

Internal Audit Report & Annual Audit Opinion 2023/24

Maidstone Borough Council

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Introduction

1. This is the 2023/24 Annual Report by Mid Kent Audit on the internal control environment at Maidstone Borough Council ('the Council'). The annual internal audit report summarises the outcomes of the reviews that have been carried out on the Council's framework of governance, risk management and internal control and is designed to assist the Council making its annual governance statement.
2. This report provides the annual head of audit opinion ('Opinion statement') and a summary of the key factors taken into consideration in arriving at the Head of Audit Opinion statement, as at 30 May 2024.

Head of Internal Audit Opinion statement

3. The Head of Audit Opinion draws on the work carried out by Mid Kent Audit during the year on the effectiveness of managing those risks identified by the Council and covered by the audit programme or associated assurance. Not all risks fall within the agreed work programme. For risks not directly examined reliance has been taken, where appropriate, from other associated sources of assurance to support the Opinion statement (an explanatory note is included at Annex A).
4. The Head of Audit Opinion statement for 2023/24 is:

Following two years of reduced capacity of the internal audit team due to significant staff changes and shortages, a partially successful recruitment has led to a period of greater stability within the team. Overall progress on the planned programme of work delivered by internal audit has improved with a greater number of audits completed in 2023/24. In addition to the results of the internal audit work concluded during the year some additional sources of assurance have also been included to support the opinion. A summary of where it has been possible to place reliance on the work of other assurance providers is presented in the annual internal audit report. Utilising all these forms of assurance I can draw a positive conclusion as to the adequacy and effectiveness of Maidstone Borough Council's risk management, control and governance processes. In my opinion, Maidstone Borough Council has adequate and effective risk management, control and governance processes in place to manage the achievement of their objectives.

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Matters impacting upon the Opinion statement

5. Organisations design internal controls to manage to an acceptable level rather than remove the risk of failing to achieve objectives. Consequently, 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.
6. Mid Kent Audit recognises the considerable financial challenges and the difficult decisions that the Council had to deal with during 2023/24, however, the professional and regulatory expectations on public bodies to ensure that their internal audit arrangements, including providing the annual Opinion statement, conform with the Public Sector Internal Audit Standards (PSIAS) have not changed.
7. Factors that need to be taken in to account in reaching the Opinion statement include:
 - Changes in ways of working: Have these led to gaps in the governance, risk management and control arrangements?
 - Independence of internal audit: Have any limitations in the scope of individual audit assignments resulted in it only being possible to place partial assurance on the outcome?
 - Internal audit coverage: Has any reduction in internal audit coverage compared to what was planned resulted in insufficient assurance work?

Changes in ways of working

8. The following are the main considerations which impacted upon the provision of the Opinion statement for 2023/24. These are not in any priority order and in a number of cases there is an inter-relationship between two or more of these considerations.
 - Remote working and greater use of digital forms of operation and communication has now been in place for three years following the rapid introduction during the pandemic. This change in ways of working

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is now considered normal and the adaptations are being managed as business as usual.

- The significant increase in cyber-attacks against all organisations to obtain unauthorised access to data and the consequential need for ongoing updating and vigilance in terms of security of data held.

Independence of internal audit

9. 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 the service under a collaboration agreement.
10. Within the Council during 2023/24 Mid Kent Audit has continued to enjoy complete and unfettered access to officers and records to complete its work. On no occasion have officers or Members sought or gained undue influence over the scope or findings of any of the work carried out.

Internal audit coverage

11. Mid Kent Audit has experienced significant turnover of staff in previous years, and this year saw the appointment of an Audit Planning Manager and an Audit Delivery Manager through promotions within the service. In addition to these promotions, an auditor and senior auditor were also recruited to the team. There are still some vacant posts within the team and further recruitment campaigns are underway to fill the remaining posts. The Head of Mid Kent Audit Partnership started in December 2022 and an assessment of the structure was undertaken to determine the maximum optimisation of the resources required to deliver the service. It is acknowledged that a significant level of local knowledge and experience of the Council was lost during previous years and the current structure has provided some stability to the service.
12. The Council's Audit Committee approved the 2023/24 Audit & Assurance Plan on 13 March 2023. The selection, prioritising and scoping of the audit reviews in this Plan was undertaken by the Head of the Audit Partnership.
13. There has been a reduction in terms of the planned internal audit coverage for 2023/24. This has been due to the impact of the late completion of the 2022/23 planned work and the significant churn in terms of staff within Mid Kent Audit. The knock-on effect is that a number of planned audit reviews have either been deferred or cancelled.



