

# **Internal Audit Annual Report and Opinion 2022/23**

**July 2023**



# DARTFORD & SEVENOAKS AUDIT PARTNERSHIP

## Introduction

1. The IIA 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 annual reporting.
3. Standard 2450 states that when an overall opinion is issued, it must take into account the strategies, objectives and risks of the organisation and the expectations of senior management, the board and other stakeholders. The overall opinion must be supported by sufficient, reliable, relevant and useful information. Meaning that the communication must include:
  - The scope including the time period to which the opinion pertains
  - Scope limitations
  - Consideration of all related projects including the reliance on other assurance providers
  - A summary of the information that supports the opinion
  - The risk or control framework or other criteria used as a basis for the overall opinion
  - The overall opinion, judgement or conclusion reached
  - The reasons for an unfavourable opinion must be stated.

## Independence of Internal Audit

4. During 2022/23 we have had free access to officers and records to complete our work. On no occasion have officers or Members sought or gained undue influence over our scope or findings.
5. Our independence is maintained through functional reporting, including summaries of the work undertaken, to Audit Committee. We meet with individual members of Strategic Management Team to discuss any issues arising from our work where necessary and I also meet periodically with the Chief Executive. We have been given access to all information and systems requested to complete our work in 2022/23 and there are no issues that we have been prevented from reporting.
6. I confirm we have worked with full independence as set out in our Audit Charter and Standard 1100.

## Scope and time period of Audit Manager Opinion

7. The opinion takes into account all audits that have been finalised since the last annual opinion in July 2022.
8. The Standards demand that any limitations be advised. While limitations on audit resources mean it is not possible to address all risks facing the Council, there have been significant impacts on the service during 2022/23 which have meant delivery of the in-year audit plan has suffered and the number of projects is considerable reduced from the anticipated coverage when the plan was originally set in March 2022.
9. Specifically, the team had 3 vacancies for most of the year as well as periods of long term sickness. This meant that the service was significantly under-resourced for most of the 12 month period covered by this report.
10. This has meant there are 14 projects which should have been completed in time to support this opinion are still underway. The work is being completed by a combination of our in-house team, South West Audit Partnership, and a temporary Auditor.
11. However, there were 7 audits which were carried over from the previous year's audit plan whose findings remain relevant and are therefore able to inform the Annual Audit Opinion. I have also been able to base the opinion on other non-project consultancy related work which has been completed in-year.

## Consideration of work completed and reliance on others

12. I have drawn my opinion from the outcomes of the 2022/23 Plan agreed by Members in March 2022 but also six pieces of work from 2021/22 that were not finalised until after the last opinion. My opinion also considers the results of follow up work, ad hoc advisory work and our own informal observations of the organisation through, for example, attendance at management meetings.
13. In completing my work I have placed no specific reliance on external sources.

## Risk and control framework

14. The Council is responsible for ensuring it undertakes its business within the law and proper practices. The Council must also ensure it safeguards and properly accounts for its resources, using them economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to seek continuous improvement in exercising its roles.
15. The Council has described key parts of its internal control and risk management within the Local Code of Governance and Risk Management Framework.
16. Organisations design internal controls to manage to an acceptable level rather than remove the risk of failing to achieve objectives. So, internal controls can only provide reasonable and not complete assurance of effectiveness. Designing internal controls is a continuing exercise designed to identify and set priorities around the risks to the Council achieving its objectives. The work of designing internal controls also evaluates the likelihood of those risks coming about and managing the impact should they do so.
17. In completing our work we have considered the control environment and objectives in place at the Council.

## Conformance with standards

18. Internal Audit has conducted its work following the Standards and good practice as represented in our internal quality assurance. This includes working to an agreed audit manual with satisfactory supervision and review.
19. This report also contains the outcomes of our Quality Assurance and Improvement Programme (QAIP), together with the resultant action plan. This action plan will be reported periodically to Audit Committee until the actions are closed. This will enable Members to discharge their responsibility to oversee the quality and effectiveness of Internal Audit.

