

Date of issue: Tuesday, 3 January 2017

<b>MEETING:</b>	<b>AUDIT AND CORPORATE GOVERNANCE COMMITTEE</b> (Councillors Sadiq (Chair), Bedi, Amarpreet Dhaliwal, Hussain, Rana, Sarfraz and Swindlehurst)  <b>CO-OPTED INDEPENDENT MEMBERS:</b> Ronald Roberts and Alan Sunderland  <b>PARISH COUNCIL MEMBERS:</b> Parish Councillor Raymond Jackson (Colnbrook with Poyle) Parish Councillor Raja Muhammad Fayyaz (Wexham Court) Vacancy (Britwell)  <b>INDEPENDENT PERSON</b> Dr Louis Lee
<b>DATE AND TIME:</b>	WEDNESDAY, 11TH JANUARY, 2017 AT 6.30 PM
<b>VENUE:</b>	JUPITER SUITE 1, ST MARTINS PLACE, 51 BATH ROAD, SLOUGH
<b>DEMOCRATIC SERVICES OFFICER: (for all enquiries)</b>	SHABANA KAUSER 01753 787503

NOTICE OF MEETING

You are requested to attend the above Meeting at the time and date indicated to deal with the business set out in the following agenda.



**ROGER PARKIN**  
Interim Chief Executive

**AGENDA**

**PART I**

Apologies for absence.

1. Declarations of Interest

*All Members who believe they have a Disclosable Pecuniary or other Pecuniary or non pecuniary Interest in any matter to be considered at the meeting must declare that interest and, having regard to the circumstances described in Section 3 paragraphs 3.25 – 3.27 of the Councillors' Code of Conduct, leave the meeting while the matter is discussed, save for exercising any right to speak in accordance with Paragraph 3.28 of the Code.*

*The Chair will ask Members to confirm that they do not have a declarable interest. All Members making a declaration will be required to complete a Declaration of Interests at Meetings form detailing the nature of their interest.*

2.	Minutes of the Last Meeting held on 29 September 2016	1 - 6	-
3.	Internal Audit Update - Quarter 2 2016/17	7 - 44	All
4.	Audit and Risk Management Update Quarter 2 2016/17	45 - 76	All
5.	Code of Conduct - Schedule of Activity	77 - 78	All
6.	Review of Whistleblowing Policy	79 - 88	All
7.	Members Attendance Record 2016/17	89 - 90	-
8.	Date of Next Meeting - 16th March 2017		

**Press and Public**

You are welcome to attend this meeting which is open to the press and public, as an observer. You will however be asked to leave before the Committee considers any items in the Part II agenda. Please contact the Democratic Services Officer shown above for further details.

The Council allows the filming, recording and photographing at its meetings that are open to the public. Anyone proposing to film, record or take photographs of a meeting is requested to advise the Democratic Services Officer before the start of the meeting. Filming or recording must be overt and persons filming should not move around the meeting room whilst filming nor should they obstruct proceedings or the public from viewing the meeting. The use of flash photography, additional lighting or any non hand held devices, including tripods, will not be allowed unless this has been discussed with the Democratic Services Officer.

**Audit and Corporate Governance Committee – Meeting held on Thursday, 29th September, 2016.**

**Present:-** Councillors Sadiq (Chair), Bedi (Vice-Chair), Hussain, Rana, Sarfraz and Swindlehurst.

**Co-Opted Independent Members:** Mr Roberts and Mr Sunderland

**Parish Council Member:-** Councillor Jackson (Colnbrook with Poyle)

**Apologies for Absence:-** Councillor Amarpreet Dhaliwal, Davies and Dr Lee

**PART 1**

**10. Declarations of Interest**

None were received.

**11. Minutes of the Last Meeting held on 12th July, 2016**

**Resolved** – That the minutes of the meeting held on 12<sup>th</sup> July 2016 be approved as a correct record.

**12. Presentation: arvato Contract Progress Update**

The Interim Chief Executive, Roger Parkin, reminded the Committee that the arvato contract had entered the fifth year of the partnership and introduced John Wybrant, Key Account Director and Kevin Hales, Slough Site Director to present an overview of contractual performance for the Thames Valley Transactional Services Partnership for the year ending March 2016.

Mr Wybrant advised that arvato had succeeded in transferring its headquarter operations to Slough and the arvato Farnham Road site now employed in excess of 600 staff. New business had been created, including the recent addition of BMW to its contact centre and it was expected that the premises would be full at the end of the year.

In terms of performance, there was a 1.2% improvement in the council tax collection rate for the financial year 2015/16 compared to previous years and this had equated to collecting more than £7m revenue for the council.

The Committee noted that arvato continued to engage in the local community and was a member of Slough Aspire and Slough Business Community Partnership. Members were informed that the end of Year 5 target of employing 36 apprenticeships had been exceeded with 46 currently in post. The Partnership had also been nominated for the 2016 National Outsourcing Awards.

A Member asked what challenges arvato faced in terms of delivery of service. Mr Wybrant stated although significant improvements had been made in ICT

infrastructure, keeping abreast of technological developments was vital in terms of delivery of service. arvato would also assist in supporting the Council on its digital transformation framework. It was highlighted that a Robotic Process Automation Programme would be piloted in early October. The scheme would initially be used within the Revenue and Benefits Section following which it would be applied to a number of other areas.

**Resolved** – That arvato Officers be thanked for their presentation and details of the presentation be noted.

### **13. Financial Statements 2015/16**

The Head of Financial Reporting, Mr Stratfull, outlined details of the report. Over the summer period the Council's external auditors, BDO (independently appointed by the Audit Commission for the 2015-16 financial year), conducted a review of the Council and the financial statements produced.

BDO were required to provide an opinion on the Financial Statements and a Value for Money opinion to the Council by the 30<sup>th</sup> September.

The report from BDO covers the two opinions that they provide and detail how the Council complies, or otherwise, with these opinions. BDO also include recommendations for the Council going forward.

It was highlighted that the outcome of the audit by BDO revealed that there had been no adjustments to the bottom line level of general reserve that the Council had available. The proposed material adjustments reported by BDO had been made to the financial statements and were accounting adjustments to the presentation of the financial statements. The Committee were informed that any errors or omissions identified by BDO had been amended. However, some audit amendments remained unadjusted as these were all immaterial and often based upon extrapolated errors. Management had decided not to adjust for these as they would be difficult to post to the financial statements with supporting evidence.

BDO also audits the Council's arrangements for putting in place arrangements for securing Value For Money (VFM). BDO were due to qualify this opinion on the basis of the Children's Social Care service and it was anticipated that the VFM conclusion would state that in all significant respects, the Council secures value for money in its use of resources except for this matter.

Ms Combrinck, Engagement Lead, BDO, provided the Committee with a summary of the key audit and accounting matters which included -

- Significant scope for improvement in the quality of the financial statements and the quality and timely availability of the underlying working papers. A number of the issues identified by the audit were similar to those reported in the previous years.

- Identified a large number of misstatements and management had agreed to amend the financial statements for the majority of these issues. This included one material misstatement of £9.235 million in respect of an overstatement of property, plant and equipment, as replaced components were not derecognised when capital expenditure was incurred on council dwellings.
- A number of presentational misstatements in the notes for dedicated schools grant, financial instruments, senior officers' remuneration and exit packages and amounts reported for resource allocation decisions, which we consider to be either quantitatively or qualitatively material.
- Nine unadjusted audit differences identified by our audit work (including one combined misstatement brought forward from the prior year audit) which would decrease the surplus on the provision of services in the revised financial statements by £457,000, from £8.214 million to £7.757 million, if adjusted.

Referring to the Council's Use of Resources Ms Combrinck stated that BDO were satisfied that proper arrangements had been made to secure economy, efficiency and effectiveness. The Medium Term Financial Strategy was considered realistic in terms of achieving the savings required and taking action to minimise the impact of overspends.

Ms Combrinck reminded the Committee that the national deadline for the Council to publish its final audited Statement of Accounts was 30<sup>th</sup> September. Members were informed that a number of audit tests and enquiries were yet to be completed or resolved. There had been delays in obtaining appropriate working papers and supporting documentation which was partly due to a change in the general ledger system, from Oracle to Agresso during the year. Given the amount of work that remained in progress the Committee were informed that the submission deadline would not be met.

A number of questions were asked in the ensuing discussion including what measures had been implemented to ensure the deadline for submission of accounts was met in the future and the consequences for the Authority in having missed the deadline this year. Mr Fitzgerald, Interim Assistant Director, Finance and Audit, reiterated that a change in the Council's financial system mid way through the year had had a significant impact in submission of information to BDO. Ms Combrinck stated that although there were no financial penalties imposed on the Authority for not submitting the accounts by the specified date, the matter would be reported in the National Audit Office Report.

Members discussed the Council's Asset Register and concern was expressed that the matter had been raised by the external auditors given that there two reviews of the Council's asset base had recently been conducted. Officers stated that the register had been included in the new financial system, Agresso, and an annual review would be conducted to ensure that details contained within were up to date.

It was agreed that authority would be delegated to the Chair of the Committee and Interim Assistant Director, Finance and Audit, to approve the Financial Statements 2015/16. It was anticipated that the financial statements would be signed by the 21 October 2016, prior to which a copy of the final version would also be circulated to the Committee for information.

**Resolved** – (a) That a copy of the final Financial Statements 2015/16 to be circulated to Committee Members.

(b) That authority be delegated to the Chair of the Audit & Corporate Governance Committee and the Interim Assistant Director, Finance and Audit to approve the Financial Statements 2015/16.

#### **14. Schedule of Activity - Code of Conduct**

Members were informed that the report had been withdrawn from the agenda. A report would be scheduled for the December Committee meeting.

#### **15. Capital Projects Benefits Realisation Reviews Update**

Roger Parkin, Director of Customer and Community Services provided the committee with a summary of the Benefits realisation reviews undertaken by the Programme Management Office (PMO) for the Capital Strategy Board. The reviews related to projects that had been concluded and the review assessed whether the Benefits stated in the Business Case had been realised or were on track to be realised. This included financial and non-financial benefits. The review also examined whether the project's objectives were met, and if there were any lessons learned and unresolved issues/follow on actions that required attention.

Projects considered as part of the benefits review to date were outlined -

- Plymouth Road Industrial Units
- The Lodge, Lascelles Park
- Expansion of Littledown School
- 2 Year Old Places

A Member asked what measures were in place to address slippage in implementation of projects and sought clarification regarding the future use of Plymouth Road Industrial Units. The Interim Assistant Director Finance and Audit, Mr Fitzgerald, acknowledged that more could be done to close the gap between capital expenditure and actual delivery of projects. Members were informed that a summary report reviewing progress of/delays in scheduled capital projects would be circulated to the Committee for information.

**Resolved** – That the Committee note and endorse the work on benefits realisation.

#### **16. Members Attendance Record 2016/17**

**Resolved** – That details of the Members Attendance Record be noted.

**17. Date of Next Meeting - 15th December 2016**

The date of the next meeting was confirmed as 15<sup>th</sup> December 2016.

Chair

(Note: The Meeting opened at 6.30 pm and closed at 8.25 pm)

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**SLOUGH BOROUGH COUNCIL**

**REPORT TO:** Audit and Corporate Governance Committee

**DATE:** 11<sup>th</sup> January 2017

**CONTACT OFFICER:** Neil Wilcox Section 151 Officer, Assistant Director Finance & Audit  
(For all Enquiries) (01753) 875358

**WARD(S):** ALL

**PART I**  
**FOR COMMENT & CONSIDERATION**

**INTERNAL AUDIT UPDATE – QUARTER 2 2016-2017**1. **Purpose of Report**

The purpose of this report is to report to members on the progress against the 2016/17 Internal Audit Plan up to Quarter 2.

2. **Recommendation(s)/Proposed Action**

That the Audit & Corporate Governance Committee comment on and note the report.

3. **The Slough Joint Wellbeing Strategy, the JSNA and the Five Year Plan**

The Slough Joint Wellbeing Strategy (SJWS) is the document that details the priorities agreed for Slough with partner organisations. The SJWS has been developed using a comprehensive evidence base that includes the Joint Strategic Needs Assessment (JSNA). Both are clearly linked and must be used in conjunction when preparing your report. They have been combined in the Slough Wellbeing Board report template to enable you to provide supporting information highlighting the link between the SJWS and JSNA priorities.

3a. **Slough Joint Wellbeing Strategy Priorities**

The report indirectly supports all of the strategic priorities and cross cutting themes.

The maintenance of excellent governance within the Council to ensure that it is efficient, effective and economic in everything it does is achieved through the improvement of corporate governance and democracy by ensuring effective management practice is in place.

The report helps achieve the corporate objectives by detailing how the Council is delivering the Council's budget in line with the approved budget.

#### 4. **Other Implications**

##### (a) Financial

There are no direct financial implications of this report, however failure to implement actions raised could have an impact on the Council's ability to achieve its financial objectives.

##### (b) Risk Management

This report is concerned with the risk management and other governance arrangements of the Council

##### (c) Human Rights Act and Other Legal Implications

There are no human rights issues arising from this report

##### (d) Equalities Impact Assessment

There are no equality issues arising from this report

#### 5. **Supporting Information**

5.1 The Council have finalised the following ten reports relating to the 2015/16 plan since the previous Audit and Corporate Governance Committee meeting.

5.2 The IT Business Continuity and Disaster Recovery, Income and Debtors, Asset Register and Treasury Management audits resulted in only 'Partial Assurance' and the Follow Up report demonstrated that only 'Little' progress had been made in implementing previous recommendations.

5.3 The opinions and numbers of recommendations have been reported previously for these reports as part of RSM's Internal Audit Annual Report.

- Treasury Management – Partial Assurance
- Income and Debtors – Partial Assurance
- IT Business Continuity and Disaster Recovery - Partial Assurance
- Asset Register – Partial Assurance
- Follow Up – Little Progress
- Five Year Plan Outcomes – Reasonable Assurance
- Rent Accounts – Reasonable Assurance
- Governance – Reasonable Assurance
- IT Strategy – Reasonable Assurance
- Khalsa Primary School - Reasonable Assurance

5.4 2016/17 Internal Audit Plan

The Council have finalised eight reports relating to the 2016/17 plan since the previous Audit and Corporate Governance Committee meeting. These are in the following areas:

- Business Continuity – No Assurance
- Budgetary Control and Financial Reporting – Partial Assurance

- Budget Setting – Reasonable Assurance
- School Financial Value Standard – Reasonable Assurance
- Agresso: Transfer of Balances – Partial Assurance
- Voids – No Assurance
- Information Governance – No Assurance
- Cippenham Nursery School – Substantial Assurance

5.5 Five of these reports; Information Governance, Voids, Budgetary Control, Agresso: Transfer of Balances and Business Continuity resulted in negative assurance opinions.

5.6 The rest of this report summarises the results of our work to date with the 2016/17 plan and highlights the key actions identified for the audits where partial or no assurance was provided.

6. **Comments of Other Committees**

N/A.

7. **Conclusion**

That Members note the progress made against the 2016/17 Internal Audit Plan upto Quarter 2.

8. **Appendices Attached**

Internal Audit Progress Report

9. **Background Papers**

None

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## **SLOUGH BOROUGH COUNCIL**

### **Internal Audit Progress Report**

**Presented at the Audit and Corporate  
Governance Committee meeting on 11<sup>th</sup>  
January 2017**

This report is solely for the use of the persons to whom it is addressed.  
To the fullest extent permitted by law, RSM Risk Assurance Services LLP will accept no  
responsibility or liability in respect of this report to any other party.





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As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance>.

The matters raised in this report are only those which came to our attention during the course of our review and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made.

Recommendations for improvements should be assessed by you for their full impact before they are implemented. This report, or our work, should not be taken as a substitute for management's responsibilities for the application of sound commercial practices. We emphasise that the responsibility for a sound system of internal controls rests with management and our work should not be relied upon to identify all strengths and weaknesses that may exist. Neither should our work be relied upon to identify all circumstances of fraud and irregularity should there be any.

This report is supplied on the understanding that it is solely for the use of the persons to whom it is addressed and for the purposes set out herein. Our work has been undertaken solely to prepare this report and state those matters that we have agreed to state to them. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights from RSM Risk Assurance Services LLP for any purpose or in any context. Any party other than the Board which obtains access to this report or a copy and chooses to rely on this report (or any part of it) will do so at its own risk. To the fullest extent permitted by law, RSM Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

This report is released to our Client on the basis that it shall not be copied, referred to or disclosed, in whole or in part (save as otherwise permitted by agreed written terms), without our prior written consent.

We have no responsibility to update this report for events and circumstances occurring after the date of this report.

RSM Risk Assurance Services LLP is a limited liability partnership registered in England and Wales no. OC389499 at 6th floor, 25 Farringdon Street, London EC4A 4AB.

# 1 INTRODUCTION

The Internal Audit Plan for 2016/17 was approved by the Audit Committee on 10<sup>th</sup> March 2016. This report provides a summary update on progress against that plan and any outstanding draft reports from the 2015/16 plan as at the 16th December 2016.

