

# MID KENT AUDIT

## LAND CHARGES REVIEW

### RECOMMENDATION PROGRESS REPORT

March 2018

**Report To:**

Audit & Governance Committee

**Original findings report issued**

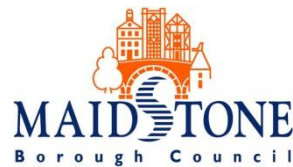
December 2017

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## Introduction and Background

In December 2017 we undertook an audit review of Land Charges which is a shared service operating across Tunbridge Wells, Swale and Maidstone Borough Councils. Based on the results of our fieldwork, we concluded that the controls offered a **weak** level of assurance. The report made 6 recommendations, all of which were accepted by management who undertook to deliver their implementation in line with the agreed action plan.

## Progress (as at 15 March 2018)

The service sought to take prompt action to address the issues with actions planned for full implementation by 1 April 2018. As such we were able to undertake our follow up work soon after publication of the final report in December 2017. Progress is outlined in the table below:

Recommendation	Delayed & risk remains exposed	Delayed, but no extra risk	On track but not due	Completed	Original implementation Date
<b>R1: Reconciliations</b> (High Priority)				✓	Closed
<b>R2: Official Search Fees</b> (Medium Priority)		✓			<b>1 April 2018</b>
<b>R3: Cheque Payments</b> (Medium Priority)				✓	Closed
<b>R4: Account Payments</b> (Medium Priority)				✓	Closed
<b>R5: Payments</b> (Medium Priority)				✓	Closed
<b>R6: Updates to the Register</b> (Medium Priority)		✓			<b>1 April 2018</b>

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## Further details on outstanding recommendations

The service has provided further details for the 2 outstanding recommendations and provided revised timelines. We will follow-up progress in accordance with these revised timelines and report progress as part of our normal update reports to the Committee:

Recommendation (from original report)	Management response, officer and date (from original report)	Progress to date and revised implementation date
<p><b>R2. Official Search Fees (Medium)</b> Analyse the fee increases and running costs of the service to ensure that official searches are charged appropriately.</p>	<p>This exercise is currently underway and the relevant information has been requested from finance to enable this confirmation to be made by the end of the financial year. <b>Ryan O'Connell</b> <b>By 1 April 2018</b></p>	<p>Con29R fees have been reviewed in line with legislation. However, new official search fees rules are due to be in place in May. Therefore this recommendation is unable to be completed until after these have been published. <b>July 2018</b></p>
<p><b>R6. Updates to the Register (Medium)</b> Undertake a review with the various services that provide Land Charge information to address issues relating to timely updating of the register.</p>	<p>There are numerous departments who are required to either update Local Land Charges directly (Tunbridge Wells and Swale), or via GIS (Maidstone) when they produce information. If those departments do not update us we do not have the information to provide to customers. We work with departments all the time to remind them of their responsibilities, and to help put in place automated systems and links to tables and data etc. that remove the need for human interaction. However, ultimately Local Land Charges is reliant on others to keep their systems and the register up to date. Local Land Charges are also reliant on historic information being correct, though we put in place rigorous procedures and checks carried out by trained Local Land Charges staff to mitigate this where possible. This will always remain a key risk to the service as with all Local Land Charges departments and will always need to be mitigated via our insurance. The Mid Kent Planning Support Manager will lead on a review, backed by this audit, with all internal originating departments to highlight the importance of keeping data up to date, identify any areas where automation can be used to improve reliability and consider, with originating departments, whether any funding is required to undertake retrospective work to improve data quality. <b>Ryan O'Connell</b> <b>By 1 April 2018</b></p>	<p>Work on this recommendation was delayed awaiting instructions from the Land Registry regarding a data cleansing exercise wanted to support commencement of a national land charges service. However, this appears to have been delayed further and so the service will now build on its ongoing actions and commitment to data quality through undertaking a specific review of areas with more acute data quality concerns. This review will include an action plan to address them, recognising the need to liaise with multiple departments. <b>October 2018</b></p>

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## Next Steps & Conclusions

As part of the follow-up process for review of a **weak** or **poor** rating, we consider the level of assurance following successful implementation of the audit recommendations. The service has taken action to address the high priority recommendation, and 3 of the 5 medium priority recommendations. As a result of the work undertaken by the service to date, we are satisfied that the risks have been sufficiently managed, and so we conclude that the level assurance has improved to **sound**.

We have agreed the revised target dates for the 2 outstanding recommendations, and note that the service liaised with us early to advise that the originally agreed implementation would no longer be achievable. We will therefore review the remaining recommendations as part of our forthcoming follow-up work in the coming quarters.

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## Assurance & Priority level definitions

### Assurance Ratings

Full Definition	Short Description
<b>Strong</b> – Controls within the service are well designed and operating as intended, exposing the service to no uncontrolled risk. There will also often be elements of good practice or value for money efficiencies which may be instructive to other authorities. Reports with this rating will have few, if any, recommendations and those will generally be priority 4.	Service/system is performing well
<b>Sound</b> – 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
<b>Weak</b> – 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
<b>Poor</b> – 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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## Recommendation 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.