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As a consequence a number of the audit reviews set out in the 2023/24 Internal Audit Plan have not been completed to inform the 2023/24 Opinion Statement, however, the incomplete reviews from the previous year have been included in the 2023/24 Opinion Statement. This is a timing matter, rather than systematic of any issue in respect to the Council's governance, risk and control framework. The team at Mid Kent Audit has worked diligently at the delivering the work and this timing issue is not a reflection upon the efforts of the current team. Any outstanding audits from the 2023/24 audit plan, have been restated on the approved 2024/25 audit plan, so should reset the balance.

Arriving at the Opinion statement

Reliance on internal audit work performed

14. Audit evidence to support the Opinion statement on internal control is derived principally through completing the reviews set out within the agreed Audit Plan. The 2023/24 Audit & Assurance Plan provided for 23 reviews to be carried out.
15. For the reasons explained in paragraph 13, above, only 14 of these reviews were completed in time to inform the 2023/24 Opinion statement. There are five audits from 2022/23 that was completed during this year so will be included in the Opinion statement. This means that 19 audits were completed during the year and one review is still underway (compared to 8 completed reviews for 2022/23). These reviews are shown in the table below. There were no Critical actions raised and 11 high risk actions raised which affects (negatively) the risk rating assigned to a Council strategic risk or seriously impairs its ability to achieve a key priority.

See table below for details of completed audits that informed the annual audit opinion.

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Audit Review	Assurance rating		Number of Actions by Priority Rating			
			Critical	High	Medium	Low
<i>Contract Management (draft)</i>	Weak	Sound				
Social Media	Sound			-	-	2
Conservation and Heritage	Strong			-	-	1
Planning Enforcement	Sound			-	2	4
Grounds Maintenance	Weak			1	6	3
Complaint Handling	Sound			-	1	3
Public Health Funerals	Sound			-	-	3
Property Income -Commercial	Sound			-	3	1
Facilities Management	Weak			4	-	-
Private Water Supplies	Sound			-	-	5
Subsidiary Company Governance	Weak			4	3	-
Capital Projects	Sound			-	4	1
Learning and Development	Strong			-	-	-
Land Charges	Strong			-	-	1
Cyber Security	Sound			-	1	2
IT Disaster Recovery	Sound			1	1	2
Compliance with Computer use Policy	Sound			-	-	2
Council Tax Reduction Scheme	Sound			-	2	-
Business Rates	Sound			1	1	3

16. A summary of the Assurance and Action priority level definitions is provided in Annex B.
17. There were four weak assurance audit reviews identified in 2023/24. Each of these audits has an agreed management action plan to identify the actions required to mitigate the control weakness identified during the audit. Progress on these actions is monitored as part of the follow up process (see note 23)
18. An overview of the key findings from each of the finalised reviews for which details have not been previously provided in the 2023/24 Progress Report to

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the Audit, Governance and Standards Committee is provided in Annex C. These findings do not indicate any significant Council-wide weaknesses in the corporate governance, risk or control framework.

19. Where appropriate, reliance has been placed upon previous internal audit work and other work performed by Mid Kent Audit, including:
 - The unqualified 2022/23 Head of Audit Opinion and the findings of previous years' internal audit work carried out (paras 20 below refers).
 - The outcomes of the follow up work carried out to confirm control weaknesses identified by internal audit have been effectively mitigated (paras 21 - 22 below refers).
 - The outcomes of other work performed by Mid Kent Audit for the Council (para 24 below refers).
20. **Previous years' internal audit work:** The unqualified opinion Internal Audit Report for 2022/23 advised that there no audit review carried out by Mid Kent Audit during the financial year where there were assurance assessments of 'Weak' or 'Poor'.
21. **Following up Actions:** Actions are made in the audit reports to further strengthen the control environment in the area reviewed. Management provides responses as to how the risk identified is to be mitigated. Throughout the year Mid Kent Audit carried out checks to ascertain the extent to which the agreed Actions had been addressed by management and that the risk exposure identified has been mitigated.
22. During 2023/24, a revised process for following up on actions was developed within the internal audit team. All prior year's actions were followed up and there are eight currently in progress. There are 16 actions remaining from 2022/23 that are in progress.
The table below also includes the number of actions from 2023/24 audits and the progress made on these to date, most of which are not due.