## **2015/16 Internal Audit Plan**

The Council have finalised the following ten reports relating to the 2015/16 plan since the previous Audit and Corporate Governance Committee meeting. The IT Business Continuity and Disaster Recovery, Income and Debtors, Asset Register and Treasury Management audits resulted in only 'Partial Assurance' and the Follow Up report demonstrated that only 'Little' progress had been made in implementing previous recommendations.

The opinions and numbers of recommendations have been reported previously for these reports as part of our Internal Audit Annual Report however we have included the Executive Summary and action plans for those partial assurance opinion reports within this report at Appendix A:

- Treasury Management – Partial Assurance
- Income and Debtors – Partial Assurance
- IT Business Continuity and Disaster Recovery - Partial Assurance
- Asset Register – Partial Assurance
- Follow Up – Little Progress
- Five Year Plan Outcomes – Reasonable Assurance
- Rent Accounts – Reasonable Assurance
- Governance – Reasonable Assurance
- IT Strategy – Reasonable Assurance
- Khalsa Primary School - Reasonable Assurance

## **2016/17 Internal Audit Plan**

The Council have finalised eight reports relating to the 2016/17 plan since the previous Audit and Corporate Governance Committee meeting. These are in the following areas:

- Business Continuity
- Budgetary Control and Financial Reporting
- Budget Setting
- SFVS
- Agresso: Transfer of Balances
- Voids
- Information Governance
- Cippenham Nursery School

Five of these reports; Information Governance, Voids, Budgetary Control, Agresso: Transfer of Balances and Business Continuity, resulted in negative assurance opinions and further details are provided below and in Appendix A.

The rest of this report summarises the results of our work to date with the 2016/17 plan. Delivery of the plan is in line with the delivery agreed by the Audit and Corporate Governance Committee, with the exception of three reports, Homelessness, Cyber Risk and the Management of Housing Stock and the reasons for the change are documented within Section 3 below.




## 2 SUMMARY OF PROGRESS TO DATE

Reports shown in bold have been finalised. Executive summaries and action plans from the negative assurance reports are appended to the bottom of this progress report.

### 2016/17 Internal Audit Plan (includes draft opinions)

Assignment area	Timing per approved IA plan	Target AC per IA Plan	Fieldwork date/status	Draft report issued	Final report issued	Opinion	Actions		
							L	M	H
<b>Agresso: Transfer of Balances</b>	June 2016	September 2016	Complete	8/7/16	21/11/16		0	2	1
<b>Business Continuity</b>	June 2016	September 2016	Complete	21/06/16	30/6/16		0	2	5
Contract Management	June 2016	September 2016	Complete	02/09/16		Advisory		-	
<b>Information Governance</b>	June 2016	September 2016	Complete	26/07/16	01/12/16		4	12	2
<b>SFVS</b>	June 2016	September 2016	Complete	22/09/16	21/11/16	Advisory		-	
<b>Budget Setting</b>	July 2016	September 2016	Complete	19/08/16	21/11/16		2	1	0
<b>Voids</b>	August 2016	December 2016	Complete	22/09/16	02/12/16		3	3	3
Fixed Penalty Enforcement	August 2016	December 2016	Complete	02/11/16			3	5	4
Cyber Security	August 2016	September 2016	Revised start date proposed for 20/2/17 – awaiting response from Head of IT						
<b>Cippenham School</b>	September 2016	December 2016	Complete	01/11/16	30/11/16		1	1	0



Commissioning	September 2016	December 2016	Complete	01/11/16			1	4	1
<b>Budgetary Control &amp; Financial Reporting</b>	<b>October 2016</b>	<b>December 2016</b>	<b>Complete</b>	<b>4/11/16</b>	<b>21/11/16</b>		<b>2</b>	<b>4</b>	<b>1</b>
Governance	October 2016	December 2016	In QA						
Council Tax	November 2016	March 2017	Complete	16/12/16			0	1	0
Rent Accounts	November 2016	March 2017	In QA						
Capital Expenditure	November 2016	March 2017	In Progress						
Business Rates	December 2016	March 2017	In Progress						
Indirect Tax	December 2016	March 2017	In Progress						
Homelessness	December 2016	March 2017	Meeting scheduled with Strategic Director RHR for 20/12/16 to agree scope.						
Health & Safety	January 2017	March 2017	Scope Issued						
General Ledger	January 2017	March 2017	Scope Issued						
Risk Management	January 2017	March 2017	Scope Issued						
Treasury Management	January 2017	March 2017	Scope Issued						
Creditors	January 2017	March 2017	Scope Issued						
Debtors	February 2017	March 2017	Scope Issued						
Management of Housing Stock	October 2016	March 2017	Audit delayed due to changes at AD level.						
Adult Safeguarding	February 2017	March 2017	Scope agreed						

Cash Collection	February 2017	March 2017	Scope agreed
Payroll	February 2017	June 2017	Scope to be Issued, dates agreed
Allocations (Tenancy Management)	February 2017	June 2017	Scope to be Issued
Housing Benefit	February 2017	June 2017	Scope to be Issued
Assets	February 2017	June 2017	Scope to be Issued
5 Year Plan Outcomes	March 2017	June 2017	Scope to be issued
Annual Governance Statement	March 2017	June 2017	Scope to be Issued
Follow Up	March 2017	June 2017	Scope to be Issued
Public Health	Q4		To be confirmed with Interim Director, Adult Social Services
Procurement	Q4		Meeting to be held with Strategic Director, Customer and Community Services to scope.

\* Please note change from agreed plan, see details below.

# 3 OTHER MATTERS

## 3.1 Changes to the 2016/17 audit plan

Auditable area	Reason for change
Cyber Risk	Audit delayed at the request of the Head of IT as not enough resource at arvato.
Homelessness	Delayed at the request of Housing and the AD Housing and Neighbourhoods
Management of Housing Stock	Delayed at the request of Housing and the AD Housing and Neighbourhoods

## 3.2 Impact of our work to date on year end opinion

The assurances given in our audit assignments are included within our Annual Assurance report. In particular the Committee should note that any negative assurance opinions (No Assurance or Partial Assurance opinions) will be noted in the annual report and may result in a qualified or negative annual opinion.

The Committee should note there are a number of weaknesses that need to be promptly addressed and assurance provided through the recommendation tracking process that timely management action is being taken. Where we have issued 'no assurance' (red) and 'partial assurance' (amber / red) reports, these opinions will impact our 2016/17 Head of Internal Audit Opinion for the Council. It should be noted that the provision of further negative assurance reports on key systems of internal control could result in this opinion being qualified at the year end.

We have issued five final reports to date that will impact our year end opinion, some of these will need to be considered in the Annual Governance Statement. We also have a number of draft reports issued with negative opinions that will also impact the year end opinion but we are still awaiting management comments before we can finalise these reviews. In addition, we have issued a further four reports in draft for the 2016/17 plan, which are detailed in section 2 below. One of these reports has been issued in draft with a 'No Assurance' opinion and one with a 'Partial' Assurance opinion.

We will keep the Section 151 Officer, CMT and Audit and Corporate Governance Committee updated throughout the financial year on the outcome of our work and any potential impact on the year end opinion.

### 3.3 Added value work

Area of work	How this has added value
Risk Management – Provision of training.	We have provided Risk Management Training to members of the Senior Leadership Team.  In addition, we have provided comments on the content of the current Risk Management Strategy
HR Policy Review	We have provided comments to the Council (HR department) on the content of two policies as an additional service and free of charge: <ul style="list-style-type: none"><li>• DBS Policy</li><li>• Smart Working Policy</li></ul>
Contract Management Workshops	We have provided a series of workshops to the Council in relation to the management of contracts.
Contracts Letting Review	We have provided an Advisory report to the Council with suggestions for the future model of contract management within the Council.

### 3.4 Information and briefings

The following items were highlighted as part of our information briefings since the last Audit and Corporate Governance Committee.

#### Replacements falling sharply

Research by the Local Government Association (LGA) has confirmed that council house replacements for properties purchased under the right to buy have fallen by 27 per cent in 2015/16, when compared to the previous year. The LGA states that with a number of national restrictions and with councils only receiving a third of receipts from right to buy sales, councils are unable to replace properties at the required rate in order to alleviate ever increasing demand on house waiting lists.

#### Reforming business rate appeals

The Department for Communities and Local Government (DCLG) has published its response to the consultation on statutory implementation of the 'check, challenge, appeal' plans for business rates appeals. Some of the views requested by the DCLG related to the role of local authorities in the reformed system and on the approach to dealing with material changes in circumstances.

#### Regional growth fund

The research briefing by the House of Commons library explores the regional growth fund, designed to promote the private sector in areas in England most at risk to public sector cuts.

## Tackling homelessness

The Communities and Local Government Committee (the Committee) has published the report on its inquiry into homelessness in the UK. The Committee finds that homelessness is increasing and concludes that despite a particular concern that the statistics relating to homelessness are not 'robust enough' to be considered as national statistics, they still show enough information to prove the increase in homelessness. Indeed one of the Committee's recommendations is for better reporting arrangements on local authorities' homeless reduction work.

## Autumn statement submission

With post-haste the Local Government Association (LGA) has published its submission prior to the Chancellor's autumn statement (scheduled for 23 November). The LGA set its agenda around a speech made by the Prime Minister that promised a country that 'works not for a privileged few, but for every one of us'. Using this as a backdrop the LGA calls on government to pursue three primary objectives:

- 'creating the conditions for change', through continuing devolution;
- 'delivering opportunities for all', by removing regulatory barriers with examples of the limits on the housing revenue account cited; and
- 'supporting everyone to contribute and benefit', particularly in ensuring that local authorities are equipped and funded enough to create sufficient school places and protect vulnerable children.

## Homelessness reduction bill

The Communities and Local Government Committee (the Committee) has published a report detailing its analysis and further ideas in relation to the government's draft homelessness reduction bill. The Committee throws its weight behind the government's plans for the bill. A couple of the requirements in the bill directed at local authorities include: strengthening the requirements of local authorities to provide advice to prevent homelessness; and a code of practice that specifies how local authorities should operate regarding homelessness. On this latter point the Committee recommended to government that any code of practice should not be 'overly prescriptive' and would only achieve its aims if appropriate monitoring processes are in place, where non-compliance would lead to consequences and action to improve. The bill as stands will have its second reading in the house of commons on 28 October.

## Children in need of protection

Continuing the recent swathe of reports relating to the protection of children and vulnerable young people comes this report by the National Audit Office (NAO). The NAO finds that demand for help or protection is increasing citing a 'marked rise in serious cases'. Against this backdrop, the NAO is highly critical of the 'unsatisfactory and inconsistent' protection for children and criticises geographic differences.

## Area reviews: guidance for local enterprise partnerships and local authorities

The Department for Education has published guidance for local enterprise partnerships (LEPs), combined authorities and local authorities in relation to the current programme of area reviews of post-16 education and training institutions. The guidance provides a summary of the area review programme and the role of LEPs and local authorities and importantly, the contribution they can make during and after the review has completed 'to ensure long-term improvements in skills for individuals and employers'.

## No longer 'education for all'

Six months is a long time in politics as the last remnants of the 'education for all' white paper appear to have been dropped by the government. In a written statement education minister, Justine Greening, wrote 'our focus, however, is on building capacity in the system and encouraging schools to convert voluntarily', confirming the government's switch from the proposed academisation of all schools in a local authority area that are rated 'unviable or underperforming'. The statement also reaffirms the government's commitments to its other recently published education papers.

## Financial sustainability of local authorities

The Department for Communities and Local Government (DCLG) appears 'complacent' about the risks associated with local authorities who are increasingly undertaking the role of property developers and commercial landlords, according to a new report by the Public Accounts Committee (PAC). The PAC calls on the DCLG to work with the sector to review the skills of staff involved in such areas and in addition, sets out a number of other recommendations, including:

- requesting that the DCLG and HM Treasury report back to the PAC on the risks associated with the build-up of investment cash held on deposit by local authorities; and
- that the DCLG ensure 'interactions between revenue spending, capital spending and borrowing and the resulting pressures on local authority capital programmes are considered fully in future spending reviews and in the design of the 100 per cent business rate retention scheme'.

The PAC has also [published a report](#) on the progress made regarding the sale of public land for new homes. The PAC reports that the government has made progress over the past year on the disposal of public land, but the programme being 'back-loaded' has increased the risk that government will not meet existing commitments.

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## Pay to stay scrapped


After much deliberation the government has axed the proposed 'pay to stay' policy, which would have meant higher earning social housing tenants having to pay higher rents. The government has now confirmed that local authorities and housing associations are able to choose whether or not to impose higher rents on higher earning tenants.

## Increased funding announced in Autumn Statement

The Chancellor announced measures to increase homebuilding in the UK with a new 'National Productivity Investment Fund' (NPIF) designed in part to 'accelerate new housing supply'. The NPIF will deliver: a 'housing infrastructure fund' worth £2.3bn to local government to 'unlock' private house building; and a relaxing of restrictions on grant funding to allow providers to deliver a mixture of homes aimed at affordable rent and low cost ownership.

The [National Housing Federation welcomed](#) the steps made by the Chancellor calling it a 'genuine and important step' towards tackling the housing crisis. Much however was made in the wider media of the Chancellor's hesitant outlook of the whole UK economy with borrowing forecasts revised upwards amidst the uncertainty of Brexit negotiations and the global economy.

# APPENDIX A: KEY FINDINGS FROM FINALISED INTERNAL AUDIT WORK (HIGH AND MEDIUM PRIORITY MANAGEMENT ACTIONS ONLY)

<p><b>Business Continuity (1.16/17) – NO ASSURANCE</b></p>		<p><b>0 - Low</b> <b>2- Medium</b> <b>5- High</b></p>
<p><b>Business Continuity Management Policy</b></p> <p>We identified that the Council did not have an overarching Business Continuity Management (BCM) Policy covering the framework for BCM in the organisation. While we noted elements of this had been covered in the Council’s Business Continuity Plan (BCP), this was last reviewed in July 2013 and did not reflect current arrangements. As a result, the policy may not provide accurate and up to date guidance to staff on the BCM arrangements to be followed within the Council.</p> <p>Without sufficient guidance on the Council’s BCM framework being made accessible to staff, there is an increased risk of staff within the Council not preventing incidents or responding appropriately to incidents should they occur, potentially resulting in significant adverse effects on delivery of services. We have agreed a <b>high</b> priority management action in relation to this.</p> <p><b>Business Impact Analysis (BIA) and Business Continuity Plans (BCP)</b></p> <p>We noted business continuity arrangements were last reviewed in July 2013, and that the BIAs undertaken at the time and the Council’s BCP no longer reflect the current arrangements, following significant structural changes within the Council. We also identified a lack of arrangements for testing the effectiveness of the BCP. Furthermore, there were also no separate Directorate or Service BCPs.</p> <p>Without undertaking regular BIAs, which encompasses risk assessments, the Council may not be able to identify the arrangements and resources necessary to be able to appropriately respond to incidents which could impact on business continuity and the delivery of services. As a result, the lack of up-to-date BCPs, which are regularly tested for effectiveness, increases the risk of the Council not being able to respond appropriately to incidents impacting business continuity. This could potentially result in significant disruptions to delivery of services. We have agreed <b>two high</b> and one <b>medium</b> priority management actions to address these issues.</p> <p><b>Roles and responsibilities</b></p> <p>As we have already highlighted above, there has been a lack of dedicated business continuity resource within the Council over the last couple of years to oversee and coordinate the arrangements. As a result, there has been a lack of attention given to this area, resulting in significant control gaps as identified within this audit.</p> <p>Without ensuring adequate resources are in place to support the business continuity agenda within the Council, a lack of sufficient attention being given to business continuity arrangements increases the risk of significant service disruption as a result of an inadequate response(s) to an incident, which could impact business continuity and services to the public. We have agreed one <b>high</b> priority management actions in relation to this issue.</p> <p><b>Training</b></p> <p>We confirmed that a formal programme of training for staff in relation to business continuity management had not been established. There is therefore a risk that staff will not attain the necessary knowledge and expertise to be able to appropriately respond to incidents which could have an impact on business continuity. A <b>medium</b> priority management action has been agreed in respect of this. The Council should consider the use of the Learning Pool software to enable the provision of this training.</p>		

## Governance

We identified that a formal group with responsibility for continuously monitoring and evaluating business continuity arrangements within the Council has not been in place for the last two years. Without such a group, the Council is unable to ensure adequate monitoring and scrutiny of business continuity arrangements to assess its continuing suitability, adequacy and effectiveness. This increases the risk that adequate arrangements and resources may not be deployed to minimise disruption to services in the event of an incident impacting business continuity. We have agreed a **high** priority management action in respect of this.

