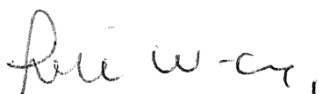


Date of issue: Monday, 6 September 2021

MEETING:	EXTRAORDINARY AUDIT AND CORPORATE GOVERNANCE COMMITTEE (Councillors Sabah (Chair), Wright (Vice Chair), Ali, Brooker, J Davis, Grewal and Hussain) CO-OPTED INDEPENDENT MEMBER: Iqbal Zafar PARISH COUNCIL MEMBERS: Parish Councillor Sean Wright (Britwell Parish) Parish Councillor Andrea Escott (Colnbrook with Poyle) Parish Councillor Iftakhar Ahmed (Wexham Court) <i>(Parish Council representatives in attendance regarding Code of Conduct matters only)</i> INDEPENDENT PERSON Dr Louis Lee
DATE AND TIME:	TUESDAY, 14TH SEPTEMBER, 2021 AT 6.30 PM
VENUE:	COUNCIL CHAMBER - OBSERVATORY HOUSE, 25 WINDSOR ROAD, SL1 2EL
DEMOCRATIC SERVICES OFFICER: (for all enquiries)	SHABANA KAUSER 07821 811 259

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.



JOSIE WRAGG
Chief Executive

AGENDA

PART I

AGENDA
ITEM

REPORT TITLE

PAGE

WARD



<u>AGENDA ITEM</u>	<u>REPORT TITLE</u>	<u>PAGE</u>	<u>WARD</u>
1.	Apologies for absence. Declarations of Interest	-	-
	<i>All Members who believe they have a Disclosable Pecuniary or other Interest in any matter to be considered at the meeting must declare that interest and, having regard to the circumstances described in Section 9 and Appendix B of the Councillors' Code of Conduct, leave the meeting while the matter is discussed.</i>		
	GOVERNANCE ISSUES		
2.	Policy Statement on Corporate Governance	1 - 24	All
	AUDIT ISSUES		
3.	Risk Management Update - Quarter 1 2021/22	25 - 34	All
4.	Internal Audit Progress Report	35 - 74	All
5.	Internal Audit Annual Report 2020/21	75 - 94	All
6.	Internal Audit Plan 2021/22	95 - 122	All
7.	Exception Reporting to Overview and Scrutiny Committee	-	-
8.	Date of Next Meeting - 30th September 2021	-	-

Press and Public

Attendance and accessibility: 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 any items in the Part II agenda are considered. For those hard of hearing an Induction Loop System is available in the Council Chamber.

Webcasting and recording: The public part of the meeting will be filmed by the Council for live and/or subsequent broadcast on the Council's website. The footage will remain on our website for 12 months. A copy of the recording will also be retained in accordance with the Council's data retention policy. 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.

In addition, the law allows members of the public to take photographs, film, audio-record or tweet the proceedings at public meetings. Anyone proposing to do so 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.

Emergency procedures: The fire alarm is a continuous siren. If the alarm sounds Immediately vacate the premises by the nearest available exit at either the front or rear of the Chamber and proceed to the assembly point: The pavement of the service road outside of Westminster House, 31 Windsor Road.

Covid-19: To accommodate social distancing there is significantly restricted capacity of the Council Chamber and places for the public are very limited. We would encourage those wishing to observe the meeting to view the live stream. Any members of the public who do wish to attend in person should be encouraged.

SLOUGH BOROUGH COUNCIL

REPORT TO:	Audit and Corporate Governance Committee
DATE:	14 September 2021
SUBJECT:	Draft Policy Statement on Corporate Governance
CHIEF OFFICER:	Josie Wragg
CONTACT OFFICER:	Sarah Wilson, Deputy Monitoring Officer
WARD(S):	All
EXEMPT:	NO
APPENDICES:	Appendix 1 – Draft Policy Statement on Corporate Governance

1 Summary and Recommendations

- 1.1 This report requests that the Committee review the draft Policy Statement on Corporate Governance to recommend the same to Full Council for inclusion in the Council's Constitution.

Recommendations:

The Committee is requested to:

- Recommend to Full Council approval of the Policy Statement on Corporate Government to replace the existing Statement at Part 5.9 of the Constitution.

Reason: Corporate governance is key to ensuring effective decision-making so that local communities can place trust in the way the Council undertakes and carries out its duties. The existing Policy Statement has not been reviewed for some time and does not reflect the principles set out in the CIPFA/SOLACE framework.

2 Report**Introductory paragraph**

2.1 The Council's Constitution sets out the rules, procedures and codes of practice governing the Council's operations. Part 5 contains the Ethical Framework and includes a Policy Statement on Corporate Governance at Part 5.9. This Statement has not been subject to a detailed review process in the last few years. Following the Council's request for a capitalisation directive, the Ministry of Housing, Communities and Local Government (MHCLG) commissioned a review into the Council's financial position and the strength of its wider governance arrangements. Whilst the results of this review have not yet been published, the Council has been reviewing its governance processes to ensure they meet industry standards.

Options considered

2.2 The Council could choose not to amend its Policy Statement on Corporate Governance. This is not recommended as the current Statement is not based on the CIPFA / SOLACE framework.

Background

2.3 In 2016, the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives and Senior Managers (SOLACE) published a framework and guidance notes entitled “Delivering Good Governance in Local Government” (the CIPFA / SOLACE framework). The framework defines governance as “the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved.”

2.4 The framework contains two central principles, with five supporting principles. These seven core principles each have a number of supporting principles. The draft Policy Statement on Core Governance has set out these core principles and sub-principles, with a list of evidence to demonstrate that the Council is meeting each principle.

2.5 By having a publicly available Policy Statement on Corporate Governance and using this as a basis for the Annual Governance statement reported to this Committee each year, the Council is committing to regularly reviewing its procedures, analysing its performance and recommending improvements and doing this in an open and transparent manner. This will help demonstrate the Council’s commitment to achieving excellence in the provision of services for the people of Slough and its recognition of the importance of effective corporate governance to allow the communities of Slough to place trust in the way that the Council undertakes and carries out its duties.

3. Implications of the Recommendation

3.1 Financial implications

3.1.1 There are no financial implications of this recommendation.

3.2 Legal implications

3.2.1 Changes to the Council’s Constitution are reserved to Full Council. The draft Statement is being reviewed by the member working panel and any feedback from this panel will be provided to this Committee for it to consider whether any changes should be made to the draft prior to submission to Full Council.

3.3 Risk management implications

3.3.1 Regularly reviewing the systems in place to achieve effective corporate governance is part of an effective risk management procedure.

3.4 Environmental implications

3.4.1 There are no environmental implications of this recommendation.

3.5 Equality implications

3.5.1 The draft Statement contains details on how the Council ensures it engages with its citizens and service users effectively, including encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds.

4. Background Papers

None

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Part 5.9 Policy Statement on Corporate Governance

Introduction

The Council is committed to achieving excellence in the provision of services for the people of Slough and recognises the importance of effective corporate governance so that local communities can place trust in the way that the Council undertakes and carries out its duties. This policy statement sets out and describes the Council's commitment to corporate governance and identifies the arrangements to ensure its effective implementation and application in all aspects of the Council's work.

In April 2016, the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives and Senior Managers (SOLACE) published a framework and guidance notes entitled "Delivering Good Governance in Local Government" (the CIPFA / SOLACE framework). This provides guidance to local authorities on local codes and procedures on corporate governance.

What is Corporate Governance

The CIPFA/SOLACE framework defines governance as follows:

Governance comprises the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved.

It goes on to say:

To deliver good governance in the public sector, both governing bodies and individuals working for public sector entities must try to achieve their entity's objectives while acting in the public interest at all times.

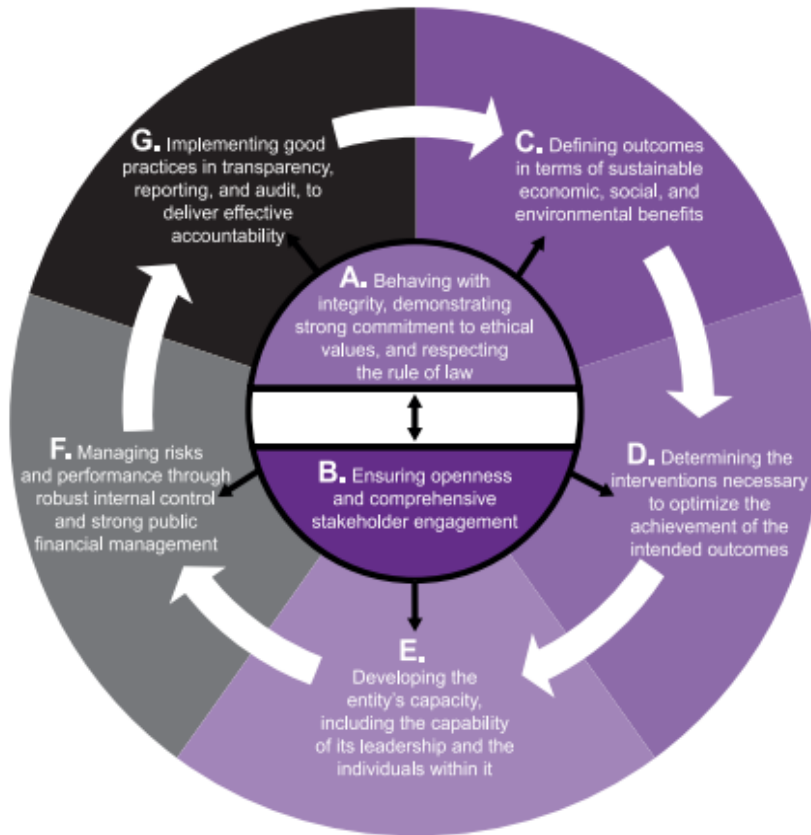
Acting in the public interest implies primary consideration of the benefits for society, which should result in positive outcomes for service users and other stakeholders.

In the Council, the governing body is Full Council.

Principles of Good Governance in Slough Borough Council

The Council has adopted the seven core principles of good governance set out in the CIPFA/SOLACE framework, which are shown below.

Achieving the Intended Outcomes While Acting in the Public Interest at all Times



The seven core principles each have a number of supporting principles, which in turn have a range of specific requirements that apply across the Council's business. The following sections set out each sub principle, together with the behaviour and actions that demonstrate good governance in practice. The tables also reference how this is evidenced in the Council.

Annual Governance Statement

The Council reports annually to its Audit & Corporate Governance Committee in a formal Annual Government Statement, reviewing its performance against the seven core principles. This report will include an analysis of the previous year and recommendations for improvements to be made.

Principle A – Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Local government organisations are accountable not only for how much they spend, but also for how they use the resources under their stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes they

have achieved. In addition, they have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, they can demonstrate the appropriateness of all their actions across all activities and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.

Sub Principle	Behaviours and actions demonstrating good governance	How will this be evidenced
Behaving with integrity	<ul style="list-style-type: none"> • Ensuring members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation • Ensuring members take the lead in establishing specific standard operating principles or values for the organisation and its staff and that they are communicated and understood. These should build on the Seven Principles of Public Life (the Nolan Principles) • Leading by example and using the above standard operating principles or values as a framework for decision making and other actions • Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively 	<ul style="list-style-type: none"> • Member Code of Conduct and standards complaints process • Member development programme • Member Officer Relations Code • Local Code of Conduct for Employees • Anti-Fraud and Corruption Strategy and Policy • Anti-Fraud Response Plan • Grievance/Dignity at Work policies • Equal Opportunities policies and procedures • Confidential Whistleblowing Policy • Annual report to Audit & Corporate Governance Committee on complaints
Demonstrating strong commitment to ethical values	<ul style="list-style-type: none"> • Seeking to establish, monitor and maintain the organisation's ethical standards and performance 	<ul style="list-style-type: none"> • Human Resources Policies • Performance management framework

	<ul style="list-style-type: none"> • Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation's culture and operation • Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values • Ensuring that external providers of services on behalf of the organisation are required to act with integrity and in compliance with ethical standards expected by the organisation 	<ul style="list-style-type: none"> • Induction processes and officer training • Register of interests – officer and member • Contract procedure rules • Internal boards – Procurement Review Board • Contract management procedures
Respecting the rule of law	<ul style="list-style-type: none"> • Ensuring members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations • Creating the conditions to ensure that the statutory officers, other key post holders, and members, are able to fulfil their responsibilities in accordance with legislative and regulatory requirements • Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders • Dealing with breaches of legal and regulatory provisions effectively • Ensuring corruption and misuse of power are dealt with effectively 	<ul style="list-style-type: none"> • Council Constitution (Part 3 – Responsibility for Functions) • Directorate schemes of officer delegations • Senior legal officer attendance at Executive Board • Meetings between 3 governance statutory officers • Cabinet report clearance processes, including early involvement of lawyers in advising on proposed decisions • Business case templates for all major decisions and projects • Corporate complaints procedure, including annual reporting to Audit & Corporate Governance Committee • Internal officer boards with legal

		representation - Executive Board, Procurement Review Board, Strategic Finance Board
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Principle B - Ensuring openness and comprehensive stakeholder engagement

Local government is run for the public good, organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.

Sub Principle	Behaviours and actions demonstrating good governance	How will this be evidenced
Openness	<ul style="list-style-type: none"> Ensuring an open culture through demonstrating, documenting and communicating the organisation’s commitment to openness Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear Using formal and informal consultation and engagement to determine the most appropriate and 	<ul style="list-style-type: none"> Council Constitution – Article 13 – Decision Making and Part 4.2 - Access to Information Procedure Rules Annual Corporate Plan and quarterly performance monitoring reports to cabinet Quarterly budget monitoring reports to cabinet Council Constitution – Part 4.5 - Overview and Scrutiny procedure rules Community Engagement Toolkit Freedom of Information publication scheme Corporate health dashboard, including data on complaints, member enquiries and FOI requests

	effective interventions/ courses of action	
Engaging comprehensively with institutional stakeholder	<p>NB institutional stakeholders are the other organisations that local government needs to work with to improve services and outcomes (such as commercial partners and suppliers as well as other public or third sector organisations) or organisations to which they are accountable.</p> <ul style="list-style-type: none"> • Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably • Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively • Ensuring that partnerships are based on: <ul style="list-style-type: none"> ○ Trust ○ A shared commitment to change ○ A culture that promotes and accepts challenge among partners and that the added value of partnership working is explicit 	<p>Formal partnerships boards, including:</p> <ul style="list-style-type: none"> • Slough Wellbeing Board • Safer Slough Partnership • Slough Safeguarding Partnership – Children • Slough Safeguarding Partnership - Adults <p>Informal partnership boards, including:</p> <ul style="list-style-type: none"> • Leaders' Group (2040 Vision) • Regeneration, Economy & Skills Board • Joint Parenting Panel <p>Representation on outside bodies (excluding connected entities):</p> <ul style="list-style-type: none"> • Berkshire Healthcare NHS Foundation Trust • Berkshire Local Transport Body • Royal Berkshire Fire Authority • Thames Valley Athletics Centre Management Committee • Thames Valley Athletics Centre Trust • Heathrow Community Engagement Board • Parking & Traffic Regulation Outside London Joint Committee

		<ul style="list-style-type: none"> • Slough Local Access Forum • Groundwork South • South East Employers • St Mary's School Charity • Strategic Aviation Special Interest Group • Slough Community for Voluntary Service • Local Government Association
<p>Engaging with individual citizens and service users effectively</p>	<ul style="list-style-type: none"> • Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve communities, individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes • Ensuring that communication methods are effective and that members and officers are clear about their roles with regard to community engagement • Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs. • Implementing effective feedback mechanisms in order to demonstrate how their views have been taken into account • Balancing feedback from more active stakeholder 	<ul style="list-style-type: none"> • Council Plan • Slough 2040 Vision • Community Engagement Toolkit • Annual Equality and Diversity Report • Corporate health dashboard, including data on service and member enquiries, FOI requests and complaints • Annual complaints report to Audit & Corporate Governance Committee • Public consultation during annual budget setting process

	<p>groups with other stakeholder groups to ensure inclusivity</p> <ul style="list-style-type: none"> • Taking account of the impact of decisions on future generation of tax payers and service users 	
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Principle C - Defining outcomes in terms of sustainable economic, social, and environmental benefits

The long-term nature and impact of many of local government’s responsibilities mean that it should define and plan outcomes and that these should be sustainable. Decisions should further the organisation’s purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available

Sub Principle	Behaviours and actions demonstrating good governance	How will this be evidenced
Defining Outcomes	<ul style="list-style-type: none"> • Having a clear vision, which is an agreed formal statement of the organisation’s purpose and intended outcomes containing appropriate performance indicators, which provide the basis for the organisation’s overall strategy, planning and other decisions • Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer • Delivering defined outcomes on a sustainable basis within the resources that will be available • Identifying and managing risks to the achievement of outcomes • Managing service users’ expectations effectively with regard to determining priorities and making the best use of the resources available 	<ul style="list-style-type: none"> • Slough 2040 Vision • Five Year Plan • Inclusive Growth Strategy • Joint Wellbeing Strategy • Quarterly performance reporting to cabinet • Housing Strategy • Local Plan for Slough • Service plans and strategies • Corporate risk register • Internal officer boards, including <ul style="list-style-type: none"> ○ Risk and Audit Board ○ Corporate Oversight Board ○ Strategic Finance Board

Sustainable economic, social and environmental benefits	<ul style="list-style-type: none"> • Considering and balancing the combined economic, social and environmental impact of policies and plans when taking decisions about service provision • Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation's intended outcomes and short-term factors such as the political cycle or financial constraints • Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs • Ensuring fair access to services 	<ul style="list-style-type: none"> • Council Constitution – Part 3 – Responsibility for Functions • Cabinet report template and clearance processes • Slough 2040 Vision • Five Year Plan • Internal officer boards, including • Strategic Finance Board • Procurement Board
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Principle D - Determining the interventions necessary to optimise the achievement of the intended outcomes

Local government achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions (courses of action). Determining the right mix of these courses of action is a critically important strategic choice that local government has to make to ensure intended outcomes are achieved. They need robust decision-making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed frequently to ensure that achievement of outcomes is optimised.

Sub Principle	Behaviours and actions demonstrating good governance	How will this be evidenced
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<p>Determining Interventions</p>	<ul style="list-style-type: none"> • Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and associated risks. Therefore ensuring best value is achieved however services are provided • Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts 	<ul style="list-style-type: none"> • Council Constitution – Article 13 Decision Making and Part 3 – Responsibility for Functions, including Scheme of Delegation to Officers • Council Constitution – Financial Procedure Rules and Contract Procedure Rules • Cabinet report template and clearance processes • Business case templates • Community engagement toolkit • Internal officer boards, including <ul style="list-style-type: none"> ○ Procurement Board ○ Corporate Oversight Board ○ Strategic Finance Board ○ Risk & Audit Board • Internal Audit annual plan • Audit & Corporate Governance Committee work programme • Budget setting process, including capital programme and treasury management strategy
<p>Planning Interventions</p>	<ul style="list-style-type: none"> • Establishing and implementing robust planning and control cycles that cover strategic and 	<ul style="list-style-type: none"> • Slough 2040 Vision • Five Year Plan

	<p>operational plans, priorities and targets</p> <ul style="list-style-type: none"> • Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered • Considering and monitoring risks facing each partner when working collaboratively, including shared risks • Ensuring arrangements are flexible and agile so that the mechanisms for delivering goods and services can be adapted to changing circumstances • Establishing appropriate key performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measured • Ensuring capacity exists to generate the information required to review service quality regularly • Preparing budgets in accordance with objectives, strategies and the medium term financial plan • Informing medium and long term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy 	<ul style="list-style-type: none"> • Performance management framework • Quarterly reporting to cabinet on performance indicators • Budget setting cycle, including capital programme, treasury management strategy, MTFS • Quarterly reporting to cabinet on budget • Internal Audit Plan • External Auditors reports • Informal partnership boards, including: • Leaders' Group (2040 Vision) • Regeneration, Economy & Skills Board
<p>Optimising achievement of intended outcomes</p>	<ul style="list-style-type: none"> • Ensuring the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints • Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term • Ensuring the medium term financial strategy sets the 	<ul style="list-style-type: none"> • Council Constitution – Budget and Policy Framework Procedure Rules and Financial Procedure Rules • Budget setting process, including MTFS, capital programme and treasury

	<p>context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage</p> <ul style="list-style-type: none"> • Ensuring the achievement of 'social value' through service planning and commissioning 	<p>management strategy</p> <ul style="list-style-type: none"> • Internal officer Strategic Finance Board • Contract Procedure Rules and internal officer Procurement Board
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Principle E - Developing the entity's capacity, including the capability of its leadership and the individuals within it

Local government needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mind-set, to operate efficiently and effectively and achieve intended outcomes within the specified periods. A local government organisation must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole. Because both individuals and the environment in which an organisation operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of individual staff members. Leadership in local government is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.

Sub Principle	Behaviours and actions demonstrating good governance	How will this be evidenced
Developing the entity's capacity	<ul style="list-style-type: none"> • Reviewing operations, performance and use of assets on a regular basis to ensure their continuing effectiveness • Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how resources are allocated so that defined outcomes are achieved effectively and efficiently • Recognising the benefits of partnerships and collaborative working where added value can be achieved • Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources 	<ul style="list-style-type: none"> • Capital programme • Asset acquisition and disposal strategies • ICT policies and strategies • Workforce strategy • Budget setting cycle • Formal partnerships: <ul style="list-style-type: none"> ○ Slough Wellbeing Board ○ Safer Slough Partnership ○ Safeguarding Executive Board • Informal partnership boards:

		<ul style="list-style-type: none"> ○ Leaders Group (2040 Vision) ○ Regeneration, Economy and Skills Board
<p>Developing the capacity of the entity's leadership and other individuals</p>	<ul style="list-style-type: none"> ● Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained ● Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body ● Ensuring the leader and the chief executive have clearly defined and distinctive leadership roles within a structure whereby the chief executive leads in implementing strategy and managing the delivery of services and other outputs set by members and each provides a check and a balance for each other's authority ● Developing the capabilities of members and senior management to achieve effective leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks by: <ul style="list-style-type: none"> ○ Ensuring members and staff have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged ○ Ensuring members and officers have the appropriate skills, knowledge, resources and 	<ul style="list-style-type: none"> ● Member development programme ● Local Code Governing Relations between Elected Members and Council Employees ● Council Constitution – Part 3 – Responsibility for Functions ● Council Constitution – Article 12 – Officer Roles and Statutory Officer Functions ● Council Constitution – Part 4.7 Officer Employment Procedure Rules ● Recruitment and selection policy and procedures ● Induction procedures and training and development processes ● Robust performance management mechanisms

	support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis	
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Principle F - Managing risks and performance through robust internal control and strong public financial management

Local government needs to ensure that the organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and are crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision-making activities.