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	High	Medium	Low	Total
Total actions 2022/23				
Actions agreed	9	20	12	41
Actions cleared	8	9	8	25
Actions not due	1	11	4	16
Outstanding actions 2022/23	0	0	0	0
Total actions 2023/24				
Actions agreed	3	14	25	42
Actions cleared	0	2	5	7
Actions not due	3	12	20	35
Outstanding actions 2023/24	0	0	0	0
Total Outstanding actions	0	0	0	0

23. Outcomes of other work carried out by Mid Kent Audit:

Work was carried out on the Section 31 Grant Determination 31/6499 Biodiversity Net Gain certification. The Head of the Audit Partnership reviewed the certification completed by the council on grant spend and provided a signed assurance confirming it was in line with the guidance.

Reliance on other sources of assurance

24. For the reasons set out earlier in the report it has been necessary for 2023/24 to place some reliance upon a number of 'other assurance providers' to support the annual audit opinion and these are summarised below:

- Public Services Network Connection Compliance (Para 25 details)

25. The ICT department are regularly verified by the Cabinet Office to ensure that it's ICT systems and infrastructure are sufficiently secure and that the connection to the Public Services Network would not present an unacceptable risk to the security of the network. The organisation received a certificate of compliance to demonstrate the achievement.



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26. Information on Mid Kent Audit which supports the delivery of the internal audit and other work carried out in the financial year is summarised in Annex D. Overall, despite the significant staffing changes during the year, Mid Kent Audit has maintained a PSIAS compliant service and there has been no diminution in the robustness of the work performed.

Acknowledgements

27. Managers, Officers and Members are thanked for their continued support throughout the year which has assisted in the efficient delivery of the audit work.

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Annex A

Other Sources of assurance for 2023/24

The corporate governance, risk and control framework

The corporate governance, risk and control framework for the Council is dynamic and there will be changes to the processes throughout the year. The key consideration for arriving at the annual Head of Audit Opinion is the materiality of any changes in terms of possibly increasing the exposure of the Council to activities and decisions which do not conform with the approved strategies and policies.

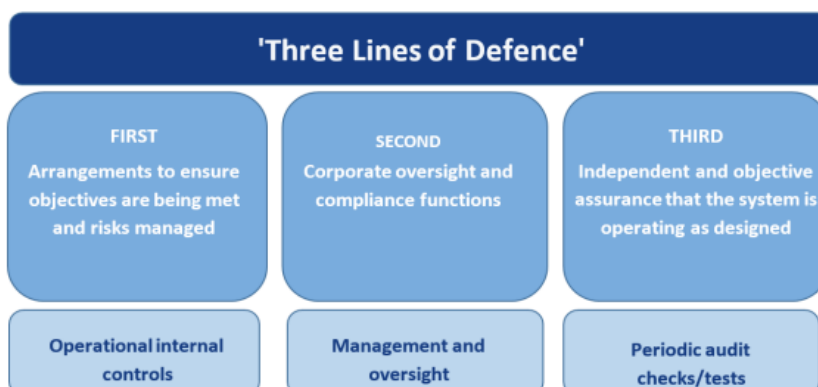
Obtaining additional sources of assurance

CIPFA provided guidance on utilising other forms of assurance to support arriving at a Head of Audit Opinion. This means that where the agreed internal audit plan of work has not been fully carried out additional assurances can be obtained from 'other assurance providers' (this being the CIPFA terminology).

Three lines of defence

The three lines of defence model, below, explains how the level of assurance that can be taken by the Head of Audit reduces if the source of assurance is from the second line of defence and reduces even further if it is from the third line of defence.

As a consequence the additional assurance utilised to assist in supporting the 2023/24 Head of Audit Opinion has only relied upon second line of defence sources of assurance (i.e. where the author is not directly involved in the day-to-day operation of the corporate governance, risk and control arrangements they are reporting upon).



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Reduction in reliance due to passage of time

Due to the dynamic nature of the corporate governance, risk and control framework for the Council the reliance which can be placed on forms of assurance reduces as time passes. This has particularly been the case over the last three financial years with all the short-notice changes that were made to respond to the business disruption due to the COVID 19 pandemic. As a consequence the additional assurance placed on work carried out prior to the start of 2023/24 has been kept to a minimum.

