evaluate and improve effectiveness of risk management, control and governance. We work within statutory rules drawn from the Accounts and Audit Regulations 2015 and the [Public Sector Internal Audit Standards](#) (the “Standards”).
2. In 2015 the Institute of Internal Audit (IIA) assessed us as working in full conformance with the Standards. We have kept full conformance since then, including through the major update to the Standards in 2017. The Chartered Institute of Public Finance and Accounting (CIPFA) won the contract to conduct the External Quality Assessment due in 2020. That work is underway. We will report findings to Members of this Committee at its next meeting in July.
3. To protect the independence and objectivity of our service, we work to an [Audit Charter](#). The *Charter* sets out the local context for audit, including granting right of access to systems, records and personnel. At this Council, the Audit Committee approved the Charter in November 2018.
4. The Standards set out demands for compiling and presenting a document to describe planned work for the year ahead. Specifically, our plan must set out:
 - Internal audit’s evaluation of and response to the risks facing the organisation.
 - How we consult with senior management and others.
 - How we have considered whether we have suitable resources to address the risks we identify.
 - How we will effectively use those resources to complete the plan.
5. Our plan includes assurance and other work, such as consultancy engagements. We can accept advisory work where it is the best way to support the Council. The *Audit Charter* sets out how we consider such engagements, including how we safeguard our independence.
6. We must also clarify that our audit plan cannot address all risks across the Council and represents our best use of the resources we have available. In approving the plan, the Committee recognises this limit. To that end, we constantly keep the plan under review to be live to risks issues as they emerge.

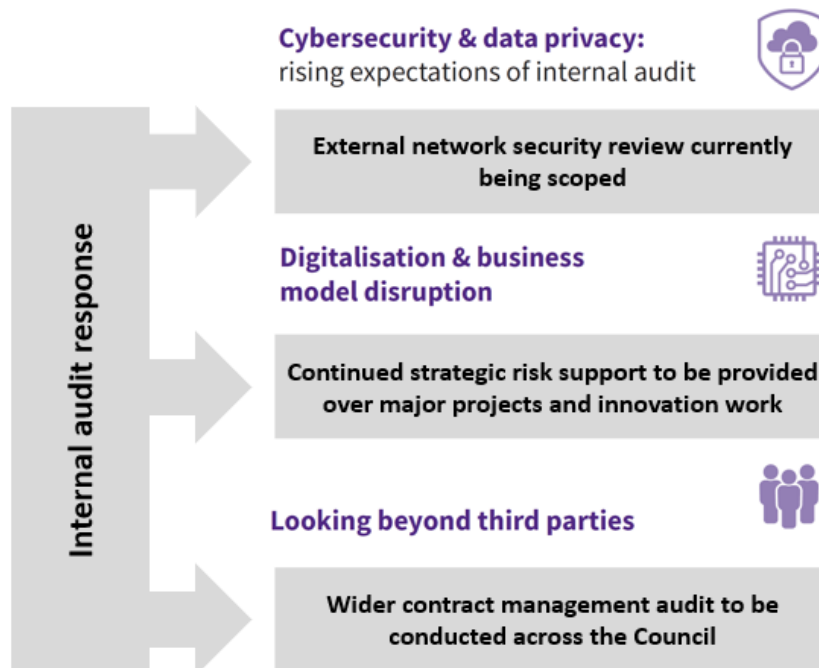
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Risk Assessments

7. The Standards direct us to begin our audit planning with a risk assessment. This assessment must consider internal and external risks, including those relevant to the sector or global risk issues. Our plan for 2020/21 represents our views now, but we will continue to reflect and consider our response as risks and priorities change across the year. We will report a specific update to Members midway through the year. We may also consult the Committee (or its Chair) on significant changes.

Global and Sector Risks

8. In considering global and sector risks we draw on various sources. These include updates provided by relevant professional bodies, such as the IIA and CIPFA. We also consult colleagues in local government audit both direct through groups such as London and Kent Audit Groups and through review of all other published audit plans in the South East.
9. These sources give us insight into the key issues facing local government and how other audit teams and business leaders are responding to future risk issues. To show our thinking on these wider risks we've highlighted below some of the issues discussed by the IIA in [Risk in Focus 2020](#):



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Audit Risk Review and Consultation

10. Beyond keeping an awareness of Sector and local risk issues, we conduct our own assessment. We consider all possible audit entities across the Council (the “audit universe”) on one specific risk:

What is the risk we offer a mistaken opinion because we don't understand the service?

11. As with a typical risk assessment there are two main parts to consider. The first: how important is the service to the Council's overall objectives and controls and how might errors impact our opinion. Here we consider:



Finance Risk: The value of funds flowing through the service. High value and high-volume services (such as Council Tax) represent a higher risk than low value services with regular and predictable costs and income.