A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery and accountability.

It is also essential that a culture and structure for scrutiny be in place as a key part of accountable decision-making, policymaking and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful service delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.

Sub Principle	Behaviours and actions demonstrating good governance	How will this be evidenced
Managing risk	<ul style="list-style-type: none"> • Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making • Implementing robust and integrated risk management arrangements and ensuring that they are working effectively • Ensuring that responsibilities for managing individual risks are clearly allocated 	<ul style="list-style-type: none"> • Corporate and directorate risk registers • Internal officer group – Risk and Audit Board • Annual Audit Letter • Internal Audit reports, including annual report • Audit and Corporate Governance Committee work programme
Managing performance	<ul style="list-style-type: none"> • Monitoring service delivery effectively including planning, specification, execution and 	<ul style="list-style-type: none"> • Council Constitution – Overview and

	<p>independent post implementation review</p> <ul style="list-style-type: none"> • Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation’s financial, social and environmental position and outlook • Ensuring an effective scrutiny or oversight function is in place which provides constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing the organisation’s performance and that of any organisation for which it is responsible (or for a committee system). • Encouraging effective and constructive challenge and debate on policies and objectives to support to support balances and effective decision making • Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement • Ensuring there is consistency between specification stages (such as budgets) and post implementation reporting (e.g. financial statements) 	<p>Scrutiny Procedure Rules</p> <ul style="list-style-type: none"> • Council Constitution – Article 13 – Decision Making • Cabinet report template and clearance processes • Quarterly performance reports aligned to Five Year Plan priorities • Scrutiny work programme • Internal officer boards, including: • Executive Board – reviewing major projects, budget proposals, developing council strategies and policies, providing robust and constructive challenge and monitoring corporate performance, budget and risk. • Budget monitoring processes, including monthly reporting to directorates and quarterly to cabinet.
<p>Robust internal control</p>	<ul style="list-style-type: none"> • Aligning the risk management strategy and policies on internal control with achieving objectives • Evaluating and monitoring risk management and internal control on a regular basis 	<ul style="list-style-type: none"> • Council Constitution – Article 9 Audit and Corporate Governance Committee • Council Constitution – Part

	<ul style="list-style-type: none"> • Ensuring effective counter fraud and anti-corruption arrangements are in place • Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor • Ensuring an audit committee or equivalent group/ function, which is independent of the executive and accountable to the governing body: <ul style="list-style-type: none"> ○ provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment ○ that its recommendations are listened to and acted upon 	<p>5.7 - Anti Fraud Corrupton Strategy and Policy</p> <ul style="list-style-type: none"> • Internal officer boards: • Risk and Audit Board • Corporate Oversight Board • Information governance policies and procedures • Lessons learned on data breaches and annual report to Audit and Corporate Governance Committee • Complaints policy and annual reporting to Audit and Corporate Governance Committee • Internal Audit reports and annual report to Audit and Corporate Governance Committee • External Auditors reports
Managing data	<ul style="list-style-type: none"> • Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data • Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies • Reviewing and auditing regularly the quality and accuracy of data used in 	<ul style="list-style-type: none"> • Information governance policies and procedures • FOI publication scheme • GDPR / data protection training programme

	decision making and performance monitoring	
Strong public financial management	<ul style="list-style-type: none"> • Ensuring financial management supports both long term achievement of outcomes and short-term financial and operational performance • Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls 	<ul style="list-style-type: none"> • Council Constitution – Financial Procedure Rules • Council Constitution – Part 3.6 Scheme of Officer Delegation • Directorate internal schemes of delegation • Budget setting cycle, including MTFS, capital programme and treasury management strategy • Monthly budget monitoring reports to directorates • Quarterly budget monitoring reports to cabinet • Internal officer board Strategic Finance Board • Finance business partner for each directorate • Finance IT system controls

Principle G - Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.

Sub Principle	Behaviours and actions demonstrating good governance	How will this be evidenced
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<p>Implementing good practice in transparency</p>	<ul style="list-style-type: none"> • Writing and communicating reports for the public and other stakeholders in a fair, balanced and understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate • Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand 	<ul style="list-style-type: none"> • Cabinet template and clearance processes • Business plan templates • Communications strategy and website plan
<p>Implementing good practices in reporting</p>	<ul style="list-style-type: none"> • Reporting at least annually on performance, value for money and stewardship of resources to stakeholders in a timely and understandable way • Ensuring members and senior management own the results reported • Ensuring robust arrangements for assessing the extent to which the principles contained in this framework have been applied and publishing the results on this assessment, including an action plan for improvement and evidence to demonstrate good governance (the annual governance statement) • Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other, similar organisations 	<ul style="list-style-type: none"> • Publication of annual reports and Statement of Accounts on website • Annual Governance Statement published on website • Policy Statement on Corporate Governance reviewed annually • Quarterly reporting to cabinet on budget and performance management • Internal officer board – Executive Board responsible for having an overview of the council’s finances and budget, governance arrangements, monitoring corporate performance, budget and risk.

<p>Assurance and effective accountability</p>	<ul style="list-style-type: none"> • Ensuring that recommendations for corrective action made by external audit are acted upon • Ensuring an effective internal audit service with direct access to members is in place, providing assurance with regard to governance arrangements and that recommendations are acted upon • Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations • Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement • Ensuring that when working in partnership, arrangements for accountability are clear and the need for wider public accountability 	<ul style="list-style-type: none"> • Audit and Corporate Governance Committee – work programme and reporting cycle • Internal officer board – Risk and Audit Board • Internal audit work programme and reporting mechanisms • Reporting results of peer reviews and inspections to appropriate member level meeting • Annual governance statement process • Internal officer board – Corporate Oversight Board to review connected entity business plans • Statutory partnership boards, including Slough Wellbeing Board, Safer Slough Partnership, Safeguarding Partnerships
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SLOUGH BOROUGH COUNCIL

REPORT TO: Audit and Corporate Governance Committee

DATE: 14th September 2021 (as submitted to 29th July 2021 meeting)

CONTACT OFFICER: Steve Mair; Interim Asst. Director, Corporate Operations
(Section 151 Officer)
(For all Enquiries) (01753) 875368

WARD(S): All

PART I
FOR COMMENT & CONSIDERATION

RISK MANAGEMENT UPDATE – QUARTER 1 – 2021/221. **Purpose of Report**

The purpose of this report is to:

- Provide Audit and Corporate Governance Committee with the opportunity to comment and amend the Corporate Risk Register

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

That Audit and Corporate Governance 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 Community Strategy 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 and 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 **Corporate Risk Register**

5.1.1 The Corporate Risk Register, (attached at Appendix 1) was reviewed and updated by the Risk and Audit Board on 9th July 2021

5.1.2 The Risk and Audit Board are putting in place a rigorous process to ensure that Corporate risks are regularly reviewed and acted upon. It will ensure that they adequately reflect the current situation in the Council and address recommendations coming from reviews.

6. **Comments of Other Committees**

There are no comments from other Committees

7. **Conclusion**

That the Audit and Corporate Governance Committee note the report and details contained within the Corporate Risk Register.

8. **Appendices Attached**

Appendix 1 – Corporate Risk Register




9. **Background Papers**

None

SBC Corporate Risk Register

All 5 year plan outcomes							
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 business continuity plans for key locations and services. Risk Owner: Dean Trussler Delegated Risk Owner: Last Updated: 19 Jul 2021	<p>Description The Council's business continuity plan was last reviewed in 2019.. The internal Audit review in 2021 has provide a partial assurance. 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.</p>	<p>I = 4 L = 6 24 To I = 4 L = 6 24</p> <p>=</p> <p>=</p>	Emergency Planning and Business Continuity awareness programme delivered to mangers	<p>I = 4 L = 3 12 To I = 4 L = 3 12</p> <p>=</p> <p>=</p>	Training for mangers is booked. Awaiting to get e learing package online. Training programme to be delivered by December 2021	<p>I = 2 L = 3 6 To I = 2 L = 3 6</p> <p>=</p> <p>=</p>
				Emergency Planning and Business continuity lead in place		Person Responsible: Dean Trussler	
				External assistance to help develop the plan		To be implemented by: 31 Dec 2021	
				There is a documented process for undertaking business impact analysis and risk assessments at Service, Directorate and Council-wide		To implement a plan to review Business Continuity Management in response to the organisation restructure and availability of IT Disaster Recovery Person Responsible: Dean Trussler To be implemented by: 31 Dec 2021	

SBC Corporate Risk Register

Risk Ref	Risk Title	Description & Consequence	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Target Risk Priority
F&A 27	Financial sustainability, accounting, processes, commercial and other matters Risk Owner: Steven Mair Delegated Risk Owner: Last Updated: 19 Jul 2021	Description The Council faces a financial situation of an extremely serious nature: with a significant estimated unfunded financial deficit forecast. The approach to financial decision-making, leadership and management, processes, quality assurance and review, financial governance etc that has been adopted by the Council over a number of years was not robust and consequently highly detrimental to the Council. Contract Management also needs to be much improved Consequence The Council is now actively tackling its financial position and issues. Failure to have done so would have rendered the Council unable to fulfil its duties and acting illegally	I = 4 L = 5 20 To I = 4 L = 6 24 	The Council has recently appointed a new S151 officer. Additional specialist resources have been brought in to understand the nature and scale of the problems, which has culminated in the issuing of a s114 Report on 2nd July.	I = 4 L = 4 16 To I = 4 L = 4 16 	The S114 Notice and accompanying report sets out areas and measures in relation to the Council's finances and governance which require urgent attention. These measures are underpinned by a detailed action plan, and the S151 officer, working with colleagues, is leading on its implementation. Person Responsible: Steven Mair To be implemented by: 31 Mar 2022	I = 4 L = 2 8 To I = 3 L = 3 9 

SBC Corporate Risk Register

Risk Ref	Risk Title	Description & Consequence	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Target Risk Priority
240	Cyber Security Risk Owner: Alexander Cowen Delegated Risk Owner: Last Updated: 19 Jul 2021	Description Cyber attacks are increasing globally with increasing levels of success. The IT infrastructure inherited back from arvato is known to be neglected and potentially vulnerable. No dedicated cyber security staff were transferred to SBC and there is limited skill set	I = 4 L = 5 20 To I = 4 L = 5 20 = =	Contract external cyber security resilient service to strengthen response with Softcat security service. Quarterly Security Controls Assessment Breach Assessment for 3 Vectors annually Security Improvement Programme Leadership Core Security Policies	I = 3 L = 3 9 To I = 3 L = 3 9 = =	Increase Comms to staff to raise awareness of best practice and increase awareness (phishing attacks etc) Person Responsible: Alexander Cowen To be implemented by: 30 Sep 2021	I = 3 L = 2 6 To I = 3 L = 2 6 = =
		Consequence There is an inherent risk of security breach and data loss. A successful ransomware attack could leave Council data inaccessible unless a ransom was paid. There is a potential for network downtime and major service disruptions		Network boundary perimeter protection software (malware protection) are using a supported version of a product made by Clearswift, which have antivirus engines built in		Work to achieving PSN compliance Person Responsible: Alexander Cowen To be implemented by: 30 Sep 2021	
				Ensure security patching is up to date Person Responsible: Alexander Cowen To be implemented by: 30 Sep 2021			
		Ensure membership of SEGWARP and other government alert agencies Person Responsible: Alexander Cowen To be implemented by: 30 Sep 2021					

SBC Corporate Risk Register

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Risk Ref	Risk Title	Description & Consequence	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Target Risk Priority
						<p>Implement a cyber security plan and programme of work to increase security and reduce vulnerabilities, open actions are being addressed through the refresh of equipment</p> <p>Person Responsible: Alexander Cowen</p> <p>To be implemented by: 31 Dec 2021</p> <hr/> <p>Ensure there is an updated assessment of annual internal and external penetration testing for independent verification of potential weaknesses.</p> <p>Person Responsible: Alexander Cowen</p> <p>To be implemented by: 31 Dec 2021</p>	

Slough children will grow up to be happy, healthy and successful.

Risk Ref	Risk Title	Description & Consequence	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Target Risk Priority
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SBC Corporate Risk Register

Risk Ref	Risk Title	Description & Consequence	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Target Risk Priority
33	<p>Failure of Children's Social Care</p> <p>Risk Owner: Josie Wragg</p> <p>Delegated Risk Owner:</p> <p>Last Updated: 19 Jul 2021</p>	<p>Description Children's social care services are currently judged as RI having improved from Inadequate. It is important that the improvement journey continues Slough Children's Services Trust have recently published 2018-19 accounts indicating that there is a material uncertainty to going concern status due to there being no agreed plan to repay liabilities to the Council. There is a risk that directors may need to declare insolvency in the next 12 months. The publication of these accounts may lead to reputational damage to SCST and potentially to a lack of confidence from providers and staff. This in turn may impact negatively on outcomes for children. The Covid emergency has placed additional pressures on children's social care and higher caseloads have exacerbated issues with the..</p> <p>Consequence Poor outcomes for vulnerable children include risks to safeguarding.</p>	<p>I = 4 L = 5 20 To I = 4 L = 5 20</p> <p>=</p> <p>=</p>	<p>Interim DCS/Chief Executive appointed and recruitment process in place to recruit to permanent post.</p> <p>6-weekly contract monitoring meetings take place, including a review of performance against KPIs. Quarterly meetings of the Strategic Commissioning Group. SBC receive regular budget monitoring reports including updates on savings and on progress with implementation of additional financial controls by SBC.</p> <p>Finance directors from SBC and SCF meet regularly. Regular Transition Steering Group meetings with the Company, DfE, Commissioner and SBC senior officers in attendance. Review of rapid Improvement Plan, recommendations from DfE with counter response from SBC</p> <p>Joint Parenting Panel i.e. through the Corporate Parenting Strategy and related Action Plan, that JPP ensures the effective discharge of the corporate parenting role.</p>	<p>I = 3 L = 4 12 To I = 3 L = 4 12</p> <p>=</p> <p>=</p>	<p>Person Responsible:</p> <p>To be implemented by:</p>	<p>I = 3 L = 4 12 To I = 3 L = 4 12</p> <p>=</p> <p>=</p>

SBC Corporate Risk Register

Risk Ref	Risk Title	Description & Consequence	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Target Risk Priority
				<p>Regular Transition Steering Group meetings with Trust representatives, DfE, Commissioner and SBC senior officers in attendance. PeopleToo have been commissioned to conduct business analysis work. Transition Project Group to ensure individual workstreams are progressed to enable "go live" for new arrangements by 1 April 2021.</p> <p>Review of model for delivery of children's services undertaken in partnership with SCST, DfE and external partners</p>			

SBC Corporate Risk Register

Risk Ref	Risk Title	Description & Consequence	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Target Risk Priority
A&I 5	SALT Services Risk Owner: Johnny Kyriacou Delegated Risk Owner: Last Updated: 19 Jul 2021	<p>Description Speech and language therapy services constitutes as special educational provision outlined by the Children’s Act 2014 and SEND Reforms.</p> <p>Where SALT needs are identified in an Education and Health Care Plan, the Council is duty bound to meet the needs. The current investment in SALT service is inadequate, with increasing demand and numbers of SALT needs identified, current estimates place the investment with meeting approximately 70% of needs and a 3 year waiting list.</p> <p>Consequence The lack of investment in SALT provision has led to increased wait times and insufficient supply. This will inevitably lead to a growing number of tribunal complaints, and noncompliance with the statutory framework</p> <ul style="list-style-type: none"> • Damage to reputation • Risk of noncompliance with statutory framework • Risk of failure to meet strategic objectives of the Council 	I = 3 L = 4 12 To I = 3 L = 4 12 = =	Actions are in the process of being completed	I = 3 L = 3 9 To I = 3 L = 3 9 = =	Establish a market of independent SALT providers with competitive pricing models for schools to make own arrangements, where appropriate. Person Responsible: Johnny Kyriacou To be implemented by: 30 Sep 2021 Investment in preventative tools to help with early identification and response in schools, thereby delay and reduce the need for specialist intervention need Person Responsible: Johnny Kyriacou To be implemented by: 30 Sep 2021 Work with East Berks CYPIT group to establish a new service to meet needs of local children Person Responsible: Johnny Kyriacou To be implemented by: 31 Mar 2022	I = 3 L = 3 9 To I = 3 L = 3 9 = =

Slough will attract, retain and grow businesses and investment to provide jobs and opportunities for our residents

SBC Corporate Risk Register

Risk Ref	Risk Title	Description & Consequence	Inherent Risk Priority	Risk Control	Residual Risk Priority	Action Required	Target Risk Priority
38	information Governance and GDPR Risk Owner: Alexander Cowen Delegated Risk Owner: Last Updated: 19 Jul 2021	<p>Description GDPR came in May 2018. .</p> <p>There needs to be a corporate and local response to the implementation of GDPR</p> <p>The section that deal with Information Governance lacks resource</p> <p>GDPR has meant that workers who understand GDPR and how to mitigate the effects are becoming more valuable to all sectors, making it harder to fill posts with responsibility for GDPR</p> <p>Consequence If there is not an adequate response to GDPR there is a chance that there may fines, criticism from the information Commissioner Damage to reputations Civil Claims for damages</p>	<p>I = 3 L = 4 12 To I = 3 L = 4 12</p> <p>==</p> <p>==</p>	<p>Data Protection Informations assessment</p> <p>External review of compliance by RSM</p> <p>Initial data mapping completed by RSM</p> <p>Interim Data Protection Officer appointed</p>	<p>I = 3 L = 2 6 To I = 3 L = 2 6</p> <p>==</p> <p>==</p>	<p>Recruitment of permanent Data Protection Officer</p> <p>Person Responsible: Alexander Cowen</p> <p>To be implemented by: 31 Mar 2022</p>	<p>I = 3 L = 2 6 To I = 3 L = 2 6</p> <p>==</p> <p>==</p>



SLOUGH BOROUGH COUNCIL

Internal Audit Progress Report

For the Audit and Corporate Governance
Committee meeting on 29 July 2021

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.

1 KEY MESSAGES

The internal audit plan for 2020/21 was approved by the Audit and Corporate Governance Committee at the March 2020 meeting. This section provides an update on the key messages relating to the progress of the 2019/20, 2020/21 and 2021/22 plans, as at 16 July 2021.



2019/20 Internal Audit Plan

Since the previous Committee held in March 2021, we have finalised the **one remaining 2019/20** report (Business Rates) which resulted in a reasonable assurance opinion. [\[To note\]](#)

2020/21 Internal Audit Plan

As part of the 2020/21 Internal Audit plan, a **further 19 reports** have been finalised since the meeting held in March 2021. 17 of these reports provided assurance opinions, of which, reviews concluded with:

- eight reasonable (positive) assurance opinions,
- seven reports with partial assurance (**negative**) opinions (Temporary Accommodation, Payroll, Asset Register, S106 funds, Treasury Management, Health and Safety and Whistleblowing);
- one advisory report with significant weaknesses identified impacting the year end opinion (Council Subsidiary Companies)
- the remaining report (Debtors Management) resulted in a no assurance (**negative**) opinion.
- We have also finalised our Q3 Follow Up report, where we concluded that '**poor progress**' had been made with respect to the implementation of agreed management actions.
- In the follow up report, we are advising the Committee that they cannot place reliance on the accuracy of the management action reporting provided by Officers. We have agreed an additional action in the Follow Up report to address future reporting at the Audit and Governance Committee meetings.

Please see **Appendix A** for the executive summary details of the nine (eight assurance reviews and one follow up concluding little progress) negative assurance reviews issued since the last meeting. For details of all audits finalised to date, please see **Appendix B**. [\[To note\]](#)

In addition, we have issued a further 4 **reports in draft** from the 2020/21 plan and these are documented below in Section 2. [\[To note\]](#)

Impact on the 2020/21 Head of Internal Audit Opinion



Our annual opinion is on the Committee's agenda today as a separate paper. The 2020/21 is an overall negative (qualified) opinion concluding that 'The organisation does not have an adequate framework of risk management, governance or internal control'. The previous S151 Officer was advised of this position prior to his departure and the new S151 was advised of this position at our first meeting. We have also attended a recent Strategic Leadership Team meeting to discuss this in more detail with Senior Officers and discuss the importance of the internal audit programme and crucially the implementation of agreed management actions by Officers.



Senior Management Commitment - It should be noted that senior management have recognised the weaknesses in the control framework for tracking management actions. Significant progress has already been achieved in finalising all but two of the 2020/21 internal audit reports (noticeable improvements on previous financial years). Furthermore, there has been a re-allocation of roles with regards to the finalisation and tracking of internal audit reports, and we have also recognised a strong commitment from the new S151 Officer and Chief Executive to drive improvements in this important areas, given the number of action plans and recommendations that will need to be tracked, reported on and implemented in 2021/22 and beyond.

2021/22 Internal Audit Plan



As part of the current financial year Internal Audit Plan, **five reports** have been issued in draft. We have also started the fieldwork for three other audits.

Impact on 2021/22 Head of Internal Audit Opinion

The Committee should note that any negative assurance opinions ('Minimal Assurance' or 'Partial Assurance' opinions, or poor or little progress in relation to follow up reviews) and any advisory reviews where significant issues are identified will be noted in the annual report and may result in a qualified / negative annual opinion.

Where we have issued any negative opinions, these will impact our 2021/22 Head of Internal Audit Opinion, but further updates will be provided during the year.

We are still in the early stages of delivery of the 2021/22 Internal Audit plan. However, this Committee will need to carefully monitor the progress made by Officers to implement the management actions agreed from the 2020/21 Internal Audit reviews. All of the negative opinions from 2020/21 will be re-audited in 2021/22, including the advisory reviews where significant issues were identified.

Please note the Chair of this Committee receives a copy of all final reports throughout the year as they are finalised. **[To note]**



2 INTRODUCTION

This report provides a summary update on progress against the remaining audits from the 2019/20 internal audit plan and progress against the 2020/21 plan. The report is based on the position as at the 15th July 2021.