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Annex B

Assurance and priority level definitions

Full Definition	Short Description
Strong – Controls within the service are well designed and operating as intended, exposing the service to no uncontrolled risk. Reports with this rating will have few, if any, recommendations and those will generally be priority 4.	Service/system is performing well
Sound – Controls within the service are generally well designed and operated but there are some opportunities for improvement, particularly with regard to efficiency or to address less significant uncontrolled operational risks. Reports with this rating will have some priority 3 and 4 recommendations, and occasionally priority 2 recommendations where they do not speak to core elements of the service.	Service/system is operating effectively
Weak – Controls within the service have deficiencies in their design and/or operation that leave it exposed to uncontrolled operational risk and/or failure to achieve key service aims. Reports with this rating will have mainly priority 2 and 3 recommendations which will often describe weaknesses with core elements of the service.	Service/system requires support to consistently operate effectively
Poor – Controls within the service are deficient to the extent that the service is exposed to actual failure or significant risk and these failures and risks are likely to affect the Council as a whole. Reports with this rating will have priority 1 and/or a range of priority 2 recommendations which, taken together, will or are preventing from achieving its core objectives.	Service/system is not operating effectively

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Finding, Recommendation and Action Ratings

Priority 1 (Critical) – To address a finding which affects (negatively) the risk rating assigned to a Council strategic risk or seriously impairs its ability to achieve a key priority. Priority 1 recommendations are likely to require immediate remedial action. Priority 1 recommendations also describe actions the authority **must** take without delay.

Priority 2 (High) – To address a finding which impacts a strategic risk or key priority, which makes achievement of the Council's aims more challenging but not necessarily cause severe impediment. This would also normally be the priority assigned to recommendations that address a finding that the Council is in (actual or potential) breach of a legal responsibility, unless the consequences of non-compliance are severe. Priority 2 recommendations are likely to require remedial action at the next available opportunity, or as soon as is practical. Priority 2 recommendations also describe actions the authority **must** take.

Priority 3 (Medium) – To address a finding where the Council is in (actual or potential) breach of its own policy or a less prominent legal responsibility but does not impact directly on a strategic risk or key priority. There will often be mitigating controls that, at least to some extent, limit impact. Priority 3 recommendations are likely to require remedial action within six months to a year. Priority 3 recommendations describe actions the authority **should** take.

Priority 4 (Low) – To address a finding where the Council is in (actual or potential) breach of its own policy but no legal responsibility and where there is trivial, if any, impact on strategic risks or key priorities. There will usually be mitigating controls to limit impact. Priority 4 recommendations are likely to require remedial action within the year. Priority 4 recommendations generally describe actions the authority **could** take.

Advisory – We will include in the report notes drawn from our experience across the partner authorities where the service has opportunities to improve. These will be included for the service to consider and not be subject to formal follow up process.



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Annex C

Summary of Audit Findings

Contract Management (draft)

Sound / Weak

Social Media

Sound

Our opinion based on our audit work is that the Council has Sound arrangements in place for social media which are essential to manage the key risks and support achievement of its objectives in this area. We provide the definitions of our assurance ratings at appendix II.

We are satisfied that there are appropriate controls in place for social media channels under Maidstone Borough Council's brand, that ensure effective communication with the public, stakeholders, and staff, contributing to the Strategic plan and service area objectives. Our testing confirmed that procedures for governing, managing and monitoring social media channels were in place to avoid potentially inappropriate officer conduct.

We found some areas of improvement with regards to training practices, including followup training for social media users after initial induction sessions, and the social media action plan that sits within the strategy.

Conservation and Heritage

Strong

We are satisfied that there are appropriate processes and controls in place in respect of the following:

- there is sufficient, regular, direct conservation and heritage input into the creation of internal policies, procedures and guidance to protect and enhance the historic environment so that the Council meets its duties, including the maintenance of an up-to-date conservation or heritage strategy for the Council.
- the Council has access to or maintains a Historic Environment Record and that this record is regularly refreshed. Internal procedures are in place for



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notifying national heritage bodies of new sites and amendments of sites on the National Heritage List for England (NHLE).