## Overall conclusion

20. I am satisfied that during the year ended 31 March 2023, the Council's systems of governance, risk management and control are managed effectively with **REASONABLE** assurance. This means the control framework is adequate and controls to mitigate key risks are generally operating effectively, although a number of controls need to improve to ensure business objectives are met.

**Jennifer Warrillow, QIAL, CMIIA, CIA**

**Audit Manager (Chief Audit Executive)**

## Internal Control

21. Internal control is how the Council ensures achievement of its objectives with effectiveness and efficiency; achieving reliable financial reporting and compliance with laws, regulations and policies. It covers financial and non-financial controls.
22. We gain audit evidence to support the Head of Audit opinion on internal control principally through completing the reviews set out within our agreed audit plan.

## Audit Plan Work 2022/23

23. As agreed by the then Audit Committee, the agreed 2022/23 Internal Audit Plan was divided into two, with audits assigned high priority being the priorities for completion and approximately half of those with medium priority based on their risk profile at the time of starting the audit. At the time of writing this report, progress is being made towards completion of all the high priority audits, apart from one which was moved to next year's plan as there were significant changes ongoing within the service which meant an audit during 2022/23 would not be appropriate.
24. Due to our capacity issues with the aforementioned vacancies, we have not been able to achieve the proposed 11 medium priority audits and instead have only been able to accommodate 7.

## Internal Audit Outcomes

25. Of the 15 audit reviews that are considered as part of this annual opinion, 9 are assurance rated. Definitions of the assurance ratings that have been applied to these audits are provided in **Annex E**. The chart below shows a breakdown of these audit assurance opinions.
26. Of the 9 assurance rated audits, 2 audits completed have received **Substantial** and a further 6 have received **Reasonable** assurance which indicates that the control framework is generally operating well. In particular, audits which have organisation-wide relevance and therefore are integral to the core control environment, such as IT governance and staff wellbeing, all received Reasonable assurance.
27. One audit this year received **Limited** assurance, this is in a specific service area and the relevant manager has agreed all recommendations made with appropriate implementation dates. Therefore I do not believe it presents a reflection of how the overall risk and control frameworks for the Council are operating.
28. In addition to our planned audits, we have also verified 4 grant claims with a total value in excess of £400,000, confirming the Council has spent grant funding in accordance with the prescribed conditions for each scheme.
29. The table on the next page summarises engagement progress and findings up to the date of this report. These are the audits that form part of my Annual Opinion. Where there are material matters finished before the committee meeting we will provide a verbal update. Summaries of all of these audits are in **Annex A**, with the ones that have not previously been reported to Audit Committee on pp 10 – 15.

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Audit Title (including priority level)	No. of findings	Status (including assurance rating)
<b>2021/22 projects</b>		
Property Investment Strategy	1 medium	Complete - <b>Reasonable</b>
Companies – Quercus	2 medium, 1.5 low	Complete - <b>Reasonable</b>
Corporate Landlord Liabilities	1 high, 1 medium, 2 low	Complete - <b>Limited</b>
Emergency Planning	None	Complete – <b>Substantial</b>
IT Governance	4 medium	Complete – <b>Reasonable</b>
Staff Wellbeing	1 medium	Complete – <b>Reasonable</b>
Temporary Accommodation	2 medium	Complete – <b>Reasonable</b>
<b>2022/23 projects</b>		
Green Waste Collection Service (medium)	None	Complete - <b>Substantial</b>
Pre-Application Planning Advice (medium)	2 medium, 3 low	Complete – <b>Reasonable</b>
Planning Applications – Validation Checks (medium)	As above	Incorporated into Pre-Application Planning Advice audit
Contain Outbreak Management Fund grant verification	N/A	Complete - Verified
Test & Trace Support grant verification	N/A	Complete - Verified
Home Upgrade grant: phase 2 verification	N/A	Complete - Verified
Biodiversity Net Gain grant verification	N/A	Complete - Verified
Annual Governance Statement Review	N/A	Complete
<b>Ongoing work from 2022/23 plan</b>		
Contract Management (high)	N/A	Draft report
Service Planning (high)	N/A	Draft report
Taxi Licensing (medium)	N/A	Draft report
Procurement (high)	N/A	Draft report