2019/20 Internal Audit Plan – Since the last audit committee in March 2021, the one remaining report relating to the 2019/20 audit plan has been finalised

- Business Rates – Reasonable assurance

2020/21 Internal Audit Plan - Since the last update provided in March 2021, the following **19** reports have been finalised:

- Debtors Management – No Assurance
- Payroll – Partial Assurance
- Temporary Accommodation – Partial Assurance
- Asset Register – Partial Assurance
- Health and Safety – Partial Assurance
- Section 106 Funds – Partial Assurance
- Whistleblowing – Partial Assurance
- Treasury Management – Partial Assurance
- Quarter 3 Follow Up – Little Progress
- St Mary's Church of England School – Reasonable Assurance
- General Ledger – Reasonable Assurance
- Creditors – Reasonable Assurance
- Capital Expenditure – Reasonable Assurance
- Planning Statutory Response Times – Reasonable Assurance
- Planning Performance Agreements – Reasonable Assurance
- Social Lettings Team – Reasonable Assurance
- Rent Accounts – Reasonable Assurance
- Discretionary Business Grants – Advisory
- Council Subsidiary Companies – Advisory (but significant weaknesses identified)

In addition, we have issued the following **two** reports in draft from the Internal Audit Plan for 2020/21:

- Business Rates – Issued 31st March 2021 (Reasonable Assurance)
- Follow Up Q4 – 26th May 2021 (Poor Progress)

2021/22 Internal Audit Plan

The Internal Audit Plan for 2021/22 was approved by the Audit and Corporate Governance Committee on 4th March 2021 (please note a revised 2021/22 plan is also on today's agenda for approval). Since the last update provided in March 2021, five 2021/22 reports have been issued in draft:

- Travel Demand Grant (Issued 14th May 2021)



- Children Missing Education (1st July 2021)
- Schools Audit – Cippenham Nursery School (5th July 2021)
- Rent Arrears Recovery (14th July 2021)
- IT Business Continuity and Disaster Recovery (15th July 2021)

3 OTHER MATTERS

3.1 Client briefings

We have issued a number of client briefings to Officers since the last Audit and Corporate Governance Committee meeting.

3.2 Changes to the plan

The following changes were agreed with the previous Section 151 Officer to the 2020/21 plan since the last meeting:

Note	Auditable area	Reason for change
6	Governance	Following discussions with the previous S151 Officer, it was agreed that the audit budget would be used to complete the Subsidiary Companies Governance audit, given the significant findings identified and the additional time required to complete the review.
7	Transformation Programme Follow Up	At the request of the Chief Executive the review was deferred to the 2021/22 Internal Audit Plan, owing to the impact of the Council's restructure programme.

The changes below have been previously reported to the Committee:

Note	Auditable area	Reason for change
1	Parish Council Governance	At the request of the Director of Finance and Resources, we have cancelled the Parish Council Governance review, and this is being replaced with a review of Leasehold Service Charges.
2	Discretionary Grant Funding	At the request of the Director of Finance and Resources, we have replaced the review of Mental Health Provision with a review of the processes and governance in place surrounding the funding provided to the Council for businesses that do not fall inside the main COVID-19 funding schemes.

3	Grant Funding	Initially we were informed of the Local Transport Revenue Block Funding grant was the only grant which required sign off in the current financial year. We have undertaken a review on the above to confirm the appropriateness of the grant spending in line with the conditions. Subsequently we were also informed of a further grant for the Bus Service Operators Grant, which we also delivered as part of the agreed Grant audit budget. However, we have been notified of two further grants (Dedicated Home to School Transport and Test and Trace Support Payment Scheme) which as part of the Grant conditions require sign off from the Chief Executive and Chief Internal Auditor, and we are in discussion with the Director of Finance and Resources about the best way to deliver these.
4	Cash Collection	Since the Council has moved to being cashless, we have replaced this review following discussion with the Executive Director, Corporate Operations with work undertaken in relation to the Council's Subsidiary Companies.
5	Continuing Healthcare	Following the request of the Executive Director, People (Adults) to postpone a review of Continuing Healthcare until the 2021/22 Internal Audit Plan, we have agreed to replace this review with a further grant funding review. A new scheme from central government in relation to the Test and Trace Scheme funding provided to the Council requires sign off from the Council's Chief Internal Auditor and Chief Executive.

3.3 Sector Update


Coronavirus workforce survey

The Local Government Association has published the latest findings from its monthly surveys of all councils in England and Wales collecting key workforce data on how the sector is responding to coronavirus. Key findings from the May 2021 survey includes:

- 38 per cent of councils reported recruiting additional staff in the week ending 7 May 2021;
- 24 per cent of councils reported that they had furloughed at least one member of staff. In total, responding authorities reported there were 3,938 staff furloughed in the week ending 7 May 2021, which was 0.8 per cent of the current workforce;
- the main reason given for furloughing staff was that the service had stopped (59 per cent) or that funding had stopped (33 per cent);
- 50 per cent of councils had redeployed staff; and
- when asked to assess the council overall, in terms of whether there are enough staff to run services normally or not, 53 per cent of councils reported they were not operating normally.

Local government finance

The Public Accounts Committee has published a report on local government finance. Despite receiving additional funding during coronavirus, many local authorities are in a 'precarious financial situation and will experience long-term financial effects' from the pandemic. Many expect to make cuts to their budgets for local services in 2021/22. The Public Accounts Committee says that the impact of the pandemic risks leading to reductions in services for local people even as council tax rises, meaning that local people could be paying more for less. Other key points include:

- 
- the Ministry of Housing, Communities and Local Government (MHCLG) was not sufficiently prepared for the local government finance implications of a severe emergency;
 - the pandemic has exposed limitations in the data that the MHCLG normally collects from local authorities, meaning it has not had a proper picture of local financial resilience; and
 - the MHCLG has not fulfilled previous assurances that it will be transparent about financial risk in the sector by sharing information with the National Audit Office.

Councils to test the use of digital tools in planning process

The Housing Minister has announced a £1.1m fund to test the use of digital tools and data standards across 10 local areas. The planning white paper 'Planning for the future', published in August 2020, proposed reforms to the planning system to streamline and modernise the planning process. By introducing a digital system that makes plans map-based and accessible online, local people will be able to engage with planning in their local area, which will help get homes built quicker.

Funding boost to develop new local design guide for housing development

A new national design code ensuring areas are beautiful, well-designed and locally led is being tested across 14 areas in England, the government has announced. The National Model Design Code (NMDC) will ensure future developments are beautiful and fit in with local character. 14 councils will receive £50,000 each to develop new design codes.

Councils given further £200m in next stage of successful rough sleeping programme

Robert Jenrick, Housing Secretary, has announced a further £203m fund which will be allocated to councils across England and will support vital projects such as shelters, specialist mental health or addiction services, and targeted support to help rough sleepers off the streets. This funding is one part of the £750m investment this year to tackle homelessness and rough sleeping and part of the government's drive to end rough sleeping by the end of this Parliament. Analysis of the Rough Sleeping Initiative, now in its fourth year, shows that the programme has reduced rough sleeping by almost a third compared to areas which have not taken part in the programme.

Councils given power to build more homes

The Ministry of Housing, Communities and Local Government (MHCLG) has announced that councils will have more freedom on how they spend the money from homes sold through Right to Buy to help them build the homes needed in their communities. It will also give councils more time to use receipts and to develop ambitious building programmes. The government wants homes supplied using Right to Buy receipts to be the best value for money, and to add to overall housing supply, to help towards delivering 300,000 new homes a year across England by the mid-2020s.

£212m investment in homes for rough sleepers

The MHCLG has announced £212m in funding for councils to support its aim of creating 6,000 dedicated homes for rough sleepers. Councils are invited to bid for a share of the £212m funding for the next 3 years as part of a total £433m investment in safe, long-term, stable and supported housing for rough sleepers.

Local government finance in the pandemic

The National Audit Office's (NAO) report examines if the MHCLG's approach to local government finance in the coronavirus pandemic enabled it to assess and fund the costs of new services which local authorities have been asked to deliver. It also examines whether the MHCLG fulfilled its responsibilities in securing financial sustainability across the sector. The report:

- looks at the financial health of the sector before the pandemic and the financial impact of the pandemic in 2020/21;



- prior to the pandemic, local authority finances were under pressure following a period of funding reductions, growth in service demand and delayed reforms to the local finance framework; and
- local authorities have forecast that the pandemic will create £6.9bn of cost pressures in 2020/21.
- examines action taken by the government to support the sector in 2020/21;
- assesses the effectiveness of government measures to support the sector in 2020/21; and
- examines the steps taken by government to support the sector's financial sustainability in 2021/22.

Timeliness of local auditor reporting on local government


The NAO has published a report on the timeliness of local auditor reporting on local government in England, setting out how the majority of local authorities, police and fire bodies failed to achieve reporting and audit deadlines despite a four-month extension in recognition of the pandemic. Key findings include:

- the timeliness of audit opinions in 2019/20 has deteriorated further from the 2018/19 audits, when around two-fifths of audit opinions were delayed;
- the pandemic has had a significant impact on delivery of the 2019/20 audits and the financial position of audited bodies;
- the late delivery of local audit opinions has delayed the audits for some government departments, impacting on the assurance Parliament receives over how taxpayers' money is used;
- the Committee of Public Accounts has continued to express concern about the system of local audit;
- concerns over the quality of local audit have been raised by the Financial Reporting Council (FRC) in its report on local audits in October 2020.

The ICAEW has also published its view following the NAO's report.

APPENDIX A - KEY FINDINGS FROM FINALISED 2020/21 INTERNAL AUDIT REPORTS

Detailed below are the High and Medium Priority Management Actions from negative opinion reports ie **Partial or No Assurance reports** (or **Poor or Little progress** for follow up reports) and any **advisory reviews where significant issues were identified** (in the exception format previously agreed by the Committee):

<p>Debtors Management 25.20/21</p>		<p>1 High 5 Medium 1 Low</p>
<p>Debt Reminders</p> <p>Through discussions with the Head of Transactional Finance and Accounts Receivable Team Leader, we were informed that an instruction had been made by the Director of Finance and Resources to stop debt reminders, however when reviewing an email from the Director of Finance and Resources instructing the temporary stop of recovery of debt by enforcement agents we found that it stated that bills and reminders were to continue to be issued in the usual way.</p> <p>Through review of email correspondence, we found that the Accounts Receivable Team Leader and Head of Transactional had been instructed to not send out debt reminders by the Service Lead Finance on multiple occasions after querying whether they could start issuing them again.</p> <p>If debt reminders are not issued to individuals, there is a risk that aged debts will continue to rise and that the chances of recovering debts will decrease the longer they remain outstanding. (High)</p> <p>Training</p> <p>Training relating to the raising of invoices is provided via the Council's e-Learning platform Cornerstone. Although not mandatory, those individuals responsible for completing accounts receivable functions are encouraged to complete the training module to ensure familiarity with expected processes.</p> <p>As part of the 19/20 Debtors Management review a management action was raised regarding the review and updating of all finance-based training, Additionally, staff using the Agresso self-service finance functions were to undertake relevant training with completion rates being reported at an appropriate forum and exception reports issued to managers with instructions for relevant staff to complete the training.</p> <p>Through discussions with the Head of Transactional Finance we were informed that the action had not been implemented.</p> <p>Through further discussions with the Interim Service Lead - Finance we were informed that the training material had not been updated and the training had not been carried out due to the Council restructuring, with the reasoning being that it would be an inefficient use of time and resources to train staff who may no longer be at the Council after the restructuring is complete.</p> <p>If staff do not receive suitable finance-based training, there is a risk that staff will take inappropriate actions with regards to accounts receivable processes, such as not obtaining supporting evidence for credit notes, which could lead to financial losses for the Council. (Medium)</p>		

Credit Notes

Through review of sample of 20 credit notes raised since April 2020 we found that:

- for 15 credits, authorisation had been obtained via the Agresso workflow and had occurred within a day of the credit note being raised;
- for all credits, the credit notes had been processed within a minimum of two days following approval; and
- for 14 credits, documentation supporting the raising of the credit note had been retained and matched the values of the credit raised.

For one of the samples we found that this did not relate to a credit note but a transfer from a suspense account and as such approval and supporting documentation was not required.

For the four credits without authorisation through the Agresso workflow, we were informed this was due them being bulk raised by AR as 57 credit notes had to be raised for the same value and confirmed that appropriate email authorisation was on file.

With regards to the five credit notes without supporting documentation, we found that for one of these nothing was on file as no documented evidence existed and for the remaining four, while we were supplied with reasons as to why the credit was raised no supporting documentation could be supplied to support the raising of the credit note.

As part of the 19/20 Debtors Management review a management action was raised for a reminder to be issued to staff and managers to add supporting documentation to Agresso when raising credit notes however we did not obtain any evidence that any reminders had been issued. If supporting documentation is not attached to credit notes on Agresso there is a risk that credit notes are approved without any basis which could result in financial loss for the Council. **(Medium)**

Parked Invoices

We found that a review of all parked invoices with due dates to 31 March 2020 had been carried that documented a reason to park each invoice, or had other information recorded regarding the status of the invoice such as whether it had been paid or written off. We found that the report contained 1037 invoices, with a total value of £4.8m.

We obtained a further report detailing parked invoices that was generated in November 2020 and through review found that the total parked invoice value had risen to £5.06m.

Through further analysis of this report we identified that 68% of this value was owed by 10 debtors. Three of these were business partners of the Council including Slough Children's Services Trust, East Berkshire CCG and Beechwood Secondary School and we were informed by the Accounts Receivable Team Leader that debt enforcement was not carried out against these clients, under the understanding of the Council's Director of Finance and Resources.

For two of the customers, Arvato Public Sector Services and First Beeline Buses, the Council was engaged in ongoing legal disputes, with the invoices remaining on hold in the event that the Council were to be successful in the dispute and the debts would be paid.

For one debtor, we found that six of their invoices had been parked due a rent deferral being agreed. The corporate customer, due to the impacts of COVID-19, had requested a rent deferral which we confirmed had been agreed and authorised by the Director of Finance and Resources through review of a letter to the customer.

For a further three, we found that these related to Adult Social Care customers that had deferred payment arrangements with the Council and as a result, debts could not be enforced until the Council were informed that the customer's property had been sold or that they had passed away.

In another Adult Social Care case, we noted that the customer had three invoices parked, one from July 2015 and two from June 2017. Through discussions with the Accounts Receivable Team Leader we were informed that since the initial review of parked invoices, no additional reviews have taken place due to debt recovery being on hold as a result of COVID-19.

If parked invoices are not periodically reviewed there is a risk that recovery action will not be pursued for these debts which could increase the amounts that are not recuperated by the Council. **(Medium)**

Debt Recovery Policy

Through review of the draft Income Collection and Debt Recovery Policy we found that it documented areas such as the policy objective, debts covered by the policy and disputed invoices, with additional relevant areas covered.

We noted that the policy was still in an incomplete, early draft format and were informed by the Head of Transactional Finance that due to significant work pressures and delays caused by COVID-19, the Council had not had time to complete the policy and submit it for approval and implementation. Without a defined process for debt recovery, including circumstance specific action to be taken, there is an increased risk that inconsistent debt chasing practices are followed. This in turn increases the risk that debts are not sufficiently chased and decreases the likelihood of debt recovery. **(Medium)**

Reconciliations

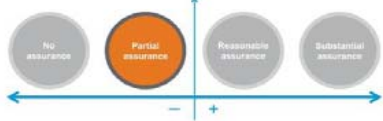
A review of Accounts Receivable reconciliations for the last three months found that while they had been completed for cash and control accounts for all months, we found issues with incorrect preparation dates being recorded for the four of the reconciliations and no dates or signatures recorded to show that the reconciliations had been reviewed.

We were informed by the Group Accountant that they will review the reconciliations and talk through any queries with the Accountancy Assistant should they arise, but a digital signature is not applied, or approval email sent. As a result, we were unable to confirm that any of the reconciliations had been reviewed and if these were completed in a timely manner.

If control account reconciliations are not carried out there is a risk that variances will not be highlighted or investigated within a timely manner which could lead to financial losses for the Council. **(Medium)**

1	<p>The new finance training manual will be introduced in April 2021 and all staff using Agresso self-service finance functions are to undertake relevant training, with completion rates reported to an appropriate forum.</p> <p>Exception reports of staff who have not completed the training will be forwarded onto managers with an instruction for relevant staff to complete the trainings.</p>	Medium	31 st July 2021	Tony McGuiness - Group Manager Operational Finance
2	<p>The Council will ensure a reminder is issued to staff and managers outlining the following requirements:</p> <ul style="list-style-type: none"> • For all staff to add supporting documentation on Agresso when raising credit notes; and • For all managers approving credit notes to ensure such documentation has been uploaded prior to approval. 	Medium	30 th April 2021	Mandy Richards - Accounts Receivable Team Leader

3	The issuing of debt reminders will be reinstated by the Accounts Receivable Team.	High	30 th April 2021	Mandy Richards - Accounts Receivable Team Leader
4	The Council will complete a review of parked invoices on a periodic basis, validating the reasons for parking amounts through the issuing of a parked debt report to relevant cost centre managers. The outcome of the reviews will be reported to the Service Lead Finance and escalated as appropriate.	Medium	31 st July 2021	Tony McGuiness - Group Manager Operational Finance
5	The Council will complete the Income Collection and Debt Recovery Policy which will be subject to formal review and disseminated to relevant staff, including the Accounts Receivable team.	Medium	31 st July 2021	Tony McGuiness - Group Manager Operational Finance
6	The dates that reconciliations have been reviewed by the Group Accountant will be recorded within the reconciliation spreadsheet. In addition to this, where hard copy reconciliations are unable to be signed off a digital signature will be applied to the reconciliation spreadsheet once it has been reviewed by the Group Accountant	Medium	31 st April 2021	Ishrat Fatima - Group Accountant

<p>Whistleblowing 4.20/21</p>		<p>2 High 3 Medium 4 Low</p>
<p>Whistleblowing Procedure</p> <p>Our review identified that there is no formal procedure relating to the whistleblowing process, which includes guidance on handling concerns and undertaking enquiries. Although an overview of the process is outlined in schedule three of the Confidential Whistleblowing Code, this does not provide adequate instruction or guidance for investigators on processes such as carrying out localised investigations and safely and securely holding documentation. There is a risk of inconsistencies in the whistleblowing process without a documented process, which may lead to issues when dealing with and escalating cases, which in turn can negatively impact staff confidence in the whistleblowing process. (High)</p> <p>Case Management System</p> <p>We confirmed through discussion with the Service Lead – Governance that the Council continued to use the IKEN legal management programme to record whistleblowing proceedings in lieu of a central case management system. Access to IKEN has not been granted to the Monitoring Officer nor investigators, prohibiting the monitoring of caseloads and progress. One of the roles of a Monitoring Officer is to be responsible for matters relating to the conduct of Councillors and officers. The programme also does not allow for the planning of investigations, recording of decisions nor extraction of statistics.</p>		

In addition to this and importantly, limited access means that there is a risk that the Council does not have an extensive, live record of whistleblowing concerns. **(High)**

Confidential Whistleblowing Code

The Confidential Whistleblowing Code has been produced to provide a reference point for staff with regards to whistleblowing matters. Although available as part of the Constitution, an individual document and via the SBC website, we found that these locations had not been shared with staff since April 2018. There is therefore a risk of a decreased employee awareness of the code. **(Medium)**

Mandatory Whistleblowing Training Module

A Whistleblowing with Confidence module has been created and made mandatory for all staff as per the management action from the previous review. Dashboard figures for the module identified 32 per cent of staff were overdue completing this training. The Head of Organisational Development informed us that the Council is beginning to follow up and chase individuals, however this process is yet to be formalised and may need to consider those who cannot access the module as well as ensuring managers address non-completion locally.

Without ensuring appropriate follow up is undertaken, there is a risk that staff do not complete the training and remain unaware of whistleblowing processes, limiting the number of concerns raised. This is supported by our survey findings where 44 per cent of respondents answered negatively when asked about the provision of whistleblowing training. **(Medium)**

Whistleblowing Practices Review

As part of the 2018/19 report it was agreed that a regular review of whistleblowing practices would occur covering staff awareness, training needs, effectiveness of investigations and integration into strategic governance. At the time of testing it was found that no such review had taken place. In the absence of a review of whistleblowing practices, there is a risk that the Council is unable to take assurance regarding the processes in place. There is also a risk that issues relating to the whistleblowing system are not identified and resolved, decreasing staff confidence in raising concerns. **(Medium)**

1	<p>The Confidential Whistleblowing Code will be subject to review and approval, including but not limited to the following:</p> <ul style="list-style-type: none"> • Ensuring the content reflects current processes (i.e. the current address); • Ensuring all references to appendices are correct and appendices reflect this; and • Ensuring all quoted legislation and regulatory information is in-date. • Ensuring reference is made to the author, approval date and review date. <p>The updated version of the code will then be made accessible to all staff, with its location regularly communicated.</p>	Medium	28 th May 2021	Hugh Peart - Monitoring Officer
2	<p>A formalised process for handling whistleblowing concerns will be agreed upon and a guidance document produced based on this.</p> <p>The document will make clear the expectations of all staff involved in the whistleblowing process, including but not limited to the following:</p>	High	28 th May 2021	Hugh Peart - Monitoring Officer

	<ul style="list-style-type: none"> Ensuring referrals are escalated as appropriate to the relevant members of staff (Service Lead Governance, Monitoring Officer); Ensuring details of all investigations are recorded on a central case management system; and Ensuring all investigation documentation and supporting evidence is saved onto a central case management system. <p>The document will then be shared with all relevant staff involved in the whistleblowing process, including management and investigators.</p>			
3	<p>The Council will implement a central case management system to be used to record the following:</p> <ul style="list-style-type: none"> All whistleblowing concerns raised; Investigation progress and outcomes; and Supporting documentation and information relating to investigations. <p>The system will be accessible to all staff involved in the receipt and investigation of raised concerns, with appropriate restrictions put in place to ensure confidentiality across cases.</p>	High	28 th May 2021	Hugh Peart - Monitoring Officer
4	<p>A formalised follow up and chasing process will be implemented including the following:</p> <ul style="list-style-type: none"> The incorporation of substitute training onto Cornerstone accounts; and The oversight of training completion to ensure managers are managing this locally. 	Medium	28 th May 2021	Jules Potter - Head of Organisational Development
5	<p>The Monitoring Officer will ensure that a formalised review of whistleblowing is completed on a regular basis, covering the following:</p> <ul style="list-style-type: none"> Staff awareness of whistleblowing practices at the Council; Whistleblowing training provided to staff and investigators; An evaluation of the effectiveness of investigations, the recording of documentation and the reported outcomes/learning points; and An evaluation of whistleblowing in supporting overall organisational strategic governance. The outcomes of the review will be presented to the Audit and Corporate Governance Committee for consideration. 	Medium	29 th April 2022	Hugh Peart - Monitoring Officer

Treasury Management 33.20/21



2 High
4 Medium
5 Low

New Loans

New loans are to be agreed in line with the Borrowing Strategy included as part of the Treasury Management Strategy. For a sample of ten new loans (since April 2020), we confirmed that these were with approved counterparties (per the Strategy and Arlingclose reports) and that loan amounts had been received via review of bank statements. Data analytics testing also confirmed that the end dates as per the terms for all current loans had not expired at the time of our testing, and as such the Council had no matured, overdue loans.