- the Council systematically creates, updates, and monitors designated conservation area appraisals and management plans in line with legislative requirements and best practise.
- planning applications, proposals, appeal statements and representations, and public inquiries confirm Planning Officers have received sufficient specialist heritage advice to inform decisions in a timely manner and affected heritage assets have been adequately identified.
- heritage enforcement cases are pursued according to Council procedure and in accordance with the Planning (Listed Building and Conservation Areas) Act 1990.
- in-house and external training offered to Planning and Conservation Officers is suitable and CPD logs are maintained.
- arrangements are in place to ensure information about the historic environment is gathered as part of policymaking or development management is publicly accessible and updated, including the provision of accessible guidance for development in the historic environment.

Planning Enforcement

Sound

The Council's Local Enforcement Plan and response targets were agreed by Members in 2018 and are easily accessible via the Council's website. Our assessment of the Local Enforcement Plan found no review has been completed since it was introduced, meaning some of the links did not work and the general content of the document was not as comprehensive as that of neighbouring authorities. However, the service acknowledge the plan needs to be reviewed.

The service have processes in place for receiving, recording and responding to reports around breaches. However, our testing highlighted an inconsistent approach to updating UNIFORM and IDOX, communicating results to complainants, and completing site visits. All Enforcement Notices issued during 2023 were appropriately authorised by senior officers, however, compliance date monitoring was found to be adhoc.

Our review of a Planning Enforcement prosecution case found the Planning Contravention Notice was suitably approved, served, and Mid Kent Legal Services



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correctly instructed. However, we did identify gaps within the recording of key events/dates meaning it was difficult to understand the chronology of the case.

Grounds Maintenance

Weak

The service does not operate any Health & Safety policies or procedures relating specifically to Grounds Maintenance work, and instead places reliance on corporate policies which may not adequately cover this specialist work. We do, however, acknowledge that some reference is made to Health & Safety measures within the officer induction and through adhoc 'toolbox talks'. Operatives are made aware of the need to report accidents and near misses through their induction, but we found anomalies between incident reporting data held by the service, and that held by the Council's Corporate Health and Safety Officer. Some risk assessments for the service were out of date and accessibility of these documents on the Council's SharePoint site varied whilst we carried out our work.

The service operates a training matrix, and hold training records for each operative, but our review found the matrix to be unclear and out of date. As such, we were unable to determine what specific training was required to fulfil individual roles, and whether adequate training had been received.

While the service holds an asset/inventory register, it is out of date. We identified through sample testing that one asset was missing, and although the service believe that this item was disposed of some time ago, evidence could not be provided to substantiate this. The service does not carry out any periodic asset checks, and expectations around personal use and security of equipment is not conveyed to operatives.

Complaint Handling

Sound

The Complaint handling process at Maidstone Borough Council is generally well designed and correctly operated. We found that suitable policies and procedures, support the complaints process and our work returned mainly positive results from the testing completed. The service provides regular reports to both Senior Management and Members which provides effective oversight of the arrangements.



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We note that the service have responded positively ahead of the new LGSO Joint Complaint Handling Code, with a review completed against the Council's existing Complaints policy and a new training programme in traction to raise awareness amongst complaint administrators.

Our work identified opportunities to strengthen some areas notably around updating the Council's complaints policy to reflect implementation of the LGSO Joint Complaint Handling Code and reinforcing training for complaint administrators to improve conformity with the complaint policy. The audit also raises some lower priority matters including the need for the complaints policy to reference a privacy statement.

Public Health (Funerals)

Sound

We found that the Bereavement team adhered to s46 Public Health (Control of Diseases) Act 1984 with regards to the statutory duty of the authority to bury or cremate should no other arrangements be made. However, we found that procedure notes had not been updated since January 2002.

Individual case files retained on the shared drive for each funeral were not maintained in line with ICCM guidance, and the records held for each funeral conducted were incomplete. This included an absence of Next of Kin (NOK) declarations when the deceased's family were unable or unwilling to fund the funeral. However, during the audit, it was established that hard copies of documents were retained at the Bereavement Office and were subsequently uploaded to the system to enable us to retest. As a result of the retesting, it was found only one case had insufficient records retained.

While the Council can recover all expenses incurred as a result of making funeral arrangements under s46 of the Act, our work identified that there was no specific procedural document in place to support this work. It should be noted however that the testing showed that effort was made to recover funds in all cases.