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Ref	Findings Summary Management Action	Priority	Implementation Date	Manager Responsible
1	<p>The Council will develop an overarching Business Continuity Management (BCM) Policy covering the framework for BCM in the organisation. The policy will set out;</p> <ul style="list-style-type: none"><li>• Scope, aims and objectives of BCM in the Council;</li><li>• The Council's commitment to BCM;</li><li>• The activities that will be required to deliver these; and</li><li>• Roles and responsibilities of staff in relation to BCM.</li><li>• Version control to state approval details and next planned review date.</li></ul> <p>Once finalised, the policy will be subject to ratification by CMT and communicated to staff.</p>	High	31 <sup>st</sup> August 2016	Neil Aves – Assistant Director, Housing and Environment



2	<p>The Council will establish and maintain a documented process for undertaking business impact analysis and risk assessments at Service, Directorate and Council-wide level that;</p> <ul style="list-style-type: none"> <li>• Establishes the context of the assessment and defines the criteria for evaluating the potential impact of a disruptive incident;</li> <li>• Takes into account legal and other commitments;</li> <li>• Includes systematic analysis and prioritisation of risk treatments;</li> <li>• Defines the required output from the business impact analysis and risk assessment; and</li> <li>• Specifies the requirements for this information to be kept up-to-date.</li> </ul> <p>The business impact analysis will include;</p> <ul style="list-style-type: none"> <li>• Identifying activities that support the provision of services;</li> <li>• Assessing the impacts over time of not performing these activities;</li> <li>• Setting prioritised timeframes for resuming these activities at a specified minimum acceptable level (RTO - Recovery Time Objective), taking into consideration the time within which the impacts of not resuming them would become unacceptable (MTPD - Maximum Tolerable Period of Disruption); and</li> <li>• Identifying dependencies and supporting resources for these activities, including suppliers and outsource partners.</li> </ul> <p>The risk assessment will include;</p> <ul style="list-style-type: none"> <li>• Identifying risks of disruption to the Council's prioritised activities and the processes, systems and resources that support them;</li> <li>• Systematically analysing risks in line with the Council's risk management methodology;</li> <li>• Evaluating which risks require treatment/mitigation; and</li> <li>• Identifying treatments/mitigations in line with business continuity objectives and the Council's risk appetite.</li> </ul> <p>The processes will be documented within the Council's overarching Business Continuity Management Policy.</p>	High	30 <sup>th</sup> September 2016	Neil Aves – Assistant Director, Housing and Environment
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3.1	<p>Following finalisation of the Major Incident Plan, the document will be used to inform the development of the Council's Business Continuity Plan (BCP) as well as Directorate and Service BCPs. There will be a clear linkage between Directorate and Service BCPs and the Council's overall BCP. Each of these BCPs will define;</p> <ul style="list-style-type: none"> <li>• Purpose, scope and objectives;</li> <li>• Defined roles and responsibilities during and following an incident potential affecting business continuity;</li> <li>• The criteria and procedures for activating a response to such incidents;</li> <li>• The detailed procedures for implementing the response, including details to manage the immediate consequences;</li> <li>• The location(s) from which the response is to be coordinated;</li> <li>• Contents and storage location of the battlebox (response pack) and details of where vital backup computer data and any critical paper records are stored;</li> <li>• Communication requirements and procedures, including details of media response and how and under what circumstances the organisation will communicate with employees, key parties and emergency contacts;</li> <li>• Emergency contact arrangements, including list of key customers, suppliers, third parties and their contact details;</li> <li>• Internal and external interdependencies and interactions between the Council and its stakeholders;</li> <li>• Resource requirements;</li> <li>• Information flows within the Council and processes for documenting actions taken as part of the response; and</li> <li>• Stand-down procedure once incident is resolved.</li> </ul> <p>Once finalised, the BCPs will be subject to formal approval by CMT and reviewed regularly thereafter.</p> <p>Version control will be included within each BCP to state approval details; next planned review date and the requirement to review these in the event of a major structure change or where lessons learnt are identified after an exercise or real event.</p>	High	30 September 2016	Neil Aves – Assistant Director, Housing and Environment
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3.2	<p>A formal and documented process will be established, implemented and maintained for exercising and testing business continuity procedures in order to assess their effectiveness. This will be documented within the Council's overarching Business Continuity Management Policy.</p> <p>A testing schedule will be defined for the Council BCP as well as the Directorate and Service BCPs which details the intervals at which each element of these will be tested.</p> <p>Exercises/tests will;</p> <ul style="list-style-type: none"> <li>• Be based on appropriate scenarios with clearly defined aims and objectives to minimise the risk of disruptions; and</li> <li>• Produce formalised post exercise reports that contain outcomes and lessons learnt, recommendations and actions to implement improvements.</li> </ul>	Medium	31 October 2016	Neil Aves – Assistant Director, Housing and Environment
4	The Council will review the current staffing resources in relation to business continuity to ensure sufficient resources are in place to appropriately oversee business continuity arrangements.	High	30 <sup>th</sup> June 2016	Neil Aves – Assistant Director, Housing and Environment
5	<p>A formal programme of business continuity training will be developed and delivered to staff covering, but not limited to;</p> <ul style="list-style-type: none"> <li>• The Council's overarching Business Continuity Management (BCM) Policy;</li> <li>• The roles and contributions of staff to the effectiveness of BCM within the Council; and</li> <li>• The implications of non-conformance with the policy.</li> </ul>	Medium	31 October 2016	Neil Aves – Assistant Director, Housing and Environment
6	<p>A formal group will be established to oversee the Council's business continuity agenda. The group's remit will be defined within Terms of Reference which will include;</p> <ul style="list-style-type: none"> <li>• Responsibilities;</li> <li>• Membership and quoracy;</li> <li>• Meeting frequency; and</li> <li>• Accountability and reporting.</li> </ul>	High	30 June 2016	Neil Aves – Assistant Director, Housing and Environment

**Budgetary Control and Financial Reporting (10.16/17) – PARTIAL ASSURANCE**



**4 - Low**  
**4- Medium**  
**1- High**

**We identified the following weaknesses resulting in four medium and one high priority management actions being agreed:**

Finance reports were not being presented to all of the Directorate Management Team meetings on a monthly basis due to a number of key postholders not being in post. We were informed by the Executive PAs that finance reports were not always presented and in some cases only brief updates were provided. In the absence of regular monitoring of financial performance at Directorate SMT level, there is a risk that, where there is adverse performance, this will not be identified and remedial plans not put in place in a timely manner. **Medium**

Our sample testing for budget virements in 2016/17 identified for a sample of five virements that only one was supported by a partially completed signed form. Of the remaining four; three were not supported by a completed form and we were unable to obtain one due to staff absence. Where an appropriate authorised virement form is not retained, this may result in virements being carried out without the appropriate authorisation or the appropriate staff being informed of changes in budgets. We also identified that the quarter one Financial and Performance Report to Cabinet did not include the virements processed during the quarter. This has historically been included within the quarterly reports but was omitted from the quarter one report. The absence of such reporting may result in senior management and members not being aware of overall changes to budgets. **Medium**

We reviewed the Q1 Financial and Performance Reports presented to CMT, Cabinet, C&D and Overview and Scrutiny Committee and noted that the Savings RAG report had not been included. We identified through discussion with the Head of Financial Reporting that reporting against savings targets had not taken place this year to date. There has therefore been a lack of oversight at senior management level of performance against savings plans. In the absence of regular monitoring of performance against savings plans throughout the year, there is a risk that slippages will not be identified and corrective actions therefore not put in place in a timely manner, potential resulting in savings targets not being achieved, and thus placing additional financial pressures on the Council. **High**

We identified that while face to face training was available in relation to Agresso, only 46% of staff identified had undertaken this training. In addition, we confirmed through review with staff in HR that an E-Learning module had been developed in relation to budget management, although at the time of the audit, no staff had completed this training. There is a risk of failure to achieve the approved budget as a result of budget holders not having the required level of understanding in how to manage their budgets. This resulted in a **Medium** priority management action.

Our testing identified that the alignment of cost centres to budget holders is not up to date. A number of issues were identified, including not having budget holders identified for all cost centres, not having current email details for statements to be sent to or not having current members of staff. Without ensuring that Agresso holds the details of current budget holders and their current emails, there is a risk that budgets are not managed effectively, performance reports are not distributed to the right individuals and year end totals may not be achieved if budget performance for all cost centres is not reported to budget holders. This has resulted in a **Medium** priority action.

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Ref	Findings Summary Management Action	Priority	Implementation Date	Manager Responsible
1	<p>The Council will re-introduce the Savings RAG report within the Financial and Performance Reports to ensure there is regular oversight and monitoring of performance against savings plans.</p> <p>Narrative will be included against adversely performing savings plans, and corrective actions will be assigned to correct the underperformance as appropriate.</p>	High	31 <sup>st</sup> December 2016	Barry Stratfull

2	Finance reports will be presented to Directorate SMT meetings on a monthly basis for review and discussion.	Medium	30 <sup>th</sup> December 2016	George Grant
3	Following the identification of all budget holders, training uptake in relation to the Budget Management E-learning training will be monitored through Finance and reported through DMT and SMT meetings	Medium	31 <sup>st</sup> March 2017	Barry Stratfull
4	Finance will undertake a review and update all budget holders within Agresso, including Level 1 staff to ensure: <ul style="list-style-type: none"> <li>That the budget holder is a current member of staff</li> <li>That the relevant email details are held for each budget holder</li> </ul> That all active cost centres are checked to ensure they are assigned.	Medium	31 <sup>st</sup> December 2016	Barry Stratfull
5	The requirements for the processing of virements detailed within the Financial Procedure Rules will be reinforced to Budget Holders by the Accountants, who will ensure that all virements are supported by a fully authorised virement form.  Furthermore, virements processed during each quarter will be reported as part of the quarterly Financial and Performance Reports to Cabinet.	Medium	31 <sup>st</sup> December 2016	Barry Stratfull

### Information Governance (3.16/17) – NO ASSURANCE



4 - Low  
12- Medium  
2- High

Our review has identified a significant number of weaknesses and areas for improvement to address the issues identified and embed robust IG arrangements and processes within the Council. Principally, these related to;

- **A lack of an up-to-date framework of IG policies**

We were informed by the IT Strategy and Governance Manager that the framework of IG policies, including the Information Governance Policy, the Data Protection and Privacy Policy and the Records Management Policy, were last reviewed in 2012 by a temporary contractor who had been employed for this purpose. At the time, IG arrangements and processes were not embedded within the Council, and the policies were developed with a view to establishing and embedding the arrangements and processes documented within them. We noted this through review of the Information Governance Policy which, for instance, made reference to the establishment of key policies, rather than these already being in place. These processes had not been fully established and the policies were therefore not fully reflective of the current IG environment within the Council.

The lack of up-to-date policies which are reflective of the IG framework within Council and which contain sufficient guidance on IG arrangements and processes increases the risk that staff may adopt incorrect processes which are non-compliant with the Data Protection Act. This could result in data protection breaches and expose the Council to reputational risks as well as the risk of penalties from the Information Commissioner.

We have agreed raised a total of seven management actions relating to framework of IG policies, including **one high, five medium** and **one low** priority

actions.

- **A lack of clear assignment of key IG roles**

We also noted a lack of clear assignment of key IG roles such as the Caldicott Guardian, while the various responsibilities of the IG Lead per the HSCIC guidance had not been formally assigned.

Without ensuring IG responsibilities per the HSCIC guidance are formally assigned, there is a risk that these responsibilities will not be undertaken and appropriate IG arrangements and processes may not being established and embedded within the Council.

A **medium** priority management action has been agreed in relation to the role of the IG Lead, while the actions highlighted above relating to the framework of IG policies emphasise the need to clearly define and document roles and responsibilities.

- **A lack of a formalised process for formalised process for managing IG incidents**

We were informed by the IT Strategy and Governance Manager that there was a lack of a formalised process for reporting, recording, investigating and managing IG incidents due to a lack of an up-to-date policy. In addition, we identified through our discussion, that there was no formal record maintained of reported incidents.

Without a formalised and documented process which has been communicated to all staff for reporting, recording, investigating and managing information security incidents, there is an increased risk that potential incidents may not be identified and reported by staff, and therefore not appropriately investigated. As a result, remedial actions may not be taken to address consequences as well as root causes, and lessons to be learnt may not be identified and cascaded to staff to prevent repeat incidents.

We have agreed a **medium** priority management action to address this.

- **A lack of identification and mapping of flows of data within the Council, both inbound and outbound**

We confirmed through discussion with the IT and Strategy Governance Manager that a data flow mapping exercise to identify, map and risk assess all flows of person identifiable and sensitive information had not been undertaken, and there was no documented plan for ensuring the completion of such an exercise.

Without identifying, mapping and risk assessing all relevant data flows, appropriate action may not be taken to address areas of high risk and to ensure the security of person identifiable and sensitive information. As a result, the Council may be exposed to an increased risk of fundamental data breaches that may result in significant fines being imposed by the Information Commissioners Office as well reputational damage.

A **high** priority management action has been agreed in relation to this.

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Ref	Findings Summary Management Action	Priority	Implementation Date	Manager Responsible
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1	<p>The Council will undertake a data flow mapping exercise to ensure all flows, both inbound and outbound, of person identifiable and sensitive information in all service areas have been identified mapped and recorded.</p> <p>The information flows will be risk assessed, with necessary actions identified to address risks highlighted.</p> <p>The outcome of the mapping exercise and the risks identified will be reviewed by the IT and Information Governance Board, prior to subsequently being reported to CMT.</p>	High	30 <sup>th</sup> September 2017	Simon Pallett - IT Strategy and Governance Manager/ Departmental Business Information Asset Owners
2	<p>The Information Governance Policy will be reviewed and updated to ensure it reflects the arrangements and processes within the Council, in line with the HSCIC guidance, including;</p> <ul style="list-style-type: none"> <li>• Roles and responsibilities, covering senior IG roles (Caldicott Guardian, SIRO and IG Lead), other key staff roles in relation to IG as well the responsibilities of the wider workforce;</li> <li>• The specific resources within the Council to fulfil these roles.</li> <li>• The key policies underpinning the overarching Information Governance Policy;</li> <li>• Governance arrangements for overseeing the IG agenda within the Council;</li> <li>• Processes for delivering training and awareness programmes to staff; and</li> <li>• Arrangements for reporting, escalating and monitoring IG incidents and breaches.</li> </ul> <p>Once updated, the policy will be presented to the IT and Information Governance Board for approval, and then subsequently circulated to staff and made accessible via the intranet.</p> <p>The policy will be reviewed annually thereafter, with version control included within document to record approval and next review details.</p>	High	31 <sup>st</sup> March 2017	Simon Pallett - IT Strategy and Governance Manager
3	<p>The Council will review the current staffing resources in relation to information governance to ensure sufficient resources are in place to appropriately oversee information governance arrangements and responsibilities per the HSCIC guidance are formally assigned.</p>	Medium	31 <sup>st</sup> January 2017	Roger Parkin – Strategic Director, Customer and Community Services
4	<p>The Council will develop and finalise the IG Improvement Plan to identify the actions necessary to embed robust IG arrangements and ensure compliance with the HSCIC IG toolkit requirements. Each action will be assigned a responsible owner and completion deadline.</p> <p>The plan will be reviewed and revised on an annual basis and will be subject to approval by the IT and Information Governance Board. It will drive the IG agenda within the Council and progress against the plan will be monitored at each meeting of the IT and Information Governance Board, with progress updates reported to CMT periodically.</p>	Medium	31 <sup>st</sup> January 2017	Simon Pallett - IT Strategy and Governance Manager

5	<p>The Council will ensure that, as part of the review and re-scoping of the contracts database, fields are included for evidencing the review of contracts for appropriate clauses relating to;</p> <ul style="list-style-type: none"> <li>• Data protection; and</li> <li>• Requirements for reporting information governance incidents.</li> </ul>	Medium	31 <sup>st</sup> March 2017	Simon Pallett – IT Strategy and Governance Manager / Roger Parkin – Strategic Director, Customer and Community Services
6	<p>As part of the review of training needs, the Council will ensure the inclusion of IG training as part of induction. In addition, a review will be undertaken to ensure the additional training needs of staff within specialist IG roles are identified and addressed.</p> <p>The training needs document will be updated to include the requirement for IG induction to be provided as part of induction, as well as the training requirements for staff within specialist IG roles.</p>	Medium	31 <sup>st</sup> March 2017	Simon Pallett - IT Strategy and Governance Manager/ Surjit Nagra - HR
7	<p>The Information Security Awareness course will be reviewed and updated to ensure the content is reflective of current arrangements and also includes reference to the Caldicott Principles and the processes for ensuring compliance with the Freedom of Information Act.</p> <p>In addition, the Council will consider merging the Information Security Awareness and Data Protection Awareness courses to provide a single course covering data protection and information governance.</p>	Medium	31 <sup>st</sup> March 2017	Simon Pallett - IT Strategy and Governance Manager/ Surjit Nagra - HR
8	<p>The Data Protection and Privacy Policy will be reviewed and updated to ensure it details;</p> <ul style="list-style-type: none"> <li>• The requirement for the Council to have in place a Caldicott function;</li> <li>• The specific resources within the Council to fulfil the roles within the function, including the Caldicott Guardian, Data Protection Officer as well as those staff at directorate level with responsibility for supporting the Caldicott Guardian;</li> <li>• The additional training requirements for staff within the function;</li> <li>• The mechanisms for ensuring the effectiveness of the function, including the development and monitoring of an annual data protection work programme which identifies the work necessary to ensure the Council meets its data protection and confidentiality obligations; and</li> <li>• The governance arrangements for monitoring the effectiveness of the function.</li> </ul> <p>Once updated, the policy will be presented to CMT for approval, and then subsequently circulated to staff and made accessible via the intranet.</p> <p>The roles will be formally assigned to the relevant staff and details published via the staff intranet. The role of Caldicott Guardian will also be communicated on the Council website.</p> <p>The policy will be reviewed annually thereafter, with version control included within document to record approval and next review details.</p>	Medium	31 <sup>st</sup> March 2017	Simon Pallett - IT Strategy and Governance Manager