However, we were unable to confirm that the CHAPS receivables listing reports (which are reviewed and approved to reflect authorisation) for two of the loans had been suitably approved by authorised signatories, given that evidence of authorisation was not provided. The loans were both for £5m, giving a total of £10m and required authorisation from an authorised signatory. Without evidence of approval, there is a risk the Council is borrowing money outside of the approved authorised signatory framework, which could result in non-compliance with the Borrowing Strategy and potentially the Financial Procedure Rules and wider vfm implications. **(High)**

Internal Treasury Management Governance, Oversight and Reporting

Following instruction from the Director of Finance and Resources, the Treasury Management Board (TMB) has not met since June 2020 (in part to review reporting requirements and how this should be designed going forward). There has been no reporting of day-to-day treasury activity to any other operational forum in its absence, with only the in-year treasury position reported to Cabinet as part of the Treasury Management Annual Report in November 2020. As such as the TMB responsibilities to oversee overall control of treasury functions, ensure functions are adequate for demand and review treasury reports had not been assumed by any forum.

We were advised that there are plans to bring a treasury report to the Cabinet Commercial Sub-Committee, however this had not commenced at the time of our review. If treasury management is not discussed at an appropriate Governance forum, there is a risk that operational activities and performance are not suitably scrutinised. **(High)**

Money Market Investment Interest

Interest amounts received for money market investments (where the Council invests surplus funds with approved counterparties) are based on variable rates and as such are determined by movements in the underlying interest rates. The calculations for monthly interest amounts can be accessed via the Logotech system, however at the time of our review there was no evidence that the Council was checking amounts received to the calculations for accuracy. Without such a check, the Council cannot be assured that correct due interest amounts have been received. **(Medium)**

For a sample of ten 'money market' investments made since April 2020, we sought to obtain the calculations for the most recently received interest amounts. We were not provided with these over the course of the review and as such could not confirm interest had been received and that amounts were correct. Where auditors are not given access to interest calculations, testing cannot be completed and therefore assurance provided to confirm correct amounts have been received. **(Medium)**

Cashflow Forecast

A cashflow forecast, detailing available cash funds, is maintained on the Logotech system. We obtained the overarching cashflow forecast for 2020/21, noting that this included breakdowns of expenditure and income for the period. We identified that the forecast had not been updated to include actual cashflows. The Group Accountant-Corporate (Capital, Treasury & SUR) informed us that whilst this information is recorded on the Logotech system, there is currently no way to prepare a report comparing actual and forecasted cashflows. Without this comparison, there is a risk that inaccurate forecasting is not identified and resolved to inform future cashflows, and associated investment or borrowing decisions, which could result in financial loss or have value for money implications. **(Medium)**

Cabinet Treasury Management Reporting / Member training

The Council's treasury position is presented to Cabinet as part of the Treasury Management Annual Report. The most recent report was brought to the Cabinet meeting in November 2020, outlining the Council's treasury positions for 2019/20 and as at October 2020. We noted that with the exception of one query, there was limited evidence of scrutiny of this within the meeting minutes.

A recent Public Interest report (for another local authority) identified that Council members responsible for reviewing treasury activity should receive sufficient training to allow for adequate understanding and the ability to scrutinise information. At the time of our review, although plans were in place to offer further financial training (including treasury), only an 'introduction to local government finance' session had been provided to Councillors. Without treasury management training, there is a risk that treasury activity is not subject to appropriate scrutiny and members may not hold sufficient treasury management skills to provide appropriate oversight and challenge. The Council's intention to bring a treasury report to the Cabinet Commercial Sub-Committee increases the importance of training. **(Medium)**

1	The Group Accountant - Corporate (Capital, Treasury & SUR) will ensure that interest amounts and calculations for money market investments are reviewed and reconciled for accuracy on a rolling basis.	Medium	30 th September 2021	Lubna Khan – Treasury Technician
2	The calculations and interest information relating to money market investments will be made accessible to the auditors during future reviews.	Medium	30 th September 2021	Lubna Khan – Treasury Technician
3	The Group Accountant - Corporate (Capital, Treasury & SUR) will ensure that all CHAPS reports, and the associated approvals, are retained on file. This may include saving and filing email approvals rather than retaining these in inboxes.	High	31 st August 2021	Lubna Khan – Treasury Technician
4	The Group Accountant-Corporate (Capital, Treasury & SUR) will liaise with Logotech to produce a report including forecasted and actual cashflows. This report will then be monitored to identify significant variances.	Medium	30 th September 2021	Lubna Khan – Treasury Technician
5	We will ensure that treasury management activity is internally reported and discussed at an operational level by an appropriate forum/group on a formal basis.	High	31 st August 2021	Lubna Khan – Treasury Technician



6	We will review the level of training offered to Councillors with regards to treasury management, with a focus on ensuring this is provided to members of the Cabinet Commercial Sub-Committee as a minimum requirement.	Medium	30 th September 2021	Tony McGuinness - Financial Controller
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Payroll 34.20/21		<p>1 High</p> <p>1 Medium</p> <p>2 Low</p>
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Access to Payroll Module

From a report of individuals who have access to the Payroll module of Agresso, we sampled a total of 20 individuals and confirmed two who were no longer employed by the Council (or the relevant third party). This was confirmed through discussion with the Head of T-HR and Payroll and searching on an establishment report (dated November 2020).

We confirmed that for one of the exceptions, the individual was a member of the Agresso Project Team, who had left the Council in September 2020. We were advised by the leavers' line manager (Agresso HR Consultant / Project Manager) that this had been due to an oversight on their part, having not completed a leaver form and subsequently not removed their access.

For the second employee, they had left arvato in November 2019, however their Active Directory (AD) account was only removed in July 2020. For a period of time (Nov 19 – Jul 20), this member of staff did have access to Agresso and the account was not de-activated in a timely manner. Further discussion with the Head of T-HR and Payroll identified that there is currently no detective mechanism to identify such instances where ex-staff accounts (from the Council, or any third parties) have not had their account closed.

We did however identify that there are some compensating controls which allow Council Officers to identify any inappropriate payroll transactions, specifically monthly prepared variation reports which highlight all payroll variances in excess of £2,000. There is also a monthly budget holder budget monitoring controls in place. Our testing during this review did not identify any exceptions in relation to the effectiveness of variation reports and their review. In spite of these compensating controls, the individual with access could have potentially made smaller payments (less than £2,000), which would be harder to detect by Council Officers.

If access to the Payroll system is not restricted to staff that require it, and access revoked for leavers in a timely manner, there is a risk of individuals with unauthorised access to the payroll system which could result in fraudulent or erroneous payments, and sensitive information such as bank details may not be kept secure. **(High)**

Expenses – Supporting Evidence

From a sample of 10 expense claims made since April 2020 we identified two claims where the claimant had not attached evidence to the form to substantiate the claim, and despite this, the claim had been approved by the Budget Holder. The expenses related to the purchase of a 'long extension pole for testing over height equipment' and 'Professional fees'. These claims amounted to £22.99 and £285.



If claims are not supported by receipts, there is a risk that Budget Holders cannot be assured that expenses paid are wholly and exclusively incurred on official Council business. This may lead to losses where the Council are paying fraudulent or erroneous expense claims. (Medium)				
1	The Agresso Project Team will complete periodic reviews of individuals with access to the Payroll system to ensure the system is only accessed by appropriate staff	High	30 th June 2021	Nicky Dear - Head of T-HR and Payroll
2	A reminder will be sent to Budget Holders informing them to only approve expenses relating to the purchase of goods and services should receipts be attached to the claim.	Medium	1 st August 2021	Surjit Nagra – Associate Director - Customer

<p>Temporary Accommodation Strategy (29.20/21)</p>		<p>1 High 3 Medium 2 Low</p>
<p>Timeliness of Homelessness Decisions</p> <p>We obtained a copy of the latest homelessness decisions report which details the amount individuals currently residing in TA, with this dated 8 March 2021, and identified from our analysis that 70 per cent (out of 258) were made more than 56 days after the application date (the requirement stipulated within section 188 of the Housing Act). Whilst we noted valid reasons for this (see detailed findings), we identified a lack of reporting around the timeliness of decisions taken within the monthly Housing Services Performance reports (November 2020 to January 2021 reviewed).</p> <p>If there is a delay in reaching a homelessness decision, there is an increased potential for ineligible households to remain in TA properties after the relief duty period of 56 days. There is therefore an increased likelihood that new applicants cannot be accommodated within the Council's TA property portfolio and so the TA Team are forced to use nightly rate shared and bed and breakfast properties which incur greater nightly rate charges. It is important to note that some of the issues cited above could contribute, if not rectified, to the Council not being in compliance with their statutory responsibilities outlined within the Housing Act 1996, Part VII, s188 and 193. (High)</p> <p>Housing Strategy</p> <p>We obtained a series of email correspondence held between the Housing Services Team (dated between August 2019 and January 2020), evidencing that a review of the Council's Housing Strategy was underway in consultation with external consultants Campbell Tickell. We also identified a copy of the draft strategy alongside its accompanying action plan, had been communicated to the Team with this clearly outlining how the Council will achieve its five-year strategy (to 2024).</p>		

Discussions with the Arrears and Investigations Manager identified that there was a lack of clarity over whether the strategy had been formally approved or adopted. At the time of our review, the Project Manager responsible for delivery of the strategy and action plan was currently on maternity leave and as such, we were unable to identify what the status of the strategy was. If a Housing Strategy is not in place and progress against actions is not monitored, there is an increased likelihood that organisational objectives may not be achieved. **(Medium)**

Monthly Monitoring

We were advised by the Arrears and Investigations Manager that the monthly Housing Services meetings have not taken place since August 2020 due to the impending Council restructuring which has meant that there is currently no Service Lead/ Associate Director in post with this position currently being recruited for. In absence of monthly monitoring of KPI indicators in relation to Housing Services, there is a risk that service level issues are not identified, investigated and rectified in a timely manner. We also noted two of the four TA KPIs (as at February 2021) were currently red RAG rated, emphasising the need for periodic scrutiny of performance levels. **(Medium)**

Allocations

We selected a sample of 20 households that had entered TA between December 2020 and February 2021 in order to ensure all processes had been followed and corresponding documents had been retained on the digital image processing system (DIP). By means of a system walkthrough and review of the documentation, we confirmed that the correct process had been adhered to by the officers responsible. We noted however that the evidence of the referral documentation, licence agreement and copy of the Section 188 decision had been retained on the DIP for one of the sample. We also identified one instance where retrospective approval from the Arrears and Investigations Manager for a spot purchase (where third party housing is procured to home an applicant at first notice) had not been provided in a timely manner. Failure to retain all documentation relating to TA cases decreases the ability of the Council to demonstrate process compliance. **(Medium)**

1	In line with current plans, the Council will ensure that an up to date Housing Strategy is created. Additionally, progress against the action plan will be periodically monitored by an appropriate forum.	Medium	31 st December 2022	Richard West – Executive Director Customer and Community
2	Following completion of the corporate restructure, a new performance mechanism will be developed to reflect the new service. This will include periodic consideration of Temporary Accommodation related performance indicators.	Medium	31 st December 2021	Ian Blake - Group Manager - Accommodation
3	The Arrears and Investigations Manager will ensure that all approvals relating to TA, including spot placements are received. Furthermore, all documentation relating to the TA process will be uploaded onto the DIP.	Medium	1 st July 2021	Ian Blake – Group Manager Accommodation
4	The timeliness of homelessness decisions will be included within the monthly Housing performance reports.	High	1 st July 2021	Julie Render – Housing Demand Manager



Time periods exceeding 56 days will be highlighted and appropriately reviewed by either the TA Team or the Housing Demand Team.			
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Health and Safety (22.20/21)		1 High 2 Medium 5 Low
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Mandatory Training Compliance

We obtained a copy of a training compliance report (dated 7 January 2021) which evidenced that 68 per cent of staff (with a cornerstone account) had completed the Introduction to H&S module and 66 per cent had completed the Display Screen Equipment (DSE module). Given that the modules are mandatory, compliance is expected to be 100 per cent.

Through comparison against compliance rates reported as at 1 April 2020, we identified that compliance rates were at 62 per cent for each of the two modules. Whilst we noted some improvement in terms of compliance across the two modules, there are a significant number of the workforce who have not completed these modules.

If staff do not complete the relevant mandatory training, there is a risk that employees are unaware of the correct processes to adhere to in relation to health and safety matters. There is therefore an increased likelihood that inappropriate actions are followed not in line with the Council's Health and Safety Policy. **(High)**

Directorate Health and Safety Plans

Directorate Health and Safety Plans are standardised documents which highlight the measures that need to be introduced by each directorate to ensure the objectives set out within the Health and Safety Strategy are achieved. We obtained copies of the most recent iterations of the Health and Safety Plans for each directorate, noting that Adult Social Care (ACS), Transformation and Place and Development had not reviewed their plans in the last six months. We also noted that across the five directorates a total of 49 actions in relation to the plans are currently overdue.

Our review of DMT meetings of each directorate identified inconsistencies with which how often H&S matters had been discussed, including review of these action plans. Where the Health and Safety Plans are not periodically reviewed, directorates cannot be assured around their progress against said plans. Additionally, without setting renewed target dates for actions not yet completed, the action plan is not reflective of intentions in relation to health and safety tasks. Therefore, there is a potential risk that actions are not completed and as such there is an increased likelihood that directorates are non-compliant with the Council's health and safety expectations. **(Medium)**

Self-Audits

We were advised by the Health and Safety Manager that Health and Safety self-audits have not been completed by any directorate in relation to the 2020/21 financial year. This was corroborated through review of the latest Health and Safety Plans of each directorate. We were further advised that directorates have had to prioritise other matters such as the continuation of their services owing to the ongoing COVID-19 pandemic. As such, health and safety self-audits have not been completed for the current financial year.

If self-audits are not carried out by each directorate, there is potential risk of inadequate review of health and safety processes in order to ensure any areas of weaknesses are resolved. Therefore, there is an increased likelihood that health and safety related incidents could occur. (Medium)				
1	A reminder will be sent to Associate Directors and Line Managers to chase mandatory training non-compliance. The Council will also consider measures to encourage completion of mandatory training modules.	High	31 st October 2021	Robin Pringle - Health and Safety Manager
2	Following completion of the restructure, the Council will implement a standardised framework for Directorate Health and Safety Committees. This will include a standardised approach to reviewing the progress of directorate action plans, self-audits and meeting frequency of H&S Committees as part of DMT meetings. In addition to this, the responsibilities of each directorate in relation to H&S will be documented within terms of reference.	Medium	31 st October 2021	Robin Pringle - Health and Safety Manager
3	Directorates will ensure that health and safety self-audits are completed across all service lines on an annual basis. The completion of these audits will be reported to the health and safety team and a log of self-audits completed will be maintained	Medium	31 st March 2022	Robin Pringle - Health and Safety Manager

Asset Register 19.20/21		1 High 2 Medium 2 Low
<p>Reconciliations between Finance and Asset Management Records</p> <p>We requested and obtained a listing of all assets acquired and disposed of in the 2019/20 financial year from both the Finance and Asset Management Teams. We reconciled the two sets of listings (from the Finance and Asset Management Teams) and identified a number of inconsistencies. At the date of review, we were unable to confirm whether these inconsistencies had led to the Terrier system not being updated, given issues with access to this system at the time of our review.</p> <p>We were advised by the Principal Asset Manager that no reconciliation between records held by Asset Management, Finance and Legal had been completed for the 2019/20 and 2020/21 financial years. As such, The Asset Management Team would be unable to identify any inconsistencies.</p> <p>If reconciliations between asset data and systems are not undertaken to ensure data accuracy, there is an increased risk that errors will not be identified, leading to inaccuracies in financial reporting. (High)</p>		

Asset Management Property Records Procedure


Our review of the Asset Management Property Records Procedure found the processes for managing the Council's property records had been documented. However, we found the management action agreed as part of the 2016/17, 2017/18, 2018/19 and 2019/20 audits of the Asset Register for the inclusion of other teams' responsibilities, such as Finance and Legal remained incomplete. No clear reasoning was established explaining why the action had not been implemented.

Failing to update and review procedural documents increases the risk that contents are not reflective of current practice and that outdated information is made available to staff. This may lead to inconsistent practices being adopted by staff. **(Medium)**

Periodic Revaluations

Our review identified that the Council's policy around performing periodic verification exercises (such as revaluation) is not formally documented. Whilst we identified that asset re-valuation had been conducted as part of the preparation of the 2019/20 Asset Register (see 'Revaluations' below), the absence of a clearly documented and robust process for conducting asset verification and valuation increases the risk that such verification exercises are not consistently carried out. **(Medium)**

1	<p>The Principle Asset Manager will undertake a review of the current Asset Management Procedure to determine the responsibilities of all involved departments and staff.</p> <p>The procedure will be updated to 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; • 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; and • The process for disposals and acquisitions of assets. • Upon review the document will be made available to members of the Asset Management, Finance and Legal Teams 	Medium	31 st October 2021	Stuart Aislabie – Principal Asset Manager
2	<p>The Principle Asset Manager will ensure periodic reconciliations are performed around:</p> <ul style="list-style-type: none"> • The reconciliation between the Land Registry and the Asset Register; and • Legal notices and the Asset Register. 	High	31 st December 2021	Stuart Aislabie – Principal Asset Manager
3	<p>The Group Accountant Corporate will fully document the verification / valuation process performed on Council assets.</p> <p>This will include documentation around the frequency with which various asset classes are verified / revalued, roles and responsibilities of key individuals as well as any other asset verification processes.</p>	Medium	31 st December 2021	Tony McGuinness – Financial Controller

<p>Section 106 Funds 38.20/21</p>		<p>1 High 4 Medium 2 Low</p>
<p>Council specific s106 policies and guidance</p> <p>The Council do not have a specific S106 policy linking to its Local Development Framework (2006-2026), and as such follows the National Planning Policy Framework (NPPF). The NPPF was updated in February 2019 and outlined the government's planning policies for England, with guidance on how these are expected to be applied and information on how planning obligations should be used, as well as the objectives that should be delivered through the preparation and implementation of plans and the application of the policies in the NPPF. Additionally, there is guidance for developers who are proposing to submit planning applications for residential and commercial schemes on the Council's website, with a suite of procedural documentation made available for developers and other members of the public.</p> <p>However, we noted that none of the procedural documentation uploaded to the Council website had been recently updated and did not state review frequencies, for example some of the documentation listed the Council's old address at the Town Hall as the place to send documentation back to. There is a risk that developers may not be provided with up to date guidance to provide assistance where they are proposing to submit planning applications for residential and commercial schemes in Slough. (Medium)</p> <p>Corporate s106 Monitoring group</p> <p>A Corporate s106 Monitoring group was set up in February 2020, with the Planning Manager as chair and consisting of budget holders that have been established within the different departments of the Council. The Group meet on a quarterly basis with the purpose of being proactive in looking at key sites for development, to ensure infrastructure identified to facilitate and measures to mitigate development.</p> <p>However, we noted that a terms of reference had not been developed and it was not evident that there had been discussion within the meeting on the three criteria stipulated by the NPPF and whether the developments would meet these. There is a risk that projects may not be subject appropriate assessment and scrutiny to ensure that these are meeting the Council's prescribed criteria prior to the commencement of work to ensure that s106 conditions can be agreed with developers where possible. (Medium)</p> <p>Monitoring of s106 funds</p> <p>Montagu Evans were commissioned to undertake a review in August 2019 to assess whether the Council should become a CIL (Community Infrastructure Levy) authority and it was decided that this would not be beneficial, with one of the main reasons being cited as high set up costs. S106 funds that have been received by the Council are monitored by the Accountant and Special Projects Officer (over seen by the Group Manager for Place Strategy) with the use of two spreadsheets (one for funds already received and one for funds due based on the s106 agreements signed).</p> <p>We reviewed the spreadsheets and noted that this captured information such as agreement numbers and total amount of funds contributed.</p> <p>However, we identified that of the 54 agreements detailed on the spreadsheet for funds not yet received, 50 had not yet been invoiced for by the Council, with some agreements dating back to 2011 not yet being invoiced for. This meant that at the time of testing, £6.75m of the expected £7m had not been invoiced.</p>		

There is a risk that funds may not be requested from developers prior to the commencement of developments to contribute to the community projects and schemes that offset the inconveniences of developments and ensure required community and social infrastructure is provided. This however is subject to the trigger points of the financial obligations as not all are required prior to commencement. **(High)**

In addition, without in-year monitoring of the total number of invoices expected to be sent and those that have been sent, as well as the associated monetary values, there is a risk that the Council has limited oversight of funds that have and have not been requested. **(Medium)**

Oversight from Planning Committee

The Planning Committee meet on a monthly basis to determine planning applications for major development. We reviewed the Planning Committee minutes for the three most recent meetings and confirmed that a list of planning applications was discussed at each meeting, with the outcome of decisions noted.

However, we identified that no update had been provided relating to the level of s106 funds/spend to either the Planning Committee or CMT since November 2019. There is a risk that senior management and members within the Planning Committee may not have adequate oversight of s106 funds available and the use of these for planned works within Slough to mitigate the impact of development. **(Medium)**

1	<p>A terms of reference will be developed for the monitoring group to document the remit of the group, including details such as;</p> <ul style="list-style-type: none"> • Required members of the group • Roles and responsibilities of the group (including the review and assessment of the s106 process, receiving reports of all new developments and assess these against the legislated criteria and development of SMART remedial actions) • Required meeting frequencies • Reporting requirements of the group (including updates on the level of funds and key fund movements). 	Medium	1 st November 2021	Daniel Ray - Group Manager - Planning
2	The Planning Department will review the developer guidance documents made available on the SBC website and update where required taking account of recent changes in requirements as a result of the Covid-19 pandemic and the Infrastructure Funding Statement, with updates reported to the Planning Committee.	Medium	31 st January 2022	Pippa Hopkins – Group Manager – Place Strategy
3	We will ensure that a timeframe is developed for the invoicing of s106 funds following completion of agreements and a formal s106 monitoring officer will be assigned with the responsibility of overseeing the s106 function.	High	31 st September 2021	Pippa Hopkins – Group Manager – Place Strategy
4	Discussions will be held between Finance and Planning to agree how the monitoring function will operate, however this will include in-year reporting of the total number of invoices expected to be sent and the total number of invoices that have been sent, as well as the monetary values associated with both. (This will be incorporated into the review of Funding Statements as per action six).	Medium	31 st September 2021	Pippa Hopkins – Group Manager – Place Strategy



5	We will ensure that guidance is reviewed within Infrastructure Funding statements and the Council will take appropriate action to ensure the level of funds are kept under regular review and the Funding Statements will be reviewed by the Planning committee. This will include monitoring of invoices expected to be sent and those actually sent for the year.	Medium	1 st November 2021	Pippa Hopkins – Group Manager – Place Strategy
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Follow Up Quarter 3 - 35.20/21	Little Progress (Negative Opinion)	1 High 5 Medium 0 Low
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Conclusion

Taking account of the issues identified in the remainder of the report and in line with our definitions set out in Appendix B, in our opinion Slough Borough Council has demonstrated **little progress** in implementing agreed management actions.