Priority Risk: The strategic importance of the service in delivering Council priorities. For example, Planning and Climate Change will be higher risk owing to the direct link with the Council's objectives.

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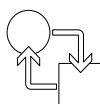


Support Service Risk: The extent interdependencies between Council departments. For example, many services rely on effective ICT.

12. The second part is the likelihood we might hold (or gain) a mistaken view of the service. Here we consider:



Oversight Risk: Considering where other agencies regulate or inspect the service. For example, Mid Kent Legal Services receive regular inspections from the Law Society to keep Lexcel accreditation and so have relatively low risk.



Change Risk: Considering the extent of change the service faces or has recently experienced. This might be voluntary (a restructure, for example) or imposed (like new legislation).



Audit Knowledge: What do we know about the service? This considers not just our last formal review, but any other information we have gathered from, for example, following up agreed actions. We also consider the currency of our knowledge, with an aim to conduct a full review in each service at least every five years if possible.



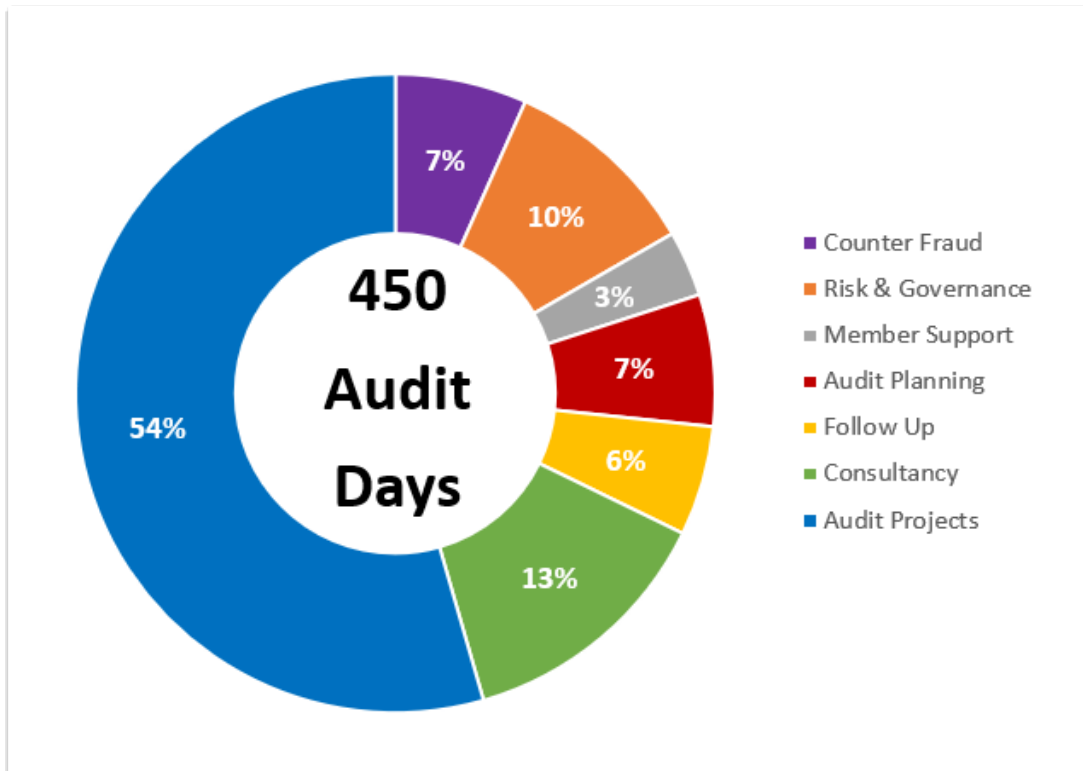
Fraud Risk: The susceptibility of the service to fraud loss. High volume services that deal directly with the public and handle cash, for example licensing, are higher risk.

13. The results of these various risk assessments provide a provisional audit plan. We then take this provisional plan out to consultation. We meet Mangers, Heads of Service and Strategic Management Team to get their perspective on our assessment and give us updates on their sections.
14. We set out the full audit universe and audit history in Appendix II.

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Resources

15. Having gained a perspective on the key issues for audit attention in the coming year we then consider the quantity and quality of our resources.
16. The Audit Partnership has 11.6 full time equivalent officers. To calculate the available resources for the year, we take the total available days and subtract various categories of non-working and non-audit time. Our planning estimate for 2020/21 shows **1,810** days across the partnership for the year available for inclusion in audit plans.
17. We then divide the total number of days between the 4 partnership authorities based on the proportions set out in our collaboration agreement. Swale contributes approximately 25%, which rounds to audit days of **450**.