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Audit Title (including priority level)	No. of findings	Status (including assurance rating)
West Kent Partnership (high)	N/A	Underway
Capital Project Management (high)	N/A	Underway
Asset Management (high)	N/A	Underway
Landlord Incentive Scheme (high)	N/A	Underway
Net Zero Action Plan (high)	N/A	Underway
Business Continuity (high)	N/A	Underway
Ethical Governance (high)	N/A	Underway
Asset Management (high)	N/A	Deferred to 2023/24 due to new system being implemented
Revenues & Benefits Discretionary Powers (medium)	N/A	Underway
Accounts Payable Continuous Assurance (medium)	N/A	Underway
Equality & Diversity (medium)	N/A	Underway

## Follow Up

30. We follow up each month, examining those actions that fell due since the previous exercise. We take due dates from the action plan agreed with management when we finish our reporting. We report progress on implementation to Senior Management Team each quarter and include matters of continuing concern.
31. When a service is unable to implement actions by the agreed date, they request a deferral. Deferrals are agreed for valid reasons though the original risks do of course remain until implementation is complete. We are working with Strategic Management to reduce the numbers of deferrals, including timely reminders to responsible managers from Internal Audit and the introduction of a more stringent process to request deferrals.
32. The following table provides a summary of the results of our follow-up process for the financial year 2022/23.

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Priority	Brought forward from 2021/22	Raised in year	Implemented in year	Carried forward to 2023/24
High	0	12	5	7
Med	0	41	26	15
Low	2	26	14	14

33. Overall we are content with officers' progress on acting to address findings we raise in our reviews.

## Risk Management

34. The Annual Opinion also considers risk management arrangements within the organisation.

35. A new Risk Management Strategy was developed and approved by this Committee in January 2022 and has been implemented for use at strategic risk level. However, the risk maturity of the organisation requires further development over the forthcoming financial year. This will include a process for operational / service level risks, which is currently lacking.

## Consultancy and Advice Work

36. We also continue to undertake a broad range of special and scheduled consultancy and advice work for the Council and we remain engaged and flexible in seeking to meet the assurance needs of the Council. We are happy to discuss opportunities large and small where the Council can usefully employ the experience and expertise of the Internal Audit team.

## Counter Fraud

37. We consider fraud and corruption risks as part of all our audit engagements as part of our assessment of the adequacy and effectiveness of controls. We additionally plan to continue our work on the fraud risk assessment in conjunction with the Revenues & Benefits Counter Fraud Manager.

38. We remain available to the Council to conduct any investigations regarding alleged fraud, corruption or upon receipt of whistleblowing complaints.

39. We have received no allegations or complaints during 2022/23 and therefore have no matters of concern to report.

## Quality Assurance

40. Audit Committee has an important oversight role in the quality and effectiveness of Internal Audit. Members of the Committee must assure themselves that Internal Audit makes a valuable contribution to the organisation's governance and that stakeholders can place reliance on its conclusions.



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41. To facilitate this quality oversight role, Internal Audit has a Quality Assurance and Improvement Programme (QAIP), which includes Key Performance Indicators (KPIs), customer satisfaction questionnaires, annual self-assessments against professional standards and five yearly External Quality Assessments (EQA). Members will be aware that the most recent EQA took place in January 2021 and the full report was subsequently presented to Audit Committee in March 2021. The external assessment was largely in agreement with our own self-assessment and the overall conclusion was that the function is 'Partially Conformant' with professional standards.
42. The Key Performance Indicators for Quarter 4 (January to March 2023) are provided in **Annex B**. The KPIs illustrate that customer satisfaction is generally high and that responsible managers have accepted audit recommendations. However they also show, in line with the self-assessment and the EQA, that the function needs to improve on delivery within budget, as over-runs are currently impacting the efficiency and the effectiveness of the service.
43. The results of the various strands of Quality Assurance activity combine into a single, overarching Quality Improvement Plan which is presented in **Annex C**. The Plan is divided into different themes encompassing internal audit activity but the fundamental objectives of the Plan are to move us into a position of being 'Generally Conformant' with the standards, improve service efficiency and to ensure that all audit work adds value to the Council. The Plan, including progress updates, will be presented periodically to Audit Committee (minimum six monthly) to enable monitoring and oversight.