We identified through our fieldwork that the high priority action was fully implemented and from the ten medium management actions sampled, only five of these had been implemented, with one in progress and a further four actions which had not been fully implemented. It should however be noted that per the Council’s action tracking software all 11 actions had been shown ‘closed’ and therefore deemed implemented.

In addition, we conducted a deep dive into the Council’s action tracking software, which identified a number of issues including:

- 38 actions assigned to staff no employed at the Council
- Staff not updating actions to show how the gaps identified had been addressed.
- The Committee is not fully sighted on all High and Medium priority outstanding actions, as only those outstanding for the current and previous two financial years are included within the update report.

Advisory reports and associated actions are also not currently reported to the Committee. It should be noted that some of these actions have been agreed following significant weaknesses being identified and should therefore be included in future reporting

In summary, we are advising the Committee that they cannot place reliance on the accuracy of the management action reporting provided by Officers. We have agreed an additional action (action 6) for revised reporting to be included at future Audit and Governance Committee meetings.

1	Conflicts of Interest - The establishment list utilised within the Declarations of Interest Monitoring spreadsheet will be escalated to CMT where responses are not received.	Medium	31 st July 2021	Surjit Nagra - Service Lead People
2	James Elliman Homes - The Council will seek assurance that the plans have been approved by JV Partner members prior to the planning of projects.	Medium	30 th June 2021	Stephen Gibson - Executive Director Regeneration

	SUR will create a shared drive (restricted to relevant personnel) to enable access to legal documentation.			
3	Governance – Overview and Scrutiny Committee - As part of the Overview and Scrutiny Committee annual report process, the report will explicitly review the Committee's own effectiveness against the group's objectives, and this will feed into a 'Lessons learnt' action plan that will better enable the Council to review and comment on the report to provide feedback.	Medium	31 st August 2021	Dave Hounsell – Group Manager - Business Insight
4	Cippenham Nursery School - The School Business Manager will produce an action log for the Finance Committee and add actions where appropriate to the log from the most recent meeting's minutes. Actions will be assigned dates and owners.	Medium	Complete	Basia Dowling.- Headteacher
5	Cippenham Nursery School - The Headteacher will ensure that goods received notes are received, checked against the goods received and signed prior to authorising invoices for payment.	Medium	Complete	Basia Dowling.- Headteacher
6	Audit and Corporate Governance Committee - The reports detailing the implementation status of management action (provided to the Audit and Governance Committee), will be updated to include: <ul style="list-style-type: none"> All outstanding high and medium priority management actions, regardless of the period in which they were agreed; and All high and medium priority advisory actions or advisory actions where a significant number of actions have been agreed. 	High	31 st May 2021	Tony McGuinness – Financial Controller

Council Subsidiary Companies Review	Advisory	9 High 37 Medium 6 Low
<p>Conclusion</p> <p>Following the outcome of previous governance reviews undertaken on JEH and SUR the Council commissioned a further high-level review of the governance arrangements, financial controls and business plan risks across the Council's subsidiary companies. Our review involved reviewing the latest sets of management accounts at the time of the review, longer term business plans and consideration of these in comparison to current performance where appropriate and the financial and governance controls in place for the subsidiaries.</p> <p>Below is a list of the key risks (not all risks) identified across three areas:</p> <ul style="list-style-type: none"> Financial Risks Business Plan Risks 		

- Financial Controls and Governance Risks.

We have identified a series of significant weaknesses across the subsidiary companies covered by this review. Please note this was in no way a review of all of the operations or risk, governance or control arrangements in place at the companies. We are aware that Officers within the Finance team have also identified a number of additional areas of weakness.

SBC Officers response to the report and management actions contained within - as at July 2021:

“Following the internal audit recommendations across all of the companies, additional work has been commissioned with Local Partnerships to undertake deeper dives into specific matters to help to inform the development of an Action Plan and the scope of further company reviews. The Council has also introduced significant additional resource from a highly skilled dedicated resource to lead and drive a complete review of all governance, commercial and financial change across the companies.

A series of immediate measures have been introduced to mitigate against some of the recommendations, including the development of a Corporate Oversight Board, introduction of reporting where this has not taken place, clarification of roles and responsibilities, much enhanced reporting into Cabinet and complete and clear financial analysis and review on a staged basis.

Responses and milestones for all internal audit recommendations, Local Partnership recommendations and the outcome of the work of the Council’s new finance team will be included in a comprehensive Companies Action Plan, which will form part of the Way Forward paper, to be completed by the end of September 2021. This will set out the way forward across the companies to address the weaknesses and issues identified, together with clarification on responsibility for actions and target dates”.

Steve Mair, Section 151 Officer

James Elliman Homes - JEH

1	Gross Rental Income - Conduct a budget profiling exercise to ensure accurate alignment between budget and actual outturn.	High	TBC	
2	SLA For Support Staff - Conduct a budget profiling exercise to ensure accurate alignment between budget and actual outturn.	Medium	TBC	
3	Undertake a capitalisation exercise with a view to reducing the level of revenue expenditure.	High	TBC	
4	Journal COVID related costs into COVID-19 cost centre to monitor related expenditure.	Medium	TBC	

5	Ensure a plan is in place to attain properties in line with the Saville's Business Plan and ensure appropriate reporting of progress against plan.	Medium	TBC	
6	Review all properties rented to ensure that rental income is maximised, and rates are in line with the Business Plan, and where a shortfall is identified, consideration should be given for additional funding requirements from the Council to meet the plans.	High	TBC	
7	Revisit the loan schedule with JEH as part of a revised business plan and short and medium term cashflow	Medium	TBC	
8	Review the bad debt provisions to ensure these are in line with forecasts within the business plan and undertake corrective action to align with the plan.	High	TBC	
9	Review and revise the business plan to account for the changes as a result of BREXIT.	Medium	TBC	
10	Management should develop a Scheme of Delegation and accompanying set of Standing Financial Instructions based upon information contained within the ToR's, SLA, Articles of Association and Financial Procedure Note.	Medium	TBC	
11	The Council should review existing capacity within the finance team to define the resourcing need to permit regular Board financial reporting or consider whether this could be paid for from any profits made by James Elliman Homes.	Medium	TBC	
12	Management should update the risk register to ensure this is reflective of current operating conditions to enhance risk assessment and mitigation.	Medium	TBC	
13	Assess the level of need for a sub-group(s) to support the main JEH Board. Consideration will be given to the roles of responsibilities of any sub-group and the resource / support required for this group.	Medium	TBC	

14	Review the current reporting arrangement to ensure this remains reflective of the Councils information needs.	High	TBC	
Slough Urban Renewal - SUR				
15	The robustness of the Business Plan financial assumptions needs to be considered, given the unexpected timing of the £735k dividend (income) impacting significantly on year end projected performance.	Medium	TBC	
16	Discuss potential in-year costs with lettings agents considering project plans and revise up or down accordingly	Medium	TBC	
17	Review the dividends expected in light of potential reduced profit, and review against the assumptions within the Business Plan and potential impact on Council finances.	Medium	TBC	
18	Investigate the reasons for delay in the planning application and likelihood of reduction in dividends	High	TBC	
19	Review the impact of affordable housing on the finance required by the Council or partners where grants or public sector finance may be required.	Medium	TBC	
20	Ensure that the planning application addresses concerns raised by residents regarding the proposed development.	Medium	TBC	
21	The Council should identify the likelihood of the development not proceeding and the potential effects of a reduction in dividend should be recorded in the SUR Business Plan	High	TBC	
22	Develop a standalone Scheme of Delegation based on Schedule 6 and elements contained within the LABV that clearly sets out who has the authority to make decisions within SUR.	Medium	TBC	
23	Develop a standalone set of Standing Financial Instructions based on Schedule 6 and elements contained within the LABV which clearly explains the financial responsibilities, policies and procedures to be followed by the organisation.	Medium	TBC	



24	A management accounts summary should be incorporated into the main body of the SUR Board report with associated narrative on key financial variances	Medium	TBC	
25	The SUR Business Board and/or its SBC representatives, should formally present key performance information to the Councils Cabinet Commercial Committee on a quarterly basis to enhance central oversight in view of the JV agreement.	Medium	TBC	
26	See Management Action re Scheme of Delegation.	Medium	TBC	
DISH				
27	Tenant Bad Debt Provision - Review bad debt provision and increase if necessary – JEH set at 2% per annum.	Medium	TBC	
28	COVID Bad Debt provision - Review bad debt provision and increase if necessary – JEH set at 2% per annum.	Medium	TBC	
29	Management should develop a Scheme of Delegation to clarify the financial authority delegated to key members of DISH such as the Company Secretary and Board of Directors.	Medium	TBC	
30	Management should develop a set of Standing Financial Instructions to complement the Scheme of Delegation and to ensure financial transactions are compliant with the Councils objectives regarding DISH.	Medium	TBC	
31	The Council would benefit from a formal risk register to identify specific risks, assess, prioritise and develop corresponding responses / mitigations associated with the 54 properties.	Medium	TBC	







32	The Council should develop an SLA which includes the support services provided to DISH and the methodology for attributing cost.	Medium	TBC	
33	The Council must identify a suitable replacement for the role of DISH Company Secretary to ensure governance activities are carried out in line with the Articles of Association.	Medium	TBC	
DISH RP				
34	Review the agreement between the Council and DISH RP to ensure that the terms are feasible and contribute towards achieving the Council's and DISH RP's objectives.	Medium	TBC	
35	The Board should ensure that the Scheme of Delegation is clearly marked as so and includes the authority limits of DISH RP officers / members and should be stored with the Financial Regulations to ensure both documents complement each other.	Medium	TBC	
36	The Board should develop a financial reporting template to ensure it meets their information needs. This will promote the consistency of financial information received and support with comparability.	Medium	TBC	
37	The Board should commence identification of a suitable permanent Chair as DISH RP progresses through registration with the Housing Regulator. This will ensure a full set of Board Members upon registration.	Medium	TBC	
GRE5				
38	Arrangements should be reviewed to ensure that in the event of a refund process taking longer than anticipated that sufficient funds are in place to meet short term costs.	Medium	TBC	

39	Ensure that the best / worst and likely cases have been forecasted to ensure mitigating actions are taken in the event that income is reduced.	High	TBC	
40	Review the provisions to ensure sufficient funds are held in the event of costs not being fully recoverable.	High	TBC	
41	GRE5 should develop a Scheme of Delegation to ensure Members and employees clarity over decision authority.	Medium	TBC	
42	GRE5 would benefit from incorporating elements regarding financial conduct into standalone SFIs to complement a SoD.	Medium	TBC	
43	The Board should define its financial information needs to develop its financial reporting requirements to incorporate the format and frequency of reporting.	Medium	TBC	
44	GRE5 should include the risk date and current progress field to ensure risks are followed up on a timely basis and the register is kept up to date.	Medium	TBC	
45	As sole shareholder, the Council should develop/issue a Board Constitution including Terms of Reference to ensure GRE5 Board Members are clear on expectations regarding their roles and duties. The Council need to ensure that there are suitable members for the GRE5 Board in place and should consider whether sufficient training has been provided to allow Board members to undertake their roles in line with the requirements of being a director of a limited company	Medium	TBC	
46	The Council would benefit from expediting the Boards Terms of Reference / Appointment Letter to ensure this is issued to existing Members to better inform them of their roles and responsibilities.	Medium	TBC	









APPENDIX B - SUMMARY OF PROGRESS TO DATE








The tables below provides a status update on the summary of progress with the 2020/21 internal audit plan to date (29 June 2021).

2020/21 Internal Audit Plan

Assignment area	Fieldwork date/status	Draft report	Final report	Opinion	Actions		
					L	M	H
Debtors Management	Final Report	7 th April 2021	21 st June 2021		1	5	1
Cippenham Nursery School	Final Report	13 th July 2020	19 th August 2020		10	4	0
Business Continuity and Emergency Planning	Final Report	11 th August 2020	17 th September 2020		2	9	0
Council Tax	Final Report	11 th November 2020	14 th December 2020		2	1	1
Leasehold Service Charges	Final Report	11 th November 2020	19 th February 2021		1	5	0
Rent Arrears Recovery	Final Report	5 th November 2020	19 th February 2021		2	4	0

Whistleblowing	Final Report	14 th July 2020	4 th May 2021		4	3	2
Treasury Management	Final Report	28 th April 2021	11 th June 2021		5	4	3
Payroll	Final Report	14 th May 2021	21 st June 2021		2	1	1
Temporary Accommodation	Final Report	26 th May 2021	28 th June 2021		2	3	1
Health and Safety	Final Report	21 st March 2021	1 st July 2021		5	2	1
Section 106 Funds	Final Report	26 th May 2021	2 nd July 2021		2	4	1
Asset Register	Final Report	2 nd February 2021	1 st July 2021		2	2	1
Conflicts of Interest	Final Report	9 th July 2020	28 th July 2020		1	4	0

Risk Management	Final Report	27 th July 2020	20 th August 2020		5	5	0
Safety Advisory Group	Final Report	12 th August 2020	24 th August 2020		5	2	0
Council Buy Backs	Final Report	15 th September 2020	21 st September 2020		2	3	0
Our Lady of Peace Catholic Primary School	Final Report	3 rd November 2020	17 th November 2020		7	3	0
Khalsa Primary School	Final Report	28 th July 2020	4 th January 2021		3	1	0
James Elliman Homes	Final Report	6 th October 2020	19 th February 2021		1	3	0
Housing Benefits	Final Report	5 th November 2020	19 th February 2021		5	0	0
St Mary's Church of England School	Final Report	5 th March 2021	8 th June 2021		3	1	0

General Ledger	Final Report	5 th March 2021	11 th June 2021		2	4	0
Creditors	Final Report	30 th March 2021	14 th June 2021		3	4	0
Capital Expenditure	Final Report	25 th March 2021	16 th June 2021		2	1	0
Planning – Statutory Response Times	Final Report	25 th May 2021	30 th June 2021		3	3	0
Planning Performance Agreements	Final Report	8 th April 2021	30 th June 2021		2	5	0
Social Lettings Team	Final Report	8 th April 2021	1 st July 2021		7	2	0
Rent Accounts	Final Report	12 th April 2021	1 st July 2021		3	2	0
Follow Up Q1	Final Report	9 th July 2020	23 rd July 2020	Reasonable Progress	0	5	0

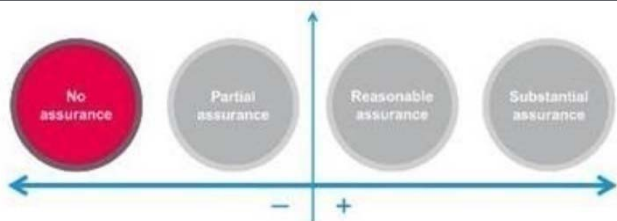


Follow Up Q2	Final Report	3 rd November 2020	12 th November 2020	Reasonable Progress	1	2	0
Follow Up Q3	Final Report	14 th May 2021	1 st July 2021	Little Progress	0	5	0
Grants – Local Transport Revenue Block Funding	Final Report	24 th July 2020	28 th July 2020	Advisory	0	0	0
Cyber Security	Final Report	31 st November 2020	4 th January 2021	Advisory	4	10	3
Council Subsidiary Companies	Draft Report	3 rd February 2021					
Business Rates	Draft Report	31 st March 2021					
Discretionary Business Grants	Draft Report	12 th April 2021					
Follow Up Q4	Draft Report	26 th May 2021					

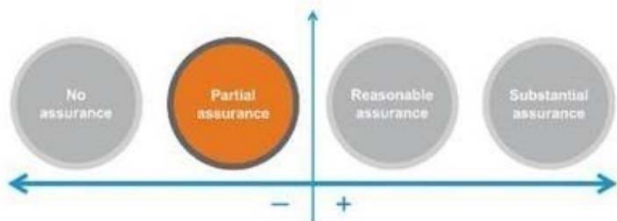
APPENDIX C: 2020/21 ASSURANCE OPINIONS

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.

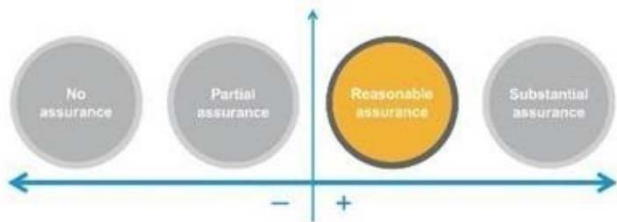
We use the following levels of opinion classification within our internal audit reports, reflecting the level of assurance the Council can take:



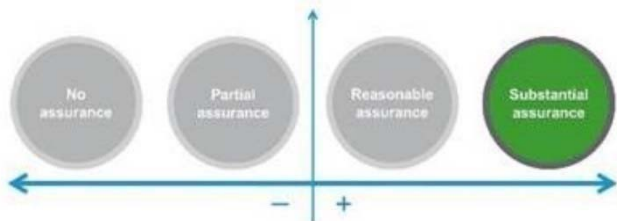
Taking account of the issues identified, the Council **cannot take assurance** that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective. Urgent action is needed to strengthen the control framework to manage the identified risk(s).



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.

FOR FURTHER INFORMATION CONTACT

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SLOUGH BOROUGH COUNCIL

Annual internal audit report 2020/21

7 July 2021

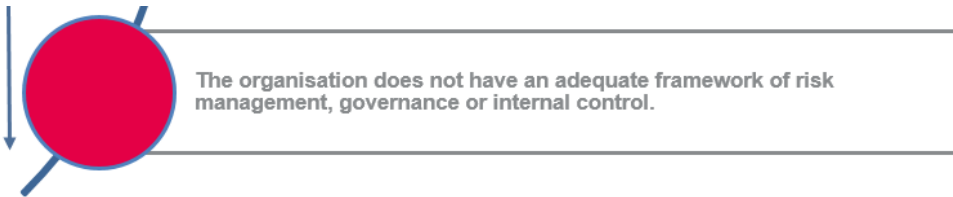
This report is solely for the use of the persons to whom it is addressed.
To the fullest extent permitted by law, RSM Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party.

THE ANNUAL INTERNAL AUDIT OPINION

This report provides an annual internal audit 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 reporting.

The opinion

For the 12 months ended 31 March 2021, the head of internal audit opinion for Slough Borough Council is as follows:



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Please see appendix A for the full range of annual opinions available to us in preparing this report and opinion.

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 a substitute for management responsibility around the design and effective operation of these systems.

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 and Corporate Governance (ACGC) committee, our opinion is subject to inherent limitations, as detailed below:

- Internal Audit has not 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 organisation-led Assurance Framework (Corporate Risk Register). As such, the assurance framework is one component that the Council takes into account in making its annual governance statement (AGS).
- The opinion is based on the findings and conclusions from the work undertaken, the scope of which has been agreed with management.
- 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.
- Internal Audit has not undertaken any internal audit coverage for Slough Children's Services Trust (now known as Slough Children First) during 2020/21 due to COVID-19 and at the request of the Trust's Director of Finance and we communicated this to the Councils S151 Officer.

- Internal Audit have been asked to defer the planned review of the Council's Transformation Plan into the 2021/22 plan. Internal Audit have not undertaken any work in relation to Budget Setting and Control and the Council's Medium Term Financial Strategy as part of the 2020/21 plan. While coverage was suggested as part of the Annual Planning Process, at the request (due to other sources of assurance being available) of the Executive Director: Corporate Operations (Section 151), this coverage was deferred to 2021/22.
- 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 our attention.
- Our internal audit work for 2020/21 has been undertaken through the substantial operational disruptions caused by the Covid-19 pandemic. In undertaking our audit work, we recognise that there has been a significant impact on both the operations of the organisation and its risk profile, and our annual opinion should be read in this context; and
- Our planned internal audit work for 2020/21 has been subject to some delay / postponement / cancellation. We are however of the view that sufficient internal audit coverage has been performed to allow the provision of the annual Head of Internal Audit Opinion for 2020/21 included in this report.

FACTORS AND FINDINGS WHICH HAVE INFORMED OUR OPINION

Governance

Our Governance opinion has been informed by our reviews of Subsidiary Companies Governance (advisory, but significant issues identified and 9 high and 37 medium priority management actions contained within the report), Cyber Security (advisory but significant issues identified – three high and 10 medium priority actions agreed) and Whistleblowing (partial assurance – negative opinion). In addition, our Follow Up reviews, conducted on a quarterly basis highlighted issues with the completeness and accuracy of the governance reporting within the Council to ensure that management actions have been implemented. This has been an ongoing issue identified and reported in previous financial years and urgent action is still required to ensure a robust governance process is in place to improve the control framework, via the implementation of agreed management actions, where both recent and historic issues and weaknesses have been identified.

Risk Management

Our risk management opinion has been arrived at by auditing the processes in place to manage risk within the Council and while the structures were in place and operating when this audit was undertaken during Q1 2020/21, we have identified a number of weaknesses in the risk management process, from our attendance at the Risk Board in 2020/21 (which has ceased to meet from April 2021, but meetings now re-convened from July 2021). A number of these weaknesses and concerns were raised by RSM in relation to the effectiveness of the Risk Board during 2020/21, including the lack of representation from all Directorates and the level of scrutiny and challenge of information within risk registers, the lack of reporting on key governance issues including the implementation of management actions agreed (to address known and new risks) as part of internal audit reviews and reporting to the Risk Board from key functions such as Business Continuity. We have agreed with the new S151 Officer and Chief Executive that we will continue to provide support and challenge to the Council by attending the Risk Board in 2021/22.

Our risk management opinion has also been informed by a number of the risk-based reviews, some of which concluded with negative assurance opinions.

Internal Control

We have undertaken a total of 40 reviews (including the risk management and governance audits), of which five were undertaken on an advisory basis, four were undertaken on a follow up basis (two positive, two negative opinions in relation to progress made) and a further 31 were assurance reviews. It should be noted that significant weaknesses were identified in the Subsidiary Companies Governance and Cyber Security Advisory reviews, which have also impacted our opinion, along with the negative assurance reports listed below. Of the 31 assurance reviews:

- one concluded 'no assurance' (negative opinion) could be taken;
- 12 concluded with 'partial' (negative opinion) assurance; and
- 18 concluded with 'reasonable' (positive) assurance opinions;

Debtors Management – No Assurance

We identified significant issues in relation to the review of parked invoices, issuing of debt reminders, raising of credit notes and the preparation of reconciliations. Furthermore, we also identified issues with the measurement and reporting of performance information for the Accounts Receivable department. A number of these issues were raised in previous reports issued in 2019/20 (No assurance) and 2018/19 and 2017/18 (Partial Assurance), and there is not sufficient evidence to demonstrate how the Council have addressed the risks identified. Significant weaknesses were raised in relation to the issuing of debt reminders, training in relation to the raising of invoices, evidence to support the raising of credit notes, the level of parked invoices (£5.06m as at November 2020), an incomplete debt recovery policy and evidence of timely review of Accounts Receivable reconciliations.