18. The actual number of days allocated are set out below:

Audit Projects	245 days	Members Support	15 days
Consultancy	60 days	Risk & Governance	45 days
Follow-up	25 days	Counter Fraud	30 days
Audit Planning	30 days		

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19. Audit Standards require us to assess whether the resources available – in both quantity and quality – can fulfil our responsibilities. In that assessment we must consider:
 - Whether we had enough resource to complete our prior year plan.
 - How the size and complexity of the organisation has changed.
 - How the organisation’s risk appetite and profile have changed.
 - How the organisation’s control environment has changed, including how it has responded to our audit findings.
 - Whether there have been significant changes to professional standards.
20. Based on this assessment, we believe we have a sufficient quantity of resources to deliver the 2020/21 audit plan.
21. We must also consider the skills, expertise and experience of our team. We hold a variety of qualifications that help to ensure that we provide a high-quality service. These include CIPFA, Certified and Chartered Internal Auditors, a Chartered Accountant, a Certified Risk Manager and Accredited Counter Fraud Technicians. In addition, we are also supporting 2 apprentices through level 7 audit qualifications (equivalent to full Chartered status). This gives us a wealth of relevant technical expertise to undertake the various specialist areas identified on our audit plan.
22. We also have access to sources of specialist expertise through framework agreements with audit firms, which includes access to subject matter experts. While this access is less than in previous years (with Swale choosing to use some of these days to provide savings) access to specialist resources is still available.
23. Based on the above, we believe we also have skills and expertise to deliver the 2020/21 audit plan.

Proposed Audit & Assurance Work 2020/21

24. Our audit work comes in two distinct approaches; those that lead to assurance rating and those that do not. Members will be familiar with the assurance ratings that we issue upon concluding our work (see Appendix III for the definitions and different levels). However, we recognise circumstances where our work aims principally at supporting work in progress or providing advice where an assurance rating would not be suitable.
25. This recognition of the wider assurance that we provide means that our audit plan also includes the governance, risk and other advisory roles we fulfil.

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Audit & Assurance Plan 2020/21

26. Below we set out our audit engagements for the year ahead, along with an indicative objective for each review. We will agree the detailed objectives with the service as part of planning each review. Based on our risk assessment and consultations with management we have allocated a priority level to each of the audit projects:

HIGH PRIORITY: We will aim to deliver 100% of these projects during the year

MEDIUM PRIORITY: We aim to deliver more than 50% of these projects during the year

Project Title	Priority Rating	Proposed objective of the review
Contract Management	High	To review the Councils overall contract management arrangements
Leisure Services	High	To review the effectiveness of the Councils arrangements for monitoring the Leisure services contract
Electoral Registration	High	To review compliance of the electoral registration process with key guidelines
Rent Deposit Scheme	High	To review compliance with the criteria for awarding rent deposits and the processes for recovery of deposits
Rough Sleeper Service	High	To review the processes in place to guide the functions of the rough sleeper service
CCTV	High	To consider the new CCTV service and compliance with key guidelines
Bailiff Service*	High	To review the controls in place to administer enforcement cases in line with regulation and policies, including the collection and monitoring of income
IT Back-Up*	High	To review the adequacy of the Council's IT back-up and recovery procedures
Environmental Enforcement - Air Quality*	High	To review the controls and measures in place to support delivery of the low emission strategy

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Project Title	Priority Rating	Proposed objective of the review
Climate Change	Medium	To review the Council's response to Climate Change and to verify progress against agreed actions
Accounts Payable	Medium	To review the processes for the authorisation and payment of invoices
General Ledger	Medium	To review the Councils feeder and journals systems
Income Management	Medium	To review the processes for the billing and collection of income, including controls around cash receipts
Equalities	Medium	To review compliance with the Public Sector Equalities duties
Project Management	Medium	To review the Councils project management arrangements against best practice guidelines
Developer Income	Medium	To review arrangements for the collection and spending of income
Cemeteries	Medium	To consider overall operation of the service
Traffic Regulation Orders	Medium	To review the controls in place to ensure traffic regulation orders are implemented in line with Traffic Regulation Act 1984
IT Asset Management*	Medium	To review the controls in place to manage and safeguard IT assets
Pay & Display*	Medium	To review the controls in place over the collection, recording & monitoring of pay & display income
Planning Admin*	Medium	To review the processes in place to process and validate planning applications and to receive planning application income

27. Total days allocated to assurance projects: **245 days**

**Delivered via a shared service with Maidstone (and/or other partners)*

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28. The table below outlines key workstreams that we intend to undertake as part of the wider risk, governance and counter fraud support for the Council:

Proposed Assurance Non-Project Work 2020/21	145 days
<p>Risk & Governance</p> <ul style="list-style-type: none"> • Review and implementation of risk software • Regular monitoring and reporting to Senior Officers and Members • Refresh of the key risks aligned with the delivery of the new Council Plan • Training, briefings and advise to Officers and Members 	
<p>Counter Fraud</p> <ul style="list-style-type: none"> • General Policy and Advice, including Whistleblowing and Anti-Corruption • Continued development of the Council Fraud Risk Assessment to identify possible proactive counter fraud work • Incident specific advice, support and reactive investigation • Training, briefings and advice to Officers and Members 	
<p>Member Support</p> <ul style="list-style-type: none"> • Attendance and preparation for Audit Committee and other Members' meetings (including Chairman's briefings) • Developing and presenting Member briefings on governance issues 	
<p>Agreed Actions Follow Up</p> <ul style="list-style-type: none"> • Ensuring officers carry out actions as agreed • Reporting progress towards implementation to Senior Officers and Members 	
<p>Audit Planning</p> <ul style="list-style-type: none"> • Continued horizon scanning and review of audit plan risk assessment to ensure emerging risk issues are identified 	

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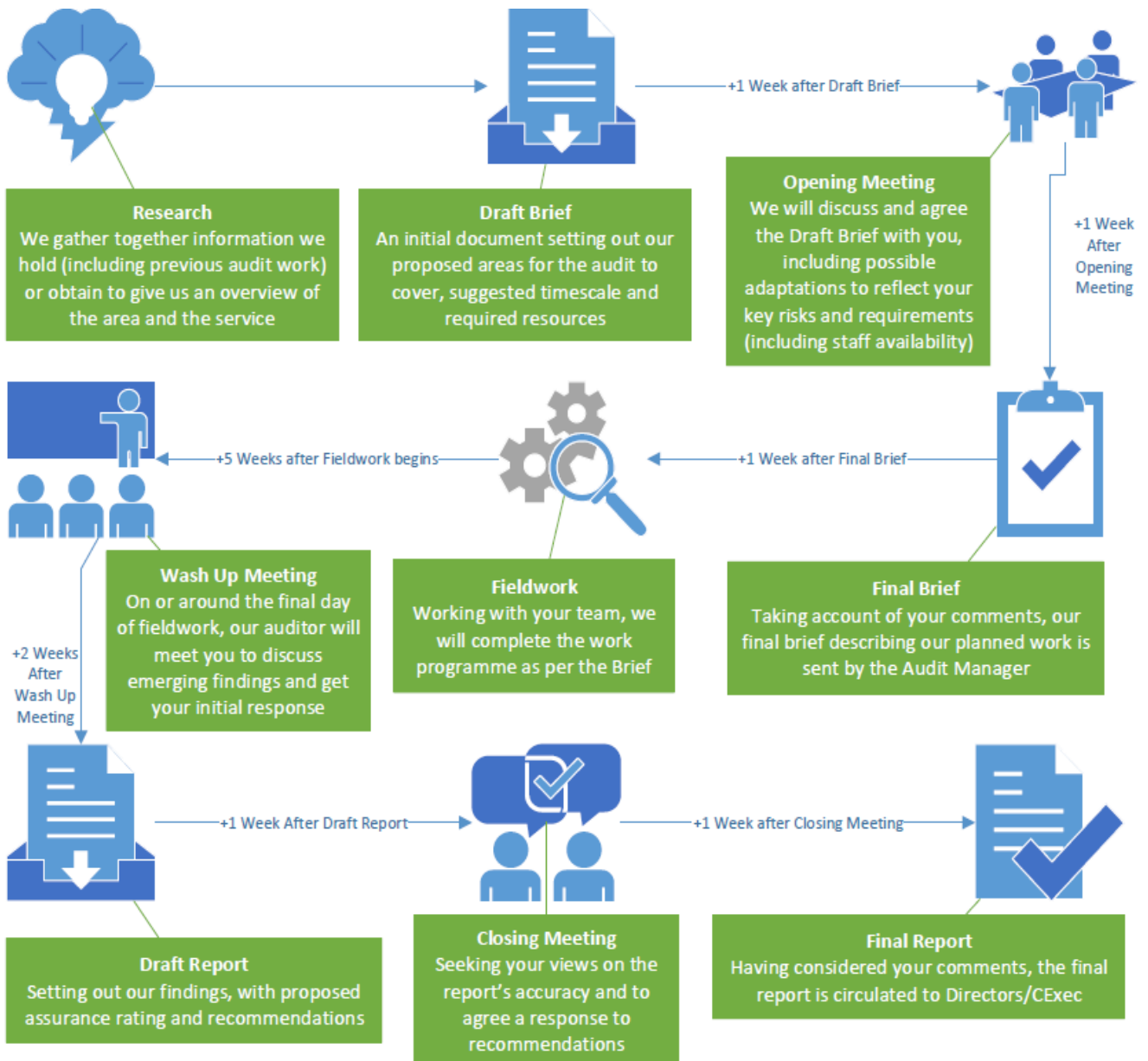
29. In addition to planned work, our plan must have flexibility to provide reactive or ad-hoc support. We have a pool of days available for the Council to draw on in such circumstances. We set out below the total days available as general consultancy:

Proposed consultancy 2020/21	60 days
Consultancy <ul style="list-style-type: none">• We aim to keep around 10% of audit days as a consultancy fund to provide general and extra advice to the Council• This will include attendance and contribution to officer groups, for instance procurement group and business continuity group• These days will also assist when we are required to expand to audit scopes to cover concerns or interests identified during an audit, effectively allow days to be used as contingency	

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Delivering the Audit & Assurance Plan

30. We work in full conformance with the Public Sector Internal Audit Standards. The illustration below shows the process we follow for 'typical' audit engagements.



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Overseeing Delivery

31. Throughout our work we undertake internal quality assessments and review. This includes specific management sign-off and checks on individual engagements in progress as well as periodic 'cold review' assessments. Through the latter process, we reflect on work completed to identify and take forward any learning to help us improve.
32. We also report progress on delivering the plan to this Committee part-way through the year. Internally, we monitor and report each month on various performance indicators detailing our progress. These updates are reported to the Strategic Management Team and Shared Services Board (with Nick Vickers - Chief Finance Officer - as Swale's representative).

Quality & Improvement Plan

33. Although in 2015 the IIA assessed us as fully conforming to the Standards, we have continued to challenge and update how we work. Through our internal assessments we have kept our full conformance with the Standards alongside being able to work more efficiently resulting in an increase in productive days by nearly 20% since 2015. This has all been without additional investment and only inflationary budget increases, meaning the 'cost per audit plan day' has fallen by almost 15% in real terms over the past 5 years.
34. We have been using Pentana Audit Management Software for nearly 2 years. As a service we have been paperless for over a decade, but Pentana has enabled us to deliver greater quality, consistency and efficiency in how we work. This is also visible during audit planning as we can manage and organise our risk assessments within a fully automated and flexible database of our entire audit universe.
35. For the year ahead our priority will be to address any matters arising from our EQA. Beyond those objectives our aim is to safeguard and standardise how we assess and improve our service in a full five-year plan looking ahead to our next external assessment in 2025. We will provide further details of this plan to Members alongside the EQA results in July.

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External Quality Assessment

36. Public Sector Internal Audit Standard 1312 demands we undergo an external assessment at least every five years. The IIA undertook our last assessment, in spring 2015, that reported Mid Kent Audit as fully conforming to the Standards. Members will already be aware that earlier in the year we commissioned CIPFA to conduct the EQA 2020 for the Audit Partnership.
37. That review is taking place across February and March 2020 and we are grateful to those Members who have contributed either by meeting our assessor or completing a survey. We expect the final report in late March and will report to Members alongside an action plan in July.

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Appendix I: Audit Universe

The “Audit Universe” is our running record of all services at the Council we might examine. The list below shows Swale specific entities on our current audit universe, followed by a record of audit history:

Service Area	Auditable Areas
SBC Building Control	Building Control Income Building Control
SBC Communications	Marketing Internal Communications Public Consultations Social Media Website
SBC Community Safety	Safeguarding Safety Partnerships CCTV & Monitoring Animal Welfare
SBC Contract Management	Contract Management Procurement & Commissioning Leisure Services
SBC Cultural Services	Tourism Support Community Support Public Health
SBC Customer Services	Complaint Handling Customer Services
SBC Democratic Services	Democracy
SBC Development Management	Pre-Application Planning Section 106 Income Conservation & Heritage Planning Enforcement Development Management
SBC Environmental Services	Environmental Enforcement Grounds Maintenance Cemeteries & Crematoria

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Service Area	Auditable Areas
SBC Finance	Budget Setting Budgetary Control Creditors (Accounts Payable) Debtors (Accounts Receivable) General Ledger Treasury Management Insurance
SBC Housing	Homelessness Lettings Home Improvement Grants Rent Deposit Scheme Leaseholders Health
SBC Licensing & Resilience	Business Continuity Emergency Planning Taxi Licensing Licensing
SBC Policy & Performance	Information Management Performance Management Project Management Corporate Governance Equalities Climate Emergency Response
SBC Property Services	Health & Safety Property Income Property Acquisition & Disposal Facilities Management
SBC Regeneration & Economic Development	Economic Development Community Support
SBC Revenues & Benefits	Council Tax Business Rates Compliance Housing Benefits
SBC Spatial & Strategic Planning	Strategic Planning
SBC Waste Management	Waste Collection Recycling
Non-MKS Shared Services	Environmental Health