9	<p>An annual data protection work programme will be developed to identify the work necessary to ensure the Council meets its data protection and confidentiality obligations. Clearly defined timescales and responsible owners will be assigned for all actions identified.</p> <p>The work programme will be reviewed and set on an annual basis and will be subject to approval by CMT. Progress will be monitored at each meeting of the IT and IG Board, with progress updates reported to CMT periodically.</p>	Medium	31 <sup>st</sup> March 2017	Simon Pallett - IT Strategy and Governance Manager
10	<p>The Corporate IT Security Policy will be reviewed and updated to ensure it reflects the current arrangements and processes for information security within the Council.</p> <p>Once updated, the policy will be presented to the IT and Information Governance Board for approval, and then subsequently circulated to staff and made accessible via the intranet.</p> <p>The policy will be reviewed annually thereafter, with version control included within document to record approval and next review details.</p>	Medium	28 February 2017	Simon Pallett - IT Strategy and Governance Manager
11	<p>A formalised process will be implemented for reporting, recording, investigating and managing information security incidents, which will be reflected within the Information Security Incident Reporting Policy.</p> <p>Once updated, the policy will be presented to the IT and Information Governance Board for approval, and then subsequently circulated to staff, made accessible via the intranet and communicated to third party providers and partner organisations.</p> <p>The policy will be reviewed annually thereafter, with version control included within document to record approval and next review details.</p>	Medium	31 <sup>st</sup> March 2017	Simon Pallett - IT Strategy and Governance Manager
12	<p>The Council will ensure that an Information Sharing Protocol is agreed with statutory agencies and partner organisations to govern the sharing of person identifiable and sensitive information.</p> <p>Information Sharing Agreements (ISA) will be subject to review and approval by the IT and IG Board prior to being entered into to ensure they conform to the requirements of the established protocol, and these will be retained in a central repository.</p> <p>The agreed protocol will be communicated to all staff via the staff intranet as well as within the updated Data Protection and Privacy Policy, together with the requirement for ISAs to be approved by the IT and Information Governance Board. The agreed protocol will also be communicated on the Council website.</p>	Medium	31 <sup>st</sup> December 2016	Simon Pallett - IT Strategy and Governance Manager

13	<p>The Council will ensure that a robust framework is established and maintained for records management, including the use and monitoring of retention schedules.</p> <p>The Records Management Policy will subsequently be updated to reflect these processes and the responsibilities of all staff as well key staff roles in relation to records management.</p> <p>Once updated, the policy will be presented to the IT and IG Board for approval, and then subsequently circulated to staff and made accessible via the intranet.</p> <p>The policy will be reviewed annually thereafter, with version control included within document to record approval and next review details.</p>	Medium	31 <sup>st</sup> March 2017	Simon Pallett - IT Strategy and Governance Manager
14	<p>A Data Quality Policy will be developed which will set out the processes and mechanisms for ensuring the quality of data used for decision-making across the Council, including the validation of data.</p> <p>The policy will outline the responsibilities of all staff, as well as specific, lead roles, in ensuring the quality of data. Roles will be formally assigned to staff with responsibilities for leading on data quality within the Council.</p> <p>Once updated, the policy will be presented to the IT and Information Governance Board for approval, and then subsequently circulated to staff and made accessible via the intranet.</p> <p>The policy will be reviewed annually thereafter, with version control included within document to record approval and next review details.</p>	Medium	31 <sup>st</sup> March 2017	Simon Pallett - IT Strategy and Governance Manager

**Voids (6.16/17) – NO ASSURANCE**



**3 - Low**  
**3- Medium**  
**3- High**

## Design of the Control Framework

We have identified **three high** and **two medium** priority findings with the design of the control framework:

### Policies and Procedures

- We identified that there was no over-arching policy in place. Policies help ensure that relevant staff have access to guidance so that duties can be performed consistently, which provides assurance to management that errors are not occurring. Risks associated with the lack of a policy are being realised, in that it is not clear to staff involved with the voids process which department is responsible for overseeing the voids maintenance carried out by Interserve. Furthermore, the recorded voids procedures have not been formally reviewed or approved so it is not possible to assure that the procedures contained within are up to date. As there is not an approved set of procedures, staff could be incorrectly performing the voids process, leading to an increased chance of loss and error. **(High)**

### Pre-void inspections and re-charges to tenants

- A pre-void inspection should be performed in order to identify damage caused to the property by the tenant considered to be greater than normal wear-and-tear, so that the cost can be recharged to the tenant. Currently, pre-void inspections do not happen due to the Voids Team being unable to raise re-charges to tenants, which is due to the inability of the system used to charge tenants.. Re-charges to tenants would be a potential source of income available to the Council. As this is currently unavailable, the council may not be maximising all available income. **(High)**

### Monitoring Performance

- There are six distinct steps between the tenant vacating a property and the property being at a point where it can be re-let. We have identified one step where there is a gap in management oversight: the time taken between the keys being received by either the reception desk or one of the Housing Officers, to when the keys are received by the Voids Team. For the remaining five steps, although the average time taken for each property is reported in the annual Local Authority Housing Statistic submission, the information is not used mid-year to monitor performance and identify areas to improve efficiency. The step which takes the most time is when Interserve are carrying out the voids works, but there is no process for identifying properties which have missed completion targets. The Council is not using the available information to make the voids process more efficient, leading to increased void times and lost rental income. **(Medium)**

### Review of Estimations and Post-work Inspection of Voids Maintenance

- Interserve perform a technical specification of void properties to estimate the value of the works required. For estimations there is a Limit of Liability valued at £3,300: estimations valued under the Limit are atomically authorised and charged to the monthly lump-sum paid to Interserve as part of the Council-wide contract; and if estimations are over the Limit, the full value is charged on top of the monthly lump-sum. There is no formal process for technically qualified staff to review the specifications sent through from Interserve or for post-works inspection to verify that the work was adequate. This is due to the Council passing responsibility of all voids post-work inspection to Interserve in 2005 via a contract novation. There are circumstances where technically qualified staff from Property Services are involved with the process; and the charges breakdown submitted by Interserve can be challenged prior to authorising payment, but as these processes have not been formally set, the Council cannot take assurance that they will be applied consistently.

For jobs that are estimated to cost less than the Limit of Liability, there is a risk that works could be charged inappropriately close to the threshold as the provider is aware that invoices are automatically authorised. For jobs which are over the threshold, the Council cannot take assurance that charges are appropriate as there is no formal process of technical input approving the estimations. In both situations there is a risk that financial losses will go

undetected by the LA. It should be noted that this issue is being addressed for the new RMI contract. There is currently total reliance on Interserve that works have been completed adequately, which leads to health and safety risks to prospective tenants, and financial losses should further works be required. **(High)**

### Housing Performance Report

- The Housing Performance Report is produced on a monthly basis and includes voids performance. The report is not formally reviewed by a designated group or committee, so where poor performance is identified in reports, management cannot take assurance that mitigating actions are put in place and responsible individuals held to account, leading to increased void times.

Furthermore, the reported figure for voids is the average re-let time. This figure however, covers both the voids and the allocations process. By not differentiating between these two figures in reporting, it is not possible to differentiate performance between the separate processes. **(Medium)**

### Application of the Control Framework

We have identified one **medium priority** finding with the application of the control framework:

#### Corporate Management Team

- Voids performance is included in the Five Year Strategic Plan Balanced Scorecard, which is produced quarterly and reviewed by the Corporate Management Team (CMT). In the most recent scorecard available (Q3 of 2015/16, presented 13 January 2016) voids was given a red RAG-rating, however, there was no record of this rating being challenged in the January meeting minutes, or in subsequent meetings. Where issues raised in reports for senior groups are not being challenged, the Council cannot take assurance that mitigating actions have been put in place, leading to prolonged poor performance.

To note, we are aware that the Scorecard will not contain the voids figures moving forward, however, we are highlighting the apparent lack of scrutiny of issues raised in the report. **(Medium)**

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Ref	Management Action	Priority	Implementation Date	Manager Responsible
1	<p>An over-arching voids policy will be developed. The following should be considered:</p> <ul style="list-style-type: none"> <li>Executive lead;</li> <li>Responsible individuals;</li> <li>Internally set targets; and</li> <li>How it ties in to other service lines; such as allocation</li> </ul> <p>The voids procedures are soon to be reviewed, amended and updated and will include the following:</p> <ul style="list-style-type: none"> <li>Reviewed and formally signed off on periodic basis;</li> <li>Version control;</li> <li>Made available in digital format; and</li> <li>Be referenced to link in with the overarching policy.</li> </ul>	High	31 <sup>st</sup> January 2017	John Griffiths

2	A recharge policy and procedure will be developed; and pre-void inspections will be carried out for all properties and re-charges to tenants made, where works are noted as being the tenant's responsibility.	High	31 <sup>st</sup> January 2017	John Griffiths
3	A formal process to be developed for review of technical specifications prior to works being carried out, for estimations over and under the Limit of Liability; and a separate process for post-works inspection to be carried out on voids.  This could be on a sample basis to obtain assurance that charges are appropriate and works are adequate.	High	31 <sup>st</sup> January 2017	John Griffiths
4	A cost-benefit analysis will be performed on the following:  Consider whether a target number of days for each step in the voids process can be set, and developing a monitoring tool which can assess the performance of each step, as well as identify individual properties which have missed the target.  Aspects to consider for Interserve monitoring: <ul style="list-style-type: none"> <li>• Agreeing new targets for void works with the provider, to align with the New Lettable Standard</li> <li>• Agreeing a target for estimations over £5,000</li> <li>• Embedding targets into the report system so that individual properties over target can be highlighted</li> </ul>	Medium	31 <sup>st</sup> January 2017	John Griffiths
5	1) Voids performance to be included in the Housing Performance Report to Neighbourhoods and Community Scrutiny Panel so that performance can be monitored quarterly and where poor performance is identified, mitigating action plans are put in place.  2) Separate figures for the voids and allocations process will be reported to the Housing SMT.	Medium	31 <sup>st</sup> January 2017	John Griffiths
6	Management to ensure that issues raised in the existing reporting mechanism will be challenged, and mitigating actions put in place.	Medium	31 <sup>st</sup> January 2017	Mike England

**Agresso – Transfer of Balances (2.16/17) – PARTIAL ASSURANCE**



**0 - Low**  
**2- Medium**  
**1- High**

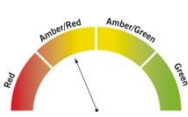
**The key findings from this review are as follows:**

- We confirmed overall balances transferred to Agresso corresponded to the overall balances per Oracle.
- We noted there had been delays in the finalisation of the mapping of the chart of accounts (CoA) prior to the data migration, and evidence to demonstrate formal sign off of the mapping had not been retained. Whilst a retrospective management action has not been raised, we identified through discussion with the PMO Lead that a post-project review had commenced and we have therefore highlighted the need to evaluate the project to identify lessons learnt as part of this. We have raised a **Medium** priority action in relation to this issue.
- We identified exceptions with regards to the transfer of individual balances in line with the mapping of the CoA, while we also identified that, as part of the migration, a balance of £25.6 million had been transferred to a Data Migration Suspense account relating to miscellaneous account codes used historically in Oracle, although at the time of the audit, this had been cleared down to £662k. There is a risk to the integrity of financial information held on the ledger where balances have not been transferred to the correct account distributions or where items are held in suspense. We have raised a **High** priority and a **Medium** priority action in relation to these issues.

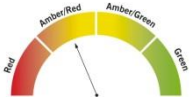
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Ref	Management Action	Priority	Implementation Date	Manager Responsible
1	The remaining balances within the Data Migration Suspense account will be reviewed and cleared prior to the 2015/16 year-end close-down of the ledger.	High	Immediate	Barry Stratfull – Head of Financial Reporting
2	As part of the post project review for the implementation of the Agresso finance system, lessons learnt will be identified which will then be incorporated into the implementation of the Agresso HR module.	Medium	31 <sup>st</sup> May 2017	Roger Parkin – Strategic Director, Customer and Community Services (Project Sponsor)  Clare Priest – PMO Lead
3	The mapping exceptions identified as part of the audit will be investigated and resolved, to ensure balances are accurately transferred to the correct account distributions.  This will then be subject to review and sign-off by the Assistant Director, Finance and Audit.	Medium	Immediate	Barry Stratfull – Head of Financial Reporting

## 2015/16 REPORTS

<b>Treasury Management (20.15/16) – PARTIAL ASSURANCE</b>				<b>2 - Low</b> <b>1- Medium</b> <b>1- High</b>
<p><b>The key findings from this review are as follows:</b></p> <p>Review of a sample of three bank reconciliations confirmed that these were performed and independently reviewed by the arvato Transactional Finance team each month and forwarded to the Council's Corporate Finance team for oversight of the completion of these. However, for two of the reconciliations (May and October 2015), we found that these had not been reconciled and explanations had not been provided for the differences of £30,657.95 and £733,422.38 respectively. The difference in May 2015 was cleared the following month, however, we found through review of the subsequent reconciliation that the difference in October 2015 had still not been cleared at the time of the audit and an explanation had again not been provided for the difference.</p> <p>We were advised by the arvato Accounting Technician that the difference in October 2015 was due to the transferring of bank accounts from the Co-operative to Lloyds and that the Transactional Finance Team was looking at entries to clear this difference prior to year-end. However, where differences are not cleared in a timely manner each month, this impacts on the integrity of financial information held on the ledger.</p> <p>We confirmed through discussion with the Accountancy Assistant that reconciliations are filed once they are received from arvato and these are not subject to review by Corporate Finance. However, where differences are highlighted on reconciliations completed by arvato and these are not subject to review by Corporate Finance, there is a risk that these may not be resolved in a timely manner, impacting on the integrity of financial information recorded on the ledger system. We have agreed a high priority management action in relation to this, detailed within the Action Plan that follows in Section 2.</p> <p>While we noted that a cash flow forecast of the level of Council cash flows available for investments and to repay loans was maintained on the Logotech system, we identified through discussion with the Treasury Accountant that there were no arrangements for the forecast to be presented to the Treasury Management Group or Corporate Management Team (CMT) at its meetings nor was there monitoring of forecasted versus actual cash flows. If cash flow forecasts covering all Council inflows and outflows are not prepared and monitored on a monthly basis against actual cash flows, the Council may not appropriately manage its funds to ensure sufficient cash is available to meet its liabilities. We have agreed a medium priority management action to address this which is detailed in the Action Plan that follows, reiterating the recommendation made within last year's Treasury Management report.</p>				
Ref	Management Action	Priority	Implementation Date	Manager Responsible
1	Upon receipt of reconciliations completed by arvato, where these highlight differences, these will be subject to review by the Corporate Financial Controller.	High	Immediate	Barry Stratfull – Head of Financial Reporting

2	<p>The Council will implement a comprehensive cash flow forecast which;</p> <ul style="list-style-type: none"> <li>• Forecasts the daily inflows and outflows for each month of the financial year; and</li> <li>• Records the daily actual inflows and outflows as a comparison against the forecast.</li> </ul> <p>The cash flow forecast will be monitored on a monthly basis by the Treasury Management Group to ensure actual cash flows are representative of the forecast, and the remit of the Group for cash flow management will be reflected within its terms of reference.</p>	Medium	31 <sup>st</sup> March 2017	Andrew Pate – Principal Accountant (Capital and Treasury)
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<p><b>Income and Debtors (20.15/16) – PARTIAL ASSURANCE</b></p>		<p><b>3 - Low</b> <b>2- Medium</b> <b>1- High</b></p>
<p><b>The key findings from this review are as follows:</b></p> <p>Whilst we confirmed that there were appropriate arrangements in place at the Parking Shop and that our sample had the appropriate reconciling documentation (cash sheet record vs cash count record vs paying in slip), each of our samples had discrepancies with the actual amount deposited in the bank account. We were informed through discussion with the Slough BC Accountant that this was a long standing issue which resulted in consistent discrepancies arising in amounts deposited relating to parking income. We noted that a rolling reconciliation of cash deposited against cash received in the bank account stated a cumulative discrepancy amount of £87,108 since April 2015 and this issue requires investigation with the bank as there is a risk that the Council is not receiving the money it is due. <b>(High)</b></p> <p>We noted that Adult Social Care debts were not being escalated by arvato in line with the procedure outlined in the Income Collection and Debt Recovery policy. As at 31 December 2015 (date of aged debt report due to problems with running a later report as a result of the changeover to Agresso) we found that of a total aged debt of £2,610,290, £1,064,250 related to Adult Social Care debts which had not been escalated in line with the debt recovery procedure (CCJ, Court Summons, Charging Order etc.) by arvato at the time of the audit.</p> <p>We were advised by the Head of Transactional Finance that arvato had historically not been escalating Adult Social Care debts past the sending of reminder letters as it was perceived that this may lead to an adverse effect on the Council’s reputation if vulnerable people’s debts were escalated to court. We were, however, advised by the Financial Controller that this would only be the case if a hold on a debt was specifically requested by the Council. We were not provided with any hold notifications relating to the debts in our sample from the Council. There is a risk of debt not being collected appropriately in line with defined procedures or ultimately having to be written off. <b>(Medium)</b></p> <p>We also were not provided with evidence to confirm that reconciliations of the Lloyds General Suspense Account had been undertaken in October and November 2015 and that the balance in the suspense account reconciliation for December 2015 was £501,806 of 'unallocated receipts - account not known' had been reviewed. There is a risk of income not being coded to the appropriate accounts if the Council’s suspense account is not regularly cleared and reconciled. <b>(Medium)</b></p>		