## Acknowledgements

44. The results we have achieved this year has been due to the hard work of our team who have come through a particularly challenging year with less than half the team being in post and present for a significant portion of the year. I would therefore like to give my thanks to them for the work they have done so far.
45. I would also like to thank Officers, the Strategic Management Team and Audit Committee Members. Without your support we would struggle to work effectively.

## Annex A - Summaries of Audit Reports issued

### Property Investment Strategy – July 2022

#### Reasonable

The purpose of this review was to establish if the Council procured assets in line with the criteria set of its Property Investment Strategy and assess if the financial model used is sufficient and a good working example, and that income from investments is meeting expectations.

#### Strengths

- The Council has a Property Investment Strategy, which is reviewed annually, and clearly sets out the council's criteria to be met for asset purchases.
- There is regular reporting on each investment property showing whether the income derived from it is meeting expectations.
- There has been an improvement in the style of the investment proposal reports which clearly show the financial aspects and potential issues and steps which could be taken.

#### Areas for development

- There is reliance on staff experience and expertise to identify and follow through on an investment as there is currently no written guidance as to the steps to be taken for investments in relation to capital projects.

### Corporate Landlord Liabilities – July 2022

#### Limited

The aim of the audit was to review the effectiveness of the controls over the Council's compliance to its statutory responsibilities as corporate landlord. The service would like it noted that they recently introduced the current approach as there were limited arrangements in place previously.

The controls over statutory compliance and the associated budgets require improvement. Although suggestions for planned maintenance for the coming year are listed in the annual plan for each property, we could not ascertain whether works had been completed from either the planned property maintenance (PPM) spreadsheet, or from conversations with officers.

Compliance reviews are undertaken to ascertain non-compliance to statutory requirements relating to tenanted properties. However, this is administered via a rolling spreadsheet that is continually updated, which increases the risk of manual errors and could lead to compliance inspections not being undertaken when due.

Our testing found compliance certificates are not consistently attached to the compliance confirmation form completed by tenants to confirm that inspections have been carried out in

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accordance with the lease. This poses a risk should the necessary inspections not have been carried out, and a formal escalation process is yet to be agreed.

The service is currently in the process of implementing the Uniform and Idox system to support the statutory compliance function, but it remains unclear if this system is indeed appropriate. We understand implementing the system will address some of the control weaknesses identified. Introductory training has been completed by the service and they had anticipated the system being operational by May 2023, this has now been extended to November 2023. Ongoing training will be required.

## Emergency Planning – September 2022

### Substantial

The objective of the audit was to review the effectiveness of controls over the Sevenoaks District Council's (Council) emergency planning arrangements.

The Council's emergency response role sits within a larger framework of responders, coordinated through the Kent Resilience Forum. Within the Council, Emergency Planning arrangements are overseen by the Head of Direct Services, alongside the CCTV Partnership & Emergency Civil Protection Manager. We focused our review on plans underpinning the MEP and how the Council liaises with the Kent Resilience Forum and other agencies to communicate with external stakeholders, test emergency plans and report on major incidents.

We noted the following areas of key strengths:

- The Council's major emergency plan was reviewed, updated, and approved in January 2022. This was done with support from an external consultant.
- The position of the Sevenoaks major emergency plan concerning County and Kent Resilience Forum (KRF) plans are laid out. The responsibilities of all parties are clearly outlined and documented.
- Training is provided to employees on the KRF and handling major emergencies.