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Service Area	Auditable Areas
Mid Kent HR	Absence Management Policy Compliance Recruitment Staff Performance Management Training & Development Workforce Planning Payroll & Expenses
Mid Kent Audit	Risk Management Counter Fraud
Mid Kent ICT	IT Asset Management IT Backup & Recovery Network Security IT Development Technical Support
Mid Kent Legal Services	Declarations of Interest Legal Services
Mid Kent Planning	Planning Administration Land Charges

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Appendix II: Audit History

Service Area	Audit Project	Audit Year	Audit Rating
SBC Community Safety	SBC11(14/15) - Safeguarding	2014/15	Weak
SBC Democratic Services	SBC01(14/15) - Members' Allowances	2014/15	Sound
SBC Finance	SBC07(14/15) - Income & Cash Collection	2014/15	N/A
SBC Finance	SBC15(14/15) - Accounts Payable	2014/15	Strong
SBC Finance	SBC05(14/15) - Treasury Management	2014/15	Strong
SBC Housing	SBC18(14/15) - Homelessness - Temporary Accommodation	2014/15	Sound
SBC Housing	SBC04(14/15) - Housing Allocations	2014/15	Sound
SBC Policy & Performance	SBC22(14/15) - Freedom of Information	2014/15	Sound
SBC Revenues & Benefits	SBC06(14/15) - Council Tax (Systems Audit)	2014/15	Strong
SBC Revenues & Benefits	SBC20(14/15) - Business Rates (Systems Audit)	2014/15	Strong
SBC Revenues & Benefits	SBC24(14/15) - Housing Benefits (System Audit)	2014/15	Weak
SBC Waste Management	SBC08(14/15) - Waste Collection Contract	2014/15	Strong
Non-MKS Shared Services	SBC13(14/15) - Cashless P&D Implementation	2014/15	Sound
Mid Kent Audit	SBC10(14/15) - Risk Management	2014/15	N/A
Mid Kent ICT	MBC06(14/15) - Computer Use Policy	2014/15	Sound
Mid Kent ICT	SBC09(14/15) - ICT Service Desk	2014/15	Weak
Mid Kent ICT	TWBC03(14/15) - Compliance with Computer Use Policy	2014/15	Sound
Mid Kent HR	MBC14(14/15) - Payroll	2014/15	Strong
SBC Communications	SBC/SR01(15/16) - Communication (Social Media)	2015/16	Strong
SBC Contract Management	SBC/CF04(15/16) - Procurement	2015/16	Sound

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Service Area	Audit Project	Audit Year	Audit Rating
SBC Customer Services	SBC/SR02(15/16) - Customer Services/CRM	2015/16	Strong
SBC Environmental Services	SBC/SR04(15/16) - Cemeteries	2015/16	Sound
SBC Finance	SBC/CF01(15/16) - Budget Setting	2015/16	Strong
SBC Finance	SBC/CF03(15/16) - Accounts Receivable	2015/16	Strong
SBC Housing	SBC/SR03(15/16) - Housing Services - Front of House	2015/16	Sound
SBC Policy & Performance	SBC/CG02(15/16) - Corporate Projects Review	2015/16	Sound
SBC Policy & Performance	SBC/CG04(15/16) - Performance Management	2015/16	Sound
SBC Policy & Performance	SBC/CG06(15/16) - Freedom of Information	2015/16	Sound
SBC Revenues & Benefits	SBC/CF05(15/16) - Business Rates	2015/16	Strong
SBC Revenues & Benefits	SBC/SR07(15/16) - Discretionary Payments	2015/16	Sound
Mid Kent HR	MKS/SR01(15/16) - Learning & Development	2015/16	Sound
Mid Kent ICT	MKS/SR02(15/16) - ICT Network Controls	2015/16	Strong
Mid Kent HR	MKS/CF01(15/16) - Payroll	2015/16	Strong
SBC Building Control	SBC-OR01(16-17) - Building Control	2016/17	Sound
SBC Community Safety	SBC-OR02(16-17) - CCTV	2016/17	Sound
SBC Contract Management	SBC-OR08(16-17) - Leisure Centre Contract	2016/17	Weak
SBC Customer Services	SBC-OR14(16-17) - Complaints	2016/17	Sound
SBC Democratic Services	SBC-CG02(16-17) - Members' Allowances	2016/17	Sound
SBC Democratic Services	SBC-OR05(16-17) - Elections: Postal Voting	2016/17	Sound
SBC Development Management	SBC-OR04(16-17) - Planning Enforcement	2016/17	Weak
SBC Development Management	SBC-OR13(16-17) - Section 106 Agreements	2016/17	Sound
SBC Environmental Services	SBC-OR06(16-17) - Environmental Response	2016/17	Strong

