

Date of issue: Tuesday, 10 July 2018

MEETING:	AUDIT AND CORPORATE GOVERNANCE COMMITTEE (Councillors Amarpreet Dhaliwal (Chair), Sarfraz (Vice Chair), Ali, Minhas, Munawar, Nazir and Plenty) CO-OPTED INDEPENDENT MEMBERS: Alan Sunderland and Iqbal Zafar PARISH COUNCIL MEMBERS: Parish Councillor Raymond Jackson (Colnbrook with Poyle) Parish Councillor Harjinder Gahir (Wexham Court) Vacancy (Britwell) INDEPENDENT PERSON Dr Louis Lee
DATE AND TIME:	WEDNESDAY, 18TH JULY, 2018 AT 6.30 PM
VENUE:	VENUS SUITE 3, ST MARTINS PLACE, 51 BATH ROAD, SLOUGH, BERKSHIRE, SL1 3UF
DEMOCRATIC SERVICES OFFICER: (for all enquiries)	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.



NIGEL PALLACE
Interim Chief Executive

AGENDA

PART I



<u>AGENDA ITEM</u>	<u>REPORT TITLE</u>	<u>PAGE</u>	<u>WARD</u>
	Apologies for absence.		
1.	Declarations of Interest	-	-
	<i>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 4 paragraph 4.6 of the Councillors' Code of Conduct, leave the meeting while the matter is discussed.</i>		
	<i>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.</i>		
2.	Minutes of the Last Meeting held on 8th March 2018	1 - 8	All
3.	Audit and Corporate Governance Committee - Terms of Reference	9 - 14	All
4.	Audit and Risk Management Update - Quarter 1 2018/19	15 - 66	All
5.	Internal Audit Progress Report - Quarter 1	67 - 92	All
6.	2017/18 Internal Audit Annual Report	93 - 108	All
7.	Financial Statements 2017/18	109 - 112	All
8.	External Audit - Completion Report	To	All
9.	Governance Review	Follow To	All
10.	Revision of the Constitution	Follow 113 - 118	All
11.	Date of Next Meeting - 20th September 2018		
12.	Exclusion of the Press and Public	-	-

It is recommended that the Press and Public be excluded from the meeting during consideration of the item in Part 2 of the Agenda, as it involves the likely disclosure of exempt information relating to the financial or business affairs of any particular person (including the Authority holding the information) as defined in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972 (amended).



PART II

13.	Indexation Issues Arising from the Contract with Slough Enterprise Limited	119 - 146	All
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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. By entering the meeting room and using the public seating area, you are consenting to being filmed and to the possible use of those images and sound recordings. 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.

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Audit and Corporate Governance Committee – Meeting held on Thursday, 8th March, 2018.

Present:- Councillors Chohan (Vice-Chair), Brooker, Coad, Amarpreet Dhaliwal (in the Chair from Minute 36 onwards), Arvind Dhaliwal, Nazir and Usmani.

Co-Opted Independent Members: Mr Roberts, Mr Sunderland and Mr Zafar.

Parish Council Representative: Parish Councillor Jackson (Colnbrook with Poyle)

Independent Person: Dr Lee (Observer)

Apologies for Absence:- Parish Councillor Gahir

PART 1

35. Election of Chair

The Committee was invited to make nominations for the position of Chair for the remainder of the 2017/18 municipal year. Councillor Amarpreet Dhaliwal was proposed by Councillor Brooker and this nomination was seconded by Councillor Nazir.

Councillor Amarpreet Dhaliwal was unanimously elected as Chair of the Committee for the 2017/18 municipal year.

Resolved - That Councillor Amarpreet Dhaliwal be elected Chair of the Audit and Corporate Governance Committee for the 2017/18 municipal year.

(Councillor Amarpreet Dhaliwal in the chair for the remainder of the meeting)

36. Declarations of Interest

Councillor Arvind Dhaliwal declared that Councillor Amarpreet Dhaliwal was his son.

Councillor Amarpreet Dhaliwal declared that he was a Local Authority appointed Governor at Khalsa Primary School.

37. Minutes of the Last Meeting held on 14th December 2017

Resolved – That the minutes of the meeting held on 14th December 2017 be approved as a correct record.

A Co-Opted Member queried Minute 31: Internal Audit Progress Report – Amey Contract Management in that details relating to the legal opinion

sought, where the £2m overspend had occurred and whether those funds were ring fenced were not recorded. It was clarified that an overview of the discussion that took place was minuted and no formal actions had been agreed. The Service Lead, Governance informed the meeting that the information requested would be circulated to Committee Members.

38. Governance Review

The Service Lead Governance informed the Committee that Council, at its meeting in December 2017, resolved that the Committee undertake a review of the Council's governance arrangements. It was proposed that the areas of the Council's governance arrangements appropriate for review include:

- The Council's Constitution generally.
- The process for the appointment of Head of Paid Service.
- The process for Members' access to information and to Council documents.
- The use by Members and Officers or former officers of the rights to request information under the Freedom of Information Act 2000 or the Data Protection Act 1998.
- The culture of behaviours by members and officers and how to promote desired behaviours and to imbed them.

A Member expressed concern regarding potentially restricting the number of requests from individuals in relation to Freedom of Information (FOI) enquiries. It was explained that a number of individuals were using the FOI practice as an illegitimate and distractive tactical ploy in connection with perceived grievances with the Council or individual officers and or designed to try and cause undue embarrassment and to side step the requirements relating to members' right to information and documents in the Local Code Governing Relations between Members and Council Employees. It was noted that the Monitoring Officer decided whether a FOI request was deemed as vexatious and that a register was maintained of requests that were refused. Individuals concerned would be written to and an explanation given as to why that particular request had been refused.

Resolved – That details of the report be noted and the approach to the Governance Review, as set out in the report, be agreed.

39. Schedule of Activity - Councillors' Code of Conduct

Committee Members were updated on activity undertaken by the Council's Monitoring Officer in relation to the Councillors Code of Conduct. A summary of outstanding complaints and proposed action for their resolution was provided. Whilst it was acknowledged that the Council's Independent Person (IP) had not been kept abreast of matters previously, the Service Lead Governance, who had recently been appointed as the Council's Deputy Monitoring Officer, had met with the IP to appraise him of outstanding complaints and actions taken / proposed. Details of outstanding and ongoing complaints were summarised.

It was queried whether Committee Members and specifically Co-Opted Members, would be held accountable for potential financial risk relating to the complaints. It was explained that any reports referred to the Determinations Sub-Committee would include information relating to financial implications.

A Member expressed concern regarding the increase in the number of overall complaints received and was informed that the information provided related to complaints that had been outstanding for a period of time, which were now being dealt with in consultation with the Independent Person.

Resolved – That details of the report be noted.

40. Schedule Of Activity: Local Government and Social Care Ombudsman - Complaints, Findings and Recommendations

The Deputy Monitoring Officer provided the Committee with details on complaints to the Local Authority and Social Care Ombudsman and subsequent findings and recommendations since March 2017. The majority of complaints related to housing matters and the Committee were informed that a review of procedures meant that decisions were now being made on a sounder basis. It was requested that further details regarding the complaint relating to Special Educational Needs, including the detailed Decision Notice and the procedure/policy of the Children's Services Trust for dealing with such cases and lessons learnt, to be circulated to Committee Members.

Resolved – That details of the report and the Council's actions consequent upon the Ombudsman's findings and recommendations, as set out in the report, be noted.

41. Schedule of Activity: Registration of Members with the Information Commissioner's Office and Inspection and Report by the Investigatory Powers Commissioner's Office

The Service Lead, Governance, summarised the activity undertaken by the Council in relation to the registration of Members with the Information Commissioner's Office and findings of an inspection and report by the Investigatory Powers Commissioner's Office (IPCO).

It was summarised that the ICO had advised that elected Councillors who processed personal data electronically, ie casework on behalf of constituents, were required to have their own registration under the terms of the Data Protection Act 1998. Registration for individual Councillors was done on an annual basis and the current fee was £35. Following consultation with the Monitoring Officer and Group Leaders, all current Members have been registered individually with the ICO in respect of their constituency work to ensure compliance by them with the Data Protection Act 1998 and all Members had been notified accordingly.

Details of the inspection carried out by the IPCO towards the end of 2017 were summarised for the Committee and related to reports and judicial

observations made regarding a safeguarding case concerning vulnerable persons involving the Council. It was noted that the Council may have inadvertently engaged in unauthorised covert surveillance in relation to that matter. Members were informed that actions had been taken by the Council and that an improvement plan had been drawn up based upon the report's recommendations, which would ensure that awareness was maintained through out the Council's teams of how similar situations should be dealt with in the future. A Member requested that the Committee be provided with a copy of the Council's Covert Surveillance Policy and Register/Log of Activities (anonymised) carried out using this Policy. It was agreed that this would be circulated to the Committee.

Resolved – That details of the report be noted.

42. Schedule of Activity: Whistleblowing Complaints

The Committee were updated on the activity undertaken by the Council's Monitoring Officer in relation to complaints received under the Confidential Whistleblowing Code. It was noted that since the previous update in October 2017, two complaints had been received. One raised no concerns meriting further investigation and the second was pending investigation.

Resolved – That details of the report be noted.

43. Audit and Risk Management Update Quarter 4 2017/18

The Service Lead, Finance reported on progress made on finalising draft Internal Audit reports and implementation of recommendations. It was noted that the number of implemented recommendations remained at 67% as reported to the previous Committee. There were currently 4 High Recommendation Actions that remained outstanding compared to 9 at the last Committee.

It was highlighted that the Corporate Risk Register had been updated and actions to be taken and by whom were identified.

A Member expressed concern in relation to the outstanding recommendations, specifically Chalvey Early Years and asked what more could be done in term of ensuring that these were completed as soon possible. The Director of Finance and Resources informed the Committee that a letter, on behalf of the Chair of the Committee, could be sent to the Headteacher of Chalvey Early Years Centre requesting an explanation as to why audit actions remained outstanding and raising the possibility of attendance at a future meeting.

Resolved - That details of the Internal Audit Reports and implementation of recommendations and the Corporate Risk Register be noted.

44. Information Governance and Business Continuity Update

Members were reminded that at its meeting in December 2017, an update on Information Governance Audit Actions and Business Continuity had been requested. The Committee were reminded that no assurance had been provided in the original Information Governance Audit carried out in December 2016 and Business Continuity in June 2016. The Service Lead, IT & Digital, and the Business Continuity and Response Manager updated Members on the progress of implementing the respective action plans following both audits.

The importance of information governance had further increased with the introduction of the General Data Protection Regulations in May 2018 and a significant amount of work had been undertaken in strengthen processes and working practices as well as address weaknesses identified in the original audit. The Internal Auditors had revisited the audit in November 2017 and a partial assurance opinion had been provided. The current position was that only two medium priority actions remained outstanding and they were now due to be completed by July 2018. The Council was required to have a robust Business Continuity Plan in place and an action plan had been developed, however, implementation was behind schedule. This was attributed to the senior management restructure and the reliance on arvato for some of the IT related elements of the plan.

Members were concerned about the apparent issues between the Council and arvato in relation to Business Continuity. It was noted that back up servers were in place and full disaster recovery test had been done. However, in view of the risk to services and the importance of business continuity it was agreed that the Chairman would be updated in two weeks time regarding obtaining the Business Continuity and Disaster Recovery Plans from arvato.

At the conclusion of the discussion, the report was noted.

Resolved – That details of the Information Governance Audit Actions and Business Continuity be noted.

45. Internal Audit Strategy 2018/21

The Head of Internal Audit summarised the key elements of the Internal Audit Strategy 2018-2021 that set out the schedule of audit activity in the next three years including the Internal Audit Plan for 2018/19.

The strategy was developed around the Council's objectives and the Corporate Risk Register to ensure audit coverage reflected the authority's priorities and strategic risks. Audits were planned on Financial Planning and Budgetary Control and Parish Council Governance. As part of the Council's commitment to strong governance, the Committee was informed that the breadth of audit activity proposed was extensive and went beyond statutory requirements.

Members discussed several issues including the additional resources required to support the high level of audit activity and the progress on several specific areas of audit including Contract Management which would focus on Osborne and Buoygues in 2018/19 and arvato in 2019/20. The Director of Finance & Resources commented that governance was a priority for the corporate management team and the necessary resources would be made available to support delivery of the Internal Audit Strategy. Members discussed the Digitalisation audit planned for 2019/20 within the wider context of the digital strategy and transformation programme that had recently begun. It was agreed to bring a high level summary of the overarching strategy on CRM and transformation to the next meeting of the Committee.

The Committee approved the Internal Audit Strategy 2018-2021.

Resolved – That the Internal Audit Strategy 2018-2021 and the Internal Audit Plan 2018/19 be approved.

46. Internal Audit Plan 2017/18 Progress Report

The Head of Internal Audit updated the Committee on the progress made in implementing the 2017/18 Internal Audit Plan.

Two follow up reports from the 2016/17 Internal Audit Plan that were in draft form at the time of preparing the report had been completed. In relation to the 2017/18 plan, seven reports had been finalised since the last meeting of the Committee and the assurance opinions were noted. The findings would be considered in forming the end of year opinion and it was noted that there was generally a lower number of qualified opinions compared to 2016/17 with some significant areas of improvement in governance.

The Committee welcomed the improvements that were reported and asked how officers were held to account on completing the action plans following an audit. In response, it was noted that timescales for completion were put on management actions and implementation was subject to follow up and reviewed by the corporate management team.

At the conclusion of the discussion, the progress report was noted.

Resolved – That details of the Internal Audit Plan 2017/18 Progress Report be noted.

47. Grant Claims and Returns Certification 2016/17

The Committee received a report from the external auditor, BDO, summarising the main issues identified during the audit of Grant Claims and Returns Certification 2016/17. The report summarised the main issues found during the certification and the Committee noted that a qualified opinion had been issued in relation to Housing Benefit Subsidy and the qualification issues and observations were noted.

Resolved – That details of the report be noted.

48. Audit Plan 2017/18

The Committee received the Audit Plan from BDO which set out the key components of the audit for the year ending 31 March 2018. Members considered the key audit risks that included preparation of the financial statements and expenditure and funding analysis and change in the directorate structure.

The proposed fee for 2017/18 was £162,858. The Director of Finance & Resources commented that the fee for 2016/17 was still under discussion with BDO as an additional £60,000 was proposed to be charged arising from the audit of the financial statements and use of resources. The Committee discussed the complaints handling process and then noted the report.

Resolved – That details of the report be noted.

49. Faster Close Project Plan

The Committee considered a report from BDO on the Faster Close Project Plan. The Council's audit had not been completed in time for the national deadline of 30th September in the past two years and from 2017/18 the deadline for the preparation of the draft financial statements would be 31 May, a month earlier than previously. It was important that a plan was therefore in place to address historic weaknesses and achieve the faster close timetable.

A detailed timeline had been agreed with the Council and the auditors for the provision of information for the audit and the Committee would receive progress updates at future meetings. The Committee welcomed the arrangements that had been made to improve the timeliness of the audit process and agreed to receive a further report at the next meeting.

Resolved – That details of the Faster Close Project Plan be noted.

50. Members Attendance Record 2017/18

Resolved – That details of the Members Attendance Record 2017/18 be noted.

Chair

(Note: The Meeting opened at 6.30 pm and closed at 8.30 pm)

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ARTICLE 9 – AUDIT AND CORPORATE GOVERNANCE COMMITTEE

The Council will appoint an Audit and Corporate Governance Committee

1. Statement of Purpose

The purpose of this Committee is to

- promote and maintain high standards of conduct by Members
- provide independent assurance of the adequacy of the risk management framework and the associated control environment
- independently scrutinise the authority’s financial and non-financial performance, to the extent that it affects the authority’s exposure to risk and weakens the control environment and to oversee the financial reporting process
- approve the financial statements
- approve the Annual Governance Statement.

Terms of Reference

2. Within the Terms of Reference of the Committee it will be

- the member forum for external audit matters, approving the financial statements on behalf of the full Council
- the member forum for ethical framework matters
- the member forum for internal audit matters
- a key element of the internal control framework for the Council and take responsibility for the approval of the Annual Governance Statement on behalf of the full Council
- be the member forum for risk management matters
- be the member forum for corporate governance matters.

Membership

3 The Committee is subject to the provisions of the Local Government Access to Information Act 1985.

4 The Committee will comprise*:

Seven councillors (politically balanced) (not the Leader, Mayor and Deputy Mayor, Chairs and Vice Chairs of Planning and Licensing Committee and Group Leaders*)

Up to four co-opted (non-voting) independent members from outside the Council with suitable experience

The Council’s Independent Person (as an observer).

* executive members limited to one

* one Member from each of the three Parish Councils in the Borough to be invited to attend and speak at the Committee if it is considering a report relating to material changes to the Code of Conduct

In order to promote the independence of the Committee there should be limited cross membership between Overview and Scrutiny Committee and the Audit and Corporate Governance Committee limited to a maximum of 2 members. Also Cabinet membership of the Committee is limited to one member.

The Chair of the Committee will be an elected Member of the Council

Working Arrangements

- 5 That Committee will meet four or more times per year.
- 6 The quorum of the Committee shall be a minimum of three voting members of the committee.
- 7 The Committee will be subject to the statutory access to information provisions. The press and public may be excluded and papers withheld from access only if they meet statutory definitions of exempt or confidential information.
- 8 All Members of the Council and members of the press and public can attend the Committee when it is discussing business in Part I of the agenda. When the Committee is discussing exempt or confidential information (Part II) only Members of the Committee and Members of the Council (with the consent of the Committee given by majority resolution) can attend.
- 9 The Committee will appoint a Standards and Determination Sub Committee to
 - determine complaints following an investigation; and
 - give detailed consideration to revisions to the Code of Conduct as necessary for recommendation to the Committee.
- 10 The Committee and its Sub Committee may require Members of the Council and Officers of the Authority to attend before it to answer questions.
- 11 The Committee and its Sub Committee may require the production of any document or record in the possession of the Council to be submitted to it, unless to do so would involve a breach of data protection or other statutory provisions.
- 12 The Committee may require the Monitoring Officer or his/her nominee to investigate on its behalf allegations of impropriety referred to the Committee.

Specific Functions

The Committee's specific functions shall include but not be limited to

- 13 External Audit
 - To consider the external audit report to those charged with governance on issues arising from the audit of the accounts, and ensure that appropriate action is taken in relation to the issues raised
 - To consider the external auditor's annual letter and ensure that appropriate action is taken in relation to the issues raised
 - To consider and comment on any plans of the external auditors
 - To comment on the scope and depth of the external audit work and to ensure it gives value for money
 - To consider any other reports by the external auditors

- To liaise with the appointed body over the appointment of the Council's external auditor.

14 Internal Audit

- To consider the Chief Internal Auditor's annual audit opinion and the level of assurance given over the Councils corporate governance, risk management and control arrangements
- To consider regular reports, including statistics, abstracts and performance of the work of internal audit as presented by the Chief Internal Auditor
- To consider and approve the annual Internal Audit plan ensuring that there is sufficient and appropriate coverage
- To consider reports from Internal Audit on agreed recommendations not implemented in accordance within the agreed timescale
- To contribute to the annual audit plan
- To comment on the scope and depth of the internal audit work and to ensure it gives value for money
- To consider any other reports the Chief Internal Auditor may make to the Committee.

15 Internal Control

- To approve the adoption of the Annual Governance Statement to the Council
- To ensure that an appropriate action is taken with respect the issues raised in the Annual Governance Statement.

16 Risk Management

- To approve the risk management strategy and review the effectiveness of risk management arrangements, the control environment and associated anti-fraud and anti-corruption arrangements and seek assurances that action is being taken on risk related issues
- To ensure that assurance statements, including the Annual Governance Statement properly reflect the risk environment
- To review the Council's risk register.

17 Governance

- To consider the arrangements for corporate governance and to make appropriate recommendations to ensure corporate governance meets appropriate standards
- To consider the Council's compliance with its own and other published standards and controls
- To review any issues of governance referred to the Committee by internal or external audit
- To take ownership of the Protocol on referring Matters to the External Auditor
- To review the Anti-Fraud and Corruption policy.

Standards and Ethical Framework

- (a) To promote and maintain high standards of conduct by Members, (i.e. Elected and Co-opted).
- (b) To assist Members to observe the Council's Ethical Framework including the Code of Conduct.
- (c) To advise the Council on the adoption or revision of the Council's Ethical Framework including the Code of Conduct.
- (d) To monitor the operation of the Council's Ethical Framework including the Code of Conduct.
- (e) To advise, train or arrange to train Members on matters relating to the Council's Ethical Framework including the Code of Conduct.
- (f) To determine written complaints made against a Member (including a Parish Council Member) alleging a breach of the Code of Conduct and taking any action that is deemed appropriate and permitted under the Localism Act 2011 and Regulations thereunder.
- (g) To exercise of (a) to (f) above in relation to the Parish Councils wholly or mainly in its area and the Members of those Parish Councils.
- (h) To keep under review and make recommendations to the Council on the Whistle-Blowing Policy and Procedure.
- (i) To put in place and keep under review arrangements for monitoring Members' performance.
- (j) To receive and consider reports on individual Members' performance.
- (k) To decide any requests from a Member or Officer for indemnity as set out in the Council's adopted Policy on Terms of Indemnity.

18 Other

- (a) To liaise with the Overview and Scrutiny Committee to ensure that the work of the two committees is complementary.
- (b) To promote effective relationships between external audit, internal audit, inspection agencies and other relevant bodies to ensure that the value of the audit and inspection processes are enhanced and actively promoted.
- (c) To consider financial and non-financial performance issues to the extent that this impacts upon financial management and governance.
- (d) The Committee shall, in conjunction with the Monitoring Officer and Chief Finance Officer, produce an Annual Review of work completed and proposed and report on an exception basis through the Performance Report for Cabinet.

19 The terms of reference of the Committee shall be reviewed annually.

Determination Sub-Committee

1. Terms of Reference

The Sub-Committee is established to

- determine complaints following an investigation.
 - give detailed consideration to revisions to the Code of Conduct as necessary for recommendation to the Committee.
2. Following a hearing the Sub-Committee will make one of the following findings:
- (a) That the Member who was the subject of the hearing had not failed to comply with the Code of Conduct of the relevant Authority concerned;
 - (b) That the Member who was the subject of the hearing had failed to comply with the Code of Conduct of the relevant Authority concerned, but that no action needs to be taken in respect of the matters which were considered at the hearing; or
 - (c) That the Member who was the subject of the hearing had failed to comply with the Code of Conduct of the relevant Authority concerned and that a sanction should be imposed.
3. If the Sub-Committee makes a finding under paragraph 2(c) in respect of a person who is no longer a Member of any authority that the Committee has responsibility for it shall censure that person.
4. If the Sub-Committee makes a finding under paragraph 2(c) in respect of a person who is a serving Member of any authority that the Committee has responsibility for, it shall impose any of, or a combination of, the following sanctions:
- (a) censure of that Member
 - (b) restriction for a period not exceeding six months of that Member's access to the premises of the relevant Authority or the resources of the relevant Authority provided that those restrictions:
 - i. are reasonable and proportionate to the nature of the breach;
 - ii. do not unduly restrict the person's ability to perform the functions of a Member.
 - (c) that the Member submits a written apology in a form specified by the Sub-Committee;
 - (d) that the Member undertakes such training as the Sub-Committee specifies;
 - (e) that the Member participate in such conciliation as the Sub-Committee specifies.

5. Appointment and Composition of the Sub-Committee

- (a) The Sub Committee will be convened as necessary from the membership of the Audit and Corporate Governance Committee. The Sub-Committee will therefore not have a fixed membership.
- (b) The Sub-Committee shall comprise five Members, of whom a maximum of three shall be elected members **drawn on a politically proportionate basis, wherever possible. If an opposition Member is not available, the three Members will be appointed from the same political party.** No more than two should be Co-Opted Independent Members of the Audit and Corporate Governance Committee.
- (c) The Sub-Committee shall elect a Chair at each hearing/meeting. The Chair will be an elected Councillor.
- (d) The appointment and composition of the Sub-Committee shall increase to include a Parish Member (observer) of the Audit and Corporate Governance Committee where the Sub-Committee is considering a report or recommendations that relate to a Parish Council Member.

6 Quorum

The quorum for a meeting of the Sub-Committee shall be three Members, two of whom must be elected Members and at least one Independent Member. When considering a matter relating to the conduct of a Member as Parish Councillor at least one Parish Council representative shall also be present.

7 Frequency of Meetings

The Sub-Committee shall meet as and when required to enable it to undertake its functions.

SLOUGH BOROUGH COUNCIL

REPORT TO: Audit & Corporate Governance Committee **DATE:** 18th July 2018

CONTACT OFFICER: Neil Wilcox; Director, Finance & Resources (Section 151 Officer)

(For all Enquiries) (01753) 875368

WARD(S): All

PART I
FOR COMMENT & CONSIDERATION

AUDIT & RISK MANAGEMENT UPDATE – QUARTER 1 2018-19

1. **Purpose of Report**

The purpose of this report is to:

- Report to Committee on the progress of finalising draft Internal Audit reports
- Report to Committee on the progress of the implementation of Internal Audit recommendations
- Note and comment upon the Corporate Risk Register
- Note the minutes of the latest Corporate Risk Management Board

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

The Committee is requested to comment on and note the attached reports.

