

**Review of Data Protection &
Records Management 2014/15****Issued 12 January 2015**

Opinion: Control Framework – Good (Previous review –N/A)
Compliance with Framework – Good (Previous review –N/A)

The purpose of this review was to provide an assurance regarding the effectiveness and the fitness for purpose of the arrangements in place for meeting the statutory requirements for Data Protection. This review also examined the arrangements for the maintenance of records from the same perspective.

To this effect, the following key risks and controls were examined:

- 1) Risk that the Council may not comply with relevant legislation, policies or good practice.
- 2) Risk that Council employees may not be aware of their responsibilities or the procedure for dealing with requests under the Data protection Act (DPA).
- 3) Risk that the Council may not have adequate arrangements (including records management) in place to ensure the deadlines for responses (40 days) shown in the DPA are met.
- 4) Risk that the Council may not have adequate arrangements in place to deal with complaints or appeals from the public.
- 5) Risk that the security and retention periods for documents may not be understood or adhered to across the Council.
- 6) Risk that fraud and corruption may be undetected.
- 7) Risk that opportunities to achieve or demonstrate efficiency or VFM may not be maximised.
- 8) Risk assessments may not be undertaken and risks not adequately managed.

Audit testing results indicated that there is a strong framework in place. Additionally, the test for compliance indicated that controls were fully met in four of the aspects examined, whilst the remaining four aspects were partially met in relation to compliance. (Risks 1, 2, 3 and 8)

The opinion of the auditor was that the framework of controls for the Data Protection & Records Management system was “good”. Additionally, compliance with the framework was also found to be “good”. This meant that a high level of control framework was in place to ensure the achievement of service objectives, good corporate governance and to protect the Council against foreseeable risks. There was evidence that the framework of controls were substantially being complied with and the risk management process was considered to be good. Only minor errors or omissions were identified.

The following four recommendations were agreed with Management to address the areas where controls were partially met. These relate to risks 1, 2, 3 and 8.

- Consideration should be given to ensuring that the contents of the web page that covers the requirements of the DPA are enhanced to include reference to all aspects of the eight data protection principles.
- To ensure that Officers are familiar with their responsibilities under the DPA, Ivy Soft training and subsequent monitoring should be undertaken regularly. This could be assisted by the following:-
 - a) Course specific reports should be obtained from Ivy Soft at least on an annual basis.
 - b) Managers should be provided with the appropriate Ivy Soft reports so that ongoing training including DPA can be discussed at appraisals.
- As Customer Services retain personal information on the Customer Relationship Management System (CRMS) going back to 2007 and a new CRMS is to be installed -
 - a) Consideration should be given to data due to be migrated to the new Customer Relationship Management System (CRMS). This data should be cleansed appropriately.
 - b) Consideration should be given to the installation of a robust checking system (business rule) to ensure data is not retained for longer than is necessary in accordance with Data Protection principles.
- The identified risks associated with data protection should be specifically referred to on the Operational Risk Registers where appropriate with the Council's Risk Management strategy and framework. The practicalities of this approach should be examined by the Audit, Risk and anti - Fraud Manager and reported to the Senior Management Team if necessary.

Members will be advised of the progress in implementing these recommendations in due course.

Review of Shared Services Recharges 2013/14

Issued: 12 January 2015

Opinion: Control Framework – Good (Previous review –N/A)
Compliance with Framework – Good (Previous review –N/A)

The purpose of this review was to provide an assurance regarding the effectiveness, reliability and accuracy of the processes in place to identify and allocate relevant shared services costs. The shared services examined were Benefits, Revenues, Audit, Risk and Anti-Fraud and Environmental Health. It examined the allocation of all such costs in accordance with existing agreements between Dartford Borough (DBC) and Sevenoaks District Councils (SDC).

To this effect, the following key risks and controls were examined:

- 1) Risk that the Council may not comply with relevant legislation, policy or good practice.
- 2) Risk that appropriate agreements between the parties may not be in place.
- 3) Risk that shared services recharges may not be calculated correctly.
- 4) Risk that shared services recharges may not be accounted for correctly.
- 5) Risk that shared service recharges may not be monitored, reported or reviewed on a regular basis. Risk that fraud and corruption may be undetected.
- 6) Risk that opportunities to achieve or demonstrate efficiency or VFM may not be maximised.
- 7) Risk assessments may not be adequately undertaken and risks not adequately managed.
- 8) Risk that the Joint Partnership Board does not progress issues related to the shared services in a timely way.