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Service Area	Audit Project	Audit Year	Audit Rating
SBC Environmental Services	SBC-OR07(16-17) - Grounds Maintenance	2016/17	Sound
SBC Finance	SBC-CF01(16-17) - Accounts Payable	2016/17	Strong
SBC Finance	SBC-CF02(16-17) - Bank Reconciliation	2016/17	Strong
SBC Finance	SBC-CF04(16-17) - General Ledger: Journals & Feeder Systems	2016/17	Strong
SBC Housing	SBC-OR12(16-17) - Rent Deposits	2016/17	Weak
SBC Licensing & Resilience	SBC-OR09(16-17) - Licensing	2016/17	Sound
SBC Policy & Performance	SBC-CG03(16-17) - Data Protection	2016/17	Sound
SBC Property Services	SBC-OR11(16-17) - Property Income	2016/17	Sound
SBC Revenues & Benefits	SBC-CF03(16-17) - Council Tax (Valuation, Liability & Billing)	2016/17	Strong
SBC Revenues & Benefits	SBC-CF05(16-17) - Housing Benefits	2016/17	Sound
Non-MKS Shared Services	MKS-OR04(16-17) - Residents' Parking	2016/17	Sound
Mid Kent ICT	MKS-CG01(16-17) - ICT Controls & Access	2016/17	Sound
Mid Kent HR	MKS-CF01(16-17) - Payroll	2016/17	Strong
SBC Community Safety	SBC-OR12(17-18) - Stray Dogs	2017/18	Sound
SBC Community Safety	SBC-CG03(17-18) - Safeguarding	2017/18	Strong
SBC Community Safety	SBC-OR03(17-18) - Community Safety	2017/18	Strong
SBC Community Safety	SBC-SR01(17-18) - Animal Licences	2017/18	N/A
SBC Cultural Services	SBC-OR10(17-18) - Sports Pitches, Pavilions and Community Hall	2017/18	Sound
SBC Cultural Services	SBC-SR02(17-18) - Community Grants	2017/18	N/A
SBC Development Management	SBC-OR08(17-18) - Pre-Application Planning Advice	2017/18	Sound
SBC Environmental Services	SBC-OR09(17-18) - Public Conveniences	2017/18	Sound
SBC Environmental Services	SBC-OR07(17-18) - Litter Enforcement	2017/18	Sound

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Service Area	Audit Project	Audit Year	Audit Rating
SBC Housing	SBC-OR06(17-18) - Landlord Complaints	2017/18	Sound
SBC Housing	SBC-CON01(17-18) - Homelessness Budget	2017/18	N/A
SBC Licensing & Resilience	SBC-CG01(17-18) - Business Continuity	2017/18	Sound
SBC Policy & Performance	SBC-OR13(17-18) - Transformation Programme	2017/18	Sound
SBC Policy & Performance	SBC-CG02(17-18) - Corporate Planning	2017/18	Strong
SBC Property Services	SBC-OR01(17-18) - Building Maintenance	2017/18	Sound
SBC Revenues & Benefits	SBC-CF01(17-18) - Business Rates	2017/18	Strong
Non-MKS Shared Services	MKS-OR02(17-18) - Food Safety	2017/18	Sound
Non-MKS Shared Services	MKS-OR06(17-18) - Parking Income	2017/18	Sound
Mid Kent HR	MKS-OR03(17-18) - HR Policy Compliance	2017/18	Sound
Mid Kent ICT	MKS-CG04(17-18) - IT Disaster Recovery	2017/18	Sound
Mid Kent Legal Services	MKS-OR05(17-18) - Legal Services	2017/18	Sound
Mid Kent HR	MKS-CF01(17-18) - Payroll	2017/18	Sound
Director of Mid Kent Services	MKS-OR04(17-18) - Land Charges	2017/18	Weak
SBC Contract Management	X19-IV03 - Procurement Fraud Risk Review	2018/19	N/A
SBC Democratic Services	S19-AR10 - Members' Allowances	2018/19	Strong
SBC Development Management	S19-AR03 - Conservation Planning	2018/19	Sound
SBC Finance	S19-AR08 - Insurance	2018/19	Strong
SBC Finance	S19-AR14 - Treasury Management	2018/19	Strong
SBC Housing	S19-AR13 - Temporary Accommodation	2018/19	Sound
SBC Licensing & Resilience	S19-AR09 - Licensing Compliance	2018/19	Sound
SBC Policy & Performance	X19-AR04 - General Data Protection Regulations	2018/19	N/A