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

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

The actions contained within the attached reports are designed to improve the governance of the organisation and will contribute to all of the emerging strategic priorities.

Priorities:

- *Economy and Skills*
- *Health and Wellbeing*
- *Regeneration and Environment*
- *Housing*
- *Safer Communities*

3b. **Five Year Plan Outcomes**

The actions contained within this report will assist in achieving all of the five year plan outcomes

4. **Other Implications**

(a) Financial

There are no financial implications of proposed action

(b) Risk Management

<i>Recommendation</i>	<i>Risk/Threat/Opportunity</i>	<i>Mitigation(s)</i>
<i>That Audit & Corporate Governance Committee is requested to comment on and note the attached reports</i>	<i>This report concerns risk management across the Council</i>	

(c) Human Rights Act and Other Legal Implications

There are no Human Rights Act or other legal implications in this report

(d) Equalities Impact Assessment

There is no identified need for an EIA

5. **Supporting Information**

5.1 **Finalising Internal Audit Reports**

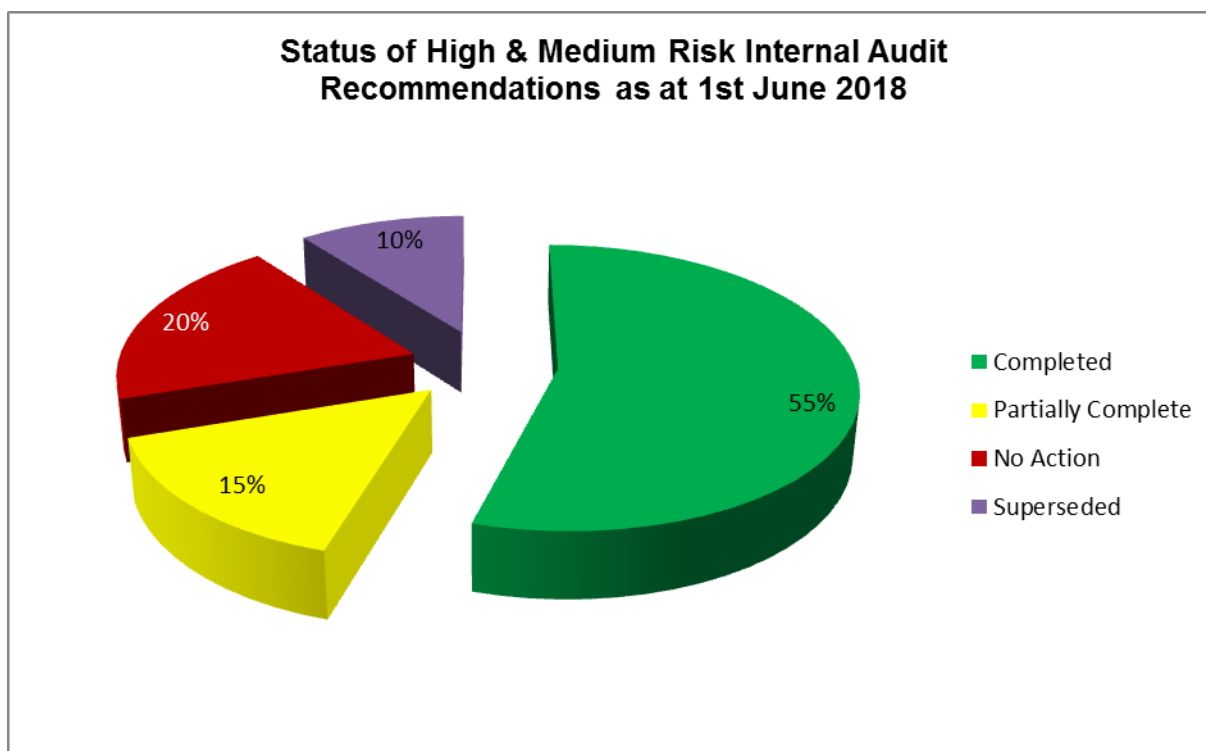
5.1.1 The table below shows those “Assurance” Internal Audits that remain in draft and are yet to be finalised as at 12th June 2018

Audit	Audit Plan Year	Audit Sponsor	Assurance Level	Date to be Finalised by	Comments
Budgetary Control	17/18	Neil Wilcox	Partial Assurance	4 th Jan 2018	On going discussion between RSM and Neil Wilcox
Council Tax	17/18	Neil Wilcox	Reasonable Assurance	20 th December 2017	Awaiting submission of amended draft
Debtors	17/18	Neil Wilcox	Partial assurance	6 th February 2018	Sent to RSM to finalise 6 th June
Priory School	17/18	Cate Duffy	Substantial Assurance		With Children’s Learning and Skills Service
Fixed Penalty Enforcement	17/18	Joe Carter	Partial assurance	5 th February 2018	With Neighbourhood Services to be finalised

5.2 **Monitoring Management Actions**

5.2.1 The Risk and Insurance Officer regularly monitors the progress of the implementation of made following Internal Audit reports. Below is a graph that

shows the percentage of High and Medium risk recommendations that have either been implemented, are in progress, no action has been taken, or the recommendation has been superseded.



5.2.2 Attached at Appendix 1 is a list of outstanding High and Medium actions that are outstanding

5.2.3 To give a more informed view of the status of the Internal Audit recommendation it has been decided to only include recommendations made within the last two years

This has meant that the percentage of completed recommendations has fallen to 55%

5.2.4 Attached at Appendix 2 is a list of the “High” Recommendation Actions that remain Outstanding past the target date.

Current Position		Previous Audit Committee	
No Action	Partially Complete	No Action	Partially Complete
4	4	6	4

5.3 Corporate Risk Register

5.3.1 A copy of the Corporate Risk Register is attached at Appendix 3

5.3.2 At the recent Risk Management Board the Adults & Communities departmental risk register was reviewed. The Board were of the opinion that CMT should consider whether the issue of serious injury or death resulting from a failure of safeguarding should be added to the Corporate Risk Register

5.3.3 A copy of the minutes of the latest available Risk Management Board meeting are attached at Appendix 4

6. **Comments of Other Committees**

This report has not been considered by any other committees.

7. **Conclusion**

The Committee is requested to note and comment on any aspect of the attached reports.

8. **Appendices Attached**

Appendix 1 – Outstanding High & Medium risk internal Audit actions

Appendix 2 – Details of High Rated Recommendations

Appendix 3 – Corporate Risk Register

Appendix 4 – Risk Management Board Minutes

9. **Background Papers**

None

List of Outstanding audit actions

APPENDIX 1

	Location	Action Required	Management Actions	Recommendation Rating	Implementation Status	Target Date	Completion Notes
Person Responsible: Alexander Cowen (1)							
Title: Adult Safeguarding (1)							
	Adults & Communities	Based on our tests where we matched the key case dates between IAS and the safeguarding spreadsheet, the current process of updating the spreadsheet does not appear to be reliable and there is an increased risk of incorrect case progress being reported. We confirmed that the Council was looking into options to enhance functionality of IAS to enable reporting from IAS itself. We consider this to be the preferable option to ensure accuracy of reported information and reduced time spent by staff on duplication.	The Council will agree the timing to phase out the use of the safeguarding spreadsheet once the IAS reporting function goes live.	Medium	No Action Taken	31/03/18	No Action Taken
Person Responsible: Simon Broad (1)							
Title: Adult Safeguarding (1)							
	Adults & Communities	No multi agency audits have taken place during the year and from the meeting minutes of the SAB Performance Sub Group; it is not clear whether any lessons from the previous year's audit have been addressed. Further, meeting minutes of the SAB Performance Sub Group indicated that the group had not been attended in full consistently.	The Council will agree the work plan, terms of reference and membership of the SAB Performance Sub Group.	Medium	Partially Completed	30/06/17	SMT 26th July advised will be completed in Nov 2017 This date has now pushed back to Jan 2018
Person Responsible: Colin Moone (6)							
Title: Allocations (2)							
	Place & Development	Through discussion with the Lettings and Voids Manager we confirmed that the implementation of this process has stalled due to ongoing IT issues. It was originally intended to begin in January 2015 however to date renewal requests have still not been sent out.	The IT issues regarding sending out renewal letters will be addressed to ensure these are being sent out on an annual basis.	Medium	Partially Completed	30/09/17	9/11/2017 - P&D SMT - This is an IT issue IT have told us that the Renewal Letters part of the system will be available in January 2018.
	Place & Development	Through review of the Housing Strategy 2016 - 2021 that was presented to the Cabinet in April 2017 for approval we confirmed that there are plans in place under Theme 4; Homelessness and Housing Need to review the Allocation Scheme to ensure it is appropriate and up to date adequately covering their duties.	The Housing Allocation Scheme will be reviewed and updated with consideration of amendment to the: · Five year residency requirement; · Lack of home ownership requirement; and · The working household's additional preference criteria.	Medium	Partially Completed	30/09/17	The new scheme will be going live at the beginning of April 2018.
Title: Homelessness (3)							

	Location	Action Required	Management Actions	Recommendation Rating	Implementation Status	Target Date	Completion Notes
	Regeneration	<p>The Housing Demand Manager confirmed that when they became involved in the acquisition of private sector tenancies they created a list of 'incentive' amounts that the Council would offer to landlords to effectively top up the Local Housing Allowance (LHA) rates to make them more comparable to the market rates.</p> <p>These rates are subject to negotiation for example if the property is highly desirable or the landlord has a large number of available properties. The Housing Demand Manager confirmed they approve all incentive amounts with the purchase orders for payment going through them.</p> <p>A sample of five new tenancy agreements entered into in 2016/17 was selected. Through review we confirmed that all of these were long term tenancies of 24 months and that the required safety checks were performed prior to letting, with the purchase order and emails evidencing the Housing Demand Manager approving the agreement.</p> <p>We noted that four of the five had appropriate incentive amounts agreed for them, but for one of the properties the incentive was particularly inflated. Through discussion and review of the supporting emails we confirmed that the Housing Demand Manager was on leave at the time of the agreement. The Landlord contacted</p>	<p>A policy around incentives will be drafted which includes detail on the standard incentives, the situations when these can be inflated, the required approval to increase an incentive, as well as the tenancy length requirement (12 month minimum) to ensure consistency of approach.</p>	Medium	Partially Completed	30/09/17	9/11/2017 Advised that this is now complete q3 2017/18 Follow Up found that authorisation is not only required when incentive amount is agreed
	Regeneration	<p>If the suitability of accommodation check is not being undertaken completely as laid out in the Private Rented Sector Toolkit there is the risk that the Council is placing clients in unsuitable accommodation and discharging their duty inappropriately which could open the Council up to legal action.</p> <p>The DGS referral spreadsheet was obtained and a sample of five cases that had a referral in 2016/17 were picked. These five cases were viewed on Capita and in all cases we confirmed that a DGS referral form as laid out in the Private Rented Sector Toolkit was completed appropriately providing assurance as to the process and that applicants are being assessed correctly and approved prior to the assistance being given.</p>	<p>A review will be carried out to assess the staffing levels in the teams responsible for completing the suitability of accommodation checklist to determine if these need to be adjusted to provide the manpower to complete the suitability of accommodation checklists.</p>	Medium	Partially Completed	30/09/17	The Housing Standards Team have drafted a new procedure to deal with this area. It is currently being consulted on and will be agreed in January 2018.

	Location	Action Required	Management Actions	Recommendation Rating	Implementation Status	Target Date	Completion Notes
	Regeneration	<p>Through discussion with the Housing Inspector involved with the Deposit Guarantee Scheme (DGS) we learnt that the DGS Landlord forms have not been being completed recently due to discussions around changing the pack provided to the landlords which includes the DGS information, as well as a lack of Officers in the team.</p> <p>Private Landlords are provided with information on the arrangement when they agree to let property to Council clients and the required safety check evidence is required with the Council undertaking an inspection for deposit assurance purposes.</p> <p>It is important to provide the DGS Landlord forms as this provides the Landlords with their rights as well as the Council's expectations regarding the relationship. If this is not being provided there is the risk that Landlords are not adequately informed which could result in a breakdown of relationship if the Council cannot provide them with expected reparations or if they expect the guarantee could be used for rent arrears for example.</p> <p>For a sample of five private sector properties rented in 2016/17 we confirmed that the appropriate certifications had been completed providing assurance as to the safety aspect of the properties.</p>	The Deposit Guarantee information for Landlords will be reviewed and updated. This will be provided and a signature required along with the safety check information whenever a new private landlord is used for a Deposit Guarantee Scheme client of the Council.	Medium	No Action Taken	30/09/17	9/11/2017 P&D SMT This action is now complete q3 follow up The deposit guarantee information has not been reviewed
Title: Management of Housing Stock (1)							
	Place & Development	<p>For the remaining four cases, we confirmed in all instances; • A completed and signed Mutual Exchange Application Form had been received; • An Officer Checklist had been completed and retained; and • The required checks had been completed.</p> <p>However, we found three of the cases had breached the 42 days statutory deadline, while for the remaining case, the application form on DIP was missing the signature page and had not been date-stamped so we were unable to assess the timeliness of the decision. Where the deadline is missed, the Council cannot refuse the application which impacts the Council's ability to effectively manage its housing stock as the mutual exchange/transfer may not be in the Council's interests.</p>	The Tenancy Management Policy and Fact Sheet 9 (Mutual Exchange/Transfer) will be updated to include; • A requirement to set submission deadlines when requesting information from the tenant or external landlords; • The timescales to be given; and • Refusal as the consequence for missing the deadline. Once approved, this will then be communicated to relevant staff and implemented to ensure effective management of applications, with compliance will be monitored as a KPI.	Medium	No Action Taken	31/03/18	Change of resp
Person Responsible: Barry Stratfull (6)							
Title: Asset Management (1)							

	Location	Action Required	Management Actions	Recommendation Rating	Implementation Status	Target Date	Completion Notes
	Regeneration	The Council does not have in place an Asset Management Procedure which details the roles, responsibilities, and key processes in ensuring that asset management is effectively managed; including maintenance of an up-to-date asset register.	<p>The Principal Asset Manager, Principal Accountant for Capital & Treasury and Group Property & 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"> •How to identify assets; •Responsibility of staff in reporting new assets and disposals to the finance team, the legal team and the asset management team; •Documentation to be held for assets owned by the Council; •Responsibility in recording all assets into the Land Terrier and the Asset Register; •Timeliness and responsibility of reconciliations between the asset values in the asset register and the general ledger; •Timeliness and responsibilities for all involved teams within the asset revaluation process and updating of results. •Formal written verification procedures covering how regular reconciliations are to be completed against the asset register and the Councils property management records. <p>The policy and procedure will be approved by CMT and communicated across all directorates.</p>	Medium	No Action Taken	31/03/17	<p>We confirmed that a procedure had not been defined which outlined responsibility of all departments involved in asset management.</p> <p>We further identified following discussions with the Principal accountant that the processes were well known within the staffing structure however, there was no documented procedure.</p> <p>As such we have restated the action.</p>
Title: Asset Register (1)							
	Regeneration	We obtained a rough two-sided step by step guidance document from the Principal Asset Manager which outlined the process to be followed for the Principal Asset Manager/Management Support Officer for the following; • Notifications from Legal Services; • Notifications from Finance; • Auditing process	The Principal Asset Manager, Principal Accountant for Capital & Treasury and Group Property & Regeneration Solicitor should oversee the preparation of an Asset Management Procedure that clearly outlines the responsibilities of all involved departments and staff.	Medium	Partially Completed	31/07/17	No action has been taken on this Will be completed by Sept 2017 12th Oct 2017 - Barry to send out to ensure this is done
Title: Council Tax (1)							

	Location	Action Required	Management Actions	Recommendation Rating	Implementation Status	Target Date	Completion Notes
	Finance and Resources	The Council, in liaison with arvato, will instigate a process for checking a sample of discounts on an annual basis to ensure that residents in receipt of a discount are still eligible.	The Council, in liaison with arvato, will instigate a process for checking a sample of discounts on an annual basis to ensure that residents in receipt of a discount are still eligible.	Medium	Partially Completed	31/03/18	All discounts except Single Person discount were checked during 2016/17 - the contractor issued a change control for SPD on 26th January 2017 to excuse a SPD for 2016/17 on the basis that the major system to check against was Eletorial registration and this was considerably out of date, which made doing an SPD review virtually impossible. A plan is in place to complete an SPD review in 2017/18 as the Eletorial registration database is now in a much better state. The implementation meeting for this review is scheduled for 27th June 2017 amended as per q1 follow up
Title: Creditors (1)							
	Finance and Resources	We obtained a report from Agresso of suppliers and sorted by the 'last updated' field. We then selected a sample based on those that have been updated since April 2017. This was due to the Council being unable to run a report of amendments. We selected a sample of ten amendments and tested to confirm whether validation checks had been undertaken and whether these checks had been evidenced. Our sample consisted of five bank detail amendments, three email address amendments, one payment address amendment and one instance where we could not ascertain the detail of the amendment, linked to the issue documented above.	All amendments to supplier standing data (including changes to email addresses and bank details) will be supported by a fully completed and authorised form (with any relevant correspondence), clearly evidencing the verification checks undertaken and uploaded to Agresso.	High	No Action Taken	31/05/18	No update received
Title: Debtors Management (1)							
	Finance and Resources	The Collection Strategy Policy document was obtained and we found that procedures are in place for the collection of debt. This policy is dated April 2012 and has not been reviewed since creation. Through discussions with the AR & Social Care Charges Manager at arvato, we found that the debt collection policies in place are not reflective of current practices and is not being followed by arvato due to not being fit for purpose.	The Council will ensure the debt collection policies and procedures are updated to reflect current practices and ensure debt collection expectations are being met. These will be relayed to arvato to ensure policies are agreed and followed.	Medium	Partially Completed	31/03/18	This is in progress This is in progress - and a first draft has been completed but due to resource issues this is still awaiting finalisation
Title: Payroll (1)							

	Location	Action Required	Management Actions	Recommendation Rating	Implementation Status	Target Date	Completion Notes
	Finance and Resources	We confirmed through observation that access to the system has been restricted by username and passwords. We obtained a list of payroll leavers from arvato HR, and noted that three payroll staff had left the employment of arvato during the current financial year. We reviewed Agresso user access reports and noted that access had not been revoked for all three payroll leavers.	On termination of employment for payroll staff, the T-HR & Payroll Service Manager will inform the SBC Agresso Support Team via email, copying the Financial Systems Accountant so access is removed.	Medium	No Action Taken	31/03/18	This is to be actioned
Person Responsible: Neil Wilcox (2)							
Title: Asset Management (2)							
	Regeneration	Testing carried out to confirm that acquisitions of assets are appropriately recorded on the Council's asset register identified that completion memorandums could not be located in all instances. This brings into question whether the Legal department had actually sent these out to allow for amendments to be made to asset management managed records, including the asset register. Medium	The Legal Department will ensure that completion memorandums are communicated and obtained on file for all asset acquisitions made.	Medium	No Action Taken	31/03/17	We were advised by the Principal Accountant that this action had been implemented, however we were not provided with the evidence to confirm this and therefore have not agreed this action as implemented as we have not seen the evidence. Following review with the Assistant Director Finance and Audit, it was accepted that the actions within the report would be reassigned for completion by the end of March 2017.
Title: Debtors Management (1)							
	Finance and Resources	These reminder letters were shown on Agresso with the date the letter was sent. For the remaining 2/20 debts tested, we could not confirm if reminder letters had been sent as these debts had been exported over from Oracle without exporting reminder information as shown in Oracle.	The Council will review all debtors transferred from Oracle to Agresso to ensure that reminder letters have been sent.	Medium	No Action Taken	31/03/18	No Action Taken
Title: Matrix Management of Agency Staff (1)							
	Finance and Resources	Staff were not inputting sufficient notes into the Matrix system when approving staff, for instance, whether sufficient budget is available.	We will ensure that all staff approving new agency workers or approving the extension of existing agency contracts on the Matrix system input relevant notes of checks that have been carried out, for instance: · Whether adequate budget is available for the post; · The post was required urgently out of hours and therefore, there is only authorisation from one member of staff; or · The reason why the contract has been extended. If this information is not detailed then the approval will be refused.	High	No Action Taken	31/05/16	No Action
Title: Payroll (1)							
	Finance and Resources	From a sample of 10 leavers for the current financial year, six users had not had their access to the system revoked. There was also no process in place to remove contractor system access.	A list of leavers will be provided to the Agresso Support Team each month which will be used to revoke Agresso access for leavers. A similar process will also be set up for contractors.	Medium		30/09/17	
Person Responsible: Andrew Pate (5)							
Title: Asset Register (2)							

	Location	Action Required	Management Actions	Recommendation Rating	Implementation Status	Target Date	Completion Notes
	Finance and Resources	We reviewed 10 assets acquired in the current financial year and found five instances where the Terrier system and the CIPFA asset register had been updated. However, we found one instance where the Terrier system had not been updated with a leasehold buy back of an asset; and four instances where the CIPFA asset register had not been updated with the acquisitions. The exceptions noted above across both the Terrier system and CIPFA asset register mean that reliance cannot be placed on the information held within the systems until year end as they are not reflective of the council's assets. If asset records are not updated there is a risk of incorrect information being used by management which could lead to incorrect financial statements.	The Principal Asset Manager together with the Group Accountant Capital, Treasury and SUR will ensure that the Terrier system and CIPFA asset register are updated with details of all new assets acquired by the Council as they occur.	Medium	No Action Taken	31/03/18	No update received
	Finance and Resources	We were informed by the Service Lead Finance that the asset management procedure covering, among other things; identification of new assets, asset disposals as well as asset verification had not been developed. This had been raised in the 14/15, 15/16 and 16/17 internal audit review of this area and management actions had been agreed to ensure that the procedure was developed. Through our review, we have identified control gaps in relation to the asset verification process and asset disposal process that could be mitigated by the implementation of appropriate asset management procedures and these exceptions have been documented below. Failure to have formal procedural guidance increases the risk of inconsistent action being undertaken by members of staff involved in the acquisition and disposal of assets.	The Group Accountant Capital, Treasury and SUR will develop an Asset Management Procedure that clearly outlines the responsibilities of all involved departments and staff. The procedures will clearly outline: <ul style="list-style-type: none"> • How to identify assets; • Responsibility of staff in reporting new assets and disposals to the finance team, the legal team and the asset management team; • Documentation to be held for assets owned by the Council; • Responsibility in recording all assets into the Land Terrier and the Asset Register; • Timeliness and responsibility of reconciliations between the asset values in the asset register and the general ledger; • Timeliness and responsibilities for all involved teams within the asset revaluation process and updating of results. • The process for disposals and acquisitions of assets. • The requirement for the Principal Asset Manager to 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. Once developed the procedure will be approved by the Capital Strategy Board and communicated across all service lines 	Medium	No Action Taken	31/03/18	No update received
Title: Purchasing Cards (3)							

	Location	Action Required	Management Actions	Recommendation Rating	Implementation Status	Target Date	Completion Notes
	Finance and Resources	<p>We selected a sample of 15 card holders (10 current and 5 closed) and we noted that Cardholder Agreement forms had not been maintained for 9/15 cardholders following the move from Co-Op to Lloyds. We were informed that Procurement would have had responsibility for the forms at the time of the move and we acknowledged that the collection forms for those previously Co-Op cardholders were retained by the Purchase Card Programme Administrator. Therefore we note that it was likely a storage issue and from review of the limits of the individuals in testing, we found nothing untoward in terms of suitability of their role to have a purchase card, or their monthly expenditure. In addition, in two of 15 instances the single transaction limit had been left blank on the forms. This should be filled in on the Cardholder Agreement forms for completeness, however we noted from the Deputy Section 151 Officer that this would mean that the limit would then be set at the standard rate as stipulated in the policy (£500 single transaction limit). Without retention of agreement forms the Council cannot be assured that the cardholder had understood and agreed the terms and conditions of card usage, and the card could be misused, causing inappropriate use of the Council's financial resources.</p>	<p>The Council will ensure that for all purchase cards in use, a Purchasing Card Agreement Form will be maintained centrally by the Finance team. Financial Limits will be recorded on Cardholder Agreement forms.</p>	Medium		31/03/18	

	Location	Action Required	Management Actions	Recommendation Rating	Implementation Status	Target Date	Completion Notes
	Finance and Resources	For the remaining selected sample of Council staff cardholders (eight of a sample of ten active cardholders), we confirmed that: <ul style="list-style-type: none"> All receipts were attached to the cardholder Purchase Cards Return form for the sample and so claims reviewed included the receipts and journal form to allow the validation of expenditure against the receipts for each of the months sampled where there was a spend on the card. However in all eight instances there was no evidence of the Purchase Card Return journals having received a separate peer review prior to being uploaded in Agresso Finance System, and we noted that the Purchase Card Programme Administrator does not perform a reconciliation or peer review. Instead, the Purchase Card Programme Administrator matches the total from the holding account from (A1828) against that of the purchase card (A0000) journal to ensure it is zero monthly. There is an increased risk of inappropriate transactions if expenditure on purchase cards are not checked, and therefore spot checks will provide assurance to the Council that both journals are being posted correctly and expenditure on the receipts/invoices is for official Council purchases only (as required in the Purchase Card Policy). 	Spot checks by Finance on a sample of submissions each month will be conducted and recorded to ensure that that expenditure on the detailed receipts provided are for official Council purchases and in line with the Purchasing Card Policy.	Medium		31/03/18	
	Finance and Resources	We discussed the lack of update with the Head of Procurement who stated that Procurement are reliant on Finance for reports on expenditure from Agresso, and the lack of oversight and communication of responsibilities for this process. This has meant that the Council have not been publishing expenditure on purchase cards. The code requires that Local authorities must publish details of every transaction on a Government Purchasing Cards and therefore could have an impact on the perceived transparency of the organisation if up to date data on expenditure is not available.	As part of the Councils Transparency code, the Council will publish expenditure on purchase cards, broken down by merchant, on its public internet site.	Medium		31/03/18	
Person Responsible: Simon Pallett (5)							
Title: Business Continuity & IT Disaster Recovery (2)							
	Finance and Resources	Whilst data backup and replication services have been designed to provide a secure copy of data, no servers are provided as part of the data copy provision for recovery.	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	Partially Completed	31/03/17	Back up servers now provisioned. Dual site resilience scheduled September 2018