We have raised no recommendations resulting from our testing and so we consider this audit complete.

## IT Governance – October 2022

### Reasonable

The objective of this audit was to provide an evaluation of, and an opinion on, the adequacy and effectiveness of the system of internal controls that are in place to manage and mitigate risks associated with IT governance. The audit was part of the 2021/22 approved Internal Audit Plan for Sevenoaks Borough Council (Council).

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The following areas for improvement were noted:

- An IT Security policy is in place, though it has not been reviewed since 2017 and is available to staff on the intranet and before they log on to the network.
- There are no further policies covering topics such as change management or third party management.
- Projects and initiatives linked to strategic change and/or other sources are not governed, documented and tracked.
- Vulnerability scanning does not take place to detect security issues in between the annual penetration tests that occur. As vulnerabilities are frequently discovered in existing software, there is a risk that hackers could exploit them in between such testing and thus vulnerabilities are present and create a “window of opportunity”.
- A Digital Strategy linked to the Customer and Workforce strategies was published in July 2021, but initiatives/projects arising from it are not defined. Furthermore it does not analyse the existing IT services or define any gap between current state and future vision to support the key actions that it includes.

## Temporary Accommodation – November 2022

### Reasonable

The objective of the audit was to review the adequacy and effectiveness of the controls in place to ensure that the Council is complying with the Homelessness Reduction Act 2017 in relation to the provision of temporary accommodation. Based on our findings there is a Reasonable assurance that the controls are operating effectively.

We found households are being placed in temporary accommodation as required and are being supported to submit Housing Benefit applications as appropriate. We found 7/10 applicants sample tested had a Personal Housing Plan (PHP) either prior to being placed in temporary accommodation, or within 36 days after being placed. There are management checks in place to ensure PHPs are monitored and households are supported, however, there are some gaps when families are supported by other teams within the Council and improvements can be made to enhance cross-team working.

The landlord support scheme is on par with neighbouring Local Authorities and the service is exploring options to ensure other avenues of temporary accommodation are available. The service has introduced a dedicated Landlord Liaison Officer post to enable good working relationships with both landlords and agents.

Cabinet approved the Temporary Accommodation Placement Policy in April 2020 which included a schedule enabling the Council to charge a means-tested fee for temporary accommodation which could realise £36,000 income. However, the service is yet to set this up, though is currently exploring options to implement the process for collecting these fees.

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## Staff Wellbeing – November 2022

### Reasonable

The purpose of this review was to assess the adequacy of arrangements in place for staff welfare and wellbeing.

The Human Resources team provide a proactive approach to staff wellbeing. Particularly with:

- Regular communication to staff about the various resources the Council provide in regard to wellbeing
- Monitoring the use of staff benefits, to ensure staff are aware of the benefits they can receive
- Updating training programs, to ensure their relevance
- Creating the Consultative Group in January 2022, to ensure staff engagement with council decisions
- Through the COVID lockdowns, and after, continued to provide support, information, and training, in person and online

However, the Mental Health Strategy should be updated to provide more specific, measurable actions, which will help to ensure the Council takes a consistent approach to wellbeing.

## Companies – Quercus – December 2022

### Reasonable

The objective of the audit was to review the relationship between the Council and its subsidiary companies and the effectiveness of governance arrangements to oversee company activities.

The governance arrangements and overall framework in place to oversee the activities of the company are generally sound. We found the agreements in place regulating the relationship between the Council and its companies are fit for purpose and the remit of the Trading Board and Guarantor Board are clearly set out within their terms of reference. The Council has regular oversight through quarterly meetings and the Annual General Meeting (AGM) is essentially effective.

However, our review of the arrangements in practice found that they are not always clear, which creates the potential for conflicts. It was not clear in what capacity officers were reporting to the Council, and we found agreements had been signed by officers on behalf of the Council that are also directors of the companies. This could leave the Council open to challenge over the duty owed to the company and the interests of the Council.