We found that officers working within the Bereavement Team receive training to ensure that they are aware of their responsibilities around Public Health Funerals and we are satisfied that there are adequate business continuity arrangements in place in the event of officer absence



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Private Water Supplies

Sound

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 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 where 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.

Subsidiary Company Governance

Weak

The Council's governance arrangements with Maidstone Property Holdings (MPH) were reviewed against recent, national guidance from CIPFA (Local Authority owned companies: A Good Practice Guide). There were significant issues in relation to:

- ◆ Conflict of interests of board members, who are also council officers.
- ◆ Weaknesses in the Business Plan, Articles of Association and the Operational Agreements.
- ◆ Key documents are out of date.



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- ◆ Governance arrangements around meetings, performance management and risk management need to be reviewed and updated

Capital Projects

Sound

The Council's Capital Strategy conforms with CIPFAs Prudential Code and performs its function of providing a clear and concise view of how the Council determines its priorities for capital investment. We assessed that the strategy and associated Capital Programme has been subject to sufficient oversight, review and approval.

The Capital Strategy defines a clear process for submission and approval of Capital Projects. However, we found that the Council's project management framework was out of date, and that there were limited oversight mechanisms outside of respective service areas, meaning that methods of project management vary and may not meet the Council's expectations. A failure to address these issues will increase reputational risk if a publicised Capital Project fails.

We found that the process to monitor and report spend on Capital Projects and variances provides for sufficient oversight and scrutiny and note that further steps are being taken to strengthen financial monitoring of Capital Projects even further.

Learning and Development

Strong

We are satisfied that there are appropriate controls in place for Learning & Development at Maidstone Borough Council (MBC) and Swale Borough Council (SBC). Both MBC and SBC have developed comprehensive workforce strategies that address the needs and challenges facing their respective workforce.

The training programmes incorporated a blend of workshops, seminars, online courses and in-person sessions from industry experts and the Learning & Development team. The programmes for MBC & SBC established training sessions to improve staff competencies needed to meet the requirements of the role. Both programmes included qualification and certification opportunities to encourage staff to take on senior responsibilities within each council.



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Our testing confirmed that procedures for implementing and managing a successful training programme was in place at each council that supports strategic priorities.

Land Charges

Strong

Our testing focused on controls to ensure that fees received are accurate and that income is accurately reconciled with the general ledger.

We found that fee amounts are checked by officers and queried if the amount is wrong. This includes BACS payments which need to be checked manually. Automatic receipts are sent to customers after officers manually input the payment into the system. Officers send VAT receipts to the respective Councils once payments have been processed.

Reconciliations are carried out quarterly and are authorised by managers before being sent to the Finance teams of the respective Councils for review. The processes in place are effective in detecting discrepancies which are resolved with management oversight. However, we noted a weakness in how authorisations are recorded and retained to substantiate the supporting checks and to provide an audit trail.

At the time of our work the service was undertaking a consultation exercise on fees and charges and therefore fee setting was not covered as part of our work.

Cyber Security

Sound

We are satisfied that Mid Kent ICT has arrangements in place to ensure staff at the Councils it serves (Maidstone, Swale and Tunbridge Wells Borough Councils) have access to suitable training materials complemented by awareness campaigns, to encourage and promote good cyber security practices.

Central to our work was an all staff and Councillor survey covering all Councils. The results of the survey identified some themes to develop and strengthen existing arrangements, notably around enhancing the role of senior management in response



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to a cyber threat and better sign posting of cyber security policies to ensure greater awareness amongst staff.

Our work also identified correct use of passwords as an area of focus with the results of our survey identifying a high proportion of respondents not using a different password for their work accounts.

We note that the service is slightly behind its ambition to run phishing campaigns on a quarterly basis but intends to catch-up with an exercise scheduled during the first quarter of 2024/25.

IT Disaster Recovery

Sound

We established that the IT disaster recovery plan (the DR plan) is readily accessible on Teams and One-drive, ensuring availability to all IT staff members. The DR plan undergoes regular update and review, to ensure it remains relevant and effective. We found that while the plan incorporates some of the National Cyber Security Centre's (NCSC) best practices, there are further opportunities to embed these requirements, particularly in areas such as outlining statutory requirements. Furthermore, we found a lack of clarity to roles and responsibilities in the DR plan, caused by inconsistent terminology and overlapping responsibilities.