Audit testing results indicated that controls were fully met in six of the aspects examined, whilst three aspects were partially met in relation to compliance. (Risks 2, 8, and 9)

The opinion of the auditor was that the framework of controls for the shared services recharges was “good”. Additionally, compliance with the framework was also found to be “good”. This meant that a high level of control framework was in place to ensure the achievement of service objectives, good corporate governance and to protect the Council against foreseeable risks. There was evidence that the framework of controls were substantially being complied with and the risk management process was considered to be good. Only minor errors or omissions were identified.

The following recommendations were agreed with Management to address the areas where controls were partially met. These relate to risks 2, 8, and 9.

In view of the fact that the financial arrangements have now been agreed and concluded, it is recommended that the Joint Partnership Board consider at its next meeting, whether the agreements in relation to the shared services could now be signed, or whether further discussions need to take place to facilitate this.

- Environmental Health and Revenues management should carry out an assessment of the risks associated with shared services as soon as possible. Any risks identified should be included in their Operational Risk Register. (Guidance on this matter can be obtained from the Audit, Risk and Anti – Fraud Manager).
- The Joint Partnership Board should consider and review its terms of reference and activities, in order to ensure that key decisions are fully reflected within the action plan with timescales for implementation.

Members will be advised of the progress in implementing these recommendations in due course.

Review of Disabled Facilities Grants 2014/15

Issued 23 January 2015

Opinion: Control Framework – Good (Previous review –N/A)
Compliance with Framework – Satisfactory (Previous review –N/A)

The purpose of this review was to provide an assurance regarding the effectiveness of the arrangements in place established for the management of the Council's Disabled Facilities Grant service. Key areas examined were the accuracy, completeness and approval process in relation to the administration of Disabled Facilities Grant.

To this effect, the following key risks and controls were examined:

- 1) Risk that the Council, in regards to disabled facilities grants, may not comply with relevant legislation, policies, procedures or good practice.
- 2) Risk that literature and guidance about the Disabled Facilities Grant may not be clear or accessible to the public.
- 3) Risk that there may be a lack of joint working with the planning and Building control regarding disability adaptations.
- 4) Risk that the advice of a specialist professional to advise on the circumstances, and type of changes required may not be sought e.g. Occupational therapist or Sensory Disability Bureau.
- 5) Risk that lack of robust processes to deal with appeals on application decisions.
- 6) Risk that performance against standard may not be met.
- 7) Risk that there may not be up to date procedures for the receipt and assessment of grant applications and the authorisation and payment of grants.
- 8) Risk that contractors may not be selected in line with grant regulations and council policy.
- 9) Risk that grant payments may not be made on a timely basis at agreed rates for works completed.
- 10) Risk that robust and effective financial and budget management may not be in place.
- 11) Risk that fraud and corruption may be undetected.
- 12) Risk that opportunities to achieve or demonstrate efficiency or value for money may not be maximised.
- 13) Risk assessments may not be undertaken and risks not adequately managed.

- 14) Risk that Equality and Diversity consideration/monitoring may not be embedded in the Disability Facilities Grant processes.
- 15) Risk that public feedback may not be sought, to enable improvements in service delivery.

Audit testing results indicated that controls were fully met in 10 of the aspects examined, whilst five aspects were partially met in relation to compliance. (Risks 1, 2, 6, 9 and 14)

The opinion of the auditor was that the framework of controls was “good”. This meant that a high level of control framework was in place to ensure the achievement of service objectives, good corporate governance and to protect the Council against foreseeable risks. The effectiveness of the control framework was “satisfactory”. This means that there were occasional instances of failure to comply with the Council’s processes and opportunities still exist to mitigate against potential risks.

Five recommendations were agreed with Management to address the areas where controls were partially met. These relate to risks 1, 2, 6, 9 and 14 respectively.

