

**Review of Repair & Maintenance
Arrangements 2016/17**

Issued 2 December 2016

Opinion: Limited Assurance**Previous Review:** Satisfactory

The purpose of this review was to provide an assurance on the Council's arrangements for the effectiveness of repairs and maintenance for the Council owned sites. The sites covered in this review were the Council Offices and three leisure centres located in Sevenoaks, Edenbridge and Swanley. The audit also included the Lullingstone golf course site. The audit examined whether maintenance and repair arrangements are fit for purpose to deliver service objectives and comply with the Council procedures.

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 that relates to corporate buildings maintenance
2. Risk than service objectives may not be met
3. Risk that lease agreement with Sencio does not clearly specify the duties and responsibilities of the respective parties regarding repairs.
4. Risk that repairs and maintenance contract terms and conditions may not be clearly stated.
5. Risk that maintenance and repair may not be of the required standard.
6. Risk that expenditure may not be effectively monitored resulting in budget over spend.
7. Risk that repairs may not actually be required.
8. Risk that repairs are not properly authorised
9. Risk that opportunities to achieve or demonstrate efficiency or value for money may not be maximised for example cost of repair is not transparent or costs are excessive.
10. Risk that fraud and corruption may not be detected, for example contractors are awarded the repair work without proper procurement process being followed.
11. Risk that operational and strategic risks assessments may not be undertaken in accordance with Council policy and risks not adequately managed.

Audit testing results indicated that controls were fully met in six of the aspects examined, whilst five aspects were partially met in relation to compliance. (Risks 5,6,7,8 and 9).

The opinion of the auditor was that there is **Limited Assurance** in place to ensure achievement of service objectives pertaining to the audited system. This meant there were weaknesses identified within the framework and there, existed evidence of non-compliance with Council procedures or good practice, which put the achievement of the Council's or service objectives, in many of the areas reviewed, at risk.

The following four recommendations were agreed with Management to address the areas where controls were partially met. These relate to risks 5,6,7,8 and 9.

- Consideration should be given to the existing list of emergency contractors being subject to periodic market testing to ensure value for money is being achieved for the Council.
- The by passing of normal procurement procedures with regard to emergency repairs should be closely monitored to ensure the repair is a genuine emergency case.
- Consideration should be given to the quality checking undertaken by Sencio and SDC officers to be formally recorded in all cases. This would give documented confirmation that the repair has been subject to independent quality checks.
- More detail should be recorded on the Emergency Work Order to explain why the repair work is needed.

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

Review of Grant Income 2016/17

Issued 15 December 2016

Opinion: Substantial Assurance

Previous Review: No recent review

The purpose of this review was to provide assurance regarding the effectiveness of processes and procedures concerning compliance with funding requirements in respect of specific grant income. This was in order to facilitate sign off by the Section 151 officer and to ensure that these arrangements were fit for purpose to deliver service objectives and comply with Council procedures.

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

1. Risk that the Council may not comply with the relevant legislation (for example the Local Government Acts 1972 and 2000, the Health and Social Care Act 2012 and the Crime and Disorder Act 1998).
2. Risk that opportunities to achieve or demonstrate efficiency or value for money may not be maximised, for example grant income may not be used efficiently or effectively.
3. Risk that fraud and corruption may be undetected, for example grant income is diverted inappropriately either for personal gain or towards projects to which SDC staff are personally linked.
4. Risk that operational and strategic risk assessments may not be undertaken in accordance with Council policy and risks not adequately managed.

Audit testing results indicated that controls were fully and substantially met in three of the aspects examined, whilst one aspect was partially met in relation to compliance. (Risk 2).

The opinion of the auditor was that there is **Substantial Assurance** in place to ensure achievement of service objectives pertaining to the audited system. This means there is generally a sound framework of control in place designed to meet the Council's service objectives. However, there were isolated weaknesses in the design of controls or inconsistent application of controls which puts the achievement of a limited number of objectives at risk.

The following recommendation was agreed with Management to address the area where controls were partially met. This relates to risk 2.

- Consideration should be given to reporting the achievement of the key deliverables of projects with funding of over £10,000 to Senior Management and Members.

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

Review of Planning Applications 2016/17

Issued 16 December 2016

Opinion: Full Assurance

Previous Review: Good (Framework & Compliance)

The purpose of this review is to provide an assurance regarding the effectiveness of the current process for planning applications and appeals, with particular focus on compliance with Council procedures and statutory requirements.

To this effect the following risks were examined :-

1. Risk that the Council may not comply with relevant legislation, policies or good practice such as the Town & Country Planning Act 1990.

2. Risk that all income due from planning applications is not received.
3. Risk that the approval or rejection of planning applications is not properly authorised.
4. Risk that a high percentage of the Council's planning application refusals are successfully appealed by the applicant.
5. Risk that opportunities to achieve or demonstrate efficiency or value for money may not be maximised, for example applications are not processed on a timely basis.
6. Risk that fraud and corruption may be undetected, for example the planning application assessor is a relative or associate of the applicant.
7. Risk that Operational and Strategic risk assessments may not be undertaken in accordance with Council policy and risks not adequately managed.

Audit testing results indicated that controls were fully and substantially met in all of the aspects examined, however there was one low ranking finding relating to refunds on a small number of applications examined where originating payment details were not available. At the time of this review, management were fully aware of this finding and were proactively taking steps to address this.

- A review of the refund process should take place where original payment details are not readily available. This would need to ensure that where possible evidence is provided by the applicant for the refund or a supervised checking process is in place.

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

Review of Income Generation 2016/17

Issued 20 December 2016

Opinion: Substantial Assurance

Previous Review: Good (Framework & Compliance)

The purpose of this review was to provide an assurance on the Council's arrangements in place for delivering the Council's self - sufficiency objective, in order to review progress made to date and whether relevant risks have been identified and appropriately managed.

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

1. Risk that the Council may not comply with legislation. (Local Government Acts 1972 and 2003 and the Localism Act 2011).

2. Risk that the income generation activities are not in line with corporate objectives.
3. Risk that income generation activities have not been fully evaluated and/or could incur a deficit for the Council.
4. Risk that opportunities for income generation are not discussed or identified.
5. Risk that income generation activities are not regularly monitored by Senior Management with regard to financial performance.
6. Risk that operational and strategic risks with regard to income generation have not been identified, reviewed or monitored.

Audit testing results indicated that controls were fully met in four of the aspects examined, whilst two aspects were partially met in relation to compliance. (Risks 2 and 3).

The opinion of the auditor was that there is **Substantial Assurance** in place to ensure achievement of service objectives pertaining to the audited system. This meant that there is a generally a sound framework of control in place designed to meet the Council's service objectives. However, there are isolated weaknesses in design of controls or inconsistent application of controls which put the achievement of a limited number of objectives at risk.

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

- Consideration should be given to reviewing the progress being made by the Council regarding an Asset Management Strategy in the forthcoming Internal Audit review of this area.
- Consideration should be given to a review of consultants in a future Internal Audit review of this area.

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