We found that the Business Impact Analysis (BIA) lacks important elements such as recovery time objectives (RTO), deviating from government guidelines. Integration of the risk assessment into the plan is currently minimal and the risk matrices are incomplete. Our discussion with officer also identified that training exercises to test the DR plan have not been recently performed (within at the last 5 years), highlighting the need for completing such exercises including broader training to involve all IT staff.

Compliance with Computer Use Policy

Sound

The Council's Computer Usage Policy was implemented in 2018. Our review found it to be up to date, and accessible to officers via the Mid Kent ICT Customer Portal. Results from our survey of officers and elected Members confirmed that the policy is communicated and accessible.



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The policy outlines the monitoring procedures for identifying breaches and references key areas such as Password and Email policy, Web Access, and Digital Security Incidents. We are unable to provide assurance that the Council acts on policy breaches as our discussions with officers confirmed none have been identified.

We have identified an improvement opportunity relating to the possible security risks computers users may face when using Microsoft Teams, and two low recommendations to ensure the policy is clearly embedded as part of the induction process for officers and Members, and that both are aware of their individual responsibilities to ensure compliance.

Council Tax Reduction Scheme

Sound

The Council Tax Reduction scheme undergoes an annual review and approval process, which follow established governance arrangements at each Council. We found that the published scheme for Tunbridge Wells, available to the public on its website, was outdated, pertaining to the 2021/22 period.

Testing of a sample of claims, which covered both Councils, revealed that all were appropriately verified, assessed, and awarded in accordance with the CTR scheme. The application process demonstrated robust arrangements, with supporting documentation retained where necessary to validate the accurate application of discounts. The approach ensures the integrity and reliability of the claims process.

The audit identified an imbalance within the Council Tax system to payments received. It was established that the reconciliation controls to detect such differences had lapsed.

Business Rates

Sound

The business rate relief process at Maidstone and Tunbridge Wells Borough Council is generally well designed and correctly operated. We found that suitable policies, procedures, and legislation supported the application assessment and approval of



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business rates reliefs, with positive results returned from the testing completed. The service provides regular reports to both Senior Management and Central Government which provides effective oversight of the arrangements.

However, our work identified some opportunities to strengthen some areas notably around review exercises to confirm ongoing entitlement of reliefs, which the audit found had lapsed. The audit also found discretionary rate relief policies require updating and raises some lower priority matters to update website content and strengthen the application form to reference a privacy statement.



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Annex D

About Mid Kent Audit

Standards and ethical compliance

- A. Government sets out the professional standards that Mid Kent Audit must work to in the Public Sector Internal Audit Standards (PSIAS). These Standards are a strengthened version of the Institute of Internal Audit's global internal audit standards, which apply across public, private and voluntary sectors in more than 170 countries around the world.
- B. The Standards include a specific demand for reporting to Senior Management and the Audit Committee on Mid Kent Audit's conformance with the Standards.

Conformance with the PSIAS

- C. CIPFA carried out a comprehensive External Quality Assessment (EQA) in May 2020 which confirmed that MKA was in full conformance with the Standards and the CIPFA Local Government Application Note (LGAN). The Standards requires an EQA to be carried out at least once every five years, but does not stipulate specific time intervals for Internal Quality Self-Assessments (ISA) in the intervening period.
- D. In February 2021 the interim Head of Audit for Mid Kent Audit carried out an ISA of conformance with the PSIAS. This review confirmed conformance with the PSIAS and raised 13 advisory or low priority action points. These points are currently being reviewed and managed by the substantive Head of Mid Kent Audit.
- E. The scope of this ISA did not include consideration of either the risk management or counter fraud work carried out by MKA. The scope did not include consideration of the resourcing of MKA, the audit risk prioritisation process or the appropriateness of the times allocated to the different stages of individual audit assignments.

Resources

- F. 2023/24 was a year of continuing staff change within Mid Kent Audit. Details of a number of these changes have previously been reported to the Audit Committee in the reports submitted by Mid Kent Audit. At the end of the financial year there were still vacancies and recruitment is underway. There



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will still be an impact during 2024/25, but the position will improve over the course of the year.

Use of an external provider to assist with audit reviews

- G. In September 2022, following a procurement process, Veritau was appointed to carry out a number of the audit reviews for which Mid Kent Audit did not have the available resources in-house. This contract was renewed in June 2023. This reflects that Mid Kent Audit has ensured the difficulties with staffing experienced during the year have been partially mitigated.