- Ensure that the DFG procedure document used by Officers has version control and a next review date.
- The DFG Support Officer should exploit the corporate website, to market and promote the increase take up of the DFG in the community alongside the promotional leaflet development.
- Ensure that the monthly internal performance reporting to the DFG management is finally developed, implemented and linked to service objectives; the data captured is to meet corporate data quality standards and actions taken for not meeting targets is formally recorded and retained in accordance with corporate policy.
- It is important that IT support (Uniform) work with the DFG Service management, to formally timetable resolutions to address the issues around the functionality and reporting structures within the uniform system. Once changes have been implemented the system is to be user tested and formally accepted to ensure that all errors have been addressed.
- The DFG Service whilst developing their marketing promotion leaflet, to encourage more take up of the Disabled Facilities Grant in the community, during this process should consider including other diverse disability groups images on the leaflet e.g. BME group, Blind, Deaf, etc.

Members will be advised of the progress in implementing these recommendations in due course.

Review of Risk Management 2014/15**Issued: 9 February 2015**

Opinion: Control Framework – Good (Previous review –N/A)
Compliance with Framework – Good (Previous review –N/A)

The purpose of this review was to provide an assurance regarding the effectiveness of the arrangements established for the management of business risks across the Council. Key areas examined were the arrangements in place for managing both strategic and operational risks and the co-ordinating roles played by the Audit Risk and Anti-Fraud Manager and the Officers Risk Management Group.

To this effect, the following key risks and controls were examined:

- 1) Risk that the Council may not comply with Accounts and Audit Regulations 2011 legislation, agreed Risk Management policies or good practice.
- 2) Risk that the Framework may not be effective or fit for purpose.
- 3) Risk that Managers and staff may not be aware of, or understand the risk management framework.
- 4) Risk that the co-ordinating role within the process may be unclear and ineffective
- 5) Risk registers may not be completed by services or forwarded on a timely basis.
- 6) Risk that service plan objectives may not be clearly defined to facilitate the effective implementation of the risk management framework
- 7) Risk registers may not be comprehensive or complete, or be linked to service objectives.
- 8) Risk that likelihood and impact evaluations may not be clear, transparent or adequate.
- 9) Risk that action plans may not be complete, or may not be adequate to mitigate the risks.
- 10) Risk that monitoring arrangements may not be adequate or appropriate.
- 11) Risk that fraud and corruption may be undetected
- 12) Risk that opportunities to achieve or demonstrate efficiency or value for money may not be maximised

Audit testing results indicated that controls were fully met in ten of the above risks and partially met in the remaining two of the risks in relation to compliance. These relate to risks 5 and 10 above. In addition the following nine recommendations were agreed with management to enhance and fine tune the process.

The opinion of the auditor was that the framework of controls, for the management of business risks, were “good”. Additionally, compliance with the framework was also found to be “good”. There was evidence that the framework of controls in place was

substantially being complied with and the Council's risk management processes and systems were thus considered to be good.

The following recommendations were agreed with Management to address the areas where controls were partially met relating to risks 5 and 10 above and also to enhance and fine tune the process.

- It is worth considering the inclusion within the risk management that it will be reviewed and updated on an annual basis in order to adapt to changing circumstances and professional development.
- Arrangements for environmental scanning should be more explicitly set out in the risk management strategy.
- The Risk Management Framework is extended to include production of a more substantive statement on risk appetite.
- Framework guidance is uploaded on to the Council's new intranet with all documents listed a single intranet page and hyperlinks used where appropriate to cross-reference the documents and their contents.
- At the next review stage it may be appropriate to take into account issues raised in this audit, e.g. environmental scanning, and also the Council's vision and priorities.
- The desirability of dedicated risk management software is investigated via a review, or a feasibility study, or similar.
- The risk management module of the management Master-classes is extended to be available to all Council staff that require or would benefit from risk management training.
- As part of their review of managers compliance with the operational risk process; the Officers Risk Group should inform Senior Management Team (SMT) of any outstanding risk assessments, or incomplete risk registers; including any implications arising from this.
- New fields are created on the risk register proforma to allow for the register to be dated and also for the service-manager to certify them as completed and on behalf of the service.
- All risks stated in the service risk register should have a direct link to relevant service objectives. This should be reinforced through the Senior Managers Group via the chair of SMG.

- The Officers Risk Group should review the list of midyear returns which should be programmed for completion by October. Any late returns or incomplete returns should be reported to SMT.

Members will be advised of the progress in implementing these recommendations in due course.