Ref	Management Action	Priority	Implementation Date	Manager Responsible
1	The Slough Borough Council Accountant will liaise with Lloyds Bank as a matter of urgency to investigate the reasoning behind the consistent differences between the amount counted, verified and arranged for deposit by the Parking Shop and the amount received in the bank account.	High	Immediate	Kalwinder Chana - Slough BC Accountant
2	The Corporate Financial Controller will ensure that reconciliations completed by arvato are appropriately reviewed and scrutinised to ensure that reconciliations are being appropriately undertaken, reviewed and in a timely manner.	Medium	31 <sup>st</sup> March 2017	Barry Stratfull – Head of Financial Reporting
3	A review will be undertaken between Finance, arvato and Adult Social Care to identify which of the outstanding debtors should be chased in line with the Income Collection and Debt Recovery Policy.  Any decision made will be reflected in an updated policy, to be shared between the above parties and council staff.	Medium	1 <sup>st</sup> April 2017	Vijay McGuire - Partnership Development and Client Manager

### Asset Register (29.15/16) – PARTIAL ASSURANCE



3 - Low  
6- Medium  
0- High

The key findings from the review are as follows:


- We confirmed through discussion with the Principal Asset Manager and Principal Accountant for Capital & Treasury that the Council does not have in place a formalised Asset Management Procedure which documents the responsibilities of key staff and key processes, including verification of assets. This has resulted in a **Medium** priority action for management as a failure to maintain updated procedural guidance increases the risk of inconsistent actions being taken by all staff involved in the management of council assets. The issue in relation to procedures to verify assets was also raised as an action within the 2014/15 Internal Audit but not implemented.
- Sample testing performed on seven acquisitions within the 2015/16 financial year to ascertain whether acquired assets are accurately recorded on the asset register identified that completion memorandums are not consistently sent by the Legal Department across the Council, including to Asset Management and Finance; and that action is not consistently undertaken to ensure all new assets are recorded on the asset register. This has resulted in **two Medium** priority actions for management as a failure to both notify and perform amendments regarding acquisitions increase the risk of the asset register holding redundant information.
- Sample testing performed on ten disposed/transferred assets within the 2015/16 financial year identified that authorisation from lead departments instructing the Legal Department were not in line with delegations noted within the Council's Constitution. This has resulted in a **Medium** priority action for management as working practices may not be aligned to authorisations required as agreed by the Cabinet.
- Sample testing also identified that the CIPFA Asset Register is not updated on an on-going basis to explicitly record assets which have been

disposed/transferred in lieu of financial disposal by the Principal Accountant for Capital & Treasury. This has resulted in a **Medium** priority action for management as staff may take action based on redundant information if the asset register does not truly reflect the Council's ownership or financial interests in assets.

- We confirmed through discussions with the Principal Asset Manager and Principal Accountant for Capital & Treasury that Physical inspections of assets are not carried out on a periodic basis. This has resulted in a **Medium** priority action for management, as a failure to verify details on a periodic basis increased the risk of outdated information being held within asset management records.

Ref	Management Action	Priority	Implementation Date	Manager Responsible
1	<p>The Principal Asset Manager, Principal Accountant for Capital &amp; Treasury and Group Property &amp; Regeneration Solicitor should oversee the preparation of an Asset Management Procedure that clearly outlines the responsibilities of all involved departments and staff. The procedures will clearly outline:</p> <ul style="list-style-type: none"> <li>• How to identify assets;</li> <li>• Responsibility of staff in reporting new assets and disposals to the finance team, the legal team and the asset management team;</li> <li>• Documentation to be held for assets owned by the Council;</li> <li>• Responsibility in recording all assets into the Land Terrier and the Asset Register;</li> <li>• Timeliness and responsibility of reconciliations between the asset values in the asset register and the general ledger;</li> <li>• Timeliness and responsibilities for all involved teams within the asset revaluation process and updating of results.</li> <li>• Formal written verification procedures covering how regular reconciliations are to be completed against the asset register and the Councils property management records.</li> </ul> <p>The policy and procedure will be approved by CMT and communicated across all directorates.</p>	Medium	31 <sup>st</sup> March 2017	Neil Wilcox – Assistant Director, Finance and Audit
2	The Legal Department will ensure that completion memorandums are communicated and obtained on file for all asset acquisitions made.	Medium	31 <sup>st</sup> March 2017	Neil Wilcox – Assistant Director, Finance and Audit
3	The Principal Asset Manager will perform a monthly reconciliation to ensure that all completion memorandums received have been appropriately actioned on the CIPFA Asset Register; Land Terrier system; and SADIE spreadsheet.	Medium	31 <sup>st</sup> March 2017	Neil Wilcox – Assistant Director, Finance and Audit

4	Clarification will be sought on the authority required to instruct Legal of the disposals and acquisitions of property.  Once clarification has been provided, amendments to the delegation powers documented in the Constitution should be made if required; or an instruction should be submitted across the Council to confirm the process in place.	Medium	31 <sup>st</sup> March 2017	Neil Wilcox – Assistant Director, Finance and Audit
5	The Principal Asset Manager will identify a means by which the CIPFA Asset Register can be amended to show an asset as disposed of in lieu of financial disposal by Finance.	Medium	31 <sup>st</sup> March 2017	Neil Wilcox – Assistant Director, Finance and Audit
6	The Principal Asset Manager will oversee the preparation and implementation of a physical asset inspection process which will allow the Council to take assurances on the integrity of asset details maintained in asset managed records.	Medium	31 <sup>st</sup> March 2017	Neil Wilcox – Assistant Director, Finance and Audit

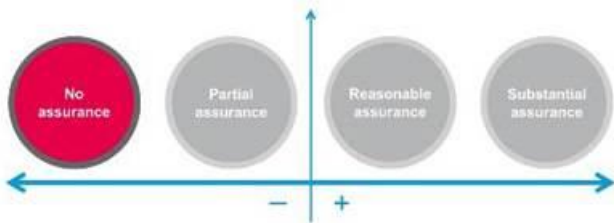
<b>IT Business Continuity and Disaster Recovery (34.15/16) – PARTIAL ASSURANCE</b>				<b>0 - Low</b> <b>4- Medium</b> <b>1- High</b>
<p>We did identify a number of weaknesses in the design of controls that impact business continuity and disaster recovery arrangements, principally:</p> <ul style="list-style-type: none"> <li>• The last business impact assessment was conducted in 2014 and recovery time objectives for SBC systems and data have not been formally agreed for all systems, potentially impacting the effectiveness of a recovery response and the currency of current and future planning arrangements.</li> <li>• The arvato Business Continuity plan details responsibilities of arvato staff, SBC and stakeholders if the plan had to be invoked. Rules for invoking the plan are also contained in the document. However, this has not yet been linked to the SBC corporate BCP plan, increasing the risk that arvato could operate different recovery practices that are not integrated with SBC incident response arrangements.</li> <li>• No IT DR testing strategy has been designed and no testing of DR arrangements has been undertaken for a number of years. Whilst we acknowledge that this issue is pending completion of the new Disaster Recovery solution implementation, the absence of an agreed testing strategy increases the risk of contingency planning arrangements not being effective in practice.</li> <li>• The Council has not documented a BCP policy that provides details of the framework in place across the Council for managing the BCP process increasing the risk that in the event of an incident the Council may not be able to respond effectively.</li> </ul>				
<b>Ref</b>	<b>Management Action</b>	<b>Priority</b>	<b>Implementation Date</b>	<b>Manager Responsible</b>
1	Management will ensure that arvato provide recovery time profiles for key systems as soon as the DR infrastructure has been implemented, which will include the provision of recovery servers	High	31 <sup>st</sup> March 2017	Simon Pallett

2	Management will ensure that arvato provide recovery time profiles for key systems as soon as the DR infrastructure has been implemented, which will include the provision of recovery servers.	Medium	31 <sup>st</sup> March 2017	Simon Pallett
3	The Council Business Continuity / IT Disaster Recovery plan will be linked to the arvato Business Continuity / IT Disaster Recovery plan as soon as possible	Medium	31 <sup>st</sup> March 2017	Simon Pallett / Joe Carter
4	The Council will ensure that a test strategy is formulated and a test plan put in place and ensure that it is tested regularly	Medium	31 <sup>st</sup> March 2017	Simon Pallett
5	The Council will ensure that a BCP policy is provided.	Medium	31 <sup>st</sup> March 2017	Joe Carter

## 2016/17 ASSURANCE OPINIONS

For 2016/17, we are constantly developing and evolving the methods used to provide assurance to our clients. As part of this, we have refreshed our opinion levels in line with the graphics below.

We use the following levels of opinion classification within our internal audit reports. Reflecting the level of assurance the board can take:



Taking account of the issues identified, the Board **cannot take assurance** that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective. Urgent action is needed to strengthen the control framework to manage the identified risk(s).



Taking account of the issues identified, the Board can take **partial assurance** that the controls to manage this risk are suitably designed and consistently applied. Action is needed to strengthen the control framework to manage the identified risk(s).



Taking account of the issues identified, the Board can take **reasonable assurance** that the controls in place to manage this risk are suitably designed and consistently applied. However, we have identified issues that need to be addressed in order to ensure that the control framework is effective in managing the identified risk(s).



Taking account of the issues identified, the Board can take **substantial assurance** that the controls upon which the organisation relies to manage the identified risk(s) are suitably designed, consistently applied and operating effectively.

## FOR FURTHER INFORMATION CONTACT

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07528 970094

**SLOUGH BOROUGH COUNCIL**

**REPORT TO:** Audit and Corporate Governance Committee

**DATE:** 11<sup>th</sup> January 2017

**CONTACT OFFICER:** Neil Wilcox Section 151 Officer, Assistant Director Finance & Audit

**(For all Enquiries)** (01753) 875358

**WARD(S):** ALL

**PART I**  
**FOR COMMENT & CONSIDERATION**

**AUDIT AND RISK MANAGEMENT UPDATE – QUARTER 2 2016/17**

1. **Purpose of Report**

The purpose of this report is to:

- Report to Members on the progress of the implementation of Internal Audit recommendations
- Report to Members the amended process for finalising internal audit reports
- Report to Members the Council’s latest counter-fraud activity
- Report to Members the Council’s Risk Register
- Note the Risk Management Strategy

2. **Recommendation(s)/Proposed Action**

That the Committee

- a) Note details of the implementation of Internal Audit recommendations, the amended process for finalising internal audit reports, counter fraud activity and the Council’s Risk Register.
- b) Recommend that Cabinet approve the Risk Management Strategy as attached at Appendix 2.

3. **The Slough Joint Wellbeing Strategy, the JSNA and the Five Year Plan**

The [Slough Joint Wellbeing Strategy](#) (SJWS) is the document that details the priorities agreed for Slough with partner organisations. The SJWS has been developed using a comprehensive evidence base that includes the Joint Strategic Needs Assessment (JSNA). Both are clearly linked and must be used in conjunction when preparing your report. They have been combined in the Slough Wellbeing Board report template to enable you to provide supporting information highlighting the link between the SJWS and JSNA priorities.

### 3a. **Slough Joint Wellbeing Strategy Priorities**

The report indirectly supports all of the strategic priorities and cross cutting themes.

The maintenance of excellent governance within the Council to ensure that it is efficient, effective and economic in everything it does is achieved through the improvement of corporate governance and democracy by ensuring effective management practice is in place.

The report helps achieve the corporate objectives by detailing how the Council is delivering the Council's budget in line with the approved budget.

### 4. **Other Implications**

#### (a) Financial

There are no direct financial implications of this report

#### (b) Risk Management

This report is concerned with the risk management and other governance arrangements of the Council

#### (c) Human Rights Act and Other Legal Implications

There are no human rights issues arising from this report

#### (d) Equalities Impact Assessment

There are no equality issues arising from this report

### 5. **Supporting Information**

#### 5.1 **Finalising Internal Audit Reports**

5.1.1 The table below shows those Internal Audits that remain in draft and are yet to be finalised as at 31<sup>st</sup> October 2016.

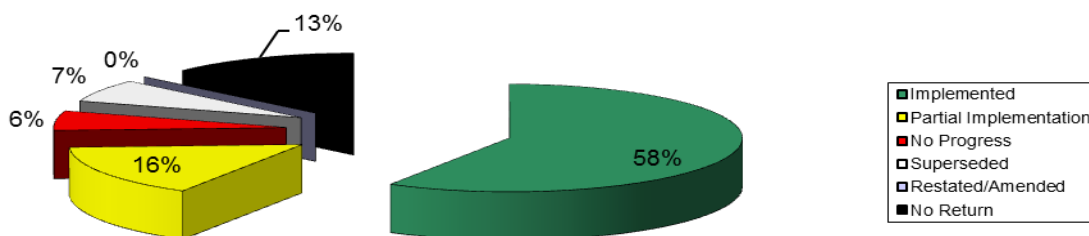
<b>Audit Title</b>	<b>Draft Issued</b>	<b>Responses due</b>	<b>Client sponsor</b>	<b>Rating</b>
Voluntary Sector Commissioning 7 16 17	01 November 2016	15 November 2016	Alan Sinclair	Amber Red

5.1.2 The Risk and Insurance Officer regularly monitors the progress of the implementation of "high" or "medium" recommendations made following Internal Audit reports. Below is a graph that shows the percentage of recommendations that have either been implemented, are in progress, no action has been taken, or the recommendation has been superseded.

5.1.3 The number of implemented recommendations has increased to 58%, up on the 56% reported at the previous Audit and Corporate Governance committee.