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Service Area	Audit Project	Audit Year	Audit Rating
SBC Property Services	S19-AR01 - Asset Management	2018/19	Sound
SBC Regeneration & Economic Development	S19-AR12 - Sittingbourne Town Centre	2018/19	Sound
SBC Revenues & Benefits	S19-AR04 - Council Tax Reduction Scheme	2018/19	Sound
SBC Waste Management	S19-AR16 - Waste Income	2018/19	Sound
Non-MKS Shared Services	X19-AR07 - Licensing Administration	2018/19	Sound
Shared Revenues & Benefits	X19-AR10 - Revs & Bens Compliance Team	2018/19	Sound
Mid Kent HR	X19-AR01 - Absence Management	2018/19	Sound
Mid Kent ICT	X19-AR03 - Cyber Security	2018/19	Sound
Mid Kent HR	X19-IV02 - Payroll Fraud Risk Review	2018/19	N/A
SBC Development Management	S20-AR14 - Planning Enforcement	2019/20	Reporting
SBC Finance	X20-CON02 - Financial Resilience Index	2019/20	Reporting
SBC Property Services	S20-AR07 - Health & Safety	2019/20	Reporting
SBC Revenues & Benefits	S20-AR10 - Discretionary Housing Payments	2019/20	Sound
Non-MKS Shared Services	X20-AR02 - Civil Parking Enforcement	2019/20	Sound
Mid Kent HR	X20-AR05 - Recruitment	2019/20	Sound
Mid Kent Legal Services	S20-AR09 - Declarations of Interest	2019/20	Reporting

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Appendix III: Assurance Ratings

Assurance Ratings 2020/21 (unchanged since 2014/15)

Full Definition	Short Description
<p>Strong – Controls within the service are well designed and operating as intended, exposing the service to no uncontrolled risk. There will also often be elements of good practice or value for money efficiencies which may be instructive to other authorities. Reports with this rating will have few, if any, recommendations and those will generally be priority 4.</p>	<p>Service/system is performing well</p>
<p>Sound – Controls within the service are generally well designed and operated but there are some opportunities for improvement, particularly with regard to efficiency or to address less significant uncontrolled operational risks. Reports with this rating will have some priority 3 and 4 recommendations, and occasionally priority 2 recommendations where they do not speak to core elements of the service.</p>	<p>Service/system is operating effectively</p>
<p>Weak – Controls within the service have deficiencies in their design and/or operation that leave it exposed to uncontrolled operational risk and/or failure to achieve key service aims. Reports with this rating will have mainly priority 2 and 3 recommendations which will often describe weaknesses with core elements of the service.</p>	<p>Service/system requires support to consistently operate effectively</p>
<p>Poor – Controls within the service are deficient to the extent that the service is exposed to actual failure or significant risk and these failures and risks are likely to affect the Council as a whole. Reports with this rating will have priority 1 and/or a range of priority 2 recommendations which, taken together, will or are preventing from achieving its core objectives.</p>	<p>Service/system is not operating effectively</p>

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Recommendation Ratings 2019/20 (unchanged since 2014/15)

Priority 1 (Critical) – To address a finding which affects (negatively) the risk rating assigned to a Council strategic risk or seriously impairs its ability to achieve a key priority. Priority 1 recommendations are likely to require immediate remedial action. Priority 1 recommendations also describe actions the authority **must** take without delay.

Priority 2 (High) – To address a finding which impacts a strategic risk or key priority, which makes achievement of the Council's aims more challenging but not necessarily cause severe impediment. This would also normally be the priority assigned to recommendations that address a finding that the Council is in (actual or potential) breach of a legal responsibility, unless the consequences of non-compliance are severe. Priority 2 recommendations are likely to require remedial action at the next available opportunity, or as soon as is practical. Priority 2 recommendations also describe actions the authority **must** take.

Priority 3 (Medium) – To address a finding where the Council is in (actual or potential) breach of its own policy or a less prominent legal responsibility but does not impact directly on a strategic risk or key priority. There will often be mitigating controls that, at least to some extent, limit impact. Priority 3 recommendations are likely to require remedial action within six months to a year. Priority 3 recommendations describe actions the authority **should** take.

Priority 4 (Low) – To address a finding where the Council is in (actual or potential) breach of its own policy but no legal responsibility and where there is trivial, if any, impact on strategic risks or key priorities. There will usually be mitigating controls to limit impact. Priority 4 recommendations are likely to require remedial action within the year. Priority 4 recommendations generally describe actions the authority **could** take.

Advisory – We will include in the report notes drawn from our experience across the partner authorities where the service has opportunities to improve. These will be included for the service to consider and not be subject to formal follow up process.