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## Green Waste Collection Service – June 2023

### Substantial

The objective of the audit was to seek assurance on the effectiveness of the controls in place to:

- Ensure payment is received for garden waste collected; and
- Provide a quality service to customers.

Management are proactive in looking for ways to improve the service and have previously commissioned reviews which recommended technology improvements to increase the efficiency of administration processes. As a result, during the audit the 'Create' Customer Relationship Management (CRM) system was being set up, with the appropriate involvement of officers who work daily with the green waste service to improve the efficiency of the service.

We found that new customers are added to the system and have new bins delivered promptly upon payment. There have been improvements to the renewal process recently which mean this is well managed and collections cease if the subscription payment is not received. We also found cancellations are appropriately processed and refunds are accurate.

Once the new CRM system is fully functional, management might find it useful to complete some analysis to establish if there have been any efficiency improvements.

## Pre-Application Planning Advice – June 2023

### Reasonable

The objective of the audit was to seek assurance on the administration of pre-application planning advice, including the use of planning performance agreements (PPAs). We found the arrangements in place to validate and respond to pre-app advice, and deliver the PPA are generally sound. However, we identified improvements in control to strengthen the process for fee setting to ensure they reflect the cost of the service.

#### *Key strengths*

- The website provides a sound overview of the pre-app advice service.
- Validation procedures ensure all required information, including the fee, is received prior to being passed to Planning.
- Workflow functionality enables the service to seamlessly allocate cases.
- The letter template provides sufficient guidance of the factors officers should consider when providing pre-app advice.
- The template for PPAs is sufficiently detailed and consistent with best practice.

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## *Areas for development*

- The fee setting process to ensure the fees reflect the cost of the service requires improvement and evidencing to support in the event of a challenge.
- The approach to link payments to the respective pre-app advice needs reviewing.

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## Annex B – Key Performance Indicators for Quarter 4 (January – March 2023)

Finance: Associated performance indicators	Q4
<p><b>F1:</b> Percentage of budgeted days taken to complete projects – <i>Target 100%</i> Reported on a <b>cumulative</b> basis</p> <p>Indicator measures any variance between the days agreed on the final brief vs. the actual time coded</p>	197%
<p><b>F2:</b> Chargeable days – <i>Target 75%</i> Reported on a <b>quarterly</b> basis</p> <p>Indicator measures the actual chargeable activities against the assumptions made in the audit plan</p>	Average 58%
<p><b>F3:</b> PSIAS conformance – <i>Target ‘Generally Conforms’ (IIA definition)</i> Reported <b>annually</b></p> <p>Indicator measures effectiveness of the Quality Assurance &amp; Improvement Programme (QAIP) to ensure compliance with professional Standards.</p>	Reported annually
Client satisfaction: Associated performance indicators	Q4
<p><b>C1:</b> Respondents satisfied with the overall audit experience – <i>Target 90%</i> Reported on a <b>project by project</b> basis</p> <p>Indicator measures Client satisfaction with how we undertook the work, and takes into account our professionalism, approach and competence</p>	81%
<p><b>C2:</b> Respondents agreement with the audit actions – <i>Target 90%</i> Reported on a <b>project by project</b> basis</p> <p>Indicator measures Client agreement to the audit findings and resulting actions from our audit work</p>	100%