**Internal Audit Recommendations due by 31st October 2016  
(excluding schools)**

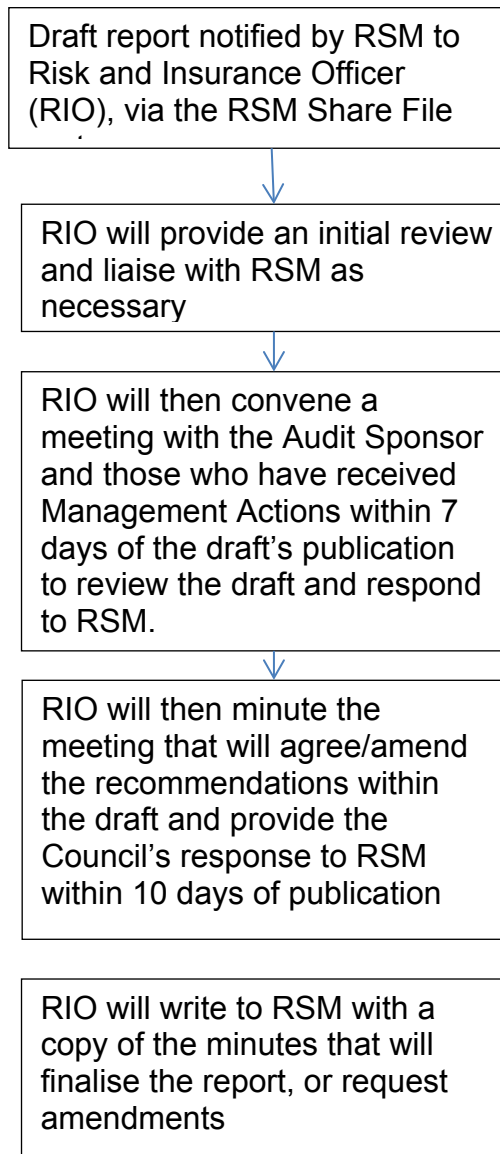


5.1.4 The table below details those audits where recommendations are still outstanding

Name of Audit	High Level rec's not Completed		Medium Level rec's not Completed		Audit Sponsor
	No Progress	Partial	No Progress	Partial	
<b>Corporate Reports</b>					
avarto phase II contract management 25 14 15	2	1	1	0	Roger Parkin
avarto performance management 45 14 15	0	0	1	1	Roger Parkin
Budgetary Control and Financial Reporting 25 15 16	0	0	1	0	Neil Wilcox
General Ledger 31 15 16	0	0	2	0	Neil Wilcox
Slough Community Leisure 7 14 15	0	1	1	0	Gurpreet Anand
Five Year Plans Outcomes 33 15 16	0	0	1	1	Roger Parkin
Rent Accounts 28 15 16	0	0	0	1	Neil Wilcox
Business Continuity Planning Arrangements 1 16 17	5	0	0	0	Mike England
Matrix - Management of Agency Staff 7 15 16	2	0	5	0	Roger Parkin
Creditors 19 15 16	0	0	0	1	Neil Wilcox
Risk Management	0	0	1	5	Neil Wilcox
Schools Thematic Review 24 15 16	0	0	1	0	Jo Moxon
Payroll 26 15 16	0	0	0	1	Neil Wilcox
Adult Safeguarding 11 15 16	0	0	0	1	Alan Sinclair
<b>Sub Total</b>	<b>9</b>	<b>2</b>	<b>14</b>	<b>11</b>	
<b>Schools</b>					
Khalsa	0	0	2	0	Jo Moxon
Pippins	0	0	1	0	Jo Moxon
Our of Peace Primary	0	0	2	0	Jo Moxon
<b>Total</b>	<b>9</b>	<b>2</b>	<b>19</b>	<b>11</b>	

## 5.2 Finalising Internal Audit Reports – Change of Process

- 5.2.1 It has recently become apparent that, historically, an unacceptable number of internal audit reports have remained in draft, significantly past the date by which they should have been finalised. This means that the recommendations for improvement in the reports remain unaddressed and individuals are not held accountable for their implementation.
- 5.2.2 To remedy this problem, and to introduce a more robust process by which Internal Audits are finalised, the Risk Insurance Officer has implemented, with agreement from CMT, the process outlined below:



### 5.3 Fraud update

Every year the Council is required to report all fraud activity with a value of over £10,000. The Council provides this summary on a quarterly basis to the Audit & Risk Committee. For Quarter 2 (July to October) 2016/17 please see below:

1. Fraud value over £10,000

Type of Fraud	Amount	Recovery Action	Action Against Perpetrator
• <b>School Photocopy Fraud</b>	<b>Fraud over £130,000</b>	<b>Prosecution</b>	<b>Prosecution</b>
• <b>Fraud against vulnerable service user in supported living</b>	<b>Fraud over £20,000</b>	<b>Prosecution</b>	<b>Prosecution</b>

2. Number of occasions SBC have used powers under the Prevention of Social Housing fraud Act 2013:
  - a. **Nil.**
3. Or similar powers - SSFA (Social Security Fraud Act 2001) and CTRS (Council Tax Reduction Scheme) 2013:
  - a. **9 statutory requests.**
4. Total number of employees undertaking fraud/prosecution duties
  - a. **3**
5. Total number of employees (absolute and full time equivalent) of professionally accredited counter fraud specialists
  - a. **2**
6. Total amount spent by the authority on the investigation and prosecution of fraud
  - a. **NA**
7. Total number of fraud cases opened in quarter: **23 opened**
8. Total number of sanctions obtained:
  - a. Caution - **1 caution issued for tenancy fraud and property recovered.**
  - b. Prosecution issued – **2 prosecutions submitted**
  - c. Convictions obtained – **2 convictions for housing and council tax benefit fraud. DWP Lead agency.**
  - d. Properties recovered - **4**
9. Total number of Proceeds of crime Act 2002 actions:
  - a. Investigations – **Nil**
  - b. Restraint Orders – **None.**
  - c. Confiscation Orders - **None**
  - d. Funds received from Home Office for previous Confiscation Orders:
    - i. Compensation- **£0**
    - ii. Confiscation- **£0**

## **5.4 Corporate Risk Register**

5.4.1 Appendix 1 shows the current draft Corporate Risk Register

## **5.5 Risk Management Strategy**

5.5.1 The amended Risk Management Strategy is included as Appendix 2 for your approval.

5.5.2 Once this document is approved it will be presented to the Audit and Corporate Governance committee to recommend that it is signed by Cabinet

## **6. Comments of Other Committees**

N/A.

## **7. Conclusion**

The Committee is requested to:

- Note the progress of the implementation of Internal Audit recommendations
- Note the amended process for finalising internal audit reports
- Note the Council's latest counter-fraud activity
- Note the Council's Corporate Risk Register
- Note the Risk Management Strategy
- The Committee is requested to recommend that Cabinet sign the attached Risk Management Strategy at Appendix 2

## **8. Appendices Attached**

'A' - Corporate Risk Register – Appendix 1  
'B' - Risk Management Strategy – Appendix 2

## **9. Background Papers**

None.

## **Strategic Risk**

### **Below is a definition of Strategic Risk**

“Those business risks that, if realised, could fundamentally affect the way in which the organisation exists or provides its services in the next one to five years. These risks will have a detrimental effect on the organisation’s achievement of its key business objectives. The risk realisation will lead to material failure, loss or lost opportunity.” – RSM

### **5 Questions to Identify a Strategic Risk**

- What is happening internally or externally that will present a strategic risk or challenge?
- What has happened in the past that had led to the realisation of a strategic risk?
- What is happening elsewhere?
- What are auditors, regulators, customers and partners telling us about the organisation?
- What challenges will the organisation face in implementing the Five Year Plan?

Issue	Potential Causes	Possible Outcomes	5 Year Plan Outcome	Current Controls	What assurances have you?	Future Actions	By Whom When
<p><b>Failure to Deliver balanced Budget</b></p> <p>The council has a duty to set and deliver a balanced budget</p>	<p>Insufficient budget monitoring</p> <p>Increased demand from demand led services</p> <p>Project overspend Reduction in business rate income</p>	<p>Qualified external audit opinion</p> <p>Need cut/reduce service provision to meet shortfall</p> <p>Increased attention from central Government. Damage to reputation</p>	Using Resources Wisely	<p>Monthly budget monitoring</p> <p>MTFS</p> <p>Quarterly Reporting to CMT and Cabinet</p>	<p>Permanent 151 Officer</p> <p>Budget setting Internal Audit report</p> <p>External audit report</p>	<p>Savings Plan</p> <p>Continuous monitoring</p> <p>On-going Agresso training for Managers</p>	Barry Stratfull 1 <sup>st</sup> April 2016
<p><b>Management of Major Contracts</b></p> <p>The Council requires robust contract management to ensure that the benefits and efficiencies of the contract are delivered.</p>	<p>Contract management arrangements are not properly developed.</p> <p>Insufficient resources are dedicated to contract management.</p> <p>Poor specification</p> <p>RMI and waste</p>	<p>Contracts poorly perform</p> <p>Efficiencies and benefits not realised</p> <p>Financial overspends</p> <p>Increased incidence of fraud</p> <p>Increased management time dealing with poorly performing contracts</p>	Using resources Wisely	There are varying degrees on contract management across the Council	<p>Avarto phase II advisory audit</p>	<p>Appoint contract managers for all contracts</p> <p>CMT have agreed that RSM will develop a strategy how to implement the first part of the contract management</p>	<p>Mike England</p> <p>Neil Wilcox</p>

Issue	Potential Causes	Possible Outcomes	5 Year Plan Outcome	Current Controls	What assurances have you?	Future Actions	By Whom When
	contracts are all out for tender	Damage to reputation Increased number of Member complaints				report	
<b>Business Continuity</b>  The Council requires robust Business Continuity Plans in the event of an incident or series of incidents that affects the Council's ability to provide essential services	Lack of tested Business Continuity Plans that deal with:  Failure of key contractor  Large scale absence of staff due to illness  Loss of IT systems  Loss or denial of access to key buildings  Weather related e.g. snow	Inability to deliver essential services  Delays in payment to staff, suppliers etc.  Inability to access vulnerable users records/needs  Damage to reputation/national media coverage  Senior staff dealing with both Emergency and Business Continuity  General public unable to access services	Enabling & preventing	There are various plans in place.  Lead a senior management level  Identified staff resource	Business Continuity Internal Audit report	The plans that are in place need to be brought under a corporate Business Continuity framework	Joe Carter
<b>Adult Safeguarding</b>  Failure to protect	Poorly trained staff or lack of training for staff provided	Physical harm to user Care Quality	Enabling & Preventing				

Issue	Potential Causes	Possible Outcomes	5 Year Plan Outcome	Current Controls	What assurances have you?	Future Actions	By Whom When
adult social care users from physical, emotional, financial abuse	<p>by agencies</p> <p>Lack of robust multi-agency policy and procedures that are in line with national guidance and no assurance that these guidelines are being followed</p> <p>Lack of resources to undertake the necessary work to protect vulnerable adults at risk</p> <p>Lack of engagement and involvement with other agencies such as the Police, NHS, and voluntary section organisations</p> <p>Lack of monitoring of personal budgets provided to service</p>	<p>Commission investigation</p> <p>Police investigations</p> <p>Prosecutions of staff/contractors third parties</p> <p>More serious cases will involve national media coverage and scapegoating</p> <p>Fines and legal costs</p> <p>Lengthy investigations taking up management time</p>					



Issue	Potential Causes	Possible Outcomes	5 Year Plan Outcome	Current Controls	What assurances have you?	Future Actions	By Whom When
	users						
<b>Data Security</b>  Robust policies procedures to deal with the handling of data  Increased responsibilities due to the General Data Protection Regulation.	Insufficient training of staff  Loss/theft of paperwork.  Data sent to work recipient  Email to the wrong recipient  Insecure web-page  Insecure disposal of paperwork	Fines from the ICO  Advising users that their personal data has been compromised  Providing credit agency facility to affected third parties  Rebuild of IT systems  Reputational damage	Using Resources Wisely				
<b>Failure of Slough Children's Services Trust to deliver required improvements.</b>	The Council has only limited control over the SCST and must work with SCST to improve services	Further intervention from the Secretary of State  Children and families do not receive the services they need  Request for additional funding from the council	Enabling & Preventing	Monitoring Reports to Director of Children's Services.  Reports to overview and scrutiny  Both formal			

Issue	Potential Causes	Possible Outcomes	5 Year Plan Outcome	Current Controls	What assurances have you?	Future Actions	By Whom When
				and informal monitoring by Head of Children's Partnerships			
<p><b>Preparedness for OFSTED Inspections</b></p> <p>OFSTED could announce inspections into Quality and Delivery of school Services, and/or The Provision of Special Needs Education.</p> <p>Adult and Community Learning</p>	<p>These inspections can be announced at anytime.</p> <p>There is a lack of service plans.</p> <p>There no appropriate KPI's</p>	<p>Adverse reports from OFSTED will cause reputational damage, possibly on a national level.</p>	<p>Enabling &amp; Preventing</p>	<p>Head of Children's Partnerships is leading group to increase preparedness</p> <p>Head of Learning and Community services through Shared services Management Committee</p>	<p>Post OFSTED Action Plan</p>	<p>Self Improvement Documents are being prepared for both areas</p> <p>Section 11 Plan</p>	
<p><b>Increased Level of Homelessness</b></p> <p>Concerns over the increased levels and</p>	<p>Slough is dependent on the private rented sector.</p>	<p>Severe overcrowding</p> <p>Increased costs and demand in the Temporary</p>	<p>Changing, Retaining and Growing</p>	<p>Good, experienced team</p> <p>Regular budget</p>	<p>Benchmarking with other Berkshire and London authorities</p>	<p>Joining up with other departments to bid for DCLG funding</p>	<p>P Thomas</p>

Issue	Potential Causes	Possible Outcomes	5 Year Plan Outcome	Current Controls	What assurances have you?	Future Actions	By Whom When
knock-on effects of Homelessness	<p>Due to economic growth private sector landlords are able to increase rents.</p> <p>These rent increases are now becoming too expensive for families on relatively modest incomes</p> <p>Benefits won't cover the cost of rent</p> <p>London Borough's securing deals with local landlords to place their homeless in Slough</p> <p>Within the council housing stock there is a disproportionate number of 1 bedroom flats</p>	<p>Accommodation team</p> <p>Disruption to quality of life to homeless</p> <p>Reputational Damage</p>		<p>monitoring</p> <p>Housing strategy</p> <p>Discretionary Housing Payments</p> <p>Pro-active temporary accommodation manager who seeks out suitable accommodation</p>	<p>Awards for Temp Accom. Team</p> <p>Cllr go on visits with Homeless Team</p>		

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**APPENDIX 2**

**Risk Management Strategy**

**2016**

## Version Control

Date	Version	Author	Description	Approved by
22 <sup>nd</sup> June 2016	1.0	Phil Brown	Update on 2013 to 2015 Strategy	
14 <sup>th</sup> July 2016	2.0	Phil Brown	Update following Risk Management Group	

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## Introduction

Risk is defined as;

**“The possibility of an event occurring that will have an impact on the achievement of objectives. Risk is measured in terms of likelihood and impact”**

The Risk Management Strategy is to:

- Provide standard definitions and language to underpin the Risk management process
- Ensure that risks are identified and assessed in a consistent manner throughout the organization
- Clarify roles and responsibilities for managing risks
- Implement an approach that meets current legislative requirements and follows best practice and relevant standards

The Risk Management Strategy now includes the Risk Management Policy

The implementation of the Risk Management Strategy will assist the Council in:

- Reducing risks
- Maximising opportunities
- Improving the effectiveness of our partnerships including the realisation of anticipated benefits
- Ensuring that the benefits offered by contracting out services are realised.
- Enhance our procurement processes
- Support the delivery of the Council’s 5 Year Plan Objectives.

## Benefits of Risk Management

Effective risk management will deliver a number of tangible and intangible benefits to individual services and to the Council as a whole, e.g.

- **Improved Strategic Management**  
Greater ability to deliver against objectives and targets  
A sound system of corporate governance  
Confidence in the rigour of the Annual Governance Statement  
More likely that new developments can be delivered on time and on budget  
Delivery of innovative projects
- **Improved Operational Management**

- Reduction in interruptions to service delivery
  - Reduction in managerial time spent dealing with the consequences of a risk event having occurred
  - Improved health & safety of those employed, and those affected, by the Council's undertakings
  - Improved prevention of fraud, bribery and corruption
  - Allows managers to focus on issues that really matter
  - Delivery of change management and organisational change
- **Improved Financial Management**
    - Better informed financial decision-making
    - Enhanced financial control
    - Reduction in financial costs associated with losses due to service interruption, litigation, etc.
    - Reduction in insurance premiums and claim related costs
- **Improved Customer Service**
    - Minimal service disruption to customers
    - Protection of reputation and reduced risk of misinterpretation by media

## Objectives

Below are the risk management objectives.

Objectives:

- Embed a risk management ethos throughout the Council that ensures the regular and systematic identification, prioritisation, treatment and monitoring of risks.
- The production of strategic and directorate risk registers that highlight the key risks facing the council that informs the corporate risk register and the annual Internal Audit Plan.
- Anticipate and respond to changing social, environmental and legislative requirements.
- Raise awareness of the need for risk management by all those connected with the Council's delivery of service

These objectives will be achieved by:

- Defining roles, responsibilities, and reporting lines.
- Including risk management issues when writing Cabinet reports
- Maintaining registers of risks
- Holding regular meetings of the Risk Management and Audit Group that involves Senior Managers.