	Location	Action Required	Management Actions	Recommendation Rating	Implementation Status	Target Date	Completion Notes
	Finance and Resources	No IT DR testing strategy has been designed and no testing of DR arrangements has been undertaken for a number of years. In addition, no process is in place regarding the assessment of BCP performance and no related	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	Partially Completed	31/03/17	Follow up audit - may 2017 - no action taken Restores tested on individual system level. Not on whole enterprise yet. To be scheduled post dual site resilience
Title: Information Governance (3)							
	Finance and Resources	We were informed by the Service Lead Digital & Strategic IT that the 2016/17 internal audit report actions had been used as the improvement plan with the intention to merge the internal audit actions with actions from the General Data Protection Regulation work into a formal IG Improvement Plan. At the time of our review, the formal improvement plan had not been produced. We were also informed that the improvement plan will be produced following the Digital & IT team restructuring and filling of posts. The lack of a formal IG Improvement Plan to identify actions necessary to embed IG arrangements may increase 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.	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. 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.	Medium	Partially Completed	31/03/18	Initial draft completed March 2018. Updating May 2018 from Data Mapping Workshops
	Finance and Resources	We were informed by the Service Lead Digital and IT Strategy that a framework for records management had been drafted however it had not been discussed with relevant services leads and therefore had not been finalised. We reviewed the policy and confirmed that it reflected these processes and the responsibilities of all staff as well key staff roles in relation to records management, however it had not been updated with GDPR. Upon enquiry, we were informed that the policy will be updated with GDPR prior to regulations going live This exposes the Council to the risk of penalties due to non-compliance with the provisions of the Data Protection Act, as well as an increased risk of data breaches due to records being held indefinitely.	The drafted Records Management Policy will be discussed with relevant service leads and finalised Once finalised, the policy will be presented to the IT and IG Board for approval. Upon approval, the policy will be circulated to staff and made accessible via the intranet. The Council will ensure that the policy is also updated to provide guidance in line with GDPR prior to regulations going live. The policy will be reviewed annually thereafter, with version control included within document to record approval and next review details.	Medium	Partially Completed	31/03/18	Records Management Policy approved by IGB in January 2018. Retention periods from Data Mapping Workshops under review/challenge

	Location	Action Required	Management Actions	Recommendation Rating	Implementation Status	Target Date	Completion Notes
	Finance and Resources	The Data Protection and Privacy Policy was last reviewed and updated in 2012, however did not include any details regarding a Caldicott function within the Council.	<p>The Data Protection and Privacy Policy will be reviewed and updated to ensure it details;</p> <ul style="list-style-type: none"> •The requirement for the Council to have in place a Caldicott function; •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; •The additional training requirements for staff within the function; •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 •The governance arrangements for monitoring the effectiveness of the function. <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>	Medium	No Action Taken	31/03/17	No Action
Person Responsible: Joe Carter (5)							
Title: Business Continuity Planning Arrangements (5)							
	Regeneration	<p>A formal group will be established to drive 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"> •Responsibilities; •Membership and quoracy; •Meeting frequency; and •Accountability and reporting. 	<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"> • Responsibilities; • Membership and quoracy; • Meeting frequency; and • Accountability and reporting. 	High	No Action Taken	31/03/18	Amended as per follow up audit April 2017 Amended as per q1 follow up

	Location	Action Required	Management Actions	Recommendation Rating	Implementation Status	Target Date	Completion Notes
	Regeneration	The Council did not have an overarching Business Continuity Management (BCM) Policy covering the framework for BCM in the organisation	The Council will develop an overarching Business Continuity Management (BCM) Policy covering the framework for BCM in the organisation. The policy will set out; <ul style="list-style-type: none"> •Scope, aims and objectives of BCM in the Council; •The Council's commitment to BCM; •The activities that will be required to deliver these; and •Roles and responsibilities of staff in relation to BCM. •Version control to state approval details and next planned review date. Once finalised, the policy will be subject to ratification by CMT and communicated to staff.	High	Partially Completed	31/08/16	Completed as per Joe Carter RHR SMT
	Regeneration	We also identified a lack of arrangements for testing the effectiveness of the BCP	"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. 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. Exercises/tests will; <ul style="list-style-type: none"> • Be based on appropriate scenarios with clearly defined aims and objectives to minimise the risk of disruptions; and • Produce formalised post exercise reports that contain outcomes and lessons learnt, recommendations and actions to implement improvements. "	Medium	No Action Taken	31/03/18	Not Complete

	Location	Action Required	Management Actions	Recommendation Rating	Implementation Status	Target Date	Completion Notes
	Regeneration	A Business Impact Analysis (BIA) was last undertaken in July 2013 and has not been reviewed and updated since.	<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"> • Establishes the context of the assessment and defines the criteria for evaluating the potential impact of a disruptive incident; • Takes into account legal and other commitments; • Includes systematic analysis and prioritisation of risk treatments; • Defines the required output from the business impact analysis and risk assessment; and • Specifies the requirements for this information to be kept up-to-date. <p>The business impact analysis will include;</p> <ul style="list-style-type: none"> • Identifying activities that support the provision of services; • Assessing the impacts over time of not performing these activities; • 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 • Identifying dependencies and supporting resources for these activities, including 	High	Partially Completed	30/09/16	Partially Complete as per Follow Up audit 04/17
	Regeneration	A formal programme of training for staff in relation to business continuity management had not been established.	<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"> • The roles and contributions of staff to the effectiveness of BCM within the Council; and • The roles and contributions of staff to the effectiveness of BCM within the Council; and • The implications of non-conformance with the policy. <p>• The implications of non-conformance with the policy.</p> <p>"</p>	Medium	No Action Taken	31/03/18	No action taken as per follow up Audit
Person Responsible: Frederick Narmh (6)							
Title: Capital Expenditure (1)							

	Location	Action Required	Management Actions	Recommendation Rating	Implementation Status	Target Date	Completion Notes
	Finance and Resources	For the remaining projects, we were provided with reasons why procurement were not needed. However, in the absence of a procurement review board, there is potentially a lack of control over ensuring the due process set out within the Financial Procedure Rules are followed, and without evidence being retained to demonstrate that three quotes or a tender exemption was obtained, contracts awarded may not be recorded within the contracts register, resulting in a lack of control over capital expenditure.	The Terms of Reference for the Procurement Review Board need to be updated, and meetings of the group will be recommenced to ensure there is sufficient control over compliance with the Financial Procedure Rules.	Medium		31/03/18	
Title: Creditors (1)							
	Finance and Resources	The Council (i.e. Procurement) does not feature on the current workflow on Agresso to approve amendments to supplier details.	The workflow on the Agresso system will be changed for amendments to supplier details. A comprehensive segregation of duties to approve and verify amendments of supplier details will be implemented between arvato P2P and Council Procurement.	Medium	Partially Completed	31/07/17	This issue has been sent to the agresso project team and will form part of the implementation plan. Been sent to Agresso project team but won't be done until after HR system has been implemented
Title: Governance (1)							
	Finance and Resources	In addition, the contracts register does not meet the detailed requirements for each contract to be published. The current information against each contract on the register was limited to: <ul style="list-style-type: none"> Title; Description; Supplier; Contract End Date; Expiry Date; Contract Extension Date; and Project Category. 	The Council will ensure that the contract register format and information published against each contract will be updated to comply with the requirements stated within Annex A of the Local Government Transparency Code 2015, and include: <ul style="list-style-type: none"> Reference number Title of agreement Local authority department responsible Description of the goods and/or services being provided Supplier name and details Sum to be paid over the length of the contract or the estimated annual spending or budget for the contract Value Added Tax that cannot be recovered Start, end and review dates Whether or not the contract was the result of an invitation to quote or a published invitation to tender Whether or not the supplier is a small or medium sized enterprise and/or a voluntary or community sector organisation and where it is, provide the relevant registration number. 	Medium	Partially Completed	30/04/17	In progress as per Fred Narmh As per FN this is almost complete - est date of completion This will be published by 13st March 2018
Title: Information Governance (1)							

	Location	Action Required	Management Actions	Recommendation Rating	Implementation Status	Target Date	Completion Notes
	Finance and Resources	We were informed by the Service Lead Digital & Strategic IT that the action had been delegated to the Assistant Director of Procurement, who went on sick leave since January 2017 and officially left the Council in August 2017. The Assistant Director of Procurement vacancy has now been scrapped in the new organisational structure and the review and re-scoping of the contracts database element of the vacancy has been delegated to the Head of Procurement from 01 November 2017. We were also informed that the agreed management action will be forwarded to them for implementation as the process of reviewing the contract database had been underway. If the Council is unable to sufficiently assure itself that appropriate data protection clauses are contained within all contracts, and where appropriate clauses are not included; there is a risk that the Council may not be able to hold third parties to account should they be involved in a data protection breach involving Council data. The Council is also unable to evidence compliance with the toolkit requirement.	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 data protection and requirements for reporting information governance incidents.	Medium		31/03/18	
Title: Procurement (2)							
	Finance and Resources	From a supplier expenditure report covering the 2016/17 financial year, we selected a sample of five suppliers with expenditure between £5,000 and £49,999 and requested evidence to demonstrate compliance with the CPR from the purchase order approvers. We obtained a response for only three of our sample. For two of the suppliers, the expenditure was under existing contracts.	The Procurement team will undertake quarterly spot checks to monitor compliance with the requirement to obtain three quotes.	Medium	Partially Completed	31/08/17	As Per F N - This action has been completed q 3 follow up partially complete. there are no physical records of these checks. Should include orders raised through purchase order route this is not part of the original recommendation
	Finance and Resources	We were informed by the Head of Procurement that there was currently no monitoring and analysis undertaken of procurement expenditure.	The Procurement team will undertake monthly monitoring and analysis of expenditure by supplier and by type of expenditure to monitor compliance with the Council and EU procurement thresholds requiring formal contracts to be awarded and to identify any potential efficiencies and savings that could be delivered through consolidation of contracts.	Medium	Partially Completed	30/06/17	As per FN - This will be undertaken by Fixed Term contract post
Person Responsible: Diane Lister (1)							
Title: Chalvey Early Years Centre (1)							

	Location	Action Required	Management Actions	Recommendation Rating	Implementation Status	Target Date	Completion Notes
	Childrens, Learning & Skills Services	We confirmed through review of the School's Financial Policy and Procedures that for any purchases between the value of £5000 and £50,000, the School is required to obtain three quotes to ensure that the purchase is providing the school with good value for money. We obtained a list of all invoices since August 2016 (the last six months of the financial year) and noted that there were no high value purchases over £5000 as a single purchase.	The School will ensure that for any purchases exceeding £5000, (either as a single purchase or within a single financial year) the appropriate quotation/tendering process is undertaken with evidence retained to ensure that value for money of purchases is being given adequate consideration.	Medium	Partially Completed	30/06/17	Aware & will do but no purchases over £5000 have been made since June 2017
Person Responsible: Sushil Thobhani (1)							
Title: Governance (1)							
	Finance and Resources	The transactions list for expenditure exceeding £500 for the period of January 2016 to March 2016 will be uploaded to the Council website and then maintained on a quarterly basis.	The transactions list for expenditure exceeding £500 will be updated and the latest version will be uploaded and maintained on a quarterly basis.	Medium	Partially Completed	31/03/18	Completed as per Fred Narmh Amended as per q1 follow up
Person Responsible: Kim Bryant (1)							
Title: General Ledger (1)							
	Finance and Resources	We were informed that although Agresso has the functionality to implement a requirement for the changing of passwords on a regular basis, this was not currently being utilised by the Council.	The Council will implement a password policy and activate password control within Agresso, requiring passwords to be changed on a quarterly basis.	Medium	Partially Completed	31/08/17	Implementation date change Advised that this was easily done I Scheduled for implementation 31 July 2018 as per Simon P
Person Responsible: Craig Brewin (1)							
Title: Governance (1)							
	Finance and Resources	We were unable to identify the publication of a list of grants to voluntary, community and social enterprise organisations.	The Council will meet the requirement to publish details of all grants to voluntary, community and social enterprise organisations on an annual basis. For each identified grant, the following information will be published as a minimum: <ul style="list-style-type: none"> • Date the grant was awarded • Time period for which the grant has been given • Local authority department which awarded the grant • Beneficiary • Beneficiary's registration number • Summary of the purpose of the grant amount 	Medium		30/04/17	
Person Responsible: Sanjay Dhuna (1)							
Title: Governance (1)							

	Location	Action Required	Management Actions	Recommendation Rating	Implementation Status	Target Date	Completion Notes
	Finance and Resources	The Council will ensure that a breakdown of how the authority has spent a surplus on the parking account is included when the information for 2016/17 is uploaded to the Council's website.	The Council will publish parking account information to comply with the Local Government Transparency Code. The information will include: • A breakdown of income and expenditure on the authority's parking account. The breakdown of income must include details of revenue collected from on-street parking, off-street parking and Penalty Charge Notices • A breakdown of how the authority has spent a surplus on its parking account.	Medium	Partially Completed	31/03/18	Completed as per email from Kam Hothi amended a sq1 follow up
Person Responsible: TBA (4)							
Title: Health & Safety (4)							
	Finance and Resources	We identified that compliance with mandatory Health and Safety training across directorates (with the exception of the Chief Executive's Directorate) up to the end of August 2016 was between 40-60% compliant.	An exercise will be carried out to identify all staff eligible for the mandatory and optional training courses regarding health and safety along with staff that have already completed this training. Following this, a Health and Safety Compliance Report will be presented and challenged at the Corporate Management Team and the Senior Management Team. This report will include the compliance rates of health and safety training for all levels of staff across all directorates.	Medium	No Action Taken	30/06/17	No Action
	Finance and Resources	We found that: We could not obtain the risk assessments or the self-audits for the Chief Executive Directorate; Actions raised from risk assessments were not monitored to ensure they had been implemented; We could not obtain the directorate action plan for Adult Social Care; and Accident/incidents were not being monitored within RHR and Chief Executive's Directorate.	A Health and Safety Report will be produced to replace the action plan. This will include: Compliance of risk assessments and self-audits completed. completed Risks and respective actions raised from risk assessments Risks and respective actions raised from self-audits Accident and incident statistics along with detailed of cases and action taken. This report will be completed and updated for each directorate and reviewed at each directorate Health and Safety meeting. This will ensure actions are being monitored and therefore completed in a timely manner.	Medium	Partially Completed	30/06/17	In progress
	Finance and Resources	We found that when target dates for actions raised within self-audit had passed, an explanation was not always provided and a revised target date had not been set.	Target dates will be set for all actions identified as a result of self-audits. These will also be added to the Directorate Health and Safety Action Plan. Where the target date has passed for a particular action, explanations will be provided and revised targets dates will be set.	Medium	Partially Completed	30/04/17	In progress
	Finance and Resources	We found that we could not obtain at the time of the audit, the risk assessments or self-audits for the Chief Executive Directorate as well as self-audits and action plan for Adult Social Care.	As per the H&S Policy, H&S leads will ensure that risk assessments and self-audits are readily available and stored securely.	Medium	No Action Taken	30/04/17	No Action
Person Responsible: Surjit Nagra (6)							
Title: Health & Safety (2)							

	Location	Action Required	Management Actions	Recommendation Rating	Implementation Status	Target Date	Completion Notes
	Finance and Resources	High risks identified in Health and Safety Risk Assessments will be reported up from service lines to their respective Directorate Health and Safety meeting for monitoring. Higher level risks will also be reported up from the Directorate Health and Safety meeting to the Corporate Health and Safety Committee for regular review.	High risks identified in Health and Safety Risk Assessments will be reported up from service lines to their respective Directorate Health and Safety meeting for monitoring. Higher level risks will also be reported up from the Directorate Health and Safety meeting to the Corporate Health and Safety Committee for regular review.	High	Partially Completed	31/03/18	Health & Safety now a standing item on Agenda for CMT and SMTs Project team chaired by Strategic Directorate of RHR to review the entire H&S process Amended as per q1 follow up
	Finance and Resources	The following will be included as standing agenda items for each Directorate Health and Safety Committee to ensure that relevant matters are regularly discussed and monitored: <ul style="list-style-type: none"> •Update from Service Lines; •Review of high level risks and actions arisen from risk assessments and self-audits; •Compliance of risk assessments and self-audits; •Accident and Incident Reports/Statistics; and •Training compliance 	The following will be included as standing agenda items for each Directorate Health and Safety Committee to ensure that relevant matters are regularly discussed and monitored: Update from Service Lines; • Review of high level risks and actions arisen from risk assessments and self-audits; Compliance of risk assessments and self-audits; Accident and Incident Reports/Statistics; and Training compliance.	Medium	Partially Completed	31/03/18	H&S discussed at SMT and CMT's
Title: Information Governance (2)							
	Finance and Resources	We were informed that the Council has a mandatory IT training e-learning course on Information Security Awareness relating to internet security, data handling, and guidance on how data should be handled and this was available to all staff via the Intranet, along with Data Protection Awareness and the Government Connect courses. Intranet print screens and course content were provided as evidence. We were also informed that Data Protection Awareness course had not been updated and that it was to be updated in time to ensure compliance when the GDPR goes live. Upon enquiry, we were informed that the Human Resources unit monitors completion of the mandatory IT training maintains a training log. The Human Resources unit submits the training log to the Corporate Management Team (CMT) monthly and non-compliance is communicated to relevant Service Leads by CMT. We reviewed the provided Information Security training report as of 6 September 2017. Through review of this report we noted that as of 6 September 2017, 590 out of 1097 members of staff had undertaken the Information Security training. We therefore reviewed CMT minutes dated 11 October 2017, however we could not confirm that the training report had been discussed at the CMT meeting as there had been no record made in the minutes. We	The Data Protection Awareness training will be updated to provide guidance in line with GDPR prior to regulations going live. A review will be undertaken to ensure the additional training needs of staff within specialist IG roles are identified and the training needs document will be updated with the identified training requirements.	Medium	Partially Completed	31/03/18	E-learning courses revised March 2018. New GDPR module launched April 2018 Note - Remaining action - reports to CMT re training stats should be reassigned to HR (Surjit Nagra) - not an Alex Cowen responsibility

	Location	Action Required	Management Actions	Recommendation Rating	Implementation Status	Target Date	Completion Notes
	Finance and Resources	Upon enquiry, we were informed that the Human Resources unit monitors completion of the mandatory IT training maintains a training log. The Human Resources unit submits the training log to the Corporate Management Team (CMT) monthly and non-compliance is communicated to relevant Service Leads by CMT. We reviewed the provided Information Security training report as of 6 September 2017. Through review of this report we noted that as of 6 September 2017, 590 out of 1097 members of staff had undertaken the Information Security training. We therefore reviewed CMT minutes dated 11 October 2017, however we could not confirm that the training report had been discussed at the CMT meeting as there had been no record made in the minutes. We were also informed by the Organisational Development Officer that CMT has requested the report format to be revised, therefore no reporting is due to be submitted until the revision of the report format is finalised in January 2018. In addition, we were provided with Data Security presentation dated 01 July 2017 that had been communicated to all staff and the presentation was also available to all staff on Insite. This includes the responsibilities of staff with regards data security and instructions over sending information by email. With regards to the ensuring the	Training reports will be discussed at DMT quarterly and CMT half-yearly and details of the discussion will be recorded in the minutes.	Medium		31/03/18	
Title: Matrix Management of Agency Staff (3)							
	Finance and Resources	We were advised by the Procurement & Contracts Analyst that these reports are not presented at a more senior Committee, such as the Corporate Management Team (CMT).	This will be achieved by OD/HR BPs sharing with SMTs the quarterly spreadsheet produced by Procurement and Commercial Services listing all agency staff engaged by the Council and demonstrating why these agency staff are required.	Medium	No Action Taken	30/09/16	No Action
	Finance and Resources	The Employment and Appeals Committee's Terms of Reference did not detail key information such as meeting frequency.	We will ensure that the Employment and Appeals Committee's Terms of Reference is updated to ensure it makes reference to all areas, such as: <ul style="list-style-type: none"> • Meeting frequency; • Membership; and • Last and next review date. 	Medium	Partially Completed	31/07/16	Surjit advised in progress

	Location	Action Required	Management Actions	Recommendation Rating	Implementation Status	Target Date	Completion Notes
	Finance and Resources	We noted that the Council did not have an assigned Contract Manager for Matrix.	The Council will formally assign a Contract Manager who will have responsibility for managing the Matrix contract.	High	Partially Completed	31/05/16	Corporate procurement will continue to manage the Matrix contract on an interim basis till the contract expires. Following the eminent expiry of the Matrix contract in 2018, it is anticipated that HR will actively manage the new service contract with a dedicated resource. HR to assist in Managing this contract that has been extended for a further year. HR to manage. Contract is up for tender - interim to be appointed to manage all HR contracts As per FN A fixed term contract person will be appointed to manage Matrix by mid Oct 2017
Person Responsible: Tina Tushingam (2)							
Title: Holy Family Catholic School (2)							
	Children's Learning & Skills Service	Without a regular inventory checks being completed by relevant staff, there is a risk that assets that have been stolen, are missing, or are damaged will not be picked up to be resolved by the School.	The School will ensure annual inventory checks are taking place with any discrepancies being investigated. Those discrepancies identified over a predetermined sum will be reported to the Governing Body. To coincide with Asset Tagging.	Medium	Partially Completed	30/09/17	Asset tags to be added to equipment in half term Also looking at bespoke asset register systems but this is dependent on costs
	Children's Learning & Skills Service	We identified two exceptions where the DBS check confirmation was obtained after the employee start date, and a required risk assessment of the employee was not completed.	The School will ensure where a DBS check confirmation is not obtained prior to an employee start date, an appropriate risk assessment is undertaken on the employee to ensure they are fit for service.	Medium	No Action Taken	31/07/17	Completed as per Tina q3 17/18 Follow up - No action taken
Person Responsible: Rhian Richards (3)							
Title: Housing Regulation (3)							
	Regeneration	We identified through discussion with the Housing Regulation Manager that there was currently no set target timescale for responding to HMO licence applications. The reviewed sample of five HMO licences took on average 84 working days from receipt of the completed application to the licence being granted, with 137 working days being the longest time taken. Without a set target for responding to HMO licence applications, there is a risk that applications will not be effectively managed and reviewed in a timely manner, potentially resulting in dissatisfied applicants. The Housing Regulation Manager informed us that they had recently discussed the introduction of a target of eight weeks from receipt of a HMO application to decision to grant or refuse the licence with the Housing Regulation team.	The eight-week target timescale from receipt of a HMO application to decision to grant or refuse the licence will be incorporated into the Housing Regulation Procedure to be developed and published on the HMO licensing page on the Council website. Compliance against the target will then be monitored by the Housing Regulation Manager.	Medium	Partially Completed	31/03/18	This is under review as we are expanding the HMO Licensing Scheme. We are due to go to Cabinet in September with the proposal to introduce a new Scheme which will include new fee structure as well KPIs.

