Interim Internal Audit & Assurance Report

January 2023
Swale Borough Council

MID KENT AUDIT

Introduction

1. The Audit Committee approved the 2022/23 audit plan in March 2022. This report provides information to Members on the work completed by internal audit since the last report in November 2022.

2. This report is for information and summarises progress towards delivering the plan up to mid December 2022. In addition, it also provides updates on:

   • Completed 2021/22 audits which will be used to inform the 2022/23 Audit Opinion.

   • Resource changes with the Mid Kent Audit Partnership team.

   • Other work and overall progress.

   • The results of the follow up of agreed management actions.

Resource Need

3. We reported in our plan presented to this Committee in March 2022 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 2022/23 Audit Plan and it is confirmed that planned audit work will enable a Head of Audit opinion for 2022/23 to be delivered in Spring 2023.

4. Since March 2022 we have experienced further change within the audit team:

   • One of our apprentices left for a more senior role elsewhere. While we're always pleased to support development, their loss has left a notable gap in the team that we have not yet recruited to.
   • The Interim Audit Manager Julie Hetherington left at the end of November 2022, and the Interim Audit Manager Andy Billingham left at the end of January 2023.
   • The Deputy Head of Audit post has been deleted, and
   • The new Head of Audit Partnership started on 5 December 2022.

5. The result is the team currently has three vacancies. The Head of Audit Partnership is currently reviewing the structure.

6. To fill the staffing gap, we prepared a market tender to seek contractor support in completing the 2022/23 audit and assurance plans. This contract was awarded for work

to take place from November to April and work is underway to complete these audits by April.

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

Audit Plan Progress: Closing 2021/22

8.   In July, there was one audit engagement (Environmental Enforcement) that was not completed in time to be included for the 2021/22 annual audit opinion. See Appendix I for our summary findings for this engagement. The results of this audit will now feed into the Head of Audit Partnership annual assurance opinion for 2022/23.

Audit Plan Progress: 2022/23

9.   The chart below shows current and expected progress through the engagements described in the 2022/23 Audit Plan, completed audits are detailed at Appendix I

Audit	Progress to date	Assurance rating
IT Project Management *	Completed	Strong
Website & accessibility	Draft Report	
Committee Management	Draft Report	
Workforce Planning*	Complete	Sound
Temporary Accommodation	Fieldwork	
Project Management - Swale House Refurb	Planning	
Accounts Receivable	Planning	
Accounts Payable	Planning	
Asset Inspection	Due to start Q4	
Maintenance of Open Spaces	Due to start Q4	
Waste Contract Tendering *	Due to start Q4	
Food Safety *	Planning	
Licensing Enforcement	Due to start Q4	
Private Water Supply *	Due to start Q4	

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

10. Below are the remaining audits currently unallocated due to resource constraints – these have been reviewed by the Head of the Audit Partnership and will not be completed during 2022/23.

Audits not yet allocated
Private Sector Housing
Facilities Management
Elections Management
IT Backup & Recovery – x cutting
Network Security x cutting
Leisure Services
BACS Project
Rainbow Homes

Other work and overall progress

Risk

11. Our work on overseeing, updating, and reporting on risk has continued during the year in line with the Risk Management Framework. As well as the routine cycle of work we have put in place a risk management software package called JCAD. Implementation of this software is allowing us to further settle and develop risk management across the Council. Audit, Governance & Standards Committee will receive a detailed report on the risk management framework in April 2023.

Grant Certification work

12. We conducted the Covid 19 Test & Trace Support Payment Certification, and found no issues.

Head of Audit view on Annual Audit Opinion

13. Consideration has been given to the following factors:
    - Reviewing the level of work undertaken so far
    - Work in progress
    - Work due to be completed by the end of the year
    - Other available sources of assurance
    - Risk maturity of the organisation
    - Progress on Annual Governance Statement governance issues

14. Based on all of these factors, the Head of Audit is confident that providing an annual audit opinion for 2022/23 is achievable. There are likely to be a higher number of audits delivered than last year and from discussion with the team and officers of the council there are no significant control, risk or governance weaknesses that have been identified to date.

    We will keep the plans under review to maximise delivery of high-risk audit work and will continue to review progress and anticipated overall delivery of the audit plans.

Agreed Actions Follow Up Results

15. Our approach to agreed actions is that we follow up each as it falls due in line with the plan agreed with management when we finish our reporting. We report progress on implementation to Senior Management Team each quarter. This includes noting any matters of continuing concern and where we have revisited an assurance rating (typically after addressing key actions). In total, we summarise in the table below the current position on following up agreed actions:

16. We are currently following up on actions due in Q3 and the data was not available in time for production of this report.

Swale and Cross Cutting	Total	High Priority	Medium Priority	Low Priority
Open actions before 01/05/22	19	4	13	2
New actions agreed from 01/05/22	13	0	6	7
Total open action	**32**	**4**	**19**	**9**
Closed Actions since 01/05/22	17	0	9	8
Current Open Actions as at 17/10/22	**15**	**4**	**10**	**1**

17. Of the current open actions listed above, none of them were overdue at the point of this report. The process for reporting recommendations will be reviewed in line with requests from this Committee, to provide more detailed information on high priority actions and those that have been deferred.

Appendix I

Environmental Enforcement (October 2022)

18. Our opinion based on our audit work is Environmental Enforcement has SOUND controls in place to manage its risks and support achievement of its objectives.

Finding Summary: 3 x Medium priority.

The findings were:

- Cases were not always closed where applicable, some cases were unallocated, or had no action recorded against them.

- The spreadsheet to track Fixed Penalty Notice had data held on from 2006, and data was not always standardised, making it harder to filer or analysis the information.

- Timeframes for prosecution was not processed in good time, and cases were closed down as would seem unreasonable to pursue. In addition, recording of location of evidence was not always noted in the case management system.

IT Project Management (November 2022)

19. Our opinion based on our audit work is IT Project Management has STRONG controls in place to manage its risks and support achievement of its objectives.

Finding Summary: 2 x Low priority.

The findings were:

- While the members of the ICT team demonstrated a good understanding of the necessary requirements for an ICT project, staff would still benefit from having procedural documentation showing how to manage the different ICT projects.

- that the terms of reference for the JCG are in draft form at the time of the review. Furthermore, the document did not include the date of approval, date of implementation, or date of next review.

Workforce Planning (December 2022)

20. Our opinion based on our audit work is Workforce Planning has SOUND controls in place to manage its risks and support achievement of its objectives.

Finding Summary: 1 x Medium priority and 2 Advisory priority

The findings were:

- Maidstone Borough Council's Workforce Strategy is out of date (2016-2020). Swale Borough Council's Workforce Strategy is due to end in 2022.

- Data from exit surveys is reported, but comments around what could or should be done differently to improve working at each Council are not included.

- Workforce Strategy Action Plans are static, covering a 3-5 year period.