- Providing appropriate training to all members of staff
  - Setting the Risk appetite
- (‘Risk Appetite’ is the level of risk an organisation is prepared to tolerate. The decision to accept a risk is based partly on a view of the tolerance level of that particular risk. One of the aims of this document is to help managers view risks in a consistent way across all Directorates and ensure the Council has a balanced “Risk Appetite”.)*

## How Risk Management in Slough Borough Council is organised.

The next section deal with how risk management is organised in Slough Borough Council. This includes:

- Roles and Responsibilities
- Training
- Risk Register Structure

### Roles & Responsibilities

To help ensure that the risk management is embedded in the day to day function of all staff

Officer/Group	Responsibility	Frequency
The Cabinet	<p>The Cabinet role is to set the risk appetite and influence the culture of Risk Management within the Council, this includes:</p> <ul style="list-style-type: none"> <li>• Determining whether the Council is 'risk taking' or 'risk averse'</li> <li>• Ensuring risks are considered as part of every Cabinet report decision</li> <li>• To review the content of the Corporate Risk Register at least annually, ensuring procedures are in place to monitor the management of significant risks to reduce the likelihood of unwelcome surprises;</li> <li>• Periodically review the Council's approach to Risk Management and approve changes or improvements to key elements of its processes and procedures.</li> </ul>	At Least Annually
Audit and Corporate Governance	The purpose of The Audit and Corporate Governance Committee in relation to Risk Management is:	Every Three months

Officer/Group	Responsibility	Frequency
Committee	<ul style="list-style-type: none"> <li>• To approve the risk management strategy and review the effectiveness of risk management arrangements, the control environment and associated antifraud and anti-corruption arrangements and seek assurances that action is being taken on risk related issues;</li> <li>• To ensure that assurance statements, including the Annual Governance Statement properly reflect the risk environment;</li> <li>• To review the Council’s risk register;  <a href="http://www.slough.gov.uk/moderngov/ieListDocuments.aspx?CId=563&amp;MId=5513&amp;Ver=4&amp;Info=1">http://www.slough.gov.uk/moderngov/ieListDocuments.aspx?CId=563&amp;MId=5513&amp;Ver=4&amp;Info=1</a></li> </ul>	
Overview and Scrutiny	In their role of scrutinising decisions taken by the Cabinet, Scrutiny Members should ensure that associated risks have been taken into account. Scrutiny Committees also have a role in bringing potential risks that may not have been previously identified to the attention of the Corporate Management Team.	On-going
Elected Members	Elected Members should consider the risks associated with recommendations put forward in reports to the various committees such as the Cabinet or Scrutiny Committees to name but a few when making decisions recommended within the reports	On-going
Corporate Management Team.	Update Strategic Risk Register.	Every six months
	Undergo relevant training	As and when
Asst. Directors	Update Risk Register	Every three months
	Discuss risk at directorate meetings Standing Item on Team Meeting Agendas. At 1-2-1 supervision meetings monthly	
	Undergo relevant training	As and when
	Cascade risks down to individual teams	As part of the annual appraisal process

Officer/Group	Responsibility	Frequency
Risk Management & Audit Group	See attached Risk Management and Corporate Governance Group Terms of Reference	
All other staff	Bring risk issues to the attention of their manager. Undertake relevant training	On-going
Programme Management Office	Review Risk Registers and Highlight reports for all Projects on the Portfolio  Analysis of key themes and risks which are reported to CMT  Monitoring and assessment of Portfolio related risks in PMO risk register	Monthly
Project Managers	Maintenance of project level risk register  Reporting of new and significant ongoing risks to the Programme Management Office	
Risk & Insurance Officer	Maintain and facilitate updating of Risk registers	On-going
	Produce overview of directorate risks for Directors	Every Three Months
	Organise Risk Management Training	On-going

## Strategic Risk

### Below is a definition of Strategic Risk

“Those business risks that, if realised, could fundamentally affect the way in which the organisation exists or provides its services in the next one to five years. These risks will have a detrimental effect on the organisation’s achievement of its key business objectives. The risk realisation will lead to material failure, loss or lost opportunity.” – RSM

### 5 Questions to Identify a Strategic Risk

- What is happening internally or externally that will present a strategic risk or challenge?

- What has happened in the past that had led to the realisation of a strategic risk?
- What is happening elsewhere?
- What are auditors, regulators, customers and partners telling us about the organisation?
- What challenges will the organisation face in implementing the Five Year Plan?

## **Guide for Identification, Prioritising, and Documenting of Risk**

To ensure the systematic management of risks it is recommended that risks are recorded and communicated. This is done by completing a risk register. The Council has risk registers at project level and directorate level, and the highest risks at this level are incorporated into the Strategic Risk Register.

These are the steps to completing a risk register. These are:

1. Identifying a Risk
2. Use pre-determined risk categories
3. Describe the Risk
4. Assess the risk assuming that there are no control measures in place
5. Identify the current controls
6. Identify the Assurances.
7. Re-Assess the Risk taking current controls into account
8. Identify further controls if required
9. Re-Assess the Risk taking proposed controls into account
10. Decide upon a reasonable date for the completion of the proposed control
11. Assign implementation of control to a relevant officer

## **How to populate the Risk Register**

### **Step 1 – Identifying a Risk**

If you have discovered an issue that is or will affect the delivery of one or more of the 5 year plan objectives you will want to ensure that the Risk is managed proportionally, and effectively.

## Step 2 – Use pre-defined Categories of Risk

SBC has decided the following categories of risk

Type of Risk	
Economic/ Financial	Events or lost opportunities that have a detrimental affect on the finances of the authority.
Political	Risks that affect the Council's ability to deliver its strategic objectives.
Health & Safety	Events that lead to the physical/mental harm of employees and/or stakeholders.
Environment	Events that may have a detrimental affect on the physical environment
Legal/Regulatory	Actions or events that breach regulations, civil or criminal law
Management including contractual	Events, actions or proposed actions that lead to increased management effort
Programme and Projects	Risks that could have an effect on the successful achievement of the programme or project's outcomes / objectives in terms of service delivery, benefits realisation and engagement with key stakeholders (service users, third parties, partners etc.).

## Step 3 – Describe the Risk

Describing the risk clearly is very important. What you must try to avoid is confusing risks with outcomes.

Consider and record potential outcomes

Below is a table of some risks and one of corresponding possible outcomes

Risk	Possible Outcomes
Failure to an appropriate and robust system of internal financial controls.	Fraud
Overspent budget	Damage to reputation
Failure of business critical IT systems	Inability to provide and/or monitor services.
Inadequate or poorly implemented	Injury to staff and/or visitors

Health and Safety system	
--------------------------	--

Consider and record circumstances/events that may “trigger” the risk

#### Step 4 - Assess the risk assuming that there are no control measures in place

To enable us to manage the risk most effectively we need to assess the risk assuming no controls.

SBC has decided to use a 6x4 Matrix as shown below

<b>Probability</b>	Very High	6	12	18	24
	High	5	10	15	20
	Significant	4	8	12	16
	Low	3	6	9	12
	Very Low	2	4	6	8
	Almost impossible	1	2	3	4
		Negligible	Marginal	Critical	Catastrophic
		<b>Impact</b>			

The descriptors for both “Probability” and “Impact” are shown below

#### Impact

	Negligible	Marginal	Critical	Catastrophic
Economic/Financial	Financial impact up to £50,000 requiring virement or additional funds	Financial impact between £50,000 and £500,00 requiring virement or additional funds	Financial impact between £500,000 and £1,000,000 requiring virement or additional funds	Financial impact in excess of £1m requiring virement or additional funds
Political	Could have a major impact one departmental objective but no impact on a Council strategic objective	Could have a major impact on a Departments objective with some impact on a Council strategic objective	Council severely impact the delivery of a Council strategic objective	Council would not be able to meet multiple strategic objectives.
Health & Safety	Reduced safety regime which if left unresolved	Minor injuries	1 death or multiple serious injuries	Multiple deaths

	may result in minor injury			
Environment	Minimal short-term/temporary environmental damage	Borough-wide environmental damage	Major long term environmental damage	Very severe long term environmental damage.
Legal/Regulatory	Minor breach resulting in small fines and minor disruption for an short period	Regulatory breach resulting in small fines and short term disruption for an short period	Minimal CMT but major departmental management effort required	Very severe regulatory impact that threatens the strategic objectives of the Council
Management including Contractual	Minimal contract management required	Minimal departmental but major contract management required	Minimal CMT but major departmental management effort required	Major CMT management effort would be required
Programme and Projects	Risk does not affect overall project tolerances	Risk affects delivery of a milestone but overall project tolerances are unaffected	Risk affects project tolerances to Amber RAG rating	Risk affects project tolerances to Red RAG rating

## PROBABILITY

	Almost Impossible	Very Low	Low	Significant	High	Very High
	Less than 10%	10 – 30%	30 -50%	50-70%	70 – 90%	More than 90%
	Event may occur only in exceptional circumstances	Event will occur in exception circumstances	Event should occur at sometime	Event will occur at sometime	Event may occur only in most circumstances	Event will occur only in most circumstances

### Step 5 - Identify the current controls

Now we need to identify the “current controls” These are the things we already do to reduce the risk.

Control measures are the actions taken to “mitigate” the probability and impact of a risk.

Control measures can take many guises and below is a list of control measures and how they mitigate a risk.

Control Measure	How it Mitigates
Project Plan	The discipline of completing and maintaining a project plan is a good way of identifying and planning the management of issues that may arise.
Monitoring	This can take the form of a 121, appraisal, service meeting with a contractor or provider. Monitoring to a set of defined performance indicators helps ensure that actions are performed to a prescribed level in a timely manner.
Reporting	Regular reporting of performance to senior officer/ member groups encourages the completion of actions especially reports that highlight non-performance.
Auditing	This ensures the veracity of claims that actions are in progress or have been completed.
Action	Action proposed to mitigate a risk. These, when completed should affect the probability and/or impact of a risk.

## Step 6 – Record Assurances

When identifying the current controls we also need to record what “assurances” we have that the controls are working.

There are two types of “assurance”, internal and external.

Examples of external assurance are External Audit reports, OFSTED Inspections, CQC reports

Examples of internal assurances are internal reports that the controls to manage risks are working

## Step 7 - Re-Assess the Risk taking current controls into account

You now need to follow the same process as “Step 4” but take the current controls into account.

## Step 8 - Identify further controls if required



Now is the opportunity to record the further actions you need to take to mitigate the risk to an acceptable level. Further control measures must have an implementation date and a responsible officer

## Step 9 - Re-Assess the Risk taking proposed controls into account

You now need to follow the same process as “Step 4” but take the effect of the proposed controls into account.

## Ways to Mitigate Risks

The vast majority of risks can be mitigated in some way or other but most risks cannot be eliminated altogether and risk management is about determining what level of risk is acceptable.

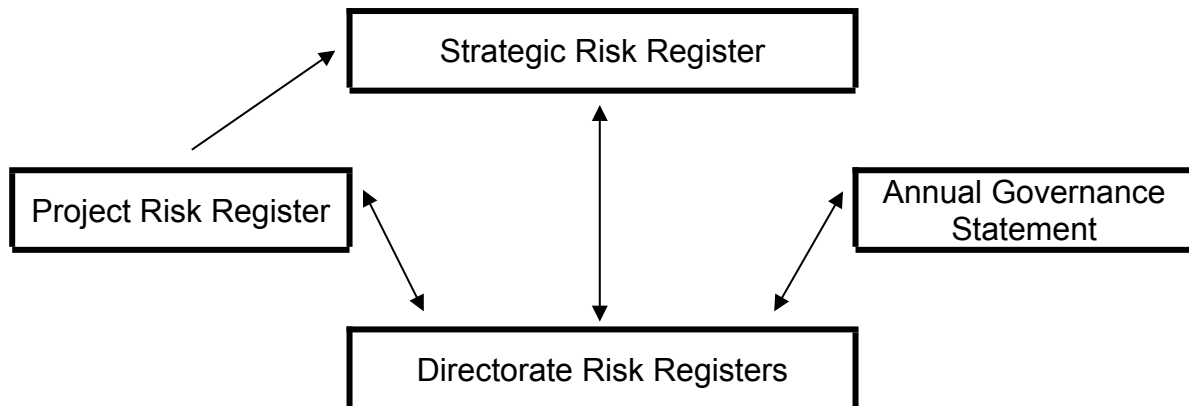
There are four basic responses to the mitigation of risk. These are:

- Transfer
- Control
- Terminate
- Tolerate

Response	
Transfer	Some risks can be transferred – legal liability can be transferred to an insurer, or service delivery can be transferred to a third party provider.
Control	Some risks will require additional control measures to reduce their probability or impact.
Terminate	Some activities present risks that are so disproportionate to the benefits derived from carrying out that activity that consideration should be given to terminating the activity – it should be noted that this is not always possible.
Tolerate	This response is acceptable if The risk is already managed to its lowest level of impact and/or probability

## Risk Registers

Below is a diagram that shows the links between the various risk registers and other elements that feed into the risk registers



## Definitions

To ensure that risk management is embedded into the organisation. Below is a list of terms with definitions.

*Risk Register* – A document that contains details of a risk, current risk assessment, controlled risk assessment, proposed control measures and responsible officer

*Probability* – Also known as Likelihood – is the estimated chance of a risk transpiring.

*Impact* – The estimated severity of a risk transpiring

*Risk Appetite* - The level of risk an organisation is prepared to tolerate

## **Risk Management Improvements**

Below are the planned improvements to the risk management strategy over the coming 12 months.

- Rollout of Intalex Risk Management System
- Risk Management Training delivered to SLT Members
- Rolling program of Risk Management Training accessible to other managerial staff

### **Appendix 1**

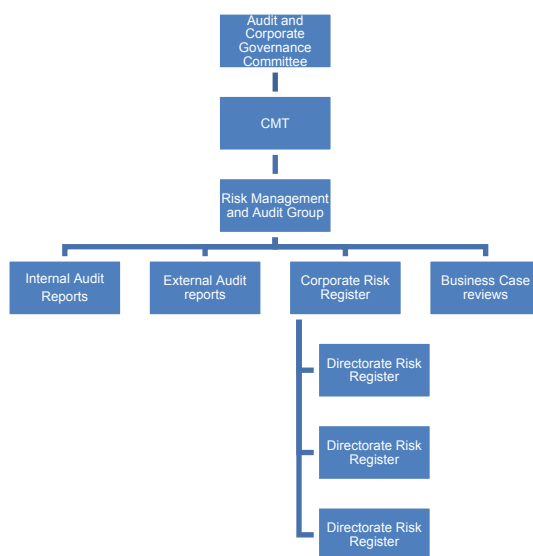
- Risk Management and Audit Group Terms of Reference

# Appendix 1 Risk Management and Audit Group Terms of Reference

## Purpose

To ensure that the Council is proactively managing strategic risk and audit processes. To ensure that there is a clear process in place between Strategic risk and audit issues and CMT and the Council's respective departments

## Overview the process for Risk and Audit Management



## Work-programme

- To ensure that the Strategic Risk Register reflects known service risks and is reviewed and updated on a regular basis
- Act as a forum to report on the progress made in mitigating risk as per departmental risk registers Directorate Risk Registers.
- Review progress of the Programme Management Office.
- Review Internal Audit progress, including receiving reports detailing, :
  - Finalised Audit reports
  - Audit Reports still in draft
  - The internal audit plan for the year ahead
- Ensuring that internal and external audit reports are responded to in a prompt manner
- To collate an up to date register of all ongoing Business Cases for projects across the Council

- To receive initial Business Cases and Post Implementation Reviews of projects to consolidate and share learning across the Council to improve governance arrangements
- To provide a report on the adequacy of Business Cases and other project controls
- On a rotational basis provide challenge on the risks and mitigating measures identified. Using this exercise to identify targeted risk management training.
- Identify and agree suitable risk management training methods for both members and officers.
- Consider relevant recommendations and actions arising from inspections, reviews etc. so that concerns are adequately reflected in risk registers.
- Share awareness and feedback with regard Fraud, Summary of the AF70's will be presented at this meeting
- To act as forum to engage with Directorate SMT representatives
- Annually review,,:
  - the Corporate Risk register for completeness
  - the risk management strategy and policy
  - terms of reference for the Risk Management and Audit Group

## **Membership**

- The meetings will be chaired by Assistant Director, Finance & Audit / S151 Officer

And will consist of:

- The Monitoring Officer
- Internal Audit Assistant Manager (RSM)
- Corporate Financial Controller
- Assistant Director, Strategy and Engagement

And

- An Assistant Director from each department unless represented above.
- Information Governance & Security Manager

Quorum will be at least 3 of the following:

- The Risk and Insurance Officer

- Assistant Director, Finance & Audit / S151 Officer
- Assistant Director, Strategy and Engagement
- The Monitoring Officer
- Corporate Financial Controller.

It is permissible for the Assistant Directors to nominate deputies in their absence

## **Meetings**

Meetings will be held on a monthly basis. Minutes will be taken by the Risk and Insurance Officer.

Below is a table that details the meetings and their primary focus.

## **Outputs**

CMT will receive:

- Copies of all minutes
- Quarterly Internal Audit Recommendation Tracking Report
- Quarterly summary report of Risk register challenge
- Reviewed Risk Management Policy and Strategy
- Internal Audit plan for the year ahead

Audit and Corporate Governance Committee will receive:

- Quarterly Internal Audit Recommendation Tracking Report
- Quarterly Summary report of Risk register challenge
- Reviewed Risk Management Policy and Strategy
- Internal Audit Plan for the year ahead
- External Audit Reports
- The Corporate Risk Register

**SLOUGH BOROUGH COUNCIL****REPORT TO:** Audit & Corporate Governance Committee **DATE:** 11<sup>th</sup> January 2017**CONTACT OFFICER:** Linda Walker, Interim Monitoring Officer  
Linda.walker@slough.gov.uk**WARD(S):** All**PART I**  
**FOR INFORMATION****SCHEDULE OF ACTIVITY – CODE OF CONDUCT****1. Purpose of Report**

This report updates members of the Audit and Corporate Governance Committee on the activity undertaken by the Council's Monitoring Officer in relation to complaints received under the Code of Conduct.

**2. Recommendation(s)/Proposed Action**

The Committee is requested to note the report.

**3. Slough Joint Wellbeing Strategy Priorities**

The delivery of the Joint Wellbeing Strategy priorities is dependent on good governance arrangements being in place in order that the Council has a transparent and accountable process for effective decision-making. This is underpinned by the Code of Conduct, which forms the bedrock of the conduct regime for Members in ensuring ethical behaviour and governance of the highest order is maintained.

**4. Other Implications****(a) Financial**

There are no financial implications of this report.

**(b) Human Rights Act and Other Legal Implications**

The Council is under a statutory duty to adopt a code of conduct maintain a register of members' interests.

**(c) Equalities Impact Assessment**

It is important to ensure measures taken under the standards regime do not impact disproportionately on any group. The Monitoring Officer retains a detailed list of subject Members and carries out a periodic audit check to ensure that application of the regime is equitable across specific groups of members having regard to race, gender or political group.