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Internal processes: Associated performance indicators	Q4
<p><b>I1:</b> Percentage of draft audit briefs issued at least 10 working days before the start of fieldwork. - <i>Target 90%</i> Reported on a <b>project by project</b> basis Indicator measures the effectiveness of our project planning and communications with the client</p>	0% we no longer work in this way though and therefore this indicator has been removed for 2023/24
<p><b>I2:</b> Percentage of draft audit reports issued by the date given on the final audit brief - <i>Target 70%</i> Reported on a <b>project by project</b> basis Indicator measures the efficiency of our audit work, currency of our audit finding and effective engagement between Auditors and Clients</p>	0%
<p><b>I3:</b> Time taken between issue of the DRAFT report and FINAL report – <i>Target 15 working days</i> Reported on a <b>project by project</b> basis Indicator measures the effectiveness of our process to finalise audit reports and issue the report in a timely manner</p>	67%
Learning & Development: Associated performance indicators	Q4
<p><b>L1:</b> Audit actions fully implemented within agreed timescales – <i>Target 80%</i> Reported on a <b>monthly</b> basis Indicator measures the successful implementation of audit actions and the effectiveness of our follow-up process</p>	11/17 65%
<p><b>L2:</b> Training &amp; development days - Reported <b>annually</b> Indicator measures our investment and time spent on training and development against the assumptions made in the audit plan</p>	32 Days (annual budget of 29 days)

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## Annex C – Quality Action Plan

Theme	Action	Target Date	Status Update
Reporting	Review the assurance levels for individual reports.	To be introduced for financial year 2021/22.	Complete
Reporting	Review the assurance levels for the Annual Opinion.	Graded opinion to be provided for 2020/21.	Complete
Reporting	Review report format to ensure that it is fit for purpose but “lean” – only containing elements that add value to the customer. Include guidance notes.	To be introduced for financial year 2021/22.	Complete
Reporting	Deliver report writing training in team meeting session.	Jul-21	Complete
Reporting	Deliver root cause analysis training in team meeting session.	Aug-21	Complete
Reporting	Review action priority levels.	April 2022	Not yet started. Change in Audit Manager initially delayed this review, in-year challenges delayed it further. We are procuring a new audits management system and as such will take the opportunity to review a number of practice areas at the point of implementation and this will be incorporated in that review.
Reporting	Review the Annual Opinion report template and contents to ensure that IA reports to committee are more strategic and focused on outcomes / key themes and issues.	Jul-21	Complete

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Theme	Action	Target Date	Status Update
<b>Co-ordination of Assurance</b>	Develop assurance maps for both organisations a) Discuss other forms of assurance as part of 2021/22 Audit Planning b) Add assurance maps to both Plans for 2021/22.	Complete by March 2022.	In progress - Outline complete but change in Audit Manager initially delayed work in this area and in year challenges have delayed it further.
Co-ordination of Assurance	Develop relationships with EA 1) Set up regular liaison meetings (every 4 months?).	For 2021/22 financial year with new EA personnel.	In progress
<b>Planning</b>	Develop more risk-based method for 2021/22 periodic planning.	For 2021/22 financial year.	Complete
Planning	Maintain under review the approach to periodic planning - annually or quarterly / six monthly.	Review again for 2022/23.	Complete, changes to periodic planning proposed as part of the Audit Plan 2022/23 paper.
Planning	Develop Audit Strategy for the partnership.	Sep-21	Due to the re-profiling of the team, increasing the proportion of trainees, as well as the upcoming implementation of a new audit management system, this work has been delayed until 2023/24.
Planning	Undertake Culture / Ethics / IT Governance Audits.	March 2022 (for completion of 2021/22 audits).	In progress - IT Governance audit has been completed. Ethical Governance is currently underway.
Planning	Develop mechanism and allocate responsibilities to team members to keep knowledge of key parts of the sector up to date, share updates with team as a whole.	Oct-21	Complete – Team meetings are being used to facilitate knowledge sharing of updates in the profession and they have been encouraged to make use of free training forums provided by IIA UK.