Council Subsidiary Companies – Advisory

Our review found significant weaknesses in the governance of the Council's Subsidiary Companies. The review raised a total of 52 recommendations with significant concerns identified around the governance of SUR, GRE5 and James Elliman Homes in particular:

- The Council need to review the key performance information (financial and non-financial) being presented to the Council's respective Committee(s) and ensure that this remains appropriate, with due consideration to the frequency of information being presented. If additional reporting is required, the Council need to ensure that the Finance Team have the appropriate level of resource to be able to meet any new requirements.
- The Council need to ensure that sufficient training has been provided to allow Board members to undertake their roles in line with the requirement of being a Director of a Limited Company.
- The Council should report on separate bodies they have set up or which they own as part of their annual governance statement (AGS) and give a full picture of their relationship with those bodies. We could see evidence of four of the subsidiaries (GRE5, JEH, SUR and Herschel Homes) within the scope of review within the AGS. We would recommend all other subsidiary companies (DISH, DISH RP and SLAM) are included in future AGS.
- Separate bodies created by local authorities should abide by the Nolan principle of openness, and publish their board agendas, minutes and annual reports in a consistent manner and in an accessible place.

While the review was undertaken on an Advisory basis and was a high-level overview of the governance of the Councils subsidiary companies, significant issues were identified and urgent action is needed to ensure the issues are addressed. Some of these issues have been identified in previous years internal audit work and actions agreed to address the weaknesses.

It should be noted that Officers were not in a position to agree all of the actions/recommendations in this report, given that additional work has been commissioned with Local Partnerships to undertake deeper dives into the specific matters to help inform a wider action plan. We are advised "*The Council has also introduced significant additional resource from a highly skilled dedicated resource to lead and drive a complete review of all governance, commercial and financial change across the companies*".

We were also advised that "a series of immediate measures have been introduced to mitigate against some of the recommendations, including the development of a Corporate Oversight Board, introduction of reporting where this has not taken place, clarification of roles and responsibilities, much enhanced reporting into Cabinet and complete and clear financial analysis and review on a staged basis.

Responses and milestones for all internal audit recommendations, Local Partnership recommendations and the outcome of the work of the Council's new finance team will be included in a comprehensive Companies Action Plan, which will form part of the Way Forward paper, to be completed by the end of September 2021. This will set out the way forward across the companies to address the weaknesses and issues identified, together with clarification on responsibility for actions and target dates".

Cyber Security - Advisory

We found that 14 of the 34 requirements from the five Cyber Essentials control themes had evidence to support the self-assessment that controls were established. Of the remaining 20 requirements, 16 did not have evidence to fully support the self-assessment score and for four, we agreed with the Council's assessment that these areas had not been fully implemented. The issues were identified across the Boundary Firewalls and Internet Gateways, Secure Configuration, Access Control, Malware Protection and Patch Management control themes, leading to three 'High', ten 'Medium' and four 'Low' priority management actions being agreed.

Overall, a range of issues exist that collectively increases the risk to the confidentiality, availability and integrity of Council information systems and operations. In particular, as a priority the Council need to review and enhance administrator account control, develop stronger procedures to remove access accounts for staff leavers, enhance firewall management, develop policies and procedures to set out the framework and intent for password control, data back-up management, default account management, end point malware protection, remote working and patch management and further develop software inventory management information.

Whistleblowing – Partial Assurance

Our audit found significant control weaknesses and absence of controls relating to the whistleblowing function at the Council. Despite improvement and clear implementation of two of the low priority actions previously agreed relating to staff awareness and specific investigator training, very little progress was noted with regards to many of the other key issues from the 2018/19 review. For example, the Confidential Whistleblowing Code had not been updated to ensure contents are reflective of practice and references are up to date, nor has this been shared with staff. In addition, a formalised process for handling concerns and investigations was yet to be prepared (procedure document) and a central case management system had not been implemented.

Our survey also identified that although staff awareness and knowledge of whistleblowing appeared to be positive, questions relating to the organisational culture to raise concerns and the confidence in the handling of these concerns were not answered favourably.

Treasury Management – Partial Assurance

We identified a number of areas of weakness as part of our testing. We found that the cashflow forecast was not updated with actuals to assess the accuracy of forecasting. Cashflow forecasting is critical given that the total external debt for the Council is in excess of £750m. We further found that internal treasury reporting of operational activities to the Treasury Management Board had ceased in June 2020 with no clear replacement Board / Governance forum apart from annually reporting the Treasury Management Strategy to Cabinet, thus limiting the level of ongoing governance, challenge and scrutiny of treasury management activity.

We were also unable to confirm CHAPS authorisation for two of our sample of new loans each valued at £5m, received no evidence relating to the interest amounts received for a sample of ten money market investments (and if they were therefore correct) and noted that there was no specific treasury management training for Council members.

Asset Register – Partial Assurance

We identified several control gaps which has impacted the maintenance of the Asset Management records. This includes the Asset Records Property Management Procedure which does not document the responsibilities for the wider council in relation to the register's maintenance. We also noted that the Council has not formally documented their policy around performing asset verification exercises.

The most significant issue identified was in respect of the Asset Management and Finance Team records (in relation to additions and disposals) not agreeing, in the absence of a reconciliation being performed between the various records maintained across the Council for either 2019/20 or the 2020/21 year (at the time of the audit).

Council Tax – Partial Assurance

Our review found that significant issues identified as part of both the 2019/20 review and previous reviews of Council Tax around the reconciliations process had not been rectified. Whilst we identified that progress had been made in re-designing the reconciliation process, we noted that prior year discrepancies of around £2.5m had not been fully investigated, nor had monthly reconciliations between the two systems been carried out in the 2020/21 financial year. Further areas for improvement were also been identified, including timely reviews of historic Council Tax debts.

Temporary Accommodation (TA) Strategy – Partial Assurance

We identified weaknesses in relation to the strategic monitoring and reporting, TA visits, the placement process and the timeliness of homelessness decisions, and the presence of an up to date Housing Strategy. In addition to these weaknesses, we also identified poor performance in relation to TA KPIs, where two of the four measures were RAG-rated red and one was RAG-rated as amber. These include the number of occupants in TA and both current and former rent arrears being more than the Council's target levels. As such the Council can only take partial assurance that homeless applicants are being placed in appropriate accommodation in a timely manner, and it is important to note that some of the issues cited above could contribute, if not rectified, to the Council not being in compliance with their statutory responsibilities outlined within the Housing Act 1996, Part VII, s188 and 193.

Business Continuity and Emergency Planning – Partial Assurance

Our audit identified that, whilst emergency planning and business continuity arrangements were in place, neither of the emergency plan, business continuity plan nor disaster recovery plan had been finalised at the time of our review, which were actions raised previously in our 2016/17 review. While we noted the Council's comprehensive response to the COVID-19 outbreak in the absence of the above, the review was intended to assess the framework in place for assisting officers in dealing with emergency events and arrangements for the continuity of business in the event of major incidents.

The draft emergency and business continuity plans were found to cover the key responses to incidents, define roles and responsibilities, outline expectations for reporting and provide linkage to the Civil Contingencies Act 2004. However, given that these had not been finalised we identified issues relating to the assigning of responsibilities, the provision of training and the testing of procedures. We also noted weaknesses with regards to the integration of Slough Children's Service Trust business continuity arrangements.

Corporate Health and Safety - Partial Assurance

Our audit found that whilst COVID-19 brought about the prioritisation of risk assessments, our review found Directorates were not periodically updating their Health and Safety Plans, nor completing self-audits of their areas, and this was underpinned by a lack of defined expectations for directorates in relation to health and safety. We also noted a significant amount of staff had not completed mandatory training relating to Health and Safety, resulting in a high priority action being agreed. Furthermore, two 'low' and two 'medium' priority actions were restated from the previous review.

Payroll – Partial Assurance

We identified two significant issues in relation to expense claims and access to the payroll system, where we have agreed one high and one medium priority management actions. Specifically, we found that expense claims were not consistently supported by receipts(where applicable) and we identified two individuals with access to the Payroll systems who were no longer employed by the Council or relevant contractors.

Rent Arrears Recovery – Partial Assurance

Our review identified key areas requiring improvement, namely the follow up of former tenant arrears balances below £3,000, the use of debt collection agencies without a contract or tendering and the reporting and monitoring of rent arrears collection performance in light of arrears levels increasing over the course of the COVID-19 pandemic.

Following analysis of the Council's debt profile of current rent arrears, we identified that this has increased significantly between August 2019 and September 2020. We noted that current arrears have increased by 35% to £1,944k between August 2019 and September 2020, with this likely to be attributable to impacts of COVID-19 on Slough residents.

Cippenham Nursery School – Partial Assurance

Our review identified weaknesses in relation to the approval of a budget (recognising that COVID-19 resulted in cancelled meetings where this would have been presented), Council approval for high value purchases, signing of goods received notes, a segregation of duties in the starter form completion process and carrying out timely DBS checks on new members of staff.

Leaseholder Service Charges – Partial Assurance

We identified a number of issues resulting in the agreement of five 'medium' priority management actions. These include a lack of a clear methodology policy for the apportionment of service charge costs, costs relating to grounds maintenance not being supported by verifiable data, the absence of mechanisms to ensure all costs incurred are charged as appropriate, a lack of awareness around processes for recharging costs associated with capital works to leaseholders and the absence of specific reporting around the recovery of service charges.

Follow up of previously agreed management actions

On a quarterly basis we also undertake follow up audits to substantiate the implementation of management actions previously agreed through review of supporting evidence. Whilst the Q1 and Q2 follow up concluded with reasonable (positive) progress opinions, this has declined for the Q3 and Q4 reviews, each concluding with negative progress opinions (Little and Poor progress respectively). This indicates a lack of robustness regarding the implementation and oversight / monitoring by the Council of the implementation of agreed management actions.

We have also identified issues with the completeness and accuracy of the management reporting to the ACGC on the status of the management actions agreed. This is an important issue that needs to be addressed so that the Committee can have full confidence in the information being provided, to be assured that appropriate and timely action is being taken to address identified weaknesses.

Topics judged relevant for consideration as part of the annual governance statement (AGS)

We have identified significant weaknesses in multiple areas of control and the control frameworks reviewed during 2020/21, as detailed in Appendix B below where only partial (negative opinions) assurance could be taken by the Council for 12 reviews, and one where no assurance (negative opinion) could be taken, over the effectiveness of the controls in place. We also undertook two advisory review in relation to Cyber Security and Council Subsidiary Companies which identified significant weaknesses that require urgent attention. Finally, two follow up reviews to review the progress made to implement previously agreed management actions identified that 'little' and 'poor' progress (negative opinions) had been made to implement these actions. Furthermore, we have also identified issues with the completeness and accuracy of the management reporting to the ACGC on the status of the management actions agreed.

The AGS should therefore include appropriate detail regarding the weaknesses identified and any actions that have already been taken by the Council to address the issues identified as part of audits where no assurance or partial assurance has been provided, the two advisory reviews (Cyber Security and Council Subsidiary Companies) and the two (negative) progress follow up reviews.

The AGS should therefore include detail regarding the reviews documented below as each contained significant issues which warrant inclusion in the AGS, along with the management action being taken to address the issues:

- Debtors Management
- Cyber Security
- Council Subsidiary Companies
- Whistleblowing
- Corporate Health and Safety
- Treasury Management
- Asset Register
- Council Tax
- Payroll
- Temporary Accommodation Strategy
- Follow Up Q3 and Q4

Senior Management Commitment - It should be noted that senior management have recognised the weaknesses in the control framework for tracking management actions. Significant progress has already been achieved in finalising all but two of the 2020/21 internal audit reports (noticeable improvements on previous financial years). Furthermore, there has been a re-allocation of roles with regards to the finalisation and tracking of internal audit reports, and we have also recognised a strong commitment from the new S151 Officer and Chief Executive to drive improvements in this important areas, given the number of action plans and recommendations that will need to be tracked, reported on and implemented in 2021/22 and beyond.

The AGS should also consider the current COVID19 pandemic and its impact on the operations of the Authority.

THE BASIS OF OUR INTERNAL AUDIT OPINION

As well as those headlines previously discussed, 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.

Acceptance of internal audit management actions

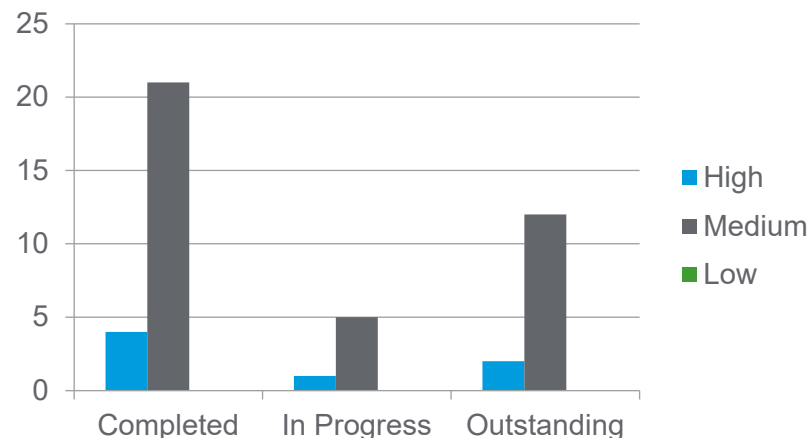
Management have agreed actions to address all of the findings reported by the internal audit service during 2020/21. At the time of the production of this report, 2 reports remain in draft at 16th July 2021, and we have been provided with assurance by management as part of the debrief meeting process that the management actions have been accepted.

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 the ACGC, 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 reviews concluded that **reasonable (positive) progress** had been made, whilst the Follow up for Q3 provided a **little (negative) progress** opinion and the Q4 Follow up provided a **poor (negative) progress opinion**. In addition, the Q3 Follow Up included a deep dive into the Council's action tracking system and identified a number of issues which means the Executive and ACGC cannot place reliance on the information provided on the implementation

of management actions. A summary of the implementation rate of the actions implemented can be found below.



Of the 45 actions reviewed across Quarters 1, 2, 3 and 4, we found that whilst 25 (55%) had been implemented, 14 actions (31%) were not implemented.

Working with other assurance providers

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

OUR PERFORMANCE

Wider value adding delivery

Area of work	How has this added value?
Sector Briefings	Issued briefings relating to the sector within our progress reports presented to the ACGC to assist officers and committee members in being informed on the latest developments within the sector.
Webinar invitations	Various invitations have been sent to management to attend webinars to inform of any sector and wider sector updates. Examples include VAT, Employment Tax and Change Management.
Off-payroll working / IR35	We have provided Emergency Services clients with updates in relation to the Off-payroll working / IR35 rules, following the launch of the Government review into the implementation of the changes to the off payroll working rules that will aim to determine if any further steps can be taken to ensure the 'smooth and successful implementation' of the reforms.
Coronavirus: Various briefings and webinars	RSM have delivered a number of webinars and client briefings in relation to Coronavirus (ranging from Government financial support for employers, fraud briefings, HR and Legal Support etc).
Audit Committee attendance	We have attended all ACGC and where appropriate contributed to the wider agenda.
Risk and Audit Board	We attend and contribute to the Risk and Audit Board meetings, helping 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.
Data Analytics	Through the use of data analytics, we were able to analyse, amongst other areas, the aged profile of the Council's former tenant arrears and debtors which has provided the Council with an appreciation of the issues they may face around the collectability of older debts and have also used data analytics where applicable through all finance work completed during 2020/21.

Conflicts of interest

We have undertaken additional work in the 2020/21 financial year covering the following areas;

- Procurement: We have supported the Council with the provision of its procurement service.
- Software: We provide the Council with Software to assist in tracking management actions and risk management processes.
- Consultancy Support - External contract management support to support the creation of a new Contract Management Function and support to investigate the historical financial performance of a contract with a third party provider, working alongside Council staff. Consultancy support from our HR team for gender pay gap reporting.

All this work was undertaken via separate letters of engagements, led by independent engagement partners and delivered by specialist staff separate from the core Internal Audit Team. We have considered as part of all of these additional engagements the safeguards required to be in place and are satisfied that these have been met.

When asked to undertake any additional roles / responsibilities outside of the internal audit programme, the Head of Internal Audit has discussed these areas with the Section 151 (S151) Officer and highlighted any potential or perceived impairment to our independence and objectivity. We have also reminded the S151 Officer of the safeguards we have put in place to limit impairments to independence and objectivity and how these continue to be managed.

RSM has not therefore undertaken any work or activity during 2020/2021 that would lead us to declare any conflict of interest or a self-review threat.

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.

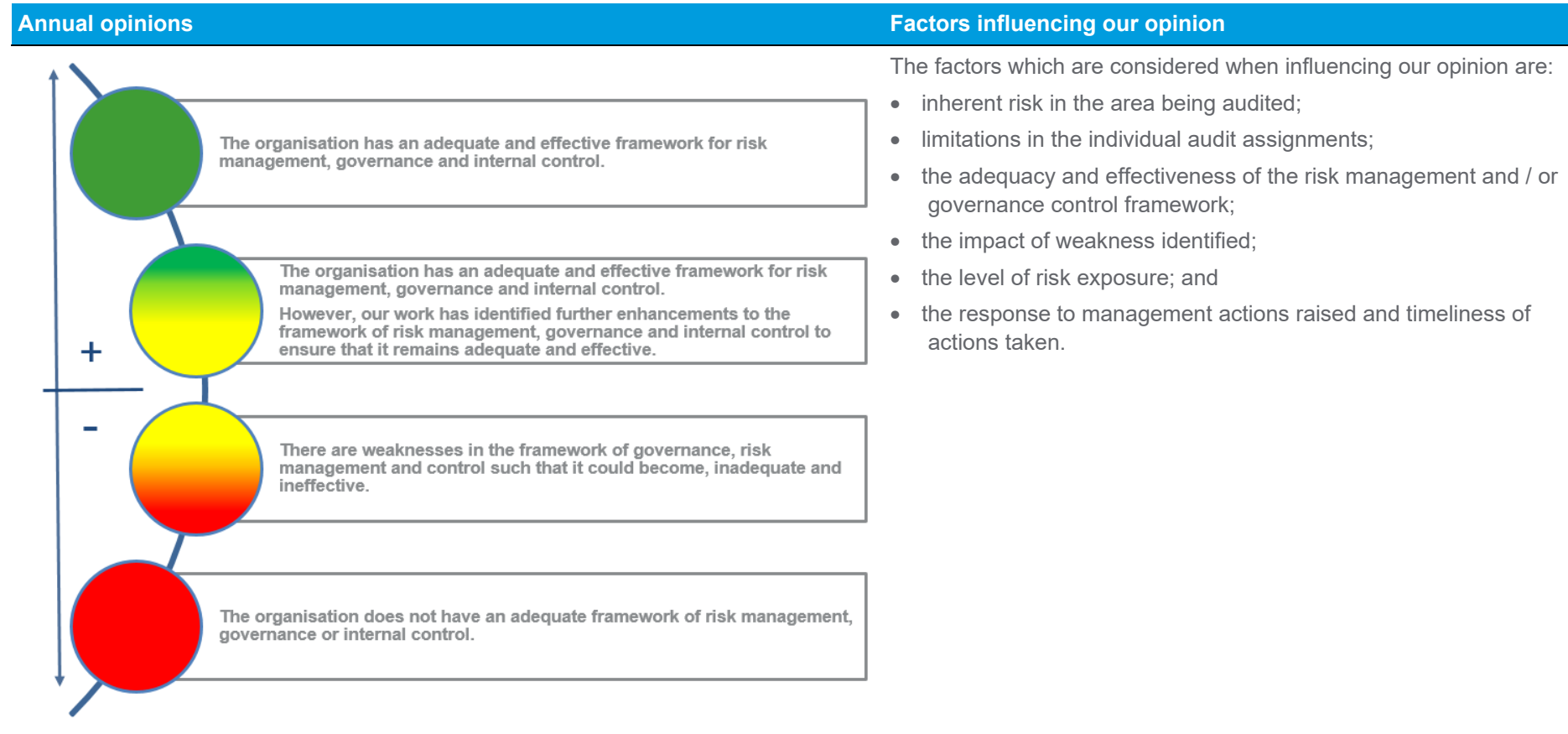
Quality assurance and continual improvement

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.



APPENDIX B: SUMMARY OF INTERNAL AUDIT WORK COMPLETED 2020/21

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.