## **5. Supporting Information**

5.1 In its approved complaints process, the Council has agreed arrangements to delegate to the Monitoring Officer the initial decision on whether a complaint requires investigation, subject to consultation with the Independent Person. In appropriate cases the Monitoring Officer may seek to resolve the complaint informally without the need for a formal investigation. When a complaint is referred for investigation, the Investigating Officer's report will be reviewed by the Monitoring Officer, who will either send it for determination to a Standards Determination Sub-Committee set up for the purpose, or decide that no further action is required.

5.2 The following table contains a summary of the complaints received from October 2015 (date from when current Monitoring Officer took post) to August 2016. A total of 44 complaints were received, of which:

Rejected: Not Investigated- 11  
Rejected: After Investigation – 13  
Referred to Police for Further Investigation – 3  
Upheld After Investigation - 4  
Withdrawn - 2  
Number Carried Forward – 11

5.3 In relation to Paragraph 5.2, it should be noted that where the Monitoring Officer has not investigated a complaint, this is because after initial investigation, there is either insufficient evidence and/or the complaint does not accord with code of conduct matters as both constitutional and statutory provisions. Additionally, it should be noted that where matters have been carried forward, this is because the Monitoring Officer is still in the process of investigating the matter.

## **6. Conclusion**

The Committee will note that 44 complaints have been received within a ten month period. There is an impact on officer time/resources in dealing with complaints, in particular where they are referred for investigation.

## **7. Background Papers**

None.



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**(For all Enquiries)** Linda.walker@slough.gov.uk**Ward:** All**PART I**  
**FOR INFORMATION/CONSIDERATION****REVIEW OF WHISTLEBLOWING POLICY****1. Purpose of Report**

To advise the Committee of the review of the Whistleblowing Policy which it is proposed will be undertaken by the Council's Interim Monitoring Officer.

**2. Recommendation**

That the Interim Monitoring Officer reviews the current Whistleblowing Policy in order to ensure that it is fit for purpose.

**3. Other Implications**

None as the report is administrative in nature.

**4. Supporting Information**

- 4.1 The Committee is established each year at the Annual Council meeting to ensure amongst other things that the Council operates in accordance with the principles of good governance.

**Background**

- 4.2 Over the course of the last few months a number of anonymous whistleblowing complaints have been received by the Council. This is an unsatisfactory position as it shows a lack of confidence in the Whistleblowing Policy as people are not prepared to be named.
- 4.3 Confidence needs to be restored in the Whistleblowing Policy and in order to achieve this it is essential that it is robust and fit for purpose. It needs to protect both the whistleblower and the person against who the accusations are made. The review would aim to address these issues.
- 4.4 In addition, an investigation has taken place into an anonymous whistleblowing allegation. The consultant who was recommended by the LGA to carry this investigation out recommended in his report that the Whistleblowing Policy should be reviewed.

**5 Appendix**

Appendix A - Whistleblowing Policy.

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## **Part 5.5 “Whistleblowing” Policy & Procedure**

### **1. Introduction**

- 1.1 Slough Borough Council is committed to the highest possible standards of openness, probity and accountability in the delivery of its services to the people who live and work within the Borough. Whilst the Authority has put in place a wide range of rules, regulations, procedures and codes of practice to deliver this commitment, malpractice and/or wrongdoing unfortunately may occur.
- 1.2 Employees are often the first to realise that there may be something seriously wrong within the Council. However, you may be worried about raising such issues or want to keep the concerns to yourself because you consider that it is none of your business or that it is only a suspicion. You may also feel that raising the matter would be disloyal to your colleagues, managers or to the Council itself. In addition you may decide to say something but find that you have not spoken to the right person, or you have raised the issue in the wrong way and are not sure what to do next.
- 1.3 The Council is not prepared to tolerate any such malpractice, and/or wrongdoing and it expects employees, and others that we deal with, who have concerns about what is happening at work to come forward and voice those concerns. This policy has been introduced by the Council to enable you to raise your concerns about such malpractice or wrongdoing at an early stage and in the right way, without fear of victimisation, subsequent discrimination or disadvantage. The policy is intended to encourage and enable you to raise concerns within the Council (see Paras. 8 & 9) or externally (see Para. 10) rather than overlooking a problem.
- 1.4 The Council has particular responsibility for protecting the welfare of children and vulnerable adults and employees are under an obligation to raise concerns about the abuse of such clients.
- 1.5 This Policy and Procedure is intended to be in line with the Public Interest Disclosure Act 1998 (PIDA). PIDA provides protection for good faith whistleblowing on malpractice/wrongdoing. It encourages you to raise concerns with us in the first instance.
- 1.6 This policy has been discussed with the relevant Trade Unions and professional organisations and has their full support.

### **2. Independent Advice**

- 2.1 If you are unsure whether to use this procedure or you want independent advice at any stage you may contact the independent charity – Public Concern at Work ([www.pcaw.co.uk](http://www.pcaw.co.uk)) on 0207 404 6609, or email [helpline@pcaw.co.uk](mailto:helpline@pcaw.co.uk).

2.2 Public Concern at Work is a registered charity which promotes accountability and good governance in organisations and responsibility amongst individuals. It has been at the forefront of recent developments in self-regulation and public interest whistleblowing. Its lawyers can give you free, confidential advice at any stage about how to raise a concern about serious malpractice/wrongdoing at work.

### **3. Who Does This Policy Apply To?**

3.1 This policy applies to:-

Employees, trainees, agency staff, home workers, independent consultants, volunteers, contractors, suppliers, Councillors and members of the public.

3.2 It is worth remembering that your Trade Union, professional organisation or regulatory body can play a valuable role in assisting you to raise your concerns under this policy.

### **4. What is covered by this Policy?**

4.1 Disclosing a concern which you honestly believe, suggests that malpractice/wrongdoing has been committed, is in the process of being committed or is likely to be committed, would qualify for protection under PIDA. Malpractice/wrongdoing includes (but is not limited to):

- Failure to comply with a legal duty
- Miscarriages of justice;
- Criminal offences;
- Endangering the health and safety of any person;
- Damage to the environment; and
- Deliberate concealment of any of the above.

4.2 The policy additionally covers any conduct not included above which appears likely to harm the reputation of the Council. In these circumstances the Council undertakes to provide the same protection as set out in Paragraph 6 below. However, you would not necessarily be protected by PIDA and you may want to take separate advice on that for example by contacting Public Concern at Work (see Paragraph 2 above).

4.3 It does not cover private grievances, including complaints about individual employment matters that may be referred to an Employment Tribunal.

### **5. Which procedure should I use?**

5.1 There are existing employee policies and procedures designed to resolve many concerns you may have. The procedures to be followed in raising

issues under these policies can be found on SBNet by clicking on Human Resources. They include

- Incident Reporting and Investigation Guidelines
- Grievance Policy & Procedure
- Equal Opportunities Policy
- Disciplinary Policy & Procedure
- Capability Procedure
- Drug & Alcohol Policy
- Probationary Policy & Procedure

5.2 If one of these procedures is relevant that process should be used unless you have genuine concerns, at either the outset or the end of the procedure, about following the relevant process only in that event should this Policy & Procedure be used. The procedure is not an appeal mechanism for other procedures, unless, exceptionally, you think when you have been through another procedure, that process was compromised. If you are unsure which procedure you should use then please seek advice from your trade union representative or an HR Adviser or your line manager.

5.3 The Whistleblowing Policy & Procedure is for all other cases involving conduct which appears likely to harm the reputation of the Council.

5.4 Appendix 1 shows some examples of situations in which employees might blow the whistle and the procedure to use.

## **6. The Council's Assurances to You**

6.1 If you raise a genuine concern under this policy you will not be at risk of losing your job or suffering any form of retribution as a result. If you are acting in good faith it does not matter if you are mistaken. However, the Council will view very seriously any false or malicious allegations which are made under this policy and will regard such allegations by an employee of the Council as a serious disciplinary offence.

6.2 The Council will not tolerate any harassment or victimisation (including informal pressures) and will take appropriate action to protect you when you raise a concern in good faith.

6.3 If you ask us to protect your identity by keeping your confidence we will not disclose it without your consent. However, it is possible that we will be unable to resolve the concern raised without revealing your identify (e.g. because your evidence is needed in Court) but if this occurs we will discuss with you how we can proceed.

## 7. **Anonymous Allegations**

- 7.1 This policy encourages you to put your name to your allegation whenever possible.
- 7.2 If you don't tell us who you are, it will be much more difficult for us to look into the matter, protect your position and give you feedback.
- 7.3 Concerns expressed anonymously are much less powerful but will be considered at the discretion of the Council. In exercising this discretion the factors to be taken into account will include:-
- The seriousness of the issues raised
  - The credibility of the concern
  - The likelihood of confirming the allegation from attributable sources.

## 8. **How to Raise a Concern - Internally**

- 8.1 Any concerns that you have may be raised orally or in writing and those who wish to make a written statement should set out the background and history of the concern (giving relevant dates) and the reasons why you are particularly concerned about the situation. The earlier you express your concern the easier it will be to take action. **REMEMBER – IF IN DOUBT RAISE IT.**
- 8.2 The Council will not expect you to prove that your concern is true but you will need to demonstrate to the person contacted that there are reasonable grounds for you to raise the issue.
- 8.3 It is perfectly acceptable for you to discuss your concern with a colleague and you may find it more comforting to raise the matter if there are two (or more) of you who have had the same experience or concerns.
- 8.4 If you have a concern about any malpractice/wrongdoing we hope you will feel able to raise it first with your Line Manager or their superior. If you feel unable to raise the matter with your Line Manager or their superior then please raise the matter with your Chief Officer.
- 8.5 If the above channels have been followed and you still have concerns or if you feel that the matter is so serious that you cannot discuss it with your Line Manager, their superior or your Director or you consider that it is not appropriate (e.g. you are a contractor, supplier, Councillor or member of the public), then you can contact the Council's Monitoring Officer (01753) 875004.
- 8.6 Where your complaint relates to the Monitoring Officer and/or the Section 151 Officer you should contact the Chief Executive on (01753) 875000 or e-mail: [ruth.bagley@slough.gov.uk](mailto:ruth.bagley@slough.gov.uk). If you are unhappy about raising your concern internally then you are at liberty to whistleblow externally under Paragraph 10 below.

Where your complaint relates to the Chief Executive you should contact the Monitoring Officer on (01753) 875844.

## **9. How the Council Will Handle the Matter**

- 9.1 Once you have told us of your concern we will look into it to assess initially what action should be taken. This may involve an internal inquiry or a more formal investigation. We will tell you who is handling the matter, how you can contact him/her and whether your further assistance may be needed.
- 9.2 It may be necessary to arrange a meeting with you and if you so wish you can be accompanied by a Trade Union representative or a Work Colleague.
- 9.3 Where it is considered appropriate, the matters raised may be referred to external agencies to investigate, e.g. the Police, External Auditor or through some other form of independent inquiry. We will of course, tell you if this is going to happen.
- 9.4 Within 10 working days of a concern being raised by you, the person handling the matter will write to you:-
- (a) acknowledging that the concern has been received.
  - (b) indicating how we propose to deal with the matter.
  - (c) giving an estimate of how long it will take to provide a final response.
  - (d) telling you whether any initial enquiries are being made.
  - (e) supplying you with information on staff support mechanisms.
  - (f) telling you whether further investigations will take place, and if not, why not.
- 9.5 Whilst the purpose of this policy is to enable us to investigate your concerns of malpractice/wrongdoing and take appropriate steps to deal with it, we will give you as much feedback as we properly can. Please note that we may not be able to tell you the precise action we take where this would infringe a duty of confidence owed by us to someone else.
- 9.6 The Council will take steps to minimise any difficulties which you may experience as a result of raising the concern. Thus, if you are required to give evidence in criminal or disciplinary proceedings the Council will arrange for you to receive advice about the procedure.

## **10. How to Raise a Concern – Externally**

- 10.1 This policy is intended to provide you with an avenue within the Authority to raise concerns. Whilst we hope this policy gives you the reassurance you need to raise such matters internally, we would rather you raised a matter

externally than not at all, provided you are acting in good faith and you have evidence to back up your concern.

10.2 Thus, you are completely at liberty to raise any concern externally at any time with any of the external agencies set out in Appendix "2". The telephone numbers are general contact numbers so you will need to explain the nature of your concern and ask to be put through to the appropriate Department and/or person.

10.3 These external agencies are aware of and have endorsed this policy.

## **11. Responsibilities**

### **11.1 Staff and others working at the Council**

- to be aware of this policy and procedure
- in making any disclosure to tell us if you have a direct personal interest in the matter.

### **11.2 Managers**

- to make their staff aware of this policy and procedures
- to encourage a positive open working culture for staff and others working at the Council to express easily their concerns.
- to take concerns seriously
- to guide staff to the most appropriate route.

## **12. Review of this Policy**

12.1 This policy will be reviewed annually by the Council. The Responsible Officer for the maintenance and operation of the policy is the Monitoring Officer.



## **SITUATIONS IN WHICH EMPLOYEES MIGHT BLOW THE WHISTLE**

### **Example one**

You are working in an area which regularly engages outside contractors. You have noticed how the one which has been named Council's preferred supplier doesn't deliver on time or to budget. Your Chief Officer who is very friendly with one of the staff in the contracting firm, doesn't appear to share your concerns, but is quick to make excuses for them. Senior management seem to have accepted these explanations and don't seem to be concerned. You suspect your Director may be receiving inducements. What should you do?

Report the suspicion to the Monitoring Officer.

### **Example two**

You are in the gym within a Council leisure facility and you notice that everyone using a piece of equipment is now complaining of back trouble. You see that one part of it is loose, but, despite reporting it to the manager of the leisure facility, nothing had happened. What should you do?

Report the matter immediately to the Head of Health & Safety under the Health & Safety policy. Allow a reasonable time for the problem to be resolved and ask about progress. If you have genuine concerns that nothing is being done, contact the Monitoring Officer.

### **Example three**

You work for a contractor in the staff restaurant, and over the past few weeks you notice a member of staff who doesn't seem to be paying for their food. You put this down to your error or their genuine mistake. However recently you notice the same person doing this on a daily basis. You are not sure what to do and you are worried because you did not report it the first time. What should you do?

Report the incident immediately to your Line Manager or their superior. If the concern involves your Line Manager or their Superior or your Director, or for any reason you would prefer them not to be told, you may raise the matter directly with the Monitoring Officer.

### **Example four**

You start work at the Council in an administrative role. It isn't long before you become aware that false claims for expenses are being made by certain people in your department. What should you do?

Report the incident immediately to your Line Manager. If the concern involves your immediate Line Manager or their Superior or Director, or for any reason you would prefer them not to be told, you may raise the matter directly with the Monitoring Officer.

**LIST OF EXTERNAL BODIES**

<b><u>NAME &amp; ADDRESS</u></b>	<b><u>AREA OF CONCERN</u></b>
Public Concern at Work Suite 306, 16 Baldwins Gardens LONDON, EC1N 7RJ (Tel. No. 020 7404 6609)	All matters of malpractice and/or wrongdoing.
Local Government Ombudsman The Commission for Local Administration in England 10 <sup>th</sup> Floor Millbank Tower Millbank London SW1P 4QP (Tel. No. 020 7217 4620)	Maladministration – causing injustice to a member of the public.
Thames Valley Police Windsor Road SLOUGH, Berkshire (Tel. No. 08458 505 505) or CRIMESTOPPERS Tel. (0800) – 555111	Breach of the Criminal Law
Headquarters: Fraud Squad Thames Valley Police c/o Loddon Valley Police Station Rushey Way Lower Earley, READING Berkshire, RG6 4PS (Tel. No. 01189 – 181818)	Fraud and Public Sector Corruption
The Health & Safety Executive Priestley House Priestley Road BASINGSTOKE, Hants (Tel. No. 0845 300 9923)	Health & Safety dangers
National Customer Contact Centre P O Box 544 Rotherham S60 1BY	Environmental dangers.
Inspection Unit Unit 6, Commerce Park Brunel Road THEALE. (Tel. No. 0118 – 930 – 6000)	Poor care practice/abuse in registered establishments, including care homes.

**MEMBERS' ATTENDANCE RECORD 2016/17**  
**AUDIT AND CORPORATE GOVERNANCE COMMITTEE**

<b>COUNCILLOR</b>	<b>12/07/16</b>	<b>29/09/16</b>	<b>15/12/16 MEETING CANCELLED</b>	<b>11/01/17</b>	<b>16/03/17</b>
Bedi	P	P			
Amarpreet Dhaliwal	P	Ap			
Hussain	P	P			
Rana	Ap	P			
Sadiq	P	P			
Sarfraz	P	P			
Swindlehurst	P	P			
<b>CO-OPTED INDEPENDENT MEMBER</b>					
Graham Davies	P	Ap			
Ronald Roberts	P	P			
Alan Sunderland	P	P			

P = Present for whole meeting  
 Ap = Apologies given

P\* = Present for part of meeting  
 Ab = Absent, no apologies given

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