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Theme	Action	Target Date	Status Update
<b>Data Analysis</b>	Provide Excel training to the team.	Dec-20	Complete - basic data analysis provided over 2 sessions in house and further 1 day external course. Need to review further options once skills matrix complete.
Data Analysis	Arrange demonstration of data analysis software.	Dec-20	Complete
Data Analysis	Add data analysis to team objectives.	Dec-20	Complete
Data Analysis	Add to planning checklist to enforce that it is considered as part of every audit and that non-use is justified – done.	Dec-20	Complete
Data Analysis	‘Continual’ assurance using analysis of data will be trialled as part of the 2021/22 Plans.	Complete by March 2022.	First audit has been planned and is due to start imminently
Data Analysis	Draft data analysis strategy will be prepared by September 2021 (including identification of potential costs) and shared with the s151 officers for agreement of any additional funds required, specifically for training or software.	Sep-21	Not yet commenced - difficult at present due to staff changes and as other audit skills need to be fully developed first.
<b>Performance Management</b>	Review suite of KPIs to ensure they measure what we need to know and want to improve.	Needs to be in place for 2021/22.	Complete
Performance Management	Review calculation of CSQ measure.	Needs to be in place for 2021/22.	Complete
Performance Management	Quality of work including specific standards, competencies, deliverables and performance measures to be set out in a new suite of objectives for the auditors.	Dec-20	Complete
<b>Quality and timeliness of audit work (also links to</b>	All team members to undertake skills gap analysis against the IIA competency framework.	May-21	Complete

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Theme	Action	Target Date	Status Update
<b>Performance Management above)</b>			
Quality and timeliness of audit work (also links to Performance Management above)	Training plan for 2021/22 to be developed (reliant on completion of the above action).	Jul-21	Complete
Quality and timeliness of audit work (also links to Performance Management above)	Develop a Customer Charter that sets out clear expectations for audit staff and clients. Include expectation that customers will be given 2 weeks to comment on draft report.	To be in place for April 2021.	Complete, ongoing need to remind staff of the commitments in the Charter and to ensure they are communicating with clients.
Quality and timeliness of audit work (also links to Performance Management above)	All staff to continue to complete self-assessments at the end of individual audits to identify actions for improvement going forwards.	For 2020/21 audits onwards.	In progress and ongoing.
Quality and timeliness of audit work (also links to Performance Management above)	Training on project planning audits to be delivered as part of team meeting.	May-21	Complete - delivered over two sessions - April and May 2021.
Quality and timeliness of audit work (also links to Performance Management above)	Weekly 121s and action plans.	November 2020 onwards.	In progress and ongoing.

# DARTFORD & SEVENOAKS AUDIT PARTNERSHIP

Theme	Action	Target Date	Status Update
Quality and timeliness of audit work (also links to Performance Management above)	Identical audits across both sites to be allocated to same team member. Some 'task based' teams will be deployed for bigger audits in 2021/22 - Ethical Governance and Culture, will use agile techniques such as daily catch ups and specific task based timings. 'Site based' approach will be considered where practical.	Complete by March 2022.	In progress. Audit allocations are complete and where possible, identical audits have been allocated to same staff member.
Quality and timeliness of audit work (also links to Performance Management above)	Review and update the Audit Manual.	Sep-21	Complete
<b>IA Charters</b>	Review Audit Charters for both organisations.	Audit Committee / Board March 2022.	Complete
<b>Data Retention</b>	Review and update the information asset register / data retention schedule.	May-21	Complete
<b>Remote Working</b>	Complete Lessons Learned review of the past year as part of team meeting session.	Apr-21	Complete
<b>Follow Ups</b>	Review the follow up process and consider whether quarterly would be more efficient than monthly.	Apr-21	In progress - Follow up process was reviewed in August 2022 to look for efficiencies with further improvements to be considered as part of new software procurement for implementation in 2023/24.

# DARTFORD & SEVENOAKS AUDIT PARTNERSHIP

## Annex E - Definitions of Assurance ratings:

OPINION	DEFINITIONS
<b>Substantial Assurance</b>	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
<b>Reasonable Assurance</b>	<p>There is a generally sound system of governance, risk management and control in place.</p> <p>Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.</p>
<b>Limited Assurance</b>	<p>Significant gaps, weaknesses or non-compliance were identified.</p> <p>Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.</p>
<b>No Assurance</b>	<p>Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified.</p> <p>The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.</p>