Assignment	Executive lead	Assurance level	Actions agreed		
			L	M	H
Debtors Management	Neil Wilcox - Executive Director, Corporate Resources	No Assurance [●]	1	5	1
Council Subsidiary Companies Review	Neil Wilcox - Executive Director, Corporate Resources	Advisory – significant weaknesses [●]	6	37	9
Cyber Essentials	Neil Wilcox - Executive Director, Corporate Resources	Advisory – significant weaknesses [●]	4	10	3
Council Tax	Neil Wilcox - Executive Director, Corporate Resources	Partial Assurance [●]	2	1	1
Business Continuity and Emergency Planning	Neil Wilcox - Executive Director, Corporate Resources	Partial Assurance [●]	2	9	0
Treasury Management	Neil Wilcox - Executive Director, Corporate Resources	Partial Assurance [●]	5	4	2
Cippenham Nursery School	Cate Duffy / Director - Children, Learning and Skills	Partial Assurance [●]	10	5	0
Leaseholder Service Charges	Neil Wilcox - Executive Director, Corporate Resources	Partial Assurance [●]	1	5	0
Rent Arrears Recovery	Colin Moone - Service Lead, (Housing) People Services	Partial Assurance [●]	2	4	0
Corporate Health and Safety	Neil Wilcox - Executive Director, Corporate Resources	Partial Assurance [●]	5	2	1

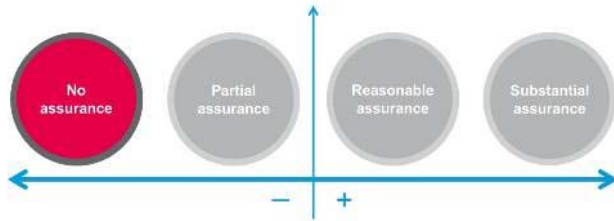
Assignment	Executive lead	Assurance level	Actions agreed		
			L	M	H
Temporary Accommodation	Richard West – Executive Director Customer and Community	Partial Assurance [●]	2	3	1
Asset Register	Neil Wilcox - Executive Director, Corporate Resources	Partial Assurance [●]	2	2	1
Whistleblowing	Neil Wilcox - Executive Director, Corporate Resources	Partial Assurance [●]	4	4	2
Payroll	Neil Wilcox - Executive Director, Corporate Resources	Partial Assurance [●]	2	1	1
Section 106 Funds	Neil Wilcox - Executive Director, Corporate Resources	Partial Assurance [●]	2	4	1
Follow Up Q3	Neil Wilcox - Executive Director, Corporate Resources	Little Progress [●]	0	5	0
Follow Up Q4 (Draft)	Neil Wilcox - Executive Director, Corporate Resources	Little Progress	-	6	2
Conflicts of Interest	Neil Wilcox - Executive Director, Corporate Resources	Reasonable Assurance [●]	1	4	0
Follow Up Q1	Neil Wilcox - Executive Director, Corporate Resources	Reasonable Progress [●]	0	5	0
Council Buy Backs	Joe Carter – Executive Director, Transformation and Neil Wilcox - Executive Director, Corporate Resources	Reasonable Assurance [●]	2	3	0
Follow Up Q2	Neil Wilcox - Executive Director, Corporate Resources	Reasonable Progress [●]	2	1	0
Housing Benefits	Neil Wilcox - Executive Director, Corporate Resources	Reasonable Assurance [●]	4	1	0

Assignment	Executive lead	Assurance level	Actions agreed		
			L	M	H
James Elliman Homes	Richard West – Executive Director, Customer and Community	Reasonable Assurance [●]	1	3	0
Our Lady of Peace Catholic Primary School	Cate Duffy / Director - Children, Learning and Skills	Reasonable Assurance [●]	7	3	0
Safety Advisory Group	Neil Wilcox - Executive Director, Corporate Resources	Reasonable Assurance [●]	5	2	0
Risk Management	Neil Wilcox - Executive Director, Corporate Resources	Reasonable Assurance [●]	5	5	0
School Audits - Khalsa Primary School	Cate Duffy – Director – Children, Learning and Skills	Reasonable Assurance [●]	3	1	0
Rent Accounts	Neil Wilcox - Executive Director, Corporate Resources	Reasonable Assurance [●]	3	2	0
Social Lettings Team	Richard West – Executive Director Customer and Community	Reasonable Assurance [●]	7	2	0
Schools Audits – Our Lady of Peace Catholic Primary School	Cate Duffy – Director – Children Learning and Skills	Reasonable Assurance [●]	7	3	0
Planning Performance Agreements	Stephen Gibson - Executive Director of Place	Reasonable Assurance [●]	2	5	0
St Marys CE School	Eleni Ioannides – Interim Executive Director for Children	Reasonable Assurance [●]	3	1	0
Business Rates (In Draft)	Neil Wilcox - Executive Director, Corporate Resources	Reasonable Assurance [●]	6	0	0
General Ledger	Neil Wilcox - Executive Director, Corporate Resources	Reasonable Assurance [●]	2	4	0
Creditors	Neil Wilcox - Executive Director, Corporate Resources	Reasonable Assurance [●]	3	4	0

Assignment	Executive lead	Assurance level	Actions agreed		
			L	M	H
Capital Expenditure	Neil Wilcox – Executive Director, Corporate	Reasonable Assurance [●]	2	1	0
Planning Statutory Response Times	Stephen Gibson – Executive Director, Place	Reasonable Assurance [●]	3	3	0
Grants - Local Transport Revenue Block Funding	Neil Wilcox - Executive Director, Corporate Resources	Advisory – no significant issues [●]	-	-	-
Grants – Test and Trace Funding	Neil Wilcox - Executive Director, Corporate Resources	Advisory – no significant issues [●]	-	-	-
Grants - Discretionary Grant Process	Neil Wilcox - Executive Director, Corporate Resources	Advisory [●]	1	1	1

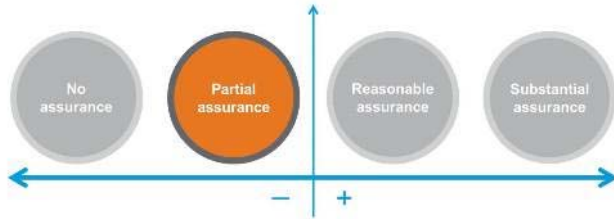
APPENDIX C: OPINION CLASSIFICATION

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



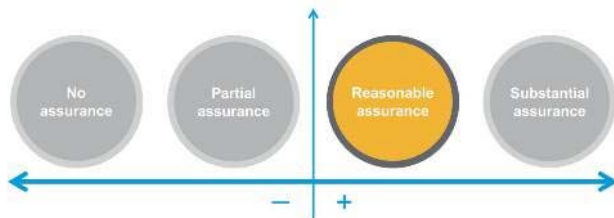
Taking account of the issues identified, the board cannot take assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective.

Urgent action is needed to strengthen the control framework to manage the identified risk(s).



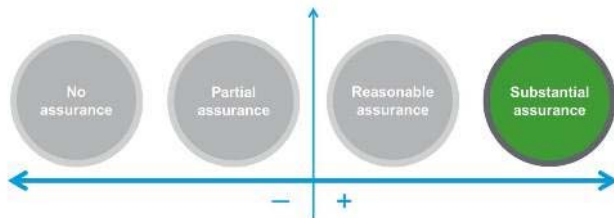
Taking account of the issues identified, the board can take partial assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied or effective.

Action is needed to strengthen the control framework to manage the identified risk(s).



Taking account of the issues identified, the board can take reasonable assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective.

However, we have identified issues that need to be addressed in order to ensure that the control framework is effective in managing the identified risk(s).



Taking account of the issues identified, the board can take substantial assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective.

YOUR INTERNAL AUDIT TEAM

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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.

SLOUGH BOROUGH COUNCIL

Internal Audit Strategy 2021/2022 - REVISED

Presented at the Executive Board in July 2021 and Audit and Corporate Governance Committee meeting of: 29th July 2021

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.

EXECUTIVE SUMMARY

In preparing our revised Internal Audit Plan for 2021/22 we have worked closely with the new Section 151 Officer to revise the plan presented and approved at the March 2021 Audit and Corporate Governance Committee (ACGC). This plan is mindful of the continuing developments and challenges around Covid-19, the recent S114 Notice and specifically focusses on re-auditing a number of the qualified internal audit reviews undertaken in 2020/21. Whilst this plan is presented for consideration by the ACGC, we will continue to hold regular meetings with management, during the year, to deliver an internal audit programme which remains flexible and 'agile' to ensure it meets your needs in these ever changing circumstances and as the conclusions and any actions of the MHCLG governance and financial reviews become clear.

The key points to note from our revised plan are:



2021/22 Internal Audit priorities: Internal audit activity for 2021/22 is based on analysing your corporate objectives, risk profile and Corporate Risk Register as well as other factors affecting you in the year ahead, including changes within the sector. Our detailed plan for 2021/22 is included at Section 1. Please note that we identified some weaknesses in the risk management framework in 2020/21 which means that **we cannot place full reliance on your risk management framework and the associated risk registers**. Furthermore, given the significant financial challenges facing the Council, we have agreed to target three reviews specifically around ensuring robust controls are in place surrounding significant areas of expenditure, including Creditors, Matrix and Capital Project expenditure.

Risk based reviews, designed to provide assurance over risks which are linked to your Corporate Risk Register and department risks include: **Capital Projects** – reviewing key projects - Tower and Ashbourne, **Contract Management** of the **Osborne Contract**, **Business Continuity**, **Health and Safety**, the refreshed **Medium Term Financial Strategy**, the revised **Budget Setting and Control framework** and **Temporary Accommodation** arrangements. Please note, we will ensure that coverage in these areas are carefully scoped to ensure that we are targeting the coverage in the right areas to provide assurance and/or advice on the arrangements in place to manage the risks.

We issued a total of 12 negative assurance opinions in 2020/21 comprising of **one 'No Assurance'** and **11 'partial assurance' opinions**. An audit of all of these areas will be undertaken in 2021/22 to provide assurance that the actions agreed have been implemented.

We will also be re-auditing the **Cyber Essentials** framework and the **Council Subsidiary Governance** audits, both undertaken in an advisory capacity in 2020/21, but both reviews identifying significant weaknesses in the control frameworks, resulting in the agreement of **12 high, 47 medium** and 10 low priority **management actions**.

We also concluded that an ineffective framework was in place to provide complete and reliable information to the Executive Team and ACGC on the progress made to implement previously agreed management actions. We have therefore included a provision within the internal audit plan to review this framework via our follow up coverage and assist management in putting a more robust and comprehensive control framework in place.



Level of Resource: We will continue to utilise our core internal audit team to deliver our plan of work and they will continue to be supported by the use of specialists where appropriate, for example Contract Management, Cyber Security and wider Technology Risk reviews, Risk Management specialists etc.

We will continue using technology when undertaking operational audits in 2021/22. This will strengthen our sampling, increasing the level of assurance provided. Please refer to Appendix A.



Assurance: The core assurance reviews for the 2021/22 audit plan includes reviews of: the Risk Management and Subsidiary Governance frameworks, the Key Financial Systems (such as Accounts Payable / Accounts Receivable / Payroll / Rent Accounts / Treasury Management / General Ledger), Key Revenues and Benefits systems (Council Tax, Business Rates and Housing Benefits) and the programme of Schools reviews.



'Agile' approach: Our approach to working with you has always been one where we will respond to your changing assurance needs. By employing 'agile' or a 'flexible' approach to our service delivery, we are able to change the focus of audits / audit delivery; keeping you informed of these changes in our progress papers to the ACGC during the year. This is particularly important during 2021/22 given the work of the MHCLG, tighter expenditure controls following the S114 notice and we will be holding monthly meetings with the Section 151 Officer to agree:

- any potential changes to the 2021/22 internal audit coverage (which will be reported to the ACGC)
- provide regular status updates on the programme of work, including any significant issues that may impact the year end opinion



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1. YOUR INTERNAL AUDIT PLAN 2021/22

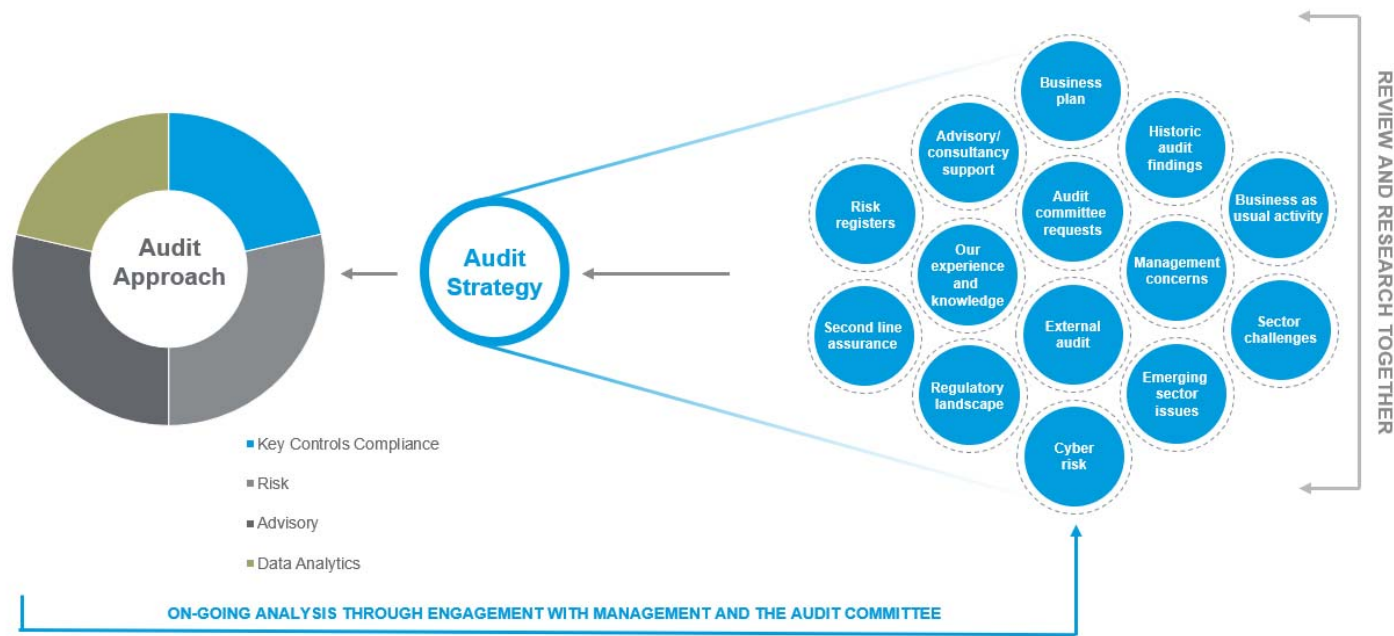
Our approach to developing your internal audit plan is based on analysing your corporate objectives, risk profile and assurance framework as well as other, factors affecting Slough Borough Council in the year ahead, including changes within the sector.

Risk management processes

We have evaluated your risk management processes and consider that we cannot place full reliance on your corporate risk register to inform the internal audit strategy. We have used various sources of information (see Figure A below) and discussed priorities for internal audit coverage with the following stakeholders:

- The CMT and wider leadership team, including all Directors and the Chief Executive
- Audit and Corporate Governance Committee
- The Section 151 officer
- Senior Leadership Team
- External Audit

Figure A: Audit considerations – sources considered when developing the Internal Audit Strategy.



Based on our understanding of the organisation, the information provided to us by stakeholders, and the regulatory requirements, we have developed an annual internal plan for the coming year and a high-level strategic plan (see Section 2 and Appendix B for full details).

2. INTERNAL AUDIT PLAN 2021/22

The table below shows each of the reviews that we propose to undertake as part of the internal audit plan for 2021/22. The table has been updated following the March 2021 ACGC and details the strategic and departmental risks (either by risk title or risk consequence depending on clarity of these) which may warrant internal audit coverage. This review of your risks allows us to ensure that the proposed plan will meet the organisation's assurance needs for the forthcoming and future years (noting the comments above regarding the risk management framework). As well as assignments designed to provide assurance or advisory input around specific risks, the strategy also includes; time for tracking the implementation of actions and an audit management allocation.

Audit Title	Proposed Coverage (including link to risk title / consequence where appropriate)	Proposed timing	Proposed AGC
Risk Based Coverage			
IT Business Continuity	<p>Risk Consequence - There is an inherent risk of security breach and data loss. This could lead to ICO fines for GDPR breach and reputational damage (CRR 240)</p> <p>At the request of the Council's IT Business Development Manager we are proposing to undertake a review of the Council's Business Continuity Arrangements from an IT perspective.</p> <p>Prior to their exit in November 2019, arvato were responsible for the Council's IT provision however now this service has been brought back in house and in light of recent IT incidents within the Council we will review the plans in place and whether the effectiveness and robustness has been tested. (Advisory)</p>	Q1	September 2021
Corporate Health and Safety	<p>Risk – Health and Safety of Staff (A & C 7)</p> <p>Following a 'partial' assurance opinion in 2019/20 and 2020/21, we will undertake a review to provide assurance that actions have been implemented to improve the robustness of the control framework in place. These include the monitoring of Health and Safety Training, regular meetings of Directorate Consultative Forums, appropriate oversight from the Health and Safety Board and conducting of directorate self-audits.</p>	Q3	December 2021
GDPR Post Implementation	<p>Risk Consequence - If there is not an adequate response to GDPR there is a chance that there may fines, criticism from the information Commissioner, damage to reputation or civil claims for damages (CRR 38)</p> <p>With the introduction of the General Data Protection Regulations in May 2018 and GDPR being a long-standing risk on the Council's Corporate Risk Register the review will consider the extent to which the Council is complying with the GDPR requirements. The scope of the review will be confirmed closer to the time. (Advisory)</p>	Q2	September 2021
Slough Children First (SC First)	<p>Various risks including Risk Consequence - Poor outcomes for vulnerable children include risks to safeguarding. Reputational damage to the council. (CR33)</p>	TBC	TBC

Audit Title	Proposed Coverage (including link to risk title / consequence where appropriate)	Proposed timing	Proposed AGC
	Following SC First becoming a wholly owned subsidiary of the Council, we have included a provision within the plan to allow the Council to take assurance over the arrangements within the SC First. The exact nature of any work will be scoped and agreed with the Interim Director of People (Children). (Assurance)		
Our Futures	<p>Risk: Savings target of £5.2m is not realised within the timescales and impacts the ability for the council to meet its MTFS. The delay to the consultation and response increased the lead in time for recruitment for the new structure and will increase the short term reliance on agency spend. (Our Futures Risk Register)</p> <p>Exact scope of the review to be agreed – potential coverage could include a benefits realisation review of the Council’s Transformation Plan, coverage of the Governance and Risk Management arrangements in place, change control arrangements in place and the lessons learnt process.</p>	Q3	Dec 21 / March 22
Capital Projects – Tower and Ashbourne	<p>Risk: Failure to ensure financial sustainability. (F&A27)</p> <p>Tower and Ashbourne House is located within the centre of Slough and the Council have awarded a contract for the redevelopment of the building, to be undertaken by HTA Design LLP. At the request of the Director of Corporate Resources, we will review the following significant projects within the Council’s portfolio with a particular focus on:</p> <ul style="list-style-type: none"> • The delegation of powers between SBC and partners • The timeliness of the process • Whether the projects have a sufficient level of governance in place, particularly in relation to the approval process • The process for the development and approval of business cases, including the funding / capital budgets • Benefits Realisation / monitoring of performance; • Risk Management arrangements; • The reporting of progress, including both financial and non-financial information. <p>(Assurance)</p>	Q3	Dec 21 / March 22
RMI Contract Management - Osbornes	<p>Risk Consequence: If the RMI contract is not managed appropriately, there is a risk to the Council’s reputation (PP82)</p> <p>At the request of the Director of Place and also the Neighbourhood and Community Services Scrutiny panel, we will undertake a review of the contract management arrangements with</p>	Q2	December 2021

Audit Title	Proposed Coverage (including link to risk title / consequence where appropriate)	Proposed timing	Proposed AGC
	Osborne to evaluate how the objectives and performance measures were being met and reported. Councillors and residents will be engaged in the review. (Assurance)		
Temporary Accommodation	<p>Risk: Failure to ensure that the council meets its statutory service requirements in homelessness, re-housing and emergency housing as well as compliance with health and safety regulations (CR3)</p> <p>Following a 'partial' assurance opinions in 2018/2019, 2019/20 and 2020/21 we will undertake a full review of the area to provide assurance that actions have been implemented to improve the robustness of the control framework in place including the monitoring of Health and Safety requirements over B&B accommodation, undertaking periodic visits to TA properties, issuing of notices to quit and procedures for breaches of licenses. (Assurance)</p>	Q3	December 2021
Cyber Essentials	<p>Risk Consequence - There is an inherent risk of security breach and data loss. This could lead to ICO fines for GDPR breach and reputational damage (CRR 240)</p> <p>Following an advisory review in 2020/21 and a number of significant actions (3 high, 10 medium and 4 low actions in total) being raised, we propose to undertake a further review of this area to confirm that actions have been addressed. Our audit would allow the Council to take assurance that good practice in cyber security is being implemented. We would utilise our Technology Risk Assurance team to undertake this review, and the exact nature of the scope will be agreed with the Director of Finance and Resources. (Advisory)</p>	Q3	March 2022
Business Continuity	<p>Risk 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. (CR8)</p> <p>Having been a constant risk on the Council's Risk Register over the previous four years, three negative opinions (Partial Assurance in 2020/21) on the controls in place to manage this area we will undertake a review to allow the Council to take assurance that effective arrangements have been implemented. (Assurance)</p>	Q2	Sept 2021
Budget Setting and Budgetary Control	<p>Risk: Failure to ensure financial sustainability (F&A27)</p> <p>Continued reduction to the Council's budget and the COVID-19 pandemic, leading to increased levels of service reductions and organisational wide transformation. The requirement for balanced corporate strategy that seeks to address the needs of vulnerable individuals whilst ensuring appropriate levels of service provision for the universal services.</p> <p>The audit will review the effectiveness of arrangements in place for financial planning and budgetary control to ensure that a realistic budget is set and that performance against this is rigorously monitored. (Assurance)</p>	TBC	TBC

Audit Title	Proposed Coverage (including link to risk title / consequence where appropriate)	Proposed timing	Proposed AGC	
Medium Term Financial Strategy	<p>Risk: Failure to ensure financial sustainability (F&A27)</p> <p>The Council must:</p> <ul style="list-style-type: none"> Set a balanced budget each year; Ensure it is financially sustainable in the medium term; and Maintain adequate reserves. <p>The MTFS brings together all known factors affecting the Council's financial position and its financial sustainability into one process. We will undertake a review of the Council's MTFS to understand whether the underlying assumptions are based on robust plans. (Assurance)</p>	TBC	TBC	
Core Assurance				
Business Rates		Q3	December 2021	
Council Tax		Q3	December 2021	
Housing Benefits		Q3	December 2021	
Treasury Management		Q3	December 2021	
General Ledger		Q3	December 2021	
Debtors	Coverage to provide assurance to the S151 Officer that robust systems of financial control are in place and being complied with. Coverage will also meet External Audit / Regulatory requirements and any management concerns.	Q3	December 2021	
Payroll		Q4	March 2022	
Capital Expenditure		Q4	March 2022	
Rent Accounts		Q4	March 2022	
Asset Register		Q4	March 2022	
Creditors		Q4	March 2022	
Rent Arrears Recovery		Following a 'partial' assurance opinion provided as part of both the 2019/20 and 2020/21 plans, we propose to undertake a further review to identify whether improvements identified have been undertaken to strengthen the control framework. (Assurance)	Q1	June 2021

Audit Title	Proposed Coverage (including link to risk title / consequence where appropriate)	Proposed timing	Proposed AGC
Grants	Following the completion of a number of grant returns in 2020/21 (including for example, the Bus Service Operators Grant) which require the sign of both the Chief Executive and the Head of Internal Audit we have included a provision to undertake reviews in our capacity of the Council's Chief Internal Auditor on the use of grant funding received, which will include review of evidence to substantiate claims. (Advisory)	Throughout the year	Not applicable – report to management
Risk Management	To allow the Council to take assurance over the effectiveness of risk management arrangements within the Council. This will include the use and management of both the Corporate and Service-level risk registers.	Q2	September 2021
Governance - Council Subsidiary Companies	To allow the Council to take assurance that key governance processes are in place and operating effectively within the Council over a range of the Council Subsidiary Companies. The specific area for coverage will be agreed through discussion with Council Senior management, given that this may be an area reviewed by MHCLG. We could also include a review (of a sample) of the 52 management actions agreed in the 2020/21 audit of this area.	Q3	March 2022
Other Internal Audit Activity / IT Coverage			
Leaseholder Service Charges	Following a 'partial assurance' opinion provided during 2020/21, we are proposing to undertake a re-audit of this area to allow the Council to take assurance that improvements have been made to the control framework. Coverage will include review of policies and procedures, the basis for apportioning service charges, the billing process, recording of leaseholders, recharge process for capital improvements and governance arrangements.	Q2	December 2021
Supplier Duplicate Payments - IDEA Testing	As part of our work for 21/22 we are proposing to utilise our IDEA software to identify potential duplicate payments made by the Council, and we will follow up on a sample of potential duplicates to review the invoices and audit trail within Agresso and will report back to the S151 Officer.	Q2	September 2021
Matrix	Following a previous review where significant weaknesses for the approval, booking of, management and monitoring of temporary staff which have been obtained through the Matrix contract were identified, we are proposing to undertake a review of the arrangements for using matrix and compliance with policies and procedures including review of actions undertaken as part of the previous review.	Q3	December 2021
Whistleblowing	Following an advisory review in 2018/19, a 'partial assurance' opinion in 2020/21 and a need to ensure that the whistleblowing processes in place are working, we propose to review the effectiveness of processes for the management of whistleblowing and grievances raised within	Q2	September 2021

