

MID KENT AUDIT

Internal Audit & Assurance Progress Report

**January 2024
Swale Borough Council**



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Introduction

1. The Institute of Internal Audit gives the mission of internal audit: to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.
2. The mission and its associated [code of ethics](#) and [Standards](#) govern over 200,000 professionals in businesses and organisations around the world. Within UK Local Government, authority for internal audit stems from the [Accounts and Audit Regulations 2015](#). The Regulations state services must follow the [Public Sector Internal Audit Standards](#) – an adapted and more demanding version of the global standards. Those Standards set demands for our reporting.

Audit Charter

3. This Committee approved our *Audit Charter* in September 2020, and it remains in place through this audit year. A revised Audit Charter will be presented to the Audit Committee later in the year.

Independence of internal audit

4. Mid Kent Audit works as a shared service between Ashford, Maidstone, Swale and Tunbridge Wells Borough Councils. A Shared Service Board including representatives from each council supervises our work based on our collaboration agreement.
5. We have worked with full independence as defined in our Audit Charter and Standard 1100. On no occasion have officers or Members sought or gained undue influence over our scope or findings.

Management response to risk

6. We include the results of our work in the year so far later in this report. In our work we often raise recommendations for management action. During the year so far, management have agreed to act on all recommendations we have raised. We report on progress towards implementation in the section titled *Agreed Actions Follow Up Results*.
7. There are no risks we have identified in our work that we believe management have unreasonably accepted.

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Resource Need

8. We reported in our plan presented to this Committee in April 2023 an assessment on the resources available to the audit partnership for completing work at the Council. That review decided:

MKA has the skills and expertise to deliver the 2023/24 Audit Plan and it is confirmed that planned audit work will enable a Head of Audit opinion for 2023/24 to be delivered in Spring 2024.

9. Since April 2023 we have experienced further change within the audit team:

- The Interim Deputy Head of Audit / Audit Manager left the council in June 2023.
- Two other members of the team, an Auditor and the Risk and Governance officer also left to pursue other opportunities.

10. The departures since April 2023 and those prior to April, gave rise to an opportunity to consider the structure and capacity of the Mid Kent Audit team. Following a restructure to ensure the service is fit to deliver the services required for each of the partners and to fulfil its statutory responsibilities, a number of appointments have been made.

11. Since August 2023 we have recruited two internal auditors and internally promoted three members of the team. We currently have three vacant posts, one of which is being covered through use of external contractors, who are also resourcing the staffing gap we had in place prior to the recent recruitment exercises.

12. Despite all this change we continue to make progress through the Audit Plan although overall delivery of the plan has been impacted.

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Audit Plan Progress: Closing 2022/23

13. In July, there were several audit engagements, approaching completion that did not finish in time for Committee deadlines. The results of these audits will now feed into the Head of Audit Partnership annual assurance opinion for 2023/24.

Audit Review (2022/23)	Audit status	Assurance rating	Number of Actions by Priority Rating		
			High	Medium	Low
Licensing Enforcement	Complete	Sound		3	
Private Water Supply	Complete	Sound			5
Swale House Refurbishment Project	Review stage				

Audit Plan Progress: 2023/24

14. The table below shows current and expected progress through the engagements described in the 2023/24 Audit Plan:

Audit Review	Current position
Social Media	Work in progress
Safety Partnerships	Transfer to 2024/25
Public Health Funerals	Work in progress
Elections Management	Audit under review
Conservation & Heritage	Work in progress
Animal Welfare	Draft Report
Financial Planning – BACS Project	
General Ledger	
Grounds Maintenance	Complete - Strong
Leisure Services	
Emergency Planning	Transfer 2024/25
Performance Management	Transfer 2024/25
Housing Benefits	Allocated
* HR Policy and Compliance	
* Learning & Development	Work in progress
* Land Charges	
* Cyber Security	Work in progress
* IT Disaster Recovery	Work in progress
* Compliance with Computer Use Policy	

* shared service audits, work will include all authorities included in the shared service

15. The Audits that have not been allocated yet will be allocated when resources become available within the team.

16. Based on the work that is completed, in progress and proposed to be completed I can confirm that there will be sufficient work completed to enable an audit opinion to be delivered for 2023/24.

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Overall progress

17. The table below also summarises (up to 31st December) current days on audit plan progress.

Plan Area	Plan Days	Actual to 31-Dec-23
Risk Based Audits	225	96
Following up of agreed actions	16	5
Consultancy & Member Support	37	12
Risk Management	51	7
Planning	24	9
Counter Fraud & Governance Support	18	11
Total	391	140

18. The significantly lower number of audit days delivered to date is due to the number of vacant posts at the beginning of the year and the natural length of time to get a contractor appointed and delivering audit work. This will balance out towards the end of the year, but there will be an impact on overall plan delivery for 2023/24.