Review Procurement & Contracting 2014/15

Issued: 16 February 2015

Opinion: Control Framework – Good (Previous review - Adequate)
Compliance with Framework – Good (Previous review N/A)

The purpose of this review was to provide an assurance regarding the effectiveness of the arrangements in place for procurement and contracting, and also to ascertain compliance with recent changes in EU regulations and statutory requirements.

To this effect, the following key risks and controls were examined:

- 1) Risk that the Council may not comply with relevant legislation, policy or good practice.
- 2) Risk that The Council does not have a plan to implement the new procurement regulations.
- 3) Risk that procurements may not be valid or authorised.
- 4) Risk that procurement and contracting may not be in line with the business strategic objectives.
- 5) Risk that fraud and corruption may be undetected.
- 6) Risk that opportunities to achieve or demonstrate efficiency or value for money may not be maximised.
- 7) Risk assessments may not be adequately undertaken and risks not adequately managed.

Audit testing results indicated that controls were fully met in four of the aspects examined, whilst three aspects were partially met in relation to compliance. (Risks 1, 6 and 7)

The opinion of the auditor was that the framework of controls for the procurement system was “good”. Additionally, compliance with the framework was also found to be “good”. This meant that a high level of control framework was in place to ensure the achievement of service objectives, good corporate governance and to protect the Council against foreseeable risks. There was evidence that the framework of controls were substantially being complied with and the risk management process was considered to be good. Only minor errors or omissions were identified.

The following three recommendations were agreed with Management to address the areas where controls were partially met. These relate to risks 1, 6 and 7.

- A monitoring arrangement should be in place which ensures changes to procurement thresholds are accurately reflected in the Council's procurement guidance. Regular checking of the procurement guidance website links to key documents should be in place. This could be monitored by the Procurement Working Group.
- Procurement paperwork and in particular the forward procurement plans, should be held in a central location. This would allow easier access to procurement information in the event of a query or dispute relating to the procurement.
- Risks relating to procurement should be included in the strategic risk register as agreed with management in the last internal audit review.

Members will be advised of the progress in implementing these recommendations in due course.

**Review of Housing Benefits &
Council Tax Support 2014/15**

Issued 25 February 2015

Opinion: Control Framework – Good (Previous review –Good)
Compliance with Framework – Good (Previous review –Good)

The purpose of this review was to provide an assurance regarding the effectiveness of the arrangements in place for implementing of the changes relating to welfare reform, the effectiveness of the arrangements and fitness for purpose.

To this effect, the following key risks and controls were examined:

- 1) Risk that the Council may not comply with relevant legislation, policy or good practice.
- 2) Risk that the Council may not have suitable processes and procedures in place to calculate local council tax support.
- 3) Risk that the effect of the changes to welfare reform on the service may not have been fully taken into account.
- 4) Risk that the assessment of benefit and council tax support claims may not be accurate, timely or subject to quality checks.
- 5) Risk that application data supplied by claimants may not be fully evidenced, leading to a higher potential for fraud.
- 6) Risk that complete audit trails may not be retained to evidence the Council's assessment decisions.

Appendix B

- 7) Risk that council tax support and benefits discounts/payments may not be correctly accounted for.
- 8) Risk that fraud and corruption may be undetected.
- 9) Risk that opportunities to achieve or demonstrate efficiency or value for money may not be maximised.
- 10) Risk assessments may not be undertaken and risks not adequately managed.

Audit testing results indicated that controls were fully met in nine of the aspects examined, whilst one aspect were partially met in relation to compliance. (Risk 1)

The opinion of the auditor was that the framework of controls for the HB & Ctax system was “good”. Additionally, compliance with the framework was also found to be “good”. This meant that a high level of control framework was in place to ensure the achievement of service objectives, good corporate governance and to protect the Council against foreseeable risks. There was evidence that the framework of controls were substantially being complied with and the risk management process was considered to be good. Only minor errors or omissions were identified.

The following recommendation was agreed with Management to address the area where control was partially met. This relates to risk 1.

- The work instruction procedures (guidance used by assessors) should have a record of when the guidance was last reviewed and updated by management even if no changes have been made to the instructions. This provides assurance that they are relevant and current.

Members will be advised of the progress in implementing this recommendation in due course.