	Location	Action Required	Management Actions	Recommendation Rating	Implementation Status	Target Date	Completion Notes
	Regeneration	We identified that, although system templates were built into the Flare system for certain processes, these did not cover all types of cases. We were also informed that there was a need to review the templates, aligned to the development of the flow charts, to ensure they reflect current processes. Without up-to-date procedural documentation, there is a risk that staff will adopt incorrect and/or inconsistent processes, potentially resulting in ineffective management of cases. There is also some risk to continuity in the event of staff absence or turnover.	A Housing Regulation Procedure will be developed to cover the processes for dealing with and managing housing regulation cases Flare system templates will be reviewed in conjunction with the development of the overarching procedure and use of these will be incorporated into the document, aided by the use of flow charts.	Medium	Partially Completed	31/03/18	Some work has been done in this area but this need to be expanded to covers all areas This work will be done in parallel to the overall system improvement we rolling out
	Regeneration	We confirmed through review of the minutes and papers of the Neighbourhood and Community Services Scrutiny Panel meeting held on 17 January 2017 that a set of overview indicators were approved, which included four indicators relating to Housing Regulation. The Panel requested a report on performance against the indicators at its meeting on 26 June 2017. However, we found that, although the four indicators were measuring different elements of the work of the Housing Regulation, performance against these indicators was not entirely controllable by the Housing Regulation team, therefore meaning they were not effective performance measures. For instance; • Number of licensed HMOs will be dependent on the number of applications received that then meet the necessary criteria, which is outside the control of the Housing Regulation team; and • Number of private sector dwellings improved will be dependent on properties necessitating improvement being identified, which is also outside the control	The current suite of indicators will be reviewed to ensure these meet the characteristics of effective performance measures. Once reviewed and agreed, targets will be agreed for each indicator, and performance reported against each target. Flare reporting functionalities will be reviewed to ensure performance can be accurately reported each quarter.	Medium	No Action Taken	31/03/18	No response
Person Responsible: Vijay McGuire (1)							
Title: Income and Debtors Management (1)							

	Location	Action Required	Management Actions	Recommendation Rating	Implementation Status	Target Date	Completion Notes
	Finance and Resources	arvato have not been escalating debt relating to Adult Social Care in line with Slough Borough Council's debt recovery policy.	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	Partially Completed	31/03/17	<p>The collection Policy needs to be updated and this is with Neil Wilcox. There is currently no date for completion. Adult Social Care are made aware by arvato of any large invoices outstanding and instruction requested as to how to proceed - responses are varied and in a large number of cases no responses are received. The first part of this action is with Finance.</p> <p>Person under Jacky A's supervision will have policy completed and signed off by end of Financial year</p> <p>Paula Bass will get Adult Social care to advise arvato what to do with the various debts</p> <p>The updated Policy is a Finance action which remains outstanding - Neil Wilcox is aware.</p> <p>Arvato have requested Finance involvement to assist in reviewing the outstanding debts to date no response has been received. To date arvato have been working with Victoria Tutty in Adults to do the best that they can without the updated policy</p>
Person Responsible: Karen Lewis (1)							
		Title: Management of Housing Stock (1)					
	Place & Development	We reviewed the Tenancy Strategy and Policy 2013-2018, accessible via the Council's website, and confirmed that this covered in sufficient detail the areas required by the Act. However, we noted that it still made reference to the Sustainable Community Strategy and the Corporate Plan, which have since been replaced by the Five Year Plan, and the Slough demographic and housing context data referred to within the document was from 2012.	The Tenancy Strategy and Policy will be reviewed and updated to ensure it is aligned to the strategic priorities set out within the Five Year Plan. The strategy will then be issued to CMT and Cabinet for approval, and subject to the required consultation. Once finalised, it will be updated on the Council website and then reviewed annually thereafter.	Medium	Partially Completed	31/03/17	The government will be publishing a "wide ranging" Social Housing Green Paper imminently (Spring 2018). The Strategy will need to take account of what are anticipated to be fairly radical changes to the way social housing is developed and managed.
Person Responsible: Johnny Kyriacou (4)							
		Title: Management of the Pupil Premium (4)					

	Location	Action Required	Management Actions	Recommendation Rating	Implementation Status	Target Date	Completion Notes
	Children's Learning & Skills Service	We confirmed through review of the school's website that it had published a document titled 'Pupil Premium Funding 2015/16' which set out how the pupil premium funding for 2015/16 had been spent. As noted in the findings above, while we also identified through review and discussion with the Deputy Headteacher and Assistant Headteacher (PP lead) that impact and attainment data is reviewed regularly, this was not covered in the document as per the DfE requirement to publish this information.	Wexham School The school will ensure its published pupil premium strategy outlines the impact of its pupil premium spend in the previous year; through specific measures to track and assess the overall effectiveness of pupil premium spend.	Medium		31/12/17	
	Children's Learning & Skills Service	Through review of the school's website, we noted it had published a document titled 'Pupil Premium Funding 2016/17'. We reviewed the document against the DfE requirement to publish a pupil premium strategy and the detail that must be included by schools. We confirmed the school's pupil premium allocation had been outlined within the document.	Wexham School As part of the review of its pupil premium strategy for 2017/18, the format of the current document published on its website will be updated to ensure the following is covered as per the DfE requirements: • A summary of the main barriers to educational achievement faced by eligible pupils at the school; • How the school will spend the pupil premium, the reasons for that approach and how the expenditure areas are aligned to address each of the identified barriers; • How the school will measure the impact of the pupil premium by identifying measures and setting targets; and • The date of approval and next review of the school's pupil premium strategy.	Medium		31/12/17	
	Children's Learning & Skills Service	Claycots Through review of the school's website, we noted the school had published a Pupil Premium Policy and a separate spend statement for 2016/17. We reviewed the documents against the DfE requirement to publish a pupil premium strategy and the detail that must be included by schools. We confirmed; • The school's pupil premium allocation had been outlined within the spend statement for 2016/17; • The Pupil Premium Policy covered the school's identified priorities for pupil premium spend, and the spend statement identified which priority each area of spend fell under; and • The spend areas were in line with the conditions of the grant.	As part of the review of its pupil premium strategy for 2017/18, the school will ensure that it details; • How the school will measure the impact of the pupil premium by identifying measures and setting targets; and • The date of next review of the school's pupil premium strategy. For clarity and to align it to the DfE guidance, the documents will be amalgamated and renamed 'Pupil Premium Strategy'.	Medium	No Action Taken	31/12/17	Amended recommendation

	Location	Action Required	Management Actions	Recommendation Rating	Implementation Status	Target Date	Completion Notes
	Children's Learning & Skills Service	We confirmed through review of the school's website that it had published a document titled 'Pupil Premium 2015/16' which set out how the pupil premium funding had been spent in the previous year. As noted in the findings above, while we also identified through review and discussion with the Director of Inclusion & Wellbeing that impact and attainment data is reviewed regularly, this was only covered briefly in the document and was not linked to specific measures identified to track and assess the overall effectiveness of pupil premium spend.	Claycots The school will ensure its published pupil premium strategy outlines the impact of its pupil premium spend in the previous year; through specific measures to track and assess the overall effectiveness of pupil premium spend.	Medium		31/12/17	
Person Responsible: John Griffiths (1)							
Title: Neighbourhood ASB Enforcement (1)							
	Place & Development	We reviewed our sample of 10 Capita and 10 Flare cases to confirm whether initial contact had been made with the complainant / referring agency via telephone or a face-to-face visit within the required time-frame. Of the 10 Flare cases, we noted one was notified to the Council anonymously, so could therefore not be followed up and responded to. Of the remaining nine cases, we identified; • Two had not been responded to and the cases were closed without any action; • The remaining seven had not been responded to within the required time-frame. The initial contact took on average 13 working days; and • Of these seven cases, the complainant had not been contacted in one case, while contact had not been made via telephone / face-to-face visit in two cases.	The Council will review the current structure and resources within Neighbourhood Enforcement teams, and assess whether additional resources are required to ensure ASB cases are responded to in a timely manner. As part of this, the role of the Resilience and Enforcement Team in coordinating ASB activity will be reinforced.	High	No Action Taken	31/01/18	No action taken
Person Responsible: Michelle Isabelle (3)							
Title: Neighbourhood ASB Enforcement (3)							
	Place & Development	We reviewed the ASB Policy and confirmed it adequately detailed the strategy and overarching aims of the Council with regards to managing ASB. We noted there were a total of 14 Fact Sheets which were split between 'ASB Policy and Procedure' and 'ASB Legislation'.	The Policy and Fact Sheets will be re-circulated to all relevant staff, and they will be required to confirm that they have read and will comply with it. Training covering policy application will be provided to ensure consistent understanding and application.	Medium		31/10/17	

	Location	Action Required	Management Actions	Recommendation Rating	Implementation Status	Target Date	Completion Notes
	Place & Development	Through discussion with two of the Enforcement Team Leaders, we identified that monthly supervisions were not being held monthly. There is therefore the risk that cases may not be appropriately responded to without regular oversight from Team Leaders. Through review with the Tenancy Team Leaders, we confirmed existence of a system control within Capita requiring Team Leaders to review cases at monthly intervals. However, following review of the ASB Policy, Team Leaders must ensure that, as part of this review, consistent application of the policy is monitored, and non-compliance flagged for corrective action.	Team Leaders will ensure that ASB cases are reviewed monthly, and following review and approval, and subsequent dissemination of the ASB Policy, that consistent application of the policy is monitored.	Medium		31/10/17	
	Place & Development	For the four Capita cases highlighted above where the method of notification had not been recorded, we were unable to confirm the accuracy of the date of notification logged on the system. For the remaining six cases, the notification was either face-to-face or via telephone, and as such, there was no supporting evidence to cross-reference the date of notification to.	Council staff will be reminded of the need to record details of the notification on Flare within the notes for all ASB cases, to ensure a clear audit trail exists for reported ASB cases. This will be reviewed by the Resilience and Enforcement Team Assistance when assigning cases to ensure the date of notification has been accurately recorded.	Medium		31/10/17	
Person Responsible: Ian Blake (1)							
Title: Neighbourhood ASB Enforcement (1)							
	Place & Development	We noted through review of Fact Sheet 6 - ASB Case Management Systems that it stated that the Council was working to align the categorisation of ASB cases on both systems, so that the Council can easily capture its overall performance. We noted the Fact Sheet detailed three categories, which we confirmed were from the National Standards for Incident Recording (NSIR), and 15 types of ASB, which we confirmed were in line with HouseMark ASB categorisation, to be used to categorise ASB cases.	The Council will review and update the ASB categories and types on both Capita and Flare to ensure these are aligned and reflect the categories and types defined within Fact Sheet 6 - ASB Case Management Systems. Training will subsequently be provided to Team Leaders and Officers on definitions of categories and types to ensure correct assignment and consistent application.	Medium		31/03/18	
Person Responsible: George Grant (4)							
Title: Payroll (1)							
	Finance and Resources	It was found that the budget holder listing held by the Transactional Finance Team was not up to date.	Slough Borough Council will provide an up to date listing of budget holders and their associated budget codes and updates will be provided upon any changes being made to budget holders.	Medium		30/09/17	
Title: Schools Financial Value Standard (3)							

	Location	Action Required	Management Actions	Recommendation Rating	Implementation Status	Target Date	Completion Notes
	Finance and Resources	A reminder will be issued to the Chair of the Governing Body of Khalsa Primary School highlighting the importance of ensuring SFVS responses accurately reflect the arrangements within the school. The Council will also ensure that any other schools found to have a lack of accuracy with their SFVSs will be sent a reminder as actioned in the point above.	A reminder will be issued to the Chair of the Governing Body of Khalsa Primary School highlighting the importance of ensuring SFVS responses accurately reflect the arrangements within the school.	Medium	No Action Taken	31/03/18	Change of resp. Amended as per q2 follow up
	Finance and Resources	A reminder will be issued to the Chair of the Governing Body of Khalsa Primary School highlighting the importance of ensuring SFVS responses accurately reflect the arrangements within the school. The Council will also ensure that any other schools found to have a lack of accuracy with their SFVSs will be sent a reminder as actioned in the point above.	A reminder will be issued to the Head Teachers of the schools identified with exceptions regarding the narrative provided within their SFVS returns (Arbour Vale School; Chalvey Early Years Centre; Lea Nursery; Slough Centre Nursery; St Anthony's Catholic Primary School; St Ethelbert's Catholic Primary School) of the need to provide sufficient narrative to evidence the basis for their responses to each standard.	Medium	No Action Taken	28/02/17	Completed as per George Grant 17/08 Amended as per q2 follow up
	Finance and Resources	5 We noted not all schools produced action plans to address areas of non-compliance. Where action plans were produced, we identified these either did not cover all areas of non-compliance or actions were not time-bound and/or assigned	Refer to management action regarding the review of SFVS returns by the Council's Schools Finance team.	Medium	Partially Completed	31/12/16	Neil advised that he would raise this with George Grant and Coral Miller in February 2017 Advised by George Grant 17th Aug 2017
Person Responsible: David Askwith (1)							
Title: Rent Accounts (1)							

	Location	Action Required	Management Actions	Recommendation Rating	Implementation Status	Target Date	Completion Notes
	Place & Development	We confirmed through review that a Policy and Procedure Monitoring Spreadsheet was in place detailing the Council's key policies with respect to rent accounts. We compared the next review dates as stated on the individual policies and procedures to the Monitoring Spreadsheet and noted the following: • Income Management Procedure – dates reconciled; • Former Tenant Arrears (FTA) Policy and Procedure – the next review date was stated as January 2016, however the procedure had been reviewed in September 2017 and was awaiting ratification from the Cabinet; • Temporary Accommodation Income Management Procedure – the document stated a next review date of February 2019 whereas the Monitoring Spreadsheet stated June 2017; • Discretionary Housing Payments (DHP) Policy – the document stated that it was applicable for 2017/18, whereas the Monitoring Spreadsheet stated it was due for review in March 2017; and • Anti-Fraud and Corruption Policy and Strategy – the document was due for review in September 2016 whereas the Monitoring Spreadsheet stated September 2017. It was therefore clear that the Policy and Procedure Monitoring Spreadsheet was not being subject to regular review. We also noted that the Monitoring Spreadsheet stated bi-annual review of the Anti-Fraud and	The Policy and Procedure Monitoring Spreadsheet will be updated to reflect the correct policy and procedure review dates. Moreover, the Spreadsheet will be reviewed on a quarterly basis to ensure policies and procedures are subject to regular review as required.	Medium	No Action Taken	31/03/18	change of res
Person Responsible: Phil Brown (1)							
Title: Risk Management (3)							
	Finance and Resources	The RMS can be improved in the following areas: 1. The process for escalation of Directorate and Project level risks to the Corporate Risk Register. 2. The guidance on 'how to populate the risk register' does not mention the requirement for identified risks to be linked to strategic objectives. 3. The Strategy did not include guidance on identifying target risk ratings and documenting actions required to address any gaps in control to mitigate risks; 4. The Strategy did not state when is it due next for review.	The Council will ensure future Risk Management Strategy updates will include the following: •Next review date and requirement for it to be reviewed annually; •'How to populate the risk register' guidance to be updated to ensure it is specific to the Intelex risk system •Inclusion of the requirement for risks to be linked to strategic objectives, •Escalation of Directorate and Project risks to the Corporate Risk Register; and •Guidance on identifying target risk ratings and documenting actions required to address any gaps in control to mitigate the risks.	Medium	No Action Taken	30/04/17	The Council will ensure future Risk Management Strategy updates will include the following: • Next review date and requirement for it to be reviewed annually; • 'How to populate the risk register' guidance to be updated to ensure it is specific to the 4risk system • Inclusion of the requirement for risks to be linked to strategic objectives, • Escalation of Directorate and Project risks to the Corporate Risk Register; and • Guidance on identifying target risk ratings and documenting actions required to address any gaps in control to mitigate the risks.
Person Responsible: Nic Barani (3)							
Title: Schools Financial Value Standard (3)							

	Location	Action Required	Management Actions	Recommendation Rating	Implementation Status	Target Date	Completion Notes
	Finance and Resources	Of the 16 schools which submitted a return, seven reported either partial or non-compliance for one or more standards, therefore requiring an action plan. Of these seven schools, only one had included a fully completed action plan with responsible owners and deadlines; <input type="checkbox"/> Cippenham Nursery (one partial compliance standard)	For the 2017/18 submissions, submitted SFVS returns will be subject to review by the Council's Schools Finance team to ensure; <input type="checkbox"/> The SFVS return has been fully completed, with a response, supported by sufficient narrative, provided against all the standards within the SFVS return template; <input type="checkbox"/> The return has been appropriately signed off by the Chair of the Governing Body of the school; <input type="checkbox"/> An action plan with time-bound and assigned actions has been included to address all areas of reported partial or non-compliance. <input type="checkbox"/> Where exceptions are identified, schools will be requested to address these and re-submit their return.	Medium	No Action Taken	28/02/18	No action
	Finance and Resources	We identified instances where the SFVS return had been submitted without an appropriate signature from the Chair of the Governing body.	Each of the schools identified as not submitting a signed SFVS return (Chalvey Early Years Centre; Lea Nursery; Slough Centre Nursery; St Anthony's Catholic Primary School; St Joseph's Catholic High School; and St Mary's CE Primary School) will be contacted and requested to re-submit their return, duly signed by the Chair of the Governing Body / Management Committee of the school.	Medium	No Action Taken	31/03/18	Follow up audit finding that this action was not complete
	Finance and Resources	We noted that the main reason for the above actions not being completed properly was because no action plan template had been used. Where Cippenham Nursery had used an action template, we confirmed all actions were appropriately SMART (Specific, Measurable, Attainable, Realistic and Time-bound).	The Council will create a tailored best practice guide that will be provided to all the maintained schools annually. This will include: <input type="checkbox"/> The minimum amount of narrative expected to satisfy each of the 25 standards <input type="checkbox"/> A breakdown of key SFVS criteria expected of the school <input type="checkbox"/> A link to the detailed SFVS 'Support Notes' and 'Additional Resources' guidance provided by the Education Funding Agency.	Medium	Partially Completed	30/09/17	There are plans in progress and will be completed shortly
Person Responsible: Jacqueline Laver (1)							
Title: Special Educational Needs Funding (1)							
	Childrens, Learning & Skills Services	For the Priory School we obtained the 1516 and 1617 SEN information reports. We confirmed these were in an easy to follow format containing the information expected as laid out in the 2014 SEND regulations. The Priory School Head Teacher confirmed that the 1617 report will be sent over to the Council prior to the end of the year for inclusion in the Local Offering for next year.	The Council will ensure the Local Offer is updated annually with the new SEN Information Report for all schools. In line with the above, the Governing Bodies of each school will ensure their schools are annually reviewing the SEN Information Report, and will ensure review dates for SEN funding information are clear.	Medium		31/12/17	
Person Responsible: Ranvir Chahal (1)							
Title: Special Educational Needs Funding (1)							

	Location	Action Required	Management Actions	Recommendation Rating	Implementation Status	Target Date	Completion Notes
	Childrens, Learning & Skills Services	For Wexham Court Primary School we obtained the SEN report as currently detailed on their website - this was not a dated document and therefore when reviewing you could not confirm that it was up to date. However through review of June 2017 minutes from the school's Pupil Support and Transforming Learning Committee we did confirm that the Local offer was recently reviewed. The information required as laid out in the 2014 SEND regulations was included making it clear to users the SEN services the school provide.	The Council will ensure the Local Offer is updated annually with the new SEN Information Report for all schools. In line with the above, the Governing Bodies of each school will ensure their schools are annually reviewing the SEN Information Report, and will ensure review dates for SEN funding information are clear.	Medium		31/12/17	

Location:
Slough
Borough
Council

Monday,
July
02,
2018
9:31
:55
AM
(UTC+0
0:00
)
Dublin,
Edinburgh,
London
by
Phil
Brown

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Outstanding High Risk Management Actions

APPENDIX 2

	Title	Management Actions	Target Date	Implementation Status	Completion Notes
Person Responsible: Joe Carter (3)					
	Business Continuity Planning Arrangements	The Council will develop an overarching Business Continuity Management (BCM) Policy covering the framework for BCM in the organisation. The policy will set out; <ul style="list-style-type: none"> •Scope, aims and objectives of BCM in the Council; •The Council's commitment to BCM; •The activities that will be required to deliver these; and •Roles and responsibilities of staff in relation to BCM. •Version control to state approval details and next planned review date. Once finalised, the policy will be subject to ratification by CMT and communicated to staff.	31/08/16	Partially Completed	Completed as per Joe Carter RHR SMT
	Business Continuity Planning Arrangements	"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; <ul style="list-style-type: none"> • Establishes the context of the assessment and defines the criteria for evaluating the potential impact of a disruptive incident; • Takes into account legal and other commitments; • Includes systematic analysis and prioritisation of risk treatments; • Defines the required output from the business impact analysis and risk assessment; and • Specifies the requirements for this information to be kept up-to-date. The business impact analysis will include; <ul style="list-style-type: none"> • Identifying activities that support the provision of services; • Assessing the impacts over time of not performing these activities; • 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 • Identifying dependencies and supporting resources for these activities, including suppliers and outsource partners. The risk assessment will include; <ul style="list-style-type: none"> • Identifying risks of disruption to the Council's prioritised activities and the processes, systems and resources that support them; • Systematically analysing risks in line with the Council's risk management methodology; • Evaluating which risks require treatment/mitigation; and • Identifying treatments/mitigations in line with business continuity objectives and the Council's risk appetite. The processes will be documented within the Council's overarching Business Continuity Management Policy. risk appetite. The processes will be documented within the Council's overarching Business Continuity Management Policy.	30/09/16	Partially Completed	Partially Complete as per Follow Up audit 04/17

	Title	Management Actions	Target Date	Implementation Status	Completion Notes
	Business Continuity Planning Arrangements	"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; • Responsibilities; • Membership and quoracy; • Meeting frequency; and • Accountability and reporting. "	31/03/18	No Action Taken	Amended as per follow up audit April 2017 Amended as per q1 follow up
Person Responsible: TBA (2)					
	Health & Safety	High risks identified in Health and Safety Risk Assessments will be reported up from service lines to their respective Directorate Health and Safety meeting for monitoring. Higher level risks will also be reported up from the Directorate Health and Safety meeting to the Corporate Health and Safety Committee for regular review.	31/03/18	Partially Completed	Health & Safety now a standing item on Agenda for CMT and SMTs Project team chaired by Strategic Directorate of RHR to review the entire H&S process Amended as per q1 follow up
	Matrix Management of Agency Staff	We will ensure that all staff approving new agency workers or approving the extension of existing agency contracts on the Matrix system input relevant notes of checks that have been carried out, for instance: · Whether adequate budget is available for the post; · The post was required urgently out of hours and therefore, there is only authorisation from one member of staff; or · The reason why the contract has been extended. If this information is not detailed then the approval will be refused.	31/05/16	No Action Taken	No Action
Person Responsible: John Griffiths (1)					
	Neighbourhood ASB Enforcement	The Council will review the current structure and resources within Neighbourhood Enforcement teams, and assess whether additional resources are required to ensure ASB cases are responded to in a timely manner. As part of this, the role of the Resilience and Enforcement Team in coordinating ASB activity will be reinforced.	31/01/18	No Action Taken	No action taken
Person Responsible: Frederick Narmh (1)					
	Matrix Management of Agency Staff	The Council will formally assign a Contract Manager who will have responsibility for managing the Matrix contract.	31/05/16	Partially Completed	Corporate procurement will continue to manage the Matrix contract on an interim basis till the contract expires. Following the eminent expiry of the Matrix contract in 2018, it is anticipated that HR will actively manage the new service contract with a dedicated resource. HR to assist in Managing this contract that has been extended for a further year. HR to manage. Contract is up for tender - interim to be appointed to manage all HR contracts As per FN A fixed term contract person will be appointed to manage Matrix by mid Oct 2017
Person Responsible: Barry Stratfull (1)					

	Title	Management Actions	Target Date	Implementation Status	Completion Notes
	Creditors	All amendments to supplier standing data (including changes to email addresses and bank details) will be supported by a fully completed and authorised form (with any relevant correspondence), clearly evidencing the verification checks undertaken and uploaded to Agresso.	31/05/18	No Action Taken	No update received

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SBC Risk Register

Report Date	02 Jul 2018
Risk Area	1. Corporate Risks

SBC Risk Register

Risk Ref	Risk Title	Description & Consequence	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Target Risk Priority
CR 4	Inability to manage the urban regeneration projects such that they deliver a quality product on time and to budget	<p>Description There are a number of major regeneration projects planned for the town which when completed will attract businesses in the area e.g. the TVU site and the old library. Failure to manage these projects effectively may result in project delays and increase project costs.</p> <p>Consequence The main impact will be delays in attracting businesses to the area with the consequential loss of income and ability to provide jobs and opportunities for Slough residents. Inadequate governance arrangements will contribute to ineffective decision making and management</p>	I = 4 L = 3 12	<p>Created a Directorate for Regeneration Asset Master Plan</p> <p>External advisors used for legal and technical advice</p> <p>Monitoring reports go to Cabinet & Members</p> <p>Terms of reference and governance around SUR contracts</p>	I = 3 L = 3 9	<p>Ensure that there is sufficient budget available Budget not finalised but know income expectations.</p> <p>Person Responsible: Joe Carter To be implemented by: 31 May 2018</p> <p>Ensure sufficient officer capacity with the right skill base Person Responsible: Joe Carter To be implemented by: 31 Jul 2018</p>	I = 3 L = 2 6
CR 20	arvato Contract	<p>Description The Council has a contract with arvato to supply a range of back officer and IT functions. the contract is due to end in the next two years and a decision needs to be made on what the Council intends to do going forward.</p> <p>There is a danger that arvato may decide to pull away from the contract..</p> <p>Consequence If the decision is to bring the service back in-house this is likely to get a hostile response from arvato and we may end up in contractual dispute leading to financial and reputational issues</p>	I = 3 L = 4 12	<p>There is an interim in place managing the contract with arvato</p>	I = 3 L = 4 12	<p>The Departmental restructure will look to address some of the monitoring issues Person Responsible: Barry Stratfull To be implemented by: 31 Mar 2018</p>	I = 3 L = 3 9

SBC Risk Register

Risk Ref	Risk Title	Description & Consequence	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Target Risk Priority
CR 2	Failure to ensure financial sustainability.	<p>Description The revenue support grant is declining whilst the population in the Borough is growing. In addition there is an increasing demand for the Council's Services. Efficiency savings still need to be made to reduce expenditure, whilst the financial sustainability of the Council in the longer term is..</p> <p>Consequence Failures or delays in the Slough Urban Regeneration programme is likely to produce an extended period of lower than expected income which will in turn impact the quality of services that can be delivered and result in a failure to meet the corporate objectives. Failures or delays in the Slough..</p>	I = 4 L = 4 16	<p>Assessment of the impact of Brexit on Council finances</p> <p>Budget Monitoring Reports to Members, Corporate Management Team, Departmental Management Teams</p> <p>External experts used to carry out financial analysis. 5 Year Plan in place</p> <p>Medium term financial strategy</p>	I = 4 L = 2 8	<p>Person Responsible:</p> <p>To be implemented by:</p>	I = 4 L = 2 8
CR 1	Recruiting, retaining and stabilising the senior management team.	<p>Description There are currently interim positions at Chief Executive.</p> <p>Consequence Failure to stabilise the senior management of the Council will result in reduced effectiveness of leadership and potential inability to achieve the corporate objectives.</p> <p>Reputational Damage</p>	I = 2 L = 4 8	<p>Corporate Management Team that leads the Council</p>	I = 2 L = 4 8	<p>Appoint a permanent Chief Executive</p> <p>Person Responsible: Surjit Nagra</p> <p>To be implemented by: 31 Jul 2018</p>	I = 1 L = 2 2

SBC Risk Register

Risk Ref	Risk Title	Description & Consequence	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Target Risk Priority
CR 19	Failure of Children's Social Care	<p>Description The council is currently subject to statutory intervention by the DfE following 3 consecutive failed Ofsted inspections. Social care Functions now sit within Slough Children's services Trust and will be re-inspected in 2018.</p> <p>Consequence Poor outcomes for vulnerable children include risks to safeguarding. Reputational damage to the council. Prolonged statutory intervention</p>	I = 4 L = 6 24	Improvement Board	I = 3 L = 4 12	<p>Person Responsible:</p> <p>To be implemented by:</p>	I = 3 L = 3 9
				Joint Parenting Panel			
				Reporting to Cabinet			
				Reporting to Education and Children's Scrutiny			
CR 16	Ensuring that the Council meets its statutory duties with regards to school provision	<p>Description Currently forecasts indicate that there will be an insufficient level of available places in early years as well as likely demand for places in the secondary school sector within the medium term</p> <p>Consequence The Council fails to provide school places with significant reputational and legal consequences</p>	I = 4 L = 5 20	Capital Strategy Board - provides oversight on capital spending and borrowing.	I = 4 L = 4 16	<p>Strategy to Cabinet</p> <p>Person Responsible: Cate Duffy</p> <p>To be implemented by: 31 Jul 2018</p>	I = 3 L = 3 9
				Oversight by Cabinet and Overview and Scrutiny			
				Place Planning Board – reviews the need for places.			

SBC Risk Register

Risk Ref	Risk Title	Description & Consequence	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Target Risk Priority
CR 10	Ensuring that the sustainability and transformation partnership (STP) reaches a satisfactory agreement between all the partners.	<p>Description Slough needs to deliver a sustainable Health & Care system</p> <p>There are 13 partners on the Board including acute hospital trusts, community trusts and CCGs.</p> <p>Consequence Failure of sufficient funds to be transferred to the Council to provide the social care will result in the Council not agreeing with the consequential reputational damage or the Council being put under greater financial pressure.</p> <p>Slough does not get enough focus to deliver what it needs to..</p>	I = 3 L = 4 12	A voting member of the board	I = 3 L = 3 9	Working out KPI metrics and financial control total Person Responsible: Alan Sinclair To be implemented by: 28 Sep 2018	I = 2 L = 3 6
				Reports are sent to the Wellbeing board and to Scrutiny Panel			
				There is a Wellbeing Board alliance			
CR 18	Failure to Implement SEND Reform	<p>Description The Council has a statutory duty to implement Children & Families Act 2014 reforms to SEND by April 2018</p> <p>The Council will be inspected within the next three years</p> <p>Consequence Failure to do so may result in Government intervention</p> <p>A poor inspection would damage the reputation of the Council</p>	I = 4 L = 5 20	Recruited a Service lead for SEND for better integration with the Council	I = 3 L = 4 12	Person Responsible: To be implemented by:	I = 3 L = 3 9
				Regular review and monitoring at Children's Learning & Skills Management team			
				SEND Partnership Board			
				There is a permanent SEND team now within the Council.			

SBC Risk Register

Risk Ref	Risk Title	Description & Consequence	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Target Risk Priority
CR 5	Failure to ensure the Town Centre redevelopment, backed by external investors, is completed in as short a timescale as possible.	<p>Description The town centre will be redeveloped investors to make it an attractive centre for businesses to operate from and residents to visit. However there will be a period when the town centre will be blighted.</p> <p>In the short term SBC have to ensure the short term viability of the Town Centre</p> <p>Consequence Failure to ensure this period is short will mean that businesses and their income will be delayed or they may decide to go elsewhere. We understand this happened in elsewhere</p>	I = 4 L = 4 16	<p>Discussions and negotiations with investors has started (single point of contact)</p> <p>Internal Town Centre Project Board</p>	I = 4 L = 3 12	<p>Ensure that the Planning Performance Agreement is established and is fully resourced</p> <p>Person Responsible: Sanjay Dhuna To be implemented by: 30 Jun 2018</p> <p>Establish a relationship with Ardia through a project board</p> <p>Person Responsible: Joe Carter To be implemented by: 30 Jun 2018</p> <p>Need to develop a program/strategy for attracting short term investment</p> <p>Person Responsible: Joe Carter To be implemented by: 30 Jun 2018</p>	I = 3 L = 3 9
CR 11	Ensuring the Council's internal control environment is fit for future.	<p>Description Continued changes in personnel / vacancy / service change have resulted in loss of corporate memory and deterioration in the control framework including adherence with policy, systems, process and procedures. This can result in decisions being made without a firm policy footing or decisions being..</p> <p>Consequence The Council is therefore at greater risk of being challenged or making a poor decision with sub optimal outcomes.</p>	I = 3 L = 5 15	<p>Reviewed Code of Conduct for 2018</p> <p>Reviewed Constitution</p> <p>RSM Internal Audit provides assurance Implementation of Agresso has increased controls</p> <p>Updated financial procedure rules</p>	I = 3 L = 3 9	<p>Complete the review of HR policies under the new structure</p> <p>Person Responsible: Surjit Nagra To be implemented by: 31 Mar 2018</p>	I = 2 L = 2 4

SBC Risk Register

Risk Ref	Risk Title	Description & Consequence	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Target Risk Priority
CR 9	Management of the procurement process to ensure that the Council is fully compliant with procurement rules and meets the associated regulations.	<p>Description The Council operates a hybrid procurement model which is in between centralised and non-centralised procurement. Hence some procurement is undertaken directly from the Directorates.</p> <p>The procurement process should also comply with the Public Services Social Value Act by having regard to..</p> <p>Consequence Failure to follow the EU or local rules for procurement opens the Council up to the risk of being challenged by unsuccessful bidders. Hence it is important that procurement officers have adequate training and familiarise themselves with the basic rules.</p>	I = 3 L = 5 15	Dedicated Procurement team	I = 3 L = 3 9	<p>The Procurement Strategy will be updated to ensure it is aligned to the strategic priorities set out within the Five Year Plan. The strategy will then be issued to CMT and Cabinet for approval, published on both the Council website and intranet and then reviewed annually thereafter</p> <p>Person Responsible: Sushil Thobhani To be implemented by: 31 Jul 2018</p> <p>The Procurement team will undertake monthly monitoring and analysis of expenditure by supplier and by type of expenditure to monitor compliance with the Council and EU procurement thresholds requiring formal contracts to be awarded and to identify any potential efficiencies and savings that could be delivered through consolidation of</p> <p>Person Responsible: Sushil Thobhani To be implemented by: 31 Jul 2018</p>	I = 2 L = 3 6
				Internal Procurement and tender regulations in Constitution			

SBC Risk Register

Risk Ref	Risk Title	Description & Consequence	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Target Risk Priority
CR 3	Failure to ensure that the Council meets its statutory service requirements in homeless, re-housing and emergency housing as well as compliance with health and safety regulations [Fire].	<p>Description The Council has statutory responsibility to provide accommodation for the homeless and adequate housing to meet the local demand. The increasing number of homeless is an emerging risk as the Council is required to find temporary accommodation which will be a high cost and poses a safeguarding..</p> <p>Consequence Failure to manage these properties could mean a failure to its corporate objectives and the Council's statutory obligations including health and safety, in particular, fire.</p> <p>Reputational Damage</p>	I = 4 L = 5 20	2018/19 Budget approved additional funding for the expansion of James Elliman Housing	I = 3 L = 4 12	<p>Putting place Homelessness Prevention strategy aimed at trying to contain homelessness and containing the financial impact upon the authority</p> <p>Person Responsible: Colin Moone</p> <p>To be implemented by: 31 Mar 2018</p>	I = 3 L = 3 9
				<p>A group has been set up to look specifically at high rise properties</p> <p>Contracts have been strengthened with respect to contractor's health and safety responsibilities</p> <p>Corporate health and safety board.</p> <p>Homeless Prevention Board</p> <p>The risk of homelessness is being monitored.</p>			
CR 6	There is a risk that the processes for bringing Environmental Services back in house are inefficient and ineffective making the transition difficult. Failure to ensure Environmental services operate to the standard expected by the Council.	<p>Description Failure to run a value for money operation and exploit commercial opportunities</p> <p>Consequence Failure to understand how well the services have been managed, their financial situation, the skills of staff and the risks they carry may mean the Council is taking on unwanted liabilities or does not have sufficient capabilities / capacity to ensure successful continuity of services to users</p>	I = 3 L = 5 15	<p>Analyse costs and assess value for money</p> <p>Brought in commercial expertise</p> <p>Call off contract with Agency in case of staff shortages or strikes.</p> <p>New Fleet purchased</p> <p>TUPE transfer of staff including experienced staff and managers.</p>	I = 3 L = 3 9	<p>Construct a system of monitoring service delivery including Key performance indicators</p> <p>Person Responsible: Richard West</p> <p>To be implemented by: 31 Mar 2018</p>	I = 3 L = 2 6

SBC Risk Register

Risk Ref	Risk Title	Description & Consequence	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Target Risk Priority
CR 15	Managing External Contractors	<p>Description Failure to manage external contractors</p> <p>Consequence The Council has ultimate responsibility for contractor risks and a contractors financial failure or over commitment of resources may result in the Council's services not being delivered or reputational damage due to poor health and safety practices or poor quality of work</p>	I = 4 L = 3 12	Client and Compliance Teams	I = 4 L = 1 4	<p>Undertake repeated financial due diligence at regular intervals</p> <p>Person Responsible: Barry Stratfull</p> <p>To be implemented by: 31 Mar 2018</p>	I = 3 L = 1 3
				Employee Skills Committee			
				Financial Due Diligence			
				Financial Procedure Rules/Procurement Rules			
				Overview and Scrutiny Panel Neighbourhood Panels			
				Performance Monitoring Reports			
				Regular internal audits			
Robust contracts							
CR 14	Failure to ensure that the Council has adequate permanent staff with the skills required to meet their corporate objectives.	<p>Description The Council has relied on a high number of long-term agency staff to carry out its functions because of role vacancies. The organisational restructuring alongside developing initiative provides the opportunity to recruit staff into roles</p> <p>Consequence Failure to develop the workforce and retain staff will mean the Council does not have the required skills to meet its corporate objectives</p>	I = 3 L = 3 9	Employment Appeals Committee Monitoring data	I = 2 L = 2 4	<p>Produce Business to set up academy to develop our own staff of the future</p> <p>Person Responsible: Surjit Nagra</p> <p>To be implemented by: 31 Oct 2018</p>	I = 2 L = 2 4
				Invested in the Slough Academy for difficult to fill posts			
				Restructured Adult Social Care			
				Working with Matrix regarding the longevity of Agency staff.			

SBC Risk Register

Risk Ref	Risk Title	Description & Consequence	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Target Risk Priority
CR 8	Ensuring the effectiveness of resilience plans/continuity plans for key locations and services.	<p>Description The Council's business continuity plan was last reviewed in 2013. The internal audit report in 2016 would provide no assurance that adequate controls are in place. The BCP has not been tested through desk top or simulation exercises.</p> <p>Consequence Failure to have an up to date BCP places the Council at risk of being unable to continue its business should a serious event cause disruption. Senior management do not appear to have appreciated the significance of the risks or given this due attention in the past</p>	I = 4 L = 6 24	Dedicated Business Continuity Officer	I = 4 L = 5 20	To conclude the delivery programme for implementing Business Continuity Management throughout the authority Person Responsible: Joe Carter To be implemented by: 30 Jun 2018	I = 2 L = 3 6
				External assistance to help develop the plan		The Council will establish and maintain a documented process for undertaking business impact analysis and risk assessments at Service, Directorate and Council-wide level Person Responsible: Joe Carter To be implemented by: 30 Jun 2018	
						A formal programme of business continuity training will be developed and delivered to staff covering, but not limited to; • The roles and contributions of staff to the effectiveness of BCM within the Council Person Responsible: Joe Carter To be implemented by: 30 Jun 2018	

Risk & Audit Board

Minutes

14th June 18, 10am, Cabinet Meeting Room

Neil Wilcox	Director of Finance & Resources
Phil Brown	Senior Risk & Insurance Officer
Barry Stratfull	Service Lead Finance
Tony Browne	Service Lead Access & Inclusion (cover for Rodney D'Costa)
Ginny De Haan	Service Lead Regulatory Services (cover for Simon Broad)
Stephen Bowen	Programme Management Officer (cover for Clare Priest)
Sushil Thobhani	Service Lead Governance
Adrian Thomas	Property Manager
Amir Kapasi	Internal Audit
Raj Johal	Note Taker

Item	Minutes	Action
1.	Note apologies Rodney D'Costa Clare Priest Simon Pallet	
2.	Matters arising Minutes of the last meeting (17/05/18) agreed as accurate with the following matters arising; <ul style="list-style-type: none"> • PB has added RSM to the Terms of Reference, however the Risk Management Strategy needs to be updated and will bring both documents back to the next meeting. • PMO report – concerns about communications regarding Slough Academy. CP has actioned this point. • Internal Audit report – follow up reports – PB noted there are no further issues and all reports have been finalised. There was an issue with the Fixed Penalty Notices and an assurance report was issued. 	Phil
3.	Review of Departmental Risk Register <u>Adults & Communities Risk Register</u> <ul style="list-style-type: none"> • PB / AK to amend the colours on the register so they 	Phil/Amir

	<p>are RAG rated colours.</p> <ul style="list-style-type: none"> • RS3: this risk needs to remain on the risk register in case an emergency does occur. Board felt that Impact level 2 was too low. • C&L5: board discussed the likelihood coming down. SB noted that the PMO would undertake a benefits realisation once the project has been closed down to review. AK noted that these should be noted as controls. • C&L2: action plan is in place and an audit will take place this year to provide assurance. • C&L4: board felt this risk needs updating to include the delivery of Slough Academy. This risk will move to People Services under the Finance & Resources risk register. • ACAS1: this risk requires more detail under controls. • RS1: target risk has increased and is close to moving to the Corporate Risk Register. GDH to amend. • C&L1: Ketan Gandhi to update this risk. GDH to take back to A&C DMT • C&L6: board felt this risk may be graded higher than it should. GDH to feed this back to A&C DMT. • RS2: funding is available to transform the service. Restructure will benefit this risk. • ACCom3: board felt this is a risk for A&C and a poor outcome of service review can be damaging. • AK advised that RSM undertook 2 audit reviews in ASC and on one of those reports found that there was poor recording, reporting and accuracy on the IAS system. • Board agreed for the Regeneration Directorate to provide the Risk & Audit report at the next meeting. 	<p>Ginny Ginny</p> <p>Ginny</p>
<p>4.</p>	<p><u>Review of Corporate Register</u></p> <ul style="list-style-type: none"> • CR4: PB to amend scoring. • CR20: risk level to come down. Description / consequence to be amended. • CR1: elections have taken place. In the process of appointing a CE. This risk can be taken off once CE in place. • CR19: CLS DMT to review and an action to be included to show how we will get from residual risk 12 to Priority Risk 9. TB to take back to CLS DMT. • CR16: CLS DMT to review. TB to take back to CLS DMT. • CF18: risk requires some actions. CLS DMT to review. • CR5: residual risk may be lower • CR3: AK advised this risk may need to be split between housing and homelessness and there are actions on 	<p>Phil Phil</p> <p>Tony Tony</p> <p>Tony</p>

	<p>there with Mike England as responsible officer which needs to be amended. PB to take to Regeneration Directorate DMT.</p> <ul style="list-style-type: none"> • CR6: risk title to be amended. • CR8: this is a high risk and board agreed the impact should change to 5. 	Phil
5.	<p><u>PMO Report</u></p> <ul style="list-style-type: none"> • 27 Projects of which 7 are Gold projects. • 69% of the projects are RAG rated as green. • GDPR has been a success: have undertaken 50 workshops and updated the policies. Developed a new DPIA process which is now part of the corporate PMO process. • Hotel development: project manager has reported delays in meeting planning committee deadline. • Grove Academy: preferred contractor has withdrawn from the project. This risk will be monitored regularly to ensure further delays to timescales do not impact on future development on the TVU site. • Risk on the costs with construction projects. Haybrook College capital business case was postponed. At this stage no risks need to be escalated for inclusion on the Council's corporate risk register. • SB to amend wording in the PMO report regarding the Fleet Challenge. 	Stephen
6.	<p><u>Internal Audit Update</u></p> <ul style="list-style-type: none"> • Annual report is going to the next Audit & Risk Committee. • Dates for all the audits were agreed at the beginning of the year. • PB to bring an updated report to the next meeting. • PB is taking a report to CMT next week (20/06/18). 	Phil
7.	<p><u>Annual Governance Statement</u></p> <ul style="list-style-type: none"> • Report went to CMT and some amendments were requested which ST/BS are looking into. • Format of the document is old and can be changed if needed. PB noted that the report needs to map the text back to the 7 principles in the report. • Final AGS report to come back to the next Risk & Audit Board meeting for sign off. • Agreed for the text at the front of the document to come off. 	Sushil/Barry

<p>8.</p>	<p><u>Business Continuity</u></p> <p>PB advised he has met with Dean Trussler and Joe Carter. RSM have produced an action plan to monitor the progress. RSM will provide assurance.</p> <p>NW to clarify with CMT which Board will oversee Business Continuity.</p> <p>Dean Trussler to attend the next meeting in July to provide an update. RJ to invite DT to the next meeting.</p>	<p>Neil</p> <p>Raj</p>
<p>9.</p>	<p><u>Annual Report</u></p> <ul style="list-style-type: none"> • AK noted RSM to provide assurance on compliance/non compliance with policies and procedures. • Section 1.3 of the report on Information Governance advises the council have taken action to address some of the failings identified in the previous report. • AK noted that they will use statistical analysis tools called IDEA test systems to analyse data. • AK to make amendments to page 12 to change the name of the Executive Leads against reports to Joe Carter. 	<p>Amir</p>
<p>10.</p>	<p><u>Insurance Tender</u></p> <p>PB provided a report on the Insurance Tender and advised the underwriters have requested we don't data dump and they will not accept hyperlinks. A list of questions will be sent to each Departmental Representative and response to be sent to PB by mid July.</p>	
<p>11.</p>	<p>AOB None</p>	



SLOUGH BOROUGH COUNCIL

Internal Audit Progress Report

**For the Audit and Corporate Governance
Committee meeting on 18 July 2018**

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 2018/19 was approved by the Audit and Corporate Governance Committee on 8th March 2018. This report provides a summary update on progress against that plan and any remaining audits within the 2017/18 plan as at the 6th June 2018.

2016/17 Internal Audit Plan

Since the last Audit and Corporate Governance Committee meeting held in March 2018, we have finalised the following two remaining audits in the 2016/17 plan.

- Follow Up
- Follow Up of Financial Controls

2017/18 Internal Audit Plan

We have finalised eleven 2017/18 reports since the previous Audit and Corporate Governance Committee meeting held in March 2018.

- Adult Social Care Supervision (37.17/18) – **Reasonable Assurance**
- General Ledger (35.17/18) – **Reasonable Assurance**
- Treasury Management (36.17/18) – **Reasonable Assurance**
- Creditors (34.17/18) – **Partial Assurance**
- Debtors (29.17/18) – **Partial Assurance**
- Voids (39.17/18) – **Partial Assurance**
- Chalvey Early Years Centre (7.17/18) – **Reasonable Assurance**
- Budgetary Control – (25.17/18) – **Reasonable Assurance**
- Follow Up Q3 (27.17/18) – **Little Progress**
- Follow Up Q4 (33.17/18) – **Reasonable Progress**
- Business Continuity Plan (40.17/18) - **Advisory**

Of the reports listed above, the Debtors, Creditors and Voids audits resulted in partial assurance opinions being provided over the effectiveness of controls in place, with a number of significant weaknesses identified which require prompt action to be taken the Council. A summary of the review and Medium and High priority management actions from finalised 2017/18 reports, where a partial assurance opinion was given, along with implementation dates and owners has been included within Appendix A below.

2018/19 Internal Audit Plan

We have finalised two 2018/19 reports since the previous Audit and Corporate Governance Committee meeting held in March 2018.

- Contract Procedure Rules (5.18/19) – **Partial Assurance**
- School's Financial Value Standard (3.18/19) – **Reasonable Assurance**

The Contract Procedure Rules audit resulted in partial assurance being provided over the effectiveness of controls in place, with a number of significant weaknesses identified which require prompt action to be taken the Council. A summary of the review and Medium and High priority management actions from finalised 2018/19 reports, where a partial assurance opinion was given, along with implementation dates and owners has been included within Appendix A below.

In addition, we have issued the following reports in draft as part of the Internal Audit Plan for 18/19:

- Baylis Court Nursery School (8th June 2018)
- Claycots School (8th June 2018)
- Follow Up Q1 (21st June 2018)
- Governance – Overview and Scrutiny Effectiveness (15th June 2018)

In addition to the above, the following three assurance reports remain in draft:

- Council Tax (issued 6th December 2017) RSM are liaising with the Council and it is anticipated that this will be finalised shortly.
- Fixed Penalty Enforcement (Issued 19th January 2018) – RSM are liaising with the Council and it is anticipated that this will be finalised shortly.
- Priory School (issued 13th April 2018) RSM are liaising with the Council and it is anticipated that this will be finalised shortly.

2 SUMMARY OF PROGRESS TO DATE 2018/19

Reports shown in bold have been finalised.

Executive summaries and action plans from any negative assurance reports finalised since the previous meeting are appended to the bottom of this progress report.

2018/19 Internal Audit Plan

Assignment area	Timing Per Approved IA Plan	Fieldwork date/status	Draft report	Final report	Opinion	Actions		
						L	M	H
Contract Procedure Rules	Q1	Final Report	18th June 2018	25th June 2018		0	5	3
Schools Financial Value Standard	Q1	Final Report	14th June 2018	26th June 2018		1	3	0
School Reviews - Baylis Court Nursery	Q1	Draft Report	7 th June 2018					
School Reviews - Claycots	Q1	Draft Report	8 th June 2018					
Governance – Overview and Scrutiny Committee	Q1	Draft Report	15 th June 2018					
Follow Up Q1	Q1	Draft Report	21 st June 2018					
Property Services / Neighbourhood Services Building Maintenance	Q1	In QA						
Children's Centres	Q1	In QA						
School Reviews - St Bernard's	Q1	In QA						
Temporary Accommodation Strategy	Q1	In Progress						

Parish Council Governance	Q1	In Progress
Slough Urban Renewal	Q1	Scope Approved
Conflicts of Interest	Q1	Dates Agreed
Policies and Procedures	Q2	Dates Agreed
Follow Up Q2	Q2	Dates Agreed
Financial Planning and Budgetary Control	Q2	Dates Agreed
Whistleblowing	Q2	Dates Agreed
Health & Safety	Q2	Dates Agreed
Adult Social Care - Management of Income	Q2	Dates Agreed
Contracts Management - Osbornes	Q2	Dates Agreed
Buildings Compliance Management	Q2	Dates Agreed
Contracts Management - Buoygues	Q2	Dates Agreed
Workforce Planning	Q3	Dates Agreed
Direct Services Organisation	Q3	Dates Agreed
Council Tax	Q3	Dates Agreed
Follow Up Q3	Q3	Dates Agreed





Housing Benefit	Q3	Dates Agreed
OFSTED Preparedness	Q3	Dates Agreed
Treasury Management	Q3	Dates Agreed
Housing Revenue Account	Q3	Dates Agreed
Business Continuity and Disaster Recovery	Q3	Dates Agreed
General Ledger	Q3	Dates Agreed
Capital	Q3	Dates Agreed
Cash Collection and Management	Q3	Dates Agreed
Debtors Management	Q3	Dates Agreed
Business Rates	Q3	Dates Agreed
Governance - James Elliman Homes	Q3	Dates Agreed
Payroll	Q3	Dates Agreed
Risk Management	Q3	Dates Agreed
Assets	Q4	Dates Agreed
Rent Accounts	Q4	Dates Agreed
Creditors	Q4	Dates Agreed

Fire Safety	Q4	Dates Agreed
Governance	Q4	Dates Agreed
Follow Up Q4	Q4	Dates Agreed
Agresso Self Service	Q4	Dates Agreed
Licensing	Q4	Dates Agreed

2017/18 Internal Audit Plan

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Assignment area	Timing Per Approved IA Plan	Fieldwork date/status	Draft report	Final report	Opinion	Actions		
						L	M	H
Creditors	December 2017	Final Report	3 rd April 2018	4 th May 2018		6	5	1
Debtors	November 2017	Final Report	23 rd January 2018	6 th June 2018		2	2	1
Voids*	January 2018	Final Report	29 th April 2018	6 th June 2018		3	4	0
General Ledger	January 2018	Final Report	3 rd April 2018	4 th May 2018		1	2	0
Adult Social Care Supervision	December 2017	Final Report	11 th April 2018	30 th April 2018		4	2	0
Cash Management & Collection / Treasury Management	January 2018	Final Report	9 th April 2018	4 th May 2018		6	2	0

Chalvey Early Years Centre	April 2017	Final Report	13 th July 2017	25 th June 2018		1	4	0
Budgetary Control	July 2017	Final Report	20 th December 2017	25 th June 2018		3	3	0
Follow Up Q3	December 2017	Final Report	16 th January 2018	15 th June 2018	Little Progress			
Follow Up Q4	February 2018	Draft Report	20 th March 2018	20 th June 2018	Reasonable Progress			
Business Continuity Advisory Support	September 2017	Draft Report	4 th June 2018	12 th June 2018	Advisory			
Council Tax	September 2017	Draft Report	6 th December 2017					
Fixed Penalty Enforcement*	November 2017	Draft Report	19 th January 2018					
Annual Governance Statement	March 2018	Draft Statement Issued	25 th May 2018		Advisory			
Data Flow Mapping	September 2017	Advisory – Work complete and output provided to the Council.						
General Data Protection Regulations Readiness	November 2017	This work now forms part of a wider piece of advisory support to the Council from RSM						
Equal Pay Review / Gender Pay Reporting Gap	September 2017	A report on the key findings and further actions required were presented to the Council						
Educational Welfare Service*	August 2017	Change requested by Director of Finance and Resources	Audit replaced by an audit of Procurement Cards					

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

3 OTHER MATTERS

3.1 Changes to the 2018/19 audit plan

Auditable area	Reason for change
	No current changes

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 need to be noted in the annual report and may result in a qualified or negative annual opinion.

Where we have issued 'no assurance' (red) and 'partial assurance' (amber / red) reports, these opinions will impact our 2018/19 Head of Internal Audit Opinion for the Council.

For 2017/18, our annual opinion is a separate agenda item.

3.3 Added value specialist support

Area of work	How this has added value
Health and Safety Compliance Support	<p>We had been requested by the Council to review health and safety compliance in the built environment across the Council's portfolio of directly managed assets. The review was limited to cover gas, electric, asbestos, fire, water management, lifts and CDM. In addition, the review covered CDM related to Highways activities.</p> <p>The review has been issued in draft to the Council and identified the controls that are in place and any gaps in the Council's current health and safety management systems, processes and procedures. This included internal controls for monitoring the performance of partners, and where gaps were identified, recommendations were made and included within an action plan in the report.</p>

3.4 Information and briefings

During 2017/18 we undertook a number of GDPR audits, where we have considered client preparation for the 25th May 2018 changes. We have issued the Council's Section 151 Officer with this benchmarking summary which should be shared with the Audit and Corporate Governance Committee's agenda.

In addition, the following items were highlighted as part of our information briefings since the last Audit and Corporate Governance Committee in March 2018:

A guide to effective partnership working between principal and local councils

The Local Government Association (LGA) and the National Association of Local Councils (NALC) has collectively launched a new guide setting out how principle and local councils can work more effectively in partnership. This guide sets out a series of core principles and explains how, by partnering with different levels of local government, councils can be 'more representative of place, more responsive to citizens, more efficient in continuing to deliver services, and hence more able to fulfil their common purpose.' The guide explains how to 'develop a long-term vision for an area', 'make the case to residents for more local representation', 'engage better with residents through partnering' and 'create new grass-roots partnerships in unparished areas.'

Independent Review of Building Regulations and Fire Safety

Dame Judith Hackitt has published her final report on the 'Independent Review of Building Regulations and Fire Safety.' The report sets out the 'principles for a new regulatory framework' which is intended to produce a 'simple and effective mechanism for driving building safety', 'provide stronger oversight of duty holders with incentives for the right behaviours, and effective sanctions for poor performance' and 'reassert the role of residents.'

Following the interim report, some progress has been made on the recommendations set out, including a consultation on 'restricting or banning the use of desktop studies as a way of assessing the fire performance of external cladding systems.'

The final report makes recommendations relating to 'the key parameters of a new regulatory framework', which involves a new Joint Competent Authority consisting of Local Authority Building Standards, fire and rescue authorities and the Health and Safety Executive to oversee better management of safety risks in multi-occupancy higher risk residential buildings. The approach will allow these bodies to work collaboratively to more 'rigorously assess' the safety of buildings and produce a more 'unified and consistent intervention process.' There are also recommendations regarding clearer roles and responsibilities throughout the design and construction process and during occupation, ways in which residents can express their thoughts and producing a more 'robust and transparent construction products regime.'

Funding for unsafe cladding removal

The Ministry of Housing, Communities and Local Government (MHCLG) has announced funding of approximately £400m for social housing providers to remove and replace dangerous cladding. In light of the Grenfell Tower tragedy, the money will be allocated to local authorities and housing associations to make tower blocks safe, by replacing unsafe cladding. The government will also continue to 'provide financial flexibilities to councils for other essential fire safety measures' and is advising local authorities to take issues regarding cladding into account when 'carrying out reviews of housing conditions in their areas.'

James Brokenshire, Housing Secretary, stated that 'this money will ensure local authorities and housing associations are being given the support they need to get this work done now as well as removing the uncertainty around funding.'

Credible plan to sustain underfunded care sector

The Public Accounts Committee (PAC) has published a report on the adult social care workforce in England. There are around 1.5 million workers across over 20,000 organisations in adult social care. In 2016/17, £15bn was spent by local authorities on commissioning care, largely from independent providers. The report highlights that the adult social care sector is underfunded, with the care workforce suffering from low pay and high turnover of staff. Whilst the sector is in a 'precarious state' the DHSC has not yet stated how it aims to put in place a 'long-term, sustainable funding regime to meet the ever-increasing demand for care.'

The PAC recommends that the DHSC should 'establish quickly the funding local authorities need to commission care at fair prices, to support a workforce of the right size and shape to deliver a sustainable care sector in the long-term' in the upcoming Green Paper. By the end of 2018, it should publish a credible plan and implement it quickly. The report also concludes that the low amounts of funding provided to 'Skills for Care limits the scope and reach of the workforce development initiatives it runs and the extent of its strategic support to the care sector.' The PAC recommend that the DHSC should 'establish and secure the funding Skills for Care needs both to support the training and development of the care workforce fully and to implement the forthcoming workforce strategy.'

Council chiefs sound alarm on Brexit

The New Local Government Network (NLGN) conducted a survey of all council leaders and chief executives across Great Britain. The survey found that 61 per cent believed Brexit would have a 'negative' or 'very negative' impact on their local economy, 12 per cent believed it would have a 'positive' or 'very positive' impact and 26 per cent felt Brexit's impact would be neutral. The survey also found that 68 per cent disagreed or strongly disagreed that their councils were receiving adequate engagement and support from Whitehall to plan for Brexit. Only 4 per cent felt they were receiving adequate support and 27 per cent neither agreed nor disagreed.

Adam Lent, NLGN Director, stated 'the sense that council chiefs feel both pessimistic and unsupported is likely to raise further questions not just about the likely impact of Brexit but also about the extent to which the Government has a grip on preparations ahead of the UK's planned leaving date from the EU of 29th March 2019.'

Proposals to toughen rules on building safety

Sajid Javid, Housing Secretary, has published a consultation detailing tougher new rules to strengthen fire testing for cladding systems on residential buildings. The consultation will look at 'restricting or banning the use of 'desktop studies' as a way of assessing the fire performance of external cladding systems.' If 'desktop studies' are believed to be appropriate, the proposed changes include improving the transparency of assessments, enabling scrutiny of results and ensuring that the studies can only be carried out by properly accredited bodies that have relevant expertise. The proposals are subject to a full consultation that will end on 25 May 2018.

Review of local government finance governance and processes

Sajid Javid has announced details of an independent review of the processes and procedures that underpin the Ministry's governance of the business rates system. The review will be led by Andrew Hudson, Director General for Public Services at Her Majesty's Treasury. Sajid Javid stated that 'as we move towards local government retaining 75% of locally collected business rates, it is vital that the business rates retention system operates as smoothly as possible. This review... will ensure robust processes across the board.'

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LGA responds to latest transfers of care figures

Cllr Izzi Seccombe, Chairman of the Local Government Association's (LGA) Community Wellbeing Board has responded to the latest figures published on the delayed transfers of care by NHS England. She stated that 'despite significant funding and resource pressures and increased demand, councils are fulfilling their commitments and managing their budgets to address escalating challenges in adult social care.' She went on to note that the 'government needs to give urgent funding to councils to invest in effective prevention work to reduce the need for people to be admitted to hospital in the first place.'

£215m boost for homelessness services

Heather Wheeler, Homelessness Minister, has confirmed that from 2019 councils will receive a share of over £215m to prevent homelessness. The announcement was made ahead of the Homelessness Reduction Act, coming into force this month, which seeks to significantly reform England's legislation to ensure more people get the help they need when faced with homelessness.

In addition to Homelessness Support Grant funding and implementation of the Homelessness Reduction Act, the government is taking action to address homelessness and rough sleeping through several ways including: 'investing £9 billion to build more affordable housing, including council homes'; and 'a new cross-government Homelessness Reduction Taskforce supported by a panel of experts that will drive forward a new strategy to reduce homelessness.'

Councils' finances risk inconsistent adult social care funding

The Institute for Fiscal Studies (IFS) has published a report on 'Adult social care funding: a local or national responsibility?' The report argues that 'ongoing reforms to local government finance risk a growing funding gap for adult social care and conflict with efforts to provide consistent and high-quality care services across the country.' With the government planning to stop general grant funding for councils from 2020, councils will depend on council tax and business rates, however, income from these taxes are unlikely to keep pace with the rising costs of adult social care services, leaving councils with difficult decisions on which services to prioritise.

If council tax revenues increased by 4.5 per cent annually, adult social care spending could amount to half of all revenue from local taxes by 2035. The challenge then arises with the amount left for other services including children's services and housing, which would then fall on average by 0.3 per cent a year in real terms. Continuing changes to the way local government finance is allocated mean that 'different councils could find themselves with revenues that differ significantly from their spending needs. This is because there is now less redistribution between councils as spending needs and local tax revenues change over time.'

New planning rules

The Prime Minister has launched a revised 'major overhaul to the National Planning Policy Framework' to provide the homes the country needs. Within the last year, the government has delivered over 217,000 new homes but must deliver 300,000 homes a year by 2020. The new Framework provides a 'comprehensive approach for planners, developers and councils to build more homes, more quickly, in the places people want to live.' Councils and developers will now need to work together with community groups to ensure that those affected by the new developments have a say on how they look and feel. It will focus on the following areas: 'greater responsibility,' 'maximising the use of land,' 'maintaining strong protections for the environment,' 'ensuring the right homes are built,' 'higher quality and design' and 'more transparent planning process.'

The consultation on the draft revised text of the National Planning Policy Framework will run until 10 May 2018.

[Read more](#)

Financial sustainability of local authorities

The National Audit Office (NAO) has published a report on financial sustainability of local authorities 2018. Since 2010, successive governments have reduced funding for local government in England, while the changes in funding arrangements has created opportunities, it has also added further pressure for the sector. The present report reviews the developments in the sector and examines whether the Ministry of Housing, Communities and Local Government (MHCLG) together with other departments who have responsibility for local services, understands the impact of funding reductions on the financial and service sustainability of local authorities. Key findings of the report include:

- government funding for local authorities has fallen by an estimated 49.1 per cent in real terms from 2010/11 to 2017/18;
- local authorities have had to deal with growth in demand for key services including homelessness services and children's social care, as well as taking in other cost pressures;
- local authorities have protected spending on service areas such as adult and children's social care where they have significant statutory responsibilities, but the amount they spend on areas that are more discretionary has fallen sharply;
- local authorities now spend less on services, and their spending is more concentrated on social care;
- the financial position of the sector has worsened markedly, particularly for authorities with social care responsibilities, compared to the 2014 report; and
- as part of its work for the 2015 Spending Review, the MHCLG identified adult social care as a key area of pressure in the sector.

[Read more](#)

Council tax hikes will not stop service cuts

The Local Government Association (LGA) has warned residents of an increase in council tax for fewer services in 2018/19 throughout many areas in England. A survey of intended council tax changes found that 147 of the 152 'top tier councils' that deal with adult social care will use the additional 3 per cent precept permitted for this service. The LGA found that 108 of the top tier councils will raise council tax by 2.95 per cent or more which will raise £584m, however this will still fall short of the £1.4bn that has been claimed to be lost through central government funding cuts. 64 of the top tier councils would implement the full tax increase of 2.99 per cent as well as 3 per cent for social care. Only five top tier councils intend to hold council tax rates at existing levels this year.


[Read more](#)

New money to build homes stalled by planning

The Ministry of Housing, Communities and Local Government (MHCLG) has announced new funding to accelerate planning processes and help deliver quality new homes. The first wave of the Planning Delivery Fund, which totals £15.8m, has been allocated to allow councils to 'process more applications, implement new reforms and also train planners' to address the housing challenges faced by their local areas. The £15.8m fund has been split into three areas: 'The Joint Working Fund (£9.4 million), Design Quality Fund (£4.82 million) and Promoting Innovation Fund (£1.07 million).' The £15.8m is part of the £25m overall Planning Delivery Fund; allocations for the remaining fund for the year 2019 to 2020 will be dependent on a further bidding round.

[Read more](#)

APPENDIX A: KEY FINDINGS FROM FINALISED 2017/18 AND 2018/19 INTERNAL AUDIT WORK (HIGH AND MEDIUM PRIORITY MANAGEMENT ACTIONS ONLY WHERE PARTIAL OR NO ASSURANCE REPORTS HAVE BEEN ISSUED)


<p>Creditors (34.17/18) – PARTIAL ASSURANCE</p>		<p>6 - Low 5 - Medium 1 - High</p>
<p>New Suppliers and Amendments</p> <p>As the system is unable to produce a report of new supplier or amendments set up, we obtained a list of the suppliers on which a change had been made during the year and selected a sample of ten new suppliers and ten amendments. The ability to maintain a record of amendments was raised as part of the previous report but was not addressed so has been restated. A medium priority action has been agreed.</p> <p>For new suppliers, we identified that in two out of ten cases a new supplier form had not been fully completed but had been approved through the system. In one additional case we identified that the update related to a company being taken over by another, and neither an amendment form or new supplier form had been raised to confirm the legitimacy of the request. There is a risk that the new suppliers had not been appropriately requested prior to being added on the system. A medium priority management action has been agreed.</p> <p>Through review of a sample of ten amendments, five relating to bank detail amendments, three to email addresses, one to a payment address and one that was unable to be identified although further testing identified that this supplier, Go Ape, was a genuine supplier. We noted that in nine cases appropriate verification checks had not been undertaken. If amendments to suppliers are not appropriately monitored, there is a greater risk that fraudulent requests to amend suppliers details may be processed, resulting in inappropriate expenditure made by the Council. These issues were identified previously in the 2016/17 Creditors audit, and we have restated the high priority management action in this area.</p> <p>Invoices and Credit Notes</p> <p>We reviewed a sample of 20 invoices processed from April 2017 to November 2017, and identified that for nine invoices in the sample, a requisition had been raised and approved following the invoice date, and as a result had been raised retrospectively. A lack of control over expenditure could lead to inappropriate purchases being made. This area had been identified as an issue previously, in the 2016/17 Creditors Audit, and a medium priority management action has been restated with regards to ensuring that the Council reject invoices received that do not have an associated purchase order.</p> <p>We identified that five of the sample documented above had not been processed for payment within the required 30-day process, as a result of being sent to the Council in the first instance instead of arvat0. As a result, there is a risk of interest charges occurring where invoices are not paid in a timely manner which may have an effect on the Council's compliance with the Better Payment Practice Code and could lead to further charges from suppliers, however none of the sample selected had incurred further charges We also identified that this issue was present with regards to Credit Notes being sent to the Council in the first instance. A medium priority management action has been agreed.</p>		

Authorisation Limits

We confirmed that the authorisation limits had been set in the system, however for one of our sample of ten users, we identified that an inappropriate authorisation level had been set to the account, with the user having approvals up to £50,000 despite them not being a Cost Centre Manager or Service Head. These authorisation limits were set up as per their job role when the Council moved from Oracle to Agresso, with this user limit not having been adjusted following a change Through review of approved invoices by the user we confirmed that he had approved eight invoices, the highest one of which was valued at £49,658.

There is a risk that where users have inappropriate authorisation limits, the Council may make unauthorised expenditure. A **Medium priority** management action has been agreed in relation to this.

Ref	Findings Summary Management Action	Priority	Implementation Date	Manager Responsible
1	All amendments to supplier standing data (including changes to email addresses and bank details) will be supported by a fully completed and authorised form (with any relevant correspondence), clearly evidencing the verification checks undertaken and uploaded to Agresso.	High	31 st May 2018	Barry Stratfull – service lead Finance
2	The Council will reject invoices received that do not have an associated purchase order. The supplier can then be contacted to re-send an invoice with an associated purchase order number (evidencing that the cost has been agreed and authorised appropriately).	Medium	31 st July 2018	Barry Stratfull – service Lead, Finance
3	The Council will investigate and resolve the 'Amendment Logging' issue on Agresso. Changes in supplier details will then be able to be monitored and reviewed	Medium	31 st July 2018	Simon Pallett – service Lead Digital & IT
4	We will review all accesses set up on the Agresso system to confirm that they are appropriate for the role allocated to ensure that all expenditure has been appropriately approved.	Medium	31 st July 2018	Barry Stratfull – Service Lead - Finance
5	The Council will issue guidance to members of relevant staff and suppliers to ensure that: <ul style="list-style-type: none"> Where invoices and credit notes are received from suppliers, they are sent to arvato in a timely manner. Members of staff monitor cost codes to ensure that credit notes have been received and applied 	Medium	31 st August 2018	Barry Stratfull – service Lead, Finance
6	In line with the procedures outlined in the new supplier form, incomplete forms will be reviewed and rejected and sent back to the relevant staff to complete prior to being added to Agresso.	Medium	31 st August 2018	Barry Stratfull – Service Lead Finance

Debtors (29.17/18) – PARTIAL ASSURANCE			2 - Low 2 - Medium 1 - High	
<p>Agresso Training</p> <p>Following the 2016/17 Debtors Management report, to mitigate against the risk of raising invoices incorrectly, an agreed management action was agreed in relation to the provision of training for staff that raise invoices. However, we noted that there had been no effective monitoring of training undertaken within Finance.</p> <p>If training is not monitored there is a risk that users could make errors which could lead and inaccurate invoices being raised and inappropriate processing of credit notes. This risk was realised below, as we found that procedures exist to show staff how to process credit notes, however these procedures were not followed, resulting in invoices not being credited in a timely manner. (Medium)</p> <p>Credit Notes</p> <p>While testing a sample of credit notes raised, we found that two of our sample of 20 had not been approved in a timely manner from the date that the credit note was requested. This was due to staff not completing the required fields in Agresso to ensure that the credit note request was sent to be approved. While the guidance for staff clearly indicates the process for processing a credit note, failure to follow a documented process indicates a training need, and could lead to inaccurate accounts being maintained if credit notes are not approved in a timely manner from when they were requested. (Medium)</p> <p>Aged Debtors (Parked Invoices)</p> <p>Through our review of the reported collection figures, we noted a total balance of £2,993,187 for 'parked' (parked invoices are invoices which have been stopped from progressing through the Council's debt management process until further review) invoices on the September 2017 report. From a sample of 11 invoices that had been 'parked' directly on Agresso, we noted that there was no record of the individuals who parked the invoices and reasons for parking these invoices had not been clearly documented.</p> <p>If reasons for 'parking' invoices are not documented, there is a risk that the Council will not be able to evaluate the appropriateness of the decision making in these instances. This may result in debts that are recoverable being inappropriately deemed irrecoverable, which could result to financial loss. (High)</p>				
Ref	Findings Summary Management Action	Priority	Implementation Date	Manager Responsible
1	The Finance Team at the Council will conduct a review of all parked invoices, to establish whether there are valid reasons for these invoices not being chased.	High	31 st March 2018	Barry Stratfull – Service Lead Finance

2	<p>All invoices where there are no valid reasons for parking will be chased through the Council's debt management process.</p> <p>Linked to the above, reviews of parked invoices will be undertaken by SBC finance on a monthly basis, and the Service Lead Finance will investigate whether Agresso can be amended to remove the ability to park an invoice without approval.</p> <p>The Council will ensure that all staff responsible for raising invoices and credit notes on Agresso undertake training and training records thereof will be maintained.</p> <p>Exception reports of staff who have not taken training will be forwarded to responsible line managers with an instruction for relevant staff members to complete the training. Also, the training will be made mandatory for new starters where their roles include issuing invoices and credit notes on Agresso.</p>	Medium	31 March 2018	Patrick Holmes - Financial Systems Accountant
3	Staff will be required to confirm (with evidence being retained) that they have read and understood the 'Web Based - Self Service Finance Professional Customer and Sales Handbook'.	Medium	31 st March 2018	Barry Stratfull – Service Lead Finance

Voids (39.17/18) – PARTIAL ASSURANCE



3 - Low
4 - Medium
0 - High

Policies and Procedures

We found that the Neighbourhood Services Void Property Management Policy did not detail timeframes for each part of the process and therefore did not detail which KPIs are used for monitoring purposes. Also, this did not detail the reporting structure for monitoring voids. While at the time of the audit we did not see any consequences of this, due to the fact that the Voids Team, with Osbornes, are attempting clear the backlog created by Interserve. Voids may therefore not be monitored adequately to address risks identified. **(Medium)**

Pre-inspections

From a report of void properties completed since December 2017, we selected a sample of 10 in order to test the voids process. Out of the sample of 10, we identified five instances where a pre-inspection should have occurred due to notification given to Neighbourhood Services. However, for all five, we could not evidence that a pre-inspection check was carried out or attempted. If pre-inspection checks are not carried out, additional works may need to be completed which will increase the period the property remains void. **(Medium)**

Recharges

Currently recharges are managed by the Housing Officer, who will notify recharges to the tenant. However, we found that this information is not recorded on CAPITA, with documentation kept by Housing Officer. Therefore, for our sample of 10 properties, we were unable to identify whether any recharges had been issued. This poses a risk that the tenant will not have adequate notification of what works need to be undertaken and thus will not attempt to rectify any issues to avoid a recharge. This increases the work to be undertaken by the Council/Osbornes and therefore could delay the Voids process. **(Medium)**

Void Works

For our sample of 10 properties, we confirmed that the information detailed on the system was accurate and stated the type of void. However, we found the following delays within the voids process:

Process	Number of exceptions from our sample	Target Days	Average number of days from our sample	Highest number of days from our sample
Time between keys received by the Council and handed over to the contractor	8	Not defined	17 days	48 days
Time taken to complete void works by the contractor	8	Routine (10 days)	Routine (42 days)	Routine (58 days)
		Major Works (20 days)	Major Works (43 days)	Major Works (77 days)

*all days listed above are working days

We were informed by the RMI Technical Co-ordinator that there was a backlog of void properties handed over from the previous contractors (Interserve) to the new contractors (Osbourne) which caused delays within the process. Delays were also caused due to issues with staff resources with the contractor. We confirmed that these issues are being addressed within the Voids and Repair Group. Delays within the void process increases the period the property is void and causes less income to be received by the Council. **(Medium)**

Ref	Findings Summary Management Action	Priority	Implementation Date	Manager Responsible
1	<p>The Neighbourhood Services Void Property Management Policy will be updated to include:</p> <ul style="list-style-type: none"> The reporting structure for monitoring voids; 	Medium	May 2018	Business Delivery Team Manager

2	<ul style="list-style-type: none"> • KPIs which are reported on; and • Timeframes for key aspects of the voids process <p>Following this, the Policy will be reviewed and approved by the Scrutiny Panel and communicated out to staff.</p> <p>Pre-inspections will be carried out prior to the tenant moving out, where notice is given. This will be recorded on the CAPITA system.</p> <p>Attempts to arrange pre-inspections will also be recorded on CAPITA by the Housing Officer.</p>	Medium	May 2018	Neighbourhood Housing Managers
3	The Capita system will record where recharges have been made and collected.	Medium	May 2018	RMI IT & Systems Project Manager
4	The Neighbourhood and Services Team will monitor the timeliness for the following aspects of the void process to ensure that the void period is minimised:	Medium	May 2018	Business Delivery Team Manager

Contract Procedure Rules (5.18/19) – PARTIAL ASSURANCE



0 - Low
5 - Medium
3 - High

Findings Summary

The key findings from this review are as follows:

Duplicate Payments

We obtained a report of all invoices paid from an Agresso report covering the period of April 2017 to March 2018 and carried out statistical sample testing using a data analysis tool, IDEA, which had identified that there were potentially £124k worth of duplicate payments spread over 210 invoices.