Future progress

19. As part of the review of staffing undertaken earlier in the year, other working practices and efficiencies have been identified which will be considered as part of the 2024/25 audit plan. One of the areas that will be brought to the committee will be a revised approach to audit planning and how this is presented to the audit committee.

20. Every year there are a number of engagements that span into the following year, and we are continually reporting 'out of sync audits' to the committee. It is proposed to address this by removing the reference to specific years for audit engagements and to report to the committee a more dynamic and flexible 'rolling audit plan'. The audit plan will detail the number of audit days available and the audits we are currently working on and that are due based on their current priority ratings.

21. This will allow the management and the audit team to be more flexible to respond to operational need and the current risk profile of the organisation, while delivering a more focussed service.

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Agreed Actions Follow Up Results

22. Our approach to agreed actions is to follow up each as it falls due in line with the plan agreed with management when we finish our reporting. We will report progress on implementation to Council's Leadership Team each quarter. This includes noting any matters of continuing concern and where we have revisited an assurance rating (typically after addressing key actions).

23. As detailed in the yearend report in July, work on following up of actions was paused at that time due to resourcing constraints. This work has now resumed and has highlighted some outstanding actions from previous years and some changes that have been required to the process for ensuring actions are completed. In total, we summarise in the table below the current position on following up agreed actions:

	High	Medium	Low	Total
Total actions 2022/23				
Actions agreed	0	12	11	23
Actions cleared	0	4	3	7
Actions not due	0	5	8	13
Outstanding actions 2022/23	0	3	0	3
Outstanding actions 2021/22	0	0	0	0
Outstanding actions 2020/21	0	1	0	1
Outstanding actions 2019/20	0	0	0	0
Total Outstanding actions	0	4	0	4

24. These outstanding actions have been raised with the Corporate Leadership Team who are addressing the concerns we have raised regarding implementation of the outstanding work. An update will be provided to the committee in the yearend report, once the new process has embedded within the organisation.

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Appendix I

Licensing Enforcement (September 2023)

The licensing service has up-to-date policies in-line with relevant legislation, and policies provide a sound framework for enforcement activities. The constitution clearly defines service roles and responsibilities. However, officers were unable to demonstrate the appropriate approval of supporting policies and protocols available on the Councils website. The Council's website also provides a poor user experience and lacked application and licensing information when compared to other similar local authorities' websites.

The application process was being followed in those cases we tested. Relevant checks had been made and associated documentation retained. However, with inspection record keeping, different versions of inspection templates were used for similar premises and there was an inconsistent application of the scoring mechanism used to categorise premises.

Inspection activity has significantly reduced compared to pre-pandemic figures which has hindered the service in determining a robust inspection regime to contribute to maintaining the risk-based approach defined by the service within its policies.

The service monitors expired licenses and follows a process to suspend licenses when required. Enforcement activities are intelligence led and officers obtain information on licensing issues via regular attendance to a multi-agency forum. Public concerns are a valuable source of local intelligence; however, we found a lack of a defined process for demonstrating the volume, monitoring and status of complaints coming into the service.

The Licensing service does not have a performance management framework to enable the service to report against a considered range of defined targets or desired outcomes.

Private Water Supplies (October 2023)

The Mid Kent Environmental Health (MKEH) function is regulated by the Private Water Supplies (England) Regulations 2016 and the Private Water Supplies (England) (Amendment) Regulations 2018. We found officers across the partnership were suitably experienced and qualified (where necessary) to deliver its primary functions - registration, risk assessments and sampling

We found that MKEH function is fulfilling its statutory obligation of annually submitting data to the (DWI). Likewise, we found the MKEH function publishes Private Water Supply information across its three partnership websites. However, we found it to be out of date and does not outline the approved fees and charges applicable.

The MKEH function has produced a number of procedure and guidance notes, which cover the main processes (registration, risk assessments and sampling). We found some of these to be out of date, which was acknowledged by the partnership. We also identified a disparity

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between the Private Water Supplies records held and those required under Schedule 4 Private Water Supplies (England) Regulations 2016. We found risk assessments are completed, but identified two supply types were one was not carried out within the regulatory five year period. In the main, sampling is completed but through our testing we identified one supply type which has not been sampled. It was also unclear from the records checked and the conversations held with officers, whether the supply type is active or inactive. We also found six supply types had missing or incomplete sampling paperwork.