Audit Title	Proposed Coverage (including link to risk title / consequence where appropriate)	Proposed timing	Proposed AGC
	and to the Council, with a view to enabling the Council to take assurance over the processes in place. We will also cover the actions raised as part of the previous review. (Assurance)		
Attendance Service – Children Missing Education (CME)	At the request of the Associate Director, Children and Families, we will review the effectiveness of the Attendance Service for CME. Slough Borough Council have a legal duty to identify children who are missing education (CME), taking action where necessary and ensuring children are receiving suitable education. This duty applies to all maintained schools, academies, free schools and independent schools. (Assurance)	Q1	June 2021
School Audits (maintained schools)	To allow the Council to take assurance over the effectiveness of governance and financial management arrangements within schools. As with previous years we will visit a sample of schools, based on outcomes from prior reviews, to review the effectiveness of governance and financial management arrangements on site. The reviews this year will include a follow up of Claycots and Cippenham schools where ‘partial’ assurance opinions were issued previously, other schools reviews will be agreed with the Council. (Assurance)	Q1 + Q2	Each Audit Committee
Follow Up	We will conduct Follow Up audits on a quarterly basis to provide assurance that agreed actions have been implemented and that there is sufficient evidence to demonstrate their implementation.	Throughout the Year	Each Audit Committee
Management Meeting Attendance	This will include attendance at all meetings (Department meetings, CMT, Risk Board, Governance meetings, ad-hoc meetings)	Ongoing	Ongoing
Management	This will include: <ul style="list-style-type: none"> • Annual Planning meetings and draft strategy • Preparation for, and attendance at, Audit and Corporate Governance Committee • Attending LG Chief Auditors Network • Administration of action tracking database (4action) used by the Council to track actions • Regular liaison and progress updates • Meetings with Chief Executive, S151 Officer, Monitoring Officer, Chair of Audit and Corporate Governance • Liaison with external audit and other assurance providers • Preparation of the annual Head of Internal Audit opinion and IA Charter 	Ongoing	Ongoing

Audits requested by Officers for coverage but deferred to future years due to other priorities:

Audit Title	Proposed Coverage (including link to risk title / consequence where appropriate)
Continuing Health Care Commissioning and Procurement	At the request of the Director of People (Adults), we will look to review the processes for Continuing Healthcare within the Council to allow the Council to take assurance over the processes in place since SBC took over the responsibilities of CHC commissioning and procurement on behalf of East Berks CCG in 2019/20. (Assurance)
Grip and Governance	At the request of the Chief Executive, we will review the robustness of plans to obtain a grip over the governance within the Council, which will include reviewing the mechanisms of how assurance is provided to CMT in relation to key functions within the Council. (Assurance)
ASC - Care Practice and Quality Assurance	At the request of the Director of People (Adults), we will undertake an advisory review to review whether all practitioners within Adult Social Care are following practice laid out in the Council's policies and procedures and whether there are robust quality assurance processes provide sufficient information. (Advisory)
ASC - Practice and CMHT	At the request of the Director of People (Adults), we propose to undertake a review to give a view on whether social care staff working in CMHT are appropriately discharging their care act responsibilities. (Advisory)
Adult Social Care (ASC) - Financial Assessments and Charging	At the request of the Director of People (Adults), we propose to undertake a review to allow the Council to take assurance over the processes in place for conducting financial assessments and whether these are done in a timely manner and in line with policies and procedures, and as part of this, we will also review the charging process in Adult Social Care and how this is monitored and managed to ensure income is collected to contribute towards the Adult Social Care Income Targets (Assurance)
IT Education and Awareness	At the request of the Council's IT Business Development Manager we are proposing to undertake a review in to cover the following: Users have a critical role to play in their organisation's security and so it's important that security rules and the technology provided enable users to do their job as well as help keep the organisation secure. This can be supported by a systematic delivery of awareness programs and training that deliver security expertise as well helping to establish a security-conscious culture.
Local Plan	The Council's new Local Plan will set out how to guide development in Slough through to 2036. The plan will contain policies to guide business and residential development to meet the needs of Slough's expanding population. The new Local Plan will update the existing Core Strategy, Site Allocations, and Local Plan Saved Policies. The emerging Local Plan aims to address some of the key challenges facing Slough and the plan could be escalated to a Gold Project. At the request of the Associate Director - Place Strategy and Infrastructure will undertake a review of the development of the Local Plan, including the governance around approvals and the implementation process including the consultation process. (Assurance)

Audit Title	Proposed Coverage (including link to risk title / consequence where appropriate)
Local Government Transparency Code	The Ministry for Housing, Communities and Local Government (MHCLG) published a revised Local Government Transparency Code on 27 February 2015 which includes new requirements to publish social housing assets. The revised Code came into effect on 1 April 2015. The LGA has produced a set of revised practical guidance documents to support local authorities in understanding and implementing the Transparency Code 2015 and to help them publish the data in a meaningful and consistent way. This area has not been covered by Internal Audit since 2017/18 where we issued a 'partial' assurance opinion and at the request of Strategic Programme Management Office (PMO) Manager as part of the Council's Grip and Governance Project, we are proposing to review compliance with the code. (Assurance)
Planned and Responsive Maintenance	Risk Consequence: If the RMI contract is not managed appropriately, there is a risk to the Council's reputation (PP82) The repairs and maintenance of the Council's housing stock is currently outsourced to Osbornes and at the request of the Director of Place and following a number of complaints to the Council regarding the performance of Osbornes, we will undertake a review to allow the Council to take assurance over the processes for maintaining the Councils Housing Stock and meeting the needs of its residents. (Assurance)
Governance of the Housing Delivery Action Plan	The Housing Delivery Test (HDT) measures net additional dwellings provided in a local authority area against the homes required. The methodology for calculating the Housing Delivery Test measurement is set out in the Housing Delivery Test Measurement Rule Book, and the Ministry of Housing, Communities and Local Government (MHCLG) will publish the HDT result for each local planning authority in England annually in November. Where delivery is below 95% of the Local Planning Authorities requirement it has to prepare an Action Plan in line with national guidance. At the request of the Associate Director - Place Strategy and Infrastructure we will look the governance around the delivery of actions to address shortfalls in housing need in Slough. (Assurance)
Capital Projects – Stoke Wharf	Risk: Failure to ensure financial sustainability. (F&A27) Stoke Wharf is a joint venture between SBC and Morgan Sindall, with Lovells as the developers. At the request of the Director of Corporate Resources, we will review the following significant projects within the Council's portfolio with a particular focus on: <ul style="list-style-type: none"> • The delegation of powers between SBC and partners • The timeliness of the process • Whether the projects have a sufficient level of governance in place, particularly in relation to the approval process • The process for the development and approval of business cases, including the funding / capital budgets • Benefits Realisation / monitoring of performance; • Risk Management arrangements; • The reporting of progress, including both financial and non-financial information. (Assurance)

Audit Title	Proposed Coverage (including link to risk title / consequence where appropriate)
Housing White Paper	As part of the Government's plans to ensure that residents in social housing are safe, are listened to, live in good quality homes, and have access to redress when things go wrong, a Social Housing Charter is being introduced, and at the request of the Director of Customer and Community, we propose to undertake a review to assess how the Council has implemented the requirements of the white paper. (Assurance)
HR – Appraisals	At the request of the Deputy S151 officer we propose to undertake a review to enable the Council to take assurance around the processes in place to ensure appraisals are being carried out on a consistent basis. As part of the audit, we will review whether appropriate guidance around the appraisal process is in place, whether Line Managers are sufficiently trained to conduct appraisals, whether appraisals are completed in a consistent manner and whether sufficient controls are in place to identify members of staff who have not had their appraisals completed. (Assurance)
Agresso Utilisation	At the request of the Director of Corporate Resources, we propose to undertake a review around how staff are utilising Agresso. The review will consider whether staff are both aware and fully utilising the reporting functionality available within the ERP platform. The scope of the review will focus on systems-based functionality available with respect to financial information (for example, budget reporting) as well as HR related information. (Assurance)
Contract Management - Everyone Active	<p data-bbox="456 743 1975 775">Risk: Failure of the Leisure Strategy to have an impact on the health of the local community (C&L5)</p> <p data-bbox="456 785 1975 916">Following the appointment of new contractors to manage the Council's Leisure Services, and a 'partial assurance' opinion in 2019/20, we will review the management of the contract with a view to providing assurance of the contract management arrangements in place and whether the actions raised as part of the previous review has been implemented. This work would be led by our contract management specialists. (Assurance)</p>
ASC - Data and performance information	At the request of the Director of People (Adults), we propose to undertake a review of the information generated from the Adult Social Care system following concerns raised over the timeliness and accuracy of management data reports and performance information data (Advisory)
Data Security and Protection Toolkit (DSPT)	<p data-bbox="456 1056 1975 1120">At the request of the Council's IT Business Development Manager we will undertake a review to assess the Council's compliance with the DSPT.</p> <p data-bbox="456 1129 1975 1302">The Council has access to a secure N3 connection which is being transitioned to The Health and Social Care Network (HSCN), which is a new data network for health and care organisations. It provides the underlying network arrangements to help integrate and transform health and social care services by enabling them to access and share information more reliably, flexibly and efficiently while benefitting from improved network and bandwidth capacity, financial savings and easier and smoother access to clinical systems.</p> <p data-bbox="456 1311 1975 1406">Currently to maintain access to this connection, the Council has to submit an annual self-assessment demonstrating how it complies with the requirements of the toolkit. Our review will confirm that sufficient evidence exists to demonstrate that processes are in place to comply with the minimum requirements of the toolkit (Advisory)</p>

2.1 Working with 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 obtained.

APPENDIX A: YOUR INTERNAL AUDIT SERVICE

Your internal audit service is provided by RSM Risk Assurance Services LLP. The team will be led by Daniel Harris as your Head of Internal Audit, supported by Amir Kapasi as your Manager.

Core team

The delivery of the 2021/22 audit plan will be based around a core team. However, we will complement the team with additional specialist skills where required. This will include the use of our IT Specialists within the Technology Risk Assurance (TRA) team, Risk Management specialists, Programme and Project Management Specialists and wider consulting specialists.

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.





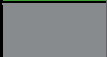


Our next external review will be conducted during 2021 and we will inform the Audit and Corporate Governance Committee of its findings.

Conflicts of interest

We continue to deliver support to the Council in relation to the Procurement Function, which has run into 2021/22. We also supply a range of software solutions to help the Council manage their action tracking, policy management and risk capture. All of this work was undertaken via separate engagements, led by independent engagement partners and delivered by specialist staff separate from the core Internal Audit Team. We have considered as part of all of these additional engagements the safeguards required to be in place and are satisfied that these have been met. We continue to keep the Section 151 Officer sighted and informed throughout the year of potential conflicts and how these have been considered and managed.

APPENDIX B: INTERNAL AUDIT STRATEGY 2019 – 2022

The table below shows an overview of the audit coverage to be provided through RSM's delivery of the internal audit strategy. This has been derived from the process outlined in Section 1 above, as well as our own view of the risks facing the sector as a whole.

Assurance Provided		Internal Audit - Third Line of Assurance					
		Risk Register Ref	2017/18	2018/19	2019/20	2020/21	2021/22
	Red - Minimal Assurance / Poor Progress						
	Amber/red - Partial Assurance / Little Progress						
	Amber/green - Reasonable Assurance / Reasonable Progress						
	Green - Substantial Assurance / Good Progress						
	Advisory / AUP						
Audit Area							
Risk based assurance							
Capital Projects – Tower and Ashbourne	F&A27						✓
Slough Children's Services Trust	CR33						✓
Planned and Responsive Maintenance	PP82						
Contract Management - Osbornes	PP82						
Capital Projects – Stoke Wharf	F&A27						
Contract Management – Everyone Active (Leisure Contract)	C&L5						
Continuing Healthcare	ACPH 3						

Governance - James Elliman Homes	RD 11					
Direct Services Organisation* (was being covered by RSM Specialists in 2020/21 but work paused at Council request)	CR6				✓	
Contract Management – Osborne	CR15					✓
Business Continuity and Emergency Planning	CR8					✓
Contract Management – Buoygues	CR15					
Slough Urban Renewal	CR4					
Adult Social Care - Management of Income / Financial Assessments and Charging	F&A 27					
Corporate Health and Safety	78				✓	
Temporary Accommodation Strategy	78				✓	✓
Budget Setting and Budgetary Control (including forecasting)	F&A 27					✓
Medium Term Financial Strategy (MTFS)	F&A 27					✓
Governance - Overview and Scrutiny - Committee Effectiveness	Gov 2					
Conflicts of Interest	F&A 27					
Safety Advisory Group (SAG)	C&C 9					
GDPR (previously Information Governance)	D&S IT 1					✓
Cyber Security and Cyber Risk	D&S IT 2					✓
Planning Performance Agreements (PPAs)	NWQ 1				✓	
Planning Applications Response Times	P&T 7				✓	
Accounts Preparation Process	F&A 1					
Savings Plan	F&A 27					

Special Educational Needs Funding	SD 2					
Major Infrastructure Projects (Local Enterprise Partnership)	RD11					
Fire Safety	78					
Gas Servicing	78					
4Policies	Gov 2					
Policies and Procedures	Gov 2					
Procurement	CR9					
Transformation Plan					✓	
Core Assurance						
Business Rates	CR2				✓	✓
Council Tax	CR2					✓
Housing Benefits	CR2					✓
Treasury Management	CR2				✓	✓
General Ledger	CR2				✓	✓
Debtors	CR2				✓	✓
Payroll	CR2				✓	✓
Capital Expenditure	CR2				✓	✓
Rent Accounts	CR2				✓	✓
Assets	CR2				✓	✓
Creditors	CR2				✓	✓
Rent Arrears Recovery	CR2					✓

Risk Management	Gov 2					✓
Governance – Sub Committee Effectiveness	Gov 2					
Cash Collection + Management	CR2					
Data Security and Protection Toolkit						
IT Education and Awareness						
Whistleblowing						✓

APPENDIX C: INTERNAL AUDIT CHARTER

Need for the charter

This charter establishes the purpose, authority and responsibilities for the internal audit service for Slough Borough Council. The establishment of a charter is a requirement of the Public Sector Internal Audit Standards (PSIAS) and approval of the charter is the responsibility of the audit committee.

The internal audit service is provided by RSM Risk Assurance Services LLP (“RSM”).

We plan and perform our internal audit work with a view to reviewing and evaluating the risk management, control and governance arrangements that the organisation has in place, focusing in particular on how these arrangements help you to achieve its objectives. The PSIAS encompass the mandatory elements of the Institute of Internal Auditors (IIA) International Professional Practices Framework (IPPF) as follows:

- Core principles for the professional practice of internal auditing;
- Definition of internal auditing;
- Code of ethics; and
- The Standards.

Mission of internal audit

As set out in the PSIAS, the mission articulates what internal audit aspires to accomplish within an organisation. Its place in the IPPF is deliberate, demonstrating how practitioners should leverage the entire framework to facilitate their ability to achieve the mission.

“To enhance and protect organisational value by providing risk-based and objective assurance, advice and insight”.

Independence and ethics

To provide for the independence of internal audit, its personnel report directly to the Partner Daniel Harris (acting as your head of internal audit). The independence of RSM is assured by the internal audit service reporting to the Chief Executive, with further reporting lines to the Director of Finance and Resources.

The head of internal audit has unrestricted access to the chair of audit and corporate governance committee to whom all significant concerns relating to the adequacy and effectiveness of risk management activities, internal control and governance are reported.

Conflicts of interest may arise where RSM provides services other than internal audit to Slough Borough Council. Steps will be taken to avoid or manage transparently and openly such conflicts of interest so that there is no real or perceived threat or impairment to independence in providing the internal audit service. If a potential conflict arises through the provision of other services, disclosure will be reported to the audit committee. The nature of the disclosure will depend upon the potential impairment and it is important that our role does not appear to be compromised in reporting the matter to the audit and corporate governance committee. Equally we do not want the organisation to be deprived of wider RSM expertise and will therefore raise awareness without compromising our independence.

Responsibilities

In providing your outsourced internal audit service, RSM has a responsibility to:

- Develop a flexible and risk based internal audit strategy with more detailed annual audit plans. The plan will be submitted to the audit committee for review and approval each year before work commences on delivery of that plan.
- Implement the internal audit plan as approved, including any additional tasks requested by management and the audit committee.
- Ensure the internal audit team consists of professional audit staff with sufficient knowledge, skills, and experience.
- Establish a quality assurance and improvement program to ensure the quality and effective operation of internal audit activities.
- Perform advisory activities where appropriate, beyond internal audit's assurance services, to assist management in meeting its objectives.
- Bring a systematic disciplined approach to evaluate and report on the effectiveness of risk management, internal control and governance processes.
- Highlight control weaknesses and required associated improvements together with corrective action recommended to management based on an acceptable and practicable timeframe.
- Undertake follow up reviews to ensure management has implemented agreed internal control improvements within specified and agreed timeframes.
- Report regularly to the audit committee to demonstrate the performance of the internal audit service.

For clarity, we have included the definition of 'internal audit', 'senior management' and 'board'.

- Internal audit – a department, division, team of consultant, or other practitioner (s) that provides independent, objective assurance and consulting services designed to add value and improve an organisation's operations. The internal audit activity helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management and control processes.
- Council senior management who are the team of individuals at the highest level of organisational management who have the day-to-day responsibilities for managing the organisation.

- Executive (Cabinet) - The highest level governing body charged with the responsibility to direct and/or oversee the organisation's activities and hold organisational management accountable. Furthermore, "board" may refer to a committee or another body to which the governing body has delegated certain functions (eg an audit and corporate governance committee).

Client care standards

In delivering our services we require full cooperation from key stakeholders and relevant business areas to ensure a smooth delivery of the plan. We proposed the following KPIs for monitoring the delivery of the internal audit service:

- Discussions with senior staff at the client take place to confirm the scope six weeks before the agreed audit start date.
- Key information such as: the draft assignment planning sheet are issued by RSM to the key auditee six weeks before the agreed start date.
- The lead auditor to contact the client to confirm logistical arrangements at least 15 working days before the commencement of the audit fieldwork to confirm practical arrangements, appointments, debrief date etc.
- Fieldwork takes place on agreed dates with key issues flagged up immediately.
- A debrief meeting will be held with audit sponsor at the end of fieldwork or within a reasonable time frame.
- Draft reports will be issued within 10 working days of the debrief meeting and will be issued by RSM to the agreed distribution list / Huddle.
- Management responses to the draft report should be submitted to RSM.
- Within three working days of receipt of client responses the final report will be issued by RSM to the assignment sponsor and any other agreed recipients of the report.



We continue to closely monitor and implement official guidelines from the Government and health organisations in respect of Covid-19. All our staff must adhere to the relevant RSM Policies, including limiting time on site and completing the relevant approvals prior to any site visit.

Authority

The internal audit team is authorised to:

- Have unrestricted access to all functions, records, property and personnel which it considers necessary to fulfil its function.
- Have full and free access to the audit committee.
- Allocate resources, set timeframes, define review areas, develop scopes of work and apply techniques to accomplish the overall internal audit objectives.

- Obtain the required assistance from personnel within the organisation where audits will be performed, including other specialised services from within or outside the organisation.

The head of internal audit and internal audit staff are not authorised to:

- Perform any operational duties associated with the organisation.
- Initiate or approve accounting transactions on behalf of the organisation.
- Direct the activities of any employee not employed by RSM unless specifically seconded to internal audit.

Reporting

An assignment report will be issued following each internal audit assignment. The report will be issued in draft for comment by management, and then issued as a final report to management, with the executive summary being provided to the audit and corporate governance committee. The final report will contain an action plan agreed with management to address any weaknesses identified by internal audit.

The internal audit service will issue progress reports to the audit and corporate governance committee and management summarising outcomes of audit activities, including follow up reviews.

As your internal audit provider, the assignment opinions that RSM provides the organisation during the year are part of the framework of assurances that assist the board in taking decisions and managing its risks.

As the provider of the internal audit service we are required to provide an annual opinion on the adequacy and effectiveness of the organisation's governance, risk management and control arrangements. In giving our opinion it should be noted that assurance can never be absolute. The most that the internal audit service can provide to the board is a reasonable assurance that there are no major weaknesses in risk management, governance and control processes. The annual opinion will be provided to the organisation by RSM Risk Assurance Services LLP at the financial year end. The results of internal audit reviews, and the annual opinion, should be used by management and the Cabinet to inform the organisation's annual governance statement.

Data protection

Internal audit files need to include sufficient, reliable, relevant and useful evidence in order to support our findings and conclusions. Personal data is not shared with unauthorised persons unless there is a valid and lawful requirement to do so. We are authorised as providers of internal audit services to our clients (through the firm's terms of business and our engagement letter) to have access to all necessary documentation from our clients needed to carry out our duties.

Quality Assurance and Improvement

As your external service provider of internal audit services, we have the responsibility for maintaining an effective internal audit activity. Under the standards, internal audit services are required to have an external quality assessment every five years. In addition to this, we also have in place an internal quality assurance and improvement programme, led by a dedicated team who undertake these reviews. This ensures continuous improvement of our internal audit services.

Any areas which we believe warrant bringing to your attention, which may have the potential to have an impact on the quality of the service we provide to you, will be raised in our progress reports to the audit committee.

Fraud

The audit committee recognises that management is responsible for controls to reasonably prevent and detect fraud. Furthermore, the audit committee recognises that internal audit is not responsible for identifying fraud; however internal audit will be aware of the risk of fraud when planning and undertaking any assignments.

Approval of the internal audit charter

By approving this document, the internal audit strategy, the audit committee is also approving the internal audit charter.

FOR FURTHER INFORMATION CONTACT

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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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