We selected a sample of 10 pairs of payments (20 in total) and tested further. Through our testing we were able to identify the following in relation to the copies of the invoices held on Agresso:

- For 7/10 (14 instances in total) pairs of invoices, the actual copy of the invoice was consistent for both payments made, indicating duplicate payments being made against the same invoice.

- For 1/10 pairs (2 instances in total, no invoice was uploaded to Agresso, and as such we cannot provide assurance that an appropriate payment was made. (each invoice was for £511.50)
- For 1/10 pairs (2 instances) the two invoices uploaded were under separate supplier names (each invoice was for £585), indicating the wrong supplier may have been paid.
- For 1/10 pairs (2 instances), the actual invoice was only uploaded for one of the payments (£315). It was later identified that this duplicate payment had been cancelled prior to being processed.

When reviewing the details within Agresso of which supplier the invoice was coded to, we found that:

- 7/10 pairs (14 instances) where there was a difference in the supplier name that the invoice had been coded to.

Further work was undertaken to review the bank details of the accounts paid and we identified:

- 3/10 (6 instances) where the bank account where payment was made for the first invoice was consistent with the bank details used for the second payment, indicating a potential duplicate payment.
- 7/10 (14 instances) where the bank details for the second payment made on the same invoice did not correlate to the first set of bank details. It should be noted however, that in none of these cases did the bank details match a similar payment within our sample.

We were unable to identify the absolute cause of the issue however, from our sample testing in most instances where a potential duplicate payment was identified, a second purchase order had been created. Based on the above findings, it is reasonable to suggest that the council are making duplicate payments due to the incorrect matching of invoices to suppliers and purchase orders, which could result in financial loss if valid and not recovered. **(High)**.

We also identified that across the total of potential duplicate payments of £248,975 (the duplicate value being half of that at £124k) that 90% of the invoices entered onto Agresso were by one member of staff within arvato. We also checked and found that within the workflow within Agresso, the same member of staff can set up and amend supplier address details and bank details, which increases the risk of fraud if a segregation is not in place. **(Medium)**.

Policies and Procedures

The POP is under review by the procurement service and is being updated to ensure that it is in line with both the FPR and CPR. However, we could not review the draft procedure document as it had been presented to procurement by the consultant appointed to update it. We therefore reviewed the version that was last updated in 2014 to determine key gaps to be addressed in updating the document.

Through our review, we found that roles and responsibilities for procurement activities had not been defined. For example, roles for the Procurement team, the Legal team and wider Council staff, were not set out to clearly guide all persons involved in procurement activities. If the guidance document is not reflective of current procedures as per the CPR, there is a risk of inconsistencies and non-compliance with legislation. **(Medium)**

The POP also suggested use of the approved supplier list, however our discussions with the Procurement Specialist and Services teams revealed that supplier lists were non-existent throughout the Council. Supplier lists are essential in effectively monitoring and managing the suppliers' life cycle. Effective management of suppliers' life cycle helps in ensuring that value for money is always generated from suppliers.

A lack of supplier lists therefore may compromise the ability to obtain value for money when information about suppliers are not effectively managed, consequently resulting in budget overspends. **(Medium)**

Compliance to Contract Procedure Rules

Through review of the three procurement thresholds set out in the CPR £5k to £50,000, above £50k up to EU thresholds and above EU thresholds we found the following exceptions;

1. £5k - £50000

In all 10 instances reviewed, the evidence of procurement procedures followed could not be provided as suppliers had been historically appointed. In nine out of 10 instances, terms and conditions for the supply of goods and services had not been retained. Due to the lack of audit trail, we could not confirm appropriate compliance with the contract procedure rules. The total expenditure amount for our selected sample of 10 suppliers under this threshold was £235,938 incl. vat.

When establishing the root cause for these issues, the availability of updated Procurement Operating Procedures for staff to follow could be cited as a reason, as the procedures describe the process to be followed. However, the procedures are not clear on the retention requirements where services obtain three quotes, and there are no limited procedures on spot checks to ensure compliance.

Failure to adhere to the Procurement Operating Procedures, and hence the Contract Procedure Rules, could lead to inappropriate procurement, resulting potentially in expenditure which does not provide value for money if services cannot demonstrate the processes used to commission a supplier and if compliance is not monitored. **(Medium)**.

2. £50,000 – EU Thresholds outlined in CPR

Through review of a sample of 10 suppliers selected from expenditure incurred in 2017/18 we found the following exceptions in 8/10 cases;

- One out of 10 instances where the expenditure was in relation to an Adult Social Care placement where no alternative provider was available, and as such no contract was in place.
- Four out of 10 instances where evidence of procurement procedures being followed to select suppliers could not be evidenced. For three of these instances, no evidence was available to confirm that tendering had been undertaken through the Shared Services tendering portal, or that a signed contract was in place. for the remaining instance, a contract was located, but was not signed, so did not represent a formal agreement with the council.
- For a further three out of 10 instances, the process followed was clear, however no contract was in place to support the expenditure incurred.

If contracts or terms and conditions for goods and services are not retained or put in place, there is a risk that the Council is not receiving value for money and does not have any recourse in the event of a disagreement. **(High)**

3. Over EU Thresholds for social care and related services

We also reviewed a sample of 10 suppliers where the combined total of the invoices for the year was in between the EU thresholds as defined within the Contract Procedure Rules and Financial Procedure Rules.

Through our review we noted exceptions in 6/10 instances, where the cumulative expenditure was over the OJEU thresholds, however a contract was not in place. The total expenditure for all suppliers sampled was £10,000,000, of which £2,000,000 worth of expenditure should have had a contract, but this could either not be evidenced or was not in place at the time of audit.

Only 4/10 instances (three tenders, and one framework agreement) had evidence that the Contract Procedure Rules had been complied with. For the remaining 6/10 suppliers sampled, there was no evidence that services had approached Procurement and the services had been advertised in OJEU. The Council are at risk of non-compliance with OJEU regulations if expenditure with suppliers, which could result in legal challenges from suppliers of services which were not given the opportunity to tender for services. **(High)**.

Contract Register

We reviewed a sample of 20 suppliers with total annual expenditure of £50,000 and above for the 2017/18 financial year. Through our review we found two out of 20 suppliers recorded in the contracts register. For the remaining 18 instances, we noted that they had not been recorded in the contracts register.

The completion of the contracts register has been highlighted as an issue in previous Internal Audits and at the time of this audit had not been addressed. Failure to maintain an up to date and complete contracts register could impact on the Council's ability to manage and monitor contracts in place and ensure adherence to the Financial Procedure Rules. **(Medium)**.

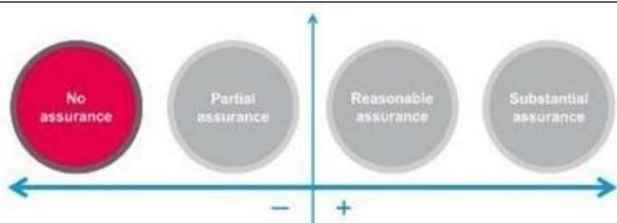
Ref	Management Action	Priority	Implementation Date	Manager Responsible
1	Expenditure between the £50,000 and the OJEU limits will be periodically checked to ensure compliance with the Contract Procedure Rules and Council's Constitution. Where non-compliance is identified, action will be taken to ensure a contract / terms and conditions are in place.	High	30 th October 2018	Fred Narmh – Head of Procurement
2	The Council will review all expenditure incurred over the OJEU limits, and take appropriate action.	High	30 th September 2018	Fred Narmh – Head of Procurement
3	All duplicate payments identified for 2017/18 will be reviewed to establish the root cause and corrective action will be taken to reclaim incorrect payments where these are validated.	High	31 st December 2018	Barry Stratfull – Service Lead - Finance
4	Timescales should be set for the review of the Procurement Operating Procedures and should be reported to the Finance DMT until complete, and then formally communicated to all staff.	Medium	30 th October 2018	Fred Narmh – Head of Procurement
5	Through the Finance DMT, controls will be established in the short term to monitor procurement and the use of suppliers, through measures such as the use of approved supplier lists.	Medium	30 th October 2018	Neil Wilcox – Director, Finance and Resources

6	<p>The POP will clarify the responsibility and time periods for the retention and safeguarding of supplier agreements and/or terms and conditions for goods and services.</p> <p>Furthermore, the need for spot checks on compliance with the CPR and FPR to be conducted and reported to the respective DMT will be reclarified and communicated.</p>	Medium	30 th October 2018	Fred Narmh – Head of Procurement
7	Procurement will undertake a review of the contracts register, and progress with this review will be reported through the Risk Management Board.	Medium	31 st December 2018	Fred Narmh – Head of Procurement
8	The permissions and segregation of duties within Agresso for the creation and amendment of suppliers will be reviewed by the Service Lead, Finance and the Director of Finance and Resources.	Medium	31 st December 2018	Barry Stratfull – Service Lead, Finance

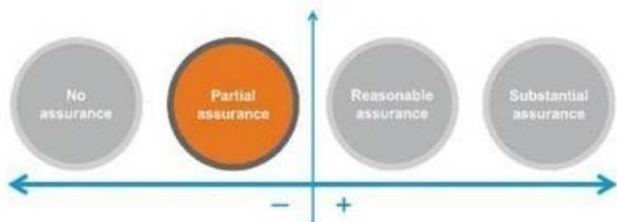
APPENDIX B: 2018/19 ASSURANCE OPINIONS

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.

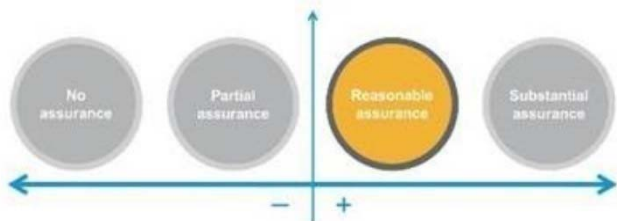
We use the following levels of opinion classification within our internal audit reports, reflecting the level of assurance the Council can take:



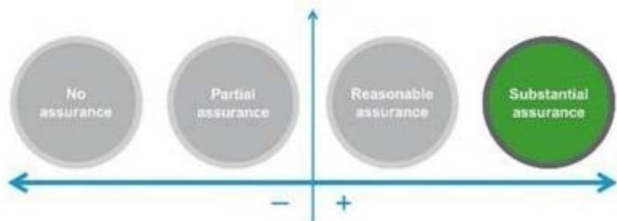
Taking account of the issues identified, the Council **cannot take assurance** that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective. Urgent action is needed to strengthen the control framework to manage the identified risk(s).



Taking account of the issues identified, the Council 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 Council 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 Council 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.

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SLOUGH BOROUGH COUNCIL

Annual Internal Audit Report 2017/2018

May 2018

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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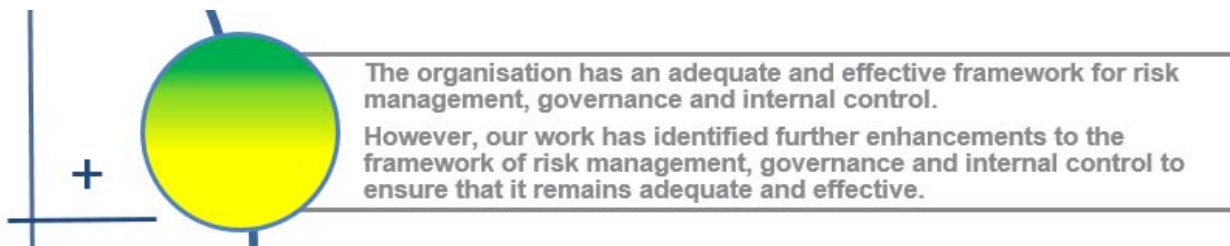
1 THE HEAD OF INTERNAL AUDIT OPINION

In accordance with Public Sector Internal Audit Standards, the head of internal audit is required to provide an annual opinion, based upon and limited to the work performed, on the overall adequacy and effectiveness of the organisation's risk management, control and governance processes. The opinion should contribute to the organisation's annual governance statement.

1.1 The opinion

For the 12 months ended 31 March 2018, the head of internal audit opinion for Slough Borough Council is as follows

Head of internal audit opinion 2017/18



Please see appendix A for the full range of annual opinions available to us in preparing this report and opinion. Whilst there are still a number of areas where the Council can only take partial assurance over the effectiveness of controls in place, the Council has demonstrated across the year improvements in its overall control environment. This can be demonstrated through the fact that, of the 31 reviews undertaken where a formal assurance opinion has been provided, we issued positive opinions for 23 of these, including some areas such as budgetary control where a partial assurance opinion had been previously provided. Whilst improvements have been made across the year in respect of a number of key systems, such as Risk Management and Business Continuity, there is still further work required by the Council in 2018/19 and potentially beyond to ensure that these are fully embedded across all business areas within the organisation.

1.2 Scope and limitations of our work

The formation of our opinion is achieved through a risk-based plan of work, agreed with management and approved by the audit committee, our opinion is subject to inherent limitations, as detailed below:

- the opinion does not imply that internal audit has reviewed all risks and assurances relating to the organisation;
- the opinion is substantially derived from the conduct of risk-based plans generated from a robust and organisation-led Corporate Risk Register. As such, the Corporate Risk Register is one component that the board takes into account in making its annual governance statement (AGS); Whilst Risk Management processes are not yet fully embedded across the Council, good progress has been made in the previous 12 months to develop a Corporate Risk Register, and there is now regular reporting on Corporate Risks across the Council including to the Audit and Corporate Governance Committee.

- the opinion is based on the findings and conclusions from the work undertaken, the scope of which has been agreed with management
- the opinion is based on the testing we have undertaken, which was limited to the area being audited, as detailed in the agreed audit scope;
- where strong levels of control have been identified, there are still instances where these may not always be effective. This may be due to human error, incorrect management judgement, management override, controls being by-passed or a reduction in compliance;
- due to the limited scope of our audits, there may be weaknesses in the control system which we are not aware of, or which were not brought to attention; and
- it remains management's responsibility to develop and maintain a sound system of risk management, internal control and governance, and for the prevention and detection of material errors, loss or fraud. The work of internal audit should not be seen as a substitute for management responsibility around the design and effective operation of these systems.

1.3 Factors and findings which have informed our opinion

We have issued 41 internal audit reports in 2017/18. Of these, 31 were issued with assurance opinions, 4 were follow ups of progress made to implement previously agreed management actions and the remaining 6 were advisory reviews. We issued positive assurance opinions for 23 of the 31 assurance reviews.

No audit reports have been issued where we have issued a no assurance (red) opinion, this is an improvement on recent years. The following audits however resulted in a **partial** assurance (amber red) opinions. For these areas, the Council can only 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 risks.

Information Governance: Whilst the Council had taken action to address some of the failings identified in the previous report in 2016/17, where a 'no assurance' opinion was provided, such as the commencement of mapping of data flows within the organisation, a number of issues remained. Specifically; the update of key corporate policies in relation to Information Governance, the lack of review of contracts to ensure appropriate IG clauses are included, the lack of update and monitoring of training uptake and the lack of action plans to address any of the areas identified contributed to the opinion.

Fixed Penalty Notice Enforcement (draft): Progress had been made by the Council since our 2016/17 Internal Audit, where a no assurance opinion had been provided, however we identified a number of control weaknesses. This included a lack of detail within the Enforcement Policy and inconsistencies between the templates used, resulting in key information not being captured. We also noted issues with income management, including a lack of a robust reconciliation process and no formal tracking of income.

Voids: Testing concluded the voids process was not being undertaken in a timely manner, or in line with Council procedures. We also identified a lack of clarity of responsibilities between the Voids Team and Property Services in relation to the responsibility for Voids work conducted by a contractor.

We also found that the voids process carried out for each property was not fully being captured on the CAPITA system. There is still a lack of evidence to demonstrate prompt action had been taken between the date of our last report in September 2016 to December 2017.

Neighbourhood Anti Social Behaviour Enforcement: Although a Neighbourhood Services ASB Policy had been developed, , there were significant gaps in its application and inconsistencies between current operational practice and the ASB Policy and as such we concluded that only partial assurance could be taken that agreed policies and procedures were being complied with.

Management of Housing Stock: Weaknesses were found in the retention of tenancy agreements through the Document Imaging Processing system and as such assurance could not be provided that such agreements were in place for all of the housing stock reviewed as part of our audit. We also identified areas for improvement in the management of cases, as well as a need to review and update Tenancy Strategy and Policy.

Payroll: Significant weaknesses were identified with the management of leavers and the resulting effect of overpayments. Reconciliations between the payroll system and the ledger had also not been undertaken since June 2017. At December 2017, overpayments totalled £44k for the current financial year, with c£17k attributable to one member of staff. In addition, weaknesses were identified in relation to leavers from the Payroll Team at arvato not having their access terminated on Agresso (raised in prior years by internal audit external audit).

Debtors: Weaknesses were identified in relation to the training provided to staff, processing of credit notes and the significant amount of 'parked' invoices which had no explanation for why they had not been chased or paid. Sundry debtor balances had increased to £5.6m for the period of August 2017 (c£3.4m for August 2015 and 2016).

Creditors: Weaknesses included a lack of training received in relation to requisitioning, the absence of robust controls around amendments to supplier data (raised in prior years) and the retrospective raising of requisitions..

In addition to the above audits, for two of our four **follow up** audits undertaken during the year we concluded that **little progress** had been made by the Council in implementing previous management actions. A number of medium and high priority actions remained not implemented beyond their planned implementation date.

We have also undertaken a number of advisory reviews during the year for which no opinion was provided but where a number of areas of improvement were identified as part of the audits. These included two reviews of **Legal Services**, a review of **Cyber Security** arrangements, and a review of the **Environmental Services Contract**, which identified significant opportunities for the recovery of overcharges levied on the Council. Within each of these audits a number of actions were agreed (uncategorised for the Legal Services – Part 2 and Environmental Services audits). A number of weaknesses were identified on the advisory Cyber Security audit and we have agreed two high and seven medium priority actions).

It should also be noted that there were a number (23) of audits where we concluded that either a substantial (five) or reasonable assurance (18) could be taken. These areas are listed in full within appendix B of this report and include the following significant systems;

- Gas Safety
- Budgetary Control (draft)
- Delayed Transfers of Care
- Five Year Plan – Performance Reporting
- Capital Expenditure
- Rent Accounts
- Assets
- Council Tax
- General Ledger
- Business Rates

A summary of internal audit work undertaken, and the resulting conclusions, is provided at appendix B.

Finally, due to weakness identified in respect of both the Council's **Risk Management** and **Business Continuity** arrangements in 2016/17, we have utilised a proportion of the Internal Audit plan to provide support to the Council to assist in addressing some of the previous weaknesses identified. We have included below a summary of the work undertaken:

Risk Management: The objective of our work was to assist the council in refreshing the corporate (strategic) risks to take account of changes in the business, including organisational structure changes and changes in the external environment such as legislation. This was achieved via a series of interviews and workshops with the Council Management Team and supporting officers, which resulted in the agreement of a revised set of corporate risks for the Council. This represents an improvement from the position 12 months previously where significant weaknesses were identified in the Council's risk registers and supporting processes. We continue to support the Council in this area by developing a process for examining the effectiveness of controls in place and transferring knowledge to council officers.

Business Continuity: A previous Internal Audit of this area provided no assurance over the effectiveness of controls in place. RSM were therefore commissioned via the audit plan to provide the Council with advice and support in the development of a revised Business Continuity Plan. This has been undertaken through the production of a template for undertaking a Business Impact Analysis which can be used by each Service Department to identify the resources and systems that they would require to recover the business. This analysis would then feed into the production of the BCP and recovery plans and template plans have been developed for two service areas across the Council.

A draft framework BCP has also been produced, using a crisis management team to make decisions about invoking the plan. The plan has been reviewed and is owned by the BCR Manager and has been refined to take account of a worst-case scenarios. Whilst there is still further work required by the Council to develop and embed its business continuity arrangements, there is a far greater understanding of the business impacts of any significant adverse event and a draft framework detailing how such events could be managed.

1.4 Topics judged relevant for consideration as part of the annual governance statement

Although the Head of Internal Audit Opinion is a positive one, there were a number of areas, as detailed in section 1.3 above where we concluded that only partial assurance could be taken over the effectiveness of controls in place, and the Annual Governance Statement should therefore include appropriate detail regarding these areas, together with the actions that have been taken by the Council to address these.

In addition, there should also be appropriate consideration of the work undertaken during the year in developing Risk Management and Business Continuity arrangements, and any further actions required during the forthcoming 12 months. We have highlighted to the Council as part of our work to support the preparation of the AGS those areas which require inclusion within this document. Some of these partial assurance opinions were not in areas considered material to the annual governance statement. The one's that are;

- Fixed Penalty Notice Enforcement
- Voids
- Information Governance
- Finance systems - Debtors, Creditors and Payroll
- Risk Management
- Business Continuity
- Cyber Security

2 THE BASIS OF OUR INTERNAL AUDIT OPINION

As well as those headlines discussed at paragraph 1.3, the following areas have helped to inform our opinion. A summary of internal audit work undertaken, and the resulting conclusions, is provided at appendix B.

2.1 Acceptance of internal audit management actions

Management have agreed actions to address all of the findings reported by the internal audit service during 2017/2018. At the time of the production of this report only 4 reports remain in draft, and whilst we have been provided with assurances with management as part of the debrief meeting process that the management actions have been accepted, without a formal response to these audits, the Council cannot be assured that action will be undertaken in a timely manner to address the weaknesses identified.

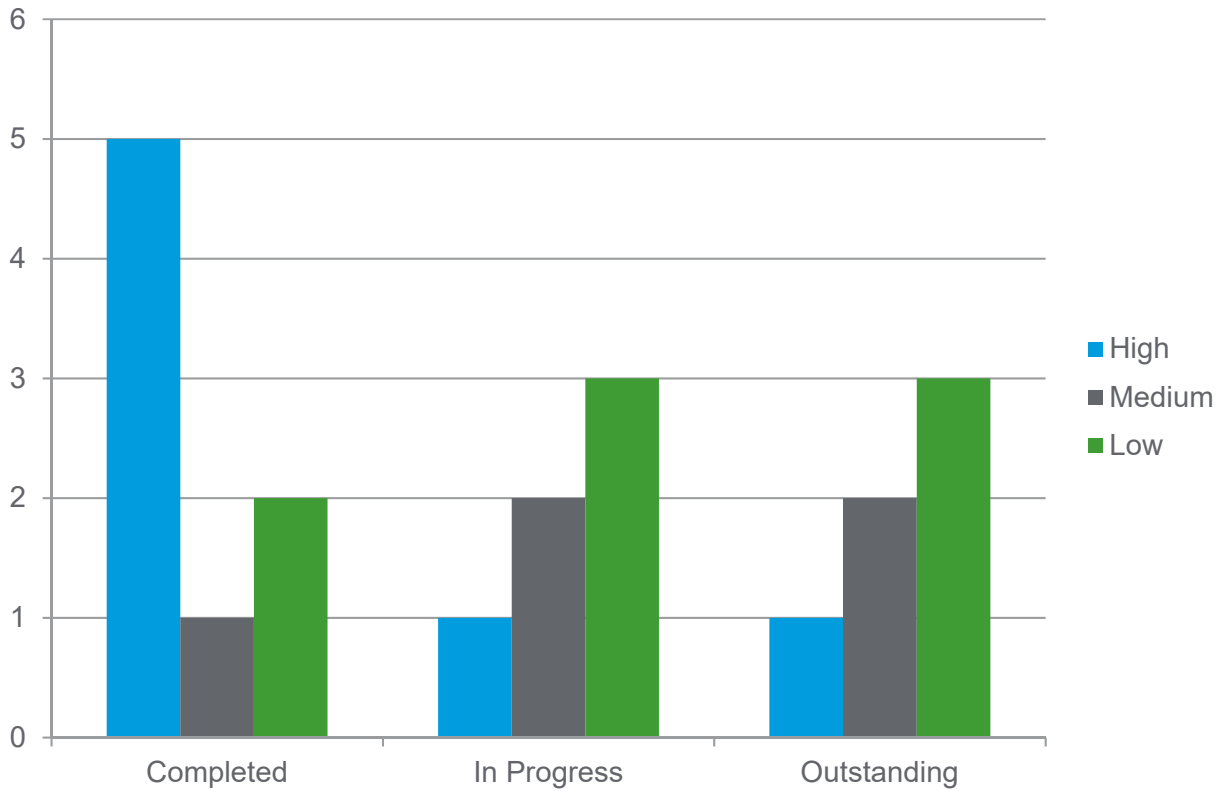
2.2 Implementation of internal audit management actions

Where actions have been agreed by management, these have been monitored by management through the action tracking process in place which is managed by the Risk and Insurance Officer. During the year progress has been reported to each Audit and Corporate Governance Committee meeting, and quarterly validation of a sample of high and medium priority actions has been undertaken by Internal Audit.

For the four reviews undertaken during the year, two demonstrated that the Council had made **reasonable progress** in implementing agreed action and the remaining two demonstrated **little progress**, with a number of high and medium priority actions outstanding beyond their due date. A summary of the implementation rate of the actions followed up is detailed below;

Implementation status by management action priority	Number of actions agreed	Status of management actions					
		Implemented (1)	Implementation ongoing (2)	Not implemented (3)	Superseded (4)	Not yet due (5)	Completed or no longer necessary (1)+(4)
Medium	51	27	14	8	2	0	29
High	8	4	2	1	1	0	5
Totals	59	31	16	9	3	0	34

Of the 59 actions reviewed, we found that whilst 31 (52.5%) had been implemented, nine actions (15.2%) were not implemented. Of this, one high priority action had not been implemented at the time of our review, this relating to Health and Safety.



2.3 Working with other assurance providers

In forming our opinion we have not placed any direct reliance on other assurance providers.

The audit and corporate governance committee is reminded that internal audit is only one source of assurance and through the delivery of our plan we will not, and do not, seek to cover all risks and processes within the organisation.

We will however continue to work closely with other assurance providers, such as external audit to ensure that duplication is minimised and a suitable breadth of assurance is obtained.

3 OUR PERFORMANCE

3.1 Wider value adding delivery

Area of work	How this has added value
Risk Management	We have provided the Council with support to embed and re-establish effective risk management processes to aid in the achievement of the Council's objectives. This included the population of corporate risks on the Corporate Risk Register and a review of risks and controls on the 4Risk software system.
Business Continuity	Following a negative assurance opinion in 2016/2017, we provided support to the Council in improving its processes in relation to Business Continuity. Good progress has been made, however, there is still a lot of work to do to ensure that BC plans are rolled out across the wider council and all key service areas.
Data Flow Mapping (DFM)	We have provided the Council with Support to map their flows of data, to aid in the Council's management and security of data. The initial DFM work has been completed and three successful DFM workshops have been held. The overall focus and outcome is to assist the Council in understanding and mapping their data flows, which is required to comply with the new GDPR arrangement coming into force in May 2018.
Gender Pay Gap Reporting	Through our HR Consulting Team we have assisted the Council in the production of its Gender Pay Gap report.
Contract Management	As part of our review of the Environmental Services Contract previously provided by AMEY, we have identified significant opportunities for the recovery of monies by the Council.
Legal Services	As part of our Legal Services audit we have assisted the Council in the production of an options appraisal regarding the future provision of the legal services function.
Attendance at Risk Management Group	We attend the monthly Risk Management Group (now the Risk and Audit Board) meetings with a view to aiding the council embed Risk Management, as part of this meeting we review actions taken by the Council to address risks identified within Internal Audits. This has included updating the Group on significant findings from Internal Audit work together with providing independent challenge on the content and quality of the risk registers.
We have continued to provide sector briefings on a regular basis to both Council management and the Audit and Corporate Governance Committee	These publications provided guidance to the Council regarding the significant issues facing the sector within these areas. In addition they also highlights both key questions that all organisations should be asking themselves together with areas of good practice that can help strengthen the control environment.

3.2 Conflicts of interest

We have undertaken work in the 2017/18 financial year covering the following areas;

- GDPR Data Flow Mapping: we are currently engaging with the Council to assist in their GDPR preparations through the provision of Data Flow Mapping workshops.
- Health and Safety: We have undertaken a number of assignments at the request of the Council to support them with a review of Health and Safety risks for the environmental services function.
- Contract Management: we have undertaken an Open Book review on one of the Council's significant suppliers and have continued to support the Council in developing in contract management arrangements and procedure rules.
- Gender Pay Gap: we have provided support to the Council in the production of their Gender Pay Gap assessment and action plan.
- Financial Procedure Rules: we have provided support to the Council to assist in re-drafting the Financial Procedure Rules.

All of this work was undertaken under separate letters of engagements, led by independent engagement partners and delivered by specialist staff separate from the core Internal Audit Team.

3.3 Conformance with internal auditing standards

RSM affirms that our internal audit services are designed to conform to the Public Sector Internal Audit Standards (PSIAS).

Under PSIAS, internal audit services are required to have an external quality assessment every five years. Our risk assurance service line commissioned an external independent review of our internal audit services in 2016 to provide assurance whether our approach meets the requirements of the International Professional Practices Framework (IPPF) published by the Global Institute of Internal Auditors (IIA) on which PSIAS is based.

The external review concluded that "there is a robust approach to the annual and assignment planning processes and the documentation reviewed was thorough in both terms of reports provided to audit committee and the supporting working papers". RSM was found to have an excellent level of conformance with the IIA's professional standards.

The risk assurance service line has in place a quality assurance and improvement programme to ensure continuous improvement of our internal audit services. Resulting from the programme, there are no areas which we believe warrant flagging to your attention as impacting on the quality of the service we provide to you.

3.4 Quality assurance and continual improvement

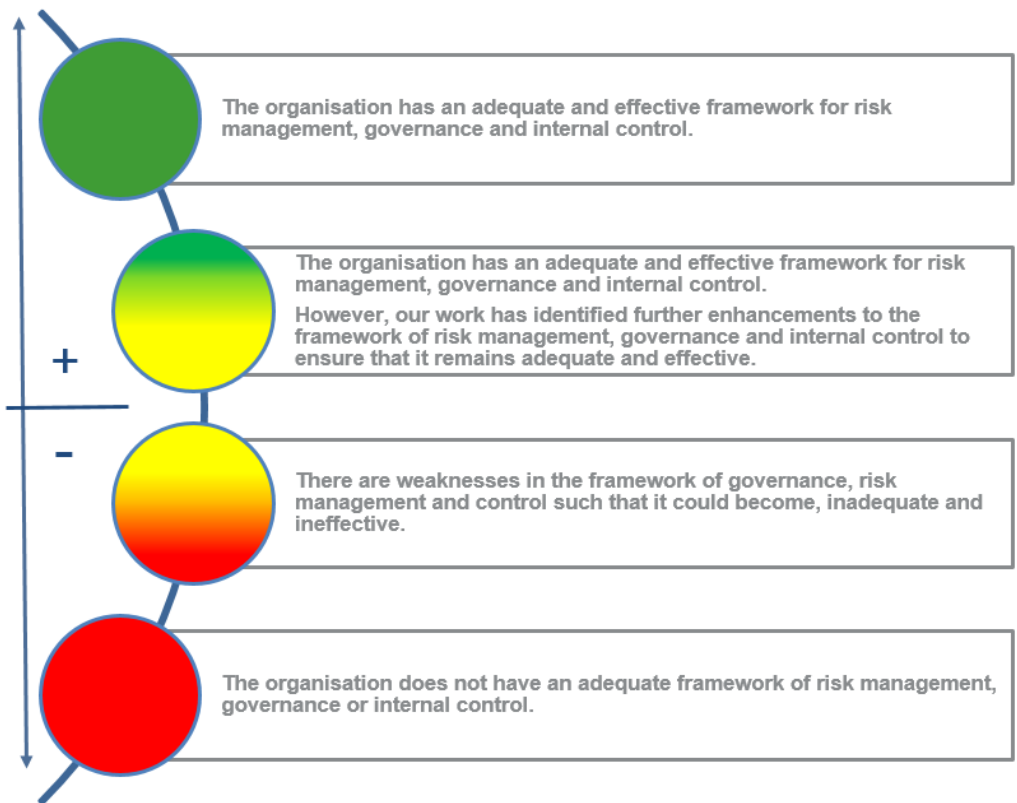
To ensure that RSM remains compliant with the PSIAS framework we have a dedicated internal Quality Assurance Team who undertake a programme of reviews to ensure the quality of our audit assignments. This is applicable to all Heads of Internal Audit, where a sample of their clients will be reviewed. Any findings from these reviews are used to inform the training needs of our audit teams.

This is in addition to any feedback we receive from our post assignment surveys, client feedback, appraisal processes and training needs assessments.

APPENDIX A: ANNUAL OPINIONS

The following shows the full range of opinions available to us within our internal audit methodology to provide you with context regarding your annual internal audit opinion.

Annual opinions	Factors influencing our opinion
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The factors which are considered when influencing our opinion are:

- inherent risk in the area being audited;
- limitations in the individual audit assignments;
- the adequacy and effectiveness of the risk management and / or governance control framework;
- the impact of weakness identified;
- the level of risk exposure; and
- the response to management actions raised and timeliness of actions taken.

APPENDIX B: SUMMARY OF INTERNAL AUDIT WORK COMPLETED 2017/2018

Assignment	Executive lead	Assurance level	Actions agreed		
			H	M	L
Neighbourhood ASB Enforcement	Mike England	Partial	1	4	2
Management of Housing Stock	Mike England	Partial	1	3	2
Payroll	Neil Wilcox	Partial	1	3	4
Voids	Mike England	Partial	0	4	3
Information Governance	Neil Wilcox	Partial	1	10	2
Debtors	Neil Wilcox	Partial	1	2	2
Fixed Penalty Enforcement (draft)	Mike England	Partial	0	6	4
Creditors	Neil Wilcox	Partial	1	5	7
Chalvey Early Years Centre	Cate Duffy	Reasonable	0	4	1
Lea Nursery School	Cate Duffy	Reasonable	0	3	10
Holy Family Catholic School	Cate Duffy	Reasonable	0	3	4
Gas Safety	Mike England	Reasonable	0	3	4
Management of the Pupil Premium	Cate Duffy	Reasonable	0	4	0
Delayed Transfers of Care	Alan Sinclair	Reasonable	0	2	1
New Facilities Contract	Roger Parkin	Reasonable	0	3	0
Five Year Plan – Performance Reporting	Neil Wilcox	Reasonable	0	1	3
Housing Regulations	Mike England	Reasonable	0	3	5
Capital Expenditure	Neil Wilcox	Reasonable	0	2	5
Rent Accounts	Neil Wilcox	Reasonable	0	3	3
Purchasing Cards	Neil Wilcox	Reasonable	0	3	5
Assets	Neil Wilcox	Reasonable	0	2	4
Council Tax (draft)	Neil Wilcox	Reasonable	0	1	1
General Ledger	Neil Wilcox	Reasonable	0	2	1
Treasury Management and Cash Handling	Neil Wilcox	Reasonable	0	2	6
Adult Social Care Supervision	Alan Sinclair	Reasonable	0	2	4
Budgetary Control	Neil Wilcox	Reasonable	0	5	3
SEN Funding	Cate Duffy	Substantial	0	1	2
Housing Benefits	Neil Wilcox	Substantial	0	0	3
Business Rates	Neil Wilcox	Substantial	0	0	1

Assignment	Executive lead	Assurance level	Actions agreed		
			H	M	L
Iqra School	Cate Duffy	Substantial	0	0	1
Priory School (draft)	Cate Duffy	Substantial	0	0	1
Follow Up Q1	Neil Wilcox	Little progress	2	8	0
Follow Up Q2	Neil Wilcox	Reasonable progress	0	6	0
Follow Up Q3	Neil Wilcox	Little progress	1	4	0
Follow Up Q4	Neil Wilcox	Reasonable progress	0	4	0
Cyber Security Control Framework (draft)	Neil Wilcox	Advisory	2	7	0
Schools Financial Value Standards (SFVS)	Neil Wilcox	Advisory	0	3	3
Environmental Services Contract	Neil Wilcox	Advisory	6 Uncategorised actions		
Legal Services – Part One	Neil Wilcox	Advisory	1	3	0
Legal Services – Part Two	Neil Wilcox	Advisory	14 uncategorised actions		
Business Continuity Plan	Neil Wilcox	Advisory	14 uncategorised actions		

All of the assurance levels and outcomes provided above should be considered in the context of the scope, and the limitation of scope, set out in the individual Assignment Report.

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



FOR FURTHER INFORMATION CONTACT

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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. Actions for improvements should be assessed by you for their full impact. 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.

Our report is prepared solely for the confidential use of Slough Borough Council and solely for the purposes set out herein. 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 third party which obtains access to this report or a copy and chooses to rely on it (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 you 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.

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SLOUGH BOROUGH COUNCIL

REPORT TO: Audit & Corporate Governance Committee **DATE:** 18th July 2018

CONTACT OFFICER: Barry Stratfull, Service Lead Finance
(For all Enquiries) (01753) 875748

WARD(S): All

PART I
FOR COMMENT & CONSIDERATION

FINANCIAL STATEMENTS 2017/181. **Purpose of Report**

The purpose of this report is to update Members on the progress of external audit of the 2017/18 financial statements.

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

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

And that the Chair in conjunction with the Director of Finance and Resources be delegated the authority to approve the financial statements after circulating the final audit letter and with no additional issues raised.

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

The actions contained within the attached reports are designed to improve the governance of the organisation and will contribute to all of the strategic priorities.

Priorities:

- Protecting vulnerable children
- Increasing life expectancy by focussing on inequalities
- Improving mental health and wellbeing
- Housing

3b. **Five Year Plan Outcomes**

The actions contained within this report will assist in achieving all of the five year plan outcomes

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

There are no financial implications of this report.

(b) Risk Management

<i>Recommendation</i>	<i>Risk/Threat/Opportunity</i>	<i>Mitigation(s)</i>
<i>That Audit & Corporate Governance Committee is requested to comment on and note the attached report</i>	<i>This report concerns risk management across the Council</i>	

(c) Human Rights Act and Other Legal Implications

There are no Human Rights Act or other legal implications in this report

(d) Equalities Impact Assessment

There is no identified need for an EIA.

5. **Supporting Information**

5.1 **Background**

5.1.1 This meeting in previous years would have been held in September and Members of the Audit and Corporate Governance Committee would normally have the opportunity to receive and question the Council's external auditors at this meeting regarding the audit of the 2017/18 financial statements. The Committee would also be asked to approve the financial statements.

5.1.2 The Closure of Accounts process has been brought forward this year. In previous Years Council's were required to submit a signed copy of its financial statements to the external auditors, BDO, by the 30th June 2018. This year the deadline was 31st May 2018. Despite the time pressures members will be well aware of the issues faced closing the 2016/17 accounts and the lateness of sign off. Despite all these issues the Council completed this requirement in line with statutory deadlines. Councils throughout the country have struggled to meet this deadline.

5.1.3 As the committee are aware the 2016/17 accounts were signed off late in February 2018. This obviously meant that the closure of the 2017/18 accounts began late. The finance teams have worked tirelessly with BDO within an agreed timeframe in order to meet both the publication and signing deadlines.

Additional resources in terms of both personnel have been employed with a view to meeting the strict timeframe. A dedicated finance resource has been leading the process from an SBC point of view and we also introduced the CIPFA Big Red Button (BRB) accounting system in order to help production of the statements and to make the auditing easier

5.1.4 A great deal of progress has been made in a short space of time but there will undoubtedly be areas where we will need to improve further for 2018/19. These areas will be highlighted in the BDO report but we are already beginning some of the work in these areas.

- 5.1.5 Since the beginning of June the external auditors, BDO (independently appointed by the Audit Commission for the 2017/18 financial year) conduct a review of the financial statements produced and provide two opinions:
- 1) An opinion on the financial statements themselves; and
 - 2) A Value for Money opinion.
- 5.1.6 As in 5.1.2 above the deadlines for audit sign off have been brought forward by 2 months from the 30 September 2018 to 31st July 2018. The report elsewhere on tonight's agenda covers these two opinions and gives detail how the Council has complied, or otherwise, to date with these opinions.
- 5.1.7 The draft financial statements have been included to this report. Both sides continue to work hard to conclude the audit by the end of July.
- 5.1.8 For the first time SBC is required to produce Group Accounts. The creation of the Slough Urban Renewal (SUR) and the setting up of 2 housing companies has complicated the production of the year end accounts. The SUR financial information has not been consolidated into the Council's accounts during both 2014/15, 2015/16 and 2016/17 because the Council's 50% share was not deemed to be material. The 2017/18 statements are assumed to be material and have been reflected in the policies and notes within the statements.
- 5.1.9 It is proposed that the financial statements, and associated audit opinions, are circulated to committee members when complete and a further report will be brought back to this committee in September.

6. **Comments of Other Committees**

This report has not been considered by any other committees.

7. **Conclusion**

- (a) That the update on the external audit and timescale for finalising the 2017/18 financial statements be noted.
- (b) That the Chair in conjunction with the Director of Finance and Resources be delegated the authority to approve the financial statements after circulating the final audit letter and with no additional material issues raised.

8. **Appendices Attached**

Draft Statement of Accounts 2017/18 – included in the Appendix Pack

9. **Background Papers**

None.

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SLOUGH BOROUGH COUNCIL**REPORT TO:** Audit & Corporate Governance Committee**DATE:** 18 July 2018**CONTACT OFFICER:** Sushil Thobhani, Service Lead Governance & Deputy Monitoring Officer**(For all enquiries)** (01753) 875036**WARD(S):** All**PART I**
FOR DECISION**REVISION OF THE CONSTITUTION****1 Purpose of Report**

The purpose of this report is to seek the approval of the Committee to revisions of the Council's Constitution and the agreement of the Committee to place these revisions before the Council for approval.

2 Recommendation(s)/Proposed Action

The Committee is requested to approve the revisions to the Council's Constitution set out as tracked changes in the document appended to this Report (to follow) and to agree to these revisions being placed before the Council for approval.

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

The delivery of all these strategic priorities is dependent on the highest possible standards of openness, honesty and accountability. The adoption of the revisions to the Council's Constitution recommended in this report will serve to enhance the delivery of these priorities through good governance procedures.

4 Other Implications**(a) Financial**

There are no direct financial implications arising from this report.

(b) Human Rights Act and Other Legal Implications

There are no Human Rights Acts implications arising from this report. Local Authorities have a statutory duty to prepare, keep up to date and publicise a constitution, whose contents are partly prescribed by statute and partly matters of local content, within a statutory framework.

(c) Equalities Impact Assessment

There is no identified need for an EIA arising from the subject matter of this Report.

5 Supporting Information

- 5.1 It is necessary to revise the Council's Constitution for the following reasons:
- 5.1.1. There has been a restructure of the Council's senior management. This has resulted in the deletion of many named posts which are referred to in the Council's Constitution. New posts have been created which need to be referred to in the Constitution. Responsibility for some of the Council's functions has been reassigned between directorates of the Council. New terminology has been adopted by the Council. All these changes need to be reflected in the Constitution.
 - 5.1.2 Certain statutory provisions referred to in the Constitution have been repealed, amended or replaced by new provisions. The Constitution needs to be amended to reflect these changes.
 - 5.1.3 to make the alterations required to delegate functions to the Head of Legal Practice at the London Borough of Harrow, as resolved by Council at their meeting on 24 April 2018, in connection with the delegation of the Council's legal services function to that Borough.
 - 5.1.4 As a result of the review of the Council's governance arrangements requested by the Council on 19 December 2017, which is the subject of a separate report to this Committee today, certain recommendations are made in this report for changes to the Constitution which are considered will help to improve the Council's governance and enhance the purposes of the Constitution set out in Article 1 of the Constitution.
 - 5.1.5 To make amendments to the Constitution to give effect to the Council's decision at its meeting on 24 April 2018 to discharge their functions as a corporate trustee of charitable assets through a committee of the Council
 - 5.1.6 There is an urgent need to clarify the procedures for appointments of Service Leads due to the need to recruit to Service Lead positions in the Regeneration Directorate.
- 5.2 The restructure of the Council's senior management has resulted in the positions of "Directors" to replace the former "Strategic Directors". The positions of "Assistant Directors" have been deleted. Under the new structure the functions of Assistant Directors have largely been reassigned to the new positions of "Service Leads" under the new structure. The former directorate of "Customer & Community Services" has been deleted and its functions reassigned between the new directorates under the new structure. Also, the Council has now changed the use of the term "Commissioner" for Members of the Cabinet holding portfolios to the term "Lead Member". Accordingly, the bulk of the proposed revisions to the Constitution are to deal with the changes necessitated by this senior management restructure and use of new terminology. The particular revisions in this regard are, therefore, purely formal and self-explanatory.
- 5.3. The revisions required to the Constitution as a result of statutory changes are:
- 5.3.1 to alter the reference to the Local Government Commission to the Local Authority Boundary Commission and to remove the reference to the

Secretary of State in paragraph 1 of Article 2 of the Constitution in order to take account of alterations made by the Local Democracy, Economic Development and Construction Act 2012.

- 5.3.2 to delete reference to Section 31 of the Local Democracy, Economic Development and Construction Act 2009 in paragraph 9 of Article 6 of the Constitution and substitute reference to Section 9FB of the Local Government Act 2000 as Section 31 has been repealed and Section 9FB inserted by the Localism Act 2011.
- 5.3.3 to delete sub-paragraph (b) in paragraph 2 of the Article 10 of the Constitution as the provisions cited there have been repealed by the Localism Act 2011.
- 5.3.4 to delete the references to sub-section 4 of Section 34 of the Social Security Act 1998 in function 3 as this provision has been repealed and the reference to Section 87 in function 6 the first column of Table 1 in part 3.3 of the Constitution to replace the latter with a reference to Section 94 of the School Standards and Framework Act 1998, which is the correct reference.
- 5.3.5 to delete the reference to Part V of the Town and Country Planning Act 1990 in function 1 of the Planning Committee in Table 2 in part 3.3 of the Constitution as this part has now been repealed and to delete the reference to Section 23 of Education Reform Act 1988 in function 4 of the Employment and Appeals Committee as this section has now been repealed.
- 5.4 The changes proposed to the Constitution as a result of the delegations of the Council's legal services function to the London Borough of Harrow consist of the delegation to the Head of Legal Practice at Harrow of those functions previously delegated under the Constitution to the post of Head of Legal Services of the Council, which post has now been deleted as a consequence of the senior management restructure.
- 5.5 The changes proposed to the Constitution as a result of the review of the Council's governance arrangements, which are the subject of a separate report to this committee today, are:
 - 5.5.1 To provide that the Chief Executive and Head of Paid Service should serve as the Returning Officer and Acting Returning Officer for local and Parliamentary elections respectively to accord with practice elsewhere.
 - 5.5.2 to amend paragraphs 2.5 to 2.8 inclusive of Part 4.5 of the Overview and Scrutiny Procedure Rules to remove the automatic disqualification of members for failure to attend three consecutive meetings of the Committee or its panels in order to comply with a recent ruling of the High Court in the case of R (on behalf of Harvey) –v- Ledbury Town Council which declared such disqualification unlawful under the Localism Act 2011 but to provide for such failure to be reported to respective party leaders to enable them to consider any action at Group level. It is also proposed to extend such amended rule to all committees, subcommittees and panels of the Council.
 - 5.5.3 to amend paragraph 23 of the Overview and Scrutiny Procedure Rules to provide that regard must be had to which of the Cabinet or Council would be responsible for any function which would enable action to be taken on

the recommendations of Reports of Overview and Scrutiny Committee and Panels, when any decision is made by the Head of Democratic Services as to where any such report submitted to him or her is referred.

- 5.5.4 to amend paragraph 11 of the Code of Conduct for Councillors and Officers in Relation to Planning and Licensing Matters in Part 5.2 of the Constitution to provide expressly that no person shall seek to influence or control the contents or recommendations of an officer report and that any attempt to do so should be reported to the Monitoring Officer. This is to provide assurance to Officers that no improper pressure may be applied by senior management to planning officers in relation to planning matters where the Council may have an interest.
 - 5.5.5 to amend paragraph 16 of the Local Code Governing Relations between Elected Members and Council Employees in Part 5.4 of the Constitution to provide expressly that Members are entitled to be treated the same as members of the public when requesting information which any member of the public could request.
 - 5.5.6 to amend paragraph 17 of the Local Code Governing Relations between Elected Members and Council Employees in Part 5.4 of the Constitution to provide expressly that in the event that a Member feels that he or she cannot raise a matter with any of the Statutory Officers because the matter concerns all of those officers then the matter may be raised with officers who would deputise for those officers in their absence.
- 5.6 The changes proposed to the Constitution as a result of the Council's decision to discharge their function as a corporate trustee of charitable assets through a committee of the Council consist of proposed amendments to Table 2 in Part 3.4 of the Constitution dealing with the Responsibilities of the Council to add details of the new Trustee Committee and its terms of reference to that table of Council functions.
- 5.7 The changes proposed to the Constitution to clarify the procedures for the appointment of Service Leads arises as a result of the queries raised in connection with the pending appointments to Service Lead posts in the Regeneration Directorate. It is considered that the posts of Service Leads constitute "deputy chief officers" within the meaning of that term in the Local Government & Housing Act 1989 and hence, under paragraph 4 of Part 4.7 of the Constitution, must be appointed by a committee or sub-committee of the Council in the same manner as Directors and statutory officers. This was not appreciated in connection with the appointments of Service Leads previously. It is considered that appointments of Service Leads should be carried out in the same manner as those of other Officers who are not Directors or Statutory Officers as there is no requirement for such officers to be appointed in the same manner as Directors and Statutory Officers under the Local Authorities (Standing Orders) Regulations 1993. It is proposed, therefore, to delete the references to "Deputy Chief Officers" in paragraph 4 of Part 4.7 of the Constitution.

6 Comments of other Committees

The changes to the Constitution proposed in this Report, save that which is the subject of paragraph 5.7 above, have been formally considered and approved by the Member Panel on the Constitution. The need for the change proposed in paragraph 5.7 was only appreciated after the last meeting of the Member Panel of the Constitution and it is

proposed to consult the Panel members informally about this proposed change before any action is taken with regard to it.

7 **Conclusion**

The revisions to the Council's Constitution recommended by this Report will enhance good governance for the foreseeable future by providing a clearer and more robust updated guide for Members and Officers in the conduct of the Council's affairs.

8 **Appendix**

A - Draft track changed version of the Constitution – TO FOLLOW

9 **